

# State Integrity Investigation methodology

## Introduction

The State Integrity Investigation mobilized a highly qualified network of state reporters to generate quantitative data and qualitative reporting on the health of the anti-corruption framework at the state level. Reporters scored 330 questions about their state's accountability and transparency framework – what we call Corruption Risk Indicators – by combining extensive desk research with thousands of original interviews with experts from state government, the private sector, and local civil society and good government organizations.

To identify the project's Corruption Risk Indicators, staff from Global Integrity and the Center for Public Integrity contacted nearly 100 state-level organizations working in the areas of good government and public sector reform around the country. We asked them a simple question: what issue areas mattered most in their state when it came to the risk of significant corruption occurring in the public sector? The outcome was a list of questions, rooted in the reality of state government in the US, that these stakeholders identified as mattering most when it came to assessing the core risks of corruption in their states. In addition, Global Integrity and the Center for Public Integrity then included additional indicators that the two organizations had previously fielded in similar projects and hypothesized were relevant to this project's aims. (Specifically, these indicators were drawn from the Center's States of Disclosure project and Global Integrity's Global Integrity Report and Local Integrity Initiative efforts.)

The project's final indicators assess the existence, effectiveness, and citizen access to key governance and anti-corruption mechanisms in the fifty states. They seek to diagnose the strengths and weaknesses of the medicine applied against corruption in each state – openness, transparency, and accountability – rather than the disease of corruption itself. They examine issues such as information transparency; political financing at the state level; conflicts of interest issues in the executive, state legislatures and judiciary; fiscal and budgetary management; the state civil service and its management; state pension fund transparency; ethics commissions; and redistricting. The final state report cards, which are simply an aggregated snapshot of all of the individual indicator scores, take into account both existing legal measures on the books as well as *de facto* realities of implementation and enforcement in each state.

All indicators were scored by the lead state reporters based on original interviews and desk research. The data were then blindly reviewed by a peer reviewer for each state who was asked to flag indicators that appeared inaccurate, inconsistent, biased, or otherwise deserving of correction. Project managers at Global Integrity and the Center for Public Integrity worked for more than half a year with the lead reporters and peer reviewers to resolve questions and debates around each and every one of the 16,500 indicators compiled during the course of the reporting.

The reporting and research to score the indicators was conducted during the summer of 2011, with a formal cut-off date of September 15, 2011, for all scores. More recent developments and reforms (after September 15, 2011) will not be reflected in the final score choices. However, some report cards may mention more recent developments in some states as captured in the reporters' and peer reviewers' comments.

The State Integrity Index and the Corruption Risk Indicators provide in-depth material for reader to identify strengths and weaknesses in a state's anti-corruption framework. Our stress on "integrity" and "corruption risk" is meant to highlight the usefulness of the Index and Indicators as roadmaps for reform rather than as "name and shame" mechanisms. We view the greatest strength of the Index and Indicators as their ability to unpack governance challenges within a state into discrete, actionable issues rather than just single numbers or rankings. The richness of the data set - more than 16,000 data points - enables a discussion of how best to allocate limited political and financial capital when the challenges are many and the resources few. Combined with vivid qualitative explanation for all indicators, the Index aims to inform and empower citizens, activists, media, businesses, and governments in each state.

## **The Corruption Risk Report Cards**

The primary component of the state assessments that make up the State Integrity Investigation is each state's Corruption Risk Report Card, comprising the 330 Corruption Risk Indicators.

The Corruption Risk Report Card for each state examines three concepts:

1. The existence of public integrity mechanisms, including laws and institutions, which promote public accountability and limit corruption.
2. The effectiveness of those mechanisms.
3. The access that citizens have to those mechanisms.

More specifically, indicators of existence assess the laws, regulations, and agencies/entities or equivalently functioning mechanisms that are in place in a particular state. Indicators of effectiveness assess such aspects of public integrity as protection from political interference; appointments that support the independence of an agency; professional full-time staff and funding; independently initiated investigations; and imposition of penalties. Indicators of citizen access assess the ready availability of public reports to citizens, or publicly available information, within a reasonable time period and at a reasonable cost.

