

Waste Watch

The official newsletter of Citizens Against Government Waste & the Council for Citizens Against Government Waste

Message from the President Thomas A. Schatz

TIMES HAVE CHANGED in Washington! After eight years of a White House determined to take and spend every penny of the taxpayers' money, we now have a President who is actively seeking out the best ways to cut Washington's waste and rein in federal spending.

CAGW is America's most trusted waste-fighting group, which is why President Donald Trump has turned to us for tips on trimming the fat from the federal budget. Specifically, CAGW is one of a few select groups tapped by the White House Office of Management and Budget to help implement President Trump's executive order to streamline the federal bureaucracy. (You can read more about this effort on page 2.)

In addition, I was honored to serve with a transition team that the President's top advisors formed to help him identify corporate welfare that should be immediately slashed. Chris Edwards of the Cato Institute, Romina Boccia of The Heritage Foundation, and I identified 15 corporate welfare cuts, ranging from ending subsidies that primarily benefit large, profitable agribusinesses to abolishing obsolete programs like the Essential Air Service, that would save taxpayers about \$50 billion annually.

These are just a couple of examples of how CAGW is making the most of your support, representing your interests in Washington, and capitalizing on this incredible opportunity to "drain the swamp" in our nation's capital. You can read about many more in this issue of *Government Waste Watch* — from reports we've issued and briefings we've held to ongoing campaigns like our "Porker of the Month" awards that keep Washington's waste in the public eye. Thank you for being such a vital part of this work! •

New CAGW Report Provides a Blueprint for Limited Government

CRITICAL WASTE ISSUES FOR THE 115TH CONGRESS

On February 13, CAGW released *Critical Waste Issues for the 115th Congress* — a comprehensive report that outlines CAGW's top policy proposals for the new Congress.

"Our fiscally conservative allies in Congress often ask for specifics on how to identify and eliminate wasteful government spending, and they can find answers in *Critical Waste Issues*," said CAGW President Tom Schatz. From agricultural and energy subsidies to healthcare and defense spending, this new report details 16 policy areas that Congress can address immediately to create a smaller, more efficient government.

With the American public telegraphing its concern over the size

and scope of the federal government in last fall's elections, and with the Trump Administration working to make good on its pledge to reduce wasteful spending, CAGW is putting its proposals in front of lawmakers and educating them on how to implement spending reductions and adopt measures to promote accountability and transparency.

As Schatz pointed out, "Americans voted to change how Washington works in 2016, which makes this the perfect time for lawmakers to act on these proposals that will help resolve America's fiscal woes."

Turn to pages 4-5 for a look at five key takeaways from *Critical Waste Issues for the 115th Congress*. To review the report in full, visit cagw.org. •

CAGW Takes on Earmark Advocates

SOME LAWMAKERS WANT TO PIG OUT – AGAIN

Just after the 2016 elections, when House Republicans gathered to plan for the 115th Congress, three representatives, two of whom sit on the House Appropriations Committee, quickly made it known that they wanted a vote to end the current moratorium on earmarks.

CAGW sprang into action, immediately expressing outrage that such a misguided move would even be considered after the unmistakable message from 2016 to "drain the swamp" in Washington. Speaker of the House Paul Ryan (R-Wis.) heard CAGW's concerns and put off the vote, giving CAGW time to mobilize

opposition as the leading voice in Washington against earmarks.

TAKING ON EARMARK ADVOCATES
continues on Pg. 2



CAGW President Tom Schatz (left) talks earmarks with Sen. Jeff Flake (R-Ariz.), a CAGW "Taxpayer Super Hero."

Working with the Trump Administration to Streamline Government

WHITE HOUSE EFFICIENCY INITIATIVES

In a victory for CAGW and its members, President Donald Trump has launched two initiatives to promote efficiency in the federal bureaucracy. The first, an executive order issued on March 13, directed the Office of Management and Budget (OMB) “to submit to the President a proposed plan to reorganize the executive branch in order to improve the efficiency, effectiveness, and accountability of agencies,” including the elimination or reorganization of redundant or unnecessary federal agencies.

The executive order gives the head of every federal agency 180 days to provide OMB with recommendations to reorganize the agency to make it more efficient and effective. OMB has another 180 days following the receipt of the agencies’ recommendations to submit a final plan to the President.

