

GOVERNMENT

Waste Watch

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&
THE COUNCIL FOR CITIZENS AGAINST
GOVERNMENT WASTE
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Leslie Paige
Director of Media

On April 2, 2008, Citizens Against Government Waste (CAGW) unveiled its *2008 Congressional Pig Book* detailing 11,610 pork projects worth \$17.2 billion (excerpts from the *Pig Book* begin on page 5).

Pork-barreling, or earmarking, as it has become known, is the

Earmarks (continued on page 8)



Message

FROM THE

President

By Thomas A. Schatz



Mystery Memo Unveils Dirty Little Secret

On April 28, *Washington Post* columnist Jeff Birnbaum, a Fox News Channel political contributor who also wrote “The Lobbyists” and edits the *Post’s* “K Street” column, revealed the discovery of a six-page pro-earmark memorandum circulating on Capitol Hill. This roadmap to earmark success was scintillatingly titled “The Fairness of Congressional Earmarking in American Democracy: A Comparison of the Distribution of FY 2008 Funding (via Congressional Direction) versus FY 2007 Funding (via Federal Agency Grants).”

Mr. Birnbaum called it the “hottest document on Capitol Hill,” in part because no one was sure who wrote it. His suspicion was that it had been penned by “a lobbyist eager to justify his or her profession.” At first, the columnist suspected a little-known group called The 302(b) Group, named after the section of the instructions that gives congressional appropriations committee the ability to spend money. (The magic words during consideration of the annual appropriations bills are, “How much is your 302(b) allocation?”)

Several days later, Mr. Birnbaum reported that he had gotten an e-mail from the president of the Ferguson Group, a lobbying outfit which identifies itself as the largest lobbying firm for

local governments. With revenue of \$30.5 million, the company was ranked number 30 on the most recent list of “Washington’s Top Lobbying Firms” by the nonprofit group Public Integrity. The group’s president informed Mr. Birnbaum that he had had his staff prepare the memo to “tell its clients why ‘they tended to get more money from congressional earmarks than from federal agencies left to their own devices.’”

CAGW Media Director Leslie Paige, in a post about the memo on our blog, www.swineline.org, called it “a not-so-subtle primer of talking points for all the folks on the Hill” who can’t wait to meet with their favorite appropriators and give them their “wish-lists or projects they swear they cannot live without but which they would like someone else to pay for.”

Attacking the memo’s central argument that congressional earmarking is “more democratic” than the agency decision-making process, Ms. Paige sarcastically asked why, “when the congressional earmarking process is just so darned equitable and just, don’t we permit those selfless, noble lawmakers to earmark the whole darn federal budget?... Why are we bothering with competitive grant-making, and merit-based awards, formula grants, measurement benchmarks, inspectors general, the Government Accountability Office, federal agencies? Doesn’t

all this ‘democratizing’ through the holy sanctification of earmarks make you wonder why we even bother?”

It did not take a six-page memo to come to that conclusion since earmarks, by their nature, subvert more open and deliberative process in federal agencies. Indeed, that is what makes earmarks so attractive to the members of Congress who dole them out, and to those who receive them.

States and localities are now perhaps the biggest supplicants for federal earmarks. They are also exempt from the ethics rules passed last year that include a prohibition on gifts to members of Congress. That means they can wine, dine, and lobby representatives and senators directly for their pork, instead of forcing local taxpayers to fork over their hard-earned money to hire highly paid lobbyists like those at the Ferguson Group.

Mr. Birnbaum deserves the taxpayers’ thanks for his investigative reporting into, as he called it, “the underworld of earmarking.”

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Guest Column

Thwarting Sanity in Medicaid

By Grace-Marie Turner
President, Galen Institute



Legislation is making its way through Congress that would block a small effort to inject some fiscal prudence into the vast Medicaid program.

Medicaid, the joint federal-state program that provides health coverage for more than 55 million lower-income Americans, is the largest health care program in the country and is projected to spend more than \$360 billion this year.

Spending is out of control in Medicaid, with numerous government and media reports showing it is rife with fraud and abuse. The Centers for Medicare and Medicaid Services (CMS) have issued new administrative rules intended to make sure that Medicaid is spending taxpayer dollars appropriately and to protect and preserve the program for the future.

But not so fast, the Congress said. Leaders in the House of Representatives who see themselves as protectors of Medicaid are trying to block implementation of the new rules. This is setting up a showdown with President Bush, who has vowed to veto legislation that would keep the administration from implementing the rules to stop some of the most obvious fraud and abuse.

The Government Accountability Office (GAO) and the Office of the Inspector General (OIG) at the Department of Health and Human Services have identified about seven loopholes open to waste and illegal use of Medicaid funds.

The White House sent a veto warning to Congress saying that the loopholes must be closed because they "have permitted States to inappropriately enhance their claimed medical expenditures, thereby increasing the Federal Government's contribution. Blocking the CMS regulations ignores the policy recommendations and investigatory findings of the GAO and the OIG and will put billions of dollars of Federal funds at risk."

The GAO found that many states are gaming the system to boost their federal Medicaid reimbursement, yet "There is no assurance that these increased federal matching payments are used for Medicaid services...GAO found that one state used the funds to help finance its education programs, and others [used them for other] non-Medicaid purposes."

This doesn't help, and it can even harm beneficiaries. The OIG found that medical facilities, such as nursing homes, have been forced to rebate tens of millions of dollars of payments back to the states, compromising the quality of care for residents.

One example: A nursing home in Albany County, New York, had total operating costs over a three-year period of \$70 million. Creative state billing using the upper payment limit resulted in \$132 million in payments to the facility.

But the nursing home was required to rebate to the state all but \$50 million, meaning that it operated at a \$20 million loss and was seriously understaffed. It is difficult to see how this was helping Medicaid patients.

In the interest of making sure that Medicaid dollars are paying for patient care, it makes sense to require that providers receive and retain the total amount of the Medicaid payments they are due them, as the CMS rules would require.

The OIG has found numerous cases in which Medicaid claims were being filed that did not involve patient care or allowable rehabilitation services. It found, for example, cases in which the taxpayer was being billed for non-allowed services such as transporting beneficiaries to the grocery store, restaurants, or even bingo games.

Unless a check is placed on these expenditures, states could undermine Medicaid's ability to provide the *needed and allowed* medical services that millions of Medicaid recipients rely on.

The CMS rules are not perfect, but rather than block them completely, a better strategy would be for the Congress to work with the administration to produce policies to address this financial abuse.

The great majority of providers serving Medicaid patients work to provide the best care possible, often at considerable sacrifice, such as physicians who treat Medicaid patients even if the payment means they are taking a financial loss. But when states are gaming the system, patient care is not helped.

On April 3, 2008, I took arrows from members of the House Energy and Commerce

Health Subcommittee when I testified before Congress on behalf of the beleaguered taxpayer. I explained that government agencies have for years detected fraudulent billing in Medicaid and that it is the administration's responsibility to make sure that Medicaid is spending taxpayer dollars legally and appropriately. I said that the new rules issued by the Centers for Medicare and Medicaid Services should go forward.

But I was at the witness table with a pediatrician, a school superintendent, a hospital manager, and a Medicaid director, among others, all of whom were arguing that these rules would devastate the program.

The changes would slow federal Medicaid spending by 1 percent over the next five years -- or \$14 billion out of the \$1.2 trillion in federal Medicaid spending over the period. But these new rules could demonstrate a much-needed willingness to bring greater integrity into the program.

The OIG has reported in congressional testimony that it is working to "ensure that Medicaid expenditures are in fact used for medical care to Medicaid beneficiaries [and that] funds are used to provide the *intended* health care services in the *intended* facility to the *intended* beneficiaries."

Blocking the new rules "jeopardizes federal savings of approximately \$14 billion over five years and \$33 billion over ten years because it prohibits the administration from finalizing or implementing the rules before leaving office," the White House told Congress in its veto warning.

The ranking Republican on the Energy and Commerce Committee, Joe L. Barton of Texas, said he did not think Republicans would vote to sustain the veto: "I don't think the veto threat was appropriate, and I don't think it will be successful if vetoed, because the votes simply aren't there."

The wild card could be the Senate. Sen. Charles Grassley, ranking Republican on the Senate Finance Committee, does not support blocking the rules. "We ought to let them move forward instead of just delaying all of these Medicaid regulations all at once," Grassley said.

So the Senate, of all places, may be the place we look to protect taxpayers from having Medicaid dollars be used for expenses that clearly are not medically related, like transportation to bingo games, and for states determined to game the system.

If nothing else, this shows how difficult it is to curb even documented abuse once a government health spending program is established. The only solution is to avoid expanding these programs that take on a life and constituency of their own.

Grace-Marie Turner is president of the Galen Institute, a nonprofit research organization that focuses on free market ideas for health reform. She served as a member of the federal Medicaid Commission from 2005-2006. She can be reached at galen@galen.org

Guest Column

Earmarks and Transportation

By Rick Geddes

Associate Professor, Department of Policy Analysis & Management, Cornell University



Congressionally mandated earmarks are on the rise. From 1995 to 2008, congressional earmarks grew from 1,439 to 11,610, almost a 700 percent increase, with a high water mark of 13,997 in 2005, according to Citizens Against Government Waste. A few of the most egregiously wasteful earmarks have galvanized voter concern, such as the “Bridge to Nowhere” in Alaska and Coconut Road in Florida. Fortunately, earmarks in general are receiving renewed national attention. Sens. Jim DeMint (R-S.C.) and John McCain (R-Ariz.) recently offered an amendment to the 2009 budget resolution that would impose a one-year moratorium on congressional earmarks. It was co-sponsored by three prominent Democrats: Sens. Hillary Clinton (D-N.Y.), Claire McCaskill (D-Missouri), and Barack Obama (D-Ill.).

Although there is a general consensus that earmarks are bad, the conceptual case against them appears to be underappreciated. There are several powerful economic and political arguments for why earmarks should be discouraged.

First, the economic. Whenever a firm or a household decides to spend money, the first thing it will do is assess what it stands to gain from that spending and how much, exactly, it will cost. That is, either explicitly or implicitly, in deciding on what and how much to spend firms and households conduct a cost-benefit analysis on their spending. Suppose a railroad is considering adding a new rail line between two cities. If the benefits exceed the costs of that line, it means that the spending will create positive new value for the firm, i.e. the railroad’s value will rise. If the railroad is shareholder owned, the spending raises the stock price and makes shareholders better off. Suppose a household is considering

whether or not to spend on a family vacation. If that spending generates benefits, perhaps in terms of fun, in excess of costs then the household gets net benefits from the vacation.

