

# Oklahoma Waste Report:

Exposing Washington's Wasteful  
Spending Habits in our Own Backyard



A Report by Tom A. Coburn, M.D.  
U.S. Senator

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## Letter from Senator Coburn

Dear Taxpayer,

Oklahomans frustrated with wasteful Washington spending and out of control deficits sent me to the U.S. Senate to fight to reverse the growth of the ever expanding federal government. Restoring fiscal sanity in Washington means cutting spending everywhere, including Oklahoma. It also requires ending congressional earmarking, whereby Washington politicians steer taxpayers' money to parochial home-state pet projects to curry favor with political supporters and special interests.

I learned soon after being sworn in just how difficult this would be. During my first months in the Senate, the infamous Bridge-to-Nowhere had become the national symbol of the excesses of Congress and represented everything I was elected to stop. Against the traditions of the Senate to speak no evil regarding another senator's pork projects, I offered an amendment to defund the bridge.

During the debate, one of the managers of the bill issued a not so veiled threat to any senator who might oppose the funding for the bridge to nowhere: "As the old saying goes: What is good for the goose is good for the gander. And I tell my colleagues, if we start cutting funding for individual projects, your project may be next. So, Mr. President, when Members come down to the floor to vote on this amendment, they need to know if they support stripping out this project, [we] are likely to be taking a long, serious look at their projects to determine whether they should be preserved during our upcoming conference negotiations. We must not and we will not go down the road of picking on one Senator or another on the floor of the Senate."<sup>1</sup>

While most Americans were disgusted half-a-billion dollars would be wasted to build a bridge higher than the Brooklyn Bridge and nearly as long as the Golden Gate Bridge to an island with only 50 residents, the Senate overwhelmingly defeated the amendment. Only 15 senators voted to kill the bridge.<sup>2</sup> This vote exposed the nature of the favor factory within Congress where parochial political interests come before the best interests of the nation.

I am happy to report six years later, the Bridge-to-Nowhere has never been constructed and the favor factory has been shut down with earmarking for pork projects no longer occurring.

As we try to address the debt crisis now threatening our economic recovery and the very future of the American Dream, we must confront the same special interests and parochialism on which earmarking was based. When it comes to making choices of how to reduce the deficit, politicians are eager to label spending in other states as wasteful and just as quick to defend the necessity of any federal funds flowing to their states or districts. As a result, it has become nearly impossible to eliminate any federal program, no matter how unnecessary or wasteful.

The size and scope of the federal government will never be trimmed if we choose to ignore or continue to defend lower priority projects simply because of the financial benefit to our own states. For years, I have tried to demonstrate that love of state and a willingness to call out waste, fraud, and abuse do not have to be at odds. To the contrary, I believe having an honest dialogue about the role of the federal and state governments is absolutely critical. Ineffective, wasteful, or duplicative federal programs know no

<sup>1</sup> Congressional Record, page S11612, October 20, 2005.

<sup>2</sup> Coburn Amendment 2165, as modified, to H.R. 3058, the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, vote #262, October 20, 2005, rejected 15 to 82, [http://www.senate.gov/legislative/LIS/roll\\_call\\_lists/roll\\_call\\_vote\\_cfm.cfm?congress=109&session=1&vote=00262](http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=109&session=1&vote=00262).

boundary and yes, they exist in Oklahoma as well. If a government project is wasteful, it is wasteful regardless of its location.

I have previously issued a series of reports<sup>3</sup> questioning billions of dollars spent on a wide array of federal programs, including a number of projects in Oklahoma such as:

- \$172,110 of property improvements by the Army Corps of Engineers at Optima Lake, which contrary to its name is not a lake;
- \$900,000 earmarked through the Fund for the Improvement of Postsecondary Education to support *An Exercise in Hard Choice* program, in which participants role played as Members of Congress debating and negotiating budget decisions;
- \$90,000 to replace a quarter-mile stretch of sidewalk replaced just five years ago, adding a new section that fronts no homes or businesses and leads directly into a ditch;
- More than \$1 million in Weed and Seed grants from the Department of Justice to Oklahoma City, which was spent to purchase several Japanese-style swords costing \$200 each, a \$4,400 65-inch flat screen television, 40 pairs of binoculars, and several arcade games costing \$800 each;
- \$1.8 million from to the Federal Transit Administration for operations and maintenance of Oklahoma River boat cruises and another \$1.6 million earmarked for the River Ferry Boat Transportation Program in Oklahoma City; and
- \$1.1 million from the National Science Foundation for a professor at Oklahoma State University to study the role of grandparents in the state of Alaska and another \$90,000 from the National Science Foundation for the University of Oklahoma to improve the understanding of cooperation by observing the roles of male and female birds caring for their offspring.

This report questions the merits of more than 30 additional programs and projects funded by the federal government within Oklahoma costing taxpayers at least \$170 million.

Will Rogers, one of Oklahoma's most beloved native sons once remarked, "I don't make jokes. I just watch the government and report the facts." In the pages that follow, I will report some of these "facts," such as \$3,760 spent by the Department of Agriculture to purchase "sun protection hats" for an anniversary celebration, more than \$85,000 provided by the Bureau of Indian Education for Disney World tickets, video dance programs, movie passes, and "prom services" for high school students, and \$148,500 to purchase an irrigation systems for a PGA rated golf course.

Most Americans would agree these examples do not represent national priorities or necessities and most Oklahomans would likely concur.

This report is not intended to embarrass anyone. I am grateful nearly every inquiry made by my office in the preparation of this report was met with the utmost sense of professionalism and responsiveness by the federal agencies and individuals involved with the projects included.

It is intended, however, to encourage other members of the Senate and the House of Representatives to carefully examine federal spending in their own states and districts to identify areas where projects could be canceled or better managed. Our national debt now exceeds \$14 trillion and the President is pressing

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<sup>3</sup>Previous oversight reports are available at <http://coburn.senate.gov/public/?p=OversightAction> .

Congress to once again authorize an increase in the government's borrowing limit. We cannot convincingly claim we are serious about addressing our nation's debt crisis if we cannot justify every cent we are allowing to be spent, including in our own states. If every lawmaker reviewed federal projects in their respective states to identify unnecessary or excessive spending, we could go state by state to save hundreds of millions of dollars, maybe even billions.

I challenge all Oklahomans to review the projects outlined in this report. Not everyone will agree each entry belongs here, but I hope you will come up with your own list and share them with me.

To my colleagues in Congress, I challenge you to review federal spending in your states and develop your own list of wasteful federal programs.

The federal government is currently borrowing more than \$4.5 billion *each* day and more than 40 cents of every dollar it spends. This amount of debt is unsustainable and threatens the future of the American Dream. The debt our children and grandchildren will inherit will rob them of the same opportunities and freedoms we have enjoyed. The road ahead will involve tough choices and no state or community will be spared some measure of sacrifice. But if we have the courage to identify and eliminate unnecessary programs in our communities, we will be taking a bold step towards securing the future for the next generation of Americans.

Sincerely,

A handwritten signature in black ink that reads "Tom Coburn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom A. Coburn, M.D.  
United States Senator from Oklahoma

## 1. Federal Rules Encourage “Multi-Modal” Bridge for Non-existent Rail Line

The good news is that Oklahoma plans to use \$50 million in federal funding to repair the aging westbound bridge on I-244 that carries traffic over the Arkansas River. The bad news is that the twin eastbound bridge, which is every bit in need of repair, will have to wait. Federal criteria attached to the grant funds have led the State to also build an expensive high speed rail bridge at the same time, even though there are no realistic plans to put in a high speed train.

Oklahomans looking at the situation may be left wondering how this sort of thing could happen. After all, thanks to the leadership of Oklahoma transportation officials, the State has made significant progress in repairing and replacing structurally deficient bridges, often with the scarcest of resources for such projects. And State officials have repeatedly highlighted the urgency of replacing *both* of Tulsa's twin I-244 east-west vehicular bridges crossing the Arkansas River.



The answer is found by looking at the fine print of the federal stimulus program. Of the total \$64 million project cost, \$49.4 million will come from the U.S. Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER) program.<sup>4</sup> Among the criteria the USDOT uses to evaluate TIGER grant applications: “improving the quality of living and working environments and the experience for people in communities across the United States,” and also “improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.”<sup>5</sup>

The result: plans for a double-decker bridge for westbound traffic only that will accommodate vehicular traffic, pedestrians, and a high speed passenger rail from Oklahoma City.

Yet, Oklahoma does not have high speed passenger rail, and does not even have regular passenger rail line near the bridge. Worse yet, it is unlikely to have such infrastructure any time in the foreseeable future. In the mean time, the state plans to use a mix of federal (\$2.25 million) and State (\$750,000) funds to complete a high speed rail study, though it is doubtful the State will ever build the Oklahoma City to Tulsa link, which would cost an estimated \$1.9 billion.<sup>6</sup>

Plans to replace the eastbound bridge, estimated to cost \$30 million, will have to wait for future funding.<sup>7</sup>

<sup>4</sup> KOTV, News on 6, “ODOT Lands Federal Money to Rebuild Tulsa's I-244 Arkansas River Bridge,” December 15, 2010, <http://www.newson6.com/Global/story.asp?S=13679888>.

<sup>5</sup> National Conference of State Legislatures, \$1.5 Billion TIGER Discretionary Grant Program Outline of Solicitation and Selection Criteria,” <http://www.ncsl.org/print/statefed/TigerGrantsFactSheet.pdf>.

<sup>6</sup> Off, Gavin, Tulsa World, “Rail studies are key first steps in getting more funds,” March 15, 2011, [http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20110315\\_11\\_A1\\_Evenwi663613&archive=yes](http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20110315_11_A1_Evenwi663613&archive=yes).

<sup>7</sup> Off, Gavin, Tulsa World, “ODOT moving ahead with I-244 bridge project,” March 7, 2011, [http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20110307\\_11\\_0\\_hrimgs892309&archive=yes](http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20110307_11_0_hrimgs892309&archive=yes).

Built in the late 1960's, the two bridges carry more than 67,000 cars per day and according to highway experts "are in dire need of replacement."<sup>8</sup> Over the last seven years, the Oklahoma Department of Transportation was spending an average of \$1 million annually on repairs to the bridges.<sup>9</sup> The need to replace both bridges is clear. What is less clear is why a Federal agency will not let Oklahoma officials decide how best to manage these critical resources using common sense, which would result in *both* bridges being replaced a lot sooner and a lot more efficiently.

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<sup>8</sup> Oklahoma Department of Transportation, "2009 Transportation Investment Generating Economic Recovery (TIGER) Grant Application from Oklahoma," September 15, 2009, [http://www.okladot.state.ok.us/recovery/tiger/tulsa\\_i244/pdfs/tiger-application.pdf](http://www.okladot.state.ok.us/recovery/tiger/tulsa_i244/pdfs/tiger-application.pdf).

<sup>9</sup> Oklahoma Department of Transportation, "2009 Transportation Investment Generating Economic Recovery (TIGER) Grant Application from Oklahoma," September 15, 2009, [http://www.okladot.state.ok.us/recovery/tiger/tulsa\\_i244/pdfs/tiger-application.pdf](http://www.okladot.state.ok.us/recovery/tiger/tulsa_i244/pdfs/tiger-application.pdf).



## 2. Federal Greenbacks Keeping Oklahoma Golf Courses Green

Despite having no national parks anywhere near the area, the National Park Service awarded the Town of Buffalo \$148,500 in December 2009 for a new irrigation system at the Doby Springs Golf Course.<sup>10</sup> This self-described “veritable oasis in the Oklahoma Panhandle” is benefitting from a grant that came through the Land and Water Conservation Fund (LWCF).

Promotional materials for the Doby Springs Golf Course in Buffalo, Oklahoma (population 1,112) states the nine-hole course maintains “lush Bent Grass greens and wide, rolling fairways are kept in pristine condition throughout the year through the use of a professional irrigation system.”<sup>11</sup>



The Park Service notes that “it is considered one of the best PGA rated 9-hole public golf courses within Oklahoma.”<sup>12</sup> It should know – it helped build the course. In confirming the details of the new irrigation system, the Park Service also reports that it awarded a grant in 1975 for the exact same golf course to assist with “the acquisition of 80 acres and the construction of the 9-hole golf course plus a maintenance building, paved parking area, and perimeter fencing.”<sup>13</sup>

There are four other golf courses within driving distance of this course.

Unfortunately, this grant is not the only money being spent by the federal government on golf in Oklahoma. The Tishomingo Golf Course in southeast Oklahoma received \$80,319 for “golf course improvements” in 2010.<sup>14</sup>

<sup>10</sup> [www.usaspending.gov](http://www.usaspending.gov)

<sup>11</sup> Doby Springs Golf Course website, <http://www.dobyspringsgolf.com/>, Last Accessed on May 10, 2011.

<sup>12</sup> E-mail Received from National Park Service to the Office of Senator Tom Coburn, April 27, 2011.

<sup>13</sup> E-mail Received from National Park Service to the Office of Senator Tom Coburn, April 27, 2011.

