



**THE WASTE REPORT'S**

**AIRING OF  
GRIEVANCES**

**FESTIVUS  
2017**

A Festivus collection of government waste worth shouting about.  
Presented by the Federal Spending Oversight Subcommittee- Rand Paul, M.D. Chairman

## THE WASTE REPORT'S

# Airing of Grievances for 2017

*We've got a lot of problems with  
how our tax dollars are spent!*

Happy Festivus! Hard to believe it has been another year already. Seems like just yesterday our national debt was inching closer to \$20 trillion, and now it's pushing \$21 trillion. And what a year it was!!! *Wonder Woman* dominated at the box office. For the first time ever, the Houston Astros won a World Series, and the world got a new iPhone (and lost a home button in the process). Yet while our homes and cars continued to get smarter, the same cannot be said for our federal government and how it sends and wastes hardworking Americans' tax dollars.

For another year, *The Waste Report* diligently highlighted \$83,405,000 worth of wasteful spending, misplaced priorities, and bad management. This year, we featured such follies as building a parking lot at a casino, souping up a golf course in St. Croux with solar panels in the name of rural development, improving the taste of tomatoes, and making digital down markers for football games. Just what you would expect your tax dollars to go to, right?

Hey, but that's not all. We kicked off the year with a series cataloging wasteful, taxpayer-funded endeavors overseas in *WORLDWIDE WASTE: How the Government is Using and Losing Your Money Abroad*. In total, we documented more than \$3 billion of taxpayer money going to such things as clown school in Argentina, sending motorbikes to Pakistan, and teaching Kenyan farmers how to use Facebook and Twitter - #Waste.

So, before the Feats of Strength can begin, there must be an airing of (spending) grievances.

*And now you're gonna hear about it!*

THE WASTE REPORT'S

# Airing of Grievances for 2017

*In this report, you will find...*

- **What it means to you** Page 3
- **Special Features**
  - **Interested in Waste** Page 5
- **Compilation of Reports** Page 6



THE WASTE REPORT'S  
**Airing of Grievances for 2017**

So, what does \$563,421,523 of wasteful spending mean to you?

If just the waste we found is : **\$563,421,523**

And the average taxpayer pays about :  $\div$  **\$8,136**

Then Uncle Sam **WASTED** all the taxes of : **69,250 people**

That is roughly the population of Sen. Paul's hometown of **Bowling Green, KY.**

So the question is:

**Was it your taxes they wasted?**



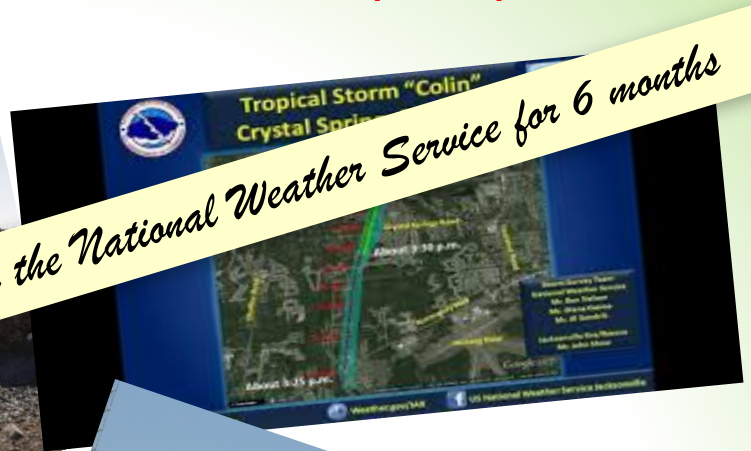
THE WASTE REPORT'S

**Airing of Grievances for 2017**

*So, what else could we have done with \$563,421,523?*



*Paid for 2 weeks of Border Patrol*



*Funded the National Weather Service for 6 months*



*Resurfaced 450 highway miles*

*Almost a year of VA hospital construction*



**Saved \$123 million of interest over 10 years**

*18,775 small business starts*



**Still think government waste is too small to worry about?**

## THE WASTE REPORT'S

# Airing of Grievances for 2017

*Taxpayer dollars were wasted by the federal government as it...*

Developed Digital Down Markers for use at football games ( <a href="#">Commerce</a> ) .....	\$130,000
Did Market Research for Electric Car Industry ( <a href="#">NSF</a> ) .....	\$270,000
Sent British Bloggers on a U.S. Vacation ( <a href="#">State</a> ) .....	\$75,000
Built a Bathroom in a Queens, NY, Park ( <a href="#">Dep. of Transportation</a> ) .....	\$1,500,000
Recreated a Rug with little Historic Value that hadn't been preserved in the first place ( <a href="#">Park Service</a> ) .....	\$40,000
Came after YOU for not paying taxes but let Contractors Slide for overbilling ( <a href="#">IRS</a> ) .....	\$76,000,000
Built a New Parking Lot for a Casino with a troubled past. ( <a href="#">Bureau of Indian Affairs</a> ) .....	\$500,000
Got into the swing of things with "Rural Development" at an Island Resort Golf Course ( <a href="#">USDA</a> ) .....	\$125,000
Allowed Section 8 landlords to overbill the Government ( <a href="#">HUD</a> ) .....	\$3,100,000
Studied How To Make Tomatoes Taste Better ( <a href="#">NSF</a> ) .....	\$1,500,000
Supported Dances with Vehicles and Equipment ( <a href="#">National Endowment for the Arts</a> ) .....	\$160,000

### WORLDWIDE WASTE

(Selected Excerpts – Reformatted)

Put on Music Festivals and Concerts Abroad ( <a href="#">State</a> ) .....	\$3,217,960+
Trained Chinese Cities (four) to be Green ( <a href="#">USAID</a> ) .....	\$2,500,000
Built Highways in Afghanistan while they crumble in the U.S. ( <a href="#">USAID</a> ) .....	\$255,300,000
Financed International versions of <i>Sesame Street</i> ( <a href="#">USAID</a> ) .....	\$14,833,312
Paid for Clown School in Argentina ( <a href="#">Inter-American Foundation</a> ) .....	\$324,015+
Paid to remind Cambodian motorcyclists to wear a helmet ( <a href="#">USAID</a> ) .....	\$1,780,778
Taught Kenyan Farmers to use Facebook ( <a href="#">USAID</a> ) .....	\$99,787
Built trails in National Parks...IN RUSSIA ( <a href="#">U.S. Forest Service</a> ) .....	\$177,300
Supported A Pagan B&B in Belarus ( <a href="#">USAID</a> ) .....	\$1,946,000
Trained Turkish media to care about the environment ( <a href="#">State</a> ) .....	\$33,500
Developed a Bird-Watching Strategy for Honduras ( <a href="#">USAID</a> ) .....	\$95,000
Celebrated "Green Heroes" at an Indian Film Workshop ( <a href="#">State</a> ) .....	\$185,000
Trained Cashiers for Walmart in Mexico ( <a href="#">USAID</a> ) .....	\$15,000,000
Financed a Nepalese political television drama series ( <a href="#">USAID</a> ) .....	\$1,003,000
Bought Motorbikes to assist Pakistani Dairy Farmers ( <a href="#">USAID</a> ) .....	\$21,018,293
Helped Moroccan College Grads Find Jobs ( <a href="#">USAID</a> ) .....	\$23,840,000
Helped Finance Cambodia's version of Medicaid ( <a href="#">USAID</a> ) .....	\$20,000,000
Sought to Promote Tourism in Jordan ( <a href="#">USAID</a> ) .....	\$98,000,000
Sought to instill Confidence in the Libyan Government ( <a href="#">USAID</a> ) .....	\$8,820,830
Promoted Highway Safety in Myanmar ( <a href="#">USAID</a> ) .....	\$1,000,000
Fostered Clean Energy Development in Vietnam ( <a href="#">USAID</a> ) .....	\$11,441,758

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**Taxpayer Dollars Wasted: \$563,421,523**



# THE WASTE REPORT

March 21, 2017

## INTERESTING TIMES THE FEDERAL GOVERNMENT (AND THE TAXPAYERS') COST OF BORROWING

Last week, the federal government hit what is known as the “debt ceiling.” Not sure what the debt ceiling is? Well, just like a credit card limits people on the amount they can charge, the law limits how much the federal government can borrow (the so-called “debt limit”).

Be it the credit card in your wallet or federal borrowing, the reasoning for the limit is the same: no person or even government can borrow unlimited amounts of money forever. Without a limit, the minimum payments will just keep growing until they are unmanageable.

When we hit the limit, Uncle Sam will try to delay but will eventually call on Congress for a credit limit increase (like anyone with a spending problem).

### The Federal Credit Card

So what exactly does Uncle Sam’s credit card statement look like? Well, the Congressional Budget Office (CBO) estimated in January that our federal gross debt will be \$20.36 trillion<sup>1</sup> by the end of this year, with net interest of \$295 billion.<sup>2</sup> Both of these numbers are up from our report last year, *Interested in Waste*, by approximately \$1 trillion and \$40 billion respectively - the direct result of failing to balance the federal budget.

These are all big numbers. So to put it in perspective, let’s imagine Uncle Sam is an average American and makes an annual wage of \$48,320.<sup>3</sup> Sam would already have \$288,954 in debt. His minimum payment on that debt would be nearly \$4,000 this year, but that is just because he did a balance transfer a while ago and is still on a low teaser rate of about 2%. Someday soon, that rate is going to expire, and his payment will at least double. Even still, right now Sam seems to be able to manage his debt, except that Sam plans to spend \$56,255 this year - increasing his debt load by almost \$8,000 to

nearly \$297,000. Worse still, Sam isn’t bashful about his plan to keep spending more than he makes each year for the rest of his life.

It doesn’t take a financial whiz to see that Sam cannot keep this up too much longer.

### Why Should You Care?

As we know, Uncle Sam is not a real person with a job. Instead, he is an enormous government that gets almost all his money from your taxes. Even if he is only paying interest (the minimum payment), he has to pay that in cash. **That means the first \$1,966 YOU PAY in taxes will go just to interest payments.<sup>4</sup> Not defense, not education, not roads - interest. Worse, it is all wasted. The government and you, the taxpayer, do not actually get anything for this - not one hour of work and not even one sticky note.**

### Interest Roll Call

If you are like most people, at some point you have sat down to pay your credit card bill(s) and thought, “Interest is killing me. I could pay for a lot of other stuff (or pay this card down faster) if it weren’t for this interest.” We’ve thought the same thing about the federal interest payment. **So, what could we pay for? The \$295 billion in interest payments we will pay this year COULD have covered the budgets of the Departments of: Commerce, Energy, Homeland Security, Housing and Urban Development, Interior, Justice, and State, as well as the EPA, NASA, the National Science Foundation, the Small Business Administration, the U.S. Congress, the Federal Courts, all international assistance programs, the Executive Office of the President, and the Army Corps of Engineers – COMBINED.<sup>5</sup>**

<sup>1</sup> <https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/reports/52370-outlook.pdf>, Page 29

<sup>2</sup> Ibid., Page 10

<sup>3</sup> [https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)

<sup>4</sup> \$295 billion divided by 150 million individual tax returns filed in 2016 (IRS statistics). <https://www.irs.gov/uac/filing-season-statistics>

<sup>5</sup> Taken from OMB Historical Table



# THE WASTE REPORT

May 3, 2017

## **UNCLE SAM: 4<sup>TH</sup> AND LONG ON FISCAL RESPONSIBILITY FEDERAL GOVERNMENT DEVELOPS DIGITAL FOOTBALL DOWN MARKER**

When football season kicks off, you might notice something new stalking up and down the sidelines. No, not a boisterous head coach, or a menacing linebacker itching to get in the game. It'll be a digital down marker... one your tax dollars paid to help develop.

You heard that right. **Auburn University used nearly \$130k in federal funds<sup>1</sup> from the Economic Development Administration (EDA) to help develop the eDown, a battery powered down marker that displays numbers from 1 to 4 in LED lights.<sup>2</sup>**

It all started when a scoreboard manufacturer from Roanoke, AL, (about 45 miles from Auburn) contacted the university with the idea for a digital down marker. The problem, it seems, is the old mechanical down markers were less visible in lower light,<sup>3</sup> required operators to reach above their head, and could jam (we never noticed that).<sup>4</sup>

Auburn agreed it was time for something new and, armed with EDA funding, used a semester-long industrial design course to help develop the down marker. Sixteen students (all presumably paying tuition) developed eight prototypes, one of which was selected by the private scoreboard company that now SELLS the marker as the eDown.<sup>5</sup>

### **If You Build It... Others Will Profit**

**“The group [at Auburn] worked so well as a team, and everyone contributed something to the final design. As a result, our company now has a product that is already setting a new standard in professional, collegiate and high school football.”<sup>6</sup> [emphasis added]**

The scoreboard company “now has a product,” the eDown, they can sell and profit from. However, at nearly 15 times the price of a traditional, mechanical down marker,<sup>7</sup> one has to wonder if a market exists for this Cadillac of its industry. If not, it is only the taxpayer who bore development risk; in other words, the upside is to the company and the downside to the taxpayers.

Consider this: a scoreboard manufacturer already deals with digital displays used at sporting events. This particular manufacturer specializes in scoreboard and game clocks that are mobile<sup>8</sup> – requiring a battery.

**It appears this company was already well positioned to develop the eDown on their own.** One might argue they needed some technical assistance similar to how a farmer might use a university extension program. But Auburn made the prototype. **That is not like an extension program testing your soil; it is like them planting your fields for you.**

### **Doing Fine Without Uncle Sam**

Certainly college and athletic innovation are intertwined and have led to major economic development - Gatorade from the University of Florida and Nike from the University of Oregon come to mind.

But the first waffle-soled Nikes that graced the feet of Steve Prefontaine in the early '70s were not developed by an EDA-funded program. No, Bill Bowerman built his prototypes in his garage with his wife's waffle iron. Uncle Sam did not make the shoe for him (or fund someone else to), let alone buy the waffle iron.<sup>9</sup> Somehow still, Nike seems to have done just fine.

<sup>1</sup><https://www.usaspending.gov/transparency/Pages/TransactionDetails.aspx?RecordID=691FFB47-497E-4988-8604-85461B078D78&AwardID=10854340&AwardType=G>

<sup>2</sup><https://www.eda.gov/pdf/success-stories/innovation-entrepreneurship/Victory-Game-Clocks.pdf>

<sup>3</sup>Ibid.