The Corruption Risk Indicators are a unique instrument designed to provide a combination of quantitative and qualitative assessment of anti-corruption safeguards in a particular state. Carefully selected from a comprehensive review of the anti-corruption literature and other democratic governance sources, as well as civil society groups from around the country, the Corruption Risk Indicators are used to "score" the institutional framework that exists at the state level to promote public integrity and accountability and prevent abuses of power.

The Corruption Risk Indicators were organized into 14 main categories and 61 subcategories. These were:

### 1 Public Access to Information

1.1 Do citizens have a legal right of access to information?

1.2 Is the right of access to information effective?

### 2 Political Financing

2.1 Are there regulations governing the financing of political parties?

2.2 Are there regulations governing the financing of individual political candidates?

2.3 Are the regulations governing the political financing of parties effective?

2.4 Are the regulations governing the political financing of individual candidates effective?

2.5 Can citizens access records related to the financing of political parties?

2.6 Can citizens access records related to the financing of individual candidates' campaigns?

### 3 Executive Accountability

3.1 Can the chief executive be held accountable for his/her actions?

3.2 Is the executive leadership subject to criminal proceedings?

3.3 Are there regulations governing conflicts of interest by the executive branch (defined here as governors and/or cabinet-level officials)?

3.4 Are the regulations governing conflicts of interest by the executive branch (defined here as governors and/or cabinet-level officials) effective?

3.5 Can citizens access the asset disclosure records of the governor and the state cabinet?

#### 4 Legislative Accountability

4.1 Can members of the legislature be held accountable for their actions?

4.2 Are there regulations governing conflicts of interest by members of the state legislature?

4.3 Are regulations governing conflicts of interest by members of the state legislature effective?

4.4 Can citizens access the asset disclosure records of members of the state legislature?

4.5 Can citizens access legislative processes and documents?

#### 5 Judicial Accountability

5.1 Is the process for selecting state-level judges transparent and accountable?

5.2 Can members of the judiciary be held accountable for their actions?

5.3 Are there regulations governing conflicts of interest for the state-level judiciary?

5.4 Are the regulations governing conflicts of interest for the state-level judiciary effective?

5.5 Can citizens access the asset disclosure records of members of the state-level judiciary?

#### 6 State Budget Processes

6.1. Can the legislature provide input to the state budget?

6.2. Can citizens access the state budgetary process?

6.3 Is the legislative committee overseeing the expenditure of public funds effective?

6.4 Are budget information and related records made available to citizens?

6.5 Does the state have a well-resourced fiscal budget office for the non-partisan analysis of budget proposals?

#### 7 State Civil Service Management

7.1 Are there regulations for the state civil service encompassing, at least, the managerial and professional staff?

7.2 Is the law governing the administration and civil service effective?

7.3 Are there regulations addressing conflicts of interest for civil servants?

7.4 Are the regulations addressing conflicts of interest for civil servants effective?

7.5 Can citizens access the asset disclosure records of senior state civil servants?

7.6 Are state employees protected from recrimination or other negative consequences when reporting corruption (i.e. whistle-blowing)?

7.7 In practice, is the internal mechanism (i.e. phone hotline, e-mail address, local office) through which civil servants can report corruption effective?

## 8 Procurement

8.1 Is the public procurement process effective?

8.2 Can citizens access the public procurement process?

## 9 Internal Auditing

9.1 Is there an audit institution or equivalent agency covering the entire state's public sector?

9.2 Is the supreme audit institution effective?

9.3 Can citizens access reports of the supreme audit institution?

## 10 Lobbying Disclosure

10.1 Is there a clear definition of a lobbyist in the state?

10.2 Are lobbyists required to register with the state?

10.3 Are lobbyists required to disclose spending?

10.4 Are lobbyists' employers or principals required to disclose spending?

10.5 Can citizens access the information reported from lobbyists to the state government?

10.6 Is there effective monitoring of lobbying disclosure requirements?

## 11 State Pension Fund Management

11.1 Are there laws and regulations requiring that state-run pension funds be managed transparently?

11.2 Are the laws and regulations requiring that state-run pension funds be managed transparently effective?

11.3 Are there regulations governing conflicts of interest of members of the board or the management of the state run pension funds?