<sup>14</sup> National Park Service, Land and Water Conservation Fund, “Project List by County and Summary Reports,” <http://waso-lwcf.ncrc.nps.gov/public/index.cfm>.



### 3. Sidewalks Only a Federal Bureaucrat Could Love

\$16 million in stimulus funds have been spent in Oklahoma alone on sidewalk projects<sup>15</sup> in towns that do not need them and many that do not want them. Many of the more than 40 projects were in towns with less than 500 residents.

Most ridiculous and well publicized was the project in Boynton, OK, which resulted in a walkway leading to a ditch. The Boynton sidewalks were part of a larger effort by state planners to construct or rebuild sidewalks with stimulus funds in small towns across Oklahoma in hopes of heading off future disputes with overbearing federal regulators. Without these expensive and rarely used new sidewalks, which cost an estimated \$100,000 per block, state highway planners indicate critical federal highway dollars may be withheld on future projects.<sup>16</sup>

Another such town is Council Hill in Muskogee County, population 129.<sup>17</sup> The contract award for the “pedestrian improvements” was \$244,939 or nearly \$1,900 for every resident in town. Total contract cost for the project was roughly 50 times the total sales tax collected in Council Hill in all of 2010.<sup>18</sup> With freshly poured sidewalks in front of long abandoned storefronts, one resident told a local media outlet, “I haven't seen anyone walk on it yet.”<sup>19</sup>

These kinds of projects can be found statewide. The towns of Gene Autry (population 176), Sasakwa (population 146), Kinta (population 253), Agra (population 355), Hastings (population 146), and Tryon (population 447) received a combined \$1.05 million in “pedestrian improvements), or nearly \$700 per resident.

While each of these sidewalks projects is of questionable value, they are merely a symptom of a larger problem. Most taxpayers will agree that federal guidelines should be overhauled so that funds for sidewalks into creek beds and along abandoned business districts could be better used elsewhere for highway and bridge repair.



<sup>15</sup> Oklahoma Department of Transportation, “ARRA Project Information,” <http://www.okladot.state.ok.us/recovery/pdfs/arraprojectlist.pdf>, Last Accessed on June 3, 2011.

<sup>16</sup> OETA, The Oklahoma Network, Oklahoma News Report, August 3, 2010, <http://www.youtube.com/watch?v=WGPVJmKjPI>.

<sup>17</sup> Hylton, Susan, Tulsa World, “16 million for sidewalks,” June 8, 2010, [http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20100608\\_12\\_A9\\_Moreth398292](http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20100608_12_A9_Moreth398292).

<sup>18</sup> Oklahoma Tax Commission, “Cities receive \$127.6 million; county returns total \$29.3 million,” May 23, 2011, <http://www.tax.ok.gov/publicat/stn0511.pdf>. Estimate based on \$400 per month in collections.

<sup>19</sup> Oklahoma Department of Transportation, “ARRA Project Information,” <http://www.okladot.state.ok.us/recovery/pdfs/arraprojectlist.pdf>, Last Accessed on June 3, 2011.

#### 4. *Wild Horse and Burro Program: Mismanagement Threatens to Turn Symbol of the West Into Symbol of Waste*

If you happen to be near one of the Oklahoma ranches hosting thousands of wild horses relocated to the state by the federal government, it is hard not to be awestruck by the beauty of the animal. Unfortunately, recent actions of the federal government threaten to transform it into an image of waste and inefficiency. A poorly run horse management program is costing millions, but is far from solving a forty-year-old problem.

To protect wild horses, Congress passed legislation in 1971 directing the Bureau of Land Management (BLM) and the Forest Service to protect and manage the wild horse and burro population found on approximately 50 million acres of public land. In addition to criminal penalties for those who harm these animals, the law directed BLM to establish an “appropriate management level”—a population level that would achieve optimal herd health and protection of the surrounding ecosystem on these federal lands.

Eleven of the 18 long term contract holding facilities for wild horses are located in Oklahoma. Specifically, of the 40,811 total horses in holding facilities, well over half (27,570 horses) are being held in Oklahoma facilities.<sup>20</sup> These long term holding contracts were developed after the agency's earlier efforts to control the horse population failed. **In 2011, more “wild” horses and burros exist in these private holding facilities, than in the wild on the designated federal lands.**<sup>21</sup> Payments for long and short term holding facilities have exploded and now account for nearly three-quarters of the total program costs.

Even the Secretary of the Interior has called the current program “not sustainable for the animals, the environment, or the taxpayer.”<sup>22</sup> Congressional appropriators declared that “the costs for gathering and holding equines to control populations on public lands have risen beyond sustainable levels.” Despite this strong criticism, funding for the program has tripled over the past decade.<sup>23 24</sup> Between fiscal year 2009 and 2010



<sup>20</sup> Bureau of Land Management, “Facility Report—January 2011,” [http://www.blm.gov/pgdata/etc/medialib/blm/wo/Planning\\_and\\_Renewable\\_Resources/wild\\_horses\\_and\\_burros/statistics\\_and\\_maps/holding\\_adoption.Par.95446.File.dat/augfacrpt.pdf](http://www.blm.gov/pgdata/etc/medialib/blm/wo/Planning_and_Renewable_Resources/wild_horses_and_burros/statistics_and_maps/holding_adoption.Par.95446.File.dat/augfacrpt.pdf)

<sup>21</sup> Bureau of Land Management, “Wild Horse and Burro Quick Facts,” [http://www.blm.gov/wo/st/en/prog/wild\\_horse\\_and\\_burro/wh\\_b\\_information\\_center/Fact\\_Sheet.html](http://www.blm.gov/wo/st/en/prog/wild_horse_and_burro/wh_b_information_center/Fact_Sheet.html)

<sup>22</sup> Salazar, Secretary Ken, United States Department of the Interior, “Secretary Salazar Seeks Congressional Support for Strategy to Manage Iconic Wild Horses,” October 7, 2009,

<sup>23</sup> Salazar, Secretary Ken, United States Department of the Interior, “Secretary Salazar Seeks Congressional Support for Strategy to Manage Iconic Wild Horses,” October 7, 2009, [http://www.blm.gov/wo/st/en/info/newsroom/2009/october/salazar\\_seeks\\_congressional.html](http://www.blm.gov/wo/st/en/info/newsroom/2009/october/salazar_seeks_congressional.html).

<sup>24</sup> Vincent, Carol Hardy, Congressional Research Service, “Wild Horses and Burros: Issues and Background,” Last updated on May 11, 2010.

alone, costs for the program increased by 58 percent.<sup>25</sup> In his 2012 Budget, President Obama has requested \$75 million, a nearly 15 percent increase in spending.

In total, more than \$744 million has been spent on the program.<sup>26</sup> Yet, neither BLM nor Congress has developed a coherent plan to properly manage the wild horse population or to rein in costs despite Congress having passed the law in 1971.

BLM has never been able to maintain herd levels below those established by law and the horse population on public lands has exploded, now doubling in size every four years.<sup>27</sup> In fact, the agency is currently spending \$2,100 per mare on a fertility control vaccine that is difficult to administer and when effective, only lasts for one to two years.<sup>28</sup>

The agency also has a long established adoption program that has placed more than 225,000 horses with new owners since 1971.<sup>29</sup> Unfortunately, the rate of adoptions annually has dropped sharply in recent years, from 5,701 in 2005 to 3,074 in 2010, a 46 percent decline.<sup>30</sup> This decline in adoptions has mirrored an increase in spending on the adoption program to an average of \$2,210 per horse.<sup>31</sup>



<sup>25</sup> Vincent, Carol Hardy, Congressional Research Service, "Wild Horses and Burros: Issues and Background," Last updated on May 11, 2010.

<sup>26</sup> E-Mail Response from Congressional Research Service to the Office of Senator Tom Coburn, May 31 2011.

<sup>27</sup> Inspector General, Department of the Interior, "Bureau of Land Management Wild Horse and Burro Program," December 2010,

<http://www.doioig.gov/images/stories/reports/pdf/BLM%20Wild%20Horse%20and%20Burro%20Program%20Public.pdf>

<sup>28</sup> Vincent, Carol Hardy, Congressional Research Service, "Wild Horses and Burros: Issues and Background," Last updated on May 10, 2010.

<sup>29</sup> Bureau of Land Management, "Wild Horse and Burro Quick Facts,"

[http://www.blm.gov/wo/st/en/prog/wild\\_horse\\_and\\_burro/wh\\_b\\_information\\_center/Fact\\_Sheet.html](http://www.blm.gov/wo/st/en/prog/wild_horse_and_burro/wh_b_information_center/Fact_Sheet.html)

<sup>30</sup> Bureau of Land Management, "Wild Horse and Burro Quick Facts,"

[http://www.blm.gov/wo/st/en/prog/wild\\_horse\\_and\\_burro/wh\\_b\\_information\\_center/Fact\\_Sheet.html](http://www.blm.gov/wo/st/en/prog/wild_horse_and_burro/wh_b_information_center/Fact_Sheet.html)

<sup>31</sup> Vincent, Carol Hardy, Congressional Research Service, "Wild Horses and Burros: Issues and Background," Last updated on May 10, 2010.



## 5. Federal Government May Spend Nearly \$500,000 to Rebuild Abandoned Home

Outmoded federal regulations may require taxpayers to rebuild an abandoned and boarded up home that was destroyed by a fire. Unfortunately, the estimated half million dollar cost is more likely to burn a hole in taxpayers' pockets.

On September 10, 2010, an ember from a nearby prescribed burn at the Fort Sill Army Base in Lawton, Oklahoma leapt onto the adjoining Wichita Mountain Wildlife Refuge and partially burned a home (roof and upper structure supports) listed on the National Register of Historic Places.



Before<sup>32</sup>



After<sup>33</sup>

The Ferguson House was built in the 1920's, but has been abandoned for at least 25 years. The U.S. Fish and Wildlife Service (USFWS) had already boarded up the 1,396 square foot home to limit vandalism and its interior had previously sustained water damage.<sup>34</sup>

While the fire resulted in serious damage to this abandoned home, it appears that rules and regulations for "historic" properties will require unneeded and costly repairs. Because the "historical integrity" of the home must be maintained, USFWS preliminarily estimates that repairs will cost \$488,600 or roughly \$350 per square foot. Despite its tiny size, this is twice the cost of the median home price in the U.S. as of April 2011.<sup>35</sup>

Worse still, the cost of repairs per square foot will be more than *five times* the median price per square foot on homes sold in nearby Lawton, Oklahoma (\$69).<sup>36</sup> A taxpayer could purchase a "stunning" and "massive" Lawton home and still have more than \$60,000 leftover.<sup>37</sup>

<sup>32</sup> Wikipedia Shared Photo, "Ferguson House,"

[http://en.wikipedia.org/wiki/File:Ferguson\\_House,\\_Wichita\\_Mountains\\_Wildlife\\_Refuge.jpg](http://en.wikipedia.org/wiki/File:Ferguson_House,_Wichita_Mountains_Wildlife_Refuge.jpg), Last Accessed on May 11, 2011.

<sup>33</sup> Staff Photo

<sup>34</sup> E-mail Response from the U.S. Fish and Wildlife Service to the Office of Senator Tom Coburn, April 28, 2011.

<sup>35</sup> <http://www.census.gov/const/uspricemon.pdf>

<sup>36</sup> Zillow.com, "Lawton Home Prices and Home Values," Calculated May 1, 2011, [http://www.zillow.com/local-info/OK-Lawton-home-](http://www.zillow.com/local-info/OK-Lawton-home-value/r_46183/#metric=mt%3D36%26dt%3D2%26tp%3D5%26rt%3D8%26r%3D46183%26el%3D0)

[value/r\\_46183/#metric=mt%3D36%26dt%3D2%26tp%3D5%26rt%3D8%26r%3D46183%26el%3D0](http://www.zillow.com/local-info/OK-Lawton-home-value/r_46183/#metric=mt%3D36%26dt%3D2%26tp%3D5%26rt%3D8%26r%3D46183%26el%3D0).

<sup>37</sup> Trulia.com, "For Sale: Lawton, Oklahoma," <http://www.trulia.com/property/3021001000-807-W-Gore-Blvd-Lawton-OK-73501>, Last Accessed on May 11, 2011.

## 6. Despite Increased Ridership, AMTRAK and the Heartland Flyer Operate With Huge Losses

After a nearly twenty year absence, AMTRAK passenger rail service returned to Oklahoma in 1999 with a great deal of fanfare.<sup>38</sup> Dubbed the “Heartland Flyer”, the AMTRAK-operated train has since made the 418 mile round trip between Oklahoma City and Fort Worth, Texas once daily, 365 days a year. Despite considerable publicity, the service has never made a profit.<sup>39</sup>

AMTRAK operates the route through an agreement with the Oklahoma and Texas Departments of Transportation. The State of Oklahoma provides \$1.64 million annually, along with \$1.69 million annually from the State of Texas.<sup>40</sup>

With a little more than 80,000 riders last year, or about 200 people per day, AMTRAK says the line lost 18.2 cents per passenger mile.<sup>41</sup> Costing \$7.8 million each year to operate, the Heartland Flyer only brought in only \$1.8 million in ticket revenue in 2010 (a record year for ridership).<sup>42</sup> After state contributions were included, AMTRAK covered the remaining operating deficit of \$2,651,618.<sup>43</sup>

At a loss of 18.2 cents per passenger mile, the line would have to charge more than *double* the current ticket price just to break even. Excluding state contributions those prices hikes would edge even higher.