Of course, both firms and households may do this poorly. Some firms may spend on wasteful projects and households may be profligate. Two points are noteworthy here. Unlike government, both households and firms face the threat of bankruptcy, which will serve to discipline those who consistently bungle their cost-benefit calculations. For shareholder-owned firms, this threat is even more immediate. If the firm wastes money, shareholders will sell shares and the stock price will fall, which is likely to directly affect the managers who approved the spending (if they are paid in stock or options). Governments that engage in spending that fails a cost-benefit test face no such immediate penalties. Rather than fearing bankruptcy, a government that runs persistent deficits may point to those deficits as evidence that it needs more revenue, and that taxes should be higher still.

The second noteworthy point is that some spending can destroy value. Spending for which the costs (properly measured) exceed benefits (properly measured) actually reduces the welfare of society. Indeed, there is perhaps no better one-sentence explanation for the collapse of the Soviet Union. Earmarks do not need to pass any formal cost-benefit test; they only need to be politically feasible. Since they only create net value by happenstance, there is a strong likelihood that earmarks actually destroy economic value. After all, if an earmark did create substantial net value, it begs the question of why the state or locality to which it is directed did not capture that value through public spending already.

But firms and households subject spending to a stronger test than cost-benefit. Railroads may be able to conceive of many new rail lines for which the benefits would exceed costs, and households can think of many possible vacations that would generate fun in excess of cost. However, they both lack the resources to pay for all those projects. Firms and households are forced to think about their spending by saying, “Is this the best use of those dollars relative to all the other things we could spend on?” That is, is this the rail line that would create the most value or the vacation that would create the most fun? Firms and households, either implicitly, or better, explicitly, rely on the basic economic concept of opportunity cost, or the next highest valued use for that spending.

Any family that has considered alternative vacation destinations is familiar with this reasoning. An additional reason to be concerned about the efficacy of congressional earmarks is that they do not go through any similar process. They are not considered in light of the alternative uses for those dollars, nor does that spending pass a cost-benefit assessment.

Finally, what are the effects of earmarking on the political process? They are deleterious. Earmarks convert what should be one of the nation’s highest callings into a competition to “bring home the bacon” to satisfy parochial interests. The fact that earmarking has become widespread, and apparently accepted, makes it tempting for lobbyists to ply politicians with a variety of benefits in an attempt to secure their preferred earmark.

Earmarks are by definition focused on narrow, precisely defined projects, usually local in nature. They thus divert scarce revenue (as well as congressional attention and energy) away from issues that are truly of national concern, and raise the question of why federal government resources are not being devoted to projects with a national focus. A one-year moratorium on earmarks is therefore an important first step toward reforming this wasteful process. Elimination would be even better.

Rick Geddes is an Associate Professor in the Department of Policy Analysis & Management at Cornell University. He was a member of the National Surface Transportation Policy and Revenue Study Commission.

The J. Peter Grace Legacy Society

Established in 1997 by the Grace family, the J. Peter Grace Legacy Society is a living memorial to the late Grace Commission chairman and CAGW co-founder, J. Peter Grace—and to his vision of a fiscally responsible government that is accountable to taxpayers.

With support from individuals and estates, the legacy society helps provide the financial underpinning for CAGW’s ongoing role as the independent voice of the taxpayer. Members of the society have joined the Grace family in preserving Peter’s legacy by working to ensure that the American taxpayer’s interest wins out over the special interests in Washington.

For more information about the J. Peter Legacy Society, please contact us at 1-800-USA-DEBT.

Watch Dogs



Lincoln in the Sky with Diamonds

By Sean Kennedy, Research Associate

In the fiscal year 2008 Financial Services Appropriations Act, House Appropriations Committee member Rep. Jesse Jackson, Jr. (D-Ill.) inserted an earmark worth \$282,000 for the Abraham Lincoln National Airport Commission for minority and small business development and procurement opportunities. Pending approval of its plans, the Commission will provide oversight to the construction of Chicago's third airport, which has been heavily lobbied for by Rep. Jackson.

While tacitly an effort to maintain Chicago's status as a renowned international aviation hub, the airport is looking more and more like an attempt to boost the economy of the city's southern suburbs. Rep. Jackson's Web site claims the new airport "creates tens of thousands of new jobs, builds a stronger tax base, and provides sound economic development for a generation and beyond." In addition, Gov. Rod Blagojevich (D) endorsed the Abraham Lincoln National Airport Commission in his February 2005 State of the State address, asserting that it would spur new investment and employment "in an area of our state that desperately needs jobs."

The unstated motivation for the airport might have been ignored by federal taxpayers had the Commission stuck to its original plan of funding the airport, using an arrangement which combined private financing with public governance and accountability. Instead, Rep. Jackson relied

on a pervasive congressional talent of speaking out of both sides of one's mouth: at the same time his Web site claimed the airport would be built "using only private dollars and posing no cost or risk to taxpayers," he was earmarking money for the Commission.

Mainframes on the Agenda

By Sean Kennedy, Research Associate

Continuing Citizens Against Government Waste's (CAGW) long-standing support for the efficient use of technology at the state and federal levels as well as government transparency, a new project has been launched to determine the depth and breadth of the use of mainframe computers in state government. CAGW has submitted information requests under the Freedom of Information Act (FOIA) to the chief information officers of each state. The FOIAs request statistics on the states' use of mainframe computers.

Used by major corporations, hospitals, and financial institutions as well as government to store and process data, mainframe systems require expensive upkeep. Several states have had issues with their mainframe systems. Last year, Virginia experienced a hardware failure in one of its mainframes that impacted several agencies, most notably the Departments of Motor Vehicles, Social Services, and Taxation. Recently, the courts system in Texas switched from the old-fashioned system of mainframe storage to a network-based electronic filing system. Now, court clerks and attorneys can themselves electronically file and view documents, saving time and potentially millions of dollars.

As the FOIAs begin to trickle in, CAGW will catalogue the results and rate each state on the substance of its activities in relation to mainframes, as well as on its responsiveness in handling the request. The report will also include recommendations on improving and modernizing these computer systems. CAGW's findings should be published by the end of the summer.

Booming Market for Military Goods

By Katelynn Eckert, Research Intern

The auction websites Craigslist and eBay have revolutionized the way business and personal transactions are conducted. They unite buyers and sellers, landlords and renters, and in the case of Craigslist, "missed connections." However, it appears that these websites are not only aiding those with unique hobbies and an appetite for obscure items, but persons searching for sensitive military property as well. Between 2007

and 2008, the Government Accountability Office (GAO) performed a series of undercover investigations, determining that numerous defense-related items were readily available for sale on Craigslist and eBay.

While it is not illegal to buy and sell defense-related items domestically, the Department of Defense classifies some items as requiring special demilitarization prior to disposal. The demilitarization process can range from removing sensitive components to destroying the item entirely. The items located by GAO on eBay and Craigslist required demilitarization; however, they never underwent the process, meaning that highly sensitive military goods were on the market and available to any interested party.

Many of these items could have been used directly against American troops and U.S. allies, or been reverse engineered to develop countermeasures or equivalent technology. Items purchased by GAO included components for F-14 aircrafts, Army Combat Uniforms, and body armor vests. Although this is alarming enough, GAO's findings get worse. The F-14 fleet has been retired by the United States, and these components are currently in demand by the government of Iran.

In addition, in January 2007, Iraqi insurgents donned Army Combat Uniforms and gained access to a compound in Karbala, killing five service members. This event could easily be repeated given the availability of Army Combat Uniforms through these auction sites. The unique body armor vests used in Iraq and Afghanistan can be reverse engineered to develop countermeasures, rendering them ineffective, or could even be used domestically for criminal purposes.

The websites involved in this GAO investigation have an international scope, meaning that items can be purchased by anyone in the world. In this investigation, agents found that all items were shipped "no questions asked," allowing for the real possibility that they could be purchased by illegal weapons brokers, terrorists, and agents of foreign governments. While eBay and Craigslist publicly state that stolen items cannot be sold, both sites maintain little effective oversight to determine if the items for sale have, in fact, been stolen.

The findings of this report bring up a Pandora's Box of potential security risks brought on by the Internet age. While this issue cannot be easily rectified, one thing is certain: the Department of Defense and federal government as a whole must install a more thorough method of tracking and disposing of military goods.



CITIZENS AGAINST GOVERNMENT WASTE

2008 CONGRESSIONAL PIG BOOK HIGHLIGHTS



INTRODUCTION

If Washington, D.C. were to export a commodity, it would be rhetoric. Politicians especially love to talk about fiscal responsibility. On March 13, 2008 the Senate had an opportunity to test that rhetoric when Sen. Jim DeMint (R-S.C.) offered an amendment to impose a one-year moratorium on earmarks. Pork beat talk as the measure failed by a vote of 29-71.

In the House of Representatives, Republicans want a one-year moratorium but will not unilaterally disarm. Democrats won't agree because of objections from big porkers such as House Defense Appropriations Subcommittee Chairman John Murtha (D-Pa.). On February 11, 2008, *Roll Call* noted, "Every private entity that received a special project from the Pennsylvania Democrat in last year's defense spending bill had given him political money at some point since 2005." At his February 27, 2008 fundraiser for lobbyists, Murtha received a standing ovation.

The latest installment of Citizens Against Government Waste's (CAGW) 18-year exposé of pork-barrel spending includes \$3,000,000 for the First Tee Program; \$1,950,000 for the Charles B. Rangel Center for Public Service; and \$188,000 for the Lobster Institute in Maine.

In fiscal year 2008, Congress stuffed 11,610 projects (the second highest total ever) into the 12 appropriations bills worth \$17.2 billion. The 11,610 projects represent a 337 percent increase over the 2,658 projects in fiscal year 2007. The \$17.2 billion is a 30 percent increase over the fiscal year 2007 total of \$13.2 billion. Only the Defense and Homeland Security bills included earmarks in fiscal year 2007, so comparisons of other bills are made between fiscal years 2008 and 2006. Total pork identified by CAGW since 1991 adds up to \$271 billion.

Alaska led the nation with \$556 per capita (\$380 million). The runners up were Hawaii with \$221 per capita (\$283 million) and North Dakota with \$208 per capita (\$133 million).

