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# Reality Check: State wants to keep job numbers secret

WTHR-TV  
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[Bob Segall](#)/13 Investigates

*Indiana has created more than 100,000 new jobs in the past five years at least that's what the governor and Indiana's Economic Development Corporation want you to believe. But 13 Investigates discovered Indiana's real job numbers are a tightly kept secret. And the governor and IEDC want to keep it that way.*

Indianapolis - Indiana's much-publicized job numbers don't add up.

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Where the [Indiana Economic Development Corporation](#) claims tens of thousands of new jobs, 13 Investigates documented empty factories and undeveloped corn fields all across the state. WTHR's investigation found at least 40% of Indiana's 100,000 "new jobs" promoted by the IEDC and Governor [Mitch Daniels](#) have never come, drawing the governor's ire.

"You seem to have a blindingly clear view of what is perfectly obvious," the governor said of the Eyewitness News investigation. "In a recession, a lot of businesses have to change their plans."

But the governor did not explain why a state economic development agency that he created and oversees continued to promote Indiana's job commitment (promised jobs) statistics instead of its job realization (actual jobs) numbers long after it became "perfectly obvious" that thousands of promised jobs would not materialize. And when asked to provide the state's real job numbers and to explain which companies followed through on their job promises and which ones did not, Daniels directed WTHR to attend an IEDC board meeting.

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"The IEDC board meetings are public and a lot of enterprising reporters choose to attend them, and the those numbers are available there," he told WTHR in March.

13 Investigates accepted the governor's invitation.

### **Governor walks out**

WTHR attended IEDC's spring board meeting, where board members reviewed charts and graphs showing summary job information. But despite the governor's invitation, the board offered no job realization numbers to support specific job commitments previously promoted by Daniels and the IEDC. So after the meeting, WTHR again asked the governor to provide that information and, this time, he simply walked out.

IEDC director Mitch Roob explained the governor and IEDC will not release Indiana's detailed job numbers to anyone. While the state uses Hoosier tax dollars to help attract new jobs, Hoosier tax payers do not get to see what they're paying for.

"We don't share it with the public. We don't release it to the news media. That's confidential information," Roob said.

What Indiana keeps confidential, other states make very public. Nearby states such as Ohio, Illinois, Michigan and Minnesota offer detailed economic development information to anyone who wants to see it.

### **"Just common sense"**

"We think it's good public policy and, frankly, just common sense," said Warren Ribley, director of the [Illinois Department of Commerce and Economic Opportunity](#).

Under the [Illinois Corporate Accountability Act](#), all Illinois companies that receive state economic development incentives must file a detailed report with IDCEO, and that information is then [posted online](#).

Illinois tax payers can see how many jobs were created by a company compared to the number of jobs it promised; how many of the new positions are full-time, part-time and temp; starting dates for the new positions; salaries and total payroll created; and how much public tax money was provided to each company.

"I think our residents deserve that because we're using their hard-earned funds," Ribley said. "We owe that level of accountability back to the taxpayers."

Michigan provides similar information, including company-by-company job realization numbers and salary details for all newly-created jobs.

"There's no reason to withhold it," said Bridgett Beckman, public information officer of the [Michigan Economic Development Corporation](#). "All of that is discussed at public meetings and it's all a matter of public record."

Roob sees the issue very differently.

"That's just not the way Indiana has done it ever," he said. "People in Indiana -- the businesses of Indiana -- feel very strongly that their relationship with state government is between state government and that company."

### **Information blackout**

Getting information about those relationships is not easy. Even the most basic public records from IEDC can take weeks or even months to get. When 13 Investigates did receive the records it requested, wage, tax credit, employment, and job realization information had been crossed out.

"That's not a mistake," Roob said. "That is a competitive weapon that companies believe can be used against them by their competitors."

Other states believe that's simply not true.

"I don't understand that philosophy, particularly if a state is using public funds and [state tax](#) dollars to pay the bill for those new jobs. We need to hold [companies] accountable to make sure they do create those jobs, and the public also has the right to hold us accountable" said Ribley, adding that publicly releasing corporate job numbers has not discouraged companies from bringing jobs to Illinois. "We've never had a single company express concern or raise the fact that they did not want to choose Illinois because they were going to have to report that information," he said.

"What else would they say? We compete with them and beat them each and every day," responded Roob, who insists Indiana's confidential policy on corporate job and salary information gives IEDC an advantage in attracting jobs to Indiana.