Through the American Recovery and Reinvestment Act (“stimulus”) the states of Oklahoma and Texas have received several million dollars in additional funds to make improvements along the route and to study possible expansion routes to Kansas City and Tulsa.<sup>44</sup> <sup>45</sup> Furthermore, the Heartland Flyer received a \$274,000 grant from the Federal Railroad Administration to use a 20 percent blended biodiesel derived from Texas beef cattle fats. The fuel made its debut on Earth Day 2010 and was scheduled to be used for one year.<sup>46</sup>

<sup>38</sup> This funding came from a little known provision in the “Taxpayer Relief Act of 1997” entitled: “Sec. 977. Elective Carryback of Existing Carryovers of National Railroad Passenger Corporation.” The section required AMTRAK to allocate a little more than \$23 million to each non-AMTRAK state for the development of “intercity” rail development. The funds were to be available through 2005.

<sup>39</sup> Palmer, Jennifer, Daily Oklahoman: Train Has Never Seen A Profit, But Has Lots of Followers,” June 12, 2009.

<sup>40</sup> E-mail Response from AMTRAK Government Affairs Office to Office of Senator Tom Coburn, March 31, 2011.

<sup>41</sup> E-mail Response from AMTRAK Government Affairs Office to Office of Senator Tom Coburn, March 28, 2011.

<sup>42</sup> E-mail Response from AMTRAK Government Affairs Office to Office of Senator Tom Coburn, March 28, 2011.

<sup>43</sup> E-mail Response from AMTRAK Government Affairs Office to Office of Senator Tom Coburn, March 31, 2011.

<sup>44</sup> Casteel, Chris, Daily Oklahoman: “State Gets Funding for Railway Study,” October 29, 2010.

<sup>45</sup> State News Service: Texas Completes Obligation of ARRA Transportation Funds,” February 25, 2010.

<sup>46</sup> Dickson, Gordon, Fort Worth Star Telegram, “Fort Worth’s Rail Service Beefs Up With Animal-Based Biodiesel,” April 21, 2010.

## 7. *Two Biofuel Plants Quickly Shuttered Despite Huge Influx of Federal Support*

Substantial federal support for two separate biodiesel plants was not enough to keep their doors open for long. Both were shuttered within a few short years, leaving taxpayers on the hook for unpaid loans and wasted grant funds. Today, just five years after receiving hundreds of thousands of dollars in federal grants, both companies have closed and do not employ any Oklahomans.

In 2005, Green Country Biodiesel opened Oklahoma's first biodiesel facility in Chelsea, with many excited about expanding further. Soon after the facility was announced officials with the U.S. Department of Agriculture showed up to present a ceremonial "Rural Energy for America" check for \$65,000, which was the value of the government backed loan. The plan was to expand plant production capacity from 600,000 gallons per year to 2.5 million gallons per year, with plans to reach 30 million gallons and 100 employees.<sup>47</sup>



Green Country Biodiesel facility when auctioned in 2008.

In addition to the USDA loan, the project also received support from the Federal Home Loan Bank.<sup>48</sup> Perhaps most importantly, the federal government was offering a \$1 per gallon tax credit for biodiesel refiners.



Despite all of the federal funding and local support, the biodiesel plant quickly fell six months behind in its rent payments<sup>49</sup> and declared bankruptcy.<sup>50</sup> It closed its doors less than two years after they opened, leaving the company no choice but to liquidate all of its assets.<sup>51</sup> After it closed, the company listed \$255,000 in liabilities,<sup>52</sup> including its obligations to repay the federally guaranteed loan. USDA paid the local loan holder more than \$35,000 to cover its losses.<sup>53</sup>

<sup>47</sup> <http://www.angelfire.com/planet/soy/SoybeanFarmers.html>

<sup>48</sup> Federal Home Loan Bank of Topeka (a Government Sponsored Enterprise), "Jobs Project Description-2006," <http://www.fhlbtopeka.com/s/indexp.cfm?aid=245>, Last accessed on May 6, 2011.

<sup>49</sup> Monies, Paul, "Financing, rising costs led Chelsea biodiesel plant to bankruptcy," *Daily Oklahoman*, November 9, 2007, <http://newsok.com/financing-rising-costs-led-chelsea-biodiesel-plant-to-bankruptcy/article/3166812#ixzzIQmxIfuxE>.

<sup>50</sup> "Business FYI: Chelsea Biodiesel Plant Declares Bankruptcy," *Tulsa World*, October 31, 2007, [http://www.tulsaworld.com/business/article.aspx?articleID=071031\\_5\\_E2\\_spanc05642&allcom-](http://www.tulsaworld.com/business/article.aspx?articleID=071031_5_E2_spanc05642&allcom-)

<sup>51</sup> <http://www.angelfire.com/planet/soy/SoybeanFarmers.html>

<sup>52</sup> Bloomberg, Associated Press, and Staff Reports, "Business FYI: Chelsea Biodiesel Plant Declares Bankruptcy," October 31, 2007,

[http://www.tulsaworld.com/business/article.aspx?subjectID=46&articleID=071031\\_5\\_E2\\_spanc05642](http://www.tulsaworld.com/business/article.aspx?subjectID=46&articleID=071031_5_E2_spanc05642).

<sup>53</sup> E-mail from U.S. Department of Agriculture, Rural Development (Legislative Affairs), March 11, 2011.



The other biofuel facility shared a similar fate. Two hundred miles to the south of Chelsea, in Bryan County, Oklahoma, Earth Biofuels was preparing to open Oklahoma's second biodiesel plant. At a ribbon cutting ceremony attended by country music legend Willie Nelson and actor Morgan Freeman, all eyes were on the company's association with "Nelson's signature brand of biodiesel" BioWillie.<sup>54</sup> A PBS documentary was even produced to capture the excitement surrounding the project.<sup>55</sup>

Armed with the aid of \$500,000 in Community Development Block Grant (CDBG) and local community funds that would support other infrastructure improvements and the promise of the \$1 per gallon federal tax credit, Earth Biofuels opened their plant in 2006 with plans to hire 100 employees. Its co-founder noted: "we could double our capacity and not meet the demand in Oklahoma alone." Another company official claimed: "we've only scratched the surface of producing quality biofuels and plan to open more plants in Oklahoma."<sup>56</sup>



Earth Biofuels facility today.

Unfortunately, a year after the plant's scheduled opening, it was far behind schedule and still had not yet produced any biodiesel.<sup>57</sup> In 2009, company officials acknowledged that the plant was "non-operational" and under an Environmental Protection Agency (EPA) supervised clean-up.<sup>58</sup> Earth Biofuels faced a bankruptcy petition in 2007,<sup>59</sup> later restructured and changed its name to Evolution Fuels.<sup>60</sup> The plant sits empty today.

<sup>54</sup> Durant Daily Democrat, "Biofuels Grand Opening, Willie Nelson Concert Scheduled for Sunday," Undated, <http://durantdemocrat.com/bookmark/1131754-BioFuels-grand-opening-Willie-Nelson-concert-scheduled-for-Sunday>.

<sup>55</sup> Website of the Public Broadcasting Service, NOW, "Home Grown," <http://www.pbs.org/now/shows/302/>.

<sup>56</sup> Bull, Margie, Durant Daily Democrat, "Biodiesel Plant 'Only Scratches Surface,'" Undated, <http://durantdemocrat.com/bookmark/1131823>.

<sup>57</sup> Altdoerffer, Everette, Durant Daily Democrat, "Biodiesel Plant Yet to Produce a Drop," Undated, [http://www.durantdemocrat.com/view/full\\_story/1134918/article-Biodiesel-plant-yet-to-produce-a-drop](http://www.durantdemocrat.com/view/full_story/1134918/article-Biodiesel-plant-yet-to-produce-a-drop).

<sup>58</sup> Durant Daily Democrat, "Officials: Biodiesel Plant is Non-Operational," undated, <http://durantdemocrat.com/bookmark/1171850>.

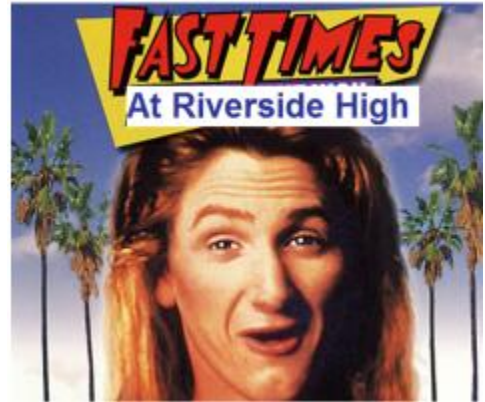
<sup>59</sup> Associated Press, "Earth Biofuels Faces Bankruptcy Petition," July 14, 2007, [http://www.usatoday.com/money/economy/2007-07-14-1701416005\\_x.htm](http://www.usatoday.com/money/economy/2007-07-14-1701416005_x.htm).

<sup>60</sup> CSP Daily News, "Earth Biofuels Evolves," May 14, 2009, <http://www.biofuelsdigest.com/blog2/2009/05/15/earth-biofuels-renewamed-evolution-fuels-to-develop-truck-stops-urban-ethanol-fuel-stops/>.



## 8. *Fast Times at Riverside High:*” Walt Disney World and Six Flags trips, iDance, and Pilates

Despite pre-dating Oklahoma statehood, Riverside Indian School (RIS) in Anadarko, Oklahoma is one of only a handful of schools in the nation with an even more unusual distinction: it is run directly by the federal government.<sup>61</sup> Taxpayers may wonder, then, why hundreds of thousands of dollars have been spent on video games, amusement parks and recreation when the school is failing basic academic standards.



Operated by the Bureau of Indian Education (BIE) at Department of the Interior, it is the agency's largest off reservation boarding school with 540 students representing over 70 tribes.<sup>62</sup> Earlier this year, Secretary of the Interior Ken Salazar visited the school in an effort to highlight the agency's commitment to quality education in Indian Country.<sup>63</sup> On his visit to Oklahoma, Secretary Salazar noted: "improving Indian education is a top priority for Interior, and the Bureau of Indian Education will continue to work to provide our young people with the best resources and education available and to support and promote tribal self-determination and self-governance."

Unfortunately, Riverside Indian School has been plagued by low student performance. Its student drop-out rate of 8.05 percent is nearly four times the Oklahoma average of 2.2 percent.<sup>64 65</sup> The average Riverside composite score for the ACT, the primary college entrance exam administered to Oklahoma students, was 14.5 in 2010, well below the state average composite score of 20.7.<sup>66 67</sup> Given these serious challenges, it is unclear why the school has made so many purchases seemingly unrelated to improving academic performance:

- \$27,290 on a Positive Gaming iDance System. iDance markets its latest system as the "most advanced dance game ever."

<sup>61</sup> <http://www.doi.gov/news/pressreleases/Secretary-Salazar-Highlights-Indian-Country-Education-Initiatives-by-Visiting-the-Riverside-Indian-School.cfm>

<sup>62</sup> United States Department of the Interior, News Release, "Secretary Salazar Highlights Indian Country Education Initiatives by Visiting the Riverside Indian School," March 15, 2011, <http://www.bia.gov/idc/groups/public/documents/text/idc013309.pdf>.

<sup>63</sup> United States Department of the Interior, News Release, "Secretary Salazar Highlights Indian Country Education Initiatives by Visiting the Riverside Indian School," March 15, 2011, <http://www.bia.gov/idc/groups/public/documents/text/idc013309.pdf>.

<sup>64</sup> Bureau of Indian Education, Division of Performance and Accountability, "School Report Cards, 2009-2010," <http://www.bie.edu/idc/groups/xbie/documents/text/idc012922.pdf>.

<sup>65</sup> Oklahoma State Department of Education, Oklahoma Graduation: DO IT, "Drop-Out Reports for Accredited Schools," <http://sde.state.ok.us/Programs/DropoutPrevention/stats.html>.

<sup>66</sup> Oklahoma State Department of Education, "Oklahoma 2010 ACT Results," [http://www.sde.state.ok.us/Services/News/2010/ACT\\_Data\\_2010.pdf](http://www.sde.state.ok.us/Services/News/2010/ACT_Data_2010.pdf).

<sup>67</sup> Oklahoma State Department of Education, "Local high schools' average ACT scores presented to State Board of Education," August 26, 2010, <http://www.sde.state.ok.us/Services/News/2010/ACTStBoard.pdf>.