The one glimmer of hope is that for the first time taxpayers were able to see, for the most part, which members requested which projects. Out of the 11,610 projects in the *2008 Pig Book* there were 11,146 disclosed projects worth \$13.8 billion and 464 undisclosed projects worth \$3.4 billion.

To paraphrase Robert Frost: Taxpayers, and members of Congress, still have many miles to go before they sleep without earmarks.

The 1,188 projects, totaling \$2.8 billion, in this year's *Congressional Pig Book Summary* symbolize the most egregious and blatant examples of pork. As in previous years, all of the items in the *Congressional Pig Book Summary* meet at least one of CAGW's seven criteria, but most satisfy at least two:

- Requested by only one chamber of Congress;
- Not specifically authorized;
- Not competitively awarded;
- Not requested by the President;
- Greatly exceeds the President's budget request or the previous year's funding;
- Not the subject of congressional hearings; or
- Serves only a local or special interest.

I. AGRICULTURE

Many appropriators find Agriculture pork yummy, but taxpayers are left with a bad taste in their mouths. In 2006, the Agricultural Research Service refused to release public budget documents. In 2007, the Cooperative State Research, Education, and Extension Service did not testify about individual special research grants. Despite this lack of transparency, total pork spending decreased by 33.6 percent from \$584 million in fiscal year 2006 to \$388 million in fiscal year 2008, while the number of projects increased by 22 percent from 502 in fiscal year 2006 to 614 in fiscal year 2008.

\$15,115,446 for 17 projects by Senate Appropriations Committee Ranking Member Thad Cochran (R-Miss.), including: \$3,723,750 for a Natural Products Lab; \$2,780,400 for the Jamie Whitten Delta States Research Center; \$1,075,419 for the Agricultural Wildlife Conservation Center; \$849,015 for genomics for southern crop stress and disease research; \$511,395 for biotechnology research; and \$229,383 for rural systems research.

\$7,556,660 for grape and wine research. Wine is a popular beverage. In fact, in 2006, per capita U.S. wine consumption was 2.39 gallons while the U.S. exported 404.5 million liters of wine. Total wine sales in 2006 were \$27.8 billion. There is no pressing need for taxpayers to pay for this research.

\$4,840,875 for wood utilization research in 10 states requested by nine Representatives and 16 Senators. Among the research areas is "refinement of processing technology for laminated veneer lumber for furniture, flooring, and other specialty industries." As if no one has ever done that before. This research has cost taxpayers \$90.8 million since 1985.

\$1,769,526 for five projects by Senate Majority Leader Harry Reid (D-Nev.), including: \$1,117,125 for Mormon crickets; \$365,424 for the Nevada arid rangelands initiative; and \$36,741 for weed management.

\$742,764 by Rep. Mike Thompson (D-Calif.) for olive fruit fly research. Part of this money, \$211,509, is to be spent in Paris, France.

\$172,782 for the National Wild Turkey Federation in Edgefield, S.C. According to the Federation's website, "conservation partners and grassroots members have raised and spent more than \$258 million upholding hunting traditions and conserving more than 13.1 million acres of wildlife habitat." Once proposed as the national bird by Ben Franklin, the average American ate 16.9 pounds of turkey in 2006. Turkey

consumption has increased 108 percent since 1970. The turkeys produced in 2005 weighed 7.2 billion pounds and were valued at \$3.2 billion. This earmark makes taxpayers feel like big fat turkeys.

\$148,950 by Sens. Max Baucus (D-Mont.) and John Tester (D-Mont.) for the Montana Sheep Institute. According to the organization's website, "The Montana Sheep Institute (MSI) is a cooperative project between Montana Wool Growers Association and Montana State University. The MSI is dedicated to developing and implementing non-traditional adjustment strategies that will increase the competitiveness of Montana's lamb and wool in the world market. Our goal is to explore opportunities to increase the utilization of sheep in weed management programs and improve the profitability and competitiveness of the Montana Sheep Industry." This is a b-a-a-a-a-d earmark. Since 2002, CAGW's *Pig Book* has identified \$2.8 million in pork for this research.

II. COMMERCE, JUSTICE, SCIENCE

In 2006 the once-named Commerce, Justice, State Appropriations Act was renamed the Science, Departments of State, Justice, and Commerce, and Related Agencies Appropriations Act (SSJC). In 2008, the name has been changed yet again, and now it is known as the Commerce, Justice, Science Appropriations Act (CJS). With all of these name changes, appropriators may have grown tired of spending as much money on pork as they did in the past. The number of projects decreased by 13 percent, from 1,987 in fiscal year 2006 to 1,731 in fiscal year 2008. The dollar amount decreased by 47 percent from \$1.9 billion to \$1 billion.

\$56,259,000 for 21 projects by Senate Appropriations Committee Ranking Member Thad Cochran (R-Miss.), including: \$11,280,000 for the Stennis Space Center; \$7,520,000 for the Center for Marine Aquaculture (according to the senator's website, "Funding will be used to create, develop, and commercialize new technology to meet America's demand for warm water marine seafood. This program will lay the basis for the development of a new industry for Mississippi and the Gulf of Mexico region."); and \$1,175,000 for Jackson State University for computer software and mapping.

\$19,035,000 for 19 projects by Senate CJS Appropriations Subcommittee member Ted Stevens (R-Alaska), including: \$3,478,000 for the harbor seal and stellar sea lion protection program for management measures to protect harbor seals and stellar sea lions in partnership with the National Marine Fisheries Service and the Alaska Sea Life Center; \$2,820,000 for the Native American/Native Alaskan Liaison Office; \$1,128,000 for Big Brothers/Big Sisters of Alaska Eagle River for an at-risk youth mentoring program; \$188,000 for monitoring and restoration of salmon stocks to allow the monitoring and restoration of depressed salmon stocks under the management of one organization, the Bering Sea Fishermen's Association.

\$1,648,850 for the Shedd Aquarium by Senate appropriator Richard Durbin (D-Ill), Sen. Barack Obama (D-Ill.), House appropriator Mark Kirk (R-Ill.) and Rep. Danny Davis (D-Ill.). The aquarium's website says the facility was a "gift to the people of Chicago from John Graves Shedd, president and chairman of the board of Marshall Fields & Company." This aquarium receives 2 million visitors per year and has 36 corporate benefactors. At the end of 2004 (the last year for which information is available), the aquarium had a fund balance of approximately \$200 million. Those are some liquid assets.

\$1,339,500 by Sens. Charles Schumer (D-N.Y.) and Hillary Clinton (D-N.Y.), and Rep. Charles Rangel (D-N.Y.) for the Abyssinian Development Corporation. According to a January 24, 2008 CNSNews.com article, "Clinton teamed with senior New York Sen. Charles Schumer and New York Rep. Charles Rangel, both Democrats, to provide three earmarks for the Abyssinian Development Corporation (ADC). The ADC is a separate non-profit community development organization... that focuses on increasing quality housing, delivering social services, and boosting economic and educational opportunities in Harlem. Clinton accepted credit for the Abyssinian earmarks and other earmarks in a statement released in December saying, 'I am proud that these funds will help support critical investments in New York City – from strengthening community programs for our children to supporting the city's colleges and universities to cleaning up our waterways.'"

\$705,000 by House appropriator and CAGW 2007 Porker of the Year recipient John "Jack" Murtha (D-Pa.) for Concurrent Technologies Corporation Corrections Learning Environment. According to a January 14, 2008 article in The New York Times, "In 1991, Mr. Murtha used a \$5 million earmark to create the National Defense Center for Environmental Excellence in Johnstown to develop anti-pollution technology for the military. Since then, it has garnered more than \$670 million in contracts and earmarks. Meanwhile it is managed by another contractor Mr. Murtha helped create, Concurrent Technologies, a research operation that somehow was allowed to be set up as a tax-exempt charity, according to *The Washington Post*. Thanks to Mr. Murtha, Concurrent has boomed; the annual salary for its top three executives averages \$462,000."

III. DEFENSE

Former Rep. Randy "Duke" Cunningham (R-Calif.) is in jail because of bribes he accepted from defense contractors in exchange for earmarks; on February 27, 2008 House Defense Appropriations Subcommittee Chairman John Murtha (D-Pa.) received a standing ovation at a fundraiser for defense lobbyists. On February 11, 2008, Roll Call noted, "Every private entity that received a special project from the Pennsylvania Democrat in last year's defense spending bill had given him political money at some point since 2005" There are no two better examples to illustrate the problems with defense earmarks. When members of Congress gorge themselves on defense pork, America's fighting men and women are not getting the proper equipment that they need to fight the war on terror around the globe. While every penny of defense funds should be wisely spent, at least there was a reduction in the number of pork-barrel projects by 19 percent

from 2,618 in fiscal year 2007 to 2,108 in fiscal year 2008, while the total cost decreased by 32 percent, from \$10.8 billion in fiscal year 2007 to \$7.3 billion in fiscal year 2008.

\$173,200,000 for 25 projects by Senate Defense Appropriations Subcommittee Chairman Daniel Inouye (D-Hawaii), including: \$25,000,000 for the Hawaii Federal Health Care Network; \$23,000,000 for the Maui Space Surveillance System operations & research; \$10,000,000 for the National Defense Center of Excellence for Research in Ocean Sciences; \$5,000,000 for the Maui High Performance Computing Center; \$3,500,000 for Army conservation and ecosystem management; \$3,000,000 for the Hawaii National Guard Counter-Drug Program; and \$2,000,000 for Brown Tree Snakes.

\$9,800,000 for the Space Fence. According to a February 5, 2008 *Aerospace Daily & Defense Report* article, "The Air Force plans to delay the fielding of its revamped Space Fence – a distributed group of ground-based sensors designed to track objects in space as they orbit. Initial operational capability is now set at 2015." InsideDefense.com reported on December 23, 2006 that "The funding cuts to the so-called 'Space Fence' program are included in an internal Pentagon budget document known as program decision memorandum IV, signed by Deputy Defense Secretary Gordon England earlier this month, according to the Air Force. While the memo itself is not intended for public release, details about the cuts were included in a 'future year funding' document posted on the Hanscom Air Force Base's Space Fence business opportunities Web site."