On April 12, OMB Director Mick

Mulvaney released a detailed memorandum for department heads to help them create their reorganization plans. On April 21, CAGW President Tom Schatz was one of a handful of conservative public policy leaders invited to meet with Director Mulvaney to discuss how to achieve the goals of the executive order. This group will be meeting with the director on a regular basis over the coming months. The White House also asked CAGW to invite its members to contribute your suggestions on how to make the federal government work better at whitehouse.gov/reorganizing-the-executive-branch. The deadline for submissions is June 12.

The second White House efficiency initiative was the unveiling on March 27 of a new White House Office of American Innovation, which the administration

says will act as a “SWAT team to fix government with business ideas.” This effort is reminiscent of CAGW’s predecessor organization, President Ronald Reagan’s Grace Commission, which deployed an army of successful business leaders to scour the federal government with an eye toward bringing private-sector innovation to its operations.

“We wholeheartedly applaud President Trump and his administration for proposing these sweeping steps to foster a more efficient, frugal, and fiscally responsible government,” asserted CAGW President Tom Schatz. “This commitment is a breath of fresh air to address bureaucratic inertia. It is clear the President is serious about achieving the goal of a more effective and less wasteful government.” Check in at cagw.org for updates on the progress of these important initiatives! •

TAKING ON EARMARK ADVOCATES *continued from Pg. 1*

The entire CAGW team worked together on a plan to make sure that any attempt to bring back earmarks would fail, and this plan is now in action. **Here are FIVE WAYS that CAGW is fighting for you in the battle against earmarks:**

1. The “pork masterminds” behind the scheme to restore earmarks — Reps. John Culberson (R-Texas), Mike Rogers (R-Ala.), and Tom Rooney (R-Fla.) — were named CAGW’s *Porkers of the Month* for December 2016, which brought early attention to this wrongheaded bid for “business as usual” in Washington.
2. On January 9, CAGW began an “Earmark of the Day” series on social media, which is continuing until House Republicans vote either to extend the moratorium or to restore earmarks. With 110,442 earmarks costing taxpayers \$323.1 billion documented in CAGW’s *Congressional Pig Books* since 1991, there is no shortage of outrageous examples of pork-barrel spending to feature on Facebook ([facebook.com/CAGW](https://www.facebook.com/CAGW)) and Twitter (@GovWaste).



Rep. Bill Flores (R-Texas) and CAGW’s mascot “PigFoot” team up for the fight against earmarks.

3. The Council for Citizens Against Government Waste (CCAGW) worked closely with Sen. Jeff Flake (R-Ariz.) in support of his efforts to renew the earmark moratorium in the Senate and sent a letter to Senate Republicans on January 10 expressing CCAGW’s opposition to earmarks. Later that day, the Senate GOP unanimously agreed to continue the moratorium exactly as it had been in effect since 2011.

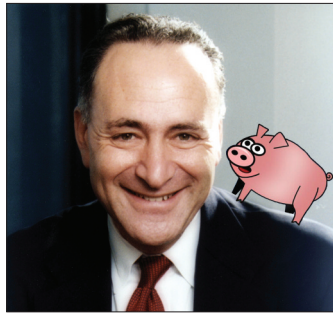
4. On January 26, CCAGW President Tom Schatz co-signed a letter with 78 top conservative leaders urging the House of Representatives to follow the Senate’s lead and extend the earmark moratorium or, better yet, make it permanent.
5. On January 31, CAGW co-hosted “Earmarks? When Pigs Fly!” — a Capitol Hill briefing with the House Republican Study Committee (RSC). Schatz served as a moderator along with former Sen. Tom Coburn (R-Okla.) and RSC Chairman Mark Walker (R-N.C.), and panelists included Sens. Flake and Mike Lee (R-Utah), and Reps. Jim Banks (R-Ind.), Ron DeSantis (R-Fla.), Bill Flores (R-Texas), Jeb Hensarling (R-Texas), and Jim Jordan (R-Ohio). CAGW’s mascot “PigFoot” was also on hand.