<sup>4</sup>[http://ocm.auburn.edu/newsroom/news\\_articles/2016/10/auburn-industrial-design-students-score-with-edownan-innovative-led-down-marker.htm](http://ocm.auburn.edu/newsroom/news_articles/2016/10/auburn-industrial-design-students-score-with-edownan-innovative-led-down-marker.htm)

<sup>5</sup><https://www.eda.gov/pdf/success-stories/innovation-entrepreneurship/Victory-Game-Clocks.pdf>

<sup>6</sup>[http://ocm.auburn.edu/newsroom/news\\_articles/2016/10/auburn-industrial-design-students-score-with-edownan-innovative-led-down-marker.htm](http://ocm.auburn.edu/newsroom/news_articles/2016/10/auburn-industrial-design-students-score-with-edownan-innovative-led-down-marker.htm)

<sup>7</sup>\$1,499.95 for the eDown vs \$114.48 for a traditional down marker

<sup>8</sup><http://www.victorygameclocks.com/#about>

<sup>9</sup>[http://blog.oregonlive.com/behindducksbeat/2011/02/nikes\\_holy\\_grail\\_bowerman\\_fami.html](http://blog.oregonlive.com/behindducksbeat/2011/02/nikes_holy_grail_bowerman_fami.html)





# THE WASTE REPORT

September 25, 2017

## TOO FAR TO **CHARGE** WASTE

### ***NSF SPENDS ALMOST \$270K TO STUDY IF THE PLACEMENT OF ALTERNATIVE FUEL STATIONS AFFECTS PEOPLE'S WILLINGNESS TO BUY ALTERNATIVE FUEL VEHICLES***

For most people, when a car's gas warning light comes on, there is a moment of fear, even if only for a split second – where is the nearest gas station? Fortunately for most people, a gas station is usually never more than a few miles or even a block away. But for the driver of an alternative fuel vehicle, the low fuel light can mean serious trouble.

Apparently, this is also of some concern to the National Science Foundation (NSF), which is spending nearly **\$270,000 to research how the availability of alternative fuel affects a person's decision to buy or lease a vehicle that runs on something other than gasoline.**<sup>1</sup>

#### Reason for Concern

Electric refueling locations are by far the most prominent of all.<sup>2</sup> Yet it is estimated Tesla alone needs to spend \$8 billion “to add about 30,000 new chargers to compete with the network of gas stations across the country. ...”<sup>3</sup>

Other alternative fuels are even harder to find. There are only about 197 biodiesel, 953 compressed natural gas, and 40 hydrogen refueling stations in the entire U.S.<sup>4</sup>

Someone considering buying alternative fuel vehicles has to wonder: “Where will I refuel? How will this affect my travel habits and daily life? Is this worth it?”

These are the questions researchers at Arizona State University are seeking to answer. **Their study will explore topics including how current owners of such vehicles in Southern California have already adapted, and how potential buyers in Connecticut use refueling station maps to inform their decisions. Investigators will also conduct a “hands-on workshop” with stakeholders to discuss refueling network design.**<sup>5</sup>

#### Concern of the Taxpayer?

**It is not that this research has no value; in fact, it is certainly of great value to the companies producing and selling alternative fuel vehicles. However, they should be the ones funding this study, not the taxpayer.**

Certainly GM, Nissan, Ford, and Tesla, either themselves, or through trade associations like the Renewable Fuels Association, Natural Gas Vehicles for America, or CNG Now, could pony up the money for this study.

<sup>1</sup> [https://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1660514&HistoricalAwards=false](https://www.nsf.gov/awardsearch/showAward?AWD_ID=1660514&HistoricalAwards=false)

<sup>2</sup> <http://bit.ly/2i6hCg8>

<sup>3</sup> <http://www.cnn.com/2017/03/03/tesla-needs-billions-to-make-supercharger-network-rival-gas-stations.html>

<sup>4</sup> <http://bit.ly/2i6hCg8>

<sup>5</sup> [https://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1660514&HistoricalAwards=false](https://www.nsf.gov/awardsearch/showAward?AWD_ID=1660514&HistoricalAwards=false)



# THE WASTE REPORT

April 11, 2017

## TAXPAYERS BRING BRITISH BLOGGERS TO AMERICA

*Waste Report* readers will recall last year's "A Better, More Peaceful Understanding of Waste," where we discussed the U.S. Embassy in London spending \$90,000 to foster better understanding with the United Kingdom.<sup>1</sup>

Well, it turns out they are at it again. Late last year, our Embassy in London offered a grant worth as much as **\$75,000 to help bring as many as 10 "social media journalists and bloggers" to the U.S. to explore "American values and cultural issues that shape the American identity** and deepen U.K. youth audiences understanding of the United States in the 21st century."<sup>2</sup> [emphasis added]

### An American Holiday for British Bloggers

The grant opportunity mentioned sending the bloggers to visit "cities such as Charleston, Orlando, Dallas, San Francisco, and Chicago"<sup>3</sup> to learn about American issues and themes - in other words, a real American experience, funded by the U.S. taxpayer. With firsthand

experiences in these cities, the bloggers presumably would be better able to convey Americanism to their audience across the pond.

All that would make sense if this were 1890 or even 1990, but, as *The Waste Report* has noted before, thanks to the Internet, 24-hour news, and affordable air transportation, our understanding of the U.K., and theirs of the U.S., is not lacking.

In fact, nearly 4 million Brits visit the U.S. each year, and 1.2 million visit more than one state.<sup>4</sup> These people probably do not need their bloggers' input to have an American experience, as they have their own or at the least have a high probability of knowing someone who does.

<sup>1</sup><https://www.paul.senate.gov/imo/media/doc/WASTE%20REPORT%20UK.pdf>

<sup>2</sup>U.S. Embassy London, Public Affairs Section. Title: "Exploring American Values." Funding Opportunity No. DOS-London-PD-2017-02. <https://www.grants.gov/web/grants/view-opportunity.html?oppld=289913>

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

<sup>4</sup>[http://travel.trade.gov/outreachpages/download\\_data\\_table/2014\\_UK\\_Market\\_Profile.pdf](http://travel.trade.gov/outreachpages/download_data_table/2014_UK_Market_Profile.pdf)



# THE WASTE REPORT

October 30, 2017

## **FLUSHING AWAY TAX DOLLARS** **THE U.S. DEPT. OF TRANSPORTATION SPENT \$1.5 MILLION** **ON A BATHROOM IN A QUEENS, NY PARK**

You may have seen John Stossel's *Reason* story describing a \$2 million bathroom facility in Brooklyn, NY, that took seven-and-a-half years to complete.<sup>1</sup> One could be forgiven for thinking such a boondoggle received support from Uncle Sam in the form of tax dollars, particularly because there is another park bathroom construction project just as good... or, well, bad.

Just up the road from Stossel's discovery, this time in Queens, **Uncle Sam found a way to flush away taxpayers' hard-earned money on a \$1.5 million park bathroom.**<sup>2</sup>

### Federal Transportation Project?

One of the most interesting aspects of this boondoggle is that the bathroom was funded by the U.S. Department of Transportation (USDOT). Aren't they supposed to build roads?

It appears the justification for USDOT's involvement was a concurrent expansion of a parking lot adjacent to the bathroom facility. The two projects were bundled together at a cost of \$6.7 million. While most people would not expect federal highway funds to be used for parking lots at city parks, at least cars drive on them.

But make no mistake, Uncle Sam paid for the bathroom. USDOT issued two grants on the same day for the project - one in the amount of \$1.6 million,<sup>3</sup> and the other for just over \$159,000.<sup>4</sup> That is more than enough to repave a mile of a four-lane highway.<sup>5</sup>

Both grants note the parking lot AND bathroom as part of the project descriptions on *USASPENDING.gov*. However, since one grant was for almost exactly the same amount as the bathroom cost, and ground wasn't

broken on that part of the project until shortly after federal money was awarded,<sup>6</sup> it is clear the central aim was not to fund the parking lot portion of the project.

### You Could Buy a House for This Price

Not only should the federal government, particularly USDOT, not be funding bathrooms at city owned parks, but the price is just ridiculous. **The completed bathroom is just 800 square feet, meaning the price per sq. ft. is around \$1,875.** Meanwhile, real estate website *Trulia.com* reports the average price per sq. ft. for an entire house in Queens is roughly \$481, about a quarter the price Uncle Sam paid.<sup>7</sup>

As Stossel noted in his report, Bryant Park, a privately owned park in Manhattan, renovated a similar bathroom for just \$271,000.<sup>8</sup>

### 12 Years from Start to First Flush

When the federal government decided to give funding to this project in 2012, it had already been in the works for eight years, and it would take another four years to complete.

When the ribbons were finally cut in 2016, State Senator Tony Avella, who pushed for the bathroom when he was city councilman, attributed part of the delay to the structure's custom design, saying, "Wouldn't it be better to have a standard design? I don't think my constituents care if this comfort station looks the same as a comfort station in Brooklyn."<sup>9</sup>

**You are probably right, Senator Avella, but let's not forget the Brooklyn version cost \$2 million and still took over 7 years to complete.**

<sup>1</sup> <https://reason.com/reasonstv/2017/08/04/stossel-2-million-dollar-bathroom>

<sup>2</sup> USA Spending Award # 36X760183LY1030 & 36X760183HY1030

<sup>3</sup> <https://www.usaspending.gov/Pages/AdvancedSearch.aspx?k=36X760183LY1030>

<sup>4</sup> <https://www.usaspending.gov/Pages/AdvancedSearch.aspx?k=36X760183HY1030>

<sup>5</sup> Rate of \$1.25 million a mile from <http://www.artba.org/about/faq/>

<sup>6</sup> [http://www.qchron.com/editions/north/little-bay-park-bathroom-is-done/article\\_18ab373c-bb8e-586a-b369-09927f1042a6.html](http://www.qchron.com/editions/north/little-bay-park-bathroom-is-done/article_18ab373c-bb8e-586a-b369-09927f1042a6.html)

<sup>7</sup> [https://www.trulia.com/real\\_estate/Queens-New\\_York/market-trends/](https://www.trulia.com/real_estate/Queens-New_York/market-trends/)

<sup>8</sup> <https://reason.com/reasonstv/2017/08/04/stossel-2-million-dollar-bathroom>

<sup>9</sup> <http://www.nydailynews.com/new-york/queens/bathrooms-finally-open-queens-park-12-year-delay-article-1.2520716>



# THE WASTE REPORT

July 24, 2017

## PULLING THE RUG OUT FROM UNDER THE TAXPAYER THE NATIONAL PARK SERVICE IS SPENDING \$45K FOR A RUG

*“That rug really tied the room together, did it not?” – Walter Sobchak, The Big Lebowski<sup>1</sup>*

Anyone that has tried to decorate a room or keep outside debris off a hard-surface floor knows the value of a good rug. A good rug can run thousands of dollars, but while hardworking Americans may be willing to spend such sums on their home, they will likely pause when hearing the **National Park Service (NPS) is spending \$44,890 for a 21-foot rug** at the Lincoln Boyhood National Memorial (Boyhood Memorial) in Lincoln City, Indiana.<sup>2</sup>

### Historic Value?

The rug NPS is procuring is a replica of one made and given to the Boyhood Memorial in 1943 as a tribute to Lincoln's mother<sup>3</sup> - 125 years after Mrs. Lincoln passed away.<sup>4</sup>

One has to ask, is the rug really of such historical significance that the Park Service needs to spend nearly \$45k to replace it?

### What Happened to the Old Rug?

One may wonder why the rug in question needs to be replaced at all. Certainly a rug of such importance has been maintained and preserved? Not quite. People are actually allowed to walk on the rug. This concerned one commenter to the Boyhood Memorial as far back as 2005.

A letter that was included in the final 2005 *General Management Plan* for the park states, “I continue to voice my concern about the traffic on the rug in

Nancy Hanks Lincoln Hall... Hopefully it is rotated and turned frequently to keep wear-and-tear even.”<sup>5</sup>

So people are walking on this supposed national treasure, and concern was raised about this more than a decade ago?

In fact, in 2016, a professional conservator noted the rug was in poor condition and recommended it be placed in the park's museum.<sup>6</sup> Perhaps it should have been there all along or at least for the last decade.

Even the company that got the contract to produce the replica was confronted with something of a problem due to the rug's poor condition.

Because the rug was not well preserved, the colors have faded, leading them to ask, “[D]o we go to the real colors ... or, since everyone is looking at that, do we match it?”<sup>7</sup>

If so little care was taken with the original rug, is it that historically important? Or, if it is so historically important to warrant a replica be made, why was it not cared for better?

<sup>1</sup> <http://www.imdb.com/title/tt0118715/quotes>

<sup>2</sup> <https://www.fbo.gov/index?s=opportunity&mode=form&id=14b3ae3f95a5d1d05713ba9d7c79485c&tab=core&tabmode=list&>

<sup>3</sup> Statement of Work

<sup>4</sup> <https://www.nps.gov/libo/learn/historyculture/nancy-hanks-lincoln.htm>

<sup>5</sup> <http://bit.ly/2tFjFVT>

<sup>6</sup> Statement of Work

<sup>7</sup> <http://www.concordmonitor.com/braided-rug-lincoln-10613976>



# THE WASTE REPORT

April 20, 2017

## NOT ONLY DO THEY TAKE OUR MONEY, BUT NOW THEY WASTE IT, TOO THE IRS FAILS TO RECOVER OVER \$76 MILLION OF UNALLOWABLE CONTRACTING COSTS

Government service contracts are large, complex, and can span years. Because of this, sometimes “unallowable expenses” - things not covered in the contract - mistakenly get paid by Uncle Sam. For this reason, the government employs auditors, such as the Defense Contract Audit Agency (DCAA), to review payments and identify ones that should not have been made. If a payment turns out to be improper, the government agency that made it is supposed to recover the money.