\$3,000,000 by House Majority Whip James Clyburn (D-S.C.) for The First Tee, whose purpose, according to its website, is "To impact the lives of young people by providing learning facilities and educational programs that promote character development and life-enhancing values through the game of golf." If The First Tee wanted money to spread its teachings to the military, it could ask its numerous corporate sponsors, who would likely respond with at least \$3 million. Rep. Clyburn told CNBC on November 27, 2007 that the program will help "make generals and colonels." Apparently, after hundreds of years of military operations without having such a program, it was critical to add The First Tee in conference, in the middle of the war on terrorism.

IV. ENERGY AND WATER

While totals are down elsewhere, pork skyrocketed in the fiscal year 2008 Energy and Water Appropriations Act. The number of projects increased 89.2 percent, from 942 in fiscal year 2006 to 1,782 in fiscal year 2008, while dollar amounts increased a whopping 142 percent, from \$1.6 billion in fiscal year 2006 to \$3.8 billion in fiscal year 2008. The Army Corps of Engineers program has long been a bastion for pork, and this trend continued in fiscal year 2008.

\$770,472 by Sens. Joe Biden (D-Del.) and Thomas Carper (D-Del.) for oyster revitalization in the Delaware Bay. In its heyday, Delaware Bay provided a world-class source of oysters. However, due to disease and overfishing, oyster populations have been on the decline. This shell planting and seed transplant project is an effort to revitalize the supply of oysters in the New Jersey and Delaware waters of Delaware Bay.

\$738,000 by Senate Energy and Water Appropriations Subcommittee Ranking Member Pete Domenici (R-N.M.) for the National Museum of Nuclear Science and History site in Albuquerque. According to the museum's website, it is the nation's only congressionally chartered museum of nuclear science and history, and attempts to "convey the diversity of individuals and events that shape the historical and technical context of the nuclear age." Admission is \$6 for adults.

\$492,000 by Sens. Sherrod Brown (D-Ohio) and George Voinovich (R-Ohio) for Rolls-Royce Fuel Cell Systems (US) Inc., to develop a solid oxide fuel cell at the Fuel Cell Prototyping Center at Stark State College of Technology in Canton. Rolls-Royce Group reported a net profit of £600 million, or more than \$1.2 billion in 2007, meaning the company could take .041 percent of its profit and pay for the research itself.

\$196,800 by House appropriator Ray Lahood (R-Ill.) for green building technologies at Lakeview Museum in Peoria. A February 2, 2008 *Rockford Register Star* article provided a glimpse into the mind of appropriators when it quoted Rep. Lahood as saying, "The reason I went on the Appropriations Committee, the reason other people go on the Appropriations Committee, is they know that it puts them in a position to know where the money is at, to know the people who are doling the money out and to be in the room when the money is being doled out."

V. FINANCIAL SERVICES

Created this year, the fiscal year 2008 Financial Services Appropriations Act does not have a historical comparison for most of the agencies in the bill. However, one exception is the Small Business Administration (SBA). SBA earmarks increased 21 percent, from 157 in fiscal year 2006 to 190 in fiscal year 2008, while dollar amounts decreased 23.7 percent, from \$91 million in fiscal year 2006 to \$69.5 million in fiscal year 2008.

\$19,942,000 for four projects funding presidential libraries, including: \$8,000,000 by Sen. John Kerry (D-Mass.) for the John F. Kennedy Presidential Library in Boston, Massachusetts; \$7,432,000 by House Financial Services Appropriations Subcommittee member Gary Miller (R-Calif.) and Senate Appropriations Committee Ranking Member Thad Cochran (R-Miss.) for the Richard Nixon Presidential Library in Yorba Linda, California; \$3,760,000 by Senate appropriator Kay Bailey Hutchison (R-Texas) for the Lyndon Baines Johnson Presidential Library in Austin, Texas; and \$750,000 by Senate Majority Leader Harry Reid (D-Nev.), Sens. Hillary Clinton (D-N.Y.) and Charles Schumer (D-N.Y.), and Rep. Kirsten Gillibrand (D-N.Y.) for the Franklin D. Roosevelt Presidential Library in Hyde Park, New York.

Presidential libraries are constructed with private funds donated to nonprofit organizations set up for the purpose, and then are managed by the federal government under the National Archives and Records Administration, receiving annual operating subsidies. The JFK Library receives \$3,883,000 annually, the LBJ Library receives \$2,935,000 annually (and is the only presidential library that does not charge admission), and the FDR Library receives \$1,640,000 annually. The Nixon Library is privately funded – except, apparently, for earmarks.

2008 PIG BOOK HIGHLIGHTS (continued on page 10)

Earmarks (continued from page 1)

tip of a very dangerous iceberg. It has an insidious and corrosive effect on the entire budget process: federal, state, and local.

Indeed, for many, the rampant and unaccountable earmarking epidemic represents a shredding of the very fabric of an open and fair democracy. Sen. Jim DeMint (R-S.C.) said in a January 4, 2008 *Washington Times* commentary, "Instead of conducting our business in Congress with an eye toward what is best for the whole country, we fight about what is best for our next election and who can get the most taxpayer dollars for his state or congressional district. This is not how our Founders intended Congress to function...but the system of earmarking has taken our energy and diverted it away from solving national problems and wasted it on the task of steering tax dollars back home. Earmarking results in a terrible waste of taxpayer money, but the greatest cost is the wasted opportunity to address serious national challenges."

There are good reasons why earmarking has a higher profile than ever. In addition to their outrage over the "Bridge to Nowhere," taxpayers are starting to connect the dots among earmarking by members of Congress, the hundreds of lobbying groups and their clients who benefit from those earmarks, and the well-timed political donations or fund-raisers that often occur in conjunction with securing a commitment for federal tax dollars.

CAGW, along with its stalwart allies on Capitol Hill, is not at all mystified by the public opinion polls that show that Congress is held in very low esteem by the general public. The GOP, in particular, has begun to reap the electoral whirlwind as a result of its abandonment of fiscally sound principles and its headlong jump into the pork-free-for-all.

Some members of Congress, either as a defense mechanism or because they have truly seen the light, are swearing off earmarking. According to the Club for Growth, 39 House members and seven senators have agreed to eschew earmarks, some for good and others for this session. One unlikely convert, Rep. Henry Waxman (D-Calif.), commented that when he arrived in Congress in the 1970s, there were few if any congressional earmarks. "We have a problem in Congress," Waxman told *The Hill* newspaper on February 12, 2008. "Congressional spending through earmarks is out of control."

But every battle has its "dead-enders" and the congressional old guard clings to the vestiges of a dying earmarking policy. Now that the old duck-and-cover method, typically employed by members after exposure of their embarrassing earmarking shenanigans, has begun to wear thin, members are resorting to more strident rhetoric to preserve the golden goose of earmarking by trying to legitimize the process (see the Message from CAGW President Tom Schatz on page 2). Here are the most common memes and myths surrounding the earmark process that cropped up in the wake of the release of this year's *Congressional Pig Book*:

What is the big deal? \$17 billion in earmarks constitutes .5 percent of the entire federal budget. This is true. However, the pursuit of earmarks consumes a disproportionate percentage of the time (and resources) of members of Congress and their staffs, not to mention a difficult-to-quantify portion of executive branch resources for budget and oversight officials, who are saddled with managing projects they didn't request and that usurp more important projects.

Day in and day out, congressional staff are faced with a parade of supplicants making their cases behind closed doors for boondoggle projects that have never seen the light of a congressional hearing or been subjected to a cost-benefit analysis. The distortional effect of earmarking ripples down through state and local budgets as well. A September 7, 2007 Department of Transportation Inspector General's report documented how earmarks obviate other, more important infrastructure priorities.

Some federal agencies have taken to setting aside large pools of federal funds that had been competitively awarded in the past, just to accommodate the add-ons they know will be tacked on by members of Congress. Others have allowed their merit-based criteria for issuing competitive awards to lapse since so much of certain program budgets have been subjected to earmarking.

Executive branch budget officials are so fed up with being stuck with earmarks that they have begun taking a portion of the total earmark funding to underwrite associated administrative oversight costs. According to *Omaha World Herald* reporter Jake Thompson, "Agencies deducted a hodgepodge from the earmarks...The USDA's Agriculture Research Service kept 10 percent and its Animal and Plant Health Inspection Service kept from 2 percent to 19 percent. The Commerce Department 'retains a portion'...The Administrative Agency on Aging withheld up to 1.3 percent for grant peer review..."

Understandable as it may be, this practice leads to even less accountability. How does each agency determine its overhead costs? Is there a uniform, reliable formula to determine those costs? Where do those costs appear in the budget? This sort of ad hoc accounting leads to more complexity and even less transparency in the earmark process.

The relentless drive to obtain earmarks and to find new ways to skirt its own accountability rules perform leads members of Congress to shirk their constitutional oversight responsibilities over current spending programs.

Hey, back off -- the executive branch has earmarks, too (administratively-directed spending), so all we are doing is exercising our constitutional mandate to direct spending. Besides, earmarking is more democratic. Not so fast. There is wasteful spending marbled throughout the federal bureaucracy, to be sure. But Congress itself ensures that a massive portion of the statutory and regulatory code is devoted to putting elaborate (some might say obstructionist) systems into place to make sure that the vast majority of tax dollars

are spent through formulas, competitively-awarded grants, merit-based grants, peer-reviewed grants, etc. These systems are, at least theoretically, expected to be scrutinized and vetted and generally accessible to the public.

For example, federal agencies must comply with the Freedom of Information Act (flawed as it is). Congress is exempt. Members of Congress furiously rejected CAGW's attempt last year to force members to post their earmark request lists on their Web sites. And Congress has repeatedly sought ways to skirt or gut entirely the rules signed into law on September 14, 2007 to improve earmark transparency. Congressional earmarks are, by definition, secretive and unaccountable. Therefore they are less democratic. They are not expected to compete for resources based upon merit. That is the very core of their attraction for members of Congress.

Members of Congress are better positioned than bureaucrats to understand the needs of their constituents. This is also nonsense. There is no inherent fairness in the congressional earmark system. Earmarking has led to a precarious blurring of the lines among federal, state, and local spending priorities. It has also stimulated a growing appetite by state and local government officials to seek federal dollars to pay for projects that are of state or local interest only (bike paths, parking facilities, landscaping, theaters, museums, and industrial parks, among others.).

It has become common practice for state and local governments across the country to pony up millions of their taxpayers' dollars to send lobbyists to Washington, D.C. to raid the U.S. Treasury to underwrite boondoggles that state and local taxpayers have either rejected or wouldn't be caught dead paying for if they had to use their own money. Should all taxpayers be forced to prop up private corporations, academic institutions, questionable non-governmental organizations, and infrastructure boondoggles whose only source of income, in many cases, is federal dollars?

