

**Pennsylvania Senate Backup – 6.13.24**

**“How To”**

Ad	Backup
<p>Audio: This is a how-to-guide to teach American companies to outsource jobs.</p> <p>Visual: A HOW-TO GUIDE</p> <p>Audio: And the President of the company that published it was Dave McCormick</p> <p>Visual: THE PRESIDENT OF THE COMPANY THAT PUBLISHED IT:</p> <p>DAVE MCCORMICK PRESIDENT</p> <p>HEARTLAND SIGNAL, 6/1/23</p> <p>Audio: Records show McCormick’s companies specialized in outsourcing.</p> <p>...calling it a ‘tremendous opportunity.’</p> <p>Visual: DAVE MCCORMICK</p> <p>Industries Outsourcing</p> <p>tremendous opportunity</p> <p>ARIBA, LOW-COST COUNTRY SOURCING – AN EXECUTIVE OVERVIEW, SEPTEMBER 2003</p> <p>Audio: McCormick met with CEOs to encourage more outsourcing.</p> <p>Visual: DAVE MCCORMICK MET WITH CEOs TO ENCOURAGE MORE OUTSOURCING</p>	<div data-bbox="607 281 1511 359" style="border: 1px solid black; padding: 5px;"> <p><b><i>At FreeMarkets, McCormick Cut Pennsylvania Jobs While Creating Them In Nations Like China</i></b></p> </div> <p><i>McCormick Served In Multiple Roles At FreeMarkets, Including CEO</i></p> <p><b>1999-2001: McCormick Served As FreeMarkets’ Vice President For Government Clients.</b> According to Associated Press, “Specter joked with FreeMarkets workers about their youth, casual dress and overnight wealth. The senator asked if anyone was on food stamps and said everyone who steps onto the 24<sup>th</sup> floor at company headquarters seems to become a millionaire. The command center, which looks a starship bridge in a ‘Star Trek’ movie, is staffed mostly by people in their 20s. ‘No tie,’ Specter said to Dave McCormick, FreeMarkets’ vice president for government clients. ‘That’s the new economy,’ McCormick responded.” [Associated Press, 2/25/00]</p> <p><b>From May 2001, David McCormick Was FreeMarkets’ Senior Vice President, Then From October 2002 To July 2004, “Served As President Of FreeMarkets.”</b> “David H. McCormick, age 39, has served as President and as a director of the Company since July 2004. Mr. McCormick served as President of FreeMarkets from October 2002 to July 2004 and Chief Executive Officer and a director of FreeMarkets from January 2003 to July 2004. Before becoming President, Mr. McCormick served as an Executive Vice President of FreeMarkets since May 2001, as FreeMarkets’ Senior Vice President and General Manager of Core Business Markets since June 2000 and as FreeMarkets’ Vice President and General Manager of Core Business Markets since December 1999.” [Ariba Inc., 14a, <a href="#">02/25/05</a>]</p> <p><i>McCormick Claimed He Knew “What It Takes To Create Jobs”...</i></p> <p><b>McCormick, May 2022: “I Know What It Takes To Create Jobs.”</b> MCCORMICK: “I know what it takes to create jobs, I know how the government can screw things up, I understand economic policy.” [Fox News, Fox &amp; Friends, <a href="#">5/17/22</a>] (VIDEO)</p> <p><i>...But While McCormick Was At FreeMarkets, The Company Created Jobs In China...</i></p> <p><b>September 2000: FreeMarkets “Formed An Alliance With The International Trade Association Of China.”</b></p>

PRESS RELEASE,  
FREEMARKETS INC., 3/11/03

Audio: And shipped jobs from  
Pennsylvania to China.

Visual: DAVE MCCORMICK  
Sending Jobs From  
Pennsylvania

Pittsburgh Business Times,  
1/23/04

Changes to:  
DAVE MCCORMICK  
Sending Jobs To China  
Pittsburgh Post-Gazette, [5/22/03](#)

Audio: Outsourcing jobs to make  
money for himself. That's the real  
Dave McCormick.