- \$30,000 for “movie theater services” and movie passes.
- \$25,926 for an “incentive trip” to Disney World in Orlando, Florida for students who maintain at least a ‘C’ average.



- \$20,000 for cell phone service.
- \$6,000 for a pilates/yoga instructor.
- \$5,337 for a plasma television.
- \$5,412 for mirrors for the high school gym.
- \$10,000 for “bowling and restaurant service.”
- Over \$150,000 for sports apparel, including \$9,950 for basketball shoes and \$24,254 for NIKE basketball apparel.
- More than \$28,000 for tickets to Six Flags and Frontier City amusement parks.
- \$4,035 for lodging in San Antonio, Texas for “end of year incentive trip.”
- \$2,181 for “prom services” and prom screen printing.<sup>68</sup>

<sup>68</sup> All searches performed on [www.usaspending.gov](http://www.usaspending.gov), Searches for Oklahoma recipients only, using “Riverside Indian School” or “RIS.”

## 9. Federal Funds Supporting Housing Authority with No Residents

The decline and eventual abandonment of Picher, Oklahoma is a tragic story made worse by decades of federal mismanagement of the town's massive Superfund site. Once a thriving mining town, residents were left with mountains of lead-tainted chat and sinkholes caused by collapsing mining tunnels. This culminated in a costly three decade, multi-agency clean-up led by the Environmental Protection Agency (EPA) that has been marked by scandal and eventually, an extensive federally funded buyout of the town's remaining residents.<sup>69 70</sup>

The school district, police department and city hall have all closed in recent years leaving the town all but vacant. A deadly tornado in 2008 left widespread damage in what remained of the community.<sup>71</sup> Media reports last year placed the town's population at less than 25, though it has likely dwindled further in the intervening months.<sup>72</sup>

The town's demise has not kept the Department of Housing and Urban Development (HUD) from continuing to fund the town's housing authority. Even though the housing units have been stripped and no longer have tenants, the City of Picher Housing Authority is receiving annual federal operating subsidies to assist with administrative costs.<sup>73</sup> In FY 2011, the housing authority received \$49,260.<sup>74</sup> This comes on top of more than \$90,000 it received last year.<sup>75</sup>



When asked, HUD said: "The Picher Housing Authority remains an ongoing concern. The Board continues to employ an Executive Director who manages the PHA's cash and physical assets and continues to plan for future redevelopment."<sup>76 77</sup>

With no future possibility of housing tenants in the Town of Picher, it is unclear why there is a need to manage abandoned, stripped housing units that will likely be demolished.

<sup>69</sup> Lindley, Tom, Daily Oklahoman, "Cleanup Records Seized," February 24, 2000, <http://newsok.com/cleanup-records-seized/article/2687447>.

<sup>70</sup> Associated Press, "Picher City Offices Set To Close Next Week," August 26, 2009, <http://www.newson6.com/story/10992876/picher-city-offices-set-to-close-next-week?redirected=true>.

<sup>71</sup> Stogsdill, Sheila, The Daily Oklahoman, "Picher Tornado Accelerated Plans to Board Up Superfund Site," May 10, 2009, <http://newsok.com/picher-tornado-accelerated-plans-to-board-up-superfund-site/article/3368230>.

<sup>72</sup> Gillham, Omer, Tulsa World, "Tar Creek Vandals Invade Picher," March 14, 2010, [http://www.tulsaworld.com/news/article.aspx?subjectid=14&articleid=20100314\\_14\\_A1\\_Bricks956024&archive=yes](http://www.tulsaworld.com/news/article.aspx?subjectid=14&articleid=20100314_14_A1_Bricks956024&archive=yes).

<sup>73</sup> Email from the Department of Housing and Urban Development to Office of Senator Tom Coburn, June 29, 2011.

<sup>74</sup> Email from the Department of Housing and Urban Development to Office of Senator Tom Coburn, June 29, 2011.

<sup>75</sup> [www.usaspending.gov](http://www.usaspending.gov). The Picher Housing Authority received two payments from the Department of Housing and Urban Development in 2010 totaling \$90,014.

<sup>76</sup> Email from the Department of Housing and Urban Development to Office of Senator Tom Coburn, June 29, 2011.

<sup>77</sup> In reference to "future redevelopment," The Picher Housing Authority has expressed a desire to reconstitute itself elsewhere, a plan that appears unlikely

HUD should move quickly to end its operations in the Town of Picher, recognizing a fact that even the town's own city government acknowledged when it closed city hall nearly two years ago. Further, just as it awarded and later withdrew more than \$100,000 in stimulus funds to the Picher Housing Authority in 2009-2010, HUD should recall any operating subsidy funds it has recently awarded.

The Picher Housing Authority is free to maintain an office, but taxpayers should not foot the bill to maintain an agency that has lost its reason for existence.

## *10. Wasting Spaces: Empty and Unneeded Federal Buildings Cost Taxpayers Billions*

Taxpayers are spending nearly \$20 million each year to maintain thousands of empty or unneeded federal properties throughout Oklahoma. Rather than disposing of the properties, or putting them to good use, they have instead drained precious resources. Frequently, the long-term cost of maintaining these properties adds up to significant amounts.

One property in particular that highlights the problem is an office that sits next to an empty lake outside of Guymon. The Army Corps of Engineers expends an estimated \$15,000 per year maintaining office space at Lake Optima, which has no water. The cost of this property is more than office space, however, and was the subject of nationwide attention when the government set aside \$1 million in 2009 for a new guardrail at the property. Amid heavy criticism, the project was cancelled,<sup>78</sup> but a year later the Army Corps spent nearly \$150,000 to demolish empty buildings at the site.<sup>79</sup> Statewide, the Corps is maintaining more than 27,000 square feet of office space it deems under-utilized.<sup>80</sup>



Lake Optima has never filled with water.

The abandoned former Indian Health Service hospital in Clinton, Oklahoma, along with 11 associated buildings, is just one of thousands of federal structures in Oklahoma that federal building managers have classified as having “no further program use” or where “only a portion of the property” is needed.<sup>81</sup> In fact, 2,220 federally owned or leased properties, or more than 10.3 million square feet of space in Oklahoma can be sold or consolidated.



The annual cost to taxpayers of maintaining these spaces is **\$18.5 million**.<sup>82</sup> Yet, out of the thousands of unused or under-utilized properties, only 25 have officially been cleared for sale or disposal. The majority of the properties are owned or leased by the military, but also includes many other federal agencies.

<sup>78</sup> <http://www.newson6.com/story/10519671/115-million-guardrail-project-halted-following-criticism?redirected=true>

<sup>79</sup> <https://www.fbo.gov/index?s=opportunity&mode=form&tab=core&id=cd18b011851afa17c74c0b01dd262c0b>

<sup>80</sup> Data courtesy of United States Office of Management and Budget, Spreadsheet Provided. Value is “total replacement value,” which represents the current market cost for replacing the existing property with an identical one.

<sup>81</sup> Wise, David, Government Accountability Office, “Federal real Property: The Government Faces Challenges To Disposing of Unneeded Buildings,” February 10, 2011, <http://www.gao.gov/new.items/d11370t.pdf>.

<sup>82</sup> Data courtesy of United States Office of Management and Budget, Spreadsheet Provided. Value is “total replacement value,” which represents the current market cost for replacing the existing property with an identical one.



More pressing, the federal government owns more than 57 buildings in Oklahoma that it no longer uses at all, with a replacement value estimated at more than \$26.5 million and annual maintenance costs of \$457,000.

Other examples of excess, unused or underutilized properties in Oklahoma:

- The Department of Agriculture is spending more than \$200,000 a year maintaining buildings evaluated as under-utilized or not used at all, most of which belong to the Agricultural Research Service. The structures largely consist of non-laboratory buildings, including warehouses, family housing, and office space.
- The Environmental Protection Agency is spending \$12,479 annually to maintain a 1,500 square foot laboratory near Ada (Gaar Corner) that it no longer uses.

## *II. Cheating Taxpayers: Medicare, Medicaid and Food Stamp Waste, Fraud, and Abuse*

It is a national problem that costs taxpayers billions of tax dollars annually, and unfortunately, Oklahoma is not immune.

Annually, the Medicare program loses at least \$60 billion to waste, fraud and abuse, or roughly ten times the entire annual budget of the State of Oklahoma.<sup>83</sup> There are similar problems in the state of Oklahoma for Medicare, Medicaid, and the Supplemental Nutrition Assistance Program (SNAP or “food stamps”).

In FY 2010, the Oklahoma Patient Abuse and Medicaid Fraud Control Unit (Office of the Oklahoma Attorney General) opened 66 Medicaid fraud cases and 149 abuse cases. That same year, the agency obtained 12 convictions and 10 abuse or neglect convictions.<sup>84</sup> Another 47 fraud cases and 144 abuse cases were opened in FY 2009.<sup>85</sup>

In February 2011, a Tecumseh, Oklahoma man operating a prosthetics limb business was indicted by federal authorities on charges that he illegally sought reimbursement from Medicare and Medicaid without proper prescriptions and in many instances, where no prosthetic was delivered at all.<sup>86</sup> In all, the Federal Bureau of Investigation alleges the scheme netted **\$5.5 million** for the operator, \$4.9 million from Medicare and \$600,000 from Medicaid.<sup>87</sup>



Oklahoma Supplemental Nutrition Assistance Program (SNAP) card

In March 2011, thanks to the efforts of state and federal investigators an Oklahoma City convenience store operator pleaded guilty on a charge that involved scheming more than **\$650,000** food stamps. The *Edmond Sun* reports that over a nearly three year period, Muhammad Zahid purchased SNAP debit cards from customers for 50 cents then charged the program for the full dollar amount.

Though it is not illegal, a *Tulsa World* investigation recently revealed food stamps paid for **\$555,900** on “take-out pizza” and that an additional **\$304,000** was spent at tobacco retailers in the Oklahoma City area.<sup>88</sup>

<sup>83</sup> United States Department of Justice, “Justice Blog: Putting an End to Health Care Fraud,” October 26, 2009, <http://blogs.usdoj.gov/blog/archives/233>.

<sup>84</sup> Attorney General of Oklahoma, Patient Abuse and Fraud Control Unit, “Fiscal Year 2010 Annual Report,” Oklahoma,”

<http://www.crossroads.odl.state.ok.us/cdm4/document.php?CISOROOT=/stgovpub&CISOPTR=6158&REC=1>

<sup>85</sup> Attorney General of Oklahoma, Patient Abuse and Fraud Control Unit, “Fiscal Year 2009 Annual Report,” Oklahoma,”

<http://www.crossroads.odl.state.ok.us/cdm4/document.php?CISOROOT=/stgovpub&CISOPTR=6158&REC=1>

<sup>86</sup> Kelley, Ann, Daily Oklahoman, “Tecumseh man who designs prosthetic limbs accused of bilking more than \$5.5 million from Medicare, Medicaid,” February 11, 2011,

<http://newsok.com/tecumseh-man-who-designs-prosthetic-limbs-accused-of-bilking-more-than-5.5-million-from-medicare-medicaid/article/3539825#ixzzIDfPIlHo9>.

<sup>87</sup> United States Attorney, Western District of Oklahoma, Press Release “Tecumseh Man Charged with Health Care Fraud in Sales of Prosthetics,” February 4, 2011, <http://oklahomacity.fbi.gov/dojo/pressrel/pressrel11/ok020411.htm>.

<sup>88</sup> Graham, Ginnie and Gavin Off, *Tulsa World*, “Food Stamps Equal Big Money,” April 24, 2011, [http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20110424\\_11\\_A1\\_Retail460109&archive=yes](http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20110424_11_A1_Retail460109&archive=yes).



## 12. Get your Federal Grants on Route 66

Few roads have captured the imagination of the American people quite like Route 66. The “Mother Road” as it was once known stretched from Los Angeles to Chicago and carried generations of Americans across the West.<sup>89</sup> As the interstate highway system further developed, Route 66 was officially decommissioned in 1985. It has now been subjected to a disorganized federal preservation effort that has spent hundreds of thousands of dollars on a series of questionable projects.

Oklahoma is home to the “longest drivable stretch of Route 66,” prompting sections of it to be preserved by local, state and private ventures.<sup>90</sup> Thousands of tourists from around the nation and the world have made their pilgrimage to the state’s 400 miles of Route 66 pavement.

One of the questionable efforts is run by the National Park Service (NPS), which administers the *Route 66 Corridor Preservation Program*. The program “collaborates with private property owners; non-profit organizations; and local, state, federal, and tribal governments to identify, prioritize, and address Route 66 preservation needs.”<sup>91</sup> It also assists with preservation of familiar “gas, eat, sleep”-related businesses, cultural landscapes, and the all-important road segments themselves” and “for research, planning, oral history, interpretation, and education/outreach projects related to Route 66.”<sup>92</sup>

Most recently, NPS has provided federal funding to a number of old gas stations, hotels and gift shops. For instance, \$30,000 helped to restore an historic filling station in Bristow for use as an auto body repair business<sup>93</sup>, \$30,000 was used to renovate an abandoned gas station and used car lot in Tulsa with a new roof, windows, and utilities, along with a new heating and cooling systems,<sup>94</sup> \$10,000 was used to replace the roof at the Park Hill Motel in



Bristow Firestone service station received a \$30,000 grant from the National Park Service to renovate landmarks along Route 66.