In a May 21, 2008 article in the *Bozeman Daily Chronicle* about how Montana State University rakes in earmarks through its congressional delegation, reporter Gail Schontzler explained that the university sends its "President Geoff Gamble, Vice President for Research Tom McCoy, and sometimes scientists like Lee Spangler to Washington, D.C., to make the case for MSU projects.

MSU also hires a lobbying firm, Van Scoyoc Associates, which was paid \$184,000 last year to represent the Bozeman campus and its three smaller sister campuses. MSU leaders contend the firm's main job is to track federal agencies' research opportunities, not lobby Montana's representatives."

House Defense Appropriations Subcommittee Chairman John Murtha (D-Pa.) is notorious for encouraging companies to move to his district where he guarantees them an ongoing bounty of earmarks.

Bottom line: If members of Congress are so adept at surgically doling out federal dollars to worthy programs, why not just scrap the whole executive branch

system and allow the legislators to earmark the entire \$3 trillion budget?

The nation's forefathers fully anticipated the eventuality of earmarking and had no problem with it; it's practically an institution. That chestnut, a favorite of Senate Majority Leader Harry Reid (D-Nev.), is flat-out false. In fact, the forefathers warned repeatedly of the dangers of earmarking. James Monroe warned in 1822 that that federal money should be limited "great national works only," and that their abuse was "productive of evil." Thomas Jefferson presciently predicted that pork would be a "source of boundless patronage to the executive, jobbing to members of Congress & their friends, and a bottomless abyss of public money. You will begin by only appropriating the surplus of the post office revenues; but the other revenues will soon be called into their aid, and it will be a scene of eternal scramble among the members, who can get the most money wasted in their State; and they will always get most who are meanest."

While most members of Congress fail to take the necessary steps to reign in earmarks, taxpayer groups and bloggers are doing all they can to fight for reforms. The Council for Citizens Against Government Waste has a 12-point Earmark Reform Pledge, the Club for Growth is compiling a list of members who have pledged to forgo earmarks, and Americans for Prosperity has issued a one-year earmark moratorium pledge. Other groups, such as the Heritage Foundation, Cato Institute, National Taxpayers Union, and Taxpayers for Common Sense, are generating publicity about wasteful earmarks. Bloggers such as Porkbusters are also leading the online charge to keep taxpayers apprised of the latest outrage.

In its mindless rampage for earmarks, Congress has turned a blind eye to the most pressing fiscal issues facing the country: the \$9.3 trillion national debt, and the imminent financial train wrecks associated with dysfunctional, underfunded entitlement programs such as Social Security, Medicare, and Medicaid, which are on an explosive trajectory.

Unless citizens keep up a constant drumbeat demanding that Congress give up its addiction to earmarking, lawmakers will have no incentive to grapple with the critical issues of entitlement reform until those fiscal monsters are at the taxpayers' doorsteps. Nor will members of Congress return to the crucial tasks of evaluating, overseeing, and reforming huge federal spending programs. Getting a pass on their profligate behavior, members of Congress are free to waste their time and more taxpayers' money wallowing in the instant-gratification, feel-good, no-consequences pork-fest.



By John Frydenlund
Director of CAGW's Center
for International Food and
Agriculture Policy

Agriculture Update

The Disastrous Consequences of Ethanol Subsidies and Mandates

Ethanol subsidies have been in existence since 1978. Citizens Against Government Waste and many other concerned taxpayer groups have always thought that the subsidies were an unwarranted and wasteful use of taxpayer financing.

A subsidy of \$0.51 per gallon for all ethanol blended with gasoline goes to petroleum blenders in the form of a tax rebate. In addition, the Energy Independence and Security Act of 2007 mandates 9 billion gallons of renewable food-based biofuel use in 2008, 15 billion gallons by 2015, and 36 billion gallons in 2022. Last year's renewable fuels mandate was only 5.4 billion gallons. On top of these requirements, there is an additional \$0.10 per gallon subsidy to producers who sell less than 60 million gallons per year and a \$0.54 per gallon import duty on ethanol.

Ethanol subsidies and mandates are an egregious example of corporate welfare, with the biggest beneficiary being Archer Daniels Midland (ADM), the country's largest producer of ethanol.

Ethanol has never made economic sense. Federal policy has been aimed at increasing ethanol (and other biofuels) production to levels that would not otherwise occur in the marketplace. But, more than a gallon of fuel, such as oil and

natural gas, along with 1,700 gallons of water, is used to produce just one gallon of ethanol. The result is that despite record high oil prices, the total cost of ethanol is nearly double that of gasoline. A 100 percent replacement of ethanol for the U.S. gasoline supply would require using the entire U.S. corn crop, in addition to the entire world's grain supply.

Ethanol subsidies and mandates have led to more than 25 percent of the U.S. corn crop being diverted to ethanol production, which is driving up corn prices and making it harder for Americans to feed their families. With government mandates forcing up corn prices, farmers are diverting acreage away from the production of soybeans, wheat and other grains, and putting it into corn production. This has led to a 5 percent increase in food prices, double that of inflation. In the last three years, the price of eggs has increased by 69 percent, bread by 35 percent, milk by 22 percent, chicken by 12 percent and ground beef by 10 percent. Studies show that the ethanol mandates will increase overall food prices by 7 percent in 2008 and 8 percent in 2009.

Obviously, something needs to be done. First, the renewable fuels mandate contained in last year's energy bill should be immediately repealed or at least waived. Second, ethanol subsidies should be rolled back dramatically. Third, the ethanol import duty should be lifted. Fourth, Conservation Reserve Program (CRP) acres should be released for the production of food. Otherwise, ethanol subsidies and mandates will create even more disastrous consequences throughout the U.S. and around the globe.

Sign Up To Receive *Government WasteWatch!*

Government WasteWatch, the official newspaper of Citizens Against Government Waste (CAGW), is distributed to all active CAGW members. To join CAGW and receive *Government WasteWatch*, please fill out this coupon and mail it with your tax deductible contribution.

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VI. HOMELAND SECURITY

One of the two appropriations bills passed in fiscal year 2008 that can be compared with fiscal year 2007 is the 2008 Department of Homeland Security (DHS) Appropriations Act. While the threat of terrorism and natural disasters has not disappeared, Congress' appetite for homeland security pork has diminished. The number of projects went from 40 in fiscal year 2007 to 124 in fiscal year 2008, while total dollars dropped by 87.8 percent from \$2.4 billion in fiscal year 2007 to \$294.8 million in fiscal year 2008. Nonetheless, every penny of pork in the homeland security bill reduces the ability of the government to defend the nation.

\$50,000,000 for REAL ID grants. The REAL ID Act, which set federal minimum standards for authenticating and securing driver's licenses supposedly to thwart terrorism, was buried in an \$82 billion supplemental military spending bill and passed without congressional debate in May 2005. While the proposal to use radio-frequency identification (RFID) technology in the state-issued driver's licenses was dropped by DHS in February, 2007, the REAL ID program remains a burden on taxpayers, at an estimated cost of \$23 billion.

Passed as an unfunded mandate, the REAL ID Act stipulated that a state would not receive any future federal funds designed to help offset the cost of the program if it did not follow the minimum federal standards for updating licenses. Bringing state driver's licenses systems up to date with adequate security provisions will be a costly endeavor; adding further requirements such as developing a new database to store information will be technologically challenging and add to the cost. Ultimately, taxpayers will be forced to both pay more for their driver's licenses and be subject to tax increases to help offset the expenditures that are not covered by the higher license fees.

\$3,000,000 by House Majority Whip James Clyburn (D-S.C.) for the South Carolina Adjutant General's Office of Emergency Preparedness, for projects in Santee and Manning. With groundbreaking made possible by the \$1.5 million directed toward Santee in this project, the town will receive the convention center it has long sought. *The Times and Democrat* on January 26, 2008 noted that Santee Mayor Silas Seabrooks had previously called Rep. Clyburn about the possibility of funds for a conference center. According to the article, that is when the eight-term representative got an idea: "The light went off in my head. What's wrong with having a conference center which could also serve in the case of an emergency as an evacuation center? So, we wanted this facility that will not only accommodate conferences, but one that could be here...to save lives." The new facility is being cited for its role as a conference center, not as an evacuation center. Gregg Robinson, executive director of the Orangeburg County Economic Development Commission, explained in the same article, "... We will see the opportunities and spin-offs in retail and commercial development that come with it and all of the benefits of tourism dollars that come to Santee." Rep. Clyburn managed to pull the wool over the eyes of his colleagues and the taxpayers to secure money for a conference center that would have otherwise gone unfunded, at least with federal dollars.

VII. INTERIOR

The fiscal year 2008 Interior Appropriations Act is once again a mixture of resource management, National Park Service (NPS) and wastewater earmarks. The Save America's Treasures (SAT) program in the NPS continues to exemplify the problems with pork. President Clinton established SAT in 1998. The program requires that funding from the federal government be matched by other sources of funding, such as state, local, and/or private. While all funding was intended to be awarded competitively, that process has been hijacked by members of Congress, who earmark half of the money for projects that were not requested by the NPS. The good news is that the number of projects in the bill decreased by 25 percent from 737 to 556 from fiscal year 2006 to fiscal year 2008 and spending decreased by 40 percent, from \$669.5 million in fiscal year 2006 to \$403.8 million in fiscal year 2008.

\$32,391,682 for 10 projects by Senate Interior Appropriations Subcommittee Chairwoman Dianne Feinstein (D-Calif.), including: \$9,844,000 for the San Joaquin Valley and South Coast Air Quality Management Districts for targeted emission reduction grants; and \$7,875,200 for Hunter's Point Naval Shipyard cleanup. According to a January 12, 2007 article in *The San Francisco Chronicle*, Hunter's Point may be an option for a new football stadium: "Feinstein has also been involved in renewed stadium talks between the 49ers and Mayor Gavin Newsom's administration, which recently offered an alternative stadium site at the former Hunters Point Naval Shipyard."

\$5,906,400 by Rep. Heath Shuler (D-N.C.) for Great Smokey National Park, North Shore Road Settlement. Taxpayers thought they would be getting a break when North Carolina porker extraordinaire Charles Taylor lost the 2006 election to Rep. Shuler. While campaigning, Rep. Shuler criticized Taylor's use of earmarks, and upon election, in a December 31, 2006 interview with *US News & World Report*, Shuler said, "We have to find a much better way to balance our budget and use tax dollars much more wisely... And if we don't have the money, then we don't need to spend the money." It did not take long for Rep. Shuler to catch "Potomac Fever" and renounce his pledge to spend money wisely.

