

# United States Senate

WASHINGTON, DC 20510

February 22, 2016

Dear Chairman Enzi and Ranking Member Sanders:

As Chairman of the Federal Spending Oversight subcommittee of the Senate Homeland Security and Governmental Affairs Committee I am charged with examining all federal expenditures and protecting taxpayers from waste. In that capacity and pursuant to Section 301 (d) of the Congressional Budget and Impoundment Act of 1974, this letter sets forth my views and estimates of the President's budget and current fiscal situation of the United States and I ask for your consideration and inclusion in the FY 2017 budget.

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The Federal Government has racked up over \$19 trillion in federal debt, over 100 percent of our nation's Gross Domestic Product. That comes out to over \$60,000 per person alive today. Some believe we never have to pay this, that we can simply outlive and inflate away our debt burden. I do not share that view, but even those who do cannot ignore our interest burden. President Obama's budget assumes \$303 billion in interest payments next year. That is almost \$1,000 per person (including children) that must be paid this year and even more next year. We must balance our budget and begin paying down our debt. Our problems are real and cannot be ignored or glossed over.

During my time in the Senate, I've proposed three budgets that balance within 5 years. I believe this is a critical course of action and ask you to pursue the same. It means truly looking at the role of government and doing only what is within the Federal Government's charge as laid out in the Constitution.

On September 28, 2008 then Senator Obama said in the course of seeking the office he now holds, "[a]nd when I'm president, I will go line by line [through the budget] to make sure that we are not spending money unwisely." The budget submitted on February 8, 2016 was President Obama's eighth and final budget. It is \$618 billion, in real dollars (inflation adjusted) larger than when President Obama made that pledge. With a 20 percent increase in real spending, it is unfathomable that the President made any really attempted to live up to his campaign pledge to go through the budget line-by-line to eliminate unwise spending.

Fortunately, I and several other members of the Senate have been going through the budget line by line, identifying wasteful, unneeded, and ridiculous spending. My approach is to issue a report each week documenting just one example of wasteful government spending. Though some weeks we identify a boondoggle costing just a few thousand dollars in less than a year I have chronicled over \$1.12 billion in clearly wasteful spending.

Despite this, I was shocked to find that HR 2029 the FY 2016 Omnibus Appropriation Act (which both of you and I voted against) actually increased funding for many of the agencies and programs where I and others have specifically found substantial waste.

This highlights a clear problem, there is a disconnect between the politics of spending and the responsibilities of governing. Some champion increased funding for science but ignore the National Science Foundation using the money it already has to fund a climate change video game to be used as propaganda, or their study of how to have to perfect first date, or when the National Institute of Health funds a conference on balding. We all want to support our Veterans, but we let them and every American down when returning soldiers are relegated to waiting lists while the VA finds somehow \$8 million for solar panels it never used.

The list just goes on and on. Some rail against the cost of college yet never bat an eye at spending millions of dollars bringing foreign kids to America to attend our community colleges, but not for long enough to get an Associate's degree. Others have made a career advocating for education funding, pointing to outdated science labs and diminished sports programs; but those same advocates never give a second thought to why we are paying for Pakistani kids to go to Space Camp or funding a professional cricket league in Afghanistan. Some talk about the need for more funding to the military to build the best fighting force on the globe, but never ask how losing \$29 million of heavy equipment or build historic models of Air Force bases does any good for our troop on the battle field.

It is hard to see how programs can be underfunded politically, while operationally they have money to burn. I hope you will take this waste of taxpayer dollars seriously. Former Budget Chairman, Senator Patty Murray often said a budget is more than numbers, that it is really a statement of our priorities as a nation. My staff has estimated that some 155,479 average American taxpayers saw their entire tax liability go to this wasteful spending last year, just on the waste I have exposed. When the government wastes money, it says to those hard working Americans who paid those tax dollars that they are not a priority. I hope you will make them a priority in this budget.

I've included each of my waste reports, including today's, at the end of this letter and have categorized them by budget function. I recognize the budget resolution cannot proscribe specific policies but rather sets overall functional totals and committee allocations. I

recommend you incorporate a reduction in spending equal to these items of waste as you make your policy assumptions for each functional total and reflect those savings in the 302(a) committee allocations. In instances where a spending reduction is inappropriate, I recommend you include spending neutral, cap adjustments or reserve funds to facilitate greater oversight and program integrity activities.

Additionally, I recommend you incorporate to the extent possible, several process reforms. Earlier this year, I introduced the Legislative Performance Review Act of 2016, which aims at dealing with the over \$300 billion in appropriations made each year to programs whose authorizations have expired. I recognize that not all of this spending is wasteful, but when programs have not been reviewed for over 30 years in some cases, it is hard to believe they are still as effective as when they were created if they ever were. This creates significant peril in the budget process; how can you make informed assumptions in building your budget when so much discretionary spending is left on autopilot? I believe it is appropriate, within the jurisdiction of the Senate Budget Committee, and the parameters of the Congressional Budget Act of 1974 to at the least include in a budget resolution a point of order to strike from appropriations acts spending that is not made pursuant to a current authorization.

Further, I want to draw your attention to end-of-year spending. Research has shown that spending the last week of the fiscal year is as much as five times higher than the average of the preceding 51 weeks. More troubling is that the last day of the fiscal year, and only that day, spending significantly moves to the Pacific Time Zone to allow three more hours of spending. The only possible reason for this is to expend funds before they expire and is clearly wasteful. I've introduced legislation, The Bonuses For Cost-Cutters Act to afford federal employees, who see this waste first hand, a sort of whistleblower process run by Inspectors General to prevent this kind of waste. I ask that you make a policy assumption in Function 920 that reflects some level of saving that result from the adoption of this legislation.

Finally, each year the Government Accountability Office issues a report on duplicative spending within the federal government. It is clearly wasteful to have multiple programs, each with their own overhead, working to combat the same problems. I ask that you assume some reduction in spending related to consolidation of duplicative spending. Just as important, is that Congress not create new duplication. I ask that you include in your resolution a direction to the Congressional Budget Office that they include in their cost estimates of legislation some assessment of the extent to which such legislation creates new duplication in the Federal Government, recognizing this will likely require them to coordinate with the Government Accountability Office. Since the Budget Committee has jurisdiction over CBO and both CBO and GAO are agencies of the Legislative Branch, I see no reason why such provision in a budget resolution would violate the budget law and could not be included in a concurrent resolution.

I believe, with over \$19 trillion in federal debt, we can no longer proceed with budgeting as usual. These cuts and reforms will not balance the budget, although that is in fact what we need to do. I have proposed three balanced budgets that show it can be done, and there are other plans worth reviewing such as your Penny Plan as well. The recommendations in this letter are just a few modest, but critical steps toward that end. We must go line-by-line to root out waste and we must be creative in how we budget. I hope you give these recommendations the seriousness of thought that I have given them and include them in your budget.

Sincerely,

A handwritten signature in blue ink that reads "Rand Paul". The signature is written in a cursive, flowing style.

Senator Rand Paul, M.D.  
Chairman-Federal Spending Oversight Subcommittee  
Homeland Security and Governmental Affairs Committee

### **Function 050 National Defense**

**\$8,100,000\* for study of people's email response habits – February 1, 2016**

**Note: actual funding unknown funding cobbled together from multiple questionably related grants**

University of Southern California (Los Angeles) – DOD

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-federally-funded-studies-on-e-mail-response-habits>

**\$29,000,000 of lost heavy equipment purchased for Afghan Army Corps of Engineers – January 28, 2016**

Afghanistan – DOD

<http://www.hsgac.senate.gov/download/special-edition-of-senator-rand-pauls-waste-report-dod-loss-of-29-million-of-heavy-equipment-in-afghanistan>

**\$40,000 on a model of Fairchild AFB for historic preservation purposes – January 25, 2016**

Fairchild Air Force Base (Spokane, WA) – Airforce

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-40000-historical-model-of-usaf-base-is-model-of-government-waste>

**\$43 million for a Compressed Natural Gas station in Afghanistan- November 12<sup>th</sup>, 2015 (Special Report)**

Afghanistan- Task Force for Business and Stability Operations (Department of Defense)

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-special-edition-dods-43-million-gas-station-almost-no-one-can-use>

**\$218,000 to Investigate Mitigation of Invasive Burros – Sep 21<sup>st</sup>, 2015**

Ft. Irwin, CA; Los Cruces, NM (New Mexico State University)- Department of Defense

<http://www.hsgac.senate.gov/download/invasive-burros-coyotes-and-waste-oh-my>

### **Function 150 International Affairs**

**\$500,000 to register people involved in making Moldovan Wine (including peasant farmers) – January 19, 2016**

Moldova –USAID

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-uncle-sam-registering-wine-in-moldova>

**\$50,000 spent helping El Salvadorian deportees start businesses back home – January 4, 2016**

El Salvador- Inter-American Foundation (USAID)

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-government-business-assistance-to-deported-illegal-immigrants>

**\$400,000 spent to combat over regulations in Armenia, while the U.S. adds 81 new major regulations (those costing the economy \$100 million) each year. December 7, 2015**

Armenia- U.S. Agency for International Development

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-regulations>

**\$6 million to promote Albanian tourism – November 2<sup>nd</sup>, 2015**

Albania – U.S. Agency for International Development (USAID)

Note: the U.S. spends \$100 million to promote U.S. Tourism.

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-albanian-tourism>

**\$15,070,000 to pay for foreign kids (including from India) to come to America for 1 year of community college, while also promoting community college in India with a picture show – October 26<sup>th</sup>, 2015**

Worldwide – Department of State

<http://www.hsgac.senate.gov/download/waste-report-free-community-college-for-foreign-students>

**\$50,000 to finance a Jazz Band's Performance in Turkey - Aug 24<sup>th</sup>, 2015**

Istanbul, Turkey- Department of State

<http://www.hsgac.senate.gov/download/the-sweet-sweet-musical-styling-of-waste>

**\$250,000 for Pakistani Kids to attend Space Camp – Aug 10<sup>th</sup>, 2015**

Islamabad, Pakistan; Huntsville, AL; Pigeon Forge; TN- Department of State

<http://www.hsgac.senate.gov/download/sen-rand-paul-exposes-250k-taxpayer-funded-trip-to-space-camp-and-dollywood-for-foreign-kids-in-latest-the-waste-report>

**\$850,000 for a Professional Afghan Cricket League – June 8<sup>th</sup>, 2015**

Afghanistan- Department of State

<http://www.hsgac.senate.gov/download/?id=92405DE8-C2DD-4226-86BB-34BE12961395>

### ***Function 250 General Science and Technology***

**\$30,000 to study the gambling habits of small business owners in Uganda – February 16, 2016**

University of California (Berkeley) and Uganda – National Science Foundation

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-national-science-foundation-study-on-ugandan-sports-gambling>

**\$2,500,000\* for a study of the best practices on a first date – February 8, 2016**

**Note: actual funding unknown funding cobbled together from multiple questionably related grants**

Sanford University- National Science Foundation

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-government-funded-romance-research-project>

**\$150,000 Studying if poor students sabotage their own academic success in college – January 11, 2016**

Northwestern University- National Science Foundation

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-failing-for-fear-of-success>

**\$450,000 on a Climate Change Video Game for High Schools- November 30, 2015**

**Note: the game is set 110 years in the future and intended to combat HS kids not buying into the climate catastrophe narrative the Administration wants them to.**

Tampa Bay, FL; University of South Florida- National Science Foundation

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-climate-change-the-video-game>

**\$380,000 to study how friends contribute to weight-gain of college freshman (the Freshman 15) October 19<sup>th</sup>, 2015**

Tempe, AZ (Arizona State University) - National Institutes of Health

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-finding-friends-to-fight-the-freshman-15>

**\$15,000,000 to Finance Private Research in Space, Including Golf Club Development – Oct 5<sup>th</sup>, 2015**

Melbourne, FL; International Space Station, Low Earth Orbit- National Aeronautics and Space Administration

<http://www.hsgac.senate.gov/download/senator-rand-paul-waste-report-space-golf>

**\$350,000 to study Athletes in the “Zone” – Sep 8<sup>th</sup>, 2015**

West Lafayette, IN (Perdue University)- National Science Foundation

<http://www.hsgac.senate.gov/download/in-the-zone-a-perception-of-waste>

**\$175,950 for study of Feelings and Decision Making – July 14<sup>th</sup>, 2015**

Irvine, CA- National Science Foundation

<http://www.hsgac.senate.gov/download/?id=1B0F25B6-A319-4A92-90ED-7B4BB146C6A0>

**\$188,000 for a Study of the History of Measurement – June 22<sup>nd</sup>, 2015**

Georgia- National Science Foundation

<http://www.hsgac.senate.gov/download/?id=979CA3C9-72BC-4392-AD43-80B9D960F774>

**\$850,000 for Winemaking classes at Community Colleges – June 16<sup>th</sup>, 2015**

Washington- National Science Foundation

<http://www.hsgac.senate.gov/download/waste-report-waste-vintage-2015>

### ***Function 270 Energy***

**\$50,000 for Cadillac of Treadmills – May 11<sup>th</sup>, 2015**

Oakridge, TN- Department of Energy

<http://www.hsgac.senate.gov/download/nuclear-waste-department-of-energys-13k-treadmills>

### ***Function 300 Natural Resources and Environment***

**\$25,000 spent on the Smokey Bear laundromat – December 14, 2015**

Lincoln National Forest (Ruidoso, NM)- National Forest Service

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-smokey-bear-laundry>

**\$100,000 to finance a “Flower Show” – Sep 28<sup>th</sup>, 2015**

Philadelphia, PA- National Park Service

<http://www.hsgac.senate.gov/download/national-park-services-flower-show-a-blooming-waste>

**\$760,000 for Unneeded Sewer Upgrades in Small Town – July 20<sup>th</sup>, 2015**

Ray, ND – Environmental Protection Agency

<http://www.hsgac.senate.gov/download/sen-rand-paul-finds-federal-taxpayers-downwind-of-small-town-sewer-debacle-in-latest-the-waste-report->

### ***Function 350 Agriculture***

**\$50,000 spent to promote Christmas trees as a specialty crop – December 21, 2015**

Georgia – Department of Agriculture

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-christmas-edition>

**\$72.5 million in Specialty Crop Marketing Grants- November 21, 2015**

**Note: USDA list 300 specialty crops, like apples and blueberries, and only 32 non-qualified crops.**

Nationwide- United States Department of Agriculture

<http://www.hsgac.senate.gov/download/sen-rand-paul-releases-special-thanksgiving-edition-of-the-waste-report>

**\$158,000,000 for School Lunch Money Spent on Lawn Sprinklers – Aug 8<sup>th</sup>, 2015**

Los Angeles, CA- Department of Agriculture/Los Angeles Unified School District

<http://www.hsgac.senate.gov/download/school-lunch-money-paying-for-lawn-sprinklers>

**\$370,000,000 for Crop Flood Insurance in seasonal wetlands - June 29<sup>th</sup>, 2015**

Dakotas & Minnesota- Department of Agriculture

<http://www.hsgac.senate.gov/download/?id=C0F05C69-E13D-4B68-A9CA-581ECC105BD9>

***Function 370 Commerce and Housing Credit***

**\$40,000 to provide Satellite TV onboard a NOAA Ship – Aug 31<sup>st</sup>, 2015**

Pacific Ocean- National Oceanic and Atmospheric Administration (Commerce)

<http://www.hsgac.senate.gov/download/sen-rand-paul-highlights-thousands-of-taxpayer-dollars-spent-on-premium-satellite-tv-for-noaa-ship>

***Function 400 Transportation***

**\$1,200,000 for “Medical” Vacations - May 5<sup>th</sup>, 2015**

Alaska (Tourist Destination including Vail, CO and Orlando, FL)- Coast Guard

<http://www.hsgac.senate.gov/download/medical-waste-coast-guard-medical-vacations>