Cities Service Station No. 8 in Tulsa received \$30,000 for renovations.

<sup>89</sup> National Park Service, “Route 66: Discover Our Shared Heritage Travel Itinerary,” <http://www.nps.gov/nr/travel/route66/index.html>, Last Accessed on May 10, 2011.

<sup>90</sup> National Park Service, Route 66 Corridor Preservation Program, “History/Significance,” <http://www.nps.gov/rt66/HistSig/index.htm>, Last Accessed on May 10, 2011.

<sup>91</sup> National Park Service, Route 66 Corridor Preservation Program, “Program Description,” <http://www.cr.nps.gov/rt66/prgrm/index.htm>, Last accessed on May 4, 2011.

<sup>92</sup> National Park Service, Route 66 Corridor Preservation Program, “Program Description,” <http://www.cr.nps.gov/rt66/prgrm/index.htm>, Last accessed on May 4, 2011.

<sup>93</sup> National Park Service, Route 66 Corridor Preservation Program, “Funded Projects, 2010,” <http://www.cr.nps.gov/rt66/grnts/2010GrantAwards.pdf>, Last accessed on May 4, 2011.

<sup>94</sup> National Park Service, Route 66 Corridor Preservation Program, “Funded Projects, 2009,” <http://www.cr.nps.gov/rt66/grnts/2009GrantAwards.pdf>, Last accessed on May 4, 2011.

Vinita,<sup>95</sup> and \$23,000 was used to initiate extensive repairs on the Seaba Station, an “antique, gift, and tourist” shop near Chandler.<sup>96</sup>

Federal involvement was only supposed to be temporary, with the NPS program “scheduled to legislatively terminate at the end of fiscal year 2009, at which time the National Park Service [would] appoint a non-federal entity (or entities) to continue the program’s purpose.”<sup>97</sup> However, Congress recently extended the program for another 10 years.

The decision was surprising in light of the fact that programs such as this divert important resources needed to maintain our extensive national parks system. Currently, our national parks face a maintenance backlog of nearly \$11 billion.<sup>98</sup> Any money that is diverted impacts all of us.



Seaba Station, an antique gift shop near Chandler, received \$23,000 for repairs.

A host of other federal programs and agencies also assist with or are available to assist private and non-profit activities along Route 66. For instance, the U.S. Department of Transportation has designated Route 66 a *National Scenic Byway*.<sup>99</sup> In 2009, the program awarded \$124,000 for two Route 66 projects in Oklahoma.<sup>100</sup> Also, the City of Miami, Oklahoma recently received \$40,000 to develop a “Tri-State Route 66 Travel Guide.”<sup>101</sup> Further, federal highway dollars are used for “*transportation enhancement*” projects for Route 66 preservation efforts, including for the purchase of historic sites, scenic highway programs, historic preservation, and building renovations.<sup>102 103</sup> Since 1992, Oklahoma has received more than \$216 million in transportation enhancement funds.<sup>104 105</sup>

<sup>95</sup> National Park Service, Route 66 Corridor Preservation Program, “Funded Projects, 2008,” <http://www.nps.gov/history/rt66/grnts/2008GrantAwards.pdf>, Last accessed on June 28, 2011.

<sup>96</sup> National Park Service, Route 66 Corridor Preservation Program, “Funded Projects, 2005,” <http://www.cr.nps.gov/rt66/grnts/2005GrantAwards.pdf>, Last accessed on May 4, 2011.

<sup>97</sup> National Park Service, Route 66 Corridor Preservation Program, “Program Description,” <http://www.cr.nps.gov/rt66/prgrm/index.htm>, Last accessed on May 4, 2011.

<sup>98</sup> Department of the Interior, National Park Service, “Budget Justifications, FY 2012,” Page 96, [http://www.doi.gov/budget/2012/data/greenbook/FY2012\\_NPS\\_Greenbook.pdf](http://www.doi.gov/budget/2012/data/greenbook/FY2012_NPS_Greenbook.pdf).

<sup>99</sup> U.S. Department of Transportation, America’s By-Ways, “Historic Route 66-Oklahoma,” <http://www.byways.org/explore/byways/6335/>.

<sup>100</sup> U.S. Department of Transportation, America’s By-Ways, “Federal Highway Administration Awards Nearly \$41 Million for Scenic By-Ways,” <http://www.byways.org/press/news/releases/2009/1924>.

<sup>101</sup> Robinson, Debbie, Joplin Globe, “Federal grant will help communities promote Route 66,” December 16, 2008, <http://www.joplinglobe.com/local/x212170844/Federal-grant-will-help-communities-promote-Route-66>.

<sup>102</sup> Federal Highway Administration, “Transportation Enhancement Activities,” <http://www.fhwa.dot.gov/environment/te/>, Last accessed on May 4, 2011.

<sup>103</sup> National Park Service, “Plan Your Visit: Harvey House Railroad Depot,” [http://www.nps.gov/nr/travel/route66/harvey\\_house\\_rr\\_depot\\_bartow.html](http://www.nps.gov/nr/travel/route66/harvey_house_rr_depot_bartow.html), Last Accessed on May 10, 2011.

<sup>104</sup> Federal Highway Administration, “Transportation Enhancement Activities Apportionments, FY 1992-2010,” <http://www.fhwa.dot.gov/environment/te/apportionments.htm>.

<sup>105</sup> Route 66 projects are also eligible for funding through the Save America’s Treasures (NPS), Preserve America (NPS), the United States Department of Agriculture’s Rural Development, the National Endowment for the Humanities (NEH), the Small Business Administration, the Economic Development Administration, and the Department of Housing and Urban Development’s Community Development Block Grant Program (CDBG). These programs have provided funds for recent activities in Clinton and El Reno.

### *13. Department of Veterans Affairs: Doctors, Nurses, and . . . Interior Designers?*

Oklahoma is home to over 330,000 veterans and has had a proud tradition of military service ever since its founding as a state in 1907. To care for them when they return home, the Department of Veterans Affairs has a well-trained staff of doctors and nurses.

With 16 locations to serve the health care needs of Oklahoma veterans, the Department of Veterans Affairs (VA) has a significant footprint in Oklahoma. At these facilities, hundreds of doctors, nurses, and administrators serve with great distinction, often in very difficult circumstances. With thousands of new veterans returning from service in Iraq and Afghanistan, the urgency in providing comprehensive medical care continues to grow.

To the surprise of many, in the fall of 2010, the Veterans Medical Center in Muskogee, Oklahoma advertised for a new Interior Designer. The full-time, permanent position, classified as GS-II (\$60,000-\$78,000) was eventually filled in early 2011. When asked, the VA noted that the position is actually common throughout its system, employing 135 Interior Designers nationwide. It explains that: "the position of Interior Designer is a standard position at the majority of medical centers within Veterans Integrated Service Network (VISN) 16 (7 of 10 medical centers), and throughout the Veterans Health Administration (VHA)."<sup>106</sup>

This news is astounding in light of the many more urgent needs facing the nation's health care system for veterans. For instance, the VA now has nearly half a million disability claims that will take at least 125 days each to decide, and a total backlog of 756,000 pending claims.<sup>107</sup> The backlog is growing every year, and the wait for services is only expected to get longer. Backlog claims grew so large, in fact, that in 2007 Congress considered withholding all bonuses for senior-level management until it was reduced to less than 100,000.<sup>108</sup>

Further, one of the major challenges facing Oklahoma and VA hospitals nationwide is the retention and recruitment of health care staff. This has posed a real challenge for the VA, not unlike many of the challenges facing rural hospitals across the nation. A Government Accountability Office (GAO) survey reveals that a high percentage of VA nursing executives surveyed reported an average of 45-80 days to fill Register Nurse (RN) vacancies. According to the Disabled American Veterans (DAV): "by the end of 2012, approximately 91,700 VHA employees, or 44 percent of current full time and part time staff, would be eligible for full civil service retirement."<sup>109</sup>

Currently, the Muskogee veterans' hospital lists 14 job openings, some open for more than nine months. These positions include two physicians (including one for hospice and palliative care), a gastroenterologist, urologist, dentist, physical therapist, two physical therapist assistants, a pharmacist,

<sup>106</sup> E-mail response from the Department of Veterans Affairs to the Office of Senator Tom Coburn, March 30, 2011.

<sup>107</sup> Zoroya, Gregg, Marine Corps Times, "VA Backlog Buries Veterans' Claims," April 7, 2011, <http://www.marinecorpstimes.com/news/2011/04/usat-backlog-buries-veterans-claims-040711w/>.

<sup>108</sup> USA Today, "Veterans Affairs Backlog Bonuses Stir Anger," May 4, 2007, [http://www.usatoday.com/news/washington/2007-05-04-veterans-bonuses\\_N.htm](http://www.usatoday.com/news/washington/2007-05-04-veterans-bonuses_N.htm).

<sup>109</sup> Ilem, Joy, Disabled American Veterans, "Statement Before The Committee on Veterans Affairs, Subcommittee on Health," October 18, 2007, <http://www.dav.org/voters/documents/statements/Ilem20071018.pdf>.

two psychologists, a nurse practitioner, and two patient service representatives.<sup>110</sup> The Interior Designer position was filled before many of these more critical medical positions.

When asked about the new Muskogee interior design position, VA officials noted that for interior designers “the occupational title for this series can be misleading,” because the position’s “primary role is ensuring that safe conditions and healing environments are maintained for the protection of Veterans and their families.” It further explains: “The Designer works closely with our Engineering staff and provides support for Computer Aided Design (CAD) and drawings to expedite the design processes for the medical center. We are committed to transformation – and the development of our Patient Aligned Care Teams (PACT) will provide a better health care experience, improved coordination of health care services, the more efficient use of time, enhanced patient safety, and greater satisfaction with the health care services that our Veterans receive.”<sup>111</sup>

This nation should never waiver its commitment to providing high quality health care for its veterans, including the maintenance of VA facilities. It is difficult to understand, however, how a team of 135 interior designers is the most efficient or effective method to achieve this priority.

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<sup>110</sup> USAJOBS; “Job Listing for Jack C. Montgomery Veterans Hospital, [http://jobsearch.usajobs.gov/search.aspx?q=Jack%20C.%20Montgomery&where=Muskogee&brd=3876&vw=d&FedEmp=N&FedPub=Y&x=0&y=0&pg=1&rad=5&rad\\_units=miles&re=10](http://jobsearch.usajobs.gov/search.aspx?q=Jack%20C.%20Montgomery&where=Muskogee&brd=3876&vw=d&FedEmp=N&FedPub=Y&x=0&y=0&pg=1&rad=5&rad_units=miles&re=10) , Last Accessed on May 9, 2011.

<sup>111</sup> E-mail response from the Department of Veterans Affairs to the Office of Senator Tom Coburn, March 30, 2011.



## 14. Farmers Markets and Federal Government Duplication



Have you ever wondered about the “differences between Oklahoma consumers who attend farmers markets or belong to food cooperatives and those who do not?”<sup>112</sup> The United States Department of Agriculture (USDA) has spent \$47,000 so that you can know the answer. It is among the more than \$331,000 spent by USDA to promote farmers markets in Oklahoma alone in recent years.

Despite the remarkable growth of farmers markets in Oklahoma and nationwide, the existence of numerous state and local initiatives to promote them, and an obvious consumer demand for their product offerings, the federal government is spending millions nationwide on overlapping programs that subsidize farmers markets.

USDA administers multiple grant programs that assist in the development of new farmers' markets. The two largest are: The Farmers Market Promotion Program (FMPP), “targeted to help improve and expand domestic farmers' markets, roadside stands,” and other “direct producer-to-consumer market opportunities.”<sup>113</sup> Awards can be as high as \$100,000 per recipient and \$10 million is available for the program this year. Unlike most grant programs, Congress made this program *mandatory* in 2008 meaning that the funds must be spent by the agency, regardless of budget constraints or other more urgent priorities. Since 2007, FMPP has funded three Oklahoma projects, including: \$75,605 in 2010 for the Mvskoke Food Sovereignty Initiative<sup>114</sup>; \$62,270 in 2007 for the Eastside Farmers Market; and \$66,200 in 2007 for the Oklahoma Food Cooperative.<sup>115</sup>

Similarly, USDA administers the Federal State Marketing Improvement Program (FSMIP) which grants matching funds to state level agencies “to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing system.” USDA lists this program as a key federal resource for the development of farmers' markets as well.<sup>116</sup> In fact, it provided \$47,000 for the study previously cited that will help determine the “differences between Oklahoma consumers who attend farmers markets

<sup>112</sup> Agricultural Marketing Service, “FY 2009 Federal State Marketing Improvement Program,” <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5089227>.

