



Written by [Raven Clabough](#) on October 7, 2010

## More Issues with Economic Stimulus

The Associated Press reports that a government investigator has discovered that 89,000 stimulus payments of \$250 went to people who were either dead or in prison. The 89,000 payments were among nearly 52 million sent to Social Security recipients and federal retirees as part of the mammoth economic recovery (stimulus) package enacted in 2009. In making the \$250 payments, the government simply failed to confirm that the recipients were not incarcerated and not deceased.



According to the AP report, "The Social Security Administration's inspector general said in a report Thursday that \$18 million went to 72,000 people who were dead. The report estimates that a little more than half the payments were returned." Another 17,000 prison inmates received a total of \$4.3 million.

Most notably, according to *USA Today*, approximately \$162 million of the stimulus fund remains unaccounted for. Three-hundred and fifty two recipients of the grant have failed to report to the Office of Management and Budget what they've done with the money. Of those recipients, 32 have missed reporting on their funds twice, while eight have missed three times. Reporting to the OMB is a requirement of receiving the stimulus funds.

Gerri Willis of the Fox Business Network discussed the missing funds, and generally noted that the notion of an economic stimulus is absurd, as "throwing more money at the problem does not in fact fix the problem."

In addition to the absurdity of the concept, she adds that the economic stimulus has been a hotbed for corruption and incompetency. For example, the Department of Agriculture alone has 100 recipients, who have received more than \$100 million, and have failed to report.

Noting the cloak of secrecy surrounding the economic stimulus package, Willis contends, "The government should have to tell the taxpayers how they pay their money."

Despite the groups who have failed to report, the OMB boasts that of the 88,000 companies that have received stimulus funds this year only 1 percent have failed to report, an improvement from 2009, when 8 percent of the organizations failed to report.

Allegations of stimulus waste, fraud, and abuse have prompted a variety of investigations into how and to whom the stimulus funds are paid. There is currently a [long list](#) of cases in which stimulus funds have gone to contractors that are under investigation, or to contractors who have committed serious violations in the past.



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In California's Tulare County alone, nearly \$1 million in federal stimulus funds was used by the Tulare County Workforce Investment Board to pay for their rent and utility bills, when the money was in fact allocated to help adults and teens find jobs. (Of course, even if the money were used for the direct purpose of helping teens find jobs, it must be kept in mind that the money spent by government on jobs programs must come out of the economy, destroying jobs elsewhere.)

In January, the National Center for Public Policy Research issued a statement which read: "In the face of rising unemployment and record-breaking deficits, policy experts at the National Center for Public Policy Research are criticizing the Obama administration for awarding a half million dollar grant from the economic stimulus package to Penn State Professor Michael Mann, a key figure in the Climategate controversy."

An example of the incompetency of the economic stimulus package is exemplified by an audit released in August showing that the two Los Angeles city departments that have received a combined \$111 million managed to create or retain a mere 55 jobs with the stimulus money.

In August, *Free Republic* reported that the economic stimulus package has faced harsh criticism for a variety of reasons, including over allegations that the money "is being corruptly diverted [and that] some of the funds targeted for 'home weatherization' were being awarded to political cronies for incompetently done work or for no work at all."

To this, Vice President Joe Biden responded, "The crucial objective of any stimulus program is to spend money. To carp about the money going to crooks doesn't refute the fact that the money still got spent. In the big picture, it makes no difference whether the funds were spent as 'wisely' as some are now demanding. Besides, it's been my experience that crooks tend to be bigger spenders than so-called hard-working, honest people. So, on balance, it's probably a shame that some of the stimulus money wasn't diverted to crooks."

Perhaps it is this apathy towards taxpayer money that prompted President Ronald Reagan to conclude, "The government is not the solution to the problem. The government is the problem."



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