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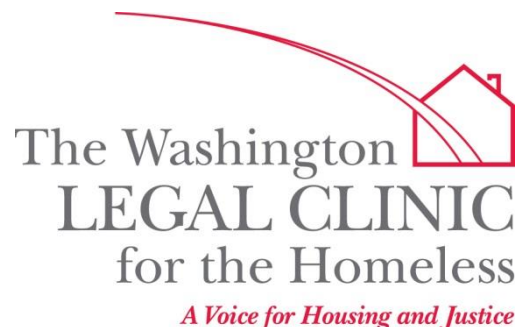
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Testimony before the DC Council Committee of the Whole
Oversight hearing on Events DC
Presented by Amber W. Harding
February 24, 2020

Good morning Chairman Mendelson and Councilmembers. My name is Amber Harding and I am an attorney at the Washington Legal Clinic for the Homeless. The Legal Clinic envisions – and since 1987 has worked towards – a just and inclusive community for all residents of the District of Columbia, where housing is a human right and where every individual and family has equal access to the resources they need to thrive.

I want to thank you for your efforts to ensure the public accountability and transparency of Events DC. Last spring, I testified before this Committee about seven fiscal years of underspending of Events DC, resulting in a large surplus that had been sitting unused for years. Thanks to your efforts, along with Councilmember Charles Allen, the DC Council swept some of those excess funds and devoted them to repair public housing. As a result, four public housing properties are being fully renovated and are no longer at risk of demolition or privatization. You also dedicated half of any future surplus of Events DC to public housing repairs.

While we would always have an interest in ensuring that our tax dollars are spent well and on the most urgent needs of the community, how Events DC spends its money has become directly relevant to the conditions of housing that our clients must withstand. Events DC is an independent authority, much like DC Housing Authority, but that does not insulate it from oversight or accountability, particularly when it derives 2/3 of its revenue from tax dollars.

Here are a few things that I hope to see change with increased oversight of Events DC:

1. Events DC should have a transparent budget and there should be regular reporting as to expenditures. This will help avoid an “accounting error” in the future that is only caught when the Council tries to reallocate its surplus.
2. Events DC should not be so dependent on tax dollars. Currently, its revenue from ticket sales, events, and other operations is far below its expenditures, meaning it relies heavily on the dedicated taxes. Right now those dedicated taxes make up 2/3 of their revenue. They should budget within their means, without relying on those taxes, and those taxes should go to more urgent constituent needs, like affordable housing.
3. Events DC should not have an opaque war chest built with our tax dollars, able to be used for major expenditures with no accountability to the public.

4. Events DC must be fully transparent about salaries and bonuses. Events DC redacted its salaries in its answers to oversight questions. With 2/3 of their revenue coming from taxpayers, we deserve to know what it is paying for.
5. Events DC should not be paying its employees more than any other government worker *plus* six figure bonuses. According to oversight responses, over 3 dozen employees make at least \$125,000 a year. In January, the president of Events DC received a bonus of \$150,000 on top of a \$350,000 salary. The president received this bonus in a year where the authority operated at a significant loss and the CFO discovered an accounting error of \$47 million.
6. Events DC should have some sunlight shed on its questionable expenditures, like the money it spent to sponsor a Welsh soccer team.¹
7. Events DC needs to establish better checks and balances to ensure that its activities and expenditures are not polluted by corruption or conflicts of interest. The recent appointment of Brian Kenner, an Amazon executive, to the Events DC board,² as well as the fact that Max Brown is a lobbyist for the video game industry while Events DC is pushing “esports”³ both raise good government red flags.

With increased oversight and regulation of Events DC, it could become a more self-sustaining, fiscally responsible DC agency. But without increased accountability, Events DC could easily choose to spend down its surplus and all of our tax revenue on bonuses and activities that enrich its board and a subset of its employees with no benefit to DC residents. Every dollar it spends irresponsibly is a dollar that doesn't go to repair public housing or any other pressing needs. Then, come budget time, advocates will be told that there isn't enough money to fund deeply affordable housing or other human needs, and that there is no political will to increase revenue. Events DC's dedicated revenue source should be reallocated to affordable housing and Events DC should learn to budget within its means. Low-income residents in crisis should not be asked to practice austerity while Events DC abuses its independence to enrich its employees and make questionable budgeting decisions.



¹ <https://www.bizjournals.com/washington/news/2019/01/04/events-d-c-signs-on-as-sponsor-of-welsh-football.html>

² <https://dcist.com/story/19/11/12/bowser-taps-former-deputy-now-an-amazon-official-for-events-dc-board/>

³ <https://dcist.com/story/18/12/18/the-man-leading-d-c-s-foray-into-esports-is-a-lobbyist-for-the-video-game-industry/>