<sup>113</sup> Agricultural Marketing Service, Farmers Markets and Local Food Marketing, “Farmers Market Promotion Program,” <http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=FMPP&description=Farmers%20Market%20Promotion%20Program&acct=fmpp>.

<sup>114</sup> <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5087025&acct=fmpp>

<sup>115</sup>

<http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?startIndex=2&startIndex=3&startIndex=2&template=TemplateN&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=FMPP2007Grants&description=FMPP%20Projects%20Awarded%20Grants%20in%202007&acct=fmpp>

<sup>116</sup> Agricultural Marketing Service, Farmers Markets and Local Food Marketing, “Farmers Market Promotion Program,”

<http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateA&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=WholesaleAndFarmersMarkets&acct=AMSPW>

or belong to food cooperatives and those who do not?”<sup>117</sup> It also provided \$80,000 for Oklahoma researchers to “examine marketing practices at current and former farmers markets in Oklahoma and evaluate the economic and non-economic factors that appear to impede or contribute to the financial success of farmers’ market operations.”<sup>118</sup>

The number of farmers markets over the past two decades has exploded, increasing by 16 percent last year and more than doubling since 2000.<sup>119</sup> There are now over 6,000 farmers’ markets nationwide, with the Oklahoma promoters listing more than 70 such markets that feature Oklahoma grown products.<sup>120</sup>

The Oklahoma Department of Health lists more than 80 farmers markets, roadside stands, and direct marketers registered to accept payments from the Women, Infants and Children program (WIC).<sup>121</sup> These markets are in all corners of the state from Woodward in western Oklahoma, to West Siloam Springs in far eastern Oklahoma, and with multiple outlets in the Tulsa and Oklahoma City metropolitan areas.<sup>122</sup>

At least five other federal programs offer support for the development of farmers’ markets.<sup>123</sup>

<sup>117</sup> Agricultural Marketing Service, “FY 2009 Federal State Marketing Improvement Program,” <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5089227>.

<sup>118</sup> Agricultural Marketing Service, Farmers Markets and Local Food Marketing, “FSMIP: Projects Awarded Grants in Fiscal Year 2000,” <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?startIndex=3&template=TemplateN&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=FSMIP2000Grants&description=Projects%20Awarded%20Grants%20in%202000&acct=gpfsmip>

<sup>119</sup> Agricultural Marketing Service, Chart, “Number of Operating Farmers Markets,” [http://www.usda.gov/img/content/Numbers\\_of\\_Farmers\\_Markets\\_1994-2010.jpg](http://www.usda.gov/img/content/Numbers_of_Farmers_Markets_1994-2010.jpg).

<sup>120</sup> OKGrown, Website, “Markets,” <http://www.okgrown.com/markets/>, Last Accessed on May 11, 2011.

<sup>121</sup> Oklahoma State Department of Health, Website, “Farmers Markets Information,” Excel Spreadsheet: “Authorized Farmers Markets,”

[http://www.ok.gov/health/Child\\_and\\_Family\\_Health/WIC/Farmers\\_Market\\_Information/index.html](http://www.ok.gov/health/Child_and_Family_Health/WIC/Farmers_Market_Information/index.html)

<sup>122</sup> OKGrown, Website, “Markets,” <http://www.okgrown.com/markets/>, Last Accessed on May 11, 2011.

<sup>123</sup> Food and Nutrition Service (USDA), Senior Farmers’ Market Nutrition Program, “Overview,”

<http://www.fns.usda.gov/wic/seniorfmnp/SeniorFMNPOverview.htm>

<sup>123</sup> Food and Nutrition Service (USDA), Senior Farmers’ Market Nutrition Program, SFMNP Grant Levels, 2005-2010,” <http://www.fns.usda.gov/wic/seniorfmnp/SFMNPgrantlevels.htm>

<sup>123</sup> National Institute of Food and Agriculture (USDA), Community Food Projects Competitive Grants Program, “FY 2011 Request for Applications,” [http://www.nifa.usda.gov/funding/rfas/pdfs/11\\_community\\_foods.pdf](http://www.nifa.usda.gov/funding/rfas/pdfs/11_community_foods.pdf)

<sup>123</sup> Oklahoma Sustainability Network, “Project to Promote Local Foods in Green Country,” <http://www.oksustainability.org/local-food-greencountry.php>

<sup>123</sup> Oklahoma Resource Conservation and Development, Great Plains RC &D, “Growing Oklahoma Annual Report, 2010,” [http://www.oklahoma-rcd.org/index\\_files/greatplains.htm](http://www.oklahoma-rcd.org/index_files/greatplains.htm)

<sup>123</sup> United States Department of Agriculture, Rural Development, “USDA Funds Improvements To Ripley’s Farmers Market,” July 19, 2010, <http://www.rurdev.usda.gov/STELPRD4006357.html>

<sup>123</sup> United States Department of Health and Human Services, “Obama Administration Details Healthy Food Financing Initiative,” February 19, 2010, <http://www.hhs.gov/news/press/2010pres/02/20100219a.html>

## 15. *B-aaaaaaad Use of Taxpayer Funds: New Electric Goat Fences*

“If you can see through it or blow smoke through it, it won’t hold a goat,” so said Steve Hart of Langston University in Oklahoma.<sup>124</sup> His comments from 2001 were part of a presentation he made related to increasing the effectiveness of goat fences.

In August 2010, the U.S. Department of Agriculture awarded Oklahoma’s Langston University \$300,000 to establish a “testing center for electric fence modifications of cattle barb wire fence for goat containment.”<sup>125</sup> Or more simply, the grant aims to solve the notoriously difficult problem of keeping goats in their fences.

According to the lead researcher, “an experimental site will be developed, consisting of video surveillance system to record behavior and pens for exposure to electric fence modification.”<sup>126</sup> A total of four experiments will include 48 animals each.



Interestingly, researchers at Langston University have already looked at this issue in the past, and found that “a simple procedure” will turn a cattle fence into a sturdy goat fence.<sup>127</sup> To transition from cattle to goat containment: “The simple addition of a few more strands of barbed wire at appropriate spacing will quickly solve the problem at less than one-fourth the cost of constructing a new fence.”<sup>128</sup> Further, the solution is not only easy, but also cheap. “A producer may also add more strands of wire to adapt an existing electric cattle fence to create a “goat proof” fence.”<sup>129</sup>

As difficult as goats may be to contain, scarce federal research dollars would be better spent on higher priority research, including Langston University’s own nationally recognized research on improving goat health.

<sup>124</sup> Hart, S. 2001. *Types of Fencing for Goats*. Pages 44-49 in *Proc. 16th Ann. Goat Field Day*, Langston University, Langston, OK, <http://www.luresext.edu/goats/library/field/hart01.html>.

<sup>125</sup> Data retrieved from [www.usaspending.gov](http://www.usaspending.gov).

<sup>126</sup> United States Department of Agriculture, Research, Education, and Economics Information System, “Establishing a Langston University Testing Center for Modifications of Cattle Barb Wire Fence for Goat Containment,” <http://www.reeis.usda.gov/web/crisprojectpages/223035.html>, Last Accessed on May 31, 2011.

<sup>127</sup> Shurley, Marvin, American Meat Association, “Unit Objective,” <http://www.luresext.edu/goats/training/facilities.html#cnvt>, Last Accessed on May 10, 2011.

<sup>128</sup> Shurley, Marvin, American Meat Association, “Unit Objective,” <http://www.luresext.edu/goats/training/facilities.html#cnvt>, Last Accessed on May 10, 2011.

<sup>129</sup> Shurley, Marvin, American Meat Association, “Unit Objective,” <http://www.luresext.edu/goats/training/facilities.html#cnvt>, Last Accessed on May 10, 2011.



## 16. “Duplicative” Rural Conservation Program Wastes Millions

In Washington, D.C. these days, finding bipartisan agreement to cut spending is rare, but it can be found in this: the Resource Conservation and Development Program at the USDA. Both the current and prior administrations have targeted the program for elimination, claiming it is unneeded, duplicative and better suited to private investment. Yet it has survived to spend more than \$3.3 million in Oklahoma over the last three years.

President Obama’s 2012 budget claimed “the program has outlived the need for continued Federal support.”<sup>130</sup> The Bush Administration was even more detailed in its analysis, noting that it “duplicates other similar resource conservation planning, rural economic development, and community programs provided by other Department of Agriculture agencies” and “it is also unclear what role RC&D plays in implementing NRCS’ mission that is not already filled by NRCS’ State Technical Committees...”<sup>131</sup>

While few Oklahomans may have heard of the Resource Conservation and Development (RC & D) program, Oklahoma has nine such RC & D regionally focused councils that received a combined **\$1.12 million** in FY 2010,<sup>132</sup> \$1.14 in 2009,<sup>133</sup> and \$1.09 in 2008.<sup>134</sup> The taxpayer funds are used in part to pay the salary of a federal coordinator at each council, a full time Natural Resource Conservation Service (NRCS) employee dedicated to the efforts of each respective council.

Created almost a half-century ago, there are currently 375 councils across the nation, as well as in the Caribbean and Pacific basins. According to the USDA, each council “is locally defined and directed by a council that implements natural resource protection and wise use, accelerated economic development, and/or improvement of social conditions.”<sup>135</sup> Oklahoma’s nine RC & D councils have pursued a wide variety of local development projects, ranging from the creation of farmers’ markets and new business incubators, to tourism and regional economic development planning.<sup>136</sup>

According to the national association representing RC & D councils in Washington, the councils have been effective at raising money on their own. Through private funds and local government grants, they have raised an average of \$6.93 for every program dollar they receive from USDA.<sup>137</sup> Local RC & D councils have achieved the independence envisioned by the original authorization and can no longer justify the allocation of a full time USDA employee to act as a coordinator.

In the recent agreement that will fund federal agencies for the remainder of Fiscal Year 2011, Congress and the President eliminated funding for this program. Funding should not be restored in the future.

<sup>130</sup> United States Office of Management and Budget, “Fiscal Year 2012 Terminations, Reductions, and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

<sup>131</sup> Executive Office of the President of the United States, “Major Savings and Reforms in the President’s 2009 Budget,” February 2009, <http://www.gpoaccess.gov/usbudget/fy09/pdf/savings.pdf>.

<sup>132</sup> [http://www.nrcs.usda.gov/programs/rcd/2010\\_rcd\\_state\\_alloc.html](http://www.nrcs.usda.gov/programs/rcd/2010_rcd_state_alloc.html)

<sup>133</sup> <http://www.nrcs.usda.gov/programs/rcd/2009-rcd-state-alloc.html>

<sup>134</sup> <http://www.nrcs.usda.gov/programs/rcd/2008-rcd-state-alloc.html>

<sup>135</sup> Natural Resource Conservation Service, “Program Description: Resource Conservation and Development Program,” April, 2010, [http://www.nrcs.usda.gov/programs/rcd/pdf\\_files/RcdPrDes.pdf](http://www.nrcs.usda.gov/programs/rcd/pdf_files/RcdPrDes.pdf).

<sup>136</sup> Oklahoma Resource Conservation and Development, “About Us,” [http://www.oklahoma-rcd.org/index\\_files/aboutus.htm](http://www.oklahoma-rcd.org/index_files/aboutus.htm), Last Accessed on May 11, 2011.

<sup>137</sup> National Association of Resource Conservation and Development Councils, “About Us,” <http://www.rcdnet.org/about-us/>, Last Accessed on May 11, 2011.

## *17. Meet the New Neighbor: Uncle Sam*

While the housing crisis that struck the nation has not been nearly as severe in Oklahoma, it has nonetheless taken a substantial hit.

Nationwide, the expected recovery in the housing markets has been slow at best. The Commerce Department reported that new home sales in February 2011 hit a record low, down 16.9 percent from the previous month and 28 percent below February 2010 sales.<sup>138</sup> The National Association of Realtors reported in May 2011 that first quarter home prices fell in more than 75 percent of markets studied.<sup>139</sup> The Department of Housing and Urban Development (HUD) has become one of the largest homeowners in Oklahoma as a result of its loan guarantee programs, and in the process, is losing millions of dollars.

Since 2008, the agency has acquired 4,200 properties in Oklahoma as a result of foreclosures, currently owning nearly a 1,000 properties statewide. Worse, HUD's average loss per property it sold in 2010 in Oklahoma was more than \$45,000, a loss rate of 56 percent. For the first three months of FY 2011, that average loss has widened to \$52,489 per property for a loss rate of 57 percent.<sup>140</sup> Using this average loss per disposed property, it can be estimated that taxpayers lost \$58.4 million in Oklahoma last year, or more than \$155 million from FY 2008 to December 2010.<sup>141</sup>

This is not only a dramatic loss for HUD and taxpayers, but also hampers a recovery in the Oklahoma housing markets. With nearly a thousand existing properties in HUD's possession, and with HUD-owned homes selling at an average loss that exceeds \$52,489, it is easy to see how these homes are dragging prices and local real estate markets down with them.

