



August 7, 2013

Honorable Rick Scott
Executive Office of the Governor, the Capitol
Tallahassee, Florida 32399-0001

Honorable Pam Bondi
Office of the Attorney General, the Capitol
Tallahassee, Florida 32399-1050

Honorable Jeff Atwater
Office of the Chief Financial Officer, the Capitol
Tallahassee, Florida 32399-0300

Honorable Adam Putnam
Office of the Commissioner of Agriculture, the Capitol
Tallahassee, Florida 32399-0810

Re: Lack of transparency and accountability for Enterprise Florida bonus plan

Gov. Scott, Attorney General Bondi, CFO Atwater and Commissioner Putnam,

Since you are members of the board of directors of Enterprise Florida, a taxpayer-funded entity created by the Florida Legislature that operates as the state's commerce department, we bring to your attention a questionable bonus plan in advance of your board meeting on August 8, 2013.

Secretary of Commerce Gray Swoope and his staff at Enterprise Florida are seeking your approval of a proposal to allow them to exceed one million dollars in bonus pay within the last twelve months. On September 13, 2012, the Enterprise Florida board of directors voted in favor of \$497,500 in bonuses for Secretary Swoope and his staff. On August 8, 2013, the Enterprise Florida board will consider a proposal for an additional \$630,000 bonus pool just for the staff and a separate, yet to be disclosed, bonus package for Secretary Swoope. Secretary Swoope's last bonus of \$70,000 was approved at the September 2012 Enterprise Florida board meeting, despite the item never appearing on the board agenda. Secretary Swoope's proposed 2013 bonus is not on your August 8 meeting agenda, which was just published online on August 2, less than a week before your upcoming vote on the bonus plan, an agenda item buried on page 26.

According to several independent auditors' reports, Enterprise Florida is failing to meet the requirements of Florida Statutes Section 288.904(2)(a), which requires that "state appropriations must be matched with private sector support equal to at least 100 percent of the state operational funding". Enterprise Florida's most recent financial report for the fiscal year ending June 30, 2013 indicates state appropriations represent more than 80 percent of the organization's revenue and just 7.6% of its revenue comes from "private cash contributions".

When Secretary Swoope and the Enterprise Florida staff sought your approval of bonuses in September 2012, it was explained to the board that incentive compensation was limited to a percentage of the Enterprise Florida budget based upon the number of private sector board members and the Enterprise Florida executive committee was informed that there was a 30 percent of private cash contributions cap for the bonus pool. For the bonus plan you will be asked to consider on August 8, the Enterprise Florida staff has manufactured a new process to circumvent the prior 30 percent cap policy.

There are also major flaws in the Enterprise Florida bonus criteria, including allowing the staff to count jobs promised towards their jobs created goal. Basically, the Enterprise Florida staff negotiates agreements with companies promising jobs in exchange for subsidies, then counts pledges that companies might create jobs in the future as performance that merits bonuses. Jobs promised by Enterprise Florida board member companies who negotiate incentive deals with Enterprise Florida staff are also allowed to be counted towards the staff performance goals for their bonuses, which clearly presents a conflict of interest.

Our bipartisan coalition recommends the following remedies:

Ensure Enterprise Florida complies with the law. We urge you to consider delaying the August 8 vote on the Secretary of Commerce and Enterprise Florida staff bonuses until you are able to assure taxpayers that the organization's operating budget is in compliance with the requirements of Florida Statutes Section 288.904(2)(a).

Increase transparency. We encourage the Enterprise Florida board of directors to be more transparent about its practices by posting online complete agendas of all meetings of the board and board committees at least a week in advance, posting online minutes immediately following meetings and providing online access to audio or video recordings of all committee and board meetings in a timely manner online.

Increase accountability. We encourage the Enterprise Florida board of directors to protect Florida taxpayers with a more accountable process for staff performance recognition and awards that avoids conflicts of interest. Any incentive compensation plan for the Secretary of Commerce and Enterprise Florida staff should be based on actual results that benefit Floridians rather than promises alone.

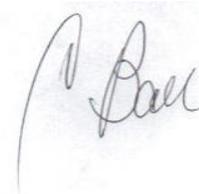
Sincerely,



Mark Ferrulo
Executive Director
Progress Florida



Dan Krassner
Executive Director
Integrity Florida



Catherine Baer
Chair
The Tea Party Network

Cc: Senate President Don Gaetz, House Speaker Will Weatherford, Senator Nancy Detert, Representative Marti Coley, Enterprise Florida Vice-Chair Brett Couch and Secretary of Commerce Gray Swoope.