WinSenate is responsible for the  
content of this ad.

Visual: Outsourcing jobs to make  
money for himself.  
DAVE MCCORMICK

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CANDIDATE OR CANDIDATE'S  
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"FreeMarkets, Inc. (Nasdaq:FMKT), the leading B2B eMarketplace, today announced that it has formed an alliance with the International Trade Association of the Republic of China (ITAC), Taiwan's largest private trade association. Through the relationship, FreeMarkets can provide its customers with expanded access to high-quality Asian manufacturers and create new business opportunities for manufacturers throughout Taiwan. With offices in Singapore and Hong Kong, FreeMarkets has a well-established presence in the Asia Pacific Region." [Business Wire, 9/6/00]

**February 2001: FreeMarkets Opened An Office In Hong Kong To "Serve As The Company's Base Of Operations For The Greater China Market."**

"As part of its expansion into the Asia Pacific region, FreeMarkets, Inc. (Nasdaq:FMKT), the leading B2B Global Marketplace and eSourcing solutions provider, has announced the launch of an office in Hong Kong. The office, which will serve as the company's base of operations for the Greater China market, will allow FreeMarkets to bring its B2B Global Marketplace to the region. With the opening of the company's Hong Kong office, businesses throughout Greater China will be able to source goods and services at competitive prices from high-quality global suppliers, and Chinese suppliers will be able to expand their geographical reach by competing for the business of the more than 100 Global 1000 customers worldwide who use FreeMarkets." [Business Wire, 2/18/01]

**South China Morning Post HEADLINE: "FreeMarkets Plans China Base."** [South China Morning Post, [9/30/02](#)]

**May 2003: McCormick Said FreeMarkets "Worldwide Work Force" Would Increase By "Roughly 1,000" In 'Certain Growing Markets Such As China.'** "The new chief executive officer at FreeMarkets Inc. doesn't expect any more "broad-based" job cuts this year but yesterday said the Downtown Internet auction software company would continue to make staff adjustments as a normal course of business. In January, FreeMarkets cut 7 percent of its global work force, including 50 positions in Pittsburgh, trimming local employment to about 650. Overall, the company's worldwide work force of roughly 1,000 is expected to increase this year as jobs are added in research and development and in certain growing markets such as China, CEO David McCormick said in an interview following the company's annual shareholders meeting at the Omni William Penn Hotel, Downtown." [Pittsburgh Post-Gazette, [5/22/03](#)]

- **May 2003: McCormick Said The Jobs Being Created In Nations Like China Would Be In The Research And Development Field.** According to Pittsburgh Post-Gazette, "Overall, the company's worldwide work

force of roughly 1,000 is expected to increase this year as jobs are added in research and development and in certain growing markets such as China, CEO David McCormick said in an interview following the company's annual shareholders meeting at the Omni William Penn Hotel, Downtown." [Pittsburgh Post-Gazette, [5/22/03](#)]

*...While Cutting Jobs In Pennsylvania*

**January 2003: FreeMarkets Announced "Layoffs Of 50 Pittsburgh Workers."** "Businessman David McCormick, a potential leading candidate in the Republican primary for Pennsylvania's open US Senate seat, is drawing heat over the layoffs of 50 Pittsburgh workers by a firm he ran in January 2003. The online auction service FreeMarkets Inc, which McCormick led as president from 2001 and as CEO from 2002, made the cuts weeks before McCormick visited India in February 2003 and announced 100 job openings in New Delhi." [New York Post, [11/22/21](#)]

**January 2004: McCormick's FreeMarkets "Laid Off 45 Employees In Its Pittsburgh Office."** "Online marketplace auctioneer Freemarkets Inc. has laid off 45 employees in its Pittsburgh office. The Downtown-based firm announced Thursday that it laid off 70 administrative and management positions worldwide, shrinking its global workforce of 1,000 by 7 percent." [Pittsburgh Post-Gazette, [1/17/04](#)]

