

Through the Looking Glass



A CAGW Special Report

AIDS Programs: An Epidemic of Waste **(Warning: This Report Contains Explicit Language and Material)**

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CITIZENS AGAINST GOVERNMENT WASTE

Citizens Against Government Waste (CAGW) is a private, nonprofit, nonpartisan organization dedicated to educating the American public about waste, mismanagement, and inefficiency in the federal government.

CAGW was founded in 1984 by J. Peter Grace and nationally-syndicated columnist Jack Anderson to build public support for implementation of the Grace Commission recommendations and other waste-cutting proposals. Since its inception, CAGW has been at the forefront of the fight for efficiency, economy, and accountability in government.

CAGW has a national membership of more than 600,000. Since 1986, CAGW and its members have helped save taxpayers more than \$625.4 billion.

CAGW publishes a quarterly newsletter, *Government WasteWatch*, and produces special reports, monographs, and television documentaries examining government waste and what citizens can do to stop it.

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INTRODUCTION

How long the AIDS virus has been around is still a mystery, but one thing is certain: for the last 20 years, AIDS has drawn unprecedented attention and financial commitment from America's public health system.

In the early years of AIDS, activists were justified in asking for money for the mysterious epidemic that everyone was afraid of and no one knew how to avoid or treat. But due to increased knowledge and improved treatment, dire predictions that have not come true, and the waste, fraud, abuse, and mismanagement of federal AIDS funds, some of that money should be eliminated or redirected to more efficient uses.

In fact, federal funds allocated for any disease should pose and answer the following questions¹ before taxpayers can expect appropriations to be equitable:

- How many people have the disease? Are numbers increasing, decreasing, or remaining steady?
- What is the disease's fatality rate?
- How many years of lost life and how much lost productivity does the disease cause?
- What does this disease cost society, especially through Medicaid and Medicare?
- What results will America get for its money? (Will \$1 billion save 200 or 2,000 people?)

Since the first federal resources were made available to state and local health agencies for AIDS prevention in 1985, federal funding, which now includes money for research, treatment, and housing, has skyrocketed to \$13 billion for fiscal 2003. As a result of the work of highly mobilized lobbying forces, more is spent per patient on AIDS than on any other disease, though it does not even currently rank among the top 15 causes of death in the United States. In one year, 1998, heart disease, the nation's leading cause of death, killed 724,859 Americans – only 6.8 percent less than the 774,767 who have contracted AIDS in the last 20 years.² Of those 774,767 total AIDS cases, 462,766 have died. During that same period, 14 million Americans – 30 times more – have died of heart disease.

Research expenditures at the National Institutes of Health (NIH) demonstrate the uneven use of federal resources. In 1996, NIH spent an average of \$1,160 for every heart disease death, \$4,700 for every cancer death, and a whopping \$43,000 for every AIDS death.³ Even though they get far less research money, that year heart disease killed 24 times more and cancer killed 17 times more than the number of people who died from AIDS in 1996, when AIDS was still the seventh leading cause of death in the U.S.

¹ Michael Fumento, "The Squeaky Wheel Gets the Grease," *The American Spectator*, December 1998.

² CDC, accessed at <http://www.cdc.gov/health/causes.htm>.

³ *Scientific Opportunities and Public Needs*, National Institute of Medicine, 1996, as reprinted in Christine Maggiore, What if Everything You Thought You Knew About AIDS Was Wrong?, fourth ed., The American Foundation of AIDS Alternatives, Studio City, California, 2000, p. 14.

In addition to research, the U.S. government spends large amounts on AIDS prevention and social programs. The Centers for Disease Control and Prevention (CDC) spent \$795 million on prevention in fiscal 2001. But questions have arisen regarding the misuse of some of that money.

A November 2001 memo from Health and Human Services (HHS) Inspector General (IG) Janet Rehnquist cited one program (the Stop AIDS Project of San Francisco) that employs a questionable definition of prevention that did not meet CDC guidelines. CAGW has found several more, including:

- Positive Force in San Francisco receives \$1 million a year from the CDC.⁴ In April 2001, the group held a "Poz Prom." The group also offers flirting classes and, last July, hosted a workshop on how to have anal intercourse if you suffer from diarrhea.⁵ (Diarrhea is a common side effect of AIDS.)
- On Feb. 28, 2002, the Stop AIDS Project of San Francisco, which received nearly \$700,000 from the CDC in fiscal 2001, will sponsor "GUYWATCH: Blow by Blow." The advertisement for the seminar reads, in part: "What tricks do you want to share to make your man tremble with delight?"

Rehnquist's memo said the Stop AIDS Project had not been properly scrutinized by local oversight boards and did not meet CDC's basic standards of decency. "Some of the information presented in prevention workshops could be viewed as encouraging sexual activity, [in direct] violation of CDC guidance. In addition, they [do] not follow the CDC requirement that curriculum materials be evaluated by a local review panel," she said.⁶

CDC prevention guidelines do not allow the promotion of sexual activity or IV drug use and state that all programs must meet obscenity standards put forth in *Miller v. California*. That Supreme Court case says federally funded programs cannot appeal to prurient interests and must have some literary, artistic, political, or scientific value. Local boards are charged with making sure these requirements are met. In light of its very limited audit of the San Francisco Stop AIDS Project, the HHS IG has agreed to do a full audit of CDC AIDS prevention grants.

The waste and abuse in AIDS programs occurs while other proven and effective prevention measures, such as screening pregnant mothers and newborns, go unmandated and underfunded. At the same time, CDC officials and Congress complain the agency is fighting the war on terror from dilapidated buildings and with archaic technology. For fiscal 2002, CDC received \$2.8 billion for security upgrades and infrastructure. Before it writes a check for a new house, Congress should encourage CDC to clean up its current one.

While AIDS patients have their own social programs, Americans with other diseases do not. Unfortunately, these social programs are also rife with waste, fraud and abuse.

⁴ IRS Form 990 accessed at <http://www.guidestar.com>.

⁵ Accessed at <http://www.thebody.com>.

⁶ Memo from HHS IG Janet Rehnquist to Secretary of Health and Human Services Tommy Thompson, October 12, 2001.

The Ryan White Comprehensive AIDS Resources Emergency Act (CARE Act) received \$1.9 billion in fiscal 2001. Though President Bush did not request an increase for the program, he did sign into law Congress's \$112 million (six percent) increase for fiscal 2002. Title I of the CARE Act provides everyday healthcare for HIV and AIDS patients, is duplicative of Medicare and Medicaid and is rife with waste. Before Congress considers adding more money to Title I, it should consider the following:

- A former bookkeeper at Central Florida AIDS Unified Resources (CENTAUR) was ordered to pay \$600,000 in restitution on charges of embezzlement. Investigators say Corey White spent money on tickets to Disney World, hotels, and restaurants and sometimes had monthly credit card bills that were more than her \$25,000 a year salary. CENTAUR serves as the area's CARE Act fiscal agent.⁷

Funding for the Housing Opportunities for People With AIDS (HOPWA), which provides housing to low-income people with AIDS, had a budget of \$257 million in 2001, and received a \$21 million, or eight percent increase for fiscal 2002. HOPWA is funded through the Department of Housing and Urban Development (HUD), and duplicates that agency's Section 8 housing program. President Bush's fiscal 2003 budget gives HOPWA an additional \$15 million. Waste in the HOPWA program includes the following:

- In April 2001, *The New York Post* revealed New York City was spending nearly \$180,000 a week (\$9 million a year) on hotel rooms for HIV and AIDS patients. That month, the city had reserved 20 rooms at the Sofitel Hotel in Midtown Manhattan at \$329 apiece. The Division of AIDS Services and Income Support (DASIS), which is responsible for the bookings, is legally obligated to place people with HIV and AIDS in hotels the day they apply for emergency housing. Advocates say DASIS must use the expensive hotels because it has ruined its relationship with lower-cost hotels by not paying bills on time. New York City received \$52.6 million in HOPWA funding in fiscal 2001.⁸

The approximately 320,000 Americans currently living with AIDS represent only a tiny fraction – .8 percent – of the global pandemic. Today it is estimated that 40 million people worldwide are living with the disease, including 2.7 million children. While the U.S. government spends \$13 billion on its relatively small AIDS population, it has only pledged \$500 million to the global AIDS fund over the next five years.