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<sup>138</sup> United States Census Bureau, Department of Housing and Urban Development, "Joint Release: New Residential Sales in March 2011, April 25, 2011, "<http://www.census.gov/const/newressales.pdf>.

<sup>139</sup> Howley, Kathleen, Bloomberg News, "Home Prices Drop in Three-Fourths of Metro Areas," May 10, 2011, <http://www.bloomberg.com/news/2011-05-10/home-prices-drop-in-three-fourths-of-u-s-metro-areas-realtors-group-says.html>

<sup>140</sup> E-Mail Response from the Department of Housing and Urban Development to the Office of Senator Tom Coburn, April 5, 2011.

<sup>141</sup> Calculation Based on Data Provided by the Department of Housing and Urban Development, April 5, 2011.

## 18. CDC Gives Millions to Large Tobacco Sellers to Promote “Smoking Prevention”

Among the largest distributors of cigarettes in Oklahoma are Indian tribes. Known locally as “smoke shops,” Oklahoma tribes operate or license hundreds of these retail outlets around the state, selling tobacco products at a rate below other private retailers. And so it is puzzling why the federal government has awarded millions of dollars in grants to these same entities to prevent smoking.

The Department of Health and Human Services (HHS) has awarded millions of dollars to two Oklahoma tribes that own a number of tobacco retail outlets. The Cherokee Nation of Oklahoma, which owns dozens of smoke shops throughout northeast Oklahoma, was awarded \$1.1 million in stimulus funds as part of the HHS “Prevention and Wellness Initiative: Communities Putting Prevention to Work.”<sup>142</sup> The funds are to be used to “reduce tobacco use rates, initiation, and secondhand smoke exposure.” Additionally, the Cherokee Nation has received \$200,000 annually (total \$1.2 million) since FY 2005 from Center for Disease Control and Prevention (CDC), Office of Smoking and Health.<sup>143</sup>

The Muscogee Creek Nation, headquartered in Okmulgee, Oklahoma, owns its own tobacco wholesale business, owns or licenses dozens of smoke shops, and has been locked in a multi-year legal dispute over



the improper use of significantly discounted tax stamps. Yet, the Muscogee Creek Nation has received more than **\$2.7 million** in awards since FY 2000 from the CDC Office of Smoking and Health, for smoking prevention and cessations efforts.<sup>144</sup> The tribe is also a partner in the CDC funded initiative, “Keep it Sacred,” a program that urges tribal members to avoid commercial tobacco products, reserving tobacco use only for traditional ceremonial practices.<sup>145</sup>

Similarly, the Seneca-Cayuga Tribe of Oklahoma, which owns and operates the Seneca-Cayuga Tobacco Company (which manufactures Skydancer and other private label cigarettes) has received multiple awards from the Department of Housing and Urban Development to construct a wellness center and substance abuse building.<sup>146</sup>

<sup>142</sup> [http://www.cdc.gov/chronicdisease/recovery/PDF/HHS\\_CPPW\\_CommunityFactSheet.pdf](http://www.cdc.gov/chronicdisease/recovery/PDF/HHS_CPPW_CommunityFactSheet.pdf)

<sup>143</sup> E-mail Response from the Centers for Disease Control to Office of Senator Tom Coburn, April 7, 2011.

<sup>144</sup> E-mail Response from the Centers for Disease Control to Office of Senator Tom Coburn, April 7, 2011.

<sup>145</sup> National Native Commercial Tobacco Abuse Prevention Network, Keep it Sacred, “History,”

[http://www.keepitsacred.org/network/index.php?option=com\\_content&view=category&layout=blog&cid=10&Itemid=10](http://www.keepitsacred.org/network/index.php?option=com_content&view=category&layout=blog&cid=10&Itemid=10), Last Accessed on May 10, 2011.

<sup>146</sup> Seneca-Cayuga Tribe of Oklahoma, “General Council Actions of February 27, 2010,” March 2010, <http://www.sctribe.com/wp-content/uploads/2010/11/Seneca-March-newsletter-2010.pdf>.

## 19. Federal Grants Support “Urinetown” Production and Hollywood Movie Costumes Exhibit

Imagine that “a depletion of the earth's water supply has led to a government-enforced ban on private toilets. The privilege to pee is regulated by a single, malevolent corporation, which profits by charging admission for one of mankind's most basic needs.”<sup>147</sup> So it is in *Urinetown*, the fictional setting for a new musical brought to you by the U.S. taxpayer. In total, the National Endowment for the ARTS (NEA) has awarded more than **\$5.7 million** in grants for this and other projects to Oklahoma recipients since 2005.<sup>148</sup>



Credit: ISD 191 Performing Arts Program (Flickr)

In 2008, the NEA awarded \$25,000 to the Lyric Theater of Oklahoma to assist in the local debut of the *Urinetown* musical.<sup>149</sup> The award-winning musical featuring character and narrator, Officer Lockstock, “a corrupt policeman who secretly kills off guilty pee-ers.”<sup>150</sup> The musical features a variety of songs, including “It’s a privilege to pee!”

Another \$10,000 grant supported the development of “Sketch to Screen: The Art of Hollywood Costume Design” and related education initiatives. Among the genres highlighted, patrons learned that “the archetype of the *femme fatale*, the French phrase for a desirable, deadly

woman, has been a stock cinematic character since the silent era of filmmaking.”<sup>151</sup> Further, the exhibit program notes, “the alluring character traits of unbridled female sexuality, danger, and duplicity have inspired costume designers to clothe the female form accordingly.”<sup>152</sup>

While Oklahomans strongly support the arts in their communities with their time, talent, and financial contributions, it is difficult to see a constitutional role for the federal government in our community arts programs—or justify federal support in an era of urgent national priorities.

<sup>147</sup> Playbill.com, “Urinetown With Coffee, Golden, and Ellenwood Begins Lyric Theatre of Oklahoma Run August 5,” August 8, 2008, <http://www.playbill.com/news/article/120078-Urinetown-with-Coffee-Golden-and-Ellenwood-Begins-Lyric-Theatre-of-Oklahoma-Run-Aug-5>.

<sup>148</sup> [www.usaspending.gov](http://www.usaspending.gov)

<sup>149</sup> Journal Record, “National Endowment for the Arts Awards Grants to Oklahoma,” June 5, 2008, [http://findarticles.com/p/articles/mi\\_qn4182/is\\_20080605/ai\\_n25503706/](http://findarticles.com/p/articles/mi_qn4182/is_20080605/ai_n25503706/).

<sup>150</sup> Wikipedia, The Free Encyclopedia, “Urinetown,” <http://en.wikipedia.org/wiki/Urinetown>, Last Accessed on May 27, 2011.

<sup>151</sup> Oklahoma City Museum of Art, “Sketch to Screen: The Art of Hollywood Costume Design, Docent/Educator Resource Guide,” [http://www.okcmoa.com/wp-content/uploads/S2S\\_resource\\_guide.pdf](http://www.okcmoa.com/wp-content/uploads/S2S_resource_guide.pdf), Last Accessed on May 10, 2011.

<sup>152</sup> Oklahoma City Museum of Art, “Sketch to Screen: The Art of Hollywood Costume Design, Docent/Educator Resource Guide,” [http://www.okcmoa.com/wp-content/uploads/S2S\\_resource\\_guide.pdf](http://www.okcmoa.com/wp-content/uploads/S2S_resource_guide.pdf), Last Accessed on May 10, 2011.

## 20. *Energy Department Uses Smiley Faces and Parties to Promote Energy Conservation*



Credit: Dept. of Energy

Some things really are as simple as they seem. If you want to save energy in your home, use less of it.

Apparently, that message has failed to reach the Department of Energy in Washington. In announcing \$90 million in stimulus funds for its Sustainable Energy Resources for Community (SERC) grants, the Department of Energy announced that ten of its nationwide recipients would be utilizing Community-Based Social Marketing as components in their energy saving campaigns. Three of these recipients are located in Oklahoma with a combined \$1.15 million in grants.<sup>153</sup> They are: Delta Community Action Foundation in Lindsay, Northeast Oklahoma Community Action Agency in Jay, and Southwest Oklahoma Community Action Group in Altus.

SERC was created in 2007 to fund projects and initiatives not covered under the Department's Weatherization Assistance Program (which itself has spent nearly **\$90 million** in Oklahoma since 2005). At its core, Community-Based Social Marketing flows out of the work of environmental psychology.<sup>154</sup> According to the leading expert cited by the Department, "Community-Based Social Marketing draws heavily on research in social psychology which indicates that initiatives to promote behavior change are often most effective when they are carried out at the community level and involve direct contact with people."<sup>155</sup>

In this context, Community-Based Social Marketing is aimed at creating grassroots neighborhood campaigns to incentivize and coax more Americans to, among other things, use less hot water, use more compact fluorescent (CFL) bulbs, lower thermostats, and encourage energy coaching and counseling. In a primer on how to build such marketing campaigns, the Department offers the following tidbits:

- To encourage good behavior, the Department suggests organizers use incentives that include: prizes, "fiestas or parties," public recognition, and "Energy reports with 'smiley' faces ☺ where progress has been made."
- Be "non-authoritarian." This can be accomplished by using written pledges, including this example provided by the Department: "I pledge to use the clothes line every four loads of laundry."<sup>156</sup>

<sup>153</sup> United States Department of Energy, Energy Efficiency and Renewable Energy, "Projects funded by Sustainable Energy Resources for Consumers Grants," [http://www1.eere.energy.gov/wip/m/serc\\_projects.html](http://www1.eere.energy.gov/wip/m/serc_projects.html), Last Accessed on May 11, 2011.

<sup>154</sup> United States Department of Energy, National Renewable Energy Laboratory, "Community Based Social Marketing," January 11, 2011, <http://www1.eere.energy.gov/wip/pdfs/50349.pdf>.

<sup>155</sup> McKenzie-Mohr, Doug, *Fostering Sustainable Behavior*, Community-Based Social Marketing, "Preface," <http://www.cbsm.com/pages/guide/preface/>, Last Accessed on May 10, 2011.

<sup>156</sup> United States Department of Energy, National Renewable Energy Laboratory, "Community Based Social Marketing," January 11, 2011, <http://www1.eere.energy.gov/wip/pdfs/50349.pdf>.



- The Department encourages identified leaders to send “Notes of praise for achieved energy savings and reminders after retrofits are performed.”
- With respect to low income neighbors, the agency notes: “Energy conservation gives low-income residents a way to contribute to the greater good.” Further, “Low-income residents enjoy helping and becoming block leaders or community organizers. CBSM can offer this sense of pride.”
- “Use nonpolitical language (improve air quality, help asthma sufferers, reduce pollution).”<sup>157</sup>

## Incentives

***Incentives, financial or not, can provide the motivation.***

**Goal: create incentives, and remove disincentives**

**•Examples applicable for SERC:**

- Prizes for high energy savings
- Competition amongst neighborhoods
- Public recognition (i.e., name in the paper)
- Fiesta or block party
- Energy reports with “smiley” faces 😊 where progress has been made
- Note: avoid junk giveaways (key chains, pens, magnets)



NATIONAL RENEWABLE ENERGY LABORATORY

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Source: National Renewable Energy Laboratory Presentation “Community-Based Social Marketing, Fostering Energy Conservation Behavior,” Amy Hollander, January 11, 2011.

<sup>157</sup> United States Department of Energy, National Renewable Energy Laboratory, “Community Based Social Marketing,” January 11, 2011, <http://www1.eere.energy.gov/wip/pdfs/50349.pdf>.

## 21. The “Golden Age of Magazines” and Your Tax dollars



University of Tulsa researchers have received more than a quarter million dollars (\$251,228) since 2007 to preserve and teach “magazine modernism,” or as researchers describe it, “English-language literary and cultural magazines published roughly from 1890-1922.”<sup>158</sup>

In August 2009, the National Endowment for the Humanities awarded the university \$86,835 for “a four-week college and university teacher seminar for sixteen participants to explore the ‘golden age of magazines’.”<sup>159</sup> Participants receive a \$3,300 stipend “designed to help defray the costs of travel, living and research.”

<sup>160</sup> According to the seminar program description, “Our work will begin with the assumption that magazines are richly dialogic sites of exchange in which advertising and art jostle freely with politics and fashion.”

Similarly, in 2007, the NEH awarded the university \$164,393 to make digital versions of three modernist magazines published in the early 20<sup>th</sup> Century.<sup>161</sup> According to the lead researcher on the project: “These editions and the scholarly apparatus we have built around them are opening entirely new and exciting areas of research into the cultural and aesthetic history of the twentieth century.”



While ongoing efforts in Tulsa to preserve “magazine modernism” are a noteworthy academic endeavor, few Oklahomans likely view this work as a priority for a federal government that struggles to pay its bills.

<sup>158</sup> The University of Tulsa, Department of English, “Modernist Journal Project Receives NEH Grant,” April 9, 2007, <http://www.utulsa.edu/academics/colleges/Henry-Kendall-College-of-Arts-and-Sciences/Departments-and-Schools/Department-of-English/News-Events-and-Publications/News/2007/April/ModernistJournalProjectReceivesNEHGrant.aspx>.

