



Federal Programs Waste Tens of Billions of Dollars Every Year

As duplicative and wasteful federal programs go unreformed, a report published Tuesday by the Government Accountability Office (GAO) affirms that the government is wasting “tens of billions of dollars” every year. According to the GAO, a nonpartisan investigative arm of Congress, nearly every agency of the Executive Branch could use improvement.



The report shows 51 areas and proposes 130 actions for reform, following a 2011 report that identified 81 areas and 176 actions to be taken to “reduce or eliminate unnecessary duplication, overlap, or fragmentation or achieve other potential financial benefits.”

“Collectively, these reports show that, if the actions are implemented, the government could potentially save tens of billions of dollars annually,” Comptroller General Gene Dodaro (above left) [asserted](#) during Tuesday’s hearing in the House Oversight and Government Relations Committee.

Some agencies are conducting their own security evaluations for federal buildings, even though the Federal Protective Service uses \$236 million annually to perform the same work. Moreover, 13 agencies fund 209 different math, science, engineering, and technology education programs, 173 of which overlap one or more other programs. Further yet, the government has at least 15 financial literacy programs in place, including three new ones added by the Consumer Protection Act and the Dodd-Frank financial reform law.

Sen. Tom Coburn (R-Okla.) projected that taxpayers dish out \$100 billion per year in government waste through duplication and overlapping federal programs. “Not one corner of our daily life remains untouched by a government program or federal effort,” said Coburn, a witness at Tuesday’s hearing. “From what we eat and drink, to where we live, work, and socialize, nearly every aspect of human behavior and American society are addressed by multiple government programs.”

The Oklahoma Senator mentioned a host of duplicative programs in last year’s GAO report: 17 disaster response programs; 18 food assistance programs; 20 homelessness prevention programs; 47 job training programs; 82 teacher quality assessment programs; 88 economic development programs; and more than 100 surface transportation programs. In nutritional programs alone, Coburn noted, duplication vacuumed up \$62.5 billion in taxpayer dollars in 2008 — for items as small as potato chips. Mr. Coburn continued:

While many of these programs, such as the Supplemental Nutrition Assistance Program (SNAP) allow federal funds to purchase potato chips, dozens of other government-wide initiatives, are aimed at keeping Americans healthy, specifically suggesting food like potato chips should be



Written by [Brian Koenig](#) on February 29, 2012

limited in intake, and perhaps even taken out of public schools all together.

At the same time, just this year the Department of Agriculture announced a nearly \$50,000 federal grant was being doled out to a private potato chip company in New York. According to the proposal, this money would be used to overhaul their media strategy and raise brand awareness and consumer knowledge — essentially encouraging people to buy and consume potato chips.

In the report, the GAO recommended 18 cost-saving measures that would reportedly save billions in taxpayer dollars, including consolidating government offices, selling off excess uranium at the Energy Department, substituting the \$1 bill with a \$1 coin, and slashing erroneous Medicare and Medicaid payments, which cost approximately \$65 billion in fiscal year 2011.

Government housing programs desperately need reform, Mr. Dodaro indicated, as the Treasury and Federal Reserve invested nearly \$1.7 trillion in Fannie Mae and Freddie Mac in 2010. The GAO also pinpointed “20 different entities that administer 160 programs, tax expenditures and other tools” intended to prop up home ownership and rental housing while another “39 programs, tax expenditures, and other tools” provided assistance in buying, selling, or financing homes.

Dodaro also suggested that differences in coding practices between Medicare and Medicare Advantage should be eliminated. Diagnostic coding for Medicare Advantage, the Comptroller General noted, computes a 3.4 percent higher risk score for beneficiaries, equating to \$2.7 billion in higher payments. This is because Medicare Advantage providers are compensated based on the diagnostic code, while payments for traditional Medicare providers are determined by the services delivered.

“We estimated that a revised methodology that addressed these shortcomings could have saved Medicare between \$1.2 billion and \$3.1 billion in 2010 in addition to the \$2.7 billion in savings that CMS’s 3.41 percent adjustment produced,” Dodaro cited.

Despite its keen interest in the GAO’s recommendations, Citizens Against Government Waste (CAGW) [expressed skepticism](#) that duplication and overlapping government programs will actually be reformed, as the evidence has been obvious for years — yet Congress has refused to act. CAGW President Tom Schatz said he strongly supports recommendations for cuts and consolidations but that Congress continues to ignore these “duplicative” and “bloated” programs.

“While the GAO acknowledges that Congress has ‘taken actions to address’ some of its 2011 recommendations, many of those steps amount to little more than empty rhetoric,” Mr. Schatz said Tuesday. “Obviously, despite reminders from all sides that wasteful spending is rampant and endemic to government, many of these glaringly wasteful programs have been allowed to continue and even grow.”

“Congress has done almost nothing to address problem areas GAO has already identified,” [echoed](#) Coburn, which only solidifies the American public’s grave perception of Washington politicians. “This report shows why Congress has a 9 percent approval rating.”



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