**50 Examples of Government Waste**

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**About the Author**

[**http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements**](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements)

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Soaring government spending and trillion-dollar budget deficits have brought fiscal responsibility -- and reducing government waste -- back onto the national agenda. President Obama recently identified 0.004 of 1 percent of the [federal budget](http://www.heritage.org/federalbudget/) as wasteful and proposed eliminating this $140 million from his $3.6 trillion fiscal year 2010 budget request. Aiming higher, the President recently proposed partially offsetting a costly new government health entitlement by reducing $622 billion in Medicare and Medicaid "waste and inefficiencies" over the next decade. Taxpayers may wonder why reducing such waste is now merely a bargaining chip for new spending rather than an end in itself.

It is possible to reduce spending and balance the budget. In the 1980s and 1990s, Washington consistently spent $21,000 per household (adjusted for inflation). Simply returning to that level would balance the budget by 2012 without any tax hikes. Alternatively, merely returning to the 2008 (pre-recession) spending level of $25,000 per household (adjusted for inflation) would likely balance the budget by 2019 without any tax hikes.

**Not Easy, but Necessary**

Reducing wasteful spending is not easy. Even the most useless programs are passionately supported by the armies of recipients, administrators, and lobbyists that benefit from their existence. Identifying inefficiencies and abuses is much easier than devising a system to fix them. Many lawmakers focus more on bringing home earmarks than on performing the less exciting task of government oversight. Exasperated taxpayers see the cost of government rise with no end in sight.

Of course, eliminating waste cannot balance the budget. Lawmakers must also rein in spending by reforming Social Security and Medicare and by eliminating government activities that are no longer affordable. Yet government waste is the low-hanging fruit that lawmakers must clean up in order to build credibility with the public for larger reforms.

Congress has allowed government employees to spend tax dollars on iPods, jewelry, gambling, exotic dance clubs, and $13,500 steak dinners. If lawmakers cannot even reduce this kind of waste, fraud, and abuse, taxpayers will be less likely to trust them to reform Social Security and Medicare.

**Six Categories of Waste**

The six categories of wasteful and unnecessary spending are:

1. Programs that should be devolved to state and local governments;
2. Programs that could be better performed by the private sector;
3. Mistargeted programs whose recipients should not be entitled to government benefits;
4. Outdated and unnecessary programs;
5. Duplicative programs; and
6. Inefficiency, mismanagement, and fraud.

The first four categories are generally subjective, and reasonable people can disagree on whether a given federal program falls under their purview. Yet the final two categories -- duplication and inefficiency, mismanagement, and fraud -- are comparatively easy to identify and oppose. Thus, they are heavily represented in the examples of government waste below:

1. The federal government made at least **$72 billion** in improper payments in 2008.[[1]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn1)
2. Washington spends **$92 billion** on corporate welfare (excluding TARP) versus $71 billion on homeland security.[[2]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn2)
3. Washington spends **$25 billion** annually maintaining unused or vacant federal properties.[[3]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn3)
4. Government auditors spent the past five years examining all federal programs and found that 22 percent of them -- costing taxpayers a total of **$123 billion** annually -- fail to show any positive impact on the populations they serve.[[4]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn4)
5. The Congressional Budget Office published a "Budget Options" series identifying more than **$100 billion** in potential spending cuts.[[5]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn5)
6. Examples from multiple Government Accountability Office (GAO) reports of wasteful duplication include **342** economic development programs; **130** programs serving the disabled; **130** programs serving at-risk youth; **90** early childhood development programs; **75** programs funding international education, cultural, and training exchange activities; and **72** safe water programs.[[6]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn6)
7. Washington will spend **$2.6 million** training Chinese prostitutes to drink more responsibly on the job.[[7]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn7)
8. A GAO audit classified **nearly half of all purchases** on government credit cards as improper, fraudulent, or embezzled. Examples of taxpayer-funded purchases include gambling, mortgage payments, liquor, lingerie, iPods, Xboxes, jewelry, Internet dating services, and Hawaiian vacations. In one extraordinary example, the Postal Service spent **$13,500** on one dinner at a Ruth's Chris Steakhouse, including "over 200 appetizers and over $3,000 of alcohol, including more than 40 bottles of wine costing more than $50 each and brand-name liquor such as Courvoisier, Belvedere and Johnny Walker Gold." The 81 guests consumed an average of $167 worth of food and drink apiece.[[8]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn8)
9. Federal agencies are delinquent on nearly 20 percent of employee travel charge cards, costing taxpayers **hundreds of millions of dollars** annually.[[9]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn9)
10. The Securities and Exchange Commission spent **$3.9 million** rearranging desks and offices at its Washington, D.C., headquarters.[[10]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn10)
11. The Pentagon recently spent **$998,798** shipping two 19-cent washers from South Carolina to Texas and **$293,451** sending an 89-cent washer from South Carolina to Florida.[[11]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn11)
12. **Over half of all farm subsidies** go to commercial farms, which report average household incomes of $200,000.[[12]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn12)
13. Health care fraud is estimated to cost taxpayers more than **$60 billion** annually.[[13]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn13)
14. A GAO audit found that 95 Pentagon weapons systems suffered from a combined **$295 billion** in cost overruns.[[14]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn14)
15. The refusal of many federal employees to fly coach costs taxpayers **$146 million** annually in flight upgrades.[[15]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn15)
16. Washington will spend **$126 million** in 2009 to enhance the Kennedy family legacy in Massachusetts. Additionally, Senator John Kerry (D-MA) diverted $20 million from the 2010 defense budget to subsidize a new Edward M. Kennedy Institute.[[16]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn16)
17. Federal investigators have launched more than **20 criminal fraud investigations** related to the TARP financial bailout.[[17]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn17)
18. Despite trillion-dollar deficits, last year's 10,160 earmarks included **$200,000** for a tattoo removal program in Mission Hills, California; **$190,000** for the Buffalo Bill Historical Center in Cody, Wyoming; and **$75,000** for the Totally Teen Zone in Albany, Georgia.[[18]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn18)
19. The federal government owns more than **50,000 vacant homes**.[[19]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn19)
20. The Federal Communications Commission spent **$350,000** to sponsor NASCAR driver David Gilliland.[[20]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn20)
21. Members of Congress have spent **hundreds of thousands** of taxpayer dollars supplying their offices with popcorn machines, plasma televisions, DVD equipment, ionic air fresheners, camcorders, and signature machines -- plus **$24,730** leasing a Lexus, **$1,434** on a digital camera, and **$84,000** on personalized calendars.[[21]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn21)
22. More than **$13 billion** in Iraq aid has been classified as wasted or stolen. Another **$7.8 billion** cannot be accounted for.[[22]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn22)
23. Fraud related to Hurricane Katrina spending is estimated to top **$2 billion**. In addition, debit cards provided to hurricane victims were used to pay for Caribbean vacations, NFL tickets, Dom Perignon champagne, "Girls Gone Wild" videos, and at least one sex change operation.[[23]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn23)
24. Auditors discovered that **900,000** of the 2.5 million recipients of emergency Katrina assistance provided false names, addresses, or Social Security numbers or submitted multiple applications.[[24]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn24)
25. Congress recently gave Alaska Airlines **$500,000** to paint a Chinook salmon on a Boeing 737.[[25]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn25)
26. The Transportation Department will subsidize up to **$2,000 per flight** for direct flights between Washington, D.C., and the small hometown of Congressman Hal Rogers (R-KY) -- but only on Monday mornings and Friday evenings, when lawmakers, staff, and lobbyists usually fly. Rogers is a member of the Appropriations Committee, which writes the Transportation Department's budget.[[26]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn26)
27. Washington has spent **$3 billion** re-sanding beaches -- even as this new sand washes back into the ocean.[[27]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn27)
28. A Department of Agriculture report concedes that much of the **$2.5 billion** in "stimulus" funding for broadband Internet will be wasted.[[28]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn28)
29. The Defense Department wasted **$100 million** on unused flight tickets and never bothered to collect refunds even though the tickets were refundable.[[29]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn29)
30. Washington spends **$60,000 per hour** shooting Air Force One photo-ops in front of national landmarks.[[30]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn30)
31. Over one recent 18-month period, Air Force and Navy personnel used government-funded credit cards to charge at least **$102,400** on admission to entertainment events, **$48,250** on gambling, **$69,300** on cruises, and **$73,950** on exotic dance clubs and prostitutes.[[31]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn31)
32. Members of Congress are set to pay themselves **$90 million** to increase their franked mailings for the 2010 election year.[[32]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn32)
33. Congress has ignored efficiency recommendations from the Department of Health and Human Services that would save **$9 billion** annually.[[33]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn33)
34. Taxpayers are funding paintings of high-ranking government officials at a cost of up to **$50,000 apiece**.[[34]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn34)
35. The state of Washington sent $1 food stamp checks to 250,000 households in order to raise state caseload figures and trigger **$43 million** in additional federal funds.[[35]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn35)
36. Suburban families are receiving large **farm subsidies for the grass in their backyards** -- subsidies that many of these families never requested and do not want. [[36]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn36)
37. Congress appropriated **$20 million** for "commemoration of success" celebrations related to Iraq and Afghanistan.[[37]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn37)
38. Homeland Security employee purchases include 63-inch plasma TVs, iPods, and **$230** for a beer brewing kit.[[38]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn38)
39. Two drafting errors in the 2005 Deficit Reduction Act resulted in a **$2 billion** taxpayer cost.[[39]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn39)
40. North Ridgeville, Ohio, received **$800,000** in "stimulus" funds for a project that its mayor described as "a long way from the top priority."[[40]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn40)
41. The National Institutes of Health spends **$1.3 million** per month to rent a lab that it cannot use.[[41]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn41)