11.4 In practice, regulations governing conflicts of interest of members of the board or the management of the state-run pension funds are effective?

### 12 Ethics Enforcement Agencies

12.1 Are there laws and regulations to promote and protect a professional ethics enforcement agency (or set of agencies)?

12.2 Are the laws and regulations to promote and protect a professional ethics enforcement agency (or set of agencies) effective?

12.3 Are there regulations governing conflicts of interest by the ethics enforcement agencies?

12.4 Are the regulations governing conflicts of interest by the ethics enforcement agencies effective?

### 13 State Insurance Commissions

13.1 Is the state insurance commission protected from political and special interest influence?

13.2 Does the state insurance commission have sufficient capacity to carry out its mandate?

13.3 Are there conflicts of interest regulations covering members of the board and senior staff of the state insurance commission?

13.4 Are the conflicts of interest regulations covering members of the board and senior staff of the state insurance commission effective?

13.5 Can citizens access the asset disclosure records of the state insurance commission?

13.6 Does the state insurance commission publicly disclose documents filed by insurance companies?

### 14 Redistricting

14.1 Is the state redistricting process open and transparent?

## **Generating a Corruption Risk Report Card**

Each Corruption Risk Indicator was scored directly by the reporter and substantiated with relevant references and comments based on desk research and original interviews with key informants. The data was relayed from the field to partner organizations managers via Indaba, Global Integrity's web-based fieldwork platform (more details about the platform are available at <http://getindaba.org>). There were two types of indicators fielded for the State Integrity Investigation: "in law" and "in practice." All indicators, regardless of type, are scored on the same ordinal scale of 0 to 100 with zero being the worst score and 100 best.

"In law" indicators provide an objective assessment of whether certain legal codes, fundamental rights, government institutions, and regulations exist. These *de jure* indicators are scored with a simple "yes" or "no" with "yes" receiving a 100 score and "no" receiving a zero.

"In practice" indicators address *de facto* issues such as implementation, effectiveness, enforcement, and citizen access. As these usually require a more nuanced assessment, the "in practice" indicators are scored

along an ordinal scale of zero to 100 with possible scores at 0, 25, 50, 75 and 100. In only a few cases, the “in practice” indicators are scored with “yes” or “no.”

Reporters are required to provide a reference to substantiate each of their scores. This may be an interview conducted with a knowledgeable individual, a website link to a relevant report, or the name of a specific law or institution, depending on the particular indicator. Reporters are also offered the opportunity to include additional comments to support their score and reference for a particular indicator. These are particularly useful in capturing the nuances of a particular situation, namely the "Yes, but..." phenomenon which is often the reality in undertaking this type of research.

Our methodology provided researchers and peer reviewers with scoring criteria for every single indicator. The scoring criteria anchor each indicator to a predefined set of criteria. In essence, the scoring criteria guide the lead researcher by suggesting, "If you see X on the ground, score this indicator in the following way." For binary yes/no "in law" indicators, scoring criteria are provided for both "yes (100)" and "no (0)" responses. For "in practice" indicators, scoring criteria are defined for each of the 100, 50, and 0 scores with 25 and 75 deliberately left undefined to serve as in between scoring options.

In summary, a given indicator has the following elements:

- Indicator question;
- Indicator scoring criteria;
- Indicator score (either yes (100)/no (0) or ordinal scale of 0 - 100 with steps at 25, 50, and 75), assigned by the lead reporter based on:
- References, provided by the reporter;
- Comments (optional), provided by the reporter;
- Peer review comments (optional), as provided through a blind peer review process (see more on the peer review process below)

### **Data Aggregation**

For the purpose of producing a state’s aggregate report card, a simple aggregation method was used. As described above, the reporter assigned original indicator score. Each indicator score was then averaged within its parent subcategory, which produced a subcategory score. The subcategory score was in turn averaged with the other subcategory scores into a parent category score. Category scores were averaged to produce an overall country score. The State Integrity Index groups states into the following 11 performance "tiers" according to a state's overall aggregated score:

- **90 and above:** A
- **87 – 89:** B+
- **84 – 86:** B
- **80 – 83:** B-
- **77 – 79:** C+
- **74 – 76:** C
- **70 – 73:** C-
- **67 – 69:** D+
- **64 – 66:** D
- **60 – 63:** D-
- **59 and below:** F

Because some aspects of governance and anti-corruption mechanisms are harder to measure definitively, some categories require a more complex matrix of indicators questions than others. Thus, the categories are

equally valued, even if some categories are derived from a more lengthy series of indicators than others. Similarly, the subcategories are equally valued within their parent category.