**Unfortunately, according to a recent report from the Inspector General (IG) that oversees the IRS, when DCAA notified the IRS of unallowable payments over 10 years, only a miniscule amount was recovered out of over \$77 million, and the agency scrutinizing your records was revealed to have less-than-stellar bookkeeping itself.<sup>1</sup>**

### IGNORED AUDITS

Treasury’s internal guidance<sup>2</sup> dictates that once a final audit of a contract is issued, unallowable expenses should typically be reconciled within six months. However, DCAA reports are only advisory, and, “[t]he authority and duty to act on these findings rests with the responsible CO [Contracting Officer].”<sup>3</sup>

The first step when an audit report is issued is for the CO to issue a “disposition memorandum” stating their agreement or disagreement with the audit findings. But in eight percent of cases, it seems even this basic step was not taken. Still, most COs did file a memo, and only in one instance the IG reviewed did the CO actually disagree with the finding of an unallowable payment.

Unfortunately, agreeing with the audit is as far as much of the recovery effort went. In only one case did the IRS take action within six months of receiving a DCAA report, and in 45 percent of the IG’s sampling, no

further action was taken, or the majority of identified costs were not recovered.<sup>4</sup>

### MISSING INFORMATION

**The IG noted that the IRS was unable to locate ANY of the 48 contract files associated with its review.** For 96 percent of cases in the IRS database used to track recoveries, critical information was missing. This includes such basic info as: contract numbers, correct recovery status, accurate contractor names, and contact info.<sup>5</sup>

Even when the IRS claims to have recovered lost taxpayer money, they have difficulty documenting the claim. The IRS says it recovered \$1.4 million identified by DCAA, but the IG could only find documentation of \$545,000 (38%) actually being recovered.<sup>6</sup>

### TAXPAYERS PAID TWICE

Not only did the IRS not recover misspent taxpayer money, but they also paid for the audits. DCAA is part of the Department of Defense (DOD) but has been allowed to make their services available to other agencies, which are then charged for the audits. The IRS paid DCAA almost \$5.7 million for the audits that in turn identified close to \$77.6 million in recoverable, unallowable payments.<sup>7</sup> As noted earlier, the IRS only claims to have recovered \$1.4 million, 3/5<sup>th</sup> of which they could not substantiate. **In other words, where the IRS potentially could have recovered \$13.61 of every dollar they invested in audits, they actually lost 75¢.**

### TAX AND SPEND

As part of their review, the IG interviewed IRS COs and found that **“the organizational focus for the COs at the IRS is to expeditiously make awards and obligate funding, not to recover unallowable costs paid to contractors.”<sup>8</sup>**

## IS THIS THE SAME IRS WE ALL DEAL WITH ON TAX DAY?

<sup>4</sup> Ibid., 5.

<sup>5</sup> Ibid., 9.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid., 6.

<sup>8</sup> Ibid., 7.

<sup>1</sup> <https://www.treasury.gov/tigta/auditreports/2017reports/201710019fr.pdf>

<sup>2</sup> Treasury Directive 40-03, *Treasury Audit Resolution, Follow-Up, and Closure* (February 2001)

<sup>3</sup> <https://www.treasury.gov/tigta/auditreports/2017reports/201710019fr.pdf>



# THE WASTE REPORT

May 30, 2017

## **A NEW PLACE TO ~~PARK~~ WASTE TAXPAYER MONEY BUREAU OF INDIAN AFFAIRS CONSIDERS BUILDING CASINO PARKING LOT**

It is an old problem. You are trying to get your gamble on, and you cannot find a place to park. Well, maybe for some anyway. If this is a problem you face, and you like to gamble in Apache, OK, we have some good news for you. But if you are a regular taxpayer, you probably will not like this.

**The Bureau of Indian Affairs (BIA), as part of the Buy Indian Act, is seeking to spend as much as \$500,000 to construct a parking lot for the Golden Eagle Casino in Apache, OK.<sup>1</sup>**

### **PARKING LOTS NOT ALLOWED**

It seems pretty crazy that the taxpayer is being asked to finance the construction of a parking lot for a casino, **but the project itself might not even comply with the BIA regulations the solicitation cites.**

The project is currently in the pre-solicitation stage but is designated to be carried out under the authority of the Buy Indian Act. This act gives special contracting authority to the BIA to bypass normal contracting rules to give preference to Indian Economic Enterprises – majority Native American-owned businesses. It is supposed to be something of a win-win, building infrastructure on Native American lands and employing Native American-owned businesses.

However, BIA's own overview of the program specifically notes that projects funded under this program can only be for "covered construction," which involves roads on Native American-owned lands or to Native American-owned lands.<sup>2</sup> Parking lots and facilities are not mentioned and thus not eligible.

BIA may be resting on a kind of catch-all definition that includes "planning and other needs and facilities

associated with roads."<sup>3</sup> Even that seems like a stretch.

BIA classified this project under North American Industry Classification Code "237310 – Highway, Street, and Bridge Construction." While painting parking lot lines is covered under this code, it states that "[c]onstructing parking lots, private driveways, sidewalks, or erecting billboards – are classified in Industry NAICS 238990, All Other Specialty Trade Contractors."<sup>4</sup>

So, even if BIA were trying to use ambiguity in the Buy Indian Act regulation as justification, the project is not even classified under the proper work code.

### **BAD BET CASINO**

Even if such a project were allowed, this one sounds like a bad bet. The Golden Eagle Casino, where the parking lot is to be built, and a separate casino owned by the same tribe have had something of a tumultuous past.

Both casinos closed in the summer of 2013 (apparently Golden Eagle has reopened), not because of parking problems but amidst a power struggle and allegations of corruption among tribal leadership. One faction claimed the other was stealing money from the casinos; the second faction questioned the legitimacy of the first's authority.<sup>5</sup>

At least one Golden Eagle employee told local news he witnessed a tribal member mishandling revenues.<sup>6</sup>

Who's to say which side is right? **One thing is for sure: this is probably not a venture Uncle Sam should be taking a bet on with taxpayer money.**

<sup>3</sup>bid.

<sup>4</sup><https://classcodes.com/lookup/naics-code-237310/>

<sup>5</sup><http://www.news9.com/story/22973073/ok-casino-closes-suddenly-leaving-workers-without-paychecks>

<sup>6</sup><http://www.news9.com/story/22984829/another-apache-casino-shuts-down-employees-left-with-uncertainty>

<sup>1</sup>[https://www.fbo.gov/index?s=opportunity&mode=form&id=824581b0b155722ba8fa093e286084de&tab=core&\\_cview=0](https://www.fbo.gov/index?s=opportunity&mode=form&id=824581b0b155722ba8fa093e286084de&tab=core&_cview=0)

<sup>2</sup>[http://farsite.hill.af.mil/reghtml/regs/other/diar/1480.htm#P32\\_2610](http://farsite.hill.af.mil/reghtml/regs/other/diar/1480.htm#P32_2610)

**tropical island**



Subcommittee on Federal Spending Oversight  
Sen. Rand Paul, M.D. (Kentucky), Chairman



# THE WASTE REPORT

**Golf Course?**

April 24, 2017

## **USDA'S RURAL BUSINESS DEVELOPMENT PROJECT USDA RURAL DEVELOPMENT MONEY BLOWN WAY OFF COURSE... TO GOLF IN ST. CROIX**

When you think about rural businesses, one of the last things that would come to mind is a luxury golf course on a Caribbean island, but that is exactly where the U.S. Department of Agriculture (USDA) sent nearly \$125k in rural development grant money last year.

**That's right!!! Your tax dollars went to support the purchase of solar panels for the Carambola Golf Club on St. Croix, USVI.<sup>1</sup>**

### **RURAL?**

The Carambola solar project was partially financed under the Rural Energy for America Program (REAP).<sup>2</sup> To qualify under this program (you know, as rural), a business must meet one of two standards:

- Minimum 50% of gross income comes from agricultural operations, or
- It is located in a non-urbanized area of a city or town with fewer than 50k residents.<sup>3</sup>

We'll assume Carambola (or any golf course) did not qualify based on agricultural operations, but even by the population/urbanization standard, this is still a stretch.

**The Carambola golf course itself is the center of a larger luxuries development, which includes a hotel and "some one hundred homes... all within an exclusive gated community."<sup>4</sup> Not exactly life on the farm.**

In fact, by this same standard, any number of ski resorts, amusement parks, and many more golf courses all across America could qualify as rural for the purpose of getting REAP grants - not really the kind of businesses the program is intended to help.

### **GRANTS, YES, BUT NOT LOANS**

In addition to issuing grants, the REAP program also makes loan guarantees.<sup>5</sup> According to Solar Delivered, the company that designed Carambola's "microgrid" solar system, they also prepared the applications to USDA for both a grant and a government loan guarantee.<sup>6</sup>

It does not appear that Carambola received a loan guarantee. This may be because **USDA general "Guaranteed Loanmaking" regulations expressly prohibit guarantees for [g]olf courses and golf course infrastructure...,** along with race tracks and casinos.<sup>7</sup> Such prohibition is not restated in USDA's REAP regulations.

**So... why is it too risky or unwise to guarantee a loan (which may never cost the taxpayer) for a golf course, but it is perfectly fine to give the same golf course grant money?**

### **"WHY DOES USDA RURAL DEVELOPMENT DO THIS?"**

USDA rhetorically asks this question of the REAP program in its promotional one-page flyer. The answer provided is not particularly convincing, especially with regard to why this is in the interest of agricultural producers: "This program helps increase American energy independence... Over time, these investments can also help lower the cost of energy...."<sup>8</sup>

Sure, everyone would like to save on their electric bill, but that is not unique to rural business. And are solar panels really an agricultural priority for taxpayers? Probably not. Even if they were, solar powered golf courses in the Caribbean certainly do not fit the bill.

<sup>1</sup><https://www.usaspending.gov/transparency/Pages/TransactionDetails.aspx?RecordID=074BD280-CB38-451A-A1B5-E5A2EAD9BA57&AwardID=51739052&AwardType=G>

<sup>2</sup> The REAP grant can fund as much as 25% of the project cost.

<sup>3</sup> <https://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency>

<sup>4</sup> <http://www.golfcarambola.com/about.htm>

<sup>5</sup> [https://www.rd.usda.gov/files/RD\\_FactSheet\\_RBS\\_REAP\\_RE\\_EE.pdf](https://www.rd.usda.gov/files/RD_FactSheet_RBS_REAP_RE_EE.pdf)

<sup>6</sup> <http://solardelivered.com/projects/>

<sup>7</sup> [7 CFR 2479.117 \(m\)](#)

<sup>8</sup> [https://www.rd.usda.gov/files/RD\\_FactSheet\\_RBS\\_REAP\\_RE\\_EE.pdf](https://www.rd.usda.gov/files/RD_FactSheet_RBS_REAP_RE_EE.pdf)



# THE WASTE REPORT

August 9, 2017

## THE RENT IS TOO (DARN) HIGH

### **THE DEPT. OF HOUSING AND URBAN DEVELOPMENT PAID OVER \$3.1 MILLION MORE IN SECTION 8 RENT THAN COMPARABLE APARTMENTS IN THE SAME BUILDINGS**

The guy sitting next to you on a plane paid \$150 less for his ticket, or your neighbor bought a lawn mower on sale...a week after you bought the same one at regular price.

It can be frustrating when you pay for something only to find out other people got the same thing for a cheaper price. Well, if you pay taxes, get ready to be frustrated!!!

**According to the Inspector General (IG) for the Department of Housing and Urban Development (HUD), the federal government paid higher rent for Section 8 housing than non-subsidized renters paid in the same buildings.<sup>1</sup>**

#### **How Much More?**

According to the IG's report, the total **additional cost to the taxpayer of paying higher rent for Section 8 units came out to over \$3.1 million - just in 2016** - for the housing developments they sampled.<sup>2</sup> However, since their sample was only 28% of the potential number of developments where this could have occurred, the taxpayer could be out as much as **\$10 million or more**.

At the low end, the difference in rent was as little as \$2 a month, but amazingly, at the high end, **the taxpayer could be forking over nearly \$2,900 more for a subsidized unit than they would have paid for a similar unit on the open market.<sup>3</sup>**

#### **Cooperating for Lower Rent**

The way Section 8 works is renters pay a percentage of their income toward the rent of their housing unit. The government picks up the difference between the tenants' rent and the full rental cost of the unit. So if the unit rent goes up, the taxpayer picks up the full increase.<sup>4</sup> This also creates a situation where Section 8 tenants might not

object to a rent increase because they do not personally pay any more, since the taxpayer does instead.

Given this, at first glance, one might envision a greedy landlord bilking the government for every dollar he can get. However, the target of the IG's investigation was cooperatives properties (co-ops). In other words, resident-owned buildings.

In a co-op, "members" pay a maintenance fee (called rent) that covers building operations, amenities, and upkeep and pays down any mortgage on the building - similar to an HOA fee.<sup>5</sup> Since these fees cover communal costs, charging one group of renters a higher rent (like those with a government subsidy) allows others (non-subsidized renters) to pay less while collectively all the building costs are met.

By charging Section 8 tenants more, the non-subsidized tenants reap a benefit. As the IG put it (under the header "**Taxpayer-Funded Windfall**"): "**[B]y paying more in assistance and allowing non-Section 8 households to pay less, HUD, and ultimately the taxpayer, is subsidizing the non-Section 8 households.**"<sup>6</sup>

#### **Regulatory Oversight**

Technically, current law and HUD regulations prohibit renting a Section 8 unit for more than a comparable unit in the same area would rent for on the open market, but not specifically in the same building.<sup>7</sup>

**This is unique to co-ops, because public housing authorities and corporate or privately owned buildings cannot charge disparate rents.<sup>8</sup> Somehow in the course of establishing those rules, co-ops were overlooked, and it is costing you at least \$3.1 million a year.**

<sup>1</sup> <https://www.hudoig.gov/sites/default/files/documents/2017-KC-0005.pdf>

<sup>2</sup> Ibid., 1.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid., 6.

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

<sup>6</sup> Ibid., 6.

<sup>7</sup> Ibid., 5.

<sup>8</sup> Ibid.





# THE WASTE REPORT

March 30, 2017

## YOU SAY TOMATO, I SAY WASTE NSF'S \$1.5 MILLION PROJECT TO IMPROVE HOW TOMATOES TASTE

Tomatoes: they put the "T" in *BLT*, are found on burgers, and make salsa what it is. They are in ketchup, pizza sauce, soups, and more. In short, tomatoes are all over the place.

