RESTORING INTEGRITY

To the management of the Commonwealth's coffers



CAMPAIGN PROSPECTUS



ERIN McCLELLAND

Pennsylvania State Treasurer

Campaign Prospectus



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BIOGRAPHY

A native of Western Pennsylvania, I was born, raised, and currently live in a working class steel mill town on the outskirts of Allegheny County. I am the beneficiary of four generations of organized labor and relish the fact that my hometown still has an operational rolling steel mill. I received my Bachelor of Science degree in Psychology from the University of Pittsburgh in 1997 and Master of Science concentrating in Industrial/Organizational Psychology from Chatham University (formerly Chatham College) in 2002.

I spent 15 years of my career as a substance abuse and mental health counselor and served as a program manager and director of treatment systems in multiple Western PA counties. In 2003, I began working at the Institute for Research, Education and Training in Addiction (IRETA) as their Process Improvement Manager. My work was dedicated to reducing the 10-year information gap between best-practice research and clinical integration throughout Pennsylvania, New York, and New Jersey.

During that time, I had the privilege to train under the direction of former Treasury Secretary Paul O'Neill, where I learned supply chain logistics and lean process improvement strategies to eliminate errors, increase effectiveness, reduce waste, and improve outcomes in large systems. While at IRETA, I served as an opiate addiction consultant on the White House Office of National Drug Control Policy's (ONDCP) 25 Cities Initiative.

In 2006, I designed, successfully state-licensed, and operated the first and only orthomolecular recovery program for addiction in Pennsylvania. This program raised nearly \$2 million in venture capital funding and was featured twice in Industrial Engineer Magazine for using supply chain management principles and lean systems to improve effectiveness. Not willing to succumb to common claims of over-regulation in the substance abuse treatment system by some providers, I set a goal to achieve a perfect evaluation in the clinic's annual state audit and achieved it.

Having developed a deep understanding and passion for public policy, in 2014 and 2016 I was the Democratic nominee for the United States Congress in Pennsylvania's 12th Congressional District serving Cambria, Somerset, Beaver, Westmoreland, Lawrence, and Allegheny Counties. Being on the ballot at the same time as Donald Trump and seeing first-hand the issues of rural and working-class voters ignored by my own party was an experience and a conscious awareness that I carry with me to this day.

I began performing process improvement and policy work at the Allegheny County Department of Human Services (DHS) in 2015. My work includes redesigning the organization's employee performance management system, developing a merit-based hiring process and policy, writing the employee medical marijuana policy, and identifying points of systemic-bias in the employee recruitment and retention processes. Every day I work to standardize employees' work, eliminate organizational bias, and advocate for blame-free work-place principles that protect workers, improve morale, and decrease turn-over and other forms of systemic loss.

I have thoroughly enjoyed starting and operating a small business and working to improve government systems, processes, and policies while advocating for our public-sector workers. My experience has taught me that in any large complex adaptive system, it doesn't matter how good our intentions are if we don't have viable systemic answers to two fundamental questions: What problem are we trying to solve and what is the root cause of this problem? The devil lies completely in the details of the policy solutions we implement.

It's time we elect a responsible, honest broker to oversee the Commonwealth's Treasury who is committed to rebuilding our state's supply chain with transparency and integrity and managing our taxpayers' coffers with diligence and accountability.

REBUILDING THE SUPPLY CHAIN

Infusing Labor and Environmental Standards while Preventing Human Rights Violations

As the United States continues to onshore mining and manufacturing jobs, the pressure to compete will result in increased human rights atrocities throughout the world. Which means, if we truly want to end the 52-year "race to the bottom" and become the leaders that elevate the integrity of global trade, we have to up our game significantly at the state and local level.

FACT: At this time, an estimated 50-77% of the polysilicon used for solar panels is manufactured in the Xinjiang Uyghur Autonomous Region of the People's Republic of China, using enslaved and forced labor, through coal-fired processes with minimal to no environmental controls. The Uyghur people are Turkish Muslims that inhabit the Northwest region of China. It is estimated that 1.2 million Uyghurs are being held captive by the People's Republic of China in "re-education camps" and forced to work in factories and cotton fields.

"The crimes against humanity in the camps include imprisonment, torture, forced sterilization, and persecution, including through forced labor and the imposition of draconian restrictions on the freedoms of religion or belief, expression, and movement," (US Office of Homeland Security, Office of Strategy, Policy, and Plans, 2023)

Section 307 of the Tariff Act of 1930 prohibits importation of any product manufactured with forced, enslaved, or child labor. Because China has been prolific at circumventing this trade ban, the Biden administration established the Uyghur Forced Labor Prevention Act (UFLPA) which was passed and enacted on December 23, 2021.