To build on this work, CCAGW is now leading a major grassroots campaign, mobilizing members and supporters to contact their representatives and urge them to vote against any amendment to House rules that would bring back earmarks. To participate in this effort, visit ccagw.org/StopEarmarks. •

Sen. Schumer Wins Top Honors

HALL OF SHAME: CAGW's TOP PORKERS OF 2016

After an online poll of CAGW members and supporters, **Senate Minority Leader Chuck Schumer (D-N.Y.)** won the dubious honor of **2016 Porker of the Year** by a landslide, with 58 percent of the vote going to last year's August Porker of the Month.



Sen. Chuck Schumer (D-N.Y.)

Sen. Schumer earned this infamous distinction for his leading role in the effort to create supposedly “debt-free” college for all students, which would

exacerbate rather than resolve the student loan crisis. As government subsidies increase, so does the cost of a college education, and the deeper young people fall into debt. Sen. Schumer's bill in the last Congress, S. 2677, the In the Red

Act, would continue this vicious cycle that has already saddled America's next generation with mountainous debt. Congratulations, Sen. Schumer —

your fiscal irresponsibility has earned you permanent recognition as CAGW's 2016 Porker of the Year!

The silver medal winners, with 23 percent of the vote, were Reps. John Culberson (R-Texas), Mike Rogers (R-Ala.), and Tom Rooney (R-Fla.), for their reckless and secretive push to bring back wasteful and corruptive congressional earmarks. See the page 1 article in this issue of *Government WasteWatch* for these lawmakers' pro-earmarks folly, and CAGW's aggressive fight to keep the 2011 earmark moratorium in place. •

2017 Tainted with More Profligate Spenders

NEW YEAR, NEW PORKERS

To learn more about this year's Porkers and view CAGW's 2017 Porker of the Month videos, visit cagw.org.



CAGW's "HONOREES" SO FAR IN 2017



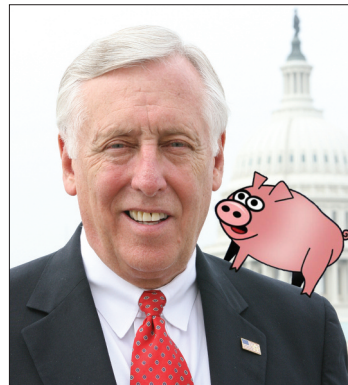
Lt. Gen. Christopher Bogdan was named CAGW's *January 2017 Porker of the Month* for defending the undeniably wasteful F-35 Joint Strike Fighter (JSF) program — and demanding more money for it — after President Donald Trump rightly described the JSF's cost as “out of control.”



Sen. Al Franken (D-Minn.) was selected as the *March 2017 Porker of the Month* for defending the innovation-stifling federal regulation of the internet imposed by the Obama Administration.



House Minority Leader Nancy Pelosi (D-Calif.) was designated the *February 2017 Porker of the Month* for her long history of misinformation and hyperbole regarding Obamacare, including her statement during a CNN town hall on January 31 that “it has succeeded in every way.”



House Democratic Whip Steny Hoyer (Md.) was chosen as the *April 2017 Porker of the Month* for calling the elimination of dozens of wasteful and duplicative programs in President Trump's first budget proposal “irresponsible,” “unrealistic,” and “not rational.”

In the Spotlight FIVE TAKEAWAYS FROM CAGW'S

During the 2016 elections, politicians clamored to brag about how much they were going to cut spending. Now it's time for action! Through *Critical Waste Issues for the 115th Congress*, CAGW is providing lawmakers with a comprehensive list of the fiscal challenges that face our nation, along with guiding principles and specific policy proposals that can help overcome these challenges and make the federal government more financially sound.

ACCOUNTABILITY, OVERSIGHT, AND TRANSPARENCY



It's a critical issue because ... The American public's trust in government and confidence in their elected officials are at record lows, and have been for a number of years. Moreover, Congress has failed to exercise the kind of rigorous oversight necessary to ensure the efficient management of federal programs. **WHAT CAN BE DONE?** Members of the 115th Congress must regain the public's trust by recommitting themselves to scrutinizing every corner of the federal budget and working to open the government's books to all Americans. Lawmakers must also reinvigorate some of the government's most powerful waste-fighting tools, including revitalizing the Freedom of Information Act, bolstering the Inspectors General who scrutinize each federal agency, and putting the Recovery Audit Contractor program back to work rooting out Medicare improper payments and fraud.