***Function 450 Community and Regional Development***

**\$50,000,000 to Pay for Disaster Damages also Covered by Insurance – Aug 17<sup>th</sup>, 2015**

Nationally- Federal Emergency Management Agency

<http://www.hsgac.senate.gov/download/fema-discover-this-disaster-twice>

***Function 500 Education, Training, Employment, and Social Services***

**\$25,000 for a Hollywood Movie Museum – July 6<sup>th</sup>, 2015**

Los Angeles, CA- National Endowment for the Arts

<http://www.hsgac.senate.gov/download/?id=9795257D-AACB-4403-8FA6-4C65285A9EBC>

**\$7,700 for 3-day Email Class – May 18<sup>th</sup>, 2015**

Washington, D.C.- Department of Education

<http://www.hsgac.senate.gov/download/youve-got-waste-240/hr-e-mail-class>



### **Function 550 Health**

**\$15,000 on a Balding Conference- November 16, 2015**

Miami, FL – National Institute of Health-Institute of Arthritis, Musculoskeletal, and Skin Diseases

<http://www.hsgac.senate.gov/download/senator-pauls-waste-report-15000-grant-for-conference-on-balding>

### **Function 570 Medicare**

**\$175 million on Medicare overpayments for Sleep Apnea Studies- November 9<sup>th</sup>, 2015**

Orlando, FL & Nation Wide- Center for Medicare Services (HHS)

<http://www.hsgac.senate.gov/download/dr-rand-paul-exposes-medicare-overpaying-an-estimated-175-million-on-sleep-apnea-studies-in-latest-the-waste-report>

### **Function 600 Income Security**

**\$104,000,000 for Non-poor People to live in Public Housing – July 27<sup>th</sup>, 2015**

Nationally- Department of Housing and Urban Development

Note: this includes millionaires and person who own other homes

<http://www.hsgac.senate.gov/download/millionaires-living-in-public-housing>

### **Function 700 Veterans Benefits**

**\$8,000,000 for Unused Solar Panels – June 1<sup>st</sup>, 2015**

Little Rock, AR- Veterans Affairs

Note: these were never used because shortly after completion they were torn down to build a parking garage

<http://www.hsgac.senate.gov/download/?id=26916A67-1514-4E94-B23C-28186EE448B0>

### **Function 750 Administration of Justice**

**\$54,000,000 in Extended Temporary Duty compensation for persons on assignment more than a year. – February 22, 2016**

Nationwide- Department of Justice

<http://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-government-waste-an-extended-stay>

### **Function 800 General Government**

**\$150,000 for Yoga Classes for Federal Employees – Sep 14<sup>th</sup>, 2015**

Nationally- Various Agencies including State, Energy, & Railroad Retirement Board

<http://www.hsgac.senate.gov/download/federally-financed-yoga-bendstretch-waste>

**Function 050 National Defense**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for February 1, 2015**

**Subject: Missed Your E-mail on Waste**

From transacting business, to making social plans, to sharing information, e-mail has become a fast and convenient way to communicate. Sometimes, e-mails get ignored. What should not be ignored is that the Federal Government spent taxpayer money to study people's e-mail response habits.

A new, federally-funded study out of the University of Southern California (USC) identified all sorts of trends in how people respond to e-mail communication, including: 90% of replies come within two days, while almost half come within an hour of being received. People respond fastest from their phone, but those e-mails are often short. Men reply slightly faster than women, and the older you are the longer it takes to reply to an e-mail.<sup>1</sup>

While all of this is fascinating information, the question remains, why is funding this in the taxpayers' interest? In fact, it is not clear how much funding this project even got or if it was the intent of the federal government do this research in the first place.

The problem is this is a downstream project, funded by cobbling together money from several large federal grants. The study cites three federal funding sources, the Defense Advanced Research Program Agency (DARPA), the National Science Foundation and the Air Force Office of Strategic Research (ADOSR). But the grant numbers cited are large (\$6.1 million from DARPA and over \$2 million from ADOSR)<sup>2</sup> and generically about human cognitive and social media behaviors. ADOSR's grant did not even go directly to USC, in fact this grant's primary recipient was cross-town rival, UCLA.<sup>3</sup>

E-mail responses do not even seem to be in the purview of the parent grants. In fact, the Social Media in Strategic Communication (SMISC) program at DARPA states that it, "...seeks to develop tools to support the efforts of human operators to counter misinformation or deception campaigns with truthful information."<sup>4</sup> The NSF grant synopsis says, "This project will analyze patterns of citation networks in three domains -- physics papers, patents and federal court decisions -- to learn how scholars and innovators discover and evaluate knowledge."

But, instead of looking at Facebook memes that might incite social unrest, or physics papers, funding got shaved off and cobbled together from multiple federal grants to research e-mail response patterns. This only goes to highlight a problem the federal government has with all sorts of large grants: difficulty keeping tabs on money as it moves downstream.

## **Federal Grants, Out of Sight -- Out of Mind**

<sup>1</sup> Kooti, Farshad, Aiello, Luca Maria, Grbovic, Mihajlo, et al. *Evolution of Conversations in the Age of Email Overload*; University of Southern California; Los Angeles, CA. May 2015

<sup>2</sup> Ibid and data from USASpending.gov

<sup>3</sup> Data from USASpending.gov for Grant award number [FA95501010569](#) and sub award number [1295 G NA276](#)

<sup>4</sup> *Open Catalog*; Defense Advanced Research Agency; Arlington, VA; January 2016



## **SPECIAL EDITION WASTE REPORT for January 28, 2016** **DOD Loses \$29 million of Heavy Equipment in Afghanistan**

Today the Special Inspector General for Afghanistan Reconstruction (SIGAR) issued a report on the Department of Defense's (DOD) failed attempt to establish an Afghan equivalent to the Army Corps of Engineers, losing \$29 million of heavy equipment in the process.<sup>1</sup>

According to the report, in late 2013 the DOD, working in concert with the Afghan National Army (ANA), established the National Engineering Brigade (NEB), "to provide national-level construction engineering efforts, including responding to natural disaster emergencies, building bridges, digging freshwater wells, and providing construction support to the ANA."

NEB was supposed to be "fully capable" by October 2014, but it soon became clear NEB would come up short, even with lower standards and an extended deadline. But the problem does not rest with NEB.

According to SIGAR, a major hindrance to NEB's success was a lack of needed equipment to train on and use in the field. **What makes this disturbing is that DOD delivered 1,400 pieces of equipment, at a cost of \$29 million, to the Afghan Central Supply Depot (a central warehousing arm of the ANA), for further delivery to the NEB. However, little of it made it to NEB.** For example, by December 2014 (a year after NEB was established), NEB still had no well drilling equipment or reverse osmosis water purification systems. They also had only one crane and none of the semi-trucks the U.S. taxpayer purchased on their behalf.

**So how did heavy equipment like cranes and semi-trucks, purchased with your tax dollars, just disappear? No one knows.** According to SIGAR, the ANA has persistent accountability issues at the Central Supply Depot, noting about \$370 million in spare vehicle parts purchased since 2004 are unaccounted for or missing. Given the problems at the Central Depot, it clearly would have been more logical for DOD to deliver the equipment directly to NEB.

While NEB has participated in some minimal operations, it still cannot function independently. SIGAR noted that as late as June 2015, **NEB still lacked necessary well drilling and hauling equipment.** They probably always will.

Without equipment, it is no wonder NEB is struggling. Of course, that is no comfort to the **4,021 U.S. taxpayers whose entire tax liability paid for this and were not made any safer as a result, or to the Afghans who still lack clean drinking water.**

<sup>1</sup> *Afghan National Engineering Brigade: Despite U.S. Training Efforts, the Brigade is Incapable of Operating Independently.* Office of the Special Inspector General for Afghanistan Reconstruction; Arlington, VA; January 2016. Report number 16-15



## **WASTE REPORT for January 25, 2016**

### **Model of Government Waste**

From historic battle strategies, to counter intelligence, to the technologies of war military history can be fascinating. **What is also fascinating (and troubling) is why the Department of Defense spent almost \$40,000 for an 11 foot, historical model of Fairchild Air Force Base.**<sup>1</sup>

To be fair, the Air Force is in a difficult situation. You see, there are 16 buildings at Fairchild AFB (which is outside Spokane, WA) that the Air Force would like to demolish “in order to decrease the cost of maintaining infrastructure by reducing the inventory of underutilized and deteriorated buildings and accommodate mission changes that have occurred or are forecasted to occur at the base.”<sup>2</sup> So how does an effort to saving money result in new costs for giant models?

The problem seems to be that these 16 buildings (along with four others) potentially constitute a historic flight line district, and though not actually a registered historic district, federal law requires that the Air Force seek to mitigate the impact tearing down these buildings would have on history...at a still active military installation.

So, what is the historical significance that needs preservation? According to the solicitation’s Statement Of Work (SOW), “[t]he scale model represents the physical impact of the height of Cold War Deterrence policy and Strategic Air Command readiness.” The SOW goes on to note the model should include the maintenance and storage of several Cold War era (which is defined as 1958 to 1994) aircraft that were stationed at Fairchild.<sup>3</sup>

**So, rather than note any specific event, this seems to be an effort to preserve for posterity the fact that this base (or at least the flight line) existed during the Cold War.** It should not go unnoticed that as an active military base, Fairchild AFB has limited public access - not that the average person would likely find themselves at the Wing Headquarters where the model will be displayed anyway.

**Consider, that while the military is currently engaged in operations around the world, and Fairchild AFB is seeking to do the right thing by reducing costs and meeting current strategic needs. Nevertheless the Air Force invested resources - both in tax dollars and man hours - on dubious historic preservation activities.**

<sup>1</sup> *Historic Scale Model*, Department of the Airforce, Fairchild Air Force Base; Washington; September 2015 Solicitation Number FA4620-15-T-A096

<sup>2</sup> *Memorandum of Agreement Between...Fairchild Air Force Base and...The Washington State Historic Preservation Officer...*, <http://www.fairchild.af.mil/shared/media/document/AFD-120725-095.pdf>

<sup>3</sup> *Statement of Work Fabrication and Installation of Historic Flight Line District Scale Model Fairchild Air Force Base, WA*; U.S. Air Force- Fairchild Airforce Base, Washington. <https://www.fbo.gov/utills/view?id=7835c793ee06b92fb8a849b88a520b5e>



## ***SPECIAL EDITION WASTE REPORT for November 12, 2015***

### **DOD's \$43 Million Gas Station Almost No One Can Use**

***The Waste Report strives to report on original examples of egregious government waste uncovered by the Federal Spending Oversight Subcommittee (FSO). However, sometimes something so shocking comes along that it deserves mention here, even though has already come to public attention. This is one of those cases.***

Several news outlets have reported on a \$43 million gas station built by the Department of Defense in Afghanistan. The Special Inspector General for Afghanistan Reconstruction issued a *Special Report* in late October on the compressed natural gas (CNG) filling station, which cost at least 86 times more than similar projects.<sup>1</sup>

FSO dug deeper into the report and found the ridiculous price tag just scratches the surface.

To begin with, the IG found no evidence that DOD ever did a feasibility study before moving forward with the project. Had they done so, they would have found that Afghanistan, "[I]acks the natural gas transmission and local distribution infrastructure necessary to support a viable market for CNG vehicles."

But even if getting CNG to the station was not a problem, it seems no one in Afghanistan can afford vehicles that run on the fuel. CNG conversion costs as much as \$800, in a country where the average annual income is about \$690. This may explain why the U.S. government paid to convert at least 120 Afghan vehicles to CNG. What is strange is one of the project goals was to expand CNG usage to Mazar-e Shariff because of its 100,000 cars. But DOD failed to do its home work, mischaracterized the city as the 2<sup>nd</sup> largest in the country (it is actually 4<sup>th</sup>) and ignoring the economics of transitioning those cars to CNG.

Even more troubling is that DOD seemed to have stonewalled the whole investigation. The IG noted that they discovered the vehicle conversions in a video on a contractor's website (where they noted the U.S. government footed the bill). DOD simply did not respond to IG inquiries on that subject.

In fact, DOD did not answer any of the IG's questions, saying the Task Force for Business and Stability Operations (TFBSO-the \$800 million program through which the project was funded) was shuttered in March of this year and no one knows anything about the program anymore. As the IG rightly said in the report's cover letter, "Frankly, I find it both shocking and incredible that DOD asserts that it no longer has any knowledge about TFBSO, an \$800 million program that reported directly to the Office of the Secretary of Defense and only shut down a little over six months ago."

These are the ingredients of waste:

An **unaudited bureaucracy**<sup>2</sup> flush with (your) cash, a rebuilding effort,  
and an environmental angle in a warzone halfway around the world.

<sup>1</sup> *DOD'S COMPRESSED NATURAL GAS FILLING STATION IN AFGHANISTAN: AN ILL-CONCEIVED \$43 MILLION PROJECT*; Special Inspector General for Afghanistan Reconstruction; Afghanistan. October 2015

<sup>2</sup> Senator Rand Paul, M.D., Chairman of the FSO Subcommittee introduced the [Audit the Pentagon Act of 2015 \(S. 300\)](#) on January 26, 2015



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman



***WASTE REPORT for September 22, 2015***

**Invasive Burros, Coyotes, and Waste: OH MY!!!**

Have you ever left the lid off the garbage can only to find animals got into it the next morning? With trash strewn across the yard, you dialed an exterminator to immediately come out and deal with the pesky critters. Not likely. Instead you became vigilant about keeping the can closed?

Well, the U.S. Department of Defense DOES call the exterminator, or something like it, to deal with the **invasive feral burro and coyote population at Fort Irwin, Calif., which costs taxpayers \$218k.**<sup>1</sup>

**But, why is this a new problem** for a base that has been in continuous operation for over 60 years?<sup>2</sup> Well, it appears that the **coyotes and burros are attracted by humans, on-base, who either feed the animals directly or leave food and trash in the open.** The base's lead wildlife biologist Liana Aker advised in an article just last year, "First, don't ever feed coyotes [which are often sick with mange]...People feeling sorry for and **feeding them is probably our biggest problem here.**"<sup>3</sup> Perhaps a cheaper alternative would be for people station at Fort Irwin to stop feeding the animals.

The grant to nearby, as in almost 800 miles away, New Mexico State University (NMSU) calls for such things as, "[e]xamine the effectiveness of various medical procedures (chemical sterilants, surgical sterilization, etc.) to reduce reproduction and recruitment of juvenile animals in the burro population."<sup>4</sup> Being that this grant is just for a study, we can assume more spending will follow based on NMSU's recommendations. And, this is not the first time dealing with the local animal population has cost the taxpayer. Earlier efforts have included a **2009 relocation of about 100 wild burros**<sup>5</sup> and a **recently revived effort to relocate desert tortoises.**<sup>6</sup>

**So, Save the Taxpayer's Dime: Don't feed the Wildlife**

<sup>1</sup> *Investigation into the Control of Invasive Feral Burro and Coyote Populations on Fort Irwin CA*, Department of Defense, Via USASpending.gov. Award number W9132T1520001; February 2015

<sup>2</sup> *Fort Irwin History* <http://www.irwin.army.mil/Pages/VisitorsTab/FtIrwinHistory.html>

<sup>3</sup> *DESERT DENIZEN: The Coyote, Iconic symbol of the Wild Southwest or Overpopulated Nuisance?*, Aker, Liana; Ozawa, Leslie; Army.mil. August 2014, Accessed July 2015: <http://www.army.mil/article/131951/>

<sup>4</sup> *Investigation into the Control of Invasive Feral Burro and Coyote Populations on Fort Irwin CA*, Department of Defense, Via USASpending.gov. Award number W9132T1520001; February 2015

<sup>5</sup> *Pesky burros to be removed from SoCal desert base*, Inland Daily Bulletin; Ontario, CA; July 2009

<sup>6</sup> *Danelski, David; FORT IRWIN: Relocation of desert tortoises OK to resume*, The Press Enterprise; Riverside, CA; May 2012

**Function 150 International Affairs**





U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for January 19, 2016**

**Uncle Sam, Registering Wine In Moldova**

It is no secret that wine is a global industry. When considering a glass from abroad, you might try a Moldovan vintage, particularly because last year the U.S. Agency for International Development (USAID) spent almost \$500k of your tax dollars on that country's wine industry.