HIV and AIDS prevention and social programs have long been cash cows for politically correct nonprofit firms and government bureaucracies. In their book, Private Choices and Public Health: The AIDS Epidemic in an Economic Perspective, University of Chicago economist Tomas J. Philipson and law professor Richard A. Posner concluded that the AIDS epidemic has been overstated in almost every imaginable way in order to gain more funding. They contended, “pressure from small, but organized, groups [including] male homosexuals, health professionals,

⁷ Susan Clary, “AIDS Embezzler Gets 37 Months,” *Orlando Sentinel*, March 1, 2001.

⁸ Dan Mangan and Jessie Graham, “City Used Post Hotel as AIDS ‘Shelter,’” *The New York Post*, April 11, 2001.

government bureaucrats, and moral conservatives has deflected AIDS programs from their efficient path.”⁹

America cannot ignore this inefficiency and at the same time expect to win both the war on terror and the war on AIDS.

Just two days before Sept. 11, Sen. Charles Grassley (R-Iowa), in response to accounts of fraud in the AIDS establishment warned, “We don’t have money to burn when people are dying.”¹⁰ His words, in light of the World Trade Center and Pentagon attacks and five anthrax deaths, could not have been more prescient. CDC can better protect Americans from bioterror and disease only if wasted prevention money is redirected to more effective programs. Duplication in healthcare and housing also costs lives. It’s time the entire government heeds Sen. Grassley’s warning and rids itself of the mismanagement in the AIDS establishment.

Eliminating the duplicative HOPWA and Title I CARE Act programs could save \$920 million annually. If 10 percent of the CDC prevention funds are wasted, the total savings reach \$1 billion, or 7.7 percent of total AIDS funding. Providing the 1,000 low-income AIDS patients on a waiting list for medication under Title II of the CARE Act would only cost between \$10 million and \$12 million a year. Additional uses for wasted AIDS resources include much-needed drugs for the 28 million sub-Saharan Africans, the six million southeast Asians, or the one million eastern Europeans suffering from the disease, as well as more research for a vaccine for every person at risk.

THE RELATIONSHIP AND HISTORY OF HIV AND AIDS

The human immunodeficiency virus (HIV) causes the acquired immunodeficiency syndrome (AIDS) by destroying and damaging immune system cells, specifically CD4+T (helper) blood cells. (HIV is commonly referred to as the AIDS virus or the virus that causes AIDS.) The fewer helper cells the body has, the more difficult it is to fight routine infections like pneumonia or influenza. Several indicators are used to determine when a patient has moved from HIV-positive status to full-blown AIDS, including the presence of an opportunistic infection related to HIV or a helper blood cell count below 200 cells per cubic millimeter.

The AIDS virus is blood-borne so it can only be transferred through blood-to-blood contact between carrier and recipient or through contact between any of the carrier’s other bodily fluids and a recipient’s blood. It is spread primarily through sexual contact or needle sharing with an infected person. Though it’s now rare, transfusions of blood and blood clotting factors also spread the virus. Finally, infants born to HIV-infected women may become infected before or during birth or through breast-feeding after birth.

⁹ Tomas J. Philipson and Richard A. Posner, Private Choices and Public Health: The AIDS Epidemic in an Economic Perspective, Harvard University Press, Cambridge, Mass., 1993.

¹⁰ Larry Margasak, “Federal Funds Used for Explicit Workshops,” Associated Press, September 9, 2001.

The virus does not survive well in the external environment, making the possibility of transmission through water and air remote. The risk of getting HIV from a healthcare worker during an invasive procedure is also very small – one in 21 million.¹¹

Although numerous theories abound, it is virtually impossible to pinpoint how and when HIV came to humans or the U.S. Some theories say humans acquired the disease by eating chimpanzee meat; others contend humans contracted the disease after a polio vaccine grown in chimp kidney cells was given to approximately one million people in the Belgian Congo in the 1950s. Some scientists believe the AIDS virus was first evident in humans around 1675; others say it didn't surface until at least 1926. However, it is accepted that the earliest known AIDS death occurred in Africa in 1959, and, because it is a descendent of the simian (monkey) immunodeficiency virus (SIV), it's affirmed that HIV was transferred from primates to humans.

In America, frozen blood samples show HIV antibodies were present in men by 1978. It's speculated that a French-Canadian flight attendant named Gaetan Dugas brought HIV to New York City and San Francisco after contracting it in France. A 1981 analysis by the CDC showed that at least 40 of the first 248 men who died of AIDS had either direct or indirect sexual contact with Dugas. Through December 2000, CDC estimates that 404,392, or 53 percent of the 765,559 reported adult AIDS cases have been males who admit they may have contracted the disease through homosexual sexual contact.¹²

The CDC first reported on what is now known as the AIDS virus in its June 1981 *Morbidity and Mortality Weekly Report*, publishing a notice about outbreaks of *Pneumocystis carinii* pneumonia (PCP) in young homosexual men in Los Angeles.¹³ A month later, the *New York Times* reported on outbreaks of Kaposi's sarcoma (KS) in New York City and San Francisco. Outbreaks of this disease and PCP were uncommon in healthy young males. The cause of these outbreaks was unknown, but thought to be confined to the male homosexual community. The collection of symptoms was formally referred to as Gay-Related Immune Deficiency (GRID).

In June 1982, CDC reported the collection of symptoms outside the homosexual male population, among heterosexual IV drug users.¹⁴ The use of heroin and other IV drugs had increased rapidly in the post-Vietnam era and, instead of purchasing, or stealing, unused hypodermic needles, users often shared. Last year, despite hundreds of needle exchange programs, IV drug users represented 20 percent of all reported AIDS cases.¹⁵

Hemophiliacs became infected with the AIDS virus during transfusions of blood and blood clotting factors. Non-hemophiliac transfusion recipients were also infected. Although it was already suspected that the virus was blood-borne, an official from the American Association of Blood Banks in December 1982 denied the virus could be contracted through transfusions. A

¹¹ Michael Fumento, "AIDS Put to the Test," *Reason Magazine*, May 1992.

¹² CDC, "HIV/AIDS Surveillance Report: "U.S. HIV and AIDS Cases Reported through December 2000," year-end edition, Vol. 12, No. 2.

¹³ CDC, "Pneumocystis Pneumonia," *Morbidity and Mortality Weekly Report*, June 5, 1982, Vol. 30, No. 21, p. 250.

¹⁴ CDC, "Update on Kaposi's Sarcoma and Opportunistic Infections in Previously Healthy Persons," *Morbidity and Mortality Weekly Report*, June 11, 1982. Vol. 31, No. 22, pp. 294-301.

¹⁵ "HIV/AIDS Surveillance Report: "U.S. HIV and AIDS Cases Reported Through December 2000."

meeting of all major blood banks announced no blood screening technology or questions about donors' sexual preferences or drug use would be tolerated. Although CDC reported the affliction in hemophiliacs¹⁶ and other transfusion recipients¹⁷ in 1982, mandatory screening of blood supplies wasn't ordered until 1985. Now, because of stringent screening, the risk of transmission from a blood transfusion is one in 250,000.

Also in 1982, CDC reported that four infants had unexplained immunodeficiency disorders and were experiencing symptoms that resembled those of adults with the virus.¹⁸ Three were born to mothers who had admitted a history of IV drug use and none had received transfusions. All babies born to HIV-positive mothers have HIV antibodies in their system at birth, but, if the child is uninfected, these antibodies will disappear within 15 to 18 months, leaving the child healthy. After this period, only 25 percent of babies born to HIV-positive mothers will actually test HIV-positive.¹⁹ Since the first reporting of HIV-positive infants in 1982, 8,000 children have been diagnosed with HIV as a result of mother-to-child transmission.²⁰ During that same time, 80,000 children have died of Sudden Infant Death Syndrome.

