



Written by [Michael Tennant](#) on December 22, 2016

Improper Payments, Unused Real Estate Top Congressman's Wasteful-spending Report

Merry Christmas, taxpayer. Your hard-earned money is still being frittered away by Uncle Sam at an alarming rate. In his latest [Waste Watch](#) report, Representative Steve Russell (R-Okla.) highlights \$140 billion in "cost overruns, poorly designed programs, and money that was dumped down the drain," including such purchases as \$50,000 bike racks, \$150-million villas in Afghanistan, and \$356-million computer systems that don't work.



The cheapest example of wasteful spending in Russell's report comes from the National Institutes of Health (NIH), which spent \$47,530 on two fancy bicycle shelters at its Bethesda, Maryland, headquarters. This amount, Russell points out, is "more than four times the cost of traditional bus stops" and over three times the cost of solar-powered ones. He adds that NIH, an agency of the Department of Health and Human Services (HHS), was "hesitant to report the cost of the project," which was only uncovered when the contract was posted online.

Despite President Barack Obama's promises of greater openness, between 2009 and 2014, federal agencies spent \$144 million fighting Freedom of Information Act (FOIA) lawsuits. Under FOIA, agencies are required to respond to requests within 20 working days and may only deny requests for information that falls under nine specific exemptions. A [2014 Associated Press story](#) cited by Russell reported that the government had in 2013 denied a "record 81,752" FOIA requests.

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If a request is denied without cause, the requester may sue for the information; if he is successful, the courts often force the federal government to pay his legal fees. The Government Accountability Office (GAO) found there were 1,672 FOIA lawsuits between 2009 and 2014, at least 112 of which resulted in awards of attorneys' fees and other legal costs totaling \$1.3 million. The exact cost is not known because the Justice Department doesn't keep track of all staff and attorneys' costs for lawsuits in which plaintiffs prevail, even though it is required under FOIA to produce an annual report that includes such costs.

The Drug Enforcement Agency (DEA) maintains an extensive network of informants to prosecute the unconstitutional war on drugs. Between 2010 and 2015, reports Russell, the DEA had 18,000 active informants, more than half of whom collected a total of about \$237 million. These sources, the congressman notes, "can be unethically prompted by factors other than combating crime, like obtaining unwarranted financial payoffs." Indeed, informants are notoriously unreliable, but this doesn't seem to matter to the DEA, which paid about \$9.4 million to over 800 informants after they were deactivated for committing a severe offense, such as providing false testimony.

"As of September 15, 2015, the Social Security Administration (SSA) has spent \$356 million over eight years on a disability case management system project that did not work," pens Russell. "Ninety-seven



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percent of the expenses were attributed to overestimates relating to contractor and labor costs.” The software project was initially estimated to cost between \$90 and \$165 million. By June 2014, it had already gobbled up \$288 million. Having spent another \$68 million on top of that, the SSA expects to shell out yet another \$91 million on the same project over the next two fiscal years, still with no guarantee of a working system.

The federal government has thousands of unused or underutilized properties that it wastes money maintaining. No one knows exactly how many such properties it owns because the system used to keep track of federal real estate is unreliable. A 2012 Congressional Research Service study concluded that Uncle Sam owned about 77,000 such properties costing \$1.67 billion to maintain. Some of these have been sold off, although, in the fashion of government statistics, in some cases square-footage increases have been passed off as decreases. As of fiscal year 2015, there were still at least 7,000 properties needing to be sold, and probably many more given that that number comes from the unreliable property database.

Intelligence contractors take a beating in *Waste Watch*, too. Special reports from the Intelligence Community Inspector General, released under FOIA, show that contractors “view pornography on government computers, browse online dating sites and play games on Facebook,” reports Russell. Contractors are also adept at padding their time cards to fraudulently collect “millions of dollars,” he adds.

The endless, undeclared war in Afghanistan is the source of three of the 10 items on Russell’s report. The Defense Department spent \$1.5 million on a slaughterhouse to feed the Afghan National Army (ANA). When the project, which never really got off the ground, was abandoned 20 months later, the letter terminating the contract indicated that the ANA was able to feed itself and had never needed the slaughterhouse in the first place.

The Department of Agriculture shelled out \$34 million over three years to teach Afghans to grow soybeans and to build a soybean-processing plant in Afghanistan. Afghans, it turns out, don’t like soybeans, and the weather in Afghanistan isn’t conducive to growing them, so the project had to be abandoned — but not before 4,000 metric tons of U.S. soybeans were shipped to the factory to be processed at an additional \$2 million cost to taxpayers.

A Pentagon task force poured \$150 million — 20 percent of its budget — into “high-end villas [in Afghanistan] that were required to have queen beds, flat-screen TVs of no less than 27 inches and three-star meals,” according to Russell. Furthermore, since these villas were not on a military base, the task force spent over \$100 million more on security contractors to protect them.

The biggest wasteful expense on the report, however, consists of payments that shouldn’t even have been made to begin with. In fiscal year 2015, the government made about \$137 billion in improper payments — payments made in the wrong amounts, to the wrong people, or for the wrong reason. HHS, particularly through Medicare and Medicaid, is the agency making the most such payments in dollar terms (\$90 billion); but the Treasury Department, primarily through the Earned Income Tax Credit and the National School Lunch Program, has the highest error rate (24 percent).

“The trend we are on is unsustainable, and the only way out is through a change in the culture of how the federal government spends the people’s money and start spending less than the government brings in in revenue,” Russell astutely observes in his introduction.

Might I suggest using the Constitution as the starting point for this culture change? Every outrage in



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Russell's report can be traced back to a government that has exceeded its prescribed limits. Bind it down with the chains of the Constitution, and all of these spending problems will evaporate. Let it continue to roam freely, and our future holds nothing but rising red ink and, ultimately, fiscal collapse.



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