\$246,100 by Sens. Joe Biden (D-Del.) and Thomas Carper (D-Del.) for the Grand Opera House in Wilmington. On June 25, 2007, the Opera House announced its 2007-2008 season, featuring performances from artists such as comedian Lewis Black and rock and roll legends David Crosby and Graham Nash. Ticket prices, not tax dollars, should be raised to pay for additional work on the facility.

\$196,880 by House Interior Appropriations Subcommittee member John Doolittle (R-Calif.) for the Oroville Historic State Theater. According to the theater's website, "The Historic State Theater of Oroville is located at 1489 Myers Street, in Downtown Historical Oroville, and is available for Plays, Bands, Movies, Fashion Shows, Musicals, and even Pageants and Meetings." Along with your tax dollars.

\$98,440 by House appropriator Peter Visclosky (D-Ind.) for St. Joseph's College Theatre renovation in Rensselaer. One of the theatre's fundraising campaigns is "Name a seat," in which different contribution levels have different naming potentials. For example, \$15,000 gets your name on one of four entrances/aisles. For \$100,000 you get a stage named after you. The main stage should be named "Porky."

VII. LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION (LABOR/HHS)

The fiscal year 2008 Labor/HHS Appropriations Act had more projects but less spending than in fiscal year 2006, the last year such a bill was passed by Congress. In fiscal year 2006, the then-chairman of the Senate Labor/HHS Appropriations Subcommittee, Arlen Specter (R-Pa.), told his colleagues there would not be any earmarks in the bill. Nonetheless, CAGW uncovered 51 earmarks worth \$1.8 billion. In fiscal year 2008, Sen. Specter showed no restraint whatsoever in regard to his earmarks, bringing home 116 projects, or 302 percent greater than the next largest amount (35) by an individual lawmaker. His bounty helped increase the number of projects by 4,300 percent, from 51 in fiscal year 2006 to 2,244 in fiscal year 2008, while the cost decreased 40.1 percent, from \$1.8 billion to \$1 billion.

\$40,430,050 for 44 projects by Senate Labor/HHS Appropriations Subcommittee Chairman Tom Harkin (D-Iowa), including: \$6,337,000 for two earmarks for the Iowa Department of Education to continue the Harkin Grant Program; \$1,500,000 for the AFL-CIO Working for America Institute (dedicated to creating jobs and strengthening communities); \$731,000 for the Presidential Timeline Project at the Lyndon Baines Johnson Foundation in Austin (which provides digitized information from presidential libraries); \$390,000 for the support of the residency program at Cedar Rapids Symphony Orchestra; \$316,000 for a best practices initiative on lower back pain at Palmer College of Chiropractic in Davenport (giving taxpayers a big pain just below the back); \$146,000 for the Italian-American Cultural Center of Iowa in Des Moines for exhibits, multimedia collections, and displays; and \$97,000 for Iowa Games in Ames to continue the Lighten Up Iowa Program, which instructs individuals on how to lead a healthy lifestyle.

Council for Citizens Against Government Waste

The Council for Citizens Against Government Waste (CCAGW) is the lobbying arm of Citizens Against Government Waste (CAGW), a private, nonpartisan, nonprofit organization representing more than one million members and supporters nationwide dedicated to eliminating waste, mismanagement, and inefficiency in government. Founded in 1984 by the late industrialist J. Peter Grace and syndicated columnist Jack Anderson, CAGW is the legacy of the President's Private Sector Survey on Cost Control, also known as the Grace Commission. CCAGW tabulates its annual *Congressional Ratings* to measure the willingness of each member of Congress to fight government waste and reduce the national debt.

\$126,000 by House Labor/HHS Appropriations Subcommittee member Ralph Regula (R-Ohio) and Sen. George Voinovich (R-Ohio) for the Bibliographical Society of America in New York for the First Ladies Museum in Canton and for the First White House Library Catalogue. The museum was founded by Rep. Regula's wife, Mary Regula, while his daughter, Martha Regula, is the director.

\$1,950,000 by Rep. Charles Rangel (D-N.Y.) for library and archives at the Charles B. Rangel Center for Public Service at City College of New York. This "Monument to Me" has caused some problems for the 19-term representative. The project was challenged on the House floor on July 19, 2007 by second-term Rep. John Campbell (R-Calif.), who said, "You don't agree with me or see any problem with us, as members, sending taxpayer funds in the creation of things named after ourselves while we're still here?" Rep. Rangel responded, "I would have a problem if you did it, because I don't think that *you've* been around long enough that having your name on something to inspire a building like this in a school." Ego and taxpayer dollars clearly do not mix.

\$438,000 by House Majority Leader Steny Hoyer (D-Md.) for education activities at the In Tune Foundation Group. According to a December 10, 2007 *Washington Post* article, the director, other current and former employees of In Tune, and their families have donated at least \$31,000 to Rep. Hoyer's political action committee from 2004 to 2006. In the same article, Rep. Hoyer stated, "If you support something... either through legislative language or verbal support or appropriated dollars, what happens is the proponents of those objectives wind up saying they want to support you." He added, "Sometimes it's a question of which is the chicken and which is the egg." Sometimes you can be both.

IX. LEGISLATIVE BRANCH

Earmarks in the Legislative Branch Appropriations Act do not tend to make headline news. But, there is still no bill too big or too small for appropriators to insert at least a few morsels of pork. The number of projects decreased by 71 percent, from 14 in fiscal year 2006 to four in fiscal year 2008. The amount of pork dropped by 98 percent, from \$19.8 million in fiscal year 2006 to \$400,000 in fiscal year 2008.

\$150,000 by Senate Legislative Branch Appropriations Subcommittee member Richard Durbin (D-Ill.), House Legislative Branch Appropriations Subcommittee member Ray LaHood (R-Ill.), and House appropriator Jesse Jackson, Jr. (D-Ill.) for the Abraham Lincoln Bicentennial Commission, which seeks to inspire Lincoln observances until his bicentennial birthday in 2009. In Lincoln's Gettysburg Address, he said "all men are created equal." When it comes to earmarks, appropriators are not equal to other members of Congress. Since 2001, \$2.5 million in pork has been spent at the federal level for Lincoln's birthday celebration. In addition, eight states have created commissions honoring the former president with countless millions in state tax dollars.

X. MILITARY CONSTRUCTION

While funding for the war on terrorism remains a priority, so too does Congress's penchant for pork. The fiscal year 2008 Military Construction, Department of Veterans Affairs, and Related Agencies Appropriations Act saw an increase of 32.6 percent in projects, from 144 in fiscal year 2006 to 191 in fiscal year 2008, while dollar amounts increased 13.1 percent, from \$1 billion in fiscal year 2006 to \$1.2 billion in fiscal year 2008.

\$36,900,000 for four projects funding chapels, including: \$11,600,000 by Rep. Nancy Boyda (D-Kan.) for phase I of the chapel complex at Fort Leavenworth; \$10,400,000 by Rep. Ike Skelton (D-Mo.) for a chapel at Fort Leonard Wood; \$9,000,000 by Senate Military Construction Appropriations Subcommittee member Mitch McConnell (R-Ky.), House appropriator Zach Wamp (R-Tenn.), Rep. Marsha Blackburn (R-Tenn.), Rep. John Tanner (D-Tenn.), and Rep. Edward Whitfield (R-Ky.) for a chapel center at Fort Campbell; and \$5,900,000 by Rep. Randy Forbes (R-Va.) for a unit chapel at Fort Lee.

XI. STATE AND FOREIGN OPERATIONS

Although the House and Senate certified this section of the Consolidated Appropriations Act, 2008 to be "earmark-free," there are 10 earmarks worth \$76.3 million lurking in the report. State and Foreign Operations Appropriations pork spending decreased 29 percent, from \$107.7 million in fiscal year 2006 to \$76.3 million in fiscal year 2008. The number of projects decreased by 37.5 percent, from 16 in fiscal year 2006 to 10 in fiscal year 2008.

\$14,878,000 added by the House for the International Fund for Ireland (IFI). IFI, established in 1986, is an organization whose objectives are to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland. Despite the fact that peace has broken out in Ireland and the Irish economy is the strongest in Europe, U.S. taxpayers continue to fund Sesame Workshop, a shorter Northern Ireland version of Sesame Street; Ben & Jerry's; a "conference to highlight development opportunities for chefs;" and two three-star hotels, one of which is no longer in business. CAGW has identified \$249.6 million for this project since 1995.

XI. TRANSPORTATION/HOUSING AND URBAN DEVELOPMENT (THUD)

The fiscal year 2008 THUD Appropriations Act saw a 56 percent decrease in dollar amounts, from \$3.6 billion in fiscal year 2006 to \$1.6 billion in fiscal year 2008, while projects decreased by 25 percent, from 2,707 in fiscal year 2006 to 2,031 in fiscal year 2008. Despite this progress, all earmarks adversely impact an agency's ability to carry out its mission. A September 7, 2007 report by the U.S. Department of Transportation Inspector General that studied the earmarks in the fiscal year 2006 Transportation Appropriations Act stated, "Many earmarked projects considered by the agencies as low priority are being funded over higher priority, non-earmarked projects." The report continued, "Funding these new low priority projects in FY 2006 added to the already substantial backlog of replacement projects from earmarks in prior fiscal years and caused FAA [Federal Aviation Administration] to delay the planning of its higher priority replacement projects by at least three years."

\$5,735,940 for 29 projects for museums, including:

\$490,000 by House THUD Appropriations Subcommittee member Lucille Roybal-Allard (D-Calif.) for construction and buildout of the Los Angeles County Fire Museum in Bellflower.

\$98,000 by Rep. Ralph Hall (R-Texas) for construction of a memorial building at the Audie Murphy/American Cotton Museum in Greenville.

\$686,000 by House Transportation and Infrastructure Committee Chairman Jim Oberstar (D-Minn.) for the Cambridge-Isanti Bike/Walk Trail. After Sen. Tom Coburn (R-Okla.) unsuccessfully attempted in September 2007 to pass a moratorium on earmarks in the wake of the 35W bridge collapse in Minneapolis, Chairman Oberstar defended the Isanti Trail, saying, "Eliminating important projects that promote tourism and recreational travel will not make up for years of underinvestment in our nation's infrastructure; it will just slow down other segments of the economy." Of the \$76,841,800 in pork Minnesota received in the fiscal 2008 THUD bill, \$57,085,000, or 74.3 percent, was added by Chairman Oberstar.

