Written by **Brian Koenig** on October 16, 2012

Federal Agencies Spent \$1.1M on Souvenirs and Promotional Items

A recent <u>report</u> by a Washington-based transparency advocacy group charged federal agencies under the Obama administration with spending \$1.1 million on souvenirs and promotional items, including gifts such as trophies, yo-yos, and water bottles. Based on a series of Freedom of Information Act requests, Cause of Action, a nonprofit watchdog group, uncovered flagrant cases of taxpayer abuse, including \$700,000 spent by the Homeland Security department on "awards" in fiscal 2010 alone.



The six-month investigation probed 32 U.S. federal offices and uncovered spending patterns and decisions by a number of agencies that potentially breach President Obama's <u>Executive Order 13589</u>, which requires government offices to "limit the purchase of promotional items (e.g., plaques, clothing, and commemorative items), in particular where they are not cost-effective."

In a lengthy response to this damning new report, Cause of Action executive director Dan Epstein <u>explained</u> the lack of documentation and transparency on part of these government agencies and the lavish spending that has left taxpayers on the hook for millions of dollars:

Our investigation shows that a federal government culture of waste, fraud and mismanagement remains an unchecked liability throughout federal agencies. A cavalier attitude toward the efficient use of tax dollars permeates the executive branch. While some agencies track their spending, revealing patterns of waste, others don't even bother to document it. The Department of Defense, with one of the largest budgets, informed Cause of Action that it has no means of tracking promotional spending, rendering accountability impossible. Just in the past year we've seen reports of the Government Services Administration and Veterans Affairs conference spending scandals, Secretary Sebelius's Hatch Act violations, and conflict of interest violations by NLRB Acting General Counsel Lafe Solomon. It is clear that those in the current Administration with the responsibility to steward taxpayer dollars, the President included, are not taking their jobs, nor a commitment to ethics and transparency, seriously.

The Inspector General <u>responded</u> to Cause of Action's allegations, saying that the analysis "inaccurately combined the OIG's [Office of Inspector General] employee performance award program with an array of questionable, wasteful government agency outlays for commemorative coins and other trinkets." The OIG further stated that it delivered documents to the watchdog group showing that the \$700,000 cited in the report covered year-end performance awards, described as "spot cash awards," for 700 agency employees.

The awards consist of "employee bonuses and performance incentives, not promotional items," acting IG Charles Edwards added. The employees "are eligible for various monetary awards if they excel at

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their jobs or exceed expectations. Even as we strive to recognize outstanding employee achievement with this program, we are pretty careful on how much money we spend."

However, Cause of Action insisted, the extent of these "awards" seems to indicate a culture of waste and excessive spending on part of several federal agencies. Some of the most flagrant examples of lavish spending <u>include</u>:

- The Agriculture Department Rural Development Office in Kansas spent \$38,870 on Global Positioning Systems, Nook 3G digital readers, Apple iPods and Nikon Coolpix cameras for staff;
- The Justice Department's Office of Community-Oriented Policing Services program paid more than \$12,000 for commemorative items for a single conference;
- The Homeland Security Department's Office of the Inspector General bought nearly \$700,000 worth of awards in fiscal 2010;
- The Interior Department's Fish and Wildlife Service spent more than \$86,000 on commemorative items from 2009 to 2012.

Cause of Action's shocking narrative has alighted in the wake of numerous reports that document a culture of waste stemming from a number of federal agencies. The General Services Administration (GSA), for example, has been charged with multiple instances of wasteful spending, <u>including</u> an \$800,000 Las Vegas training conference that included \$130,000 in travel expenses, \$146,000 on catered food and drinks, and a \$2,000 party in a top official's hotel suite.

Another conference orchestrated by the scandal-ridden agency cost a staggering \$270,000. The one-day event included many of the "award" items chronicled in Cause of Action's report, <u>including</u> \$7,810 for 68 shadowbox picture frames, \$20,578 for 4,000 drumsticks, and \$30,000 for "time temperature picture frames."

The Department of Veterans Affairs (VA) also came under heavy congressional scrutiny after doling out more than \$700,000 on two employee conferences last year. A <u>150-page report</u> published by the VA Office of the Inspector General asserted that the luxurious events, which took place in Orlando, Florida, were poorly planned and entailed hundreds of thousands of dollars in wasteful spending.

According to the OIG's report, the agency spent nearly \$100,000 on "unnecessary" promotional items — including \$50,000 for the production of a General George Patton parody video — much like the expenditures in the GSA conferences and the precise spending measures highlighted in Cause of Action's investigation.

In its conclusion, Cause of Action asserted that "the range of fiscal responsibility is best symbolized by the price range of plaques purchased by agencies." While some departments were responsible enough to buy standard plaques, others "went to great lengths" to enhance the items with expensive features and full customization. "For instance," the group explained, "the DOI FWS purchased plaques for up to \$455 for 'Private Landowner Appreciation' and three wooden plaques for government employees for \$1,050. The DOE OIG, on the other hand, purchased plaques from reputable companies for \$50."



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