BUDGET REFORM



It's a critical issue because ... For two decades now, Congress has failed to pass appropriations bills that fund the federal government on time. Instead, lawmakers have used stop-gap measures, called continuing resolutions, which keep government programs running on autopilot and circumvent a thorough review of spending priorities. Congress is also notorious for bunching appropriations bills together in last-minute omnibus packages, which can't be adequately scrutinized by the public, or even by lawmakers themselves. **WHAT CAN BE DONE?** From uniform budget rules for both chambers of Congress to sunset clauses that stop "zombie" programs, there are numerous concrete steps lawmakers can take to repair the broken budget system.

DEFENSE



It's a critical issue because ... The Department of Defense (DOD) remains the sole federal agency that has not had a clean audit under the Chief Financial Officers Act of 1990. The books are so bad that areas within DOD have been on the Government Accountability Office's "High Risk List" for waste, fraud, abuse, and mismanagement since 1995. In the latest report, released in February 2017, eight sections of DOD are labeled as high-risk. **WHAT CAN BE DONE?** The best security for our nation depends on making the best use of defense dollars. Auditing the DOD budget will expose waste and poorly performing programs and allow military and civilian decision-makers to allocate those resources to the weapons systems, *(continues ...)*

CRITICAL WASTE ISSUES REPORT

To repair the damage done by years of runaway spending and to restore effective and efficient government, Congress should follow the *Critical Waste Issues* roadmap. Here are five takeaways from this new report that highlight the issues of greatest concern to supporters of CAGW •

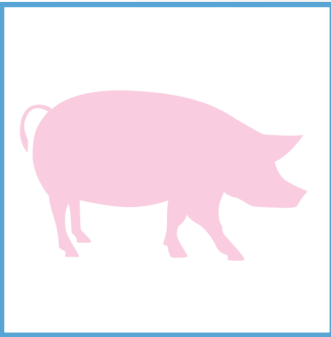
DEFENSE

continued ...

equipment, technology, and training that provide our Armed Forces, taxpayers, and our nation the best bang for the buck. *(In a March online survey, 93 percent of CAGW members said they thought President Donald Trump should call for a comprehensive audit of DOD to identify and eliminate wasteful spending before pumping more funds into the defense budget.)*



EARMARKS



It's a critical issue because ... Since fiscal year 1991, CAGW has identified 110,442 earmarks costing taxpayers \$323.1 billion. Earmarks create a few winners (appropriators, special interests, and lobbyists) and a great many losers (taxpayers). They contribute to the deficit directly, by tacking on extra funding, and indirectly, by "greasing the skids" for costly legislation that might not otherwise pass. Earmarks all too often fund self-serving, special interest projects, such as Alaska's "Bridge to Nowhere," studies of Goth culture, and an indoor tropical rain forest in Iowa.

WHAT CAN BE DONE? The House Republican conference must vote to maintain the earmark moratorium that has been in place since 2011 (for more information, turn to page 2), and both chambers of Congress should adopt a permanent ban.

REGULATIONS



It's a critical issue because ... While the promulgation of regulations by the executive branch is essential to implementing laws enacted by Congress, without appropriate oversight, regulations can subvert or pervert statutory authority. That's exactly what has happened. While 114 laws were enacted by Congress in 2015, federal agencies issued 3,410 rules. Currently, federal regulations take effect without congressional approval, and can only be overturned through a lengthy review process.

WHAT CAN BE DONE? The Regulations from the Executive in Need of Scrutiny (REINS) Act would require Congress to approve every major rule proposed by the executive branch (defined as having an economic impact of at least \$100 million) before it can be imposed on Americans. This will proactively help safeguard taxpayers from unnecessary and onerous regulations and ensure that federal agencies do not overstep their bounds.

CAGW's State Influence Grows TAKING IT TO THE STATES

CAGW is pleased to introduce its new State Policy and Government Affairs Manager, **Andrew Nehring**. Andrew's position was created last year to broaden CAGW's and CCAGW's engagement with state policymakers and public policy organizations through forums like the American Legislative Exchange Council and the State Policy Network in order to expand CAGW's impact on a wide range of



fiscal issues at the state and local levels. This enhanced state-level activism, which is made possible by your generous support, is getting results. In 2016, CCAGW helped defeat tax increase proposals in Colorado and North Dakota, as well as a ballot initiative in California to raise \$1.15 billion in taxes to fund a new stadium for the NFL's then-San Diego Chargers. •

Board of Directors Expands CAGW ADDS TWO NEW MEMBERS

CAGW is pleased to announce the addition of **Mary J. Grace** and **Michael Franc** to its Board of Directors.

