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ALLRED: CRONYISM LEADS TO WASTED RESOURCES

Keith Allred, candidate for governor 2010, said today the case of Mike Gwartney, the head of the Department of Administration, is another case of the Otter administration hurting our kids' future while they ignore the facts on the ground.

Instead of creating qualified, solid administration, Otter has ceded control to political bullies like Gwartney. The result? What should have been an objective process of awarding an important educational services contract has turned into a massive lawsuit implicating Gwartney. All the while, Idaho is wasting money.

Gwartney is the defendant in a lawsuit filed December 15 of 2009, wherein Syringa Networks alleges that Gwartney illegally rejected a superior bid for a multimillion-dollar broadband contract to support the Idaho Education Network. By most accounts, the contracts would be worth \$10 million in the first year and up to \$50 million over five years, with some funding coming from the federal government.

But with Gwartney's help, Idaho is spending more, growing the cost of government unnecessarily and getting less. Syringa's proposal not only outperformed Qwest's in an objective competitive bid process, but the company's proposal was some 33 percent cheaper per month than Qwest's. This could mean spending as much as \$15 million more over the five-year period of the contract at a time when Idaho is cutting other budgets to save money.

"This botched deal would have us spending more and getting less for Idaho's kids," said Allred.

Ultimately, Allred said, the blame falls to Otter.

"You can tell a lot about a public official by the people they have around them," said Allred. "This is another example of Otter's failed leadership. Instead of finding qualified agency leaders, he's brought in a crony who's done nothing but damage Idaho state government."

The lawsuit claims Gwartney used his political muscle to lean on Syringa Networks, shutting the company out of other contracts with Idaho state government.

A report by Cynthia Sewell in Sunday's Idaho Statesman quotes lawmakers from both parties who regard Gwartney as "imperialistic" and heavy-handed. Now, that management style may cost the state millions of dollars in government inefficiency and waste.

"As governor, I will appoint managers of agencies based on ability and track record, not cronyism," Allred said. "Idaho deserves nothing less than the best at a time like this, but that's not what we're getting from Otter and his buddy Mike Gwartney."