In fact, the average American consumes approximately 31.4 pounds of tomatoes each year, making it the second most consumed vegetable<sup>1</sup> in the United States after potatoes.<sup>2</sup>

**So, given its versatility and popularity, one has to wonder why the National Science Foundation spent over \$1.5 million trying to improve the taste of tomatoes.<sup>3</sup>**

Make no mistake, the research is about taste. In NSF's January press release, "Scientists develop genetic path to tastier tomatoes," the director of the Division of Integrative Organismal Systems (where the funding came from) said, "This state-of-the-art analysis sets the stage to return it to the taste of decades ago by breeding informed by molecular genetics."<sup>4</sup>

Apparently the research found that modern tomatoes are less tasty because they have less sugar and other flavorful chemicals. **Wait ... sugar will make something taste better?**

### IS THIS IN THE TAXPAYER'S INTEREST?

According to the United States Department of Agriculture (USDA), three fourths of American tomato

consumption is in "processed form": sauces, ketchup, juice, etc. Further, over a quarter of all tomato consumption occurs "away from home."<sup>5</sup>

These facts seem to indicate there is a significant commercial interest in the tomato. So, one might ask why Uncle Sam is funding better tasting tomatoes and not Heinz, Papa John's, or Campbell's.

The answer may be that their raw taste really does not matter that much if the bulk of tomatoes are enjoyed as part of more complex foods.

### MAYBE IT'S ECONOMICS

Certainly one could argue that making a vegetable taste better will improve its economic viability. NSF even said that "[b]reeding a more flavorful tomato could benefit consumers as well as the tomato industry."<sup>6</sup> One researcher on the project said, "We can make the supermarket tomato taste noticeably better."<sup>7</sup>

So, is the tomato industry hurting? As we have already noted, tomatoes are the second most consumed vegetable in the U.S. The U.S. is the second largest producer of raw tomatoes in the world, making it a \$2 billion annual industry.<sup>8</sup> If only they tasted better.

### **STILL NO WORD ON MAKING BRUSSELS SPROUTS TASTE BETTER**

<sup>1</sup> Note: Tomatoes are technically a fruit.

<sup>2</sup> <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=58340>

<sup>3</sup> [https://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1539831&HistoricalAwards=false](https://www.nsf.gov/awardsearch/showAward?AWD_ID=1539831&HistoricalAwards=false)

<sup>4</sup> [https://www.nsf.gov/news/news\\_summ.jsp?cntn\\_id=190832](https://www.nsf.gov/news/news_summ.jsp?cntn_id=190832)

<sup>5</sup> <https://www.ers.usda.gov/topics/crops/vegetables-pulses/tomatoes.aspx>

<sup>6</sup> [https://www.nsf.gov/news/news\\_summ.jsp?cntn\\_id=190832](https://www.nsf.gov/news/news_summ.jsp?cntn_id=190832)

<sup>7</sup> <https://www.sciencedaily.com/releases/2017/01/170126142901.htm>

<sup>8</sup> <https://www.ers.usda.gov/topics/crops/vegetables-pulses/tomatoes.aspx>



# THE WASTE REPORT

December 7, 2017

## DANCING WITH THE CARS

### **THE NATIONAL ENDOWMENT FOR THE ARTS SPENDS TENS OF THOUSANDS IN TAXPAYER FUNDS TO SUPPORT CHOREOGRAPHED DANCES WITH VEHICLES AND MACHINERY**

Readers of *The Waste Report* may recall the April 18, 2016, edition, "Waste: A Documentary," highlighting the \$2 million State Department program to send filmmakers around the world to discuss their projects.<sup>1</sup> One of the films noted in that report was *Trash Dance*, which depicts sanitation workers dancing with their equipment.

While the State Department is paying to showcase such performances after the fact, the National Endowment for the Arts (NEA) is actually using your tax money to help present or create them.

#### Congestion in Austin

One such project, which apparently needs \$20,000 in support from federal taxpayers for another presentation, is called *Traffic Jam* and features "[a]rtists working with local youth" to "choreograph automobiles, bicycles, golf carts, and pedicabs to perform skilled movements in a parking lot, making art inspired by Austin's traffic congestion."<sup>2</sup>

A highlight video of *Traffic Jam* shows pedicabs driving in a circle with a trombone player riding and playing in the passenger seat, numerous parked cars honking their horns with their 4-way flashers on, and people playing music on bicycle spokes.<sup>3</sup>

#### Trash Dance, Part Deux

While you will be happy to know the *Trash Dance* project mentioned in the introduction was not funded with taxpayer money, similar ventures by Forklift Danceworks (makers of *Trash Dance*) have received federal tax dollars.

One such project was *Power UP*, which "showcased 50+ linemen, electrical technicians and Austin Energy employees in a choreographed full-length dance with cranes, bucket and field trucks," as well as "a set of 20

utility poles. ..." <sup>4</sup> This cost taxpayers \$10,000 despite Forklift raising over \$22,000 for the project on Kickstarter – 146 percent of its goal. <sup>5 6</sup>

*Power UP* was, as noted in the grant description, the "third in a series of large-scale civic spectacles" and included "an original music score by Graham Reynolds, accompanied by a string orchestra led by Austin Symphony Conductor Peter Bay. ..." <sup>7 8</sup>

In total, Forklift has received more than \$100,000 from the federal government to do work with the City of Austin.<sup>9</sup> Of course, one might think the city would provide the funding itself if it thought the projects were so important. In fact, Forklift is not short of donors. In addition to individual private contributions, their website features several "Funding Agencies" and corporate "Season Sponsors," such as Juniper Systems, IBC Bank, and Alamo Drafthouse Cinema.<sup>10</sup> Not exactly the profile of starving artists in need of federal assistance.

At least the latest Forklift project funded by the NEA does not involve the City of Austin. Thanks in part to \$20,000 in federal support, Forklift is producing *Served*. "Featuring the skilled movement of a group of campus employees, such as dishwashers, cooks, custodial staff, physical plant employees, or grounds and maintenance crews," according to the grant, *Served* "will highlight the work life of campus staff [at the University of Houston and Wake Forest] as performed by the employees themselves."<sup>11</sup>

Of course, there is no shame in praising and featuring these workers, but taking their hard-earned tax money to help fund the project seems a little unfair.

<sup>4</sup> <http://www.forkliftdanceworks.org/projects/powerup/>

<sup>5</sup> <https://apps.nea.gov/grantsearch/SearchResults.aspx>, Grant #13-3300-7173

<sup>6</sup> <https://www.kickstarter.com/projects/1140543784/forklifts-next-epic-production>

<sup>7</sup> <https://apps.nea.gov/grantsearch/SearchResults.aspx>, Grant #13-3300-7173

<sup>8</sup> <http://www.forkliftdanceworks.org/projects/powerup/>

<sup>9</sup> <https://apps.nea.gov/grantsearch/SearchResults.aspx>

<sup>10</sup> <http://www.forkliftdanceworks.org/>

<sup>11</sup> <https://apps.nea.gov/grantsearch/SearchResults.aspx>, Grant #17-5400-7202

<sup>1</sup> <https://www.hsgac.senate.gov/download/senator-rand-pauls-waste-report-film-diplomacy>

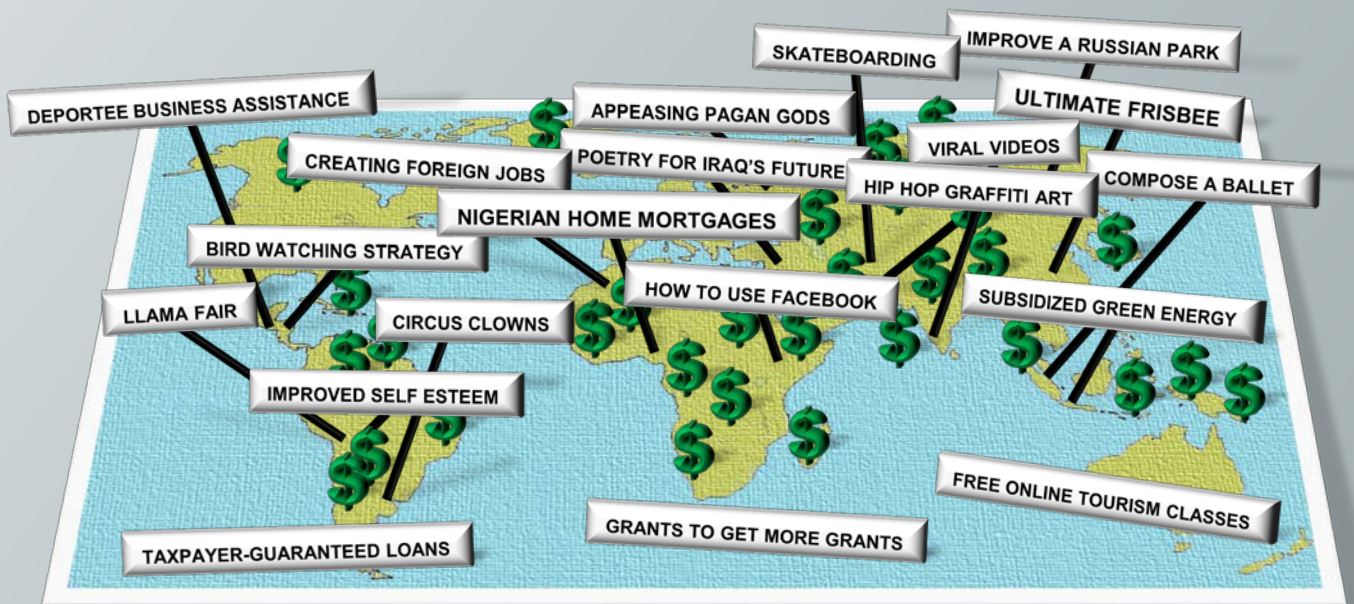
<sup>2</sup> <https://apps.nea.gov/grantsearch/SearchResults.aspx>, Grant #17-5400-7133

<sup>3</sup> <https://vimeo.com/152757329>

# WORLDWIDE WASTE

HOW THE GOVERNMENT IS USING AND LOSING YOUR MONEY ABROAD

## SELECTED EXCERPTS -REFORMATTED



An Oversight Report Series by  
**Senator Rand Paul, M.D.**

Chairman, Subcommittee on Federal Spending Oversight  
Committee on Homeland Security and Governmental Affairs

Member, Committee on Foreign Relations

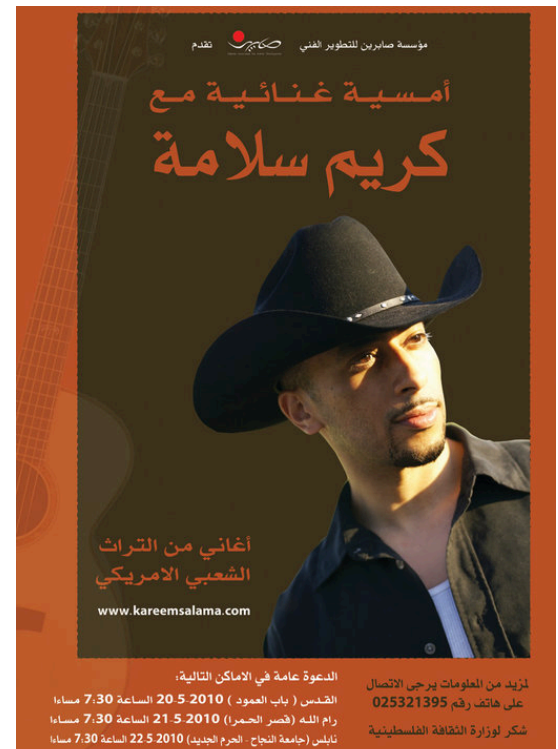


# THE WASTE REPORT

## **PLAYING THE TAXPAYER LIKE A FIDDLE** **THE U.S. DEPARTMENT OF STATE SPENT \$3,217,960+** **ON MUSIC FESTIVALS AND CONCERTS ABROAD**

Taxpayers may not understand the frequency and cost of their support for music programs. With numerous performances around the world, the State Department actually uses millions of dollars to facilitate concerts and musical acts – something for which American taxpayers themselves receive essentially no benefit. Here are some examples of how American tax dollars have been used to put on shows and concerts in recent years:

- \$130,159 in combined support for the Istanbul Jazz Festival in Turkey;<sup>1</sup>
- \$50,000 to cover honoraria for musicians of the musical show FELA to perform in Moscow;<sup>2</sup>
- \$239,397 to support the Afghanistan National Institute of Music Programs in Afghanistan;<sup>3</sup>
- \$75,794 for travel to Pakistan as part of a hip hop music program;<sup>4</sup>
- \$40,356 to the Sabreen Association for Artistic Development to bring four American country artists to perform for Palestinian audiences over four days in East Jerusalem;<sup>5</sup>
- \$600,000 for collaborative music writing and recording between Indian and Pakistani musicians;<sup>6</sup>
- \$224,500 to organize the Festival of Traditional American music in several cities in Russia;<sup>7</sup>
- \$20,000 in printing and promotional material for the Skopje Jazz Festival in Macedonia;<sup>8</sup>
- \$24,970 to organize the concert tour of the Melvin Taylor Blues Band in Ukraine;<sup>9</sup>
- \$50,000 to facilitate a visit to the Julliard School for the artistic director of a Brazilian choir.<sup>10</sup>



(Sabreen Association for Artistic Development  
Facebook Page)

<sup>1</sup> STU1503GR045; STU15014GR057; STU15009GR038

<sup>2</sup> SRS50012GR175

<sup>3</sup> SAF20011GR067; SAF20012GR009

<sup>4</sup> SPK33011GR106

<sup>5</sup> SIS40010GR0039

<sup>6</sup> SPK33014GR071

<sup>7</sup> SRS50012GR242

<sup>8</sup> SMK800009GR22; SMK80010GR073

<sup>9</sup> SUP30010GR268

<sup>10</sup> SBR93015GR021



# THE WASTE REPORT

## WASTING AMERICAN GREEN

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$2,500,000 ON LOCAL CLIMATE CHANGE INITIATIVES IN CHINA**

Following a 2014 climate reduction agreement between the two countries, the U.S. hosted Chinese officials and mayors for a summit with their American counterparts in Los Angeles in September of 2015. The summit, which included a VIP dinner at Warner Bros and a sustainable lunch with Hollywood director James Cameron,<sup>1</sup> featured the signing of a Declaration between communities in both the U.S. and China to address climate change.<sup>2</sup> The two sides also participated in a second climate change summit in Beijing in June 2016, with taxpayers covering



*"Climate Summit Leaders after signing the 2015 declaration" (ccwgsmartcities.lbl.gov/declaration)*

travel expenses and related costs for American officials to travel to China for the signing of a memorandum of understanding (MOU).<sup>3</sup> It is not clear why the very act of making climate commitments with China—simply signing an MOU—requires repeated travel expenses in the

first place given that there is already a U.S. Embassy full of staff in Beijing.