**GOP Operative: "McCormick Made His Fortune By Destroying The Lives Of Patriotic Pennsylvanians And Shipping Their Jobs Away To China And India For Cheap Labor."** According to New York Post, "McCormick made his fortune by destroying the lives of patriotic Pennsylvanians and shipping their jobs away to China and India for cheap labor,' a GOP operative involved in the primary told The Post. 'Even worse, his firm Bridgewater Capital has billions of dollars invested in Communist China.'" [New York Post, [11/22/21](#)]

***As The President Of Ariba, McCormick Touted A Program Designed To Teach Companies How To Outsource Jobs To Countries Like China***

*2004: McCormick's FreeMarkets Merged With Business Competitor Ariba, With McCormick Taking Over The Company As Its President*

**January 2004: Ariba And FreeMarkets Joined In A Strategic Merger.** According to FD Wire, "OPERATOR: At this time, I would like to welcome everyone to the Ariba and FreeMarkets merger conference call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks,

there will be a question-and-answer period. If you would like to ask a question during this time, simply press star then the number 1 on your telephone keypad. If you would like to withdraw your question, press star then the number 2 on your telephone keypad. Thank you. Mr. Edderer, you may begin your conference.: [FD Wire, 1/23/04]

**After The Sale Would Be Finalized In Late May Or June, Freemarkets Would Assume Ariba's Name.** According to Pittsburgh Post-Gazette, "After the sale is finalized in late May or June, FreeMarkets will assume Ariba's name, leaving to speculation what will become of the online auctioneer's name perched atop One FreeMarkets Center." [Pittsburgh Post-Gazette, [1/24/04](#)]

**2004: McCormick Became The President Of A Company Purchased By FreeMarkets, Ariba.** "From 2001 to 2004, McCormick was the chief executive officer of a global software company called FreeMarkets. The company described its operations as a resource to help other businesses 'lower costs, reduce risks and increase profitability.' When FreeMarkets was purchased by Ariba in 2004, McCormick stayed and became the president of Ariba while FreeMarkets' many services carried over, which included 'procurement outsourcing.'" [Heartland Signal, [6/1/23](#)]

*Ariba Created A White Paper That McCormick Touted That Taught Companies How To Outsource Jobs To "Low-Cost" Nations Such As China*

**Heartland Signal HEADLINE: "David McCormick Taught Other Companies How To Outsource Jobs."** [Heartland Signal, [6/1/23](#)]

**2003: Ariba Released A Guide Teaching Companies How To "Cut Costs And Save Money Via Shipping Jobs Overseas."** "From 2001 to 2004, McCormick was the chief executive officer of a global software company called FreeMarkets. The company described its operations as a resource to help other businesses 'lower costs, reduce risks and increase profitability.' When FreeMarkets was purchased by Ariba in 2004, McCormick stayed and became the president of Ariba while FreeMarkets' many services carried over, which included 'procurement outsourcing.' In 2003, Ariba released a guide for 'Low-Cost Country Sourcing,' which lays out strategies for businesses to cut costs and save money via shipping jobs overseas. The company also had a specific page on their website that outlined its strategy for 'low-cost country sourcing.' One of these 'low-cost countries' was India, which McCormick called an important location for country sourcing." [Heartland Signal, [6/1/23](#)]

**September 2003: Ariba's White Paper Touted China As A "Relatively Stable Bet" To Outsource Jobs To.** "The outlook for China as a low-cost sourcing hub seems virtually assured. The growth in the past decade and continued investment by multinational firms make it a relatively stable bet. However, organizations need to consider all of the challenges and risks associated with sourcing from this developing region." [Ariba, Low-Cost Country Sourcing-An Executive Overview, [September 2003](#)]