<sup>159</sup> National Endowment for the Humanities, “Grants in Education Programs,” August 2010, [http://www.neh.gov/news/awards/GrantsEdProgram\\_July2009.html](http://www.neh.gov/news/awards/GrantsEdProgram_July2009.html).

<sup>160</sup> The University of Tulsa, “NEH Summer Seminar for College and University Teachers 12 July - 6 August 2010,” <http://www.utulsa.edu/jjq/MagazineSeminar/application.html>, Last Accessed on May 11, 2011.

<sup>161</sup> The University of Tulsa, Department of English, “Modernist Journal Project Receives NEH Grant,” April 9, 2007, <http://www.utulsa.edu/academics/colleges/Henry-Kendall-College-of-Arts-and-Sciences/Departments-and-Schools/Department-of-English/News-Events-and-Publications/News/2007/April/ModernistJournalProjectReceivesNEHGrant.aspx>.



## 22. *Federal Anti-Gang and Violence Grant Used for TVs, Arcade Games, Pizza Party. . .*

A 2010 Department of Justice investigation revealed that federal anti-gang and violent crime reduction grants in Oklahoma City were spent, among other things, to throw “a pizza party,” purchase televisions and arcade games.<sup>162</sup> The investigative report, which reviewed the administration of three DOJ grants programs in Oklahoma City, “identified \$153,971 in unsupported and unallowable costs.”<sup>163</sup>

The focus of many of the abuses outlined in the investigative report directly involved the federal Weed and Seed program, a Department of Justice grant initiative that the agency describes as a “comprehensive multiagency approach to law enforcement, crime prevention, and community revitalization.”<sup>164</sup>

Among its findings, the agency’s Inspector General (IG) discovered funds had been used for several flat screen televisions, samurai swords, arcade games, and a stereo system.<sup>165</sup> In addition, funds were used to purchase \$12,000 worth of binoculars that were not for the program. “One pair of \$400 binoculars was used on a hunting trip and subsequently sold to a local pawn shop.”<sup>166</sup> A city employee also established a separate savings account (in the city’s name) with \$7,000 in program funds.



To their considerable credit, Oklahoma City officials were the first to notice program irregularities and it was their efforts that eventually led to the IG investigation. In response, control of the programs was transferred from its Neighborhood Services Department to the Police Department nearly a year before the IG investigation was even completed.

The former director of the program has been charged with fraud not directly related to the program, but uncovered during the city’s internal Weed and Seed investigation.

Unfortunately, other federal Weed and Seed programs in Oklahoma have encountered similar abuses. In 2008, the former director of the Lawton, Oklahoma Weed and Seed program was sentenced to prison for using program funds for personal use and hiding her efforts from federal investigators.<sup>167</sup> According to press accounts, the former director’s indictment included “seven wire transfers totaling \$275,000.”

For a more in-depth look at the Weed and Seed program, see [“Party at the D.O.J.”](#) an investigative report on the program and its widespread frivolous, fraudulent, and abusive spending practices nationwide. The time has come for the program to be eliminated.

<sup>162</sup> United States Department of Justice, Office of Inspector General, “Audit Report Number GR-80-10-004,” June 2010, <http://www.justice.gov/oig/grants/g8010004.pdf>.

<sup>163</sup> United States Department of Justice, Office of Inspector General, “Audit Report Number GR-80-10-004,” June 2010, <http://www.justice.gov/oig/grants/g8010004.pdf>.

<sup>164</sup> United States Department of Justice, Community Capacity Development Office, “Weed and Seed,” <http://www.ojp.usdoj.gov/ccdo/ws/>, Last Accessed on May 31, 2011.

<sup>165</sup> United States Department of Justice, Office of Inspector General, “Audit Report Number GR-80-10-004,” June 2010, <http://www.justice.gov/oig/grants/g8010004.pdf>.

<sup>166</sup> United States Department of Justice, Office of Inspector General <http://www.justice.gov/oig/semiannual/1011/final.pdf>

<sup>167</sup> United States Department of Justice, Office of United States Attorney, “Former Director of Program to Assist High-Crime Communities Sentenced to Prison for Misuse of Funds and Bank Fraud, June 20, 2008, <http://oklahomacity.fbi.gov/dojpressrel/pressrel08/bankfraud062008.htm>.

### 23. EPA Funds Student Research on Men's Jackets and Reading Lights

The Environmental Protection Agency (EPA) broadly defines its mission as to “protect human health and the environment.”<sup>168</sup> Apparently, that mission also includes the design, assembly, and *disassembly* of men's jackets. In 2007, the EPA awarded a joint Oklahoma-Illinois research team a \$9,999 grant to develop a “cradle to cradle apparel design” (C2CAD) for the common men's jacket.<sup>169</sup>

According to the grant recipients, “most apparel are made from more than one material and constructed with many permanent junctions using stitches and adhesives.” That apparently presents a barrier to those hoping to recycle or compost their jackets.

The student teams focused on the use of organic products and more environmentally sustainable dyes, with Oklahoma and Illinois researchers each developing a “prototype” jacket that could more easily be disassembled, recycled, or composted.



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According to the final project report, “this project benefits people, prosperity, and the planet.”<sup>171</sup> In a similar grant, the EPA awarded \$10,000 for Oklahoma research students to study and design LED reading lights for home and office. The EPA's expected results include: “The development of innovative solutions to the problem of effectively illuminating printed material for reading, utilizing materials and processes responsive to the Cradle to Cradle paradigm.”<sup>172</sup> Prototypes will be constructed.

Yet, LED reading lamps are widely available for purchase on popular web retail outlets for less than \$10. Further, the Department of Energy (DOE), not the EPA, is the federal government's lead agency for energy conservation and already funds related activities.<sup>173</sup> In one program, DOE lists over 240 LED

<sup>168</sup> Environmental Protection Agency website, “Our Mission and What We Do,”

<http://www.epa.gov/aboutepa/whatwedo.html>.

<sup>169</sup> Environmental Protection Agency website, “Final Report: The Man's Jacket Design for Disassembly: an Implementation of C2CAD Framework,”

<http://cfpub.epa.gov/ncer/abstracts/index.cfm/fuseaction/display.abstractDetail/abstract/8599/report/F>

<sup>170</sup> Environmental Protection Agency website, “Final Report: The Man's Jacket Design for Disassembly: an Implementation of C2CAD Framework,”

<http://cfpub.epa.gov/ncer/abstracts/index.cfm/fuseaction/display.abstractDetail/abstract/8599/report/F>

<sup>171</sup> Environmental Protection Agency website, “Final Report: The Man's Jacket Design for Disassembly: an Implementation of C2CAD Framework,”

<http://cfpub.epa.gov/ncer/abstracts/index.cfm/fuseaction/display.abstractDetail/abstract/8599/report/F>

<sup>172</sup> Environmental Protection Agency website, “Lighting for Reading: Designing an LED Luminaire for Homes and Offices,” <http://cfpub.epa.gov/ncer/abstracts/index.cfm/fuseaction/display.abstractDetail/abstract/9017>

<sup>173</sup> LED Saving Solutions, \$6 Million in Government Funding for Lighting Research,”

<http://www.ledsavingsolutions.com/led-national-trends/6-million-government-funding-lighting-research>

lighting manufacturers who participate in a LED certification program, with more than 2,886 certified LED products.<sup>174</sup>

Scientific research at Oklahoma colleges and universities are providing breakthroughs in the fields of health care, agricultural sciences, and severe storms modeling and tracking. Those stand in stark contrast to the apparent priorities of the EPA in its recent awards for men's suit jackets and duplicative light bulb research.

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<sup>174</sup> Department of Energy, "Lighting Facts," <http://www.lightingfacts.com/>, Last Accessed on May 11, 2011.

## Conclusion

This report is not intended to capture every instance of waste, fraud, or abuse in federal programs in Oklahoma.

Rather, as the federal government has grown larger and as Congress has allowed unelected federal bureaucrats to manage programs with little or no oversight, it highlights that within each state both the problem *and* the solution can be found. Few Americans, or Oklahomans for that matter, fully realize the size or scope of federal resources in their state.

In 2010, the official budget of the State of Oklahoma was an estimated \$6 billion (state contributions only).<sup>175</sup> Of the \$15.3 billion in total general revenues the State received during state fiscal year 2010, federal contributions exceeded \$7.4 billion.<sup>176</sup> Federal grants to the State of Oklahoma totaled more than three times the total collected in state individual and corporate income taxes during the year.<sup>177</sup> The share of federal contributions to state revenues has grown from 34 percent in 2001 to 47.3 percent in 2010.<sup>178</sup> All told, the federal government spent more than \$22.4 billion in Oklahoma in federal fiscal year 2010.<sup>179</sup>

On the one hand, federal dollars in Oklahoma have resulted in some of the finest military bases in the world and helped thousands of Oklahomans with their health care needs. Cutting edge research in severe storms prediction and modeling, in health care, in energy, and in agriculture have benefited greatly from federal resources. The nation is more secure and stronger for these efforts.

On the other hand, federal spending in Oklahoma has proven that poorly conceived, poorly managed federal programs and expenditures know no political or geographic boundaries.

Does the nation, or even Oklahoma, benefit from the misplaced priorities that resulted in goat containment research, millions of square feet of abandoned or unneeded federal buildings, or video dance systems for high school students? The answer can be found in one very large number: \$14.3 trillion in total national debt.

The truth is that few Oklahomans would know the difference if most of the programs highlighted in the report went away tomorrow. That, in a nutshell, is the tragedy of waste, fraud, and abuse in federal programs—they come at great cost to current and future taxpayers, yet they have little discernable impact on the intended beneficiary.

Further, as with transportation projects highlighted in this report, taxpayers should not be sending their tax dollars to Washington, only to have portions of it returned with costly and unnecessary strings attached. Those dollars should remain in the state in the first place, to be spent more wisely and efficiently by Oklahomans as they see fit.

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<sup>175</sup> Office of Governor Mary Fallin, "Executive Budget for the Fiscal Year Ending June 30, 2012," February 7, 2011, <http://www.ok.gov/OSF/documents/bud12.pdf>.

<sup>176</sup> State of Oklahoma, Office of State Finance, "Oklahoma 2010: Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010," <http://www.ok.gov/OSF/documents/cafr10.pdf>.

<sup>177</sup> State of Oklahoma, Office of State Finance, "Oklahoma 2010: Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010," <http://www.ok.gov/OSF/documents/cafr10.pdf>.

<sup>178</sup> State of Oklahoma, Office of State Finance, "A Report to Our Citizens, Fiscal Year 2010/2011," April, 2011, [http://www.ok.gov/OSF/documents/CitizenReport\\_042011.pdf](http://www.ok.gov/OSF/documents/CitizenReport_042011.pdf).

<sup>179</sup> See Fiscal Year 2010 allocation for Oklahoma at [www.usaspending.gov](http://www.usaspending.gov). Last Accessed on May 31, 2011.

At no point in our history has it been more important than today to acknowledge that federal mismanagement is not just in someone else's backyard. It is in our own, and for the sake of our grandchildren, we must be willing to call it like we see it.

If you are an Oklahoman and you see an instance of federal waste, fraud, or abuse, report it to this [link](#). If you are from another state, demand the same from your elected officials.

Imagine the difference for our nation if every elected official took the time to hear from those closest to federal programs they have created—the American taxpayer.



## Appendix: List of Programs and Projects Included in Report, Cost to Taxpayers (Oklahoma expenditures only)

<b>Program/Project Name</b>	<b># of Federal Programs Involved</b>	<b>Cost</b>
Tulsa Double-Deck Bridge	1	\$49,400,000
PGA Rated Golf Course Rehab	1	\$148,500
Wild Horse Relocation	1	\$9,700,000
Rebuild Abandoned Home	1	\$500,000
AMTRAK/Heartland Flyer	1	\$2,651,618
Failed Biodiesel Plants	2	\$565,000
Riverside Indian School	1	\$314,181
Picher Housing Authority	1	\$49,260
Excess Federal Building Space		\$18,500,000
Benefit Program Waste, Fraud*	3	\$7,009,900
Route 66 Grants	4	\$247,000
VA Interior Designer	1	\$60,000
Farmers Markets	2	\$127,000
Goat Fence Testing	1	\$300,000
Rural Conservation & Development	1	\$1,120,000
HUD Foreclosures	1	\$58,400,000
Tobacco Prevention and Tribes	3	\$5,000,000
Urinetown/Costumes	1	\$35,000
Energy Conservation/Smiley Faces	1	\$1,150,000
Magazine Modernism	1	\$251,228
Anti-Gang and Pizza Parties	1	\$428,971
EPA, Mens Jackets and LED Bulbs	1	\$19,999
Sidewalks	1	\$16,000,000
<b>TOTAL</b>	<b>31</b>	<b>\$171,977,657</b>

\* Includes only specific examples listed in the report; Excludes larger, more complete estimates for improper payments for each program.