Finally, in January 1983, CDC reported two heterosexual women with symptoms of AIDS.²¹ Both denied IV drug use, but one admitted she had sexual intercourse with a male IV drug user while the other revealed her partner was a bisexual male. The report admitted that CDC had been tracking 43 heterosexual women with symptoms of AIDS since June 1981. Today, 29,460 men and 52,250 women (11 percent of all adult AIDS cases) say they have contracted the virus through heterosexual contact (most cases resulting from sexual contact with IV drug users).²² Public health studies indicate 65 to 99 percent of people with AIDS who have initially claimed either no risk factor or heterosexual sexual contact as their risk factor, admit, upon further investigation, they have used IV drugs or engaged in male homosexual activities.²³

Because these incidents showed the virus was outside the homosexual population, it was renamed AIDS.

The infectious agent that causes AIDS was not identified until 1983, when doctors at the Institute Pasteur in France isolated a virus they called Lymphadenopathy-Associated Virus (LAV). A year later, an American scientist from the National Cancer Institute, Dr. Robert Gallo, isolated a retrovirus he called HTLV-III. While Dr. Gallo believed that he had been the first one to discover the cause of AIDS, in 1986 it was determined that LAV and HTLV-III were the same virus. An international conference dropped both names, replacing them with the term HIV.

¹⁶ CDC, "Pneumocystis Carinii Pneumonia Among Persons with Hemophilia A," *Morbidity and Mortality Weekly Report*, July 16, 1982, Vol. 31, No. 27, pp. 365-367.

¹⁷ CDC, "Possible Transfusion-Associated Acquired Immune Deficiency Syndrome (AIDS) – California," *Morbidity and Mortality Weekly Report*, December 10, 1982, Vol. 31, No. 49, pp. 652-654.

¹⁸ CDC, "Unexplained Immunodeficiency and Opportunistic Infections Found in Infants," *Morbidity and Mortality Weekly Report*, December 17, 1982, Vol. 31, No. 49, pp. 665-667.

¹⁹ *New England Journal of Medicine*, November 3, 1994, pp. 1176-1177.

²⁰ "HIV/AIDS Surveillance Report: U.S. HIV and AIDS Cases Reported Through December 2000."

²¹ CDC, "Epidemiological Notes and Reports Immunodeficiency Among Female Sexual Partners of Males with AIDS," *Morbidity and Mortality Weekly Report*, January 7, 1983, Vol. 31, No. 52, pp. 697-698.

²² "HIV/AIDS Surveillance Report: "U.S. HIV and AIDS Cases Reported Through December 2000."

²³ C. Schlepner, "Detection of HIV-1 Infection," as reprinted in What if Everything You Thought You Knew About AIDS Was Wrong?, p. 15.

Just six years after CDC's first report, there were 71,176 confirmed AIDS cases in the U.S.; 41,027 (58 percent) of those patients were dead. Because the virus had killed so many people in a short time, there was a call to arms.

THE MONEY STARTS – AND CONTINUES – TO ROLL IN

AIDS spending now spans many programs and agencies, including: the CDC, an agency within HHS; the CARE Act, administered by the Health Resources Service Administration (HRSA, also part of HHS); the HOPWA program, administered by the Department of Housing and Urban Development (HUD); the Congressional Black Caucus Minority AIDS Initiative (under HHS); NIH (under HHS); the Department of Defense; the Department of Veterans Affairs; and international programs at the Department of State. HIV and AIDS patients are also eligible for funding under Medicare, Medicaid, and Social Security.

In the early years of AIDS, America's leaders and citizens were unsure what the disease was or how it spread – they just knew it was deadly. Most patients died within months of diagnosis. It seemed no one was immune: not the Hollywood glitterati – actor Rock Hudson and musician Freddy Mercury died in the 1980s; not children – Ryan White and the three Ray brothers contracted the disease before high school; and not athletes – basketball great Ervin “Magic” Johnson announced he had tested positive for HIV in 1991 while tennis star Arthur Ashe died of AIDS two years later. War against the disease was waged with billions of dollars in taxpayer funds.

Unlike the first years of the epidemic, Americans now know what AIDS is and how it is spread. Furthermore, AIDS numbers are actually down, not up. Estimated AIDS deaths declined 67 percent from 1995 to 1998. AIDS activists have had to concoct a new defense for increased spending. More money is needed, they say, because AIDS strikes during prime working years, when patients should be most productive.

This claim, however, is false. In 1998, heart disease killed 118,151 people under the age of 65.²⁴ Cancer killed 157,255 people under age 65 that year.²⁵ That is nine times more and 13 times more, respectively, than AIDS, which killed approximately 12,000 people under age 65 in 1998.²⁶ In all age groups, including the under 65 group, the death rates for heart disease and cancer have remained steady while AIDS deaths have been in decline since 1993. Furthermore, a typical AIDS case costs approximately the same amount to treat as a terminal cancer case – approximately \$40,000 to \$50,000 per year.²⁷

In 1998, AIDS ranked 17th in the leading causes of death among Americans, behind, among others, heart disease, cancer, emphysema and asthma, pneumonia and influenza, diabetes, suicide, Alzheimer's disease, homicide, and hypertension.²⁸ Despite this, AIDS receives more

²⁴ CDC, accessed at <http://www.cdc.gov/health/causes.htm>.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Michael Fumento, “The Myth of Heterosexual AIDS: A Nine Year Retrospective of Fear and (Mostly) Loathing,” accessed at <http://www.fumento.com>.

²⁸ CDC, accessed at <http://www.cdc.gov/health/causes.htm>.

funding than any other disease. In 1996, NIH spent 43 times more on AIDS than it did on heart disease and nine times more than it spent on all cancers.²⁹

Some AIDS activists think it could be detrimental that AIDS receives much more money than other diseases. Martin Delaney, founder of the HIV treatment information organization Project Inform says that by giving AIDS so much funding, the federal government makes it “almost an advantage to be HIV-positive.”³⁰

AIDS activists with this view are few and far between. Most activists lobby year after year, citing “climbing” numbers of HIV and AIDS cases. Legislators comply because they are afraid – not of the disease reaching epidemic proportions – but of being branded cold-hearted or homophobic. Rep. Ernest Istook (R-Okla.) said, “The media pressures and influences depict AIDS as *the* horrible disease as opposed to one of many horrible diseases. There is frankly a fear among many members of Congress that they will be depicted as people lacking in compassion if they dare mention that [other diseases] afflict far, far more Americans and cost this country far, far more than AIDS does.”³¹

THE CDC AND PORNOGRAPHIC PREVENTION

Because antiretroviral therapy has been so successful in keeping AIDS patients alive, many people fear it has caused at-risk groups, and the general public, to take prevention less seriously. If the examples cited below are indicative, this concern certainly is accurate. Many prevention programs actually promote risky behavior, and are using taxpayer dollars to do so.

More than 90 entities throughout the U.S. receive federal HIV and AIDS prevention money from the CDC, totaling \$795 million for fiscal 2001. Total federal AIDS prevention spending is estimated at \$1 billion. As noted above, the CDC’s guidelines for these programs do not allow the promotion of sexual activity or IV drug use and require adherence to the obscenity standards established in *Miller v. California*. Based on initial audits of the STOP AIDS Project of San Francisco, HHS will justifiably investigate the CDC’s HIV and AIDS programs. The lack of compliance with CDC guidelines not only cheats the taxpayer and undermines the agency’s integrity; it actually encourages the spread of the disease.

A December 2001 UNAIDS report noted that in high-income countries, “The prospect of rebounding HIV/AIDS epidemics looms as a result of widespread public complacency and stalled, sometimes inappropriate, prevention efforts.”³² Later in its report, UNAIDS noted that, while antiretroviral drugs are helping AIDS patients in wealthy countries live longer, it’s causing them to take prevention less seriously.³³

²⁹ *Scientific Opportunities and Public Needs*, Institute of Medicine, 1996.