"We do not intend to unilaterally disarm the competitive advantage that the Indiana Economic Development Corporation has," he said.

But is withholding information from taxpayers really giving Indiana a competitive advantage?

### Transparency vs. jobs

During the past three years, Indiana attracted 518 new corporate facilities and expansions, according to Site Selection magazine. By comparison, Illinois, Michigan and Ohio each attracted far more of those new facilities and expansion projects despite requiring companies to provide [detailed job and salary information that is made available to the public](#).

CNBC gives Indiana high marks for its business-friendly climate, and publications such as [Forbes](#) and [Chief Executive](#) magazine rank Indiana in the top third of all states nationally for its regulatory environment for business. But some business, policy and labor analysts believe limiting public access to job information in exchange for a more business-friendly environment for corporations may be dangerous while also undermining the governor's efforts to bring new jobs to Indiana.

"The lack of transparency by [not] reporting on what has really happened is a very serious matter," said Morton Marcus, a business professor and former director of the Indiana Business Research Center at Indiana University. "We've already seen the state's numbers are flawed and the state is not forthright in providing information, so certainly we must very suspicious about any kind of statement coming out of IEDC or the governor's office about how many jobs we're going to have in Indiana. It really becomes a trust issue."

Tom Lewandowski, president of the [Northeast Central Labor Council in Fort-Wayne](#), agrees.

"I'm always suspicious if people don't want to be transparent, then they're probably not confident with what they're going to see," he said. "If we can do economic development in an honorable way, we'll get better deals. We'll have fewer photo opportunities for the governor, but we'll have more real economic development."

IEDC says it is legally prohibited from releasing Indiana job numbers because, according to Roob, those numbers are exempt from disclosure under Indiana's Public Access Law. The law states "records containing trade secrets" and those related to negotiations between IEDC and its prospects that were created during negotiations may not be disclosed by a public agency. But it is not clear whether job realization numbers fall under those exemptions. Illinois and other states have adopted corporate accountability laws that require job

realization numbers to be released publicly.

### Numbers real or fake?

A former manager at Indiana's [Office of Management and Budget](#) believes IEDC improperly use the public access rules to justify withholding information that should be released to the public.

"I can tell you if they have the numbers and they were good, you'd have them by now," said Tad DeHaven. "If they don't the numbers, it means either they're bad or they don't have them."

DeHaven served as deputy director in OMB's Government Efficiency & [Financial Planning](#) office, where he reviewed the statistics and processes of Indiana state agencies.

"IEDC was one of those programs we consistently laughed at because we knew that their numbers were wave their magic wand and, poof, up they came," he said. "No one in their right mind would have believed the numbers coming out of IEDC because these state agencies would just submit whatever numbers they wanted to: real, fake...who knew? We didn't audit it, and whenever we'd suggest an independent auditing process, it was always shot down."

Even IEDC cannot agree on its job numbers. Roob told 13 Investigates 87% of jobs committed to Indiana were on track. A few days later, the governor (who is chairman of the IEDC board of directors) said the number was 92%. WTHR's statewide investigation found the number is likely below 60%.

"We think our numbers are right. Obviously you think your numbers are right. Clearly it's not 100%, and clearly it's not 50%," Roob said. The difference between 50% and 100% amounts to roughly 50,000 Indiana jobs over the past five years.

Roob says tax records show concrete evidence that companies hired (or did not hire) the workers they announced, although those tax records are also confidential. And while IEDC insists companies do not receive economic incentives until after they show evidence of job creation, Roob admits some companies included on IEDC's annual lists of "economic successes" do not provide any follow-up information to IEDC in order to claim state incentives and, therefore, accurately documenting their job realization numbers is almost impossible.

"We have no way of tracking whether or not they have or have not created that number of jobs," he said.

Who checks to make sure IEDC is providing the public with accurate job numbers?

It's IEDC.

The agency says its staff and board members carefully review information submitted by Indiana businesses. That happens behind closed doors not in public which means tax payers cannot see how the process works.

"We provide oversight to see which companies overperform and which companies underperform. We do it privately so the board members know but companies don't want us to tell you that information," Roob told WTHR immediately following IEDC's most recent board meeting.

He then left the room to meet with IEDC staff and board members in an executive session, away from reporters and TV cameras.

*Note: 13 Investigates first asked Governor Daniels for a meeting and interview three months ago to discuss job numbers promoted by his office and IEDC. Despite repeated attempts, the governor has declined WTHR's requests.*

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