Despite the already absurd idea of spending U.S. tax dollars on a foreign country's wine industry, this grant will not even go to produce one drop of wine. Instead, the funding will go to the Moldovan National Agency for Rural Development to help identify and get grape grower signed up with the "Wine and Vine Registry."<sup>1</sup>

It turns out that in 2007 the Moldovan government passed a comprehensive wine law, regulating various aspects of wine making and paving the way for an industry-wide promotional campaign. Part of the law was a mandatory registration for entities involved in grape growing, wine making, storage, etc. Because government cannot interject itself in an industry without letting its tentacles reach down to everyone involved, even to peasant farmers.

So why is Uncle Sam getting involved eight years later? According the award, "...at the moment, in Moldova, there are no comprehensive official data about grapes [sic] producers and areas under vineyards."<sup>2</sup> In other words, they do not know who should be registering.

To accomplish the task of getting everyone registered, the Moldovan government will produce pamphlets and posters noting the benefits of being on the registry. And while mailings and phone calls will likely be sufficient to get mid and large-sized producers registered, it will take extra effort to get the smaller peasant farmers onboard. So, after a series of national and regional training sessions, local 2-man teams will descend on villages and even go house-to-house to promote the registry.<sup>3</sup>

But there is a further problem is in how the registration process will be conducted. "The declarations will be filled in, signed and submitted by vine and wine producers to the local teams that will be located within the premises of mayoralty offices." Although registering is a legal requirement, "this process implies, however, voluntary participation, and thus it will take time until producers realize benefits of submitting the declaration and of being registered in the VWR."<sup>4</sup> So the whole thing might not even work.

A benefit to registering with the government...huh? At least one of the selling points for this program is that it is "free-of-charge" to register...for the Moldovan winemaker, not the U.S. taxpayer.<sup>5</sup>

<sup>1</sup> *Moldovan Vine and Wine Register (MVWR) Project Cooperative*, United States Agency for International Development Washington, D.C. January 2015; Agreement No. AID-117-A-15-00001

<sup>2</sup> *Ibid* pp. 17

<sup>3</sup> *Ibid* pp. 20 & 23

<sup>4</sup> *Ibid* pp. 23

<sup>5</sup> *Ibid* pp. 17



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for January 4, 2016**

**Have You Been Deported?**  
**Get Uncle Sam's Help Starting a Business**

When a child gets caught with their hand in the cookie jar, they don't typically get rewarded with an extra cookie. Yet the Obama Administration has decided they will take the unusual step of rewarding illegal immigration by providing business support to undocumented immigrants from El Salvador that were deported from the United States.<sup>[1]</sup> To be clear, the program isn't incidentally helping deportees—it is directly intended to assist them.

The program, which is administered by the non-profit Instituto Salvadorno Del Migrante (INSMI – translated to Institute of Salvadorian Migrants) and funded through a \$50,000 grant from the taxpayer-backed Inter-American Foundation, "will further develop a network of returned migrants, including deportees, facilitate reintegration into their communities and support their enterprises by offering financial education, technical advice and assistance with business plans."<sup>[2]</sup>

So, if you break the rules and get deported, we'll help you start a business back in your home country. How absurd. It seems that the justification for this program is that returning deportees often have trouble getting business loans. INSAMI director Cesar Rios was quoted saying, "[t]he mistaken reasoning of bankers is that if they lend a deportee [\$]10,000, tomorrow morning he'll be in New York because he'll use the money to pay for a new trip."<sup>[3]</sup>

*Mistaken reasoning?* With a cost of \$4,000 to \$10,000 per person to hire a smuggler to get someone into the U.S. illegally (as part of a \$6.6 billion industry) Salvadorian banks may have a reasonable fear that their money will not actually go into a business.<sup>[4]</sup> This fear is particularly valid considering the individuals in question have already demonstrably left El Salvador seeking undocumented residence in the United States. So while banks justifiably hesitate to take on such a risk, it is apparently perfectly reasonable to pass that risk on to the American taxpayer.

According to the project synopsis, 30 percent of the Salvadoran population lives abroad, mostly in the U.S. "Many are undocumented and vulnerable to deportation." What kind of message does this send to people in El Salvador or elsewhere who play by the rules? Keep in mind that the assistance under this program is targeted to *deportees*, meaning that it's possible they were sent home for reasons beyond simple immigration infractions.

The Inter-American Foundation has sought to clarify that the program is not "intended" for criminal deportees (those deported after committing crimes in the U.S.), but the FSO Subcommittee has yet to receive definitive confirmation that criminal deportees are in fact *prohibited* from receiving funds, nor has any specific award criteria been provided to verify.

What we do know is that about 30 percent of the returning deportees were deported due to violent or other crimes beyond undocumented presence.<sup>[5]</sup> Yet arguments made by backers of these programs do not instill confidence that funds are protected. In fact, part of the justification for the program is that "the impression [in El Salvador] is that most of those sent home are gang members or criminals." Incredibly, program advocates have actually argued that such an impression would be unfair given that most returning criminal deportees' crimes include, "assault, drunk driving, and drug possession,"<sup>[6]</sup> as though those crimes are in some way trivial.

**Taxpayer dollars should not be used to reward people that disregard our laws.**

<sup>[1]</sup> *Migrant socio-economic reintegration*; Inter American Foundation, Washington, D.C; 2014 <http://www.iaf.gov/index.aspx?page=2097>

<sup>[2]</sup> *Ibid*

<sup>[3]</sup> Ayala, Edgardo; *From the American Dream to the Nightmare of Deportation*; Inter Press Service; Rome, Italy; Jan 2015

<sup>[4]</sup> *From bribing drug cartels and immigration officials to paying for hotels and train rides: Coyote smugglers reveal costs involved in smuggling child migrants from Central America to the U.S.*; The Daily Mail; London, United Kingdom. July 2014

<sup>[5]</sup> Ayala, Edgardo; *From the American Dream to the Nightmare of Deportation*; Inter Press Service; Rome, Italy; Jan 2015

<sup>[6]</sup> *Ibid*



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

***WASTE REPORT for December 7, 2015***

**Racking Up Regulations at Home While Cutting Them Abroad**

After years of complaints from across the country about the burdens of over-regulation, our federal government is finally cracking down and taking a “guillotine” to the regulatory colossus—only in Armenia, but not in the United States.

In a glaring display of contradiction, the US Agency for International Development has backed approximately \$400,000 in grants to the Organization for Security and Co-operation in Europe for work to reduce and streamline the regulatory burdens on businesses in Armenia.<sup>1</sup>

It should be noted, of course, that eliminating burdensome regulations is generally a good thing. In fact, the “guillotine,” as it is known, applies important criteria to regulations, such as whether a regulation is legal, necessary, and business friendly.<sup>2</sup> These are obviously criteria our own federal government should apply to regulations here at home. Unfortunately, the American taxpayer will have to wait to see their tax dollars support U.S. regulatory reform at home.

In fact, while the federal government is funding a “regulatory guillotine” in foreign countries, the Obama Administration is adding approximately 81 major regulations annually, just slightly worse than the 62 added annually under President Bush.<sup>3</sup>

And what is a major regulation? Well, according to law, it costs the economy at least \$100 million in economic activity, creates a major cost increase for consumers, or has an adverse effect on employment and the competitiveness of American businesses.<sup>4</sup> In total, it is estimated that regulations cost the American economy \$1.88 trillion annually.<sup>5</sup> Aside from the cost to the economy, the Mercatus Center at George Mason University estimates that the federal government itself spends almost \$50 billion creating and enforcing regulations.<sup>6</sup>

One would justifiably assume that Armenia is suffering under a terrible regulatory climate if it requires intervention from our government. Armenia is trying to address about 25,000 laws and regulations hindering business. Project documents note this number is burdensome and that, “[o]bviously, the creation of open competitive market[s] require simple and transparent rules for doing business.”

How, then, does the U.S. stack up? According to Regdata.org, the U.S. has over 1.04 million regulations,<sup>7</sup> or over 40 times the number of crushing regulations as Armenia.

**Maybe instead of funding this project,  
the U.S. government should be applying for its help.**

<sup>1</sup> USAID Award Number AID-111-IO-12-00001 accessed from ForeignAssistance.gov. November 2015

<sup>2</sup> Minasyan, Karine; First Deputy Minister of Economy, Republic of Armenia; *Better Regulation in Armenia— Case of the Guillotine Reform*, Penetration made at OSCE Economic and Environmental Forum; Dublin, Ireland; April 2012

<sup>3</sup> *Ten Thousand Commandments 2015: Fact Sheet*; Competitive Enterprise Institute; Washington, DC; 2015

<sup>4</sup> Carey, Maeve; *Counting Regulations: An Overview of Rulemaking, Types of Federal Regulations, and Pages in the Federal Register*; Congressional Research Service, Washington, DC; July 2015.

<sup>5</sup> *Ten Thousand Commandments 2015: Fact Sheet*; Competitive Enterprise Institute; Washington, DC; 2015

<sup>6</sup> Eilig, Jerry, & Broughel, James; *While Regulatory Spending and Output Increase, Economic Analysis of Regulations Is Often Incomplete*; Mercatus Center at George Mason University; Arlington, VA; May 2014

<sup>7</sup> *Why We Need Regulatory Reform in Two Charts*; Regdata.org; Mercatus Center at George Mason University; Arlington, VA; 2013



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman



**WASTE REPORT for November 2, 2015**

**U.S. Taxpayers Paying to Study Albanian Tourism**

Have you ever dreamed of a European vacation, maybe you would like to check out England, France, Germany, or...Albania? Well, if you have not thought of spending your money on a trip to Albania, you might be surprised to learn the federal government is spending your tax dollars to study and promote their tourism industry.

That is right! The U.S. Agency for International Development is currently planning to award as much as **\$6 million as part of Tourism as a Leading Edge**, a joint venture with the Swedish International Development Cooperation Agency, **for studies and work to improve tourism in Albania.**<sup>1</sup>

The problem it, seems, is that the Eurozone economic crisis is having a negative ripple effect on the Albanian economy which previously relied heavily on remittances of earnings abroad, particularly from Greece.

**To restart their economy, the Albanian government is hoping to capitalize on the country's tourism potential, but it is the U.S. taxpayer who is foot at least part of the bill.** Amazingly, tourism is already a major contributor to the Albanian economy. According to the grant description, tourism (in total) currently accounts for 17 percent of the nation's economy. By comparison, The World Travel and Tourism Council reports that tourism contributes 9.5 percent to the worldwide economy and 8.4 percent to the U.S. economy.<sup>2</sup> **This means Albania's tourism economy, as a percent of GDP, is already larger than the U.S.**

Meanwhile, the U.S. Treasury Department contributes approximately \$100 million to Brand USA, a joint public-private effort to promote the U.S. tourism industry by attracting foreign vacationers to America.<sup>3</sup> **In other words, one part of the federal government is working against another; one effort spending money to get foreign tourists to vacation in American, the other to get them to vacation in Albania. What next? Provide public housing to people who already own their own homes? Oh wait, we do that too.**

At the least, one must wonder: why if this is a priority for the Albanian government, why is the U.S. taxpayer is footing the bill?

**Uncle Sam, "Come Visit the U.S. ...or go to Albania"**

<sup>1</sup> *Tourism as a Leading Edge*, Agency for International Development; Funding opportunity number: APS-182-16-000001

<sup>2</sup> *Travel & Tourism Economic Impact 2014 United States*; World Travel and Tourism Council; London, United Kingdom; 2014

<sup>3</sup> *FY2016 Objectives, Summary Marketing Plan, & Budget*; Brand USA; Washington, D.C.; August 2015



## **WASTE REPORT for October 26, 2015**

### **Free Community College for Foreign Kids**

For millions of Americans, community colleges offer an affordable and convenient opportunity to begin a college career or to gain a competitive edge in the job market. But it turns out the federal government thinks community colleges should not be limited to, well, the community. **Thus is planning to spend \$15.6 million to bring foreign students to America to attend these institutions for one year.**<sup>1</sup>

The FY2016 Community College Initiative (CCI) Program which is run by the State Department's Office of Global Educational Programs at the Bureau of Educational and Cultural Affairs (ECA) plans to target poor students from several countries including India, Brazil, Indonesia, and Pakistan.<sup>2</sup>

India's inclusion in the CCI is particularly interesting. Last year, the University Grants Commission of India (something of a national board of education) approved the creation of 98 new community colleges across India.<sup>3</sup> Meaning American community colleges will now be in competition with Indian community colleges for students.

Even more shocking about the Indian case is that earlier this year the State Department issued a \$70,000 grant opportunity to put on a traveling photo exhibition of American community colleges throughout India.<sup>4</sup> It seems Indian parents are not too sure about the concept of community college so, the State Department has to put in an extra effort to sell the idea...with pictures. Two State Department boondoggles rolled in one.

The kids that do get to come to U.S. community colleges may only select from only eight fields of study, including, Applied Engineering, Business Management and Administration, Media, and Public Safety. But with only one year of study they will not be able to take a two-year associate's degree with them back to their home countries. Also, missing are staples of community college curricula such as nursing or vocational skills, which would prove useful in developing economies. At least the [National Science Foundation's Winemaking classes](#) do not appear to have made the cut either.

**In case you were wondering, \$15.6 million is enough to pay for 2330 semesters at the average community college.**<sup>5</sup>

<sup>1</sup> FY 2016 Community College Initiative Program; Department of State; Washington, DC; Funding Opportunity Number: ECA-ECAAS-16-008

<sup>2</sup> Ibid

<sup>3</sup> UGC approves 98 community colleges from five states, IndiaToday.IN; New Dehli, India; May 2014

<sup>4</sup> Photographic Exhibit on Community Colleges in the U.S.; Department of State, Mission to India; New Delhi, India; May 2015; Funding Opportunity Number: NDRFP16-07

<sup>5</sup> Calculated using data from The College Board. <https://bigfuture.collegeboard.org/pay-for-college/college-costs/college-costs-faqs>



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for August 24, 2015**

**The Sweet, Sweet Musical Styling of Waste**

From Duke Ellington to Tony Bennett, Jazz is a part of the American soul. One group taking the genre to new levels is the New Orleans based Soul Rebels. The Village Voice said of the group, “[t]he hip-hop-inflected eight-piece Soul Rebels are arguably the most dynamically au courant of the city’s many fine brass bands.”<sup>1</sup>

Have not had a chance to take in one of their concerts? Well, you’ve paid for one of their concerts overseas. That’s right, earlier this summer, **the Department of State spent nearly \$50,000 of taxpayer money to, “...support the Soul Rebels to travel to Turkey to give public performances as part of the 22nd Istanbul Jazz Festival”**<sup>2</sup>

What is most surprising is that **the Soul Rebels’ were already on a European tour, making taxpayer financing for the stop in Turkey unnecessary.** In fact, after Turkey, the Rebels went on to make stops in Belgium, France, Ireland, Norway, and meet up with Tony Bennett and Lady Gaga at the “North Sea Jazz Festival,” in the Netherlands.<sup>3</sup>

**The group is hardly a fledgling act needing Uncle Sam’s help.** Soul Rebels has put out six albums since 1999, including *Power=Power (2013)* where they incorporate their unique sound to popular songs by the likes of Bruno Mars and Nicki Minaj. That is not the only company they are keeping. They share a label with, Tom Jones, They Might Be Giants, and Alison Krauss.<sup>4</sup>

**So, the question has to be asked, why does such a cutting edge, established group need Uncle Sam to pay for them to play at a well-established European jazz festival?**

**Just a little bit waste to get you singing the blues**

<sup>1</sup> Gehr, Richard, *SOUL REBELS+JON CLEARY & THE ABSOLUTE MONSTER GENTLEMEN+LOST BAYOU RAMBLERS*; The Village Voice; New York, NY, June 2014.