³⁰ Sheryl Gay Stolberg, “Some AIDS Activists Now Question Need for Social Services,” *New York Times*, November 12, 1997.

³¹ Michael Fumento, “The Myth of Heterosexual AIDS: A Nine-Year Retrospective of Fear and (Mostly) Loathing.”

³² UNAIDS and the World Health Organization, “AIDS Epidemic Update,” December 2001, p. 20.

³³ *Ibid.*

Consider the evidence to support that claim:

- The University of California-San Francisco AIDS Health Project (AHP), which received a \$633,765 grant from the CDC for prevention in fiscal 2001 and continually receives nearly 85 percent of its funding from government sources³⁴, sponsored a workshop in November on physical intimacy, focusing on “holding, kissing, licking, sucking, and ...” AHP also sponsors HIV bowling nights and daytime cruises of San Francisco Bay.³⁵ “Maybe we should just stop. Maybe we should just make lots of condoms available and accept that every year there will be a certain percentage of people who will get HIV,” said Dr. Tom Coates, director of AIDS Prevention Studies at AHP. “I’m not being facetious. AIDS is just not the dreaded disease it once was ... perhaps people are taking risks because they have other priorities such as feeling loved, feeling desired, and getting laid.”³⁶ From the examples cited above, it seems that’s exactly where AHP has placed their priorities.
- In 1998, CDC approved a \$338,000 grant to Hollywood Spa in Los Angeles, a gay bathhouse.³⁷ The upscale spa is complete with strobe lights and club music. Patrons check each other out while wrapped in tiny gym towels. Is AIDS likely to spread in such an environment? As a 1997 *Los Angeles Times* article noted, “Local AIDS prevention workers do not pretend that all the sex is safe in bathhouses.”³⁸
- The Stop AIDS Project of San Francisco, which received \$698,000 (39 percent of its budget) in CDC grants in fiscal 2001³⁹, has sponsored several “prevention” events, including a gay prom in April. Last August it held “Booty Call,” a seminar about dildos, plugs, fisting, and rimming. The advertisement read, “After a little basic science, share tales of intercourse and orgasm. Find out why so many of us find ass play a major turn on.” In September, the Project held a forum entitled “Great Sex for POZ Men.” And in October it sponsored “The Basics of Sadomasochism” for men “curious about leather and fetish sex.” All were part of the Project’s “Sex in the City” series. The inside cover of the Project’s resource magazine entitled “Our Love” reads “paid for by a grant from the CDC.” One article included instructions on how to throw a house party, for which alcohol was usually a necessity.⁴⁰ Studies have shown that alcohol and drug abuse increase the risk for contracting HIV.
- In April 2000, one seminar during a five-day “Capacity Building for HIV Prevention 2001” training weekend in Atlanta paid for by the CDC asked educators to use dance to convey their “prevention” methods.⁴¹

³⁴ IRS Form 990, accessed at <http://www.guidestar.com>.

³⁵ Accessed at <http://www.ucsf-ahp.org/events/htm>.

³⁶ Interview accessed at <http://www.zuesgay.com>.

³⁷ John Caldwell, “HIV Testing and Counseling Clinic Opens Inside Bathhouse,” *LA Frontiers*, August 17, 2001.

³⁸ Bettina Boxall, “A Look Ahead: Bathhouses and Indoor Trysting Grounds for Men Drawing Fire,” *The Los Angeles Times*, October 27, 1997.

³⁹ IRS Form 990, accessed at <http://www.guidestar.com>.

⁴⁰ Accessed at <http://216.226.22.88./sap.events.cg>.

⁴¹ Eric Erikson, “AIDS Funding Controversy Dances to Atlanta,” *The Southern Voice*, April 12, 2001.

- The San Francisco AIDS Foundation, which received nearly \$4 million in government funds in fiscal 1999⁴², sponsors a series entitled “Gay Life.” The series has included a sexual health fair featuring an orgasm coach; a seminar entitled “Erotic Energy,” and a sex toy fair. In November and December of last year, the Foundation sponsored “Sex on the Net, 2001: A Sexual Odyssey.” Workshops for the three-part interactive workshop boasted, “The cyberworld is not only for geeks and nerds! Together participants will learn how to establish healthy online relationships, join fringe and fetish communities, find sexuality resources, and negotiate the new sexual frontier.”⁴³ In an Oct. 26, 2001 article in the *San Francisco Chronicle*, officials at the San Francisco Department of Health said online sex chat rooms, specifically an America Online chat room, were to blame for a big spike in the cases of syphilis and other sexually-transmitted diseases.⁴⁴
- In St. Louis, a group of non-profits used a \$65,000 CDC grant to post billboards featuring embracing half-naked couples warning, “Before the loving begins, get tested.” Although the message was important, the mayor removed the signs because of several complaints calling the ads “indecent.” The message and money were lost.⁴⁵
- In San Francisco, HIV Stops With Me used a \$350,000 CDC grant to create a TV ad to be run during daytime talk shows using spokesmodels (one of which was a transgender male with breasts) for KGO-TV. KGO-TV refused the commercial because of its content.⁴⁶ HIV Stops With Me receives a total of \$1 million a year from CDC, channeled through the San Francisco Department of Public Health, and features muscled male models on its website (www.hivstopswithme.org). Information on safe sex is absent.
- CAGW has obtained a copy of a \$20,000 grant application to the Vermont Department of Public Health from the Twin State Women’s Network (TSWN) to be used for a weekend retreat. The grant was awarded and the retreat was put on in conjunction with the Sex Positive Resource Center. Topics for the weekend included “Toys 4 Us” and “Self Loving/Self Healing: Discussing the Role of Masturbation as a Tool for Healing.” TSWN also received: \$1,500 for long distance phone calls; \$1,000 for books, including “The New Good Vibrations for Sex” manual; and \$250 for videos, choices of which included “Fire in the Valley: A Guide to Masturbation for Women” and “Fire in the Valley: A Guide to Masturbation for Men.” Each participant received a welcome bag filled with mints and chocolate and each room was equipped with welcome packets containing condoms, lubricant, candles, massage lotion, and lip balm. TSWN receives 86 percent of its funds from government sources, including the CDC.

⁴² IRS Form 990, accessed at <http://www.guidestar.com>.

⁴³ Accessed at <http://www.stopaids.org>.

⁴⁴ Christopher Heredia, "Big Spike in Cases of Syphilis in San Francisco: Gay, Bisexual Men Affected Most," *The San Francisco Chronicle*, October 26, 2001.

⁴⁵ Robert Stacy McCain, “CDC’s AIDS Campaign Draws Ire of Lawmakers,” *The Washington Times*, November 8, 2001.

⁴⁶ *Ibid.*

- In May 2001, the Asian and Pacific Islander Wellness Center sponsored the First Annual Mr. And Ms. UTOPIA Pageant. The flier noted the event was “partially funded by the CDC.” The Center received more than \$1.6 million in government grants in 1999 and only \$268,879 in private contributions.⁴⁷
- Dan Savage, founder of Gay City of Seattle, which was originally set up to deal with health and prevention issues, has distanced himself from the organization because “The group is primarily concerned with gay men’s social lives, not their health.” Gay Life sponsors group naps, drag classes, and book clubs. Savage says the group receives money from the CDC.⁴⁸
- The Minnesota AIDS Project, which annually receives approximately two-thirds of its budget from the federal government⁴⁹ (including money from the CDC), sponsors PrideAlive, a peer support initiative for gay and bisexual men interested in confronting social issues. "Liquid Discourse," part of the PrideAlive program, includes education forums on dating, sexuality, spirituality, and political activism.⁵⁰
- AID Atlanta, Inc., which received more than \$3.5 million from the government in fiscal 2000 and only \$1.2 million in private contributions,⁵¹ sponsors "Deeper Love: A Workshop for Gay and Bisexual Men of African Descent" that addresses such subjects as dating, relationships, and erotica. The program lists the following topics of discussion: "Dirty talk: what makes it good; Tossing salad; Strollin' in the park, through the trails; The art of latex; safety versus trust." AID Atlanta, Inc. also sponsors "Slipping and Sliding" where men can explore their needs and desires and learn how to fulfill them.⁵²

The San Francisco Department of Public Health (SFDPH) was recently awarded a \$901,544 CDC grant to study the efficacy of condom-use skills-building workshops.⁵³ Considering the content of the “prevention” programs cited above, condoms couldn’t be expected to be very effective.

