



Media Release

For Immediate Release

October 26, 2010

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The attached letter was sent today Mayor David Cicilline from John Loughlin, candidate for Congress in RI-1, regarding the near-bankrupt status of the city of Providence.

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Paid for by the Friends of John Loughlin



October 26, 2010

Mayor David Cicilline
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Dear Mayor Cicilline,

I am writing to you today because it appears the city of Providence is bankrupt or close to it and that you are deliberately hiding this fact from the people of Rhode Island. I am concerned that for political reasons your campaign for Congress is causing you to act in such a way as to conceal the budget problems facing the city of Providence, making them worse in the process.

According to City Auditor James Lombardi, you have refused his requests for financial information for the past six months. As a result, he has had to resort to filing requests under the State Access to Public Records Act (APRA). This is an extraordinary set of circumstances because as you know the good functioning of government depends on transparency and accountability. By not making information available when requested, you are acting in a manner that is antithetical to good government.

What little information the Auditor has obtained causes him grave concern. Specifically, he said that \$18 million of the regularly scheduled pension payment of \$38 million for the last fiscal year was never paid. He also said the city's reserve contingency funds account – the so-called "rainy day fund" – went from having a balance of \$14.4 million on July 1, 2009 (the start of the last fiscal year) to **NEGATIVE** \$187,736 on June 30, 2010 (the end of the last fiscal year).

Based on this alarming information, I am concerned that the city cannot make its way through the current fiscal year without a tax increase, severe budget cuts, or both. I am calling on you to immediately disclose to the taxpayers of Providence and the people of Rhode Island the full extent of the city's current financial situation by releasing to the Auditor's Office and the public at large a balance sheet and a cash flow analysis showing the current state of the city's finances.

It is time for you to set aside concerns about how the city's deteriorating fiscal condition will affect your campaign for Congress. You need to set aside concerns about your political career and level with the people of Rhode Island.

Sincerely,

A handwritten signature in black ink that reads "John Loughlin". The signature is stylized and cursive.

John Loughlin