- **Ariba's White Paper Touted "The Cost Advantages" Of Outsourcing Jobs To "Low-Cost Countries In Asia Like China."** "The cost advantages low-cost countries afford can be huge. Compared with Western nations, skilled manpower in low-cost countries in Asia like China and Thailand can cost between 50 to 75 percent less, while unskilled manpower can be as much as 95 percent cheaper. Significant savings go beyond labor costs to reduced costs on production and manufacturing equipment. Tooling, for example, costs roughly 30 to 50 percent less in low-cost Asian regions than it does in North America and Western Europe. At the same time, increased globalization has brought with it fewer trade restrictions and tariffs, lowering the costs of doing business with low-cost countries even more." [Ariba, Low-Cost Country Sourcing-An Executive Overview, [September 2003](#)]

**The White Paper Said Outsourcing To Low-Cost Countries Like China Were "Tremendous Opportunities."** "Our research suggests that there are better ways to approach low-cost country sourcing that can help minimize costs while reducing risk. In addition to providing insight into the tremendous opportunities associated with low-cost country sourcing, this white paper will also examine new approaches to low-cost country sourcing that allow companies to reduce the up-front capital required." [Ariba, Low-Cost Country Sourcing-An Executive Overview, [September 2003](#)]

**2004: In An Interview, McCormick Touted The Program That Helped Companies Ship Jobs Overseas.** "From 2001 to 2004, McCormick was the chief executive officer of a global software company called FreeMarkets. The company described its operations as a resource to help other businesses 'lower costs, reduce risks and increase profitability.' When FreeMarkets was purchased by Ariba in 2004, McCormick stayed and became the president of Ariba while FreeMarkets' many services carried over, which included 'procurement outsourcing.' In 2003, Ariba released a guide for 'Low-Cost Country Sourcing,' which lays out strategies for businesses to cut costs and save money via shipping

jobs overseas. The company also had an specific page on their website that outlined its strategy for 'low-cost country sourcing.' One of these 'low-cost countries' was India, which McCormick called an important location for country sourcing. 'Big multinational companies are interested in doing business in India and, being in the business of spend management, we help them to work out what they buy and who they buy from,' McCormick said in a 2004 interview. 'Services like the low-cost country sourcing programme [sic] are a key differentiator for Ariba, as they enable it to offer complete spend management solutions to customers.'" [Heartland Signal, [6/1/23](#)]

- **2005: McCormick Touted His Experience As A Corporate CEO Helping Companies To Move Work Offshore.** According to the Pittsburgh Tribune-Review, "Meanwhile, the Independent of London reported this week that U.S. officials are urging British Nuclear Fuels Ltd. to sell Westinghouse Electric to a U.S. company. He said he couldn't comment on any cases that might come before him. McCormick said his experience as a corporate CEO helping companies to move work offshore, and as a platoon leader in the Army during the first Gulf War, will serve him well in his new post." [Pittsburgh Tribune-Review, [10/12/05](#)]

*The Paper Was By Two Former FreeMarkets Employees*

**The Paper Was Written By Jason Busch, Chris Connell, And Jack Lee.** [Ariba, Low-Cost Country Sourcing-An Executive Overview, [September 2003](#)]

- **Busch's LinkedIn Says He Worked For FreeMarkets From June 1999 To January 2004.** [LinkedIn, accessed [4/5/22](#)]
- **Busch Listed Part Of His Experience Working For FreeMarkets, But Not Ariba.** "Jason is the founder and CEO of Spend Matters, which he started in 2004. He is regarded as one of the top experts in the world of procurement, finance and supply chain technologies. Jason divides his time into two areas. He works with sponsors and executives on corporate strategy, M&A and due diligence initiatives. Jason got his on-the-job education in procurement solutions working at FreeMarkets in corporate development and other areas. Before that, he started his career in consulting and merchant banking. Jason holds undergraduate and graduate degrees from the University of Pennsylvania in English Literature and History." [Spend Matters, accessed [4/5/22](#)]