Identifying how taxpayers supported broader Chinese climate initiatives through this grant requires peeling back several layers. In short, USAID awarded \$2.5 million to a U.S.-based grantee to "provide four cities in China with access to the skills, tools and support they need to implement effective plans for large-scale greenhouse gas reductions."<sup>4</sup> This assistance on behalf of China was done through support to the National Center for Climate Change Strategy and International Cooperation, which is the climate change arm of China's National Development and Reform Commission, which itself controls much of the central planning of China's economy.

In response to FSO subcommittee questions on the project, USAID stressed that no funds were provided to the Chinese government. Yet that seems like a distinction without a difference for taxpayers, as funds were nonetheless used to facilitate the signing of the agreement itself, then once again to implement the agreement after it was signed.

From a taxpayer's standpoint, even providing advice to China's government on climate change is a dubious use of funds — especially when those funds are borrowed (in part) from China in the first place. In the future, China should pay for its own climate change strategies without financial assistance from American taxpayers.

<sup>1</sup> [http://www.lamayor.org/sites/g/files/wph446/f/page/image/US-China\\_Climate\\_Leaders\\_Summit\\_2015\\_-\\_Agenda.pdf](http://www.lamayor.org/sites/g/files/wph446/f/page/image/US-China_Climate_Leaders_Summit_2015_-_Agenda.pdf)

<sup>2</sup> <https://www.whitehouse.gov/the-press-office/2015/09/15/fact-sheet-us-%E2%80%93-china-climate-leaders-summit>

<sup>3</sup> USAID response to FSO inquiry

<sup>4</sup> USAID response to FSO inquiry



# THE WASTE REPORT

## HIGHWAY ROBBERY

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$255,300,000 ON CONSTRUCTION, MAINTENANCE, AND SECURITY FOR A 63-MILE HIGHWAY**

In December 2016, after years of overruns and more than \$100 million over budget, USAID completed and Afghanistan inaugurated the Gardez-Khost Highway, a 63-mile road connecting the two cities in Eastern Afghanistan near the Pakistan border—part of an American effort to link the rural regions to Afghanistan's central government in Kabul.<sup>1</sup> The highway was funded by American taxpayers at a cost of \$233 million, or more than \$3.6 million per mile.<sup>2</sup> Yet the final total does not capture the full story of the highway's construction, which started in 2008 at an initial budget of \$69 million.<sup>3</sup>

A *New York Times* analysis of the project found that tens of millions of dollars went toward security rather than construction, and that subcontractors relied on a mysterious Afghan figure named "Mr. Arafat" for security at a cost of \$1 million per year.<sup>4</sup> The same report found that some American officials came to suspect that Mr. Arafat was staging attacks to blackmail for more money, and that payoffs he made to insurgents in the area were being funneled to the terrorist Haqqani network.<sup>5</sup> Security contractors, meanwhile, would seemingly only show up for pay day, though on paper they were working every day.<sup>6</sup>

Notably, USAID abandoned new road projects in Afghanistan in 2012 after determining that Afghanistan's government did not have adequate maintenance capacity, though this decision did not impact construction of the Gardez-Khost

Highway.<sup>7</sup> With Afghanistan seemingly unable to provide the maintenance necessary to make this and many other roads last, USAID announced in 2014 that they were making a three-year, \$22.3 million commitment to supporting Afghanistan's Ministry of Public Works in maintaining Afghan roads.<sup>8</sup> Yet the concern for whether any of these expensive projects will survive without the U.S. and others paying for maintenance is something that may not sit well with taxpayers.



*Gardez-Khost Highway under construction (USAID)*

<sup>1</sup> [http://www.nytimes.com/2011/05/01/world/asia/01road.html?\\_r=0](http://www.nytimes.com/2011/05/01/world/asia/01road.html?_r=0)

<sup>2</sup> <https://www.sigar.mil/pdf/quarterlyreports/2016-01-30qr.pdf> AID-267-C-12-00002

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

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

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

<sup>6</sup> *Ibid.*

<sup>7</sup> <https://www.sigar.mil/pdf/special%20projects/SIGAR-14-64-SP.pdf>

<sup>8</sup> <https://www.usaid.gov/afghanistan/news-information/press-releases/ministry-public-works-223-million-road-maintenance>



## THE WASTE REPORT

**CAN YOU TELL ME HOW TO GET, HOW TO GET TO INSOLVENCY?  
THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$14,833,312  
ON FOREIGN VERSIONS OF SESAME STREET**

Countless American children have grown up watching *Sesame Street*, and now as adult taxpayers they are (perhaps unknowingly) funding many foreign versions of *Sesame Street* around the world. USAID has spent at least \$14 million since 2011 to bring local versions of *Sesame Street* into global homes to teach kids about the world — consistent with USAID priorities, which include things like “climate change awareness.”<sup>1</sup>

- \$5,400,827 since 2011 on *Sisimpur Bangla* airing in Bangladesh;<sup>2</sup>
- \$3,700,000 since 2011 on *Sesame Square* airing in Nigeria;<sup>3</sup>
- \$1,339,090 since 2011 on *Takalani Sesame* airing in South Africa and some neighboring countries;<sup>4</sup>
- \$72,783 in 2011 to study the feasibility of airing a localized *Sesame Street* in Kenya;<sup>5</sup>
- \$687,088 since 2011 on *Jalan Sesama* airing in Indonesia;<sup>6</sup>
- \$3,633,524 in State Department since 2012 on *Baghch-e-Simsim* airing in Afghanistan.<sup>7</sup>



**U.S. Ambassador to Bangladesh, Marcia Bernicat, is greeted by the Sisimpur Muppets.**

USAID

(USAID Bangladesh)

<sup>1</sup> <https://www.usaid.gov/bangladesh/press-releases/feb-25-2015-sesame-street-kicks-season-nine-bangladesh>

<sup>2</sup> AID388A000700001; AID388A1300005

<sup>3</sup> AID620A000800036

<sup>4</sup> AIDRLAA000900053

<sup>5</sup> AID623G1200002

<sup>6</sup> AID497A000600011

<sup>7</sup> SAF20012GR074



## THE WASTE REPORT

### **CLOWNING AROUND WITH YOUR TAX DOLLARS** **THE INTER-AMERICAN FOUNDATION (IAF) SPENT \$324,015+** **TEACHING CIRCUS ARTS TO ARGENTINIAN PERFORMERS**

According to IAF, one in four Argentine youths is unemployed. IAF sought to address this youth unemployment by running off to the circus. In 2008, IAF funded Circo Social del Sur (CSS) to “use circus arts to teach other skills to children, teenagers and young adults in poor neighborhoods in Buenos Aires.”<sup>1</sup> IAF and CSS apparently believe that training youth in aerial acrobatics, trapeze gymnastics and dance will help students master communication and decision-making skills.<sup>2</sup>

CSS offers students six free (to them) classes in the circus arts, which culminate in student performances. The most talented students receive advanced training so they can become trainers themselves and, of course, pursue careers in the circus.<sup>3</sup> As part of their grant, CSS hoped to bring in additional revenue with showcase performances featuring their best students.<sup>4</sup> Does it sound a little like Uncle Sam is just funding an Argentinian circus?

If it all seems like a lofty aspiration, it is. In fact, the grantee’s plan to bring in more revenue seems to have fallen short. In 2012, IAF gave CSS another \$106,125 to “organize new performances and a second circus troupe made up of its advanced students and will diversify its sources of income with the goal of becoming more self-sufficient [emphasis added].”<sup>5</sup>

The obvious question: If CSS was successful with their initial grant, why are they not generating

revenue? The 2012 grant was the fourth supplemental grant CSS received from the U.S. taxpayer. While data shows that CSS received



*Taxpayer-funded clowns perform in the Argentina circus project (CSS)*

\$35,320 in 2010, specifics are not available on the other two grants, as IAF does not report grants (made with taxpayer money) that are worth less than \$10,000.

<sup>1</sup> IAF AR-352 (Award by County 2008) <http://www.iaf.gov/resources/publications/annual-reports/2008/awards-by-country>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> <http://www.iaf.gov/our-work/grant-making/grants-by-year/2012-grants/argentina>





# THE WASTE REPORT

## CAUTION!!! WASTE SAFELY

**THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$1,780,778 ENCOURAGING HELMET USE ON MOTORCYCLES IN CAMBODIA**

Motorcycle helmet laws in the United States are a patchwork from state to state.<sup>1</sup> In Cambodia, meanwhile, motorcycle drivers are required to wear helmets, but passengers were not prior to a recent change in the law.<sup>2 3</sup> In support of motorcycle helmets in Cambodia, USAID, as well as the Centers for Disease Control and Prevention (CDC), partnered with the Asia Injury Prevention Foundation (AIP) to support the “Head Safe, Helmet On” program.

One way that the “Head Safe, Helmet On” program sought to achieve increased helmet use: giving away motorcycle helmets.<sup>4</sup> In 2014, prior to the change in Cambodia’s helmet law, AIP launched the program with a helmet handover ceremony, providing over 6,600 motorcycle helmets to Cambodian young people.<sup>5</sup>

As Cambodia moved toward implementing its new helmet law, which requires passengers and children to wear helmets, the program shifted into public awareness—most notably through a TV and radio campaign reinforcing helmet use, produced by AIP and funded in part by American taxpayers.<sup>6</sup> The TV public service announcement<sup>7</sup> features a family riding a motorcycle — with only the driver wearing a helmet — that find themselves accosted by the ghosts of other motorcyclists who died because they did not wear helmets. The ghosts remind them about Cambodia’s new helmet law and give helmets to the passengers.

*The Cambodia Daily* reported that, in response to the new law, many Cambodians are simply buying the cheapest helmets they can find.<sup>8</sup> These cheap helmets are “like not wearing a helmet at all[.]”<sup>9</sup> The same article also quotes a representative of AIP — an entity that pushed for the new law — observing the lack of a helmet testing lab in Cambodia, with the cost for constructing a new lab estimated at \$500,000 to \$700,000.<sup>10</sup> Taxpayers back in America will therefore have to guard against continued follow-on costs in support of this foreign motorcycle helmet law they already paid to promote.



*Stills from the taxpayer-funded PSA promoting motorcycle helmet use in Cambodia (with English subtitles) (YouTube)*

<sup>1</sup> <http://www.iihs.org/iihs/topics/laws/helmetuse/helmethistory>

<sup>2</sup> <http://www.fiafoundation.org/media/44027/aipf-usaid-infographic.jpg>

<sup>3</sup> [https://issuu.com/aipfoundation/docs/annual\\_report\\_2015](https://issuu.com/aipfoundation/docs/annual_report_2015)

<sup>4</sup> Ibid.

<sup>5</sup> <http://www.fiafoundation.org/blog/2014/december/usaaid-partnership-launched-with-6000-helmets-donation>

<sup>6</sup> <https://www.cambodiadaily.com/news/in-bid-to-increase-helmet-use-campaign-focuses-on-fines-98073/>

<sup>7</sup> <https://www.youtube.com/watch?v=WzociAIGWz4>

<sup>8</sup> <https://www.cambodiadaily.com/news/cheap-helmets-make-new-safety-rules-futile-100055/>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.



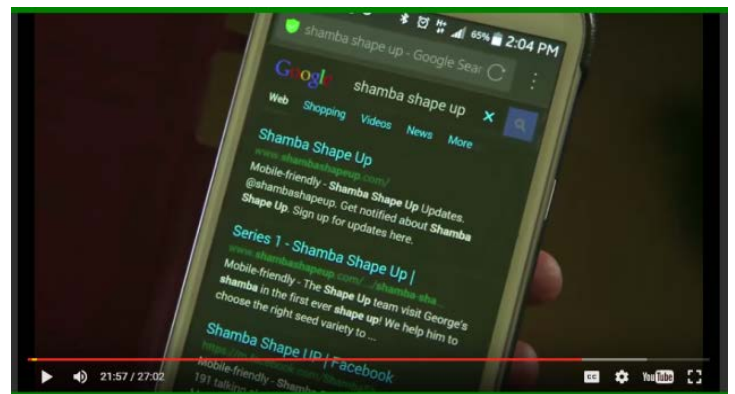
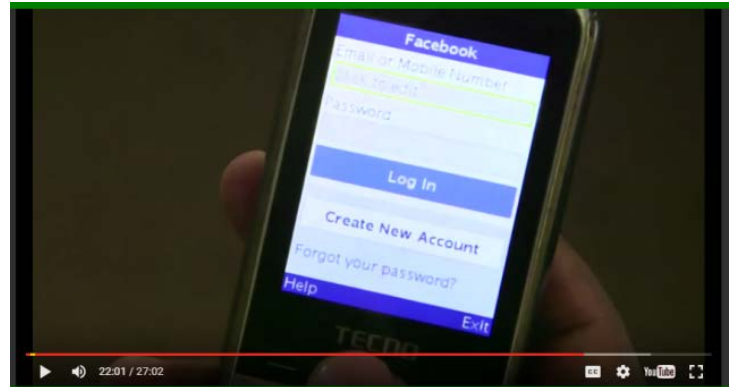
## THE WASTE REPORT

**SIRI, FIND WASTE... “YOU MEAN KENYAN FARMER FACEBOOK TRAINING?”**  
**THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$99,787**  
**TO TEACH KENYAN FARMERS HOW TO USE GOOGLE & FACEBOOK ON THEIR SMARTPHONES**

Farmers in Kenya could harness the power of mobile devices to improve their crops, but they suffer from “device illiteracy,” with many lacking the ability “...to perform the basic handset operations needed to take advantage of these services.”<sup>1</sup> At least, this was the premise behind the *Simu Shape Up: Edutainment to Shape Up Cell Phone use Among African Rural Farmers* program, a USAID-funded effort to improve cell phone literacy among rural farmers in Kenya.<sup>2</sup> Using this “edutainment” model, this project developed “educational short programming... to share the benefits of mobile programming for agriculture.”<sup>3</sup>

The project produced segments to air on the *Shamba Shape Up* television show, a reality-format show airing on Citizen TV Kenya. According to a 2013 feature in *Modern Farmer*, the *Shamba Shape Up* program is wildly popular across Africa, where the hosts visit farms across Kenya on the brink of collapse and offer advice on how to save them, or to solve problems that confront them<sup>4</sup> — a familiar construct for reality television. The segments associated with this U.S. taxpayer-assisted project aired as part of episodes on June 19, September 11, and September 18, 2015.<sup>5</sup>

Interestingly, the *Modern Farmer* feature notes that the creators of the *Shamba Shape Up* program were already using text messages as a tool to interact with farmers — and at least a year before USAID funded a program to improve cell



In addition to instruction on buying data and reinforcing the need for a smartphone to browse the internet, one segment also includes instruction on how to use Google and log on to Facebook (*Shamba Shape Up* YouTube)

phone literacy among Kenyan farmers. It turns out that farmers can send a text message to *Shamba Shape Up* to request a free brochure on any of the topics discussed by the show, with **four to six thousand brochures** requested each week as of 2013.<sup>6</sup>

In other words, farmers were already harnessing text messages and mobile technology to help their farms, with the pace of progress likely only increasing their numbers. American taxpayers, meanwhile, receive little to no benefit from producing television infomercials telling foreign audiences how to Google.