<sup>2</sup> *IZMIR FOUNDATION FOR CULTURE, ARTS AND EDUCATION*; USASpending.Gov; Washington, DC; May, 2015

<sup>3</sup> North Sea Jazz Festival, Songkick.org <http://www.songkick.com/festivals/32691-north-sea-jazz/id/21183698-north-sea-jazz-festival-2015>

<sup>4</sup> <http://www.rounder.com/artists/#D>



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for August 10, 2015**

**Learn English... at Space Camp and Dollywood**

If you were a kid in the '80s, you probably dreamed of going to Space Camp, especially if you saw the movie. Well, if you have about \$1,000 and can get yourself to Huntsville, Alabama, you too can go to Space Camp. **That is unless you are a kid in Pakistan, because if you are, Uncle Sam will send you to Space Camp on the taxpayer's dime, to the tune of \$250k.**<sup>1</sup>

That's right, last March the U.S. Embassy in Islamabad put out a grant opportunity to send **24 Pakistani students to 6-days of Space Camp in Alabama.** Why is the federal taxpayer financing a trip around the world for Pakistani kids to play astronaut? Well, **"To promote the development of English language, social, and analytical skills of the participants, through first-hand experiences in science and technology."**<sup>2</sup> With seven Space Camps around the world, including Italy and Japan, the State Department might be on to something bigger than Rosetta Stone and Facebook combined.

**Space Camp to learn English?** By that standard doing almost anything in an English speaking country like the U.S. must qualify. **Why not a trip to an amusement park? Well, actually!!!** After splash down in Huntsville, the grant calls for the group to head out on a nearly 700 mile bus trip bound for Washington D.C. which includes a **day's visit, (perhaps from 9 to 5) at the Pigeon Forge, TN, amusement park, Dollywood, named for country legend Dolly Parton.**<sup>3</sup>

And while NASA's FY 2016 Budget request includes \$94 million for education, there is no mention of using that money to send American kids to Space Camp, which itself is not federally financed.<sup>4</sup> In fact, **Space Camp is a luxury even for kids in Huntsville, where the Elks Club takes up the effort to annually send a different 5<sup>th</sup> grade class to the camp.**<sup>5</sup> Perhaps if kids in Alabama were learning Japanese, the State Department would send them to Space Camp-Japan, maybe with a stop off at Tokyo-Disneyland.

**In Waste, Anything is Possible**

<sup>1</sup> *Youth Exchange Program – NASA Space Camp*, Public Affairs Section, U.S. Embassy, Islamabad, Opportunity Number: SCA-ISB-15-AW-008-03092015, March 2015

<sup>2</sup> Ibid

<sup>3</sup> Ibid

<sup>4</sup> Note: Space Camp is Run by the State of Alabama and through a private foundation

<sup>5</sup> Bonvillian, Crystal, *Farley Elementary 5th graders get surprise trip to Space Camp*; AL.com, December 2014



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for June 8, 2015**

**Anyone up for a Game of Waste?**

Imagine if the federal government funded a major U.S. broadcaster to put on a baseball tournament, featuring MLB players, and all in the name of combating gang violence?

Surprisingly, the State Department (State) is doing almost exactly that in Afghanistan, by propping up the Sixers Cricket League. Last year the federal government gave One TV, a **for-profit Afghan television station, roughly \$350,000, to “support the development of a national cricket league [principally a tournament] in Afghanistan,”** In addition to sponsoring the league, **this grant helped train personnel on sports broadcasting and production.** <sup>1</sup>

Just last month, State published a new grant opportunity to put on the same tournament this year and again, includes **training “Afghans in the production of professional sports broadcasts (specifically cricket).”** This time, the grant is for **up to \$500,000 with an option for a one year extension.** Applicants must demonstrate their ability to work with the Afghan Cricket Board (which is the sport’s governing body), but also One TV, as they retain the exclusive broadcasting rights to the tournament. <sup>2</sup>

The idea behind the cricket league is to **provide an outlet for young men who may be susceptible to extremism in Afghanistan.** <sup>3</sup> But instead of something like a little league, **these at-risk youths mostly get to watch on TV, which may be hard given only 0.003 percent of the population have TVs.** <sup>4</sup> Instead, the league is comprised of five regional teams <sup>5</sup> and is to feature well-known Afghan cricket players such as Mohammad Nabi Eisakhel, who last year captained the Bandi Ameer Dragon as well as the successful Afghan National Team. <sup>6</sup>

**Uncle Sam’s Afghan Cricket League?  
Now That’s a Sticky Wicket**

<sup>1</sup> <https://www.usaspending.gov/transparency/Pages/TransactionDetails.aspx?RecordID=27765306-04D5-EC2A-EF26-B66BD60929B9&AwardID=7960995&AwardType=G>

<sup>2</sup> Department of State, *Men’s National Cricket League in Afghanistan*, Kabul, Afghanistan. April 2015, Grant Id No. SCAKAB-15-CA-008-SCA-04222015

<sup>3</sup> *Ibid*

<sup>4</sup> Basic Data- Afghanistan, PressReference.com, Web: May 2015; <http://www.pressreference.com/A-Be/Afghanistan.html>

<sup>5</sup> *Ibid*

<sup>6</sup> <http://1tvnews.af/en/news/sport/11849-cricket---afghan-sixer-tournament-commences--bandi-ameer-dragons-vs-spin-ghar-tigers>



**Function 250 General Science and Technology**



## **WASTE REPORT for February 16, 2016**

### **Government Waste? You Bet**

It is estimated that annually, sports betting could generate as much as a \$1 trillion in revenue worldwide.<sup>1</sup> Maybe even you have put a few dollars down on a game yourself, but even if not, **the federal government is using \$30,000 of your taxes to bet on a study of Ugandan gambling practices.**<sup>2</sup>

The study, being conducted out of the University of California-Berkeley and funded by the National Science Foundation, is part of a doctoral dissertation (a student's research) aimed at exploring the prevalent practice among Ugandan entrepreneurs of seek business capital through sports betting.

**It is hard to see what benefit the U.S. taxpayer gets out of funding research on Ugandan gambling,** but the study (and NSF's funding of it) seems all the more ridiculous when we consider why small business owners are betting in the first place.

Earlier research found that nearly half of men in the **"informal" sector participate in sports betting (which is legal in Uganda),**<sup>3</sup> and this study seeks to build on that by exploring the effects gambling has on business. Of course, "informal sector" is a nice way to say black market.

In fact, nearly **60 percent of the entire Ugandan non-farm workforce is employed in the black market.**<sup>4</sup> Given that banks are generally hesitant to make loans to unlicensed businesses, **so it should not be a surprise to anyone that these entrepreneurs are seeking financing through non-traditional means.**

More than that, black markets are a natural outgrowth of excessive government manipulation of the economy,<sup>5</sup> which makes operating outside the law preferable. With such a large a black market in Uganda, it should be obvious that the government is having a larger negative impact on business and families than gambling. **Perhaps the better area to look into is what specific government policies are driving so many Ugandan business underground.**

**In any case, this should be the concern of the people and government of Uganda, not the U.S. taxpayer.**

**Uncle Sam: taking the over on waste.**

<sup>1</sup> <http://www.statista.com/topics/1740/sports-betting/>

<sup>2</sup> Grant # 1530852

<sup>3</sup> Ibid

<sup>4</sup> [http://laborsta.ilo.org/applv8/data/INFORMAL\\_ECONOMY/2012-06-Statisticalpercent20updatepercent20-percent20v2.pdf](http://laborsta.ilo.org/applv8/data/INFORMAL_ECONOMY/2012-06-Statisticalpercent20updatepercent20-percent20v2.pdf)

<sup>5</sup> [http://www.investopedia.com/articles/economics/12/mechanics-black-market.asp?header\\_alt=b](http://www.investopedia.com/articles/economics/12/mechanics-black-market.asp?header_alt=b)



U.S. Senate Committee on Homeland Security and Governmental Affairs  
Subcommittee on Federal Spending Oversight

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for February 8, 2016**

**Government Waste: A Love Affair**

This Sunday is Valentine's Day, when old soldiers of the love wars will be buying flowers and going to dinner, celebrating their affinity for each other. **Perhaps for you Valentine's is an opportunity to find new love; and if you're nervous and unsure about talking to a love interest, not to worry, Uncle Sam has some tips for you... and you paid for them.**

**That's right!!!** The National Science Foundation helped fund a 2013 Stanford University study, *Making the Connection: Social Bonding in Courtship Situations*. **According to one of the researchers, "We wanted to see if there is anything about the interaction that matters or is it really just what I look like, what I do, what my motivation is."**<sup>1</sup>

Considering on-line dating is a \$2 billion industry, it seems like Uncle Sam should leave this subject to experts like eHarmony.<sup>2</sup> And, maybe they meant to. **The study cites three NSF grants which contributed to this project, totaling a whopping \$2.5 million.**<sup>3</sup> As absurd as it is for tax dollars to go to finance a study of how to "click" with someone of the opposite sex, we do not even know how much of this money found its way to romance research, but it certainly does not seem to have been the intended use of your tax dollars.

None of NSF's grant synopses make any mention of romance or dating. One grant was aimed at discovering how, **"ideas are created and propagate through scientific communities**, how these communities are formed and change over time, and how multidisciplinary networks spanning these communities shape scientific innovation."<sup>4</sup> **Apparently there must have been some confusion about what "chemistry" means.**

This highlights a problem we identified in last week's [The Waste Report](#) about a Department of Defense funded study on how long it takes people to open an e-mail. In both case, **once money went out the door (and for other purposes), the government had trouble keeping track of it down stream, allowing money to be shaved off for frivolous, unintended research.**

So, since you paid for it, what did we learn? **Well, according to the study which used speed-dating as its point of reference, women are pickier than men when choosing a mate.** Both sides are more interested if conversation focuses on the lady, but women do not like answering lots of questions. Men don't like it when ladies use words like "kinda, sorta, and probably," but they are attracted to a woman that mixes it up by speaking quickly and with inflection.<sup>5</sup>

**Oh, and guys, hold the door for the lady and pay for dinner.**

**That's FREE advice from the FSO Subcommittee.**

<sup>1</sup> Brooke, Donald; *New Stanford research on speed dating examines what makes couples 'click' in four minutes*; Stanford University, Palo Alto, CA; May 2013

<sup>2</sup> Wells, George; *eHarmony Founder Talks Matchmaking in the Age of Tinder*; Wall Street Journal, New York, NY; March 2015

<sup>3</sup> NSF Awards: 0835614, 0624134, and 1159679

<sup>4</sup> Cherniavsky, John; *CDI-Type II: What drives the dynamic creation of science?*; Stanford University, Palo Alto, CA; Sep. 2008 Award # 0835614

<sup>5</sup> Triffin, Molly; *7 Secrets for an Amazing First Date*; Women's Health; Emmaus, PA; June 2013



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for January 11, 2016**

**Failing for Fear of Success**

In the classic 1983 movie *Trading Places*, a prank causes a wealthy commodities trader (Dan Aykroyd) to unwillingly trade places with a street hustler (Eddie Murphy). Hilarity ensues as streetwise Murphy learns to dress in fine clothes and eat at fancy restaurants, while pampered Aykroyd learns life on the hard streets of Philadelphia.

The concept of being a fish out of water when someone moves from one socioeconomic class to another is not new. But whether you are a regular Joe or a multimillionaire, you probably have at least one thing in common; **you do not want almost \$150k of your taxes going to study whether people intentionally underachieve to avoid adapting to new situations.**

A study out of Northwestern University and funded by the National Science Foundation seeks to explore this very concept.<sup>1</sup> The grant title says a lot, **"The Downside of Social Mobility: Status-Based Identity Uncertainty, Academic Achievement & Psychological Well-Being."** And from the grant synopsis, "[m]ore specifically, this study will examine whether changes in status-based identity uncertainty over time predict changes in academic motivation, grades, and psychological well-being."<sup>2</sup> In short, the question is, **would you sabotage your own success to avoid being a fish out of water in a different socioeconomic class?**

It seems kind of irrational to derail yourself like that, but even if we could accept that underlying premise, this study has another illogical wrinkle. The study itself focuses on college students from lower socioeconomic classes, and as the grant synopsis notes, **"higher education is one of the primary means through which people pursue upward mobility, status transitions are especially likely during and just after the college years."** In other words, being that the subjects are already in college, they have already accepted (and probably welcomed) the prospects of upward mobility and all that goes with it.

So, here is the basic assumption this study and the National Science Foundation had to assume from this project to be green lit. A poor kid seeks to better their life by going to college, and not just any college, but Northwestern, a private institution with an excellent academic reputation. However, once at school, this student realized this education will likely help them move up the socioeconomic ladder, and "status-based identity uncertainty" causes this student to academically underperform.

Perhaps this really gives us some insight into government waste. Could it be that politicians and bureaucrats have status-based uncertainty about how they will be seen if the problems they supposedly are fixing, actually get fixed. Maybe this uncertainty leads to programmatic underperformance and waste, like funding this study.

<sup>1</sup> Destin, Mesmin; Richeson, Jennifer; *The Downside of Social Mobility: Status-Based Identity Uncertainty, Academic Achievement & Psychological Well-Being*; Northwestern University, Evanston, IL; 2015; NSF award # 1531016

<sup>2</sup> Ibid



U.S. Senate Committee on Homeland Security and Governmental Affairs  
Subcommittee on Federal Spending Oversight

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for November 30, 2015**

**Climate Change: The Video Game**

A whole generation remembers the thrill of strolling into an elementary school computer lab, firing up an Apple II computer, and playing *The Oregon Trail*. Well, thanks to an almost \$450,000 grant from the National Science Foundation, it appears a whole new generation of students will have their own iconic game...on climate change.<sup>1</sup>

Apparently “[e]ducating young people about Global Climate Change (GCC) is challenging because they have difficulty relating to its slow pace, with larger effects 10s-100s years in to the future.”<sup>2</sup> How to solve that problem? A video game aimed at indoctrinating kids into the climate change way of thinking.

The Climate Change Narrative Game Education (CHANGE), which is being developed by researchers at the University of South Florida and piloted at Hillsborough County high schools, aims to counter this morass by, “develop[ing] a place-based futuristic gaming simulation model...”<sup>3</sup> Of course, the CHANGE project is all supposed to be “scientifically realistic.”

The game will involve a science fiction narrative of the effects of climate change on the students’ community as told by virtual persons from the future. This, “focus on the built environment will help students attach a ‘human face’ and a sense of immediacy to hitherto abstract issues of global warming.” The first part of the game will ask students to deal with simulations like severe weather and sea-level rise, while the second part of the game will group students in teams to create plans to “save the future.”<sup>4</sup>

How far in the future? Well, 110 years. Recall that Doc Brown and Marty only went 30 years in the future; and while *Back to The Future* was a great movie trilogy, accurately predicting just 30 years in the future proved pretty hard.

Perhaps the government, instead of Hollywood is better at predicting the future? Take for example Dr. John Holdren, who is the President’s chief science advisor and was a technical advisor on former Vice President Al Gore’s movie *An Inconvenient Truth*. In 1986, he predicted 1 billion people would die as a result of global warming by the year 2020. At his 2009 confirmation hearing he was asked if he still believed climate change would kill 1 billion by 2020. He said, “I think it could happen.”<sup>5</sup> Scared yet?

Here’s a prediction: the real science behind this game is psychology and political science.



**You Have Died of Global Climate Change**

<sup>1</sup> NAF Award number 1316782 [http://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1316782&HistoricalAwards=false](http://www.nsf.gov/awardsearch/showAward?AWD_ID=1316782&HistoricalAwards=false).

