BETTY T. YEE

California State Controller

November 4, 2019

Ashley Salvino
Cause of Action Institute
1875 Eye Street NW
Suite 800
Washington DC 20006

Re: Public Records Act Request

This is in reply to your Public Records Act request dated August 23, 2019. The request mirrors prior requests made by your client, Mr. Adam Andrzejewski and his organization, American Transparency (dba Openthebooks.com) approximately 6 years ago and which were promptly responded to.

As explained at that time, as was the case previously, your request is not entirely clear with respect to vendor payments and, as such, the State Controller's Office is unable to comply with your request.

The State of California, State Controller's Office does not maintain a centralized vendor contract database which would allow it to identify all contracts regardless of the agency awarding such contract. In fact, many state contracts are paid for directly by the contracting agency. This procedure allows the contracting agency to make such payments as expeditiously as possible thereby taking advantage of an early payment discount which may be available.

Moreover, the Controller's Office receives literally thousands of claims for payment daily. Claims are batched by date received and are not segregated, logged or otherwise tracked by agency, employee or payment type. Consequently, because of the way the claims are batched and processed by this office, we are unable to locate or otherwise provide you with the documents requested.

First, when I say decentralized I mean that the State Controller does not pay all contracts. Rather, many contracts are paid directly by the contracting agency. In California, there are approximately 500 California state governmental agencies, departments and commissions each of which pay some or all of their vendors directly. The State Controller's Office does not maintain a "check" register dedicated solely to vendor payments which covers all vendor payments made by every agency, board and commission of the State of California.

In basic terms, and using the following example, the process works in the following manner.

Scenario 1—Agency Pay

1. An agency contracts for the delivery of goods and/or services and is billed by the vendor accordingly.

2. The contracting agency decides to pay the vendor in order to take advantage of a 30/60/90 discount.

3. The contracting agency writes a check payable from the agency's Revolving Fund account Each agency has its own Revolving Fund account which is essentially a checking account from which an agency can pay its bills.

4. Periodically, the agency will forward a claim to the State Controller requesting that its Revolving Fund account be replenished. The agency's claim is supported by a listing of expenditures made from the Revolving Fund as well as any backup information the agency has to support the expenditure.

5. The claim for reimbursement is audited upon receipt prior to the Controller replenishing the agency's revolving fund.

6. All claim schedules are batched by date of receipt and are not segregated by agency or payment type.
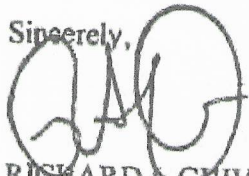
Scenario 2—Controller Pays Claim

1. An agency contracts for the delivery of goods and/or services and is billed by the vendor accordingly.

2. The contracting agency prepares a claim schedule, attaches the invoice and submits the claim to the Controller for payment.

3. The Controller audits the claim prior to payment and either rejects or pays the claim.

4. The claim schedule is batched by date of receipt and are not segregated by agency or payment type.

Under scenario 1, the decentralized payment method, since the Controller issues her payment to the agency revolving fund as opposed to any particular vendor, the vendor payments made by the agency are not recorded into the Controller's system.

For the reaonsons explained above, and absent any clarification to your request, this office is unable to comply with your request.

Sincerely,

RICHARD J. CHIVARO
Chief Counsel

RJC/sw