<sup>1</sup> <http://cas.msu.edu/researchers-working-to-improve-livelihoods-of-farmers-in-kenya/>

<sup>2</sup> <https://www.usaid.gov/div/portfolio>

<sup>3</sup> Ibid.

<sup>4</sup> <http://modernfarmer.com/2013/07/shamba-shape-up/>

<sup>5</sup> [http://pdf.usaid.gov/pdf\\_docs/PA00KQKH.pdf](http://pdf.usaid.gov/pdf_docs/PA00KQKH.pdf)

<sup>6</sup> Ibid.



# THE WASTE REPORT

## **WHILE THE WEST BURNS... THE EAST (AS IN RUSSIA) GETS FOREST FUNDS THE U.S. DEPARTMENT OF AGRICULTURE'S U.S. FOREST SERVICE (USFS) SPENT \$177,300 TO SUPPORT ECOTOURISM TO LAKE BAIKAL IN RUSSIA**

Between annexing Crimea, supporting separatists in eastern Ukraine, and saber-rattling across Eastern Europe and the Middle East, Russia's relationship with the West has chilled considerably under Vladimir Putin's presidency. Given this reality, any assistance committed by the U.S. government inside Russia would have to be studied very carefully. This makes the decision made by the U.S. Department of Agriculture's U.S. Forest Service to fund ecotourism efforts for Lake Baikal in Russia concerning.

Many Americans may think of the USFS as an exclusively domestic agency, maintaining national forests and grasslands, but that is not the case. USFS actually supports various projects around the world and, in other instances, operates in cooperation with other agencies such as USAID. Yet at a time when USFS cites budget challenges and the cost of fighting wildfires here in the United States,<sup>1</sup> they have steadily provided Lake Baikal eco-tourism and education grants as part of an effort to help sustain Russia's Lake Baikal since 2013.<sup>2</sup>

In fact, **USFS reported a maintenance backlog of \$5.1 billion in 2014<sup>3</sup>** while funding programs like this to help forests and parks in other countries. To undertake projects such as this one while carrying such a considerable maintenance backlog shows horrible prioritization by the USFS, to say the least.

During the duration of the USFS' work with the Lake Baikal Heritage Foundation and the Great Baikal Trail Association, American taxpayers have played a role in "capacity building in the areas of trails building and maintenance and nature interpretation programs."<sup>4</sup> This has included training for park officials, nature guides, and others, as well as providing "engaging and motivational interpretive messages for park visitors."<sup>5</sup>

It is time to reassess whether USFS' international operations are truly necessary; whether the costs are justified given domestic needs, including billions in deferred maintenance for America's forests and additional costs for fighting wildfires here at home. Taxpayers should ask whether "...improving the visitor experience"<sup>6</sup> to a Russian park deserves to be anywhere near the top of the priority list for USFS right now.

<sup>1</sup> <http://www.fs.fed.us/sites/default/files/2015-Fire-Budget-Report.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> <http://www.crs.gov/Reports/R43997?source=search&guid=be9c672c92b34f15979fbd390b87c058&index=0>

<sup>4</sup> <http://www.fs.fed.us/about-agency/international-programs/where-we-work/russia-europe>

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.



# THE WASTE REPORT

## NOT APPEASING THE TAXPAYERS

**THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$1,946,000 TO SUPPORT A PAGAN BED & BREAKFAST IN BELARUS IN THE NAME OF AGROECOTOURISM**

As USAID moves into more expansive tourism promotion, it has also pushed the boundaries of comprehensible tourism branding. In Belarus, this effort did not stop at simply tourism. In that country, USAID has pushed not just for tourism, and not just for *eco-tourism*, but for *agro-eco-tourism*.<sup>1</sup> At this rate, tourism projects may one day combine other government-driven, possibly-invented concepts to become *sustainable-green-agro-eco-adventure* tourism.

Nevertheless, U.S. taxpayers are almost \$2 million deep in helping attract the doubtlessly lucrative agro-eco-tourist segment to Belarus to enjoy the many natural wonders it offers as part of an economic development program. USAID has also funded programs to assist first-time bed and breakfast (B&B) owners and to develop a “greenways” approach for developing land along tourist routes.

One B&B that took advantage of the greenways plan was featured on a USAID Belarus page, on which the owner thanked USAID for the assistance her business received and for the pleasure of hosting tourists from the U.S. and Europe.<sup>2</sup> Oddly, though, USAID made the decision to include a picture of the same B&B owner leading tourists in a rite to appease a field and harvest god on the same web page. To be clear, this was not posted on social media, but hosted on a *.gov* government domain site.

One would think that common sense dictates that promotion of a pagan ceremony possibly involving goat sacrifice — simulated or otherwise — would land quite high on the list of things not to



**Volha Makhanenka, a coordinator of a regional greenway, is engaging tourists into the Harvest Granddad rite that seeks to appease the field and the harvest god.**

*Picture taken from a page hosted at USAID.gov, promoting rural tourism in Belarus by featuring tourist participation in rituals to the harvest god. Information on the fate of the goat (pictured) was not available.*

put on a government website. But this being the federal government, it apparently did not make the list at all. Taxpayers, then, should take this opportunity to remind agencies like USAID that they are wasting precious tax dollars on trendy tourism amalgamations like this *sustainable-green-eco-pagan* tourism initiative.

<sup>1</sup> <https://www.usaid.gov/results-data/success-stories/usaid-contributes-revival-local-economies-belarus>

<sup>2</sup> <https://www.usaid.gov/results-data/success-stories/usaid-assistance-helps-boost-rural-economy-belarus>



# THE WASTE REPORT

## INFLUENCING THE MEDIA CLIMATE

### **THE U.S. STATE DEPARTMENT SPENT \$33,500 TO TRAIN TURKISH MEDIA TO CARE ABOUT ENVIRONMENTAL ISSUES**

In recent years, Turkey has been subject to many crises, such as the erosion of democracy and the rule of law, attempted military coup d'états, the threat from terrorism (such as the terror attacks on Istanbul's airport), the civil war next door in Syria, and Iranian expansionism in the region. The Turkish people have quite enough on their plates. But the U.S. Department of State tried to add one more topic to the worry list of the Turkish people: the environment; and they tried to do so with your tax dollars.

This small grant was awarded in 2015 by the Department of State with the goal of "...creat[ing] awareness and interest towards environmental concerns, problems and sustainability issues through comprehensive trainings, targeting Turkish journalists and media companies."<sup>1</sup>

Simply put, it is not the concern of the American taxpayer, nor should it be the concern of their government, if Turkish journalists do not write about the environment enough, or did so in a manner that did not satisfy the former administration's zeal, or that of the employees responsible for issuing and approving this grant, for anything green.

Taxpayers should be wary of these types of foreign climate propaganda campaigns to sway foreign populations in favor of politically-preferred green policies-- particularly when it is so direct as to "create awareness and interest..."<sup>2</sup> among journalists in a foreign country. The job of a free and independent press is to inform the public of the facts, not to be the mouthpiece of or advocate

for policies or political causes. Shame on the State Department, and shame on those government employees who are responsible for approving this grant.

<sup>1</sup> State Department response to FSO inquiry

<sup>2</sup> Ibid.



# THE WASTE REPORT

## WATCH YOUR TAX DOLLARS FLY AWAY

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$95,000 ON A NATIONAL BIRD-WATCHING STRATEGY FOR HONDURAS**

An initiative of USAID, *ProParque*, is aimed at promoting economic growth (primarily through tourism and forestry) for small and medium enterprises in rural Honduras, as well as promoting environmental conservation and climate change adaptation.<sup>1</sup> One component of *ProParque* was the composition of a 56-page, five-year Honduran national bird-watching strategy.<sup>2</sup>

USAID estimates the bird-watching strategy and the training of three dozen birding guides carried a cost of \$95,000.<sup>3</sup> Yet the program's price tag does not reflect the birding strategy's apparent importance to Honduras, as their President, Juan Orlando Hernandez, made a splash with the unveiling of the birding strategy at a press conference.<sup>4</sup> According to accounts at the unveiling, the president asked the U.S. Ambassador to Honduras (also in attendance) to tweet about the emerald hummingbird to entice Americans to visit Honduras.<sup>5</sup>



The President of Honduras receives the national bird-watching strategy (*El Heraldo*)

This waste is yet another example of the components of the federal government not being in concert with one another. The State Department has a travel warning for Honduras due to “notably high crime and violence rates,” dating to 2012.<sup>6</sup> According to the Department, Honduras has had one of the highest murder rates in the world since 2010 and a murder rate above 60 per 100,000 people since 2011.<sup>7</sup> It is important to note that Honduras follows the pattern for high-violence countries, in that “most resort areas and tourist destinations have lower levels of crime and violence than other areas of the country, though [crime rates in resort areas and tourist destinations are] still high by international standards.”<sup>8</sup>

<sup>1</sup> <http://www.usaid-proparque.org>

<sup>2</sup> Estrategia Hondureña de Aviturismo, 2016-2021; USAID ProParque

<sup>3</sup> USAID response to FSO subcommittee staff inquiry

<sup>4</sup> Presidente Hernández recibe Estrategia Nacional de Aviturismo de Honduras 2016-2021 accessed via <http://www.tnh.gov.hn/?q=content/presidente-hern%C3%A1ndez-recibe-estrategia-nacional-de-aviturismo-de-honduras-2016-2021>

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

<sup>6</sup> <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/honduras-travel-warning.html>

<sup>7</sup> <https://www.osac.gov/pages/ContentReportDetails.aspx?cid=21167>

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



# THE WASTE REPORT

## GREEN HEROES OF INDIA

### ***THE U.S. STATE DEPARTMENT SPENT \$185,000 IN INDIA***

### ***ON THE GREEN HEROES FILM FESTIVAL AND MAKING VIRAL VIDEOS ABOUT CLIMATE CHANGE***

In May of 2016, the U.S. Consulate General in Mumbai announced a grant opportunity for a program to tell the stories of India's "unsung Green Heroes" through film workshops and a festival.<sup>1</sup> The grant will help documentary filmmakers tell these "environmental stories" with the goal of generating support for efforts to combat climate change.<sup>2</sup> According to the grant opportunity, the ideal workshop participants are "university students, **activists**, film school students, and documentary filmmakers [emphasis added]," with every workshop participant being "...required to submit a film for the 'Green Heroes Film Fest.'"<sup>3</sup> As is the case with many film festivals, there was a competitive component. For what were the filmmakers who entered into the Green Heroes Film competing? Cash prizes. The winner of the festival won 50,000 rupees (\$777 USD). There were also prizes for the runners up: second place received 30,000 rupees (\$466) and the third placed film earned 20,000 rupees (\$310).<sup>4</sup>

Not to be outdone by its Mumbai counterpart, in July of 2016 the U.S. Consulate General in Hyderabad announced a \$95,000 grant opportunity for a project to create "viral videos on climate change."<sup>5</sup> The grant opportunity seeks to put a grantee into collaboration with "a local film director to create a series of short videos on various aspects of environment and climate change."<sup>6</sup> Of course, many viral videos go viral precisely because of their spontaneity, but this

grant seeks the opposite approach. To create these viral videos, American taxpayers will be responsible for funding a focus group to identify the environmental issues of most concern to the public, creating storyboards based on focus group feedback, and having the grantee work with the local director to make 2-3 minute videos.<sup>7</sup> The videos will then be debuted at a "launch event" in Hyderabad for "approximately 200 contacts from state government, educational institutions, civil society organizations and media to highlight the first videos."<sup>8</sup>

It is clearly time to reassess whether these kinds of projects are the best use of taxpayer dollars.

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<sup>1</sup> M-NOFO-16-100

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> <http://www.teriin.org/green-heroes/>

<sup>5</sup> H-NOFO-16-101

<sup>6</sup> Ibid.

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<sup>7</sup> Ibid.

<sup>8</sup> Ibid.



# THE WASTE REPORT

## CASHING IN WITH YOUR TAX DOLLARS

**THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$15,000,000 TO HELP BIG RETAILERS OVERSEAS TRAIN THEIR CASHIERS**

The Generation Initiative, launched in 2015, is “aimed at closing the skill gaps and improving the employment prospects for the most populous generation in history,”<sup>1</sup> with programs in five selected countries: Mexico, Kenya, India, Spain, and the United States. The overall goal of the Initiative is to put one million young people into jobs by 2020<sup>2</sup> with a focus on job training and placement into jobs that already exist. While the Generation Initiative receives support from its parent organization and other private sources, USAID has also joined as a “founding funder,”<sup>3</sup> bringing American taxpayer money to the table in support of salesperson jobs in Kenya,<sup>4</sup> entry-level health care jobs in India,<sup>5</sup> and retail jobs in Mexico.<sup>6</sup> The program is expected to run through 2019 with a total contribution of \$15 million from USAID during that period.<sup>7</sup>

One of Generation Initiative’s founding funders, Walmart, (a donor to the Initiative’s United States retail training project<sup>8</sup>) would appear to be one beneficiary of USAID’s taxpayer-supported portfolio of programs located in Mexico. This particular component of USAID’s Mexican retail job training program costs \$899,505 and allows Walmart Mexico to draw from a better-trained pool of job seekers, all while passing some of the costs for that job training onto the American taxpayer.