<sup>2</sup> G. Smith, L. Lou, A. Feldman, P. Wang (2015) SCIENCE FICTION NOVELS WITH GAMES FOR LEARNING CLIMATE CHANGE SCIENCE, EDULEARN15 Proceedings, pp. 6163-6169.

<sup>3</sup> NAF Award number 1316782 [http://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1316782&HistoricalAwards=false](http://www.nsf.gov/awardsearch/showAward?AWD_ID=1316782&HistoricalAwards=false)

<sup>4</sup> <http://www.ces.fau.edu/SLR2013/posters/feldman-change.pdf>

<sup>5</sup> Confirmation hearing for Dr. John Holdren to be Director of the Office of Science and Technology Policy; U.S. Senate Commerce, Science, and Transportation Committee; February 2009.



## **WASTE REPORT for October 19, 2015**

### **NIH: Finding Friends to Fight the Freshman 15lbs!!!**

The “freshman 15” is an old legend around college campuses; the idea that new college students, away from home and confronted with a campus food service smorgasbord tend to put on a few extra pounds.

**Well the National Institutes for Health aims to get to the bottom of this with a \$380k grant to study how social relationships in college contribute to weight-related problems.<sup>1</sup> Because it’s not the food you eat, it’s the friends you make.**

The study being done at Arizona State University (ASU) **seeks to identify how the friendships freshman make in college contribute to weight-gain and poor eating habits.** In addition to collecting data on the types of friends college freshmen make, the study will, **“survey friends of participating students across an academic year to explore friends' potential impact on freshmen's weight-related outcomes.”<sup>2</sup>**

Nothing like asking your new friends about your eating habits. **“So, how many chili dogs did Tom really eat?” “So, how many of your sorority sisters skipped breakfast?”**

But there may be a wrinkle in this plan that makes it even more wasteful of tax dollars. **College weight gain might not even be a problem.** Numerous independent studies spanning decades have agreed that freshman **only gain around 2.7 to 3.5lbs over their entire freshman year.** It turns out it was Seventeen Magazine that arbitrarily put the number at 15 back in 1989.<sup>3</sup>

But even the 2 to 3lbs might not even be a problem. An Ohio State University (OSU) study comparing college freshman to their non-college peers and found only a discrepancy of about half a pound, attributing most of the weight gain at the tail end of growing to adult size. The OSU study concludes, **“Anti-obesity efforts directed specifically at college freshmen will likely have little impact on obesity prevalence among young adults.”<sup>4</sup>** Even ones aimed at your social weight gain?

To put it in perspective, with an in-state cost of attendance at about \$27k and out-of-state at \$42k, **these funds could have paid for 9 to 14 freshman’s first year at ASU, if not more critical research or reduce the federal deficit.<sup>5</sup>**

<sup>1</sup> Bruening, Meredith M, *The Role of Friendship Networks on BMI and Behaviors among College Freshman*, Arizona State University, Tempe, AZ. NIH Award Number 5DP5OD017910-03 September 2015

<sup>2</sup> Ibid

<sup>3</sup> Breene, Sophia, *Why the ‘Freshman 15’ is a Lie*; Huffington Post via Greatist; New York, NY; September 2013

<sup>4</sup> Grabmeier, Jeff, *The Freshman Fifteen just a Myth, Nationwide Study Reveals*; Research News-Ohio State University; Columbus, OH October, 2011.

<sup>5</sup> Calculated using cost attendance at ASU found at: <https://students.asu.edu/financialaid/coa>



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

***WASTE REPORT for October 5, 2015***

**Houston, We Have A Problem...with our Slice**

When Allen Shepard first proposed hitting a golf ball on the moon as part of the Apollo 14 mission, NASA said it was, “**far too frivolous.**”<sup>1</sup> They eventually backed down; but like landing on the moon, the sentiment that golf in space is frivolous seems to have faded from memory. This may explain why **last year, Cobra Puma Golf was able to do an experiment on the International Space Station (ISS).**

So, what kind of research does golf club maker do in space? According to Duane Ratliff, Director of Center for Advancement of Science in Space (CASIS), “[t]his is **not research on a golf club,**” but rather on how certain materials behave in zero gravity.<sup>2</sup> However, Cobra’s website tells a different story, saying research in space is, “**allowing us to create the most technologically advanced golf products in the world... technologies that will enhance the performance of all golfers.**”<sup>3</sup> Including Astronauts?

**NASA Watch (a space industry watchdog) said of the project, “CASIS Would Rather Go Golfing Than Do Actual ISS Research.”** But it seems “actual research” is hard to come by. CASIS’s 2014 Annual Report shows they received only 122 proposals for research.<sup>4</sup> Thus, **with low competition for ISS for resources, golf equipment can make the cut.**

CASIS by the way, is a non-profit that NASA selected to facilitate outside research on the ISS. For their efforts, **they get a \$15 million grant each year from the federal government, but as the NASA Inspector General reports (and is affirmed in CASIS annual report), “[t]o date, CASIS has raised just \$14,550 in cash [from outside contributors].”**<sup>5</sup>

This all stems from the Obama Administration’s 2010 decision to end the Space Shuttle replacement program, Constellation which cost taxpayers \$9 billion but never flew. In consolation, the ISS was designated a national lab (making it available for private research) and its life was extended to 2024 (it was supposed to be deorbited this year).<sup>6</sup> And, for those keeping score, NASA is asking for approximately **\$3 billion to fund the ISS just for the next year.**<sup>7</sup> Meanwhile, U.S. astronauts, now accesses the ISS in seats purchased on the Russian Soyuz rocket, at a cost of as much as \$70 million apiece.<sup>8</sup>

**Government Waste: par for the course...even in Space**

<sup>1</sup> Rose, M.L. *Did Neil Armstrong Play Golf on the Moon?*, Golfsmith-Golf Tips; Austin, TX

<sup>2</sup> Dean, James, *A better golf club? Space may play a role in that.* Florida Today; Florida, September 2014

<sup>3</sup> *Space Is In It*, Puma Cobra Golf, <http://www.cobragolf.com/cobra-king-ltd>

<sup>4</sup> *Annual Report FY 2014*, Center for the Advancement of Science in Space; Melbourne, FL; December 2014

<sup>5</sup> *Extending the Operational Life of the International Space Station Until 2024*, Inspector General-National Aeronautics and Space Administration; Washington, D.C. September 2014 Report number IG-14-031

<sup>6</sup> Matson, Jason, *Phased Out: Obama's NASA Budget Would Cancel Constellation Moon Program, Privatize Manned Launches*; Armonk, NY February 2010

<sup>7</sup> *FY 2016 PRESIDENT'S BUDGET REQUEST SUMMARY*, National Aeronautics and Space Administration; Washington, D.C.; February 2015

<sup>8</sup> *Extending the Operational Life of the International Space Station Until 2024*, Inspector General-National Aeronautics and Space Administration; Washington, D.C. September 2014 Report number IG-14-031



## **WEEKLY WASTE REPORT for September 8, 2015**

### **In the ZONE, A Perception of Waste**

Some athletes call it “the zone,” the sense of being on your game; the feeling you are so hot that you are on fire; you just cannot miss. But it seems the **National Science Foundation (NSF) did miss when it spent \$350k to fund a study of athletes in the zone.**

That’s right, a study, originally funded in 2010 and conducted by researchers at Purdue University, looked at how perception relates to performance. **The grant leads off with, “[a]thletes playing well describe distortions in spatial perception: basketball hoops appear as large as hula-hoops, golf holes as big as manholes, and baseballs as big as grapefruits.”<sup>1</sup>** The big question here? Do athletes play well because they perceive baseballs to be as big as grapefruits, does the perception materialize when playing well, or is it just a false memory?

This is already sounding very similar to the **NSF-funded study covered in The Waste Report of July, 14, *Feeling Bad About Government Waste?***, where NSF spent \$175k to figure out how good people are at predicting how they will feel about decisions they make.

So, what was learned in this study? In tennis, players who hit the ball out of bounds thought it came at them faster than those who hit it in play, and **when playing Pong (yes, a version of the video game Pong) the virtual ball seems to move slower when the paddle is bigger.<sup>2</sup>**

But most fascinating (as in why are taxpayers paying for this?) was **an experiment relating to the perception of walls in parkour.** What is parkour, you ask. Well, sometimes called “free running,” parkour is **an urban sport involving scaling and jumping off walls, similar to what is seen on *American Ninja Warrior*.** And, thanks to NSF’s funding, **we’ve learned that traceurs (skilled parkour athletes) see walls they may scale as shorter than novices and presumably everyone else.<sup>3</sup>**

While a professional sports team or a trainer may find value in understanding how an athletes’ perception may influence their performance (or visa-versa), Uncle Sam should leave it up to those entities to provide the funding for such projects.

## **Government’s Use of Tax Dollars: Definitely not in the Zone.**

<sup>1</sup> *Action’s Effect on Perception*, NSF; Research at Purdue University; Award No. 0957051.

<sup>2</sup> *Performance and ease influence perceived speed*, Witt, JK ; Sugovic, M. Web of Science Core Collection; PION LTD, 207 BRONDESBURY PARK, LONDON NW2 5JN, ENGLAND; 2010

<sup>3</sup> *What is Parkour*, World Freerunning and Parkour; <http://www.wfpf.com/parkour/>





U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman



**WASTE REPORT for July 14, 2015**

**FEELING BAD ABOUT GOVERNMENT WASTE?**

Have you ever had a salesman try to talk you into a purchase you were not too sure about? Maybe he was selling you on watching the Super Bowl on a huge new T.V. or trying to convince you that the ladies will love you in a sporty new car. That sales technique counts on the buyer ignoring more logical, fact based considerations while focusing more on a feeling you may or may not have in the future.

Well, the National Science Foundation feels sorry for people that make poor decisions based on emotion and is hoping to help with a taxpayer funded \$175,950 grant to research ways to better predict a person's feelings about the decisions they make.<sup>1</sup>

**"People making important decisions--such as whether to undergo surgery, listen to public health warnings, or pursue a specific career-- will be better informed if they can accurately predict how the outcomes of their decisions will make them feel."**<sup>2</sup>

Using logic over emotion in making decisions should just be common sense and not warrant any research; but worse still is the government spending taxpayer money to figure out how people can better use emotion to make decisions. Maybe this grant was the product of an emotional decision based on feelings. It certainly wasn't based on a logical use of your hard earned money.

So the next time there is a hurricane warning or a medical professional says you need a procedure, **Uncle Sam wants to make sure you are fully in touch with your feelings when you make the decision on whether or not follow expert advice.**

**How does funding this study make you feel?**

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<sup>1</sup> NSF, *Collaborative Proposal: Understanding the Improving Predictions about Future Feelings*; Research at UC-Irvine; Award No. 1451214.

<sup>2</sup> Ibid



## **WASTE REPORT for June 22, 2015**

### **Measuring Waste**

A teacher may have tried to teach you the metric system, but you probably still do not know what a 22° C temperature or 10K run really means.

Now the National Science Foundation is spending \$188,000 to fund a university professor to write a book on "The Measure of Modernity: Standards and Standardization in the United States."<sup>1</sup> The grant synopsis notes, "A comprehensive history of standards and standardization in America does not exist..." The reasoning may be found elsewhere in the synopsis where it says, "they [measurements and standards] are quite pervasive but rarely appreciated."<sup>2</sup>

While measurements and standard may be rarely appreciated, the U.S. government does spend millions of dollars each year on an office to promote and study weight and measurement, the Office of Weights and Measures at the National Institute of Standards and Technology. One of their functions is to promote broader acceptance of the metric system in the United States.<sup>3</sup>

In fact, the U.S. government has been promoting the metric system for 140 years. Why? Well, it would probably surprise most Americans to know that in 1875, the U.S. became a party to the Treaty of the Meter which **officially put the United States on the metric system**. But official or not, as was observed by the Monroe Administration in 1821, the free-market had caused a coalescence around a relatively uniform system of measurement, the American Customary System.<sup>4</sup>

As to a history of measurement, the Office of Weights and Measures has an array of publication about the subject, including, *Weights and Measurements of the United States: A Brief History*.<sup>5</sup> While little has developed to prompt an update of this publication since 1975, if we need an updated history, they are the ones to do it.

**No matter how you stack it, this adds up to waste.**

<sup>1</sup> NSF, *The Measure of Modernity: Standards and Standardization in the United States*, Washington, D.C., Award No. 1331231, February 2015. Web [http://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1331231&HistoricalAwards=false](http://www.nsf.gov/awardsearch/showAward?AWD_ID=1331231&HistoricalAwards=false)

<sup>2</sup> Ibid

<sup>3</sup> <http://www.nist.gov/pml/wmd/index.cfm>

<sup>4</sup> Harris, William. "Why isn't the U.S. on the metric system?" 04 October 2011. HowStuffWorks.com. <<http://science.howstuffworks.com/why-us-not-on-metric-system.htm>> 04 May 2015.

<sup>5</sup> *Weights and Measurements of the United States: A Brief History*, National Bureau of Standards, Department of Commerce. Washington, DC. 1975



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for June 15, 2015**

**Waste, Vintage 2015**

It's no secret Americans are embracing wine, leading entrepreneurs to plant fields of grapes across America. Washington State has been at the forefront of this trend since winemaking first expanded beyond California's borders decades ago. In fact, according to the USDA, as of 2013, wine is a \$230 million industry in Washington alone.<sup>1</sup>

So with such a booming, well established industry, why is the **National Science Foundation providing \$853,000 to Washington community colleges to fund winemaking programs?**<sup>2</sup> This is especially strange given that community colleges throughout the Pacific Northwest have offered wine-centric degrees for years. Two of the recipients of this grant have well established programs; The South Seattle College, started the **Northwest Wine Academy** in 2004<sup>3</sup>, and Yakama Valley Community College began its **Vineyard and Winery Technology** program in 2010<sup>4</sup>

The justification, according to the grant synopsis is that last year, an industry assessment (available on the Washington State University website) found the state's wine industry could be in a labor shortage, needing more than six thousand new workers by 2018. But, a closer look at this study shows, that even at the upper extreme, **only 4% of new workers will require an Associate's Degree.** The vast majority, 5990 new workers (94%), will need no degree.<sup>5</sup>

Most troubling, NSF is often touted as being critical to funding cutting-edge, basic research that the private market would not. Yet this grant does not fund research. Instead, it is targeted at community colleges with existing wine programs to help them "share resources and develop new online and hybrid curricula for Associate of Applied Science (AAS) degrees..."<sup>6</sup>

**So, what wine pairing goes best with waste?**

<sup>1</sup> USDA, National Agriculture Statistics Service, *Washington Wine Grape Release*, Washington, D.C., March 2014

<sup>2</sup> NSF, *Pacific Northwest Viticulture and Oenology Education Collaborative*, Washington, D.C., Award No. 1501522, March 2015. Web. [http://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1501522&HistoricalAwards=false](http://www.nsf.gov/awardsearch/showAward?AWD_ID=1501522&HistoricalAwards=false)

<sup>3</sup> <http://nwwineacademy.com/about/mission>

<sup>4</sup> <http://www.yvcc.edu/academics/programs/Agriculture/vinewine/Pages/default.aspx>

<sup>5</sup> Agri-Business Consultants, LLC. *Washington Wine Grape and Winery Employment Needs Assessment with Projections to 2018*, Prosser, WA, March 2004

<sup>6</sup> NSF, *Pacific Northwest Viticulture and Oenology Education Collaborative*

**Function 270 Energy**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
Subcommittee on Federal Spending Oversight

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for May 11, 2015**

**Nuclear Waste: Dep. of Energy's \$13K Treadmills**

The National Nuclear Security Agency (NNSA) of the Department of Energy put out a **Name-Brand** solicitation in February for five Woodway treadmills, with upgrades.<sup>1</sup> **Woodway is luxury** manufacturer of treadmills; the *4Front* model, which NNSA is seeking four of, **retails for over \$10,000**, with upgrades (Personal Training Display Board, +10% incline and +2.5 mph top speed) **adding \$3,900 per-unit** according to a Woodway pricing guide.<sup>2</sup>

The solicitation states that NNSA planned to “utilize the treadmills to qualify Federal Agents on the running requirements established by the NNSA ...” The Federal Agents here are Nuclear Materials Couriers, who according to an NNSA recruiting brochure **must pass a minimum standard in the 1-mile and a 40-yard dash run, every six months.**<sup>3</sup> Perhaps the standard warranting such a high-end treadmill is the ability to outrun nuclear radiation in the event of an accident?