Meanwhile, the International AIDS Vaccine Initiative, a New York City nonprofit that unites scientists, government, industry, and communities to speed the development of promising AIDS vaccine candidates, received only six percent of its budget in 1998 from government sources.⁵⁴ Its total budget exceeded \$5 million. This project is working toward a solution that will truly eradicate the spread of the disease – and they are doing it with little federal funding. The AIDS prevention programs listed above will likely do nothing to ebb the flow of the disease.

⁴⁷ Accessed at <http://www.apowellness.org>.

⁴⁸ Dan Savage, “Send AIDS Money to Africa,” *Seattle Post-Intelligencer*, July 28, 2000.

⁴⁹ IRS Form 990 accessed at <http://www.guidestar.com>.

⁵⁰ Accessed at <http://www.mnaidsproject.org>.

⁵¹ IRS Form 990 accessed at <http://www.guidestar.com>.

⁵² Accessed at <http://www.aidatlanta.org>.

⁵³ Accessed at <http://www.dph.sf.ca.us/Meetings/meetings.htm#AGENDA>.

⁵⁴ IRS Form 990 accessed at <http://www.guidestar.com>.

Even celebrity Sir Elton John admits promiscuous behavior leads to an increased chance of getting HIV. John recently admitted, “as a gay man, I’m very lucky not to be infected.” In the early 1990s, at the same time he was watching Ryan White die of AIDS, he “was not behaving very well.”⁵⁵ One can hardly imagine that John would think the programs cited above could help stem the tide of new HIV infections. The singer has been very active in securing private money to help stop AIDS, raising millions for a cure through the Elton John AIDS Foundation.

Another reason programs cannot be expected to be effective is because some administrators of the local review boards charged with complying with CDC guidelines do not take prevention seriously. Steve Tierney, director of HIV and AIDS prevention programs at the SFDPH’s prevention programs, has scoffed, “People with HIV are not just going to stop having sex.”⁵⁶

In fact, Tierney does not even expect his own HIV-infected employees to stop having sex – even unprotected sex. After SFDPH worker Seth Watkins admitted in an August 2001 *New York Times* article that he sometimes went to San Francisco bars and ended up having unprotected sex, Tierney did not reprimand him. Instead Tierney, told *The San Francisco Chronicle* that his employee’s sex life was that employee’s business.⁵⁷ Watkins is not the only AIDS prevention worker under scrutiny for such behavior. In 1999, Luis Diaz, director of the HIV and AIDS program for the Nevada Association of Latin Americans was accused of having unprotected sex with two people without informing them of his AIDS infection.

Director Tierney’s callous attitude does not stop with the sex lives of his colleagues. He proclaims, “We’re trying to prevent HIV in San Francisco, so the messages have to be specific to the people of San Francisco. We’re not providing programs for lawyers and accountants in Washington.” AIDS activist Michael Petrelis rightly says that this attitude is offensive to the gay community. “[They’re saying] the only way to get the attention of a gay man is through sex and not intelligence.”⁵⁸

There are AIDS prevention success stories, but they aren’t coming from American “health” organizations like SFDPH. In the 1990s, the prevalence of AIDS in Uganda hung around the 30 percent mark. Today only 6 percent of Ugandans have AIDS. A recent *Africa News* article says the Ugandan government attributes this drop to programs like the School Health Education Project, which, instead of sex and flirting seminars, include discussion and debate on the reality of living with AIDS. The article says, “More emphasis [is] put on the fact that HIV/AIDS has no cure and that abstinence from sex [is] the best way to avoid the pandemic.”⁵⁹

Even if he took American prevention laws as seriously as Uganda takes prevention in general, Tierney doesn’t seem to think his board can handle complying with them. “Any piece of

⁵⁵ News reports, “Sir Elton: ‘I’m Very Lucky Not to Have AIDS,’” January 9, 2002, accessed at <http://www.itv.com/news/Front14204822.html>.

⁵⁶ Staff Reports, “U.S. to Audit AIDS Programs; San Francisco Prevention Workshop Spurs Obscenity Concerns,” *San Jose Mercury News*, November 16, 2001.

⁵⁷ Christopher Heredia, “San Francisco Health Official Defends Employee,” *The San Francisco Chronicle*, September 8, 2001.

⁵⁸ Robert Stacy McCain, “Report Says AIDS Workshops Promoted Sex,” *The Washington Times*, November 16, 2001.

⁵⁹ News reports, “Uganda: What Is Sex Education,” *Africa News*, February 4, 2002.

federally-funded poster or advertisement has to be reviewed by a panel,” Tierney explains, “We have contracts with 60 organizations. No one has ever been in full compliance with the law.”⁶⁰

Not only does Tierney scoff at the standards set for federal programs by the CDC, he also can't control the activities of the groups under his agency's purview that rely on tax dollars for their work. While one can hope that Tierney is an exception to the leadership required to at local departments of health, there is nonetheless systemic duplication and waste in AIDS programs throughout the country.

SOCIAL PROGRAMS ARE OUTDATED AND DUPLICATIVE

In the first 15 years of the crisis, many AIDS patients did not even live long enough to see their Medicare paperwork through the federal bureaucracy. Today, drug cocktails have allowed many AIDS patients to go back to work and maintain their self-sufficiency. This wasn't possible when AIDS social programs were established.

Since AIDS patients are living longer and many of the most impoverished are also eligible for Medicare, Medicaid, Social Security, and federal housing programs, it may be time to redirect funds for several social programs. This applies directly to Title I of the CARE Act and to the HOPWA program. By eliminating the duplication and waste in these programs, resources could be redirected where they would be more effective in the war on AIDS, and taxpayers could save at least \$920 million per year.

The Ryan White CARE Act

In 1990, Congress passed the Ryan White CARE Act to provide basic healthcare services to insured and uninsured AIDS patients. That year, the program received \$220.6 million in funding. For fiscal 2001, it received \$1.8 billion, a 715 percent increase from just a decade ago. Besides the term between fiscal 2001 and fiscal 2002, the program has never received less than a 9 percent increase from year to year, its largest increase coming between 1993 and 1994, when funding went from \$348 million to \$579.4 million, a 67 percent hike.

Funding for the CARE Act is divided into five sections. Title I provides funding to cities with high incidences of the disease; Title II provides funding to the states for medical and support services and includes the AIDS Drug Assistance Program (ADAP); Title III provides direct grants to organizations for early prevention and primary care services; Title IV provides funding for women, infants, and children; and Title V provides funding for other general provisions. The CARE Act will receive \$1.9 billion in fiscal 2002, a seven percent increase from the previous year. Of that, \$619 million (32.5 percent) is devoted to Title I; \$986 million (51.8 percent) is devoted to Title II; and \$314 million (16.7 percent) is devoted to Titles III through IV. President Bush has proposed holding these levels steady for fiscal 2003.

⁶⁰ Maggie Mason, “Review Ordered for HIV Programs to See if Campaigns Too Sexy,” Associated Press, November 16, 2001.

ADAP, which falls under Title II and will receive \$640 million for fiscal 2002, is the most effective portion of the CARE Act. Each year it helps approximately 130,000 AIDS patients, who would not otherwise be able to afford the \$10,000 to \$12,000 annual cost of successful antiretroviral therapy, increase their life expectancy and become more productive. The remaining \$346 million under Title II will be used for other primary care health services and treatment. It can also be used for housing for AIDS patients, which is duplicative of both HOPWA and Section 8.

The basic medical care for low-income AIDS patients covered by Title I is completely duplicated by the two biggest federal healthcare programs. HIV and AIDS patients, like patients of all other diseases, are eligible for Medicare and Medicaid, the latter being the largest source of federal funding for AIDS treatment and healthcare services (\$2.2 billion in fiscal 2000, or 35 percent of all money spent on AIDS treatment).