### **Peer Review Process**

The importance of the peer review process cannot be overstated. Since our methodology utilized an "expert assessment" approach to compile the Corruption Risk Indicators, it was crucial that we employed quality control mechanisms to ensure our data was as accurate and balanced as possible. Individually contracted and carefully vetted peer reviewers, selected for their independence and expertise, were asked to blindly review the raw Corruption Risk Indicators through Indaba. The blind peer review process ensures that peer reviewers are unrestrained in their commentary, which likely adds to frankness when commenting on the draft state report card. Peer review comments were used to interpret—and in some cases adjust—scores and reporting that they identified as containing errors, bias, or out-of-date information. Indicator score adjustments follow certain rules and generally require solid referencing of a factual dispute.

For the Corruption Risk Indicators in this project, peer reviewers were asked to consider the following:

- Is the particular indicator scored by the reporter factually accurate?
- Are there any significant events or developments that were not addressed?
- Does the indicator offer a fair and balanced view of the anti-corruption environment?
- Is the scoring consistent within the entire set or sub-set of Corruption Risk Indicators?
- Is the scoring controversial or widely accepted? Is controversial scoring sufficiently sourced?
- Are the sources used reliable and reputable?

The peer review process for the data report card does not assign direct attribution to peer review comments. This ensures that peer reviewers are unrestrained in their commentary. Peer review comments on the state's data report card played an important role in final scoring adjustments prior to publication and are published alongside the final report card.

Peer reviewers were offered one of four standardized choices in responding to a given indicator, using the above guidance to evaluate each data point:

1. "Yes, I agree with the score and have no comments to add."
2. "Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference." Peer reviewers then provided their comment or additional reference in a separate text box which was published alongside the original data.
3. "No, I do not agree with the score." In this third case, peer reviewers were asked to explain and defend their criticism of the score and suggest an appropriate alternative score or reference.
4. I am not qualified to respond to this indicator.

### **Final Scores**

The project partners take full and final responsibility for the scores contained in the Corruption Risk Report Card for each state. These scores were generated following an elaborate and collaborative review process that included balancing information from several (sometimes conflicting) sources while being guided by the master scoring criteria.

Following the peer review process, the partner organizations staff identified specific data points where peer reviewers had flagged problematic scores. The staff then engaged the state reporters in a discussion of the issue in question and ultimately decided on appropriate changes, when necessary, to the original data based on the reporter's feedback.

While the partner organizations make every attempt to produce credible information, we welcome all feedback on the veracity and accuracy of our data. Please contact any of the partners with specific comments on indicator scores that you may not agree with, particularly with regard to factual accuracy.

### **Enforcement Gap**

The State Integrity Index also measures what we term the “enforcement gap” for each state. The enforcement gap refers to the difference between the state’s legal framework for good governance and anti-corruption and the actual implementation and enforcement of that same legal framework. We generated an enforcement gap only at the state score level as opposed to the category and/or subcategory levels.

The enforcement gap is created by first generating a “legal framework score” and an “implementation score” for each state. These two values were generated through two separate calculations. In each case, we performed the same aggregation technique described above for the state’s Corruption Risk Indicators except that we first removed either all “in law” or “in practice” indicators from the data set (for example, to generate the “legal framework” score, we first removed all “in practice” indicators from the state’s data set and then performed the indicator aggregation technique described above). Once the legal framework and actual implementation scores had been generated, we simply subtracted the implementation score from the legal score to generate the enforcement gap for the state.

*Example: 78 (legal framework) – 68 (actual implementation) = 10 (enforcement gap)*