\$49,000 by Rep. Howard "Buck" McKeon (R-Calif.) for construction of a National Mule and Packers Museum in Bishop. Defending his earmark, Rep. McKeon stated, "One thing we forget is the people in Bishop pay taxes... they have gotten very little back from the federal government." There are 3,575 people in Bishop. If they each pay just \$13.71 to a local museum fund, all of the other Americans who pay taxes would not be forced to support a museum few are likely to visit.

This 2008 Congressional Pig Book Summary was written by David E. Williams, vice president, policy, and Sean Kennedy, research associate. It was edited by Thomas A. Schatz, president.

Capitol



Watch

*By Elizabeth Wright
Vice President of Government Affairs*

Election years are always dangerous for taxpayers because members of Congress are eager to “bring home the bacon” in order to prove their worth at the expense of taxpayers. One egregious example this year is H.R. 1195, a bill to “fix” minor drafting problems with the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users Act (SAFETEA-LU), the \$286 billion pork-laden highway bill that was passed and signed into law in 2005. The bill is purported to simply make “technical corrections,” but it does so much more. Even Sen. Barbara Boxer (D-Calif.) called H.R. 1195 “a mini-economic stimulus bill.”

The legislation includes several substantial policy changes, such as increasing the minimum state share of total highway safety formula grants from 0.5 percent to 0.75 percent, as well as numerous new earmarks that will increase spending. Two of the more controversial new pork-barrel projects in the bill are a magnetic levitation rail project (maglev), and a proposed interchange road near Fort Myers, Fla.

Sen. Jim DeMint (R-S.C.) took the lead in fighting the \$45 million dedicated to the maglev project, whose main supporter was Majority Leader Harry Reid (D-Nev.). While the original SAFETEA-LU authorized a maglev route between Las Vegas and Primm, Nev., the technical corrections bill envisions an extension of the project to Anaheim, Calif. In addition, according to Sen. DeMint’s spokesman Wesley Denton, the government-subsidized project is competing with

a privately funded high-speed rail project between Las Vegas and Victorville, Calif., a city about 60 miles northeast of Anaheim.

In an effort to derail the magnetic choo-choo train and other new pork projects, Sen. DeMint offered a motion to recommit the bill to the Committee on Environment and Public Works with instructions that it be reported back to the Senate with an amendment removing all new earmarks or increases in spending for existing earmarks and apply all the savings to the Highway Trust Fund. Unfortunately, his motion was tabled by a vote of 78 to 18. The final cost of the maglev boondoggle could reach \$12 billion, according to the bi-state commission overseeing the project.

Sen. Tom Coburn (R-Okla.) also shook the Senate cage by demanding a bi-cameral, bipartisan investigation on how a Florida earmark that was tucked into the original 2005 highway bill was secretly changed after congressional passage and before President Bush signed it into law. This little gem started out as a \$10 million earmark to simply expand Interstate 75 near Fort Myers, Fla., but magically transformed itself into a much more specific earmark to build an interchange at Coconut Road. At the time, no one was really sure who had made the change. Washington insiders were confident that Rep. Don Young (R-Alaska), also of “Bridge to Nowhere” fame and former chairman of the House Transportation and Infrastructure Committee, had directed the switch. The controversy attracted even more interest when it was discovered that the local community had not requested the change and that the main beneficiary of the change was a developer and family friend of Rep. Young who had held a \$40,000 fundraiser for the Congressman in 2005.

Sen. Boxer rebuffed Sen. Coburn’s efforts to institute a congressional investigation and instead offered legislation to invite the Justice Department to examine the process. The Senate chose to impose a rule requiring a 60-vote majority for passage and the Senate passed the Boxer amendment by a vote of 64-28, while Coburn’s amendment failed by a vote of 49 to 43. House Speaker Nancy Pelosi (D-Calif.) soon weighed in, directing the House to agree with the Senate and ask the Justice Department to investigate. There are serious questions as to whether it is constitutional for the Congress to invite an executive branch agency to investigate its actions and it is anyone’s guess whether the House will investigate the earmark through its ethics panel.

Put Your Money Where Your Mouth is Act

There is some good news from Capitol Hill. Rep. John Campbell (R-Calif.) has introduced H.R. 5783, a bill that would amend the Internal Revenue Code to allow taxpayers to make voluntary contributions to the federal government (as opposed to the compulsory “contributions” they already make) on their income tax returns. On April 14, there were 44 co-sponsors for this bill.

Rep. Campbell introduced the bill in part to respond to comments from those who think that the 2001 and 2003 tax cuts are harmful and unnecessary and are just jumping at the chance to give Uncle Sam more of their income. Moguls like Warren Buffet have said that we all needed to do is, “take a little more out of the hides of people like me.” George Soros has urged Congress not to repeal estate taxes. Singer/actress/activist Barbara Streisand concurred, saying, “After all [sic], why should wealthy people such as myself receive a tax cut? I will be the first to admit that I don’t need it. What we all need is a healthy government that can provide the services (such as education, health care, national and homeland security) that we all depend on. We must unify and work together in order to accomplish this.”

All of those who feel they are not paying enough in taxes can unite behind the Campbell bill and pay more next year.

Air Force Tanker Woes

By Elizabeth Wright
Vice President of Government Affairs

Two corporate monikers cause tempers to flare up in Washington these days: Boeing and Northrop Grumman.

Members of Congress who traditionally line up by party affiliation are now crossing the aisle to help either scuttle or protect the Air Force's February 29 decision to award Northrop Grumman the \$35 billion contract to build the next generation of air refueling tankers. The tankers are used to transfer fuel to other planes, such as a jet fighter, while flying. Tankers are vital partners in any air operation because they can lengthen flight ranges for all kinds of aircraft.

The Air Force refueling tanker saga started with a provision added to the fiscal 2002 Defense Appropriations Act directing the Air Force to lease 100 Boeing 767's that would be converted to fuel tankers. At the time, former Sen. Phil Gramm (R-Texas) called it the worst pork-barrel handout he had seen in his 22 years on Capitol Hill. Not only was it one of the worst examples of corporate welfare, this no-bid lease scheme eventually ballooned into a major scandal. Eventually, the Air Force's chief negotiator on the tanker contract and Boeing's number-two corporate officer went to jail and Boeing was fined more than \$600 million.

In the aftermath, the Air Force undertook a new, competitive bidding process and two companies, Boeing and Northrop Grumman, submitted proposals. Just before the announcement of the contract winner in 2008, both sides were reported in the press to be satisfied that the process had been fair and transparent. Sen. Patty Murray (D-Wash.), who represents a state where Boeing makes its planes, said on October 31, 2007, "I'm proud that the process for selecting a company to supply these tankers has been

a truly open one." Sen. Pat Roberts (R-Kans.), from another state with a large Boeing presence, said, "...I must commend the Air Force for their efforts in conducting an open and fair competition. To date, I have been nothing but impressed with their obvious desire to provide the best aircraft to the American people."

The day the Air Force awarded the contract to Northrop Grumman, the political environment abruptly changed in Washington, D.C. Northrop Grumman's prime subcontractor is the North American division of the European Aeronautic Defence and Space Company (EADS). Suddenly, Boeing corporate spokespersons and the company's supporters began accusing the Air Force of using unreliable foreign suppliers to build the tanker, expressing angst at how many jobs would be lost to workers overseas and arguing that national security was being compromised. All of these arguments ignore the fact that Boeing's planes contain foreign parts, including some manufactured in China and Japan, that the Northrop Grumman plane would be built in Alabama, and that security issues will be handled by the Air Force.

Boeing filed a protest with the Government Accountability Office (GAO), which is scheduled to report by June 19 on whether or not the acquisition process was properly handled. Unfortunately, some members of Congress are trying to stop the contract in its tracks well before the GAO has a chance to fully review the process. Rep. Norm Dicks (D-Wash.) stated, "We're going to try to eliminate the funding," according to *The Wall Street Journal*, and called the decision "one of the worst ... in modern history." The *Chicago Tribune* reported that Rep. Todd Tiahrt (R-Kans.) said, "I don't think the current contract can go forward."

At an April 17 Boeing-organized rally on Capitol Hill, a pamphlet from Rep. Tiahrt's office was distributed which outlined a strategy to use

defense spending and authorization bills to overturn the award, probably by adding amendments or earmarks that would either cancel funding for the current contract, have the contract re-bid, or simply turn over the construction of the tanker to Boeing. Because of Reps. Dicks's and Tiahrt's efforts to interfere with the procurement process before GAO issues its review, CAGW named them the April "Porkers of the Month."

Undersecretary of Defense for Acquisition, Technology and Logistics John Young was quoted in an April 18 *Seattle Post-Intelligencer* article that actions by some House members to simply override the Air Force's decision "would open up slippery slopes and dangerous precedents." He pointed out that if lawmakers are successful in obstructing funding for the tanker contract for political purposes, it would invite increased congressional meddling in future federal contracts. He added, "Do we have the California delegation kill a program because the Georgia delegation won? I don't know where this stops."

On April 21, while speaking at the Air War College in Maxwell, Alabama, Defense Secretary Robert Gates said, "All I can say is that I think it would be a real shame if the tankers were to get delayed. We are long past due in terms of getting on with this program." Secretary Gates added, "Based on everything I've seen this was a fair process but we'll wait and see what the GAO report says."

Congress should follow Secretary Gates's advice and oppose any amendments to reverse or stop the tanker contract before the GAO issues its report. Taxpayers deserve nothing less.

Conrad Masterson

Long-Standing CAGW President's Club Member and Modern Day Frontiersman

*By Mark Fennel
Manager of Membership Services*

The unofficial anthem of the American West with its melodious chorus, "Home, home on the range," provides a fitting refrain for CAGW President's Club member Conrad Masterson's life. Conrad says he "would have been a cowboy" if he had been born 60 years earlier. Today, he is building his retirement home on a 400-acre ranch near Dallas, Texas. However, throughout his career, Conrad has always roamed on the intellectual frontiers, blazing new trails in cutting-edge technologies.