According to the Health Care Financing Administration (HCFA), 50 percent of adults with AIDS and 90 percent of children with AIDS depend on Medicaid to pay for their healthcare.⁶¹ Funding for AIDS patients under Medicare, the second-largest source of federal funding for AIDS treatment, was \$1.7 billion in fiscal 2000 (27 percent of the federal share of AIDS treatment). Early in the epidemic, AIDS patients had to wait an average of 29 months to gain approval for these programs. The average life expectancy for an AIDS patient at that time was a year and a half. Now, with improved drug therapies, most patients are living longer than 18 months.⁶²

Title I receives \$619 million, just 3 percent less than the \$640 million the more successful ADAP receives. While 1,000 people are currently on a waiting list for ADAP, fraud in the CARE Act runs rampant.

Consider the following:

- A government affairs coordinator for AIDS Healthcare Foundation (AHF) estimates that the Los Angeles County Commission on HIV is spending approximately \$194,000 of Title I funds to hire “five or six people” to carry out a publicity campaign about itself.⁶³ While the CARE Act does allow AIDS service agencies to spend 5 percent of the Title I money on planning council support, this money could obviously be better used under Title II, i.e., to get life-prolonging drugs to the patients currently on ADAP waiting lists. California, which has not had a problem with ADAP waiting lists, has reported a potential need to implement ADAP restrictions based on current funding.⁶⁴
- Doctors at the federally-funded San Juan AIDS Institute were convicted of conspiring to steal \$2.2 million in CARE Act funds. Prosecutors outlined a paper trail of dummy

⁶¹ HCFA, “Medicaid and Acquired Immune Deficiency Syndrome and Human Immunodeficiency Virus Fact Sheet,” April 2000, accessed at <http://www.hcfa.gov/medicaid/obs11.htm>.

⁶² Congressional Research Service, “AIDS Funding for Federal Government Programs: FY ’81 – FY ’01,” November 6, 2000, p. 5.

⁶³ Karen Ocamb, “Los Angeles County Commission on HIV Accused of Making Poor Spending Decisions,” accessed at <http://www.frontiersweb.com/v20iss21/news2.htm>.

⁶⁴ Accessed at <http://www.nastad.org>.

corporations, offshore bank accounts, payments for luxury cars, jet skis, cash pay-offs to the Institute's political benefactors, and for one of the doctors' personal maids. Even the governor of Puerto Rico, Pedro Rossello was subpoenaed to testify. A prosecution witness testified the governor had supervised the transfer of \$250,000 in a shoebox from the Institute to his 1992 campaign. Lawrence Poole, an HHS official responsible for monitoring the distribution of CARE Act funds, admitted under oath in 1999 that his department continually paid millions to the Institute without ever receiving an accounting or financial report.⁶⁵

- An FBI investigation into a Dallas clinic revealed that more than \$60,000 in Title I funds had been spent on calls to psychic hotlines and on shopping trips to Neiman Marcus. According to *The Dallas Morning News*, the South Dallas Health Clinic served 200 to 400 AIDS patients and had a \$1.5 million budget, most of which came from CARE Act grants. Sylvia Moreno, director of HIV/AIDS services at Parkland Hospital in Dallas said the clinic had been plagued with problems for years and often could not pay its pharmacy bills.⁶⁶
- In 1997, the Broward County HIV Planning Council received \$8.7 million under the CARE Act. Its Title I funds were spent under 24 different medical categories, including acupuncture and massage therapy.⁶⁷
- The Kansas City, Missouri mayor's office is investigating the city health department's spending of Title I funds. The investigation includes allegations include that money for minority programs went unspent and that medications were not provided to new patients last year. Kansas City receives \$3.3 million each year through the CARE Act.⁶⁸
- The former executive director and former operations director of the New Orleans Center for Living were both charged with the theft of more than \$200,000 in funds. Authorities say S. David Kaviaho and Carlos Anderson embezzled thousands of dollars, including personal purchases on company cards. The Center receives approximately \$100,000 a year under the CARE Act.⁶⁹
- A 1995 HHS IG study found that seven CARE Act awardees in New York City were using more than \$1.7 million in Title I funds to provide services to people whose HIV status was unknown. The providers classified the individuals as "at risk," "risk unknown," or "otherwise not HIV-infected." Approximately \$447,000 of this money was used to distribute literature about HIV and AIDS.⁷⁰

⁶⁵ Wayne Turner, "AIDS Incorporated," *The Washington Monthly*, April 2001, p. 17.

⁶⁶ Todd Bensman, "FBI Looks at AIDS Clinic's Spending," *The Dallas Morning News*, June 16, 2000.

⁶⁷ Alex Alfredo, "AIDS Forum: Up Close and Personal," *Sun-Sentinel Fort Lauderdale*, June 21, 1998.

⁶⁸ Alan Bavley and Donna McGuire, "State, Others Question City's AIDS Fund Use," *Kansas City Star*, June 5, 2001.

⁶⁹ John Pope, "Agency Officials Charged in Theft," *New Orleans Times-Picayune*, April 13, 2001.

⁷⁰ June Gibbs Brown, "Audit of Outreach and Risk Reduction Programs Funded by New York Eligible Metropolitan Areas under Title I of the Ryan White CARE Act," HHS Inspector General, No. A-02-96-02502, p. 1.

- Despite intense lobbying year after year for increased funding, some CARE Act money continually goes unspent. In May 2001, the HIV Health Services Planning Council at the San Francisco Department of Health revealed in a meeting that it had spent less than half of the money it had budgeted for materials and did not use \$41,000 of its total budget.⁷¹
- In May 2001, the Economic Opportunity Family Health Center in Miami Springs came under investigation for possible mismanagement of nearly \$500,000 in federal grants earmarked for people with AIDS.⁷²
- AIDServe Indiana (Ryan White's home state) filed bankruptcy in June 2001, owing creditors almost \$1 million. In 1998, AIDServe was chosen by the state government to administer the state's nearly \$8.1 million in CARE Act funds to the approximately 900 Indiana residents that suffer from the disease. The AIDS Foundation of San Diego suffered a similar fate in 1996 when it declared bankruptcy, owing creditors more than \$1 million.⁷³
- In 1996, the Francis House of Tampa received \$410,000 under Title I. The money was used to serve hot meals to AIDS patients every day and for counseling, support groups, child day care, after school programs, three annual weekend retreats, art classes, massage therapy, and field trips.⁷⁴
- In June 2000, HHS sponsored the Third Annual Clinical Update on HIV at the Marriott Frenchman's Reef Beach Resort in the Virgin Islands. The retreat was paid for, in part, with Title III funds from the Ryan White CARE Act (under the law, money can be used to pay for education and exchanges between physicians). One invitee emailed colleagues saying he was appalled at this use of federal funds, citing that the rate of HIV infection was double the national average in the Virgin Islands. "If we really want to help the Virgin Islands, we should go to the cheapest place in the states and send the cost saving to the Virgin Islands," he wrote. Although the conference was supposed to highlight AIDS in poor and developing areas, no local physicians, health officials, or patients were invited and a *Virgin Islands Daily News* reporter and photographer were thrown out of the conference cocktail party. AIDS, Inc. executives probably did not want the locals to see how they were squandering their tax dollars.⁷⁵
- In July 2001, the National Minority AIDS Council used Ryan White CARE Act funds to sponsor a training session at the Wyndham el San Juan Hotel. The hotel boasts

⁷¹ Accessed at <http://www.dph.sf.ca.us/Meetings/HIVhthSvcsPlan/Minutes/HIVHHSPMin052101.htm>.

⁷² Charles Rabin, "Miami Investigates the Use of AIDS Funds," *The Miami Herald*, May 17, 2001.

⁷³ Celeste Williams and Gina Barton, "Waste of AIDS Funds Under Federal Scrutiny," *The Indianapolis Star*, July 5, 2001.

⁷⁴ Michelle Jones, "Volunteer Spotlight Series," *St. Petersburg Times*, December 22, 1996.