First off, our failure to enact these trade and economic reforms at the state and local level will continue to fuel Republican claims that Biden's New Deal style initiatives are deteriorating standards for American workers and serving as taxpayer-funded giveaways to China. We absolutely cannot permit such negligence to continue.

Second, supply chain integrity is about PRESSURE. For example, when a car manufacturing company wants to enhance their just-in-time inventory system, they create pressure by demanding that their seat supplier deliver the seats in a specific sequence so the proper color and model of seat can be taken directly from the delivery truck and installed into the coordinating car on the assembly line.

If we are to support these reforms in a real operational way, the legislature has to generate pressure on manufacturers which the Treasurer can then enforce. Companies should be required to take on the responsibility of certifying and verifying the integrity of their supply chain. And only then will they be eligible for taxpayer-funded projects. On the contrary, when you read the PA Solar for Schools bill, the only pressure generated by the bill is on the federal government to give us taxpayer dollars so we can spend it as haphazardly as possible. *It's inexcusable*.

As Pennsylvania's next Treasurer, I will employ the contract oversight authority that the position possesses to exercise meticulous scrutiny and ensure compliance with all current trade regulations and laws and work diligently to keep the legislature informed of these standards to so nothing is missed.

It is essential that our state
Treasurer and our legislature
exercise diligence in monitoring
this supply chain and that of
manufacturers from which the
Commonwealth purchases foreign
goods.

This is not currently occurring in either body.

REBUILDING THE SUPPLY CHAIN

Strengthening Contract Oversight and Correcting the Pennsylvania Legislature's Failure to Adjust

The United States entered a trade deficit on August 13, 1971. Over the past 52 years, we have seen numerous trade agreements, supply-chain restrictions, and international labor standards that have yielded little to no relief of this problem, and at times, exacerbated it.

Worse yet has been the Republicans' incessant touting of cheap labor and antiquated environmental and workplace safety standards as if they are revolutionary tools for keeping inflation low and the economy stable, neither of which is entirely true. (Alan Greenspan's self-professed career-long love affair with cheap, and at times forced, labor has been unpleasantly domiciled under my skin for decades.)

Then, in 2020, the pandemic delivered a violent shock to the systems of international supply-chains and caused corporations all over the planet to question the reliability of a production and procurement process vulnerable to economic shifts, corrupt foreign monetary policies like currency manipulation, increasing climate-catalyzed national disasters, and wars. *Cheap labor suddenly got very expensive*.

There is no question that the Biden administration seized the day, taking every step to maximize this historic opportunity. The result was a quartet of New Deal style economic stimuli: The American Rescue Plan, The Infrastructure Investment and Jobs Act, The Inflation Reduction Act, and the Chips and Science Act. The outcome has been the creation of 696,000 manufacturing jobs and the lowest unemployment rate in 54 years.

But here is the problem. Biden's supply-chain reforms possess a breadth, depth, and density, the likes of which this world has never seen. Because supply-chain management logistics have become a lost art in government economic policy, we are failing to infuse these reforms into our state and local systems. That needs to change.

CASE EXAMPLE: HB 1032 - The Solar for Schools Bill

The PA House Democrats sponsored and supported HB 1032 to enable receipt of Inflation Reduction Act funds for the purpose of purchasing and installing solar panels on schools throughout the keystone state. Tragically, they failed to legislate any of the evidenced-based practices proven to guarantee procurement and construction is done with the integrity the Act commands and the taxpayers deserve. Below are just some of the standards completely missing from the bill:

1. Conflict Mining (UMWA)
The minerals used to create photovoltaic cells for solar panels are mined. The U.S. has determined minimum acceptable standards for mining.

solar panels are mined. The U.S. has determined minimum acceptable standards for mining, sustainability, and human rights. No such standards are in the PA House bill.

2. Labor (Building and Construction Trades)
PLA: Not all PA school districts maintain a Project
Labor Agreement dictating their construction
standards. Therefore, at a very minimum, a basic
PLA should have been delineated in the bill.

RCO: The Building Trades espouse what is approximately 10 Responsible Contractor Qualifications and 6 Responsible Contracting Ordinances to ensure that the construction is done by a quality, reputable, reliable, and ethical contractor. Again, the "enabling" legislation in PA has none of these qualifications or ordinances.