A serial entrepreneur, Conrad boasts 30 years of experience in technology development, strategic planning, and financial management. He has led or helped launch six early-stage technology companies, two of which became publicly traded. He also helped found both the Houston and Fort Worth technology incubators, which provide infrastructure, services, and support for start-up technology companies, and sits on the board of the Gulf Coast Regional Center for Innovation and Commercialization.

Conrad currently serves as president of the Texas Nanotechnology Foundation, which he founded to support Texas universities' research into nanotechnology, the science of manipulating materials on a molecular level. Conrad says that he "saw this as an area traditionally dominated by the federal government where an individual could make a difference." He contends that nanotechnology holds great promise for transforming our world – from manufacturing, healthcare, energy, and communications to the economic and societal structures that underpin them. For example, a carbon nanotube is the strongest substance known to man and can act as a superconductor or semiconductor depending on its molecular construction. A material like gold also has fascinating properties on the nanoscale, such as behaving as a catalyst to make reactions quicker, better, and more precise. Conrad believes that nanomaterials will follow a

similar, though much faster, developmental track as plastics, which we take for granted today.

Born in Oklahoma City in 1943, Conrad holds a bachelor of science in mathematics and physics and a master's degree in business administration from the University of Oklahoma. He lives with his wife of 20 years, Ellen, a partner with PricewaterhouseCoopers, and Browser, a 6-year-old chocolate Labrador Retriever. Conrad has three sons from a prior marriage. His eldest, a pool contractor, lives in Tucson, Arizona and has three children. His middle son works in construction supply and resides in Montrose, Colorado with his wife and two children, while his youngest is a consultant who is studying for his Master of Arts in organizational development at American University in Washington, D.C.

Conrad is an avid outdoorsman who enjoys working with horses and cattle. Beyond science and technology, his great passion is fly fishing, so much so that he gave his wife a set of waders on their first Christmas together!

Asked what he regards as the major problems facing our country, Conrad describes with the bluntness of a Texan, a government that "is not being run effectively. The people in charge are not managing the process right, or correctly, or efficiently, or spending our money wisely, even for good programs." A member of the Republican Party and fan of former House Speaker Newt Gingrich and the "Contract with America," Conrad complains that the party's leadership today has betrayed its rank-and-file: "To a large extent, Republicans several years ago forgot their roots and core values. It will take a number of years to recover the lost confidence. I see little hope for the Republican Party in the next round of elections."

In addition to supporting CAGW as a member since 1991, Conrad lends his support to some political groups and candidates. A former deacon at his local Baptist church, Conrad also donates to Christian nonprofits, such as the Salvation Army, Red Cross, and missionaries around the world. His involvement with his alma mater, the University of Oklahoma, earned him a Regents' Award. Musing on the motives behind his phi-



lanthropy, Conrad comments, "God's been good to me. I've had a great life and been blessed to pursue a career that was almost like a hobby. I have an obligation because of the great wealth God's given me to share it with other people."

Asked about his commitment to CAGW in particular, Conrad states, CAGW is "one of the few organizations that provides a safety net for the population. Our elected representatives are out of control. Even the best of them are crazy sometimes, and the worst of them are crazy all of the time! Someone like CAGW has to hold them accountable, because voters don't track well on their own." Conrad concludes that CAGW serves a critical role in Washington, keeping taxpayers focused on "the real situation."

Membership



By Martin Rundle
Director of Development

CAGW 2.0

Citizens Against Government Waste's (CAGW) award-winning website – www.cagw.org – is the place on the Internet for information on how your elected representatives are spending your hard-earned tax dollars. Our website features all of our publications, news releases, commentary, video clips, and research, including the *2008 Congressional Pig Book* database. CAGW's website has been named one of Lycos.com's top public policy sites, *Campaigns and Elections* magazine's "Site of the Month," and CNSNews.com's "Site of the Week" and was identified by *National Journal* as one of the best sites for information on the federal budget. More than 65,000 taxpayers receive our free monthly online newsletter, "E-News from CAGW," and I hope you will subscribe today.

As many of you know, new Internet technologies are revolutionizing the way information is disseminated, and over the past several months, CAGW has been building its online presence with some exciting new projects.

The Swine Line: CAGW's blog provides taxpayers with up-to-the-minute breaking news on the happenings in Washington, D.C., and features biting commentary, video clips, and links to dozens of other national and state-based public policy groups. Please visit today at www.swineline.org.

Pigfoot Podcasts: Nothing draws attention like a guy dressed up in a giant pink pig suit. Just ask "24" star Keifer Sutherland, who couldn't resist hamming it up with CAGW's mascot last November on the National Mall. In March, CAGW released its inaugural "Where's Pigfoot?" podcast video of Pigfoot attempting to crash CAGW's "2007 Porker of the Year" winner Rep. John Murtha's (D-Pa.) lobbyist filled fundraising bash at the Ritz-Carlton in Arlington, Virginia. Posted on the video sharing website YouTube, the podcast has been viewed more than 11,000 times and is available on CAGW's website and the Swine Line.

MySpace & Facebook: CAGW is also expanding our reach to a new generation of taxpayer activists with our MySpace and Facebook pages. Next time you are surfing these social networking sites, stop by and say hello!

Shop CAGW: What better way to support your favorite taxpayer watchdog group than by proudly wearing CAGW logo apparel? T-shirts, hats, and other merchandise are available at www.cafepress.com/CAGW – a portion of your total purchase goes to benefit CAGW!

Taxpayer News Wire

March 6 – The Council for Citizens Against Government Waste (CCAGW) called for integrity in the procurement process after some members of Congress reacted angrily to the awarding of a \$35 billion contract to Northrop Grumman Corp. and EADS to build the next generation of air refueling tankers. The Government Accountability Office is currently reviewing the contract and should be allowed to finish the review process without interference from Congress.

March 11 – CCAGW participated in a rally to support an amendment being offered by Sens. Jim DeMint (R-S.C.) and John McCain (R-Ariz.) to the 2009 budget resolution that will impose a year-long moratorium on congressional earmarks.

March 14 – CAGW named 71 senators who voted against an amendment to impose a one-year earmark moratorium in the fiscal year 2009 Budget Resolution March Porkers of the Month. The amendment had fourteen bipartisan co-sponsors including all three presidential candidates.

April 2 – Pig Book Day! CAGW released the *2008 Congressional Pig Book* which identified 11,610 projects worth \$17.2 billion in the 12 Fiscal Year 2008 appropriations bills at a national

press conference. Joining CAGW at the press conference were some of the staunchest opponents of congressional earmarks, including Sen. Jim DeMint (R-S.C.) and Reps. Paul Broun (R-Ga.), John Campbell (R-Calif.), Jeff Flake (R-Ariz.), Tom Price (R-Ga.), and Paul Ryan (R-Wis.). The *2008 Pig Book* and our searchable online database of all 11,610 projects are available online at www.cagw.org.

April 9 – In conjunction with the Illinois Policy Institute, CAGW released the *2008 Illinois Piglet Book*, which identified \$686 million in wasteful spending in the Illinois state budget. The report is available at www.cagw.org.

April 10 – CCAGW hailed the introduction of the aptly titled "Put Your Money Where Your Mouth Is" Act, sponsored by Rep. John Campbell (R-Calif.). The bill would amend the Tax Code to allow individuals to make contributions above and beyond what they already pay in taxes. Tax forms would include a line indicating how much each person would like to pay. The bill is in response to those who have claimed to be unfairly undertaxed.

April 22 – CAGW named Reps. Norm Dicks (D-Wash.) and Todd Tiahrt (R-Kans.) April Porkers of the Month for threatening to reverse the \$35 billion Air Force refueling tanker contract award to Northrop Grumman. The losing bidder, the Boeing Company, has large facilities in their states.

April 23 – In conjunction with the Tennessee Center for Policy Research, CAGW released the *2008 Tennessee Pork Report: Waste, Fraud, and Abuse of Your Tax Dollars Exposed*, which identified \$260 million in wasteful spending in the Tennessee state budget. The report is available at www.cagw.org.

Shop CAGW Gear

Support your favorite fiscal watchdog by purchasing exclusive CAGW and *Where's Pigfoot?* merchandise! A portion of the proceeds for each item you buy goes to CAGW.

www.cafepress.com/cagw



Citizens Against Government Waste presents

Pig Book "Oinkers" of 2008



The French Kiss Off Award
to Representative Mike Thompson (D-Calif.)
for \$211,509 in olive fruit fly research
in Paris, France.

The Taxpayers Get Teed Off Award
to House Majority Whip James Clyburn (D S.C.)
for \$3 million for The First Tee in the defense
appropriations bill.

The Cold Hard Cash Award
to Senator Ted Stevens (R-Alaska) for \$165.7
million in defense pork.

The Tax Dollars on Drugs Award
to Representative John Murtha (D-Pa.)
for \$23 million for the National Drug
Intelligence Center.

The Pantheon of Pork Award
to Senator Robert Byrd (D-W.Va.)
for \$386 million in pork.



The Narcissist Award
to Representative Charles Rangel (D-N.Y.)
for \$1,950,000 for the Charles B. Rangel Center
for Public Service.

The Pig in Sheep's Clothing Award
to Montana Senators Max Baucus (D)
and Jon Tester (D)
for \$148,950 for the Montana Sheep Institute.

The Unidentified Fiscal Object Award
to Representative Anna Eshoo (D-Calif.)
for \$1.6 million for the Allen Telescope Array.

**The Money Doesn't Grow
on Trees Award**
to Senator Richard Durbin (D-Ill.)
for \$344,540 for the city of Chicago
GreenStreets Tree Planting Program.

The Porky and Bess Award
for \$7.9 million for 36 theaters in 21 states.



The Pacific Fleeced Award
to Senator Daniel Inouye (D-Hawaii)
for \$173.2 million in defense pork.

The Taxpayers Get Steamed Award
to Maine Senators Susan Collins (R) and
Olympia Snowe (R) and
Rep. Michael Michaud (D-Maine)
for \$188,000 for the Lobster Institute.

**This Pork Was Made for
Walking Award**
to Representative Virgil Goode (R-Va.)
for \$98,000 to develop a walking tour of
Boydton, Virginia.

The Return to Sender Award
to Senate Majority Leader Harry Reid (D-Nev.)
for \$196,000 for the renovation and
transformation of the historic downtown
Post Office in Las Vegas.

GOVERNMENT

Waste Watch

2

MESSAGE FROM
THE PRESIDENT

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MEMBERSHIP



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