



TAKING OUT THE TRASH

February 9, 2004

What Ever Happened to Scarves and Mittens?

The federal government is picking up 80% of the cost for a \$1.4 million project to upgrade three bus shelters in Ithaca, New York with “radiant heating systems” and a layout “designed to appeal to passengers’ sense of security.” Even some of the beneficiaries of the upgrade had concerns with its cost. According to one Ithaca resident, “It just seems like a whole lot of money to me...Maybe they could just put some glass doors up.” (Roger DuPuis II, “TCAT Bus Shelter Plans Unveiled,” Ithaca Journal, January 9, 2004.)

Health Care For The Dead

A recent audit by the Department of HHS found that Michigan had paid more than \$375,000 in Medicaid claims to dead people over a three year period of which \$161,000 came from federal taxpayers. (Dee-Ann Durbin, “Michigan paid more than \$300,000 in Medicaid to dead people, Feds say,” The Ann Arbor News,” January 14, 2004.)

Don’t Computers Work Better Out of Their Boxes?

The House Energy and Commerce Committee is investigating \$5 million worth of computer equipment that a telecommunications company bought with federal E-rate funding for the Chicago public school system. The equipment was discovered sitting unused in a warehouse. (“U.S. House probes SBC, Chicago Schools on E-rate,” Reuters, January 15, 2004.)

Watchdogs With No Bark

The Defense Contract Audit Agency, a watchdog agency tasked with scrutinizing federal defense contracts, was caught falsifying their work. The agency spent more than \$1,600 in travel expenses and 1,139 in working hours trying to cover their tracks. (“Pentagon watchdogs caught faking files, betray taxpayer trust,” The Morning Journal, January 16, 2004.)

Just Say No!

The Office of National Drug Control Policy awarded the advertising agency Ogilvy & Mather Worldwide a \$150 million grant to craft ads keeping American youth away from drugs even though the company has a history of over billing the federal government. In 2002, Ogilvy had to repay the government \$1.8 million for overstating its labor costs, and the company is currently under indictment for filing false claims.

The ads are part of a five year, one billion dollar campaign whose effectiveness has been greatly scrutinized. A private research firm, Westat, concluded that the teenagers viewing the ads were no less likely to use drugs than if they had not viewed them and *that some were even more likely to use drugs*. The most high-profile of the ads ran during the 2002 and 2003 Super Bowls where drug use was linked to funding terrorists. These spots alone cost roughly \$7 million. (Source: Brooke Masters “Prosecutors say Bills Were Inflated For Anti-Drug Ads,” The Washington Post, January 7, 2004; Susan Mosychuk, “Just Say No To Waste,” Citizens Against Government Waste, April 2003.)

Staff Contacts: Russ Vought at 6-8581, Charles Cooper at 5-2778, and Myal Greene at 5-2706