3. Rule-of-Origin (United Steelworkers) ROO determines what percentage of a product must be made in the USA in order to be eligible for the program. The recommended ROO of solar panels hovers around 45%. In this case, the PA House Democrats failed to put any ROO in the legislation. The House Republicans however, responded to the oversight. They amended the bill to include a ROO of 75%, which is for all intents and purposes, impossible.

To put it bluntly, the PA House Republicans trumped the House Democrats on trade policy and made the entire bill dead on arrival.

ENDING PENSION PRIVATIZATION

And stopping Stacy Garrity's George W.
Bush Great Recession Starter Kit

Our current state Treasurer has a well-documented affection for people that want to break public-sector pensions and systemically dismantle Social Security. One of the most prominent among them is John Arnold, a billionaire hedge fund founder and former ENRON oil and gas speculator. In 2003 he created the Arnold Foundation, which is primarily dedicated to the destruction of public pensions and Social Security. Arnold has given tens of millions of dollars to the Pew Public-Sector Retirement Systems, a sinister pension-busting initiative shrouded in the credibility of the Pew Charitable Trusts and guised as "pension reform."

The Arnold Foundation and the Pew Public-Sector Retirement Systems have been *peddling a privatized*, *unregulated*, *self-directed*, *non-employer sponsored* "retirement program" to state treasurers and legislatures throughout the country. In Pennsylvania, the Office of the State Treasurer and the legislators call it KEYSTONE SAVES.

I call it "The George W. Bush Great Recession Starter Kit."

This type of account is so unstable and unregulated that the U.S. Securities and Exchange Commission (SEC) issued an alert to warn people about the serious potential for fraud in these types of products.

The following is an excerpt from SEC alert released on February 7, 2023:

"A self-directed IRA is an IRA held by a custodian that allows investment in a broader set of assets than most IRA custodians permit. Custodians for self-directed IRAs may allow investors to invest retirement funds in "alternative assets" such as real estate, precious metals and other commodities, crypto assets, private placement securities, promissory notes, and tax lien certificates. Investments in these kinds of assets have unique risks that investors should consider. Those risks can include a lack of information and liquidity – and the risk of fraud."

Despite the SEC's strong warning in February, Stacy Garrity and the Pew Charitable Trusts still managed to dupe Pennsylvania's House Democrats into sponsoring legislation for the program, mandating participation by every business in the state that does not currently offer a retirement program. In May of 2023, every Democrat in the state house voted for the bill.

At the time of this writing, the bill has not yet passed the state senate and is not signed into law. But somehow, there is already a website touting the benefits of this snake-oil securities scam at KeystoneSavesCoalition.org. And when you scroll to the bottom of that webpage, you'll see that the site is copyrighted not by the Commonwealth of Pennsylvania or the Office of the State Treasurer, but by the Pew Charitable Trusts.

Clearly this problem is just beginning. Without a more informed understanding of the privatization and pension-busting movement, Pennsylvania will continue to fall victim to this type of manipulation and dangerous financial products.

As the Pennsylvania State Treasurer, I will fight to protect our workers and our taxpayers from dangerous, unregulated financial products and scam investments like the Keystone Saves program.

ERIN McCLELLAND for Pennsylvania State Treasurer ** 2024 **

It is inherent in a government that operates at the consent of the governed as well as a principle of advanced citizenship, that each day is a test. The 2024 election will test just how committed to good union jobs, economic equality, and global human rights Pennsylvania Democrats really are.

The Republicans want to argue that this new, unfolding industrial economy and global supply-chain is unfit.

I would argue that it is merely unfinished.

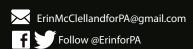
Bidenomics is the most significant departure in a half century from the trickle-down, supply-side, free market revolution that rose to dominance in the 1980s – a dramatic and detail-oriented alteration to our country's economic trajectory. It is incumbent upon each of us to contribute effectively toward its further evolution united in the goal to effect real, sustainable, long-term economic opportunity and prosperity for the American middle class.

I hope you will lend your voice to this campaign and make your own contribution in this exciting next chapter of our great experiment in democracy.

Your contribution can be processed at ErinMcClelland.com or made payable to:

Committee to Elect Erin McClelland 924 Painter Ave Natrona Heights PA 15065





ERIN McCLELLAND

for

Pennsylvania State Treasurer × 2024 √×