⁷⁵ Al Kamen, "In the Loop," *The Washington Post*, May 22, 2000.

“the largest and most popular casino in Puerto Rico” and advises guests to “cool off in the novel beachfront fantasy pool with waterfall.”⁷⁶

Because it fully duplicates other federal programs, Title I of the CARE Act should be eliminated. In addition, The HHS IG should undertake an investigation of all other aspects of the CARE Act in order to root out waste and abuse. These measures would ensure that the 1,000 low-income AIDS patients currently on waiting lists could get the life prolonging and life enhancing drugs they so desperately need.

Housing Opportunities for People With AIDS

The Housing Opportunities for People With AIDS (HOPWA) program, which provides housing for low-income AIDS sufferers, duplicates the efforts of Section 8 of the Housing and Community Development Act of 1974 and should also be eliminated. HOPWA was created for two reasons: the limited life expectancy of AIDS patients and the extraordinary discrimination they faced. In the 1980s, when AIDS patients became ill quickly, it was nearly impossible for low-income sufferers to pay for their housing because they were not able to work. Many leasing companies and landlords were also wary of renting to tenants with this new, mysterious disease.

Grassroots programs sprung up to help AIDS patients deal with housing obstacles. The government believed this was too difficult for the nonprofit sector, so HOPWA was created.⁷⁷ This aim, like many of the services and programs provided by the CARE Act, is outdated and like the CARE Act, HOPWA is filled with waste.

In 1992, though low-income AIDS patients were already eligible for housing assistance under Section 8 and the CARE Act, HOPWA began making grants available to local communities, states, and nonprofits to help low-income persons with HIV and AIDS find affordable and adequate housing. Although this objective seems narrow, funds are used for: acquisition, rehabilitation, or construction of housing units; facility operations; rental assistance; short-term payments to prevent homelessness; healthcare and mental health services; treatment for chemical dependency; nutritional services; and assistance with daily living.

In its first year, the program received \$47.7 million in funding. In fiscal 2001, HOPWA received \$257.4 million in funding, more than five times the amount it had received just nine years earlier. The president requested, and the House and Senate approved a \$20 million (eight percent) increase in funding for fiscal 2002. Since 1982, more than \$1.8 billion has been made available through HOPWA.

Ninety percent of HOPWA funds are distributed to eligible states and localities through a formula grant process. States and localities that are not eligible for formula grants can apply for the other 10 percent of funds through the competitive grant program. While 68 percent of all

⁷⁶ Al Kamen, “In the Loop,” *The Washington Post*, August 1, 2001.

⁷⁷ ICF Consulting, “National Evaluation of the Housing Opportunities for Persons With AIDS Program,” December 2000, p. II-2.

HOPWA funds are used for housing, 22 percent are spent on support services such as mental health services, chemical dependency treatment, and healthcare.⁷⁸

HOPWA serves about 49,000 low-income people with AIDS each year, about one-sixth of all AIDS patients.

An August 2001 Congressional Research Service (CRS) study of HOPWA said, "as highly-active antiretroviral therapy is allowing many persons with HIV and AIDS to live longer, many are finding they wish to return to work."⁷⁹ The report also points out that at least some HOPWA money was being used for employment services – job training – for people with AIDS. This is not what the program was mandated to do and it is duplicative of other federal job training programs. Despite these findings, and true to the overzealous lobbying efforts by some AIDS activists, the report concludes HOPWA is in desperate need of more money. The CRS report is another telling example of the failure of the AIDS lobby to acknowledge that AIDS numbers are falling. AIDS patients are returning to work, and those with the disease are able to live productive lives. Therefore, federal funds could be used for other purposes.

Low-income AIDS patients are eligible for Section 8 federal housing assistance just like those suffering from any other disease. Since the stigma surrounding the disease has ebbed, the average life expectancy has increased, and the drug cocktail has enabled many to go back to work, AIDS patients, in effect, enjoy a privilege the sufferers of no other disease enjoy by having their own separate housing program.

The HOPWA program is no exception to the rule that when a federal program is duplicative, it is more prone to waste and abuse.

Consider the following:

- A May 2000 state audit of a Los Angeles AIDS service organization revealed that \$21.8 million in federal housing grants for people with AIDS has accumulated since 1993 and still remained unspent. The audit also found \$547,000 that had funded employees who provided services that were unrelated to AIDS. Michael Weinstein, president of the AIDS Healthcare Foundation, told the Associated Press, "The program is in shambles."⁸⁰
- According to a HUD audit, Travelers and Immigrants Aid of Chicago misused more than \$20,000 in federal funds. The nonprofit, which received a \$1.3 million HUD grant, sponsors the NextStep Program and runs the Rafael Center, a transitional center for homeless people with HIV and AIDS. The Center overcharged the federal government \$10,920 for part of the salary of the program's executive director. The Center also spent \$8,000 to buy meals for people who were not in the program.⁸¹

⁷⁸ M. Ann Wolf, "Housing for People With AIDS," Congressional Research Service, August 14, 2001, p. 2.

⁷⁹ Ibid., p. I-9.

⁸⁰ Wayne Turner, "AIDS Incorporated."

⁸¹ News reports, "Program for Homeless Misused Funds, U.S. Says," *Chicago Tribune*, July 4, 2001.

- The non-profit Tampa Hillsborough Action Plan (THAP) gives its top executives plenty of perks despite its financial woes. THAP boss Chester M. Luney and THAP Chief Executive Officer Lynn Knox rang up nearly \$1,000 in meal charges in a three-week period and were also afforded the use of sport utility vehicles. Mr. Luney received up to \$45,000 a year annually for the maintenance of his. THAP's top executives also received four season tickets for Tampa Bay Buccaneers games and two season tickets for both the Tampa Bay Devil Rays and the Tampa Bay Lightning. Meanwhile, THAP owed nearly \$25,000 in delinquent payroll taxes.⁸² THAP receives \$450,000 a year from the federal government to provide housing to people with AIDS.⁸³
- In 1996, a HOPWA pilot program in Los Angeles came under fire because it had refused to evict AIDS patients from federal housing if they continued to use illicit drugs. Long-standing HUD policies require the expulsion of any public housing resident that continues such a habit.⁸⁴

In the 1980s and early 1990s, one reason AIDS activists gave for increased spending was the prediction that huge numbers of the population would be affected by the disease – either by their own or a family member's infection. Large amounts of social spending seemed necessary to help care for these numbers who would perish even before their Medicare paperwork was complete. But numbers of new infections have been consistently decreasing and life expectancy has risen, so it's time to reexamine the necessity of some AIDS programs – especially social service programs.

THE FACE OF AIDS IS CHANGING

In the 1980s and even the early 1990s, mass hysteria ensued regarding AIDS. People were wary of those diagnosed or perceived to be at risk, patients died in droves, and myths were scary and plentiful.

In 1986, *Newsweek* declared that by 1991 between five and 10 million Americans would have contracted HIV. The next year, Oprah Winfrey warned that one in five heterosexuals would have died of AIDS by 1990. One therapist even predicted that 10 billion people (almost twice the world's population) would have AIDS by 2001.⁸⁵

Thanks to several changes in the dynamics surrounding the disease, the hysteria has calmed.

The first change involves the stigma that once surrounded AIDS. When AIDS first appeared, employers and even entire towns ostracized patients. Now, HIV and AIDS are protected as disabilities and Americans are less fearful. Second, a positive diagnosis was a death sentence twenty years ago and AIDS patients, whether their employers knew they were infected or not,

⁸² Jeff Testerman, "THAP Lavished Perks on Bosses," *St. Petersburg Times*, September 10, 2001.

⁸³ Christopher Goffard, "THAP Redirects Reimbursement," *St. Petersburg Times*, October 31, 2001.

⁸⁴ John Schwartz and Judith Evans, "LA Plan Allowing Drug Users in HUD Housing Raises GOP Ire," *The Washington Post*, October 11, 1996.