The solicitation indicates these treadmills will service approximately 500 Agents. By comparison *Livestrong.com* reports that the average Gold's Gym has approximately 5000 members. They also report Anytime Fitness typically uses LifeFitness 93 or 95ti treadmills which run (no pun intended) around \$4,000.<sup>4</sup>

The solicitation was automatically archived in March without being filled. But the question remains, why does the Department of Energy need the Cadillac of treadmills?

This is not the first time a federal agency has bought high-priced exercise equipment. Last month in a Senate Finance Committee hearing, it was revealed that the IRS spent bought \$8000 stair climbers.<sup>5</sup>

<sup>1</sup> Posted February 12<sup>th</sup>, Updated February 18<sup>th</sup>, 2015. Solicitation Number: DE-SOL-0008095

<sup>2</sup> Woodway USA, *All Products Price List*; Waukesha, WI; 2013.

<sup>3</sup> Nuclear National Security Administration, Office of Secure Transportation; *Federal Agent Brochure*; 2015

<sup>4</sup> <http://shop.lifefitness.com/us/cpo-95t-inspire-treadmill-p1239.html>

<sup>5</sup> Becker, Bernie, GOP senator rips IRS 'wasteful spending'; The Hill, Washington, D.C.; April 2015

**Function 300 Natural Resources and Environment**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for December 14, 2015**

**Only You Can Prevent...Coffee Stains?**

Maybe you have anguished over a coffee stain on your pants or prayed an errant blotch of marinara sauce would come out of a white shirt. Well, it seems the **U. S. Forest Service is concerned about laundry too, which is why earlier this year they spent almost \$25k to build the Smokey Bear Laundromat at the Lincoln National Forest in Ruidoso, NM.**<sup>1</sup>

The project solicitation calls for converting a single car garage at the Smokey Bear Ranger House into a six machine laundromat. However, this expense is just for the facility, the washers and dryers were not included in the \$25k price.

Some readers may be envisioning a remote outpost<sup>2</sup> far from civilization. However, the Lincoln National Forest abuts the town of Ruidoso, and the **Ranger House itself is right off of a highway, across from a golf resort and next to commercial shopping on both sides.**<sup>3</sup> It is basically just another business (with a giant back yard) off a city street. Even the solicitation for the project notes that **lodging and meals can be found within two miles of the worksite.**<sup>4</sup>

**More surprising is the proposed location for the government laundromat would be just 0.2 miles from Becker's Mountain Laundry and just 0.3 miles to Evergreen Cleaner (which offers laundry services).**<sup>5</sup> But when the taxpayer is footing the bill, 0.2 miles seems a lot longer.

Ruidoso by the way is hardly a small, remote hamlet. In fact Ruidoso is something of a tourist destination with a micropolitan statistical area population of 21,223 and over 7,500 housing units.<sup>6</sup> Forest Service personnel can easily live in the local community and **hardly need a full complement of accommodations, such as laundry services, at the Smokey Bear Ranger House.**

## **Taxpayers getting taken to the cleaners once again.**

<sup>1</sup> *Smokey Bear Laundromat*; U.S. Forest Service- Lincoln National Forest, NM; Fedbizopps Solicitation Number AG-7512-S-15-0023

<sup>2</sup> Remote outposts in Lincoln National Forest (which is actually comprised of three districts sprawling over 1,000,000 acres) do have laundry facilities.

<sup>3</sup> <https://www.google.com/maps/place/Becker's+Mountain+Laundry/@33.347922,-105.675754,15z/data=!4m2!3m1!1s0x0:0x4e7a642b954b60b1>

<sup>4</sup> *Smokey Bear Laundromat*; U.S. Forest Service- Lincoln National Forest, NM; Fedbizopps Solicitation Number AG-7512-S-15-0023

<sup>5</sup> Calculated by Google Maps

<sup>6</sup> *City Data for Ruidoso, New Mexico*; Country Homes of America; December 2015



## **WASTE REPORT for September 28, 2015**

### **National Park Service's Flower Show: A Blooming Waste**

If you are a national parks enthusiast, then you probably already know that next year marks the 100<sup>th</sup> Anniversary of the National Park Service (Park Service). However, you probably did not know as part of its Centennial Celebration, **the Park Service is planning to spend \$100K for a "flower show" in Philadelphia, Pa., this upcoming March.**<sup>1</sup>

The Philadelphia Flower Show is an event the Pennsylvania Horticulture Society (PHS) puts on every year going back to 1829. This year's theme is "Explore America: 100 Years of the National Park Service," and **will span over 33-acres of the Philadelphia Convention Center and include a Park Service's "Find Your Park" pavilion.**<sup>2</sup>

While the flower show itself is a remarkable event and the nearly 200-year old PHS uses the proceeds to finance charitable activities -- **the question remains, why is this the Park Service's best use of taxpayer money?**

**This is especially troubling considering the Park Service and their supporters have cried foul for years over the agency's funding.** The National Parks Conservation Association said earlier this year that "the current Fiscal Year 2015 funding level for national parks is vastly insufficient to bring parks back to where they were, and where they need to be—especially in advance of the 2016 Centennial."<sup>3</sup>

Additionally in 2012, the Washington Post reported that the Park Service's financial situation has caused, the Blue Ridge Parkway to be "**...unable to fill 75 vacant positions since 2003.**" and, "[f]or the past three years, New Mexico's Bandelier National Monument has lacked the money to hire a specialist to protect its archaeological ruins and resources."<sup>4</sup>

While some of our national parks are facing staffing shortfalls, the Park Service included in its grant notice that it would, "**provide one full-time staff member as a point of contact to [PHS] for the duration of the project,**" as well as provide staffing at the Park Service pavilion when the flower show takes place in March.<sup>5</sup> **It is just a little hard to swallow that on one hand there are cries of a lack of funds and personnel at parks, then on the other hand you hear money and staff can be found for a flower show.**

## **Government Waste, as reliable as Old Faithful**

<sup>1</sup> 2016 Philadelphia Flower Show, National Park Service, U.S. Department of Interior. Washington, D.C. Via, Grants.gov. Award Number: NPS-15-NERO-0150. Sep2015

<sup>2</sup> Ibid

<sup>3</sup> National Park Service Funding, National Parks Conservation Association. Washington, D.C.; September 2015 [NPCS](#)

<sup>4</sup> Eilperin, Juliet. National parks face severe funding crunch, Washington Post. Washington D.C.; August 2012

<sup>5</sup> 2016 Philadelphia Flower Show, National Park Service, U.S. Department of Interior. Washington, D.C. Via, Grants.gov. Award Number: NPS-15-NERO-0150. Sep2015





U.S. Senate Committee on Homeland Security and Governmental Affairs  
Subcommittee on Federal Spending Oversight

Senator Rand Paul, M.D. (Kentucky), Chairman



***WASTE REPORT for July 20, 2015***

**The Smell of Waste, in More Ways Than One**

You may have seen Rob Port's [WatchDog.org](http://WatchDog.org) article on the sewer debacle in Ray, ND. Expecting a population explosion from the Bakken oil boom, the town of **about 600 people nearly tripled their sewer capacity at a cost of \$2.5 million**. But then oil prices dropped, the boom cooled, and the population in Ray never took off as expected. **Now the city does not have enough waste to run its plant and is importing, well, sewage from surrounding areas.**<sup>1</sup>

A little town made a big gamble and is now importing sewage. Kind of a funny story; that is, until you learn that **the federal taxpayer footed much of the bill for the sewer upgrade**. That's right, through the EPA's Clean Water State Revolving Fund, federal dollars passed through the state and on to Ray as low interest loans, of which more than **\$760k was later forgiven.**<sup>2</sup> And, that is not counting other federal funds that may have come in to the local water authority.

But this was not just an unforeseen error. No, Ray and the state seemed to have gotten caught up in the excitement of a boom and missed the forest for the trees. **Ray's 2015 comprehensive plan forecast its population to grow by a minimum of 396 percent by the end of this decade.**<sup>3</sup> But **Williams County's** (where Ray is located), 2012 comprehensive plan, **projecting only 22 percent population growth by 2020 and a peak in 2025 at 32 percent, county-wide.**<sup>4</sup> Those figures more closely match historic boom era norms, including in Ray.

**So, it is curious how this project ever got approved.** While Ray will probably see some population growth over the next decade due to oil, it is at somewhat of a geographic disadvantage. Ray is between two larger cities, that are better positioned to grow to serve the oil industry, Tioga (pop est. 3000),<sup>5</sup> 15 miles to the east and in a higher concentration of wells; and the county seat of Williston (pop est. 30,000), 35 miles to the southwest, is simply more attractive to the influx of oil workers because of its size.<sup>6</sup>

## **Tax Dollars, Flushed Down the Toilet...And Imported to Ray, ND**

<sup>1</sup> Port, Rob; *Sh!t show: North Dakota town, sewage companies battle over poop*, WatchDog.org: North Dakota, May 2015

<sup>2</sup> *Clean Water Revolving Fund*, EPA.gov., USA Spending, and information obtained from the State of North Dakota.

<sup>3</sup> *City of Ray: Comprehensive Plan*; Prepared by CTA, Red Lodge, MD; Ray, ND; 2014

<sup>4</sup> *Williams County Comprehensive Plan 2035*; Williston, ND, December; 2012

<sup>5</sup> Community Statistics, City of Tioga, ND; 2015

<sup>6</sup> *Rent in Williston, N.D. tops averages in New York City and Los Angeles*, New York Daily News Via AP; New York, NY; Feb. 2014

**Function 350 Agriculture**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman



***WASTE REPORT for December 21, 2015***

**'Tis the Season to be Wasting, Fa La La La - La - La La - La - La**  
**(Your Government Sponsored Christmas Tree)**

Friday morning, children and parents all across the world will gather around the Christmas tree to see what Santa left. Maybe you finally got the kids got the National Science Foundation's [climate change video game](#) they've been begging for. Just kidding, we know no one actually asked for that. Even though they already paid for it.

But at the center of all those gifts is a stunted evergreen decorated with blinking lights and memories of Christmas past. Perhaps you and the family went out to cut down your tree this year, and maybe it was a TV commercial on Thanksgiving Day that inspired this joyous family experience. But, even if your tree is fake, your tax dollars paid for that commercial.

So, why is Uncle Sam making TV commercials for Christmas trees? Well, as *The Waste Report* showed in our [Thanksgiving edition](#), virtually all crops (including Christmas trees) are a "specialty" product according to the U.S. Department of Agriculture. This makes them eligible for special marketing assistance grants. Combine overly broad eligibility criteria, intergovernmental bureaucracy, and agencies flush with your tax dollars, and BOOM, Christmas tree commercials.

In this case, the Georgia Christmas Tree Association got \$50k in federal funds, "to boost the sales of Georgia Grown Christmas trees by implementing a 30 second cable TV ad that would run for four days over the 2012, 2013, and 2014 Thanksgiving weekends." <sup>1</sup>

One might think Georgia must have a fledgling Christmas tree industry to need Uncle Sam's help. While Georgia is not a Christmas tree juggernaut like Oregon or North Carolina, with over 50,000 trees, they are hardly a slouch either. In fact, Georgia produces more trees than 28 other states, including Idaho and Montana.<sup>2</sup>

True, a Christmas tree might not be an everyday purchase, but with about 30 million real trees sold every year <sup>3</sup> this is hardly a niche industry either, making its classification as a "specialty" all the more absurd.

By the way, come Valentine's Day, if you see an ad reminding you to get roses for your sweetheart...yep, that too could have been funded by Uncle Sam as specialty crop marketing.

**Merry Christmas!!! See you in 2016**



Is this one of those **\$13k** treadmills Dep. of Energy Tried to buy?

HINT: This One Is The Climate Change Video Game



<sup>1</sup> [USASpending.gov](http://USASpending.gov); Grant Number 12-25-B-1455

<sup>2</sup> <http://www.realchristmastrees.org/dnn/Portals/22/Files/STATES%20BY%20TREES%20HARVESTED.pdf>

<sup>3</sup> <http://www.statista.com/statistics/209249/purchase-figures-for-real-and-fake-christmas-trees-in-the-us/>



## **WASTE REPORT for November 23, 2015**

### **Special Thanksgiving Foods**

Thursday, millions of Americans will sit down to Thanksgiving dinner. While you enjoy the sweet potatoes and green beans, you might not realize that according to the U.S. Department of Agriculture (USDA), except for the turkey and stuffing, just about everything else on your table is considered "special" and eligible for federal support from the \$72.5 million Specialty Crop Block Grant program (SCBGP).<sup>1</sup>

According to USDA, "The SCBGP focuses on projects that enhance the competitiveness of specialty crops...The block grants are designed to increase the long-term success of producers and broaden the market for specialty crops."<sup>2</sup> Allowable activities under these grants include some types of marketing, travel, consultants, attending conferences, development of websites or mobile apps, and more.

So, what exactly qualifies as a specialty crop? You may be envisioning some exotic herb or something new to the market. It would probably be something rare, atypical, and thus in need of competitive enhancement. You would probably be surprised to learn that according to USDA, just about everything is "special."

In fact, USDA Secretary Tom Vilsack said in his April 18, 2014 blog post, "Specialty crops make up the bulk of what we eat—all of our fruits and vegetables, tree nuts and dried fruits—as well as things like cut flowers and nursery crops."<sup>3</sup> It seems when Congress created the program, the definition of "specialty" was wide enough you could drive a truck through it... and it is a big truck.

But, the bulk of what we eat? Yes, USDA lists over 300 special crops and only 36 non-qualified crops. So, what exactly is on the list? Here is just a sampling:

• apples • strawberries • raspberries • blueberries • blackberries • peaches • sweet corn • potatoes • green beans • peas (all varieties) • broccoli • grapes • almonds • pears • cherries • carrots • Brussels sprouts (yuck) •<sup>4</sup>

Seems these are hardly new and unheard of crops. USDA blog post a Deputy Administrator said of one specialty crop, "[w]hether purchased fresh, frozen, or pureed, the **blueberry has long been a staple in the diets of many people**." A specialty-staple, who knew? Even more weird is quinoa is on the non-qualified list of crops.<sup>5</sup>

Oh, and it is not just food. Turfgrass (sod) makes the cut and so do live Christmas trees (future Waste Report maybe). So even after Thanksgiving dinner is over your pocketbook is not safe - your tax dollars might have gone to support the football field you see on TV or the tree the family cuts down at the local u-cut place.