In fact, the Generation Initiative’s *Generation Mexico Cashier Program* promotional video features the Vice President of Strategic Planning for Walmart Mexico lauding the direction of the program given the “significant cost” to “attract, train, and develop talent.”<sup>9</sup> Fortunately for them, Walmart Mexico did not need to dip into its profits, in excess of 10 billion pesos (\$534,430,000 USD) in fiscal year 2016, for the typical business expense of identifying and training a workforce.<sup>10</sup> USAID graciously stepped in to absorb a portion of that “significant cost” with taxpayer dollars-- yet another instance in which the federal government has used American taxpayer dollars to replace private investment in a foreign market.

<sup>1</sup> <http://www.mckinsey.com/about-us/what-we-do/generation>. Accessed and saved June 2, 2016 (page now defunct)

<sup>2</sup> Ibid.

<sup>3</sup> <https://www.generationinitiative.org/about/>

<sup>4</sup> <https://www.generationinitiative.org/kenya/> (accessible as of 9/22/2016)

<sup>5</sup> <https://www.generationinitiative.org/india/> (accessible as of 9/22/2016)

<sup>6</sup> <https://www.generationinitiative.org/mexico/> (accessible as of 9/22/2016)

<sup>7</sup> USAID response to FSO subcommittee staff inquiry

<sup>8</sup> <http://news.walmart.com/news-archive/2015/02/26/walmart-and-the-walmart-foundation-announce-16-million-in-grants-to-seven-nonprofits-to-provide-training-education-and-career-pathways-for-us-retail-workers> (accessible as of 9/22/2016)

<sup>9</sup> *Programa de Cajero de Generation Mexico* <https://www.generationinitiative.org/video/programa-de-cajero-de-generation-mexico-subtitles/> (0:14)

<sup>10</sup> <https://www.marketwatch.com/story/wal-mart-de-mexicos-profit-sales-jump-2016-10-25-164855910>





# THE WASTE REPORT

## LIGHTS, CAMERA, WASTE

**THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$1,003,000 ON DEVELOPMENT OF A NEPALESE TELEVISION PROGRAM**

Binge-watching episode after episode of a television series has never been easier with the emergence of online streaming services like Netflix, Amazon Prime and Hulu. Subscribers to these services in search of political dramas can stream programs like *Scandal* and *The Americans*, or old episodes of the *The West Wing* (to name a few). Most likely, though, most would-be binge-watchers have not heard of another show, *Singha Durbar*, roughly meaning “The Lion’s Palace” — also called *Madam Prime Minister*.

Funded with \$1 million from USAID, *Madam Prime Minister* is a show airing in Nepal and available on YouTube depicting a democratic government that is “...inclusive [and] transparent...”<sup>1</sup> The contractor for the project described the show in a press release announcing the show’s launch thusly: “Madam Prime Minister stars veteran film actress Gauri Malla as Nepal’s first female Prime Minister.



(Youtube)

**CALL FOR WRITERS (Re-advertisement)**

Search for Common Ground (SFCG) is an international non-governmental and not for profit, conflict transformation organization. Its mission is to transform how individuals, organizations, and governments deal with conflict – away from adversarial approaches and toward cooperative solutions. SFCG Nepal is implementing Singha Durbar, a multimedia and dialogue engagement project with financial support from USAID Nepal. The project aims to create possibilities for a collaborative political culture in the Nepali public imagination. The overarching theme of Singha Durbar project is good governance and leadership – depicting how an inclusive government can function well in challenging times by presenting a model of collaborative leadership and showcasing the ability to resolve differences without resorting to violence.

**SFCG Nepal seeks the services of the following:**

- Drama Writers - up to 4
- Lead Drama Writer - 1
- Dialogue Writers - up to 2

The Drama Writers will write scripts for Singha Durbar TV series Season 2, and the Lead Drama Writer will lead and manage the team of Drama Writers. The Dialogue Writer will write dialogues in Nepali and English. Individuals with experience in writing dialogues/ scripts for movies and television dramas are encouraged to apply.

For detailed Terms of Reference (TOR), please email at [sfcgnepal@sfcg.org](mailto:sfcgnepal@sfcg.org) with the subject line: Drama Writer; Lead Drama Writer; Dialogue Writer, as applicable.

Individuals shall be required to submit a cover letter, CV and one sample script/ dialogue along with a scanned copy of their PAN registration. The closing date for application is June 30, 2016. Please send in your documents to [sfcgnepal@sfcg.org](mailto:sfcgnepal@sfcg.org).




Directed by Tsering Rhiter

Sherpa, the show focuses on the challenges she [sic] faces in her quest to establish a governance system of transparency, accountability, and collaborative leadership in a post-constitution Nepal. Depicting the inner workings of the central government, the 13-episode political drama cherishes women’s leadership in a historic moment for Nepal, right after the election of both its first female Speaker of the House and President.”<sup>2</sup>

The good news for fans of the show — and particularly for those behind the production — is that *Madam Prime Minister* has been renewed for a second season following season one’s 13-episode run. In fact, the show’s Facebook page has already been looking to make new taxpayer-funded hires to start rolling with production.

*Madam Prime Minister is seeking up to four drama writers, a lead drama writer, and up to two dialogue writers for work on Season Two of the taxpayer-backed Nepalese television program (Singha Durbar Facebook)*

<sup>1</sup> Information provided by USAID in response to FSO inquiry  
<sup>2</sup> <https://www.sfcg.org/madam-prime-minister-launches-in-nepal/>



# THE WASTE REPORT

## MILKING THE AMERICAN TAXPAYER

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$21,018,293 ON DAIRY FARM UPGRADES AND MOTORBIKE GIVEAWAYS IN PAKISTAN**

The American dairy farmer is struggling under an increase in the global dairy supply, leading to lower milk prices and greater competition.<sup>1</sup> In fact, the number of American dairy farms has been in sharp decline since the 1970s.<sup>2</sup> According to the U.S. Department of Agriculture, there were 648,000 dairy farms in 1970 compared to just 75,000 in 2006.<sup>3</sup> In that same period, the number of total dairy cows fell from 12 million to 9.1 million.<sup>4</sup> The legacy of these forces has put economic pressure on everyone from farmers to equipment dealers to veterinarians.<sup>5</sup> Meanwhile, American dairy farmers' government is hard at work putting millions of dollars towards helping over 39,000 Pakistani dairy farmers in that country upgrade their facilities, teaching best practices, or training rural youth to become Artificial Insemination Technicians (AITs).<sup>6</sup>



*Photos from the April 2016 handover ceremony and the motorbikes awarded by American taxpayers to increase the conception rates of dairy cows in Pakistan (facebook.com/USAIDairyProject)*

In support of these goals, motorbikes were given away at taxpayer expense to help AITs travel around the Pakistani countryside more quickly to assist with breeding services as well as to "increase the number and range of services they [AITs] can perform,"<sup>7</sup> according to USAID. Information on the dairy program provided by USAID indicates that 2,033 motorbikes have been distributed to AITs in Pakistan at a total cost of \$1.2 million, with approximately 132 additional motorbikes expected to be awarded over the duration of the project.<sup>8</sup>

<sup>1</sup> Dougherty, Carter; *US Farm Economy: How Globalization Soured Milk Market for American Dairy Farmers*; International Business Times, September 29, 2015. Accessed at <http://www.ibtimes.com/us-farm-economy-how-globalization-soured-milk-market-american-dairy-farmers-2117656>

<sup>2</sup> MacDonald, James M.; O'Donoghue, Erik J.; McBride, William D.; Nehring, Richard F.; Sandretto, Carmen L.; Mosheim, Roberto. *Profits, Costs, and the Changing Structure of Dairy Farming*. USDA Economic Research Service. ERR-47, September 2007.

<sup>3</sup> [https://www.ers.usda.gov/webdocs/publications/45868/17034\\_err47b\\_1\\_.pdf?v=41746](https://www.ers.usda.gov/webdocs/publications/45868/17034_err47b_1_.pdf?v=41746)

<sup>4</sup> [https://www.ers.usda.gov/webdocs/publications/45868/17034\\_err47b\\_1\\_.pdf?v=41746](https://www.ers.usda.gov/webdocs/publications/45868/17034_err47b_1_.pdf?v=41746)

<sup>5</sup> Ibid.

<sup>6</sup> USAID Dairy Project information page; USAID Pakistan; Accessed at <http://www.dairyproject.org.pk/themes/html/page.php?id=14>

<sup>7</sup> Program data provided to FSO subcommittee by USAID

<sup>8</sup> Program data provided to FSO subcommittee by USAID



# THE WASTE REPORT

## **PUTTING YOUR TAX DOLLARS TO WORK... FOR MOROCCANS** **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$23,840,000** **TO HELP MOROCCAN COLLEGE GRADUATES FIND JOBS**

Today, American college graduates are hitting the job market against strong headwinds. Challenges such as a lack of job openings, underemployment, and student loan debt can make it difficult to enter the job market and start a career. One study found that 49 percent of 2013 and 2014 college graduates consider themselves underemployed or in a job that does not require a college degree.<sup>1</sup> Another survey found that 65 percent of American parents expect to support their college graduate children for up to five years after graduation.<sup>2</sup> In 2016, a study found 9.7 percent, nearly 1 in every 10, of recent college graduates have 'idled,' being neither employed nor enrolled in an educational institution (up from 8.4 percent in 2007).<sup>3</sup> According to the Pew Research Center, 2014 marked the first time in more than 130 years that Americans aged 18-34 were more likely to be living in their parents' home than they were to be living in any other living situation.<sup>4</sup>

But rest assured the federal government is doing something to confront these problems. It is putting tens of millions of dollars toward addressing skill shortages and connecting students to jobs — except the bad news for American college graduates is that this multi-million dollar program is actually located in Morocco, and the beneficiaries are Moroccan college students.

In 2016, USAID awarded a \$23.8 million contract to begin Career Development Activity in Morocco. Noting in its rationale, that "university and vocational graduates are struggling to find employment commensurate with their qualifications," USAID is supporting a project to focus on "increas[ing] access to quality employability services in Morocco for university and vocational school students and recent graduates".<sup>5</sup> Assuredly, that predicament sounds familiar to the nearly 10 percent of college graduates neither working nor in school.

Meanwhile, American college graduates are forced to brew lattes at a coffee shop or drive for rideshare services in order to keep up with their student loan payments. Undoubtedly, they will be glad to know their government used their tax dollars to help find a degree-appropriate career for a Moroccan college graduate.

<sup>1</sup> Accenture Strategy; *Insights from the Accenture Strategy 2015 U.S. College Graduate Employment Study*. Accessed at <https://www.accenture.com/us-en/insight-2015-accenture-college-graduate-employment-research>

<sup>2</sup> Ashford, Kate; *Parents: Your College Grads Expect You to Support Them Post-College*. *Forbes*, May 20, 2015. Accessed at <http://www.forbes.com/sites/kateashford/2015/05/20/post-grad-support/#24c54032668c>

<sup>3</sup> <http://www.epi.org/publication/class-of-2016/>

<sup>4</sup> <http://www.pewsocialtrends.org/2016/05/24/for-first-time-in-modern-era-living-with-parents-edges-out-other-living-arrangements-for-18-to-34-year-olds/>



# THE WASTE REPORT

## IF YOU LIKE YOUR DOCTOR...

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT NEARLY \$20 MILLION EXPANDING HEALTH INSURANCE AND EASING MEDICAL DEBT IN CAMBODIA**

Access to health care and the expense of health insurance have been and remain hot-button issues in the United States. Many Americans continue to feel the adverse effects of Obamacare and watch anxiously as their medical costs skyrocket. Yet as many Americans fret about whether they can afford their ever-increasing premiums for their plans under Obamacare, the federal government uses their tax dollars to improve health insurance access and medical care abroad.

For example, USAID has twice devoted millions of dollars to bolstering health insurance programs in Cambodia. In 2016, it put over \$9 million towards bolstering a World Bank low-income health insurance program in Cambodia. A USAID website for the program notes a "...large portion of [Cambodia] that is vulnerable to health shocks... that could force families to borrow money at higher rates, sell their assets and push them deeper into poverty."<sup>1</sup> The same site reports that, as a result of efforts to expand health coverage, "fewer households [in Cambodia] are falling into debt to pay for health care." It then returned the next year and in November 2017 devoted \$10 million to "ensure that Cambodians seek and receive quality health care with decreased financial hardship through more sustainable systems."<sup>2</sup>

Yet medical debt is hardly a problem confined to Cambodia. In 2016, *The New York Times* reported that 20 percent of Americans under the age of 65 with health insurance struggled to pay

their medical bills in the previous year; and of those 20 percent, 63 percent claim to have used up all or most of their savings on health expenses, while roughly 40 percent took on an extra job to cover costs.<sup>3</sup> American taxpayers may be disheartened to learn, then, that their tax dollars help Cambodians stay out of medical debt while they drown in debt of their own— or live in fear that they might one day be bankrupted by medical debt.

The need for medical care exists in varying forms around the world, and the federal government should not go abroad under the assumption that the U.S. is any different. American taxpayers clearly deserve better prioritization and a greater understanding from their government of the health care situation in their own backyard. Congress should push for programs that reform and improve American health marketplaces, and spend less time taking money from debt-saddled Americans to ease the medical debt of foreign populations.

<sup>1</sup> <https://www.usaid.gov/news-information/frontlines/extreme-poverty/lifting-some-cambodias-poorest-out-of-poverty-health-insurance>

<sup>2</sup> Funding opportunity number 72044218RFA00003

<sup>3</sup> <https://www.usatoday.com/story/money/personalfinance/2017/05/05/this-is-the-no-1-reason-americans-file-for-bankruptcy/101148136/>



# THE WASTE REPORT

## NEW TREND IN TOURISM...WASTE

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) AND U.S. STATE DEPARTMENT SPENT \$98,000,000 TO SUPPORT JORDAN'S TOURISM SECTOR**

Jordan has been and remains a friend in a region where the United States has few. Amidst regional instability, a flood of refugees, a civil war in Syria and the threat of ISIS terrorists across its border, the U.S. has pledged at least \$1.275 billion in bilateral assistance to Jordan in 2016.<sup>1</sup> Yet despite the many security demands in the region and the escalating costs to American taxpayers, the United States also remains a steadfast supporter of Jordan's tourism sector.