Mary, a New York-based design professional, is the daughter of CAGW's late co-founder J. Peter Grace and follows her brother Patrick Grace onto CAGW's board to help preserve her father's legacy. She also helps oversee projects for the Grace Family Foundations.

Mike is currently the Hoover Institution's Director of D.C. Programs. Prior to joining Hoover, he served as policy director and counsel for House Majority Leader Kevin McCarthy (R-Calif.). He also served as the vice president of government relations for The Heritage Foundation from 1997-2013 and as communications director for former House Majority Leader Dick Armey (R-Texas).

"We at Citizens Against Government Waste are honored to have Mary Grace and Mike Franc join our Board of Directors," CAGW President Tom Schatz said. "Their unique combination of experience and expertise will greatly benefit CAGW's more than 1 million members and supporters." •

Introducing New Donor-Focused Team Member DEDICATED TO CAGW MEMBERS

The newest member of the CAGW team is Director of Donor Relations **Kyle Hanlin**.

Think of Kyle as your direct connection to CAGW — he is here to field your questions, listen to your concerns, and share CAGW's successes in its mission to create a more fiscally responsible government that is accountable to taxpayers.

Kyle has devoted his career to promoting limited government — through his service at other nonprofit public policy organizations and work for fiscally

conservative candidates, including presidential hopefuls and gubernatorial candidates in his home state of North Carolina.

"I knew this would be my calling many years ago in high school," Kyle remembers. "I could not be more thrilled to

be part of an organization at the forefront of the fight for smaller, less costly government."

Kyle looks forward to speaking and meeting with CAGW members across the country — and thanking you for your support of CAGW! •



CAGW Increases Its Outreach on Social Media ... AND TO THE MILLENNIAL GENERATION OF TAXPAYERS

Within the past year, CAGW has also welcomed a new Social Media Manager, **Ally Schatz**, who is spearheading CAGW's efforts to create a more robust presence on Facebook, Twitter, and other social media platforms. In conjunction with the Porker of the Month videos launched in April 2016, CAGW's larger social media footprint is designed to

reach out to the Millennial generation of taxpayers.

Thanks to Ally's hard work and the support of CAGW members, CAGW

now has more than 80,000 followers on Facebook and Twitter, an increase of 29 percent over the past 15 months. CAGW's videos have attracted

more than 300,000 views, and traffic to the CAGW website is up 68 percent. •



Mulvaney, Perry, Price, and Sessions Stand for Fiscal Responsibility IN THE CABINET: CCAGW-BACKED NOMINEES WIN CONFIRMATION

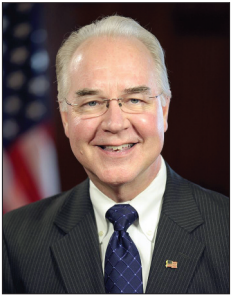
During the confirmation process for the Trump Administration's cabinet picks, CCAGW gave its "seal of approval" to four fiscally conservative nominees with proven records throughout their careers as advocates for taxpayers, the free market, and limited government. These nominees — all of whom won Senate confirmation — were:



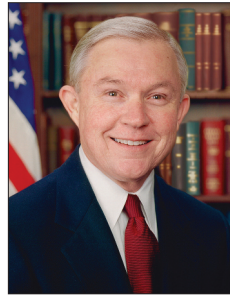
Rep. Mick Mulvaney (R-S.C.) for Office of Management and Budget Director: In an endorsement letter to U.S. Senators, CCAGW President Tom Schatz described Rep. Mulvaney as "a stalwart advocate for fiscal responsibility" who has "worked tirelessly as an advocate for balanced budgets and fiscal restraint since he was first elected to Congress in 2011."



Gov. Rick Perry (R-Texas) for Energy Secretary: In his endorsement, Schatz highlighted Gov. Perry's executive experience leading Texas, the largest energy-producing state in the country, and stated that "in a positive development compared to the last eight years, Gov. Perry will bring a balanced approach to U.S. energy policy."