### **Doesn't this make you feel special?**

<sup>1</sup> SPECIALTY CROP BLOCK GRANTS: Helping farmers who raise fruits, vegetables, and nuts with improved training, infrastructure, and marketing; National Sustainable Agriculture Coalition; Washington, D.C.; October 2015

<sup>2</sup> Grants & Opportunities: Specialty Crop Block Grant Program; United States Department of Agriculture; Washington, D.C.; November 2015  
<http://www.ams.usda.gov/services/grants>

<sup>3</sup> Vilsack, Tom; Secretary of Agriculture; Secretary's Column: Farm Bill Supports Specialty Crop Growers, Improves Access to Healthy Food; United States Department of Agriculture; Washington, D.C.; April 2014 <http://blogs.usda.gov/2014/04/18/secretarys-column-farm-bill-supports-specialty-crop-growers-improves-access-to-healthy-food/#more-51325>

<sup>4</sup> [http://www.ams.usda.gov/sites/default/files/media/USDA\\_Specialty\\_Crop\\_Definition.pdf](http://www.ams.usda.gov/sites/default/files/media/USDA_Specialty_Crop_Definition.pdf)

<sup>5</sup> Parrott, Charles; Celebrating the Blueberry – A Fruit and an Industry That Really Packs a Punch; United States Department of Agriculture; Washington, D.C.; July 2014 <http://blogs.usda.gov/2014/07/03/celebrating-the-blueberry-a-fruit-and-an-industry-that-really-packs-a-punc>



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WEEKLY WASTE REPORT for August 3, 2015**

**School Lunch Program: Feeding Lawns, Not Kids?**

According to the California Senate Office of Oversight and Outcomes (CSOOO), over at least a six year period, the Los Angeles Unified School District (LAUSD) **diverted more than \$158 million of federal School Lunch Program funding to other uses including buying lawn sprinklers and paying the salaries at the district's television station.**<sup>1</sup>

One tactic used was to reduce lunch periods to as little as 20 minutes in some schools, so students (whose lunch was already paid for with federal funds) would be unable to receive food.<sup>2</sup>

But this did not stop LAUSD from crying foul about school lunch funding. In January 2009 (while funds were being misappropriated) a LAUSD press release carried the headline, **"Cafeteria fund cash flow may leave neediest LAUSD students hungry,"** advocating for increased funds. The release notes that, "Superintendent Cortines has directed a **comprehensive legislative and media initiative to ensure state decision makers and the public understand the consequences of a compromised meal program would have on our students ability to learn.**"<sup>3</sup>

The 2013 CSOOO report found **several other California districts mismanage or illegally reappropriated the Federal School Lunch funds**, and implied it was a general practice. What should concern federal taxpayers is that generally, once the money is in state hands, the state is responsible for oversight. In the case of California, the average state auditor is keeping tabs on (or trying to) federal (and state) funds going to a whopping 51 school districts. At approximately \$2 billion annually, California is the largest recipient of federal funds from the School Lunch Program.<sup>4</sup>

Unfortunately, upon assuming office late last year, **California Senate President, Keven de Leon, who represents portions of Los Angeles, discontinued CSOOO.**

<sup>1</sup> Sweeny, Jim; *Food Fight: Small team of state examiners no match for schools that divert student meal funds*; California Senate Office of Oversight and Outcomes; Sacramento, CA. February 2013

<sup>2</sup> Ibid

<sup>3</sup> *Cafeteria Fund Cash Flow May Leave Neediest LAUSD Students Hungry*, Office of Communication, Los Angeles Unified School District; Los Angeles. January 2009

<sup>4</sup> Sweeny, Jim; *Food Fight: Small team of state examiners no match for schools that divert student meal funds*; California Senate Office of Oversight and Outcomes; Sacramento, CA. February 2013



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman



**WASTE REPORT for August 17, 2015**

**FEMA: Cover this Disaster Twice**

Paying for something twice is one of those things that gives you a sinking feeling in the pit of your stomach. **When it comes to disaster recovery, Uncle Sam often unnecessarily pays twice, costing taxpayers over \$50 million in the processes.**

According to more than thirty Department of Homeland Security Inspector General reports, from just the last five years, **taxpayers have spent at least \$35.5 million remediating disaster damage also paid for by outside insurance.**

For example, following Hurricane Sandy, Seaside Heights, NJ, billed FEMA over \$45,000 for vehicle repairs that were also covered by the city's insurance policy.<sup>1</sup> **Palm Beach County or municipalities therein, claimed \$622,596<sup>2</sup> for a variety of projects also paid for by insurance, including \$20,581 for repairs to a golf course.<sup>3</sup>**

But that's not all, the FSO Subcommittee also found another **\$17.7 million in double payments for disaster recovery** reported by the Inspector General in just in the last five years. One example included the Port of Tillamook Bay, OR, billing FEMA twice for the same debris-removal totaling a **whopping \$1.4 million overcharge.**

What makes this case interesting (and shocking) is the double billing was caused by Tillamook's alternative use project. What is an alternative use project? Well, storms damaged a little-used rail line that Tillamook decided was not needed anyway. **So, FEMA gave them \$44.6 million (or 90% of the cost to repair the actual storm damage) to be used for an alternative environmental project (which only in part included flood mitigation) in the Tillamook watershed.** Unfortunately, Tillamook billed FEMA for the debris removal under both its traditional disaster recovery award and the alternative environmental project.<sup>4</sup>

It is understandable that in a disaster quick action is needed and some things fall through the cracks, but with longer term projects, particularly those not actually mitigating disaster damage, or lower priority projects like golf course reconstruction, it should not be that hard to figure out if something is covered by insurance or already paid for.

<sup>1</sup> *FEMA Should Recover \$2.75 Million...*, Department of Homeland Security Office of the Inspector General; Washington, DC; May 2015. Report Number OIG-15-90-D

<sup>2</sup> Aggregated

<sup>3</sup> *FEMA Should Recover \$4.9 Million of Public Assistance Grant Funds Awarded to Palm Beach County, Florida – Hurricane Wilma*, Department of Homeland Security Office of the Inspector General; Washington, DC; July 2013. Report Number OIG\_DA-13-23

<sup>4</sup> *FEMA Misapplied the Cost Estimating Format Resulting in an \$8 Million Overfund to the Port of Tillamook Bay, Oregon*; Department of Homeland Security Office of the Inspector General; Washington, DC; May 2015. Report Number OIG-15-89-D

**Function 370 Commerce and Housing Credit**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for August 31, 2015**

**NOAA: Surfing the Channels While Riding the Waves**

Imagine you were going to miss your favorite TV show or a critical sporting event because you had to work. Well, the crew and scientists of the National Oceanic and Atmospheric Administration (NOAA) ship Fairweather do not have to worry about such things because the **American taxpayer is spending over \$40,000 to make sure they have premium satellite TV while at sea.**<sup>1</sup>

The Fairweather is part of NOAA's Pacific fleet, primarily charged with studying and mapping the ocean floor.<sup>2</sup> With a maximum duration of about three weeks between refueling, the scientists and crew can undoubtedly get homesick and even bored on the open seas. So, it seems reasonable to provide some level of basic entertainment.

But, there is no basic cable (or satellite) here; **the Fairweather's package has over 300 TV and music channels, including premium sports channels, such as the PAC-12 and Big Ten Networks, NFL, NHL, and MLB Networks, and NBA TV.**<sup>3</sup> In fact, only Dish Network's (who won this contract) highest-end package offers such a line up.<sup>4</sup>

Nielson reported last year that **the average American home has 189 channels or about 1/3<sup>rd</sup> less than are available on the Fairweather.** Interesting enough, Nielson also shows that **households consistently only watch about 17 channels no matter how many are available.**<sup>5</sup> **But when it is on Uncle Sam's dime... go ahead load it up; someone onboard might want to watch Rural TV, which is part of the package. And load it up is just what NOAA did, with 44 satellite receivers so that everyone aboard has personal access to this viewing smorgasbord.**<sup>6</sup>

By comparison, **members of United States Navy only get three TV (News, Sports, and a variety channel) and three music channels on ship, all run by Armed Forces Networks.**<sup>7</sup> Why not NOAA style satellite TV on Naval ships? As one source told the FSO subcommittee, "we need that bandwidth to do our jobs."

**Stay tuned, Up Next: More Waste**

<sup>1</sup> *Satellite TV Service*, National Oceanic and Atmospheric Administration; Fedbizopps.gov, Solicitation # NMAN79111401412DLZ Aug. 2014

<sup>2</sup> [http://www.oma.noaa.gov/publications/fa\\_flier.pdf](http://www.oma.noaa.gov/publications/fa_flier.pdf)

<sup>3</sup> *Satellite TV Service*, National Oceanic and Atmospheric Administration; Fedbizopps.gov, Solicitation # NMAN79111401412DLZ Aug. 2014

<sup>4</sup> <http://www.dish.com/compare-channels/?vals=AT250>

<sup>5</sup> *CHANGING CHANNELS: AMERICANS VIEW JUST 17 CHANNELS DESPITE RECORD NUMBER TO CHOOSE FROM*, The Nielson Company, New York, NY; May 2014

<sup>6</sup> *Satellite TV Service*, National Oceanic and Atmospheric Administration; Fedbizopps.gov, Solicitation # NMAN79111401412DLZ, Aug. 2014

<sup>7</sup> *Fact Sheet: Direct to Sailors (DTS)*, Department of Defense and the American Forces Radio and Television Service (AFRTS), May, 2012



**Function 400 Transportation**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT May 5, 2015**

**Medical Waste: Coast Guard Medical Vacations**

In February, the Inspector General (IG) for the Department of Homeland Security issued a report documenting a lack of oversight in the Coast Guard's *Travel to Obtain Health Care Program*. At an **average annual cost of \$1.2 million** (not counting lost work), this program pays for persons stationed in Alaska to travel to receive medical care they cannot get locally.<sup>1</sup>

As the IG notes in their report, most care can be fully provided in Anchorage or (if needed) in Seattle, WA. Instead, the IG uncovered **trips from Alaska to Vail, Colorado; Orlando, FL; Scottsdale, AZ; and Savannah, GA.**<sup>2</sup> Though a doctor's referral is supposed to be required before travel is approved, only twelve percent of records had such notes.

In total, **94 percent of all records were missing key elements** including travel requests, approval forms, cost estimates, and/or doctor's notes.<sup>3</sup> This lack of basic documentation prevented the IG from substantiating whistleblower claims that **trips -even to Anchorage- were more for shopping than medical care**, while also preventing the IG from affirming the need for accompanying **spouses (who also traveled at taxpayer expense)** to assist patients.

The IG made several recommendations to improve training on what kind of documentation is required for the health care travel program. The Coast Guard agreed to all the recommendations and has implemented the training, but **one should not need special training to know that taxpayer funded medical travel should not be approved without a doctor's note**, especially if that travel is for couples' trips to vacation hot spots.

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<sup>1</sup> Persons stationed in Hawaii and Puerto Rico are also eligible for this program, but together only account for 7% of total cases.

<sup>2</sup> DHS Office of the Inspector General, *The U.S. Coast Guard Travel to Obtain Health Care Program Needs Improved Policies and Better Oversight*, Rep. No. OIG-15-31, Washington, D.C. February 2015. Web [https://www.oig.dhs.gov/assets/Mgmt/2015/OIG\\_15-31\\_Feb15.pdf](https://www.oig.dhs.gov/assets/Mgmt/2015/OIG_15-31_Feb15.pdf)

<sup>3</sup> Ibid

**Function 450 Community and Regional Development**



## **WEEKLY WASTE REPORT for June 29, 2015**

### **Taxpayers, Ensured for Loss!!!**

Insurance protects against the rare and unforeseen, not the regular and predictable. You insure your car against accident, not oil change.

But, when the government is the insurer, this kind of obvious logic does not apply. Surprisingly (or maybe not), the Department of Agriculture (USDA) is paying out approximately **\$370 million annually in “prevented planting” crop insurance to farmers who cannot plant their crops in SEASONAL WETLANDS.**<sup>1</sup>

At issue is the intersection of the “prevented planting” crop insurance and prairie potholes. What are prairie potholes? They are basically ground depressions that fill with water in the rainy spring and dry out in the summer and fall, and are mostly located in the upper-Midwest. The “prevented planting” program is taxpayer subsidized crop insurance that compensates farmers when **extreme** weather prevents planting.

The problem is, some farmers claim prevented planting **each year** for the regular flooding of prairie potholes.<sup>2</sup> In fact, **farmers in sixty-five counties**, mostly in the Dakotas, **have gotten payouts, 14 years in a row**, and in another twenty-nine counties have gotten payments 13 of the last 14 years. In most cases, insurance payments were greater what direct crop subsidies would have been.<sup>3</sup>

No private insurer would stand for this and would either not offer insurance or would control for this kind of abuse. To their credit, the USDA is not complacent in this abuse. Several attempts have been made to close the prairie pothole loophole. As recently as last year, USDA “clarified” rules to effectively prohibit claims four years in a row.<sup>4</sup> But data suggests this new policy could be gamed. At the heart of the problem is that USDA simply does not have a definition of “Normal” weather.<sup>5</sup>

**So, if we know it is sure to happen, why are we insuring against it?**

<sup>1</sup> Cox, Craig, Soren Runquist, Anne Weir; *Boondoggle: “Prevented Planting” Insurance Tears Up Wetlands and Wastes Billions.* Environmental Working Group, Washington, D. C. April 2015

<sup>2</sup> *Ibid*

<sup>3</sup> *Ibid*

<sup>4</sup> Risk Management Agency-USDA. RMA Clarifies Prevented Planting Standards in the Prairie Pothole Region [Press Release]; August 2013

<sup>5</sup> Cox, Craig, Soren Runquist, Anne Weir; *Boondoggle: “Prevented Planting” Insurance Tears Up Wetlands and Wastes Billions.* Environmental Working Group, Washington, D. C. April 2015

**Function 500 Education, Training, Employment, and Social Services**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for July 6, 2015**

**Lights, Camera, Waste**

Since well before Jed Clampett moved his family to Beverly Hills, Hollywood and the movie industry has been synonymous with wealth. And at the center of it all is The Academy of Motion Picture Arts and Sciences (the academy), familiar to most Americans for its annual awards show commonly known as the Oscars.

So one may ask, why an organization in an industry known for an abundance of wealth needs a **\$25,000 grant from the National Endowment of The Arts to help plan exhibits for The Academy Museum**, which is set to break ground later this year?<sup>1</sup> The grant is supposed to help fund decision making about the, “exhibition's conceptual themes, selection of related artist projects and creation of a film/film clip listing, artifact checklist, and preliminary interpretive plans.”<sup>2</sup>

But, while Uncle Sam helps pay to plan the museum's exhibit, one item we know will be in the museum is the Aries 1B Trans-Lunar Space Shuttle from, *2001: A Space Odyssey*, which the academy bought for a cool **\$344,000**.<sup>3</sup>

In addition to scores of Hollywood brass ponying up donations to the museum, the academy is flush with cash; it makes profits of roughly \$50 million on the Oscars alone.<sup>4</sup>

And, while \$25,000 might be small in the scope of the federal budget or in Hollywood, it is over half what the average worker makes in a year,<sup>5</sup> and equals the full federal tax liability of almost four average Americans.<sup>6</sup> So, one must wonder, when cries ring out about what constitutes a fair share of taxes for someone to pay, why are any of those tax dollars going to support a museum that does not need it?

**And, The Nominees for Most Wasteful Are...**

<sup>1</sup> National Endowment for the Arts, Washington D.C. award number 15-4400-7105

<sup>2</sup> Ibid

<sup>3</sup> Hamedy, Saby, *The \$344,000 movie item: Academy buys ship from Kubrick's '2001'*, Los Angeles Times, Los Angeles, CA, March 2015.

<sup>4</sup> Cunningham, Todd, *Academy Turned \$51M Profit on 2012 Oscars*. The Wrap: Covering Hollywood, Los Angeles, CA. January 2013

<sup>5</sup> BLS Statistics- All Occupations Mean Annual Wages.