⁸⁵ What if Everything You Thought You Knew About AIDS Was Wrong?, p. 14..

often had to leave their jobs because they were too ill to work. Thanks to pharmaceutical innovations, patients now live longer, even healthier, lives. Finally, more accurate information about this disease is available.

Most Americans know how to prevent HIV and AIDS. Prevention messages and education, therefore, do not need to be provocative, but rather should be consistent with other prevention campaigns such as lung cancer, which discourage risky behavior and accurately depict the consequences of such activities. Due to these changes and the availability of other federal resources, many HIV and AIDS programs today are outdated and duplicative.

Because of the initial uncertainty about the disease's origins, AIDS patients – even children – were targets of discrimination and violence. Thanks to families-turned-activists like the Rays, this sort of discrimination is rare today.

In 1986, Ricky, Robert, and Randy Ray, three HIV-positive hemophiliac brothers, were barred from school in their tiny town of Arcadia, Florida. Even though Surgeon General C. Everett Koop traveled to the town to explain that using the same toilet or water fountain did not transmit HIV, discrimination persisted. After their home in Arcadia was burned, the Rays' story became national news, bringing discrimination to full light.

Today, Louise Ray, the boys' mother, says the town and the country are different. "You couldn't have had a public conversation [about the AIDS virus] ten, 15 years ago. Now, as a general rule, having HIV has become more acceptable. You're not considered a leper to be cast away anymore. Things have changed."⁸⁶ Louise and her husband Clifford visit Arcadia four or five times a year and report that most people who signed petitions against admitting their children to school have apologized.

AIDS researcher Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases, agrees. "Without question, a lot of unreasonable fear is gone," he said.⁸⁷ Results of a CDC poll also concur: "Most U.S. adults do not hold stigmatizing views about persons with HIV infection or AIDS."⁸⁸

If discrimination does arise, though, legal remedies are now available for people with AIDS, including protection under the Americans with Disabilities Act (ADA).

Not only has discrimination against HIV and AIDS patients ebbed, patients' life expectancy has risen. "Dramatic declines in cases and deaths have been observed since 1996, with the widespread use of potent combination antiretroviral therapy," says CDC, "Persons with AIDS are surviving longer."⁸⁹ Estimated deaths from AIDS declined 67 percent from 1995 to 1998. In 1995, 50,877 people died of AIDS; in 1998, there were 13,426 deaths. Drug therapies have also led to a decline in mother-to-child AIDS transmissions. Between 1993 and 1999, these cases

⁸⁶ Stephen Buckely, "AIDS In America: 20 Years Later," *St. Petersburg Times*, September 9, 2001.

⁸⁷ *Ibid.*

⁸⁸ *Journal of American Medicine*, "HIV-related Knowledge and Stigma," December 27, 2000, Vol. 284, No. 24, p. 3118.

⁸⁹ "AIDS Surveillance Report: U.S. HIV and AIDS Cases Through December 2000," p. 5.

declined by two-thirds.⁹⁰ There are also fewer new AIDS cases reported each year. In the early 1990s, there was an average of 76,500 new AIDS cases a year. In 2000, there were 23,932.

AIDS patients like Sean Strub no longer need to worry they will die within months of diagnosis. When Strub was diagnosed HIV-positive in 1985 (he'd been having symptoms since 1981 or 1982), life expectancy for a person diagnosed with AIDS was 18 months. But today Strub is 42. He takes 23 or 24 pills a day, but is, for the most part, healthy.⁹¹ Like Strub, many HIV and AIDS patients are now able to lead productive lives with the help of antiretroviral therapy.⁹²

Twenty years after the disease's discovery, we know not only how to help the afflicted live longer, but also how the disease is transmitted.

In the first years of the epidemic, many people were convinced the disease traveled through the air or could be caught by sharing a glass with or shaking the hand of an infected person. A poll conducted by the Kaiser Family Foundation shows most high school – even junior high school – students know how to prevent the AIDS virus from spreading. Ninety-one percent of 12- to 17-year-olds know they are at an increased risk of contracting the AIDS virus if they engage in unprotected sex; 92 percent understand they are at risk if they engage in IV drug use. Eighty-five percent understand there is no cure for AIDS.⁹³ Parents, pediatricians, and politicians all plead with children to avoid IV drug use and to abstain from unprotected sex or sex altogether. No one tells them to avoid drinking fountains, jungle gyms, or locker rooms for fear of AIDS.

Upon her retirement as Director of the National Center for HIV, STD, and TB Prevention at CDC, Dr. Helene Gayle said of her progress, "Nearly every adult can tell you what AIDS is and how it is spread."⁹⁴ Adult prevention and education programs are wasted in well-educated, urban populations that glamorize the behavior that spreads the disease.

Despite these changes, the AIDS lobby looms large. It's time for that to change.

CONCLUSION

Long before Sept. 11, it was imperative to reform AIDS programs. Today reform is even more vital. A recent article in *The Washington Post* reported that approximately half the people infected with the AIDS virus in the U.S. may harbor a strain of the microbe that is resistant to at least one drug used to treat the disease.⁹⁵ And, although HHS spokesman Bill Hall said it did not

⁹⁰ AIDS Facts, AIDS Alliance for Children, Youth, and Families, accessed at <http://www.aids-alliance.org>.

⁹¹ "Living with AIDS for 20 Years," 2001, accessed at <http://CNN.com>.

⁹² "The History of AIDS: 1998-2000," accessed at <http://www.avert.org>.

⁹³ The Henry J. Kaiser Family Foundation, "National Survey of Teens on AIDS," 2000, Menlo Park, Calif., p. 5.

⁹⁴ Linda Villarosa, "A Charge to Take AIDS Messages from a National to Global Scale," *New York Times*, August 28, 2001.

⁹⁵ David Brown, "Study Finds Drug-Resistant HIV in Half of Infected Patients," *The Washington Post*, December 19, 2001.

indicate an end to the downward trend of the last seven years, preliminary data from CDC show an eight percent rise in new AIDS cases between 2000 and 2001.⁹⁶

This news, and the new war on terrorism, shows it is more important than ever for the federal government to use its resources in the most cost-effective manner possible to find a cure for AIDS and to protect the country against chemical warfare and bioterrorism. Duplicative social programs and pornographic prevention seminars do nothing to bring about an end to this dreaded disease or to combat terrorism.

While the government spends \$920 million year on Title I of the CARE Act and HOPWA, it only plans to contribute \$500 million to the global fund to fight AIDS (where money is most needed) and \$357 million a year on finding an AIDS vaccine.

The HHS IG has agreed to conduct a more comprehensive review of the CDC's HIV and AIDS programs as part of its fiscal 2002 Work Plan. Also, Deputy Secretary Claude Allen will conduct a comprehensive review of *all* federal HIV prevention activities. The fiscal 2002 Labor, Health and Human Services, and Education appropriations bill contained an amendment requiring the HHS IG to audit all federal money spent on HIV prevention programs and to report to Congress any programs offering sexually explicit workshops.

If these entities find anything like the results CAGW has found, Congress should redirect many CDC prevention grants in favor of increased protection against biological and chemical attacks or increased funds for an AIDS cure. HHS and HUD should also forcefully be asked to conduct extensive audits of the Ryan White CARE Act Title I and the HOPWA program so all fraud and abuse can come to light. Such audits will give Congress more incentive to reform or eliminate these antiquated social programs.

Many CARE Act programs, including all of Title I, should be phased out and incorporated into existing federal safety net programs such as Medicaid and Medicare. This would ensure necessary, life-saving medical care to those with HIV and AIDS who are low-income or uninsured while also eliminating nonessential AIDS services. It would also save money to bolster ADAP.

America is at war – against AIDS and against terrorism. The waste of federal AIDS dollars does a disservice to taxpayers, and most importantly, to the victims and those at risk of contracting the disease. The nation cannot be expected to win those wars unless it gets serious about eliminating wasteful, fraudulent, and abusive AIDS programs.

⁹⁶ Staff reports, "Preliminary CDC Data Detects Rise in U.S. AIDS cases for First Time in Seven Years," *The Albany Times*, Jan. 1, 2001.