Rep. Tom Price, M.D. (R-Ga.) for Secretary of Health and Human Services: "As both a budget hawk and medical doctor, Dr. Price will bring much-needed reforms ... as the nation moves away from Obamacare toward a patient-centered, market-based healthcare system," Schatz stated in endorsing Dr. Price, noting his leadership in Congress on the need to rein in wasteful Medicare and Medicaid spending.



Sen. Jeff Sessions (R-Ala.) for Attorney General: In a letter to senators, Schatz noted that Sen. Sessions "has long been an advocate for combatting waste, fraud, abuse, and mismanagement in the federal government," and praised him as "a learned constitutional scholar, with a profound understanding of the proper role of the federal government and the limits by which it should be bound." •

CCAGW PAC-Endorsed Candidates Win Big

BUILDING A MANDATE FOR FISCAL RESPONSIBILITY

In the 2016 election cycle, the Council for Citizens Against Government Waste Political Action Committee (CCAGW PAC) once again demonstrated that its endorsement is a "Good Housekeeping Seal of Approval," telling voters which candidates are friends of the taxpayer and which are foes. The results from 2016 are impressive:

- A whopping 93 percent, or 83, of the 89 congressional candidates CCAGW PAC endorsed for office emerged victorious;
- Seven of the eight get-out-the-vote drives CCAGW PAC held in key Senate races resulted in the election of fiscally conservative candidates, helping preserve the Senate majority for Republicans.

To view a list of the candidates endorsed by CCAGW PAC, visit ccagwpac.org. •

CCAGW Releases 2016 Congressional Ratings KEEPING SCORE

On March 15, CCAGW released its **2016 Congressional Ratings**, highlighting lawmakers' voting records for the second session of the 114th Congress. Issued since 1989, CCAGW's *Ratings* identify those members of Congress who vote to protect and save taxpayer dollars, as well as those who consistently vote against the interests of taxpayers.

In 2016, four senators earned the coveted title of "Taxpayer Super Hero" with a perfect score of 100 percent: Sens. Dan Coats (R-Ind.), Jeff Flake (R-Ariz.), James Lankford (R-Okla.), and Pat Toomey (R-Pa.). No representative achieved a perfect score, but 204 House members earned "Taxpayer Hero" status with a rating between 80-99 percent. At the other end of the spectrum, three representatives and two senators posted an abysmal score of zero in 2016.

To view the *2016 Congressional Ratings* online and find out how your congressional delegation stacks up, visit ccagwratings.org. •

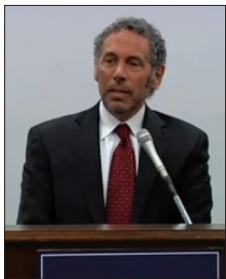


GOVERNMENT Waste Watch

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CAGW President Tom Schatz talks Trump-era spending reductions.

CAGW Headlines Briefing on How Trump Administration Can Trim The Fat A NEW ERA OF CUTTING WASTE

Justin Bogie of The Heritage Foundation as a guest speaker at a Capitol Hill briefing entitled, "Cutting Wasteful Spending in the

On November 30, 2016, CAGW President Tom Schatz joined Sen. James Lankford (R-Okla.), Chris Edwards of the Cato Institute, and

Trump Administration." Schatz and his fellow experts discussed Sen. Lankford's latest report, *Federal Fumbles: 100 Ways the Government Dropped the Ball*, as well as a number of CAGW's waste-cutting recommendations, including ending Medicaid and Medicare improper payments, improving the federal government's

information technology systems, eliminating agriculture subsidies, and enacting a permanent ban on earmarks.

CAGW's friends at Cato have a podcast and other information about the event on their website, at cato.org/events/cutting-wasteful-spending-trump-administration. Check it out! •

CAGW Report Hammers Price Controls PRESCRIPTION FOR DISASTER

Amid widespread calls from politicians and special interest groups for government intervention to stem the rising cost of prescription drugs, CAGW has released a new report on the efficacy of government-

mandated price controls on pharmaceuticals. *Pharmaceutical Price Controls: A Prescription for Disaster* analyzes why price controls would be ineffective at reducing prescription drug costs and harmful to long-term research



Price controls will make prescription drugs cost more, according to CAGW report.

and development. You may review the report on cagw.org, or to request a copy, call 1-800-USA-DEBT. •