Since 2005, USAID has poured tens of millions of taxpayer dollars into efforts including improved management at the Wadi Rum Nature Reserve; hygienic food-handling instruction; improved customer service at tourism establishments; developing "...parades [and] festivals"; tourism promotion and marketing; and streamlining diploma programs in tourism and hospitality.<sup>2</sup>

Jordanian students were also awarded taxpayer-funded scholarships to study hospitality at the Jordan Hotel School.<sup>3</sup> The National Tourism Awareness Painting Competition was started to help students learn about the impact of tourism on their country's economy.<sup>4</sup> American taxpayers funded a public awareness campaign to distribute 10,000 flyers and brochures throughout Jordan making Jordanians more aware of the role of tourism in their economy.<sup>5</sup> <sup>6</sup> A marketing campaign targeted Virtuoso travel agents to emphasize the luxury travel potential of Jordan.<sup>7</sup> The Jordan Trail will be sustained by a USAID grant to make Jordan an adventure tourism destination for hikers<sup>8</sup> (as USAID apparently believes the world has too few adventure tourism destinations).

Despite these efforts over the past decade, tourism in Jordan is hitting hard times as threats to security in the



Entries in the National Tourism Awareness Painting Competition

(USAID-Siyaha)

region undermine tourist confidence. The U.S. State Department's own travel advice for U.S. citizens notes (among other things) that the U.S. Embassy in Amman had to be closed for ten days in 2013 due to security threats, that ISIS and al-Nusra pose a threat, and that the "potential for terrorist activity was heightened as Jordan took an active role in the coalition against [ISIS]."<sup>9</sup>

American taxpayers might wonder if now is the time to put precious resources toward tourism to Jordan, given that any "strategic communication" marketing campaign would face significant resistance from tourists anxious about the security situation. With the defeat of ISIS a high priority for both the U.S. and Jordan, would money be better used toward that end? Or simply saved for the taxpayers? Instead, taxpayers are ponying up more and more money to plug the leak in Jordan's sinking tourism sector. In fact, USAID has only recently started the *Building Economic Stability Through Tourism* (BEST) program, a new commitment of \$36 million over five years to support Jordan's tourism sector.<sup>10</sup>

<sup>1</sup> <https://www.fas.org/sgp/crs/mideast/RL33546.pdf>

<sup>2</sup> <http://www.siyaha.org/about/overview>

<sup>3</sup> <http://www.siyaha.org/nl/newsletterissue/articles.php?issue=49&id=233>

<sup>4</sup> <http://www.siyaha.org/nl/newsletterissue/articles.php?issue=49&id=234>

<sup>5</sup> [http://www.siyaha.org/sites/default/files/rfp\\_files/RFO%2083%20General%20public%20flyers.pdf](http://www.siyaha.org/sites/default/files/rfp_files/RFO%2083%20General%20public%20flyers.pdf)

<sup>6</sup> <http://www.siyaha.org/nl/newsletterissue/articles.php?issue=18&id=103>

<sup>7</sup> [http://www.siyaha.org/siyaha\\_news/14506](http://www.siyaha.org/siyaha_news/14506)

<sup>8</sup> <http://www.siyaha.org/node/14773>

<sup>9</sup> <https://travel.state.gov/content/passports/en/country/jordan.html>

<sup>10</sup> <https://www.usaid.gov/jordan/fact-sheets/usaid-building-economic-sustainability-through-tourism>



# THE WASTE REPORT

## LANGUISHING IN LIBYA

### **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$8,820,830 ON BUILDING LIBYAN CONFIDENCE IN LIBYA'S GOVERNMENT AND DEMOCRACY**

In 2011, the United States, along with NATO allies, intervened in Libya to topple the Qaddafi government amidst an uprising and civil war. The legacy of the U.S. intervention in Libya has been far-reaching. Libya has fallen into disarray and large swaths of territory are effectively controlled by terrorists. Americans have died trying to bring stability to the country. Libya has been described as a terrorist safe haven by the U.S. State Department, and according to the Congressional Research Service, "...military action against the Islamic State, Al Qaeda, and other extremists in Libya may continue and/or expand in as yet unspecified ways, even if political consensus among Libyans remains elusive."<sup>1</sup>



Militants play in the swimming pool at a U.S. diplomatic facility in Libya in 2014 (New York Daily News, Aug 31, 2014)

though, around \$150 million has been put toward Libya's governance since 2011.<sup>4</sup> Administering these programs and assessing their success is complicated by the fact that the U.S. Embassy in Libya has been abandoned since 2014 due to security concerns.<sup>5</sup>

The security situation in Tripoli, Libya's capital, deteriorated so quickly that U.S. personnel were forced to make an armored car getaway to Tunisia while being escorted by F-16s and other military aircraft.<sup>6</sup> At least part of the diplomatic complex has since fallen into the hands of militant groups. While the U.S. government's effort to help Libyans secure their country and establish institutions continues, taxpayers are already confronted with the difficult questions that come with leaving a power vacuum in a volatile region of the world. It is important to study whether the high cost has been justified, to learn from this U.S. intervention for the future, and determine how much more time the U.S. should devote to cleaning up the mess in Libya.

*"[...] We thought we knew what would happen in Libya. We thought we knew what would happen in Egypt. We thought we knew what would happen in Iraq, and we guessed wrong. In each one of these countries the thing we have to consider is that there is some structure... that's holding the society together. And as we learned, especially in Libya, when you remove the top and the whole thing falls apart, there's nothing underneath it you get chaos."*

**Gen. Colin Powell (Ret.)**

As quoted in *The Atlantic*, September 30, 2015  
"The Pottery Barn Rule: Syria Edition" by Kathy Gilsinan

Against this backdrop, USAID has spent millions to instill trust in the Libyan people toward their new democratic government, as well as belief in the democratic process "...as a vehicle for

peacefully and democratically selecting leaders."<sup>2</sup> However, the elections support program highlighted here is only one example of the significant taxpayer cost to build Libya's institutions and to establish democratic values in a country where they face significant challenges.

For example, foreign assistance data compiled by USAID shows taxpayers have spent approximately \$297 million in Libya since toppling Qaddafi,<sup>3</sup> a figure that is incomplete given that 2016 and 2015 reporting is not yet finalized. Of the total spending figures available,

<sup>1</sup><http://www.crs.gov/Reports/RL33142?source=search&guid=a52181c7b8964197a6d74fd36537ccc6&index=0>

<sup>2</sup> <https://www.usaid.gov/libya/fact-sheets/libya-elections-and-governance-support>

<sup>3</sup> Staff data analysis (<explorer.usaid.gov/country-detail.html#libya>)

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

<sup>5</sup> <http://abcnews.go.com/International/us-begin-returning-tripoli-2016/story?id=31214421>

<sup>6</sup> *Ibid.*



# THE WASTE REPORT

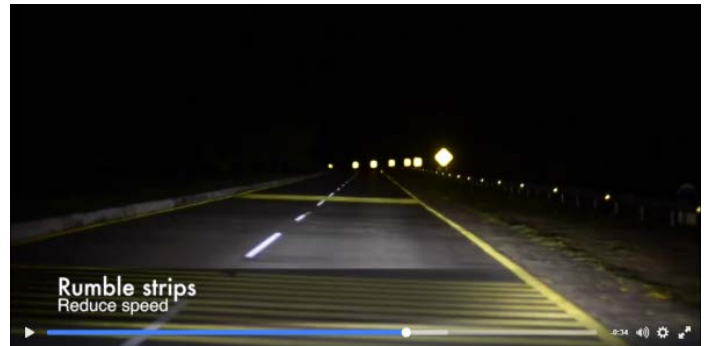
## STAY ALERT AND WARCH FOR WASTE!!!

### **THE U.S. AGENCY FOR INTENRATIONAL DEVELOPMENT (USAID) SPENT \$1,000,000 ON A HIGHWAY SAFETY DEMONSTRATION PROJECT IN MYANMAR**

With approximately 4 million miles of roads in the United States,<sup>1</sup> the quest for improved road safety is (quite literally) a moving target. For every road that is expanded or improved, it seems another falls in need of maintenance. But while Americans grapple with difficult funding questions of how to address highway safety, the federal government is working to improve safety beyond America's highways.

For example, USAID spent \$1 million on a highway safety demonstration project in Myanmar.<sup>2</sup> Myanmar originally built the Yangon-Mandalay Highway without access to international expertise as a result of international sanctions.<sup>3</sup> Because the road does not meet international standards, it presents many hazards for travelers in the region. As U.S. relations with Myanmar improved in recent years, USAID conducted a demonstration project on one 10km section of the road to provide a model for future improvements.<sup>4</sup> Among the improvements to the road under the demonstration project were rumble strips, concrete barrier reflectors, reflective paint, and reflective signs.

Moving forward, however, the project will face numerous challenges, such as the central government's ability to maintain the road improvements — particularly the already-degrading reflective paint and rumble strips on the road surface, as identified by USAID in their End



*A video posted on the Facebook page of US Embassy Rangoon takes viewers on a drive through the highway improvements (facebook.com/usembassy.rangoon)*

of Project Report.<sup>5</sup> The report notes the highway's "[d]esign and construction deficiencies" such as "improper horizontal and vertical alignments, poor placement of Jersey barriers and guardrails, uneven pavement surfaces, and overly narrow, poorly aligned bridges." Project documents indicate that Myanmar's Ministry of Construction "is encouraged" to implement similar improvements over the rest of the highway.<sup>6</sup> Considering that it required \$1 million to improve a 10km stretch of the 621km highway, it is not clear whether the Ministry of Construction would take such action on their own, or if they would use the money to make structural improvements if they pursued improvements. Either way, it is difficult to see how American taxpayers obtained a clear benefit from the project when weighed against domestic road projects that lack funding.

<sup>1</sup>[http://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/publications/national\\_transportation\\_statistics/html/table\\_01\\_04.html](http://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/publications/national_transportation_statistics/html/table_01_04.html)

<sup>2</sup> Ibid.

<sup>3</sup> [http://www.nytimes.com/2016/05/18/world/asia/myanmar-burma-sanctions.html?\\_r=0](http://www.nytimes.com/2016/05/18/world/asia/myanmar-burma-sanctions.html?_r=0)

<sup>4</sup> [http://photos.state.gov/libraries/burma/895/pdf/06-09-2014Yangon-Mandalay\\_Highway\\_Safety.pdf](http://photos.state.gov/libraries/burma/895/pdf/06-09-2014Yangon-Mandalay_Highway_Safety.pdf)

<sup>5</sup> Press Release. US Embassy Rangoon. June 9, 2014.

[http://www.photos.state.gov/libraries/burma/895/pdf/06-09-2014Yangon-Mandalay\\_Highway\\_Safety.pdf](http://www.photos.state.gov/libraries/burma/895/pdf/06-09-2014Yangon-Mandalay_Highway_Safety.pdf)

<sup>6</sup> [http://pdf.usaid.gov/pdf\\_docs/PA00KSZX.pdf](http://pdf.usaid.gov/pdf_docs/PA00KSZX.pdf)



# THE WASTE REPORT

## **HOW TO GET COUNTRIES INTERESTED IN GREEN LIVING? PAY FOR IT** **THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) SPENT \$11,441,758 TO** **PROMOTE GREEN BUILDINGS AND DEVELOPMENT IN VIETNAM**

Rapid change in Vietnam has brought growth and demand for new buildings, so USAID — perhaps under the assumption that builders will only pursue energy efficiency if American taxpayers help cover some of the costs — has committed millions toward promotion of energy-efficient buildings and building materials through the Vietnam Clean Energy Program.<sup>1</sup> Not only does the program help teach government officials about how to enforce burdensome energy efficiency compliance rules,<sup>2</sup> but it also included a two-week visit to the United States for a Vietnamese delegation that included the Ministry of Construction, the Energy Conservation Center in Hanoi, and the Ho Chi Minh City University of Architecture.<sup>3</sup> The delegation toured green projects and held meetings from Washington, D.C., to New York and from Texas to California before returning to Vietnam.<sup>4</sup>

American taxpayers, meanwhile, might wonder why it was necessary to spend over \$155,000 on travel, per diem, and other costs<sup>5</sup> to send Vietnamese officials to green energy meetings on the other side of the planet. One can't help but imagine how much energy could have been saved by using video chatting software to hold meetings. Instead planners decided to fly the Vietnamese delegation around the world to the United States, to various locales

within the country, and then back to Vietnam. Not a very energy efficient plan!

Meanwhile, USAID also contributed \$2.4 million toward the UNDP's Green Growth Project, an international program to help Vietnam implement its own new green policies and to achieve its internal sustainable development goals.<sup>6</sup>

<sup>1</sup> USAID Fact Sheet. *Vietnam Clean Energy Program: Energy Efficiency Promotion in the Building Sector*. January 2016. Accessed at [https://www.usaid.gov/sites/default/files/documents/1861/FS\\_VietnamCleanEnergyProgram\\_Jan2016\\_Eng\\_0.pdf](https://www.usaid.gov/sites/default/files/documents/1861/FS_VietnamCleanEnergyProgram_Jan2016_Eng_0.pdf)

<sup>2</sup> Ibid.

<sup>3</sup> *Highlights From The Road*, Ashley Ozery, December 15, 2014. Accessed at <http://www.ase.org/blog/highlights-road-usaid-vietnam-clean-energy-program>

<sup>4</sup> Ibid.

<sup>5</sup> USAID response to FSO subcommittee staff inquiry

<sup>6</sup> USAID Press Release, January 21, 2015: *New Partnership to Accelerate Green Growth in Vietnam*. Accessed at <https://www.usaid.gov/vietnam/press-releases/jan-21-2015-new-partnership-accelerate-green-growth-vietnam>





THE WASTE REPORT'S

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*And now on to the Feats of Strength*