- **Connell Worked At FreeMarkets And Stayed On With Ariba After It Was Acquired In July 2004.** “Connell worked under Meakem at FreeMarkets and stayed on with Sunnyvale, Calif.-based Ariba Inc., which acquired FreeMarkets in July 2004 for \$500 million.” [Pittsburgh Tribune-Review, [8/11/05](#)]
- **Jack Lee Was The General Manager For FreeMarkets Greater China.** “We are very pleased that CEM has selected FreeMarkets QS as its platform for sourcing goods and services, and we look forward to providing the company with the technology and supporting services it needs to achieve its most strategic business objectives,” said Jack Lee, General Manager, FreeMarkets Greater China.” [Power Engineering, [12/18/02](#)]

***McCormick’s FreeMarkets Even Held A Conference With CEOs On “Global Supply Management”***

**FreeMarkets Hosted WorldSource 2003, An “Executive-Level Event To Gather Leading Global 2000 Executives [...] In Palm Beach, FL” To Discuss “Best Practices Related To Sourcing And Global Supply Management.”** “Third-Annual Executive-Level Event to Gather Leading Global 2000 Executives and Supply Management Visionaries in Palm Beach, Florida FreeMarkets Inc. (Nasdaq:FMKT), the leading provider of global supply management solutions, today announced that it will host its third-annual WorldSource conference April 14-16 at The Breakers Resort in Palm Beach, Florida. The only executive-level conference developed by supply management professionals for supply management professionals, WorldSource 2003 will gather leaders from the world’s largest corporations to share their insights, experiences and best practices related to sourcing and global supply management (GSM).” [Press Release, FreeMarkets Inc., 2/11/03]

**Dave McCormick Described His Experience As CEO Of FreeMarkets As “Helping Companies To Move Work Offshore.”** “David McCormick, the Pittsburgh native soldier, scholar and CEO, began his new life in public service as undersecretary of commerce for export administration Tuesday -- in charge of protecting U.S. technology. The Jefferson Hills-born McCormick, who until recently had served as president of Ariba Inc. in Pittsburgh, was confirmed to the post by the U.S. Senate Friday [...] McCormick said his experience as a corporate CEO helping companies to move work offshore, and as a platoon leader in the Army during the first Gulf War, will serve him well in his new post.” [Pittsburgh Tribune-Review, [10/12/05](#)]

**McCormick Called “Global Supply Management” A “Critical Business Activity.”** “‘In today’s business environment, organizations face enormous pressure to lower costs and eliminate inefficiencies,’ said FreeMarkets President and CEO Dave McCormick. ‘Global supply management is a critical business activity that when executed well, can help drive these objectives on an enterprise-wide basis. WorldSource 2003 is the premier forum for executives and supply management professionals to access leading-edge information which they can leverage to achieve excellence in global supply management and create bottom line benefits for their organizations.’” [Press Release, FreeMarkets Inc., 2/11/03]

- **McCormick Was Quoted In A Press Release Promoting FreeMarkets’ WorldSource 2003.**

“FreeMarkets Inc. (Nasdaq:FMKT), the leading provider of global supply management (GSM) solutions, today announced the roster of speakers set to present at WorldSource 2003, the only executive-level conference designed by supply management professionals for supply management professionals. The All-Star list includes executives and supply management visionaries from leading global corporations, who will speak at the third-annual event, which will be held April 14-16 at The Breakers Resort in Palm Beach, Florida. ‘In today’s global economy, companies are under enormous pressure to lower costs and eliminate inefficiencies,’ said FreeMarkets President and CEO Dave McCormick. ‘In assembling executives and professionals from the world’s leading and largest corporations to share their insights and experiences around sourcing and supply management, WorldSource 2003 promises to provide companies with leading-edge information which they can leverage to meet these objectives.’” [Press Release, FreeMarkets Inc., 3/11/03]