<sup>6</sup> Calculated using IRS data



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for May 18, 2015**

**You've got Waste: \$240/hr E-mail Class**

It is on your computer, it is on your phone. From sharing recipes to writing serious communication; email has become a part of everyday life. In fact Jacob Morgan of Forbes declared in a 2013 article, "Everyone has an email account."<sup>1</sup>

Perhaps this is why earlier this month, the **U.S. Department of Education (Dep. of Ed)**, of all federal agencies, awarded a contract (**at about \$240 per hour**) for an "**Email Writing Course**" to be given to twenty of their employees (in two cohorts).<sup>2</sup> According to the solicitation, participants should come away knowing things like, "when to write an email," and the "[p]roper tone and etiquette," of an email.<sup>4</sup> Keep in mind; **these are not students, but federal workers at the Dep. of Ed's Headquarters in Washington, D.C.**

As pervasive as email is, one would expect this course to be a simple one or two hour "tune-up" on writing skills. Instead the Dep. of Ed, is asking for a **two to three DAY course**. Even some prospective venders were skeptical of the time requirement. In an addendum to the original solicitation, the Dep. of Ed. responded to vender questions, including one that rightly asked how many hours of training was expected for each session. The response was shocking, "**The Department anticipates that these days will be full days of training.**" Another asked if the two to three day requirement is meant to provide for both cohorts (which would be somewhat more reasonable). The response, "**The requirement is for 2 separate offerings of a 2-day or 3-day course.**"<sup>5</sup>

**To: American Taxpayer**

**Subject: Our (Dep. of Ed) Plan to Waste Your Money**

<sup>1</sup> Morgan, Jacob; *5 Ways Email Makes Your Employees Miserable*; Forbes, New York, NY; October 2013 Web: May 2015  
<http://www.forbes.com/sites/jacobmorgan/2013/10/15/5-ways-email-makes-your-employees-miserable/>

<sup>2</sup> *Email Writing Course*, Fedbiz, March 2015. Solicitation Number ED-CFO-15-Q-0006

<sup>3</sup> Approximately \$7,700 award, divided by 36 hours (assumes two, two-day sessions at eight hours)

<sup>4</sup> *Ibid*, *Performance Work Statement*

<sup>5</sup> *Ibid*, *Attachment 0001*

**Function 550 Health**





U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for November 16, 2015**

**Bald is Beautiful, but Waste is Not**

Maybe the comb runs through your hair a little easier than it used to, or trips to the barber take less time these days. But whether you have just accepted it, are trying to fight it, or are not even losing your hair at all, your tax dollars are going to combat baldness.

**The National Institute of Health (NIH) spent \$22,500<sup>1</sup> on a grant to put on the 9<sup>th</sup> World Congress for Hair Research being held in Miami, Florida this week.<sup>2</sup>** Hair research is not uncommon for NIH and the National Science Foundation to fund. But usually that research falls in one of two categories: the study of hair for forensic identification purposes, or the study of inner-ear hair and how it contributes to hearing loss.

**But make no mistake the 9<sup>th</sup> World Congress is definitely about baldness.** The theme of this year's conference is Reflect, Rejuvenate, and Regenerate, and includes sessions like, *Growing Better Hair: Impacting Pre-Emergent Hair via Scalp Condition; Hair Dye; Hair Care; and Robotic Hair Transplants.*<sup>3</sup>

**Hair loss treatment, by the way, is a booming \$3.5 billion industry.<sup>4</sup>** So, aside from the obvious question of why the federal government is funding a hair loss conference, one has to wonder if this funding was needed in the first place.

In fact the World Congress has over twenty general sponsors including companies like Proctor and Gamble and Women's Rogaine, who together contributed at least \$125,000 in general sponsorship dollars, and more in event specific sponsorships. In addition to the sponsors, participants in the conference must pay between \$675 and almost \$1,200, and just one booth in the exhibit hall costs \$3,500.<sup>5</sup>

Some may argue that with a \$3.7 trillion budget and hundreds of millions of dollars of waste already identified in *The Waste Report*, \$22,500 is not that bad. But consider the average American would have to work three years, three months, before their taxes would pay for this grant. That's enough to make you pull your hair out.

**The Federal Government:  
Guaranteed to Grow Waste on Any Surface**

<sup>1</sup> Note: An earlier version of this report stated the amount as \$15,000, however subsequently a second grant for \$7,500 was also issued for this conference.

<sup>2</sup> 9TH WORLD CONGRESS FOR HAIR RESEARCH (2015 WCHR); National Institute of Health RePORT Grant Database; Washington, D.C.; September & November 2015 (respectively) Grant numbers: 1R13AR068911-01A1 and 3R13AR068911-01A1S1

<sup>3</sup> *Final Program Guide-9<sup>th</sup> World Congress for Hair Research*; North American Hair Research Society: Geneva, IL; November 2015

<sup>4</sup> Bergeson, Laine; *The Truth About Hair Loss And Baldness Cures*; Huffington Post; New York, NY. November 2014

<sup>5</sup> *Sponsorship Opportunities-9<sup>th</sup> World Congress for Hair Research*; North American Hair Research Society: Geneva, IL; November 2015

**Function 570 Medicare**



## **WASTE REPORT for November 9, 2015**

### **Dreaming of Waste: Medicare overpays for Sleep Studies**

You have probably heard of sleep apnea, the condition where a person momentarily stops breathing during sleep. In fact, Medicare alone spends almost \$300 million a year on sleep studies to determine if patients have this condition. **Unfortunately, it seems Medicare has a problem with overpaying for these important studies, costing taxpayers as much as \$175 million a year.**

In a recent report, the **Inspector General for the Department of Health and Human Services noted that one provider of sleep studies recently agreed to repay \$15.3 million resulting from false claims.**<sup>1</sup>

The IG report delved into another sleep study provider from Orlando that was estimated to have been **overpaid more than \$1 million, or almost 60 percent of all payments they received.** Specifically, the IG found, that in a sample of 100 patients, **74 percent of items billed were not allowable under Medicare guidelines.** In addition, **nearly one-third of those payments were made without supporting documentation, such as a doctor's referral.** And, in one instance, Medicare paid for a procedure that was not even done.<sup>2</sup>

Shockingly, roughly 60 percent of payments made to this particular provider were over 3-years old. Which means Medicare paid the bill for services without the required documentation and never followed up again.<sup>3</sup> This never would have been noticed if it were not for the Inspector General. If this is the trend, then **the government could be improperly paying as much as \$175 million a year just on sleep studies.**

It is no wonder that the **Government Accountability Office estimated earlier this year that Medicare makes over \$45 billion, or roughly 12.7% of its outlays, in improper payments annually.** Further GAO lists a root cause of Medicare improper payments as, **"[i]nsufficient documentation for home health claims..."**<sup>4</sup>

For those keeping score, earlier this year the Waste Report reported how Coast Guard members were able to use a [medical travel program to take vacations](#). What made this waste possible? **Travel approvals made without required documentation, including missing doctor referrals.** See a trend?

<sup>1</sup> Pilcher, Lori S., *TOTAL SLEEP MANAGEMENT, INC., BILLED MEDICARE FOR UNALLOWABLE SLEEP STUDY SERVICES*, Office of the Inspector General, Department of Health and Human Services; Washington, D.C.; October 2015

<sup>2</sup> Ibid, pp 6

<sup>3</sup> Ibid, pp 5

<sup>4</sup> Bertoni, Daniel; Davis, Beryl H.; *IMPROPER PAYMENTS: Government-Wide Estimates and Use of Death Data to Help Prevent Payments to Deceased Individuals*; Testimony Before the Before the Committee on Homeland Security and Governmental Affairs, U.S. Senate; Government Accountability Office; Washington, D.C.; March 2015

**Function 600 Income Security**



## **WASTE REPORT for July 27, 2015**

### **Public Housing: Not low-income? No Problem!!!**

The premise of the “social safety net” is to help people in need while they get back on their feet. And, just like a net that catches you when you fall, once you begin to climb again, you leave the net behind.

**So, why is the federal government spending \$104 million a year subsidizing public housing for people who are no longer low-income?** According to a Housing and Urban Development (HUD), Inspector General’s (IG) report, someone only needs to qualify as low-income once—when they first enter the program—and after that they can make as much money as they want without having to leave taxpayer-subsidized housing.<sup>1</sup>

The IG’s report found over 25,000 cases of people receiving benefits. And that is not just a case of occasionally exceeding the threshold, in almost all cases the income threshold had been exceeded for more than one year. Keep in mind that people receiving government financed housing vouchers to rent properties on the open market are cut off when their income exceeds the limit for 180 days.<sup>2</sup>

**Even those in the wealthiest 1 % are in on the deal.**<sup>3</sup> In New York, one family of four was making nearly \$500k a year and owned property that generated about \$150k a year in additional rental income. A single tenant in rural Nebraska made double the maximum income threshold and had **\$1.6 million in assets, including \$470k in real estate, yet only paid \$300 a month in rent** to the housing authority.<sup>4</sup> In both cases the tenant had not met the low-income standard in more than 5 years.

Oddly, this is not the result of a scam or a loophole. According to the IG report, **“HUD repeatedly objected to our audit on the grounds that the governing statute and regulations require that public housing authorities not deter overincome [sic] families from residing in public housing.”**<sup>5</sup>

So why even have an income threshold? Well, the IG put it best: **“the public housing program was created to provide affordable housing to eligible low-income families...”** And with almost 600,000 people on waiting lists, quite rightly said, **“HUD did not assist as many low-income families in need of housing as it could have.”**<sup>6</sup>

<sup>1</sup> Kasperowicz, David E. *Overincome Families Residing in Public Housing Units*, Office of the Inspector General at the Department of Housing and Urban Development, Philadelphia. July 2015

<sup>2</sup> Ibid pp. 7

<sup>3</sup> <http://money.cnn.com/2012/11/20/news/economy/top-1-percent/>

<sup>4</sup> Kasperowicz, David E. *Overincome Families Residing in Public Housing Units*, Office of the Inspector General at the Department of Housing and Urban Development, Philadelphia. July 2015 pp. 6-7

<sup>5</sup> Ibid pp. 20

<sup>6</sup> Ibid pp.20

**Function 700 Veterans Benefits**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for June 01, 2015**

**Waste, Powered by the Sun**

In the latest example of a federal solar project gone wrong, the Little Rock, AR Veterans Hospital made an **\$8 million investment on nearly 7000 solar panels that were never turned on**. Now the VA is removing those panels to make way for a new parking structure, which supposedly will house the solar panels on its roof.<sup>1</sup>

Local news reports show decisions were made on the parking project with plenty of time to prevent the wasted spending on the solar panels. The parking project was approved in August 2012, six months before the solar project broke ground, and the site was selected for the parking structure a month before the solar project was complete.<sup>2</sup>

But it was not the parking structure that prevented the panels from being turned on. According to local news, the solar project had design flaws that caused difficulties linking up to the local power grid. ArkansasMatters.com reports that a **representative for the solar project contractor likened the project to baking a cake, saying, "We didn't have a good recipe here and we're afraid of toasting something."**<sup>3</sup>

Even if the project had come off as planned, the VA estimates the solar panels would save about \$150,000 a year (about 12 percent) in electricity costs. **Meaning it would take 53 years for the panels to pay for themselves.**<sup>4</sup>

Members of the Arkansas congressional delegation, including Senator John Boozman and Rep. French Hill (R)-who represents Little Rock, are asking the Inspector General to investigate this matter further.<sup>5</sup>

**Uncle Sam, an abundant source of waste**

<sup>1</sup> Dover, Erica, *Little Rock VA built solar panels knowing they would be "relocated"*; KATV (ABC) 7, Little Rock, AR; April 2015

<sup>2</sup> Ibid.

<sup>3</sup> Berry, Josh, *7,000 Solar Panels at VA Hospital Remain Turned Off*; Arkansasmatters.com, Nextstarbroadcasting; Arkansas, April 2015

<sup>4</sup> Buck, Philip, *State delegation looking into VA Hospital solar panels*; THV (CBS) 11, Little Rock, AR; April 2015

<sup>5</sup> Ibid.

**Function 750 Administration of Justice**





## **WASTE REPORT for February 22, 2016**

### **Government Waste, an Extended Stay**

When a federal employee travels on official business, the government pays the cost of meals and lodging for that worker - within certain limitations. That sounds reasonable, until you learn that **the Department of Justice (DOJ) has spent at least \$54 million on expenses for employees who have been on “temporary travel” for one year or more.**<sup>1</sup>

After 90 days on assignment at one location an employee goes on Extended Temporary Duty (ETDY), which it is actually supposed to save money by reducing lodging and meal allowances by 25 percent.<sup>2</sup> However, the DOJ Inspector General’s (IG) looked at the ETDY program at the DOJ and what they found was abuse and absurdity.

**The IG identified 60 instances where temporary assignments lasted more than 2 years, including one assignment that lasted 6 years and another for 12 years.** In another instance, the IG found that a married couple both working for the DOJ relocated to Washington, D.C. **One spouse transferred and received relocation assistance while the other received ETDY compensation.**<sup>3</sup>

The FBI alone accounts for 95 percent of all DOJ employees on ETDY. Why so many? Out investigating crimes in remote locations? Not quite, the ETDYs at the FBI are almost entirely due to the Headquarters Staffing Initiative (HSI) which allows employees from across the country to do an 18-month rotation at FBI Headquarters in Washington D.C. **Technically employees can choose to transfer, but most take ETDY because their lodging is tax exempt and is easily more than how much their pay would increase under D.C. locality pay.**<sup>4</sup>

Aside from the loose definition of “temporary” that seems to be used at DOJ, the tax treatment of ETDY compensation is worth noting. IRS regulations say that employer provided lodging and meals while on travel are nontaxable, unless your temporary assignment is for one year or more, or are expected to be for one year or more. **In other words, the IRS says if your employer is sending you somewhere for a year, IT’S A MOVE, NOT A BUSINESS TRIP.**

There is only one group the IRS rule does not apply to: federal law enforcement, prosecutors, and support staffs are exempted until they have been on ETDY for two years.<sup>5</sup> Seems almost like a special carve out for DOJ and the HSI program.

**Maybe there is such thing as a “temporary” government program,  
It is just they are all on “extended” status**

<sup>1</sup> *Audit of the Department of Justice’s Use of Extended Temporary Duty Travel*; Office of the Inspector General-U.S. Department of Justice; Washington, DC; September 2015. Report Number: Audit Division 15-33

<sup>2</sup> *Ibid* pp. 2

<sup>3</sup> *Ibid* pp. 8

<sup>4</sup> *Ibid* pp. 5

<sup>5</sup> *Travel, Entertainment, Gift, and Car Expenses*; Internal Revenue Service, Washington DC; February 2016. Publication Number: 463

**Function 800 General Government**



U.S. Senate Committee on Homeland Security and Governmental Affairs  
**Subcommittee on Federal Spending Oversight**

Senator Rand Paul, M.D. (Kentucky), Chairman

**WASTE REPORT for September 14, 2015**

**Federal Yoga: Bend, Stretch, Waste**

Maybe you saw a Groupon for yoga classes and considered it, but, even at a discount you were not sure you wanted to spend the money.

Well, if you were an employee at certain federal agencies you would not have to worry about cost, as the U.S. taxpayer picks up the tab. That's right, a variety of federal agencies in a number of locations provide "free" yoga classes to employees. But these classes are not free; since 2013, they have cost taxpayers over \$150,000.<sup>1</sup>

The State Department spends \$15,000 for yoga in the nation's capital. A yoga instructor in from Berkeley, California is paid \$4,000 a year from the Department of Agriculture's Research Service.

Of course, the Department of Energy, which the *Waste Report* highlighted trying to buy the Cadillac of treadmills earlier this year, has gotten in on taxpayer financed yoga; but for \$11,000 annually they also offer pilates at a California location. Another agency aligning its chakras is the Environmental Protection Agency.

The Railroad Retirement Board spends \$11,000 annually for yoga classes for office workers at its Chicago headquarters. Strangely, they reported that participants were initially charged for the class, but in some kind of weird reversal of economic principles, there was so much demand, the agency decided to start picking up the tab in 2010.

Not all agencies that offer employees yoga at work also pay the cost; many agencies, including the U.S. Senate, require participants to pay for the class.

**Government, bending over backwards to waste your money.<sup>2</sup>**

<sup>1</sup> All data in this *Waste Report* was obtained through USASpending.gov or through correspondence with agencies legislative affairs or inspectors general offices.

<sup>2</sup> Note: the Department of Veterans Affairs is the largest purchaser of yoga services in the federal government, followed by the Department of Defense, but many of these classes are for rehabilitation of wounded soldiers or other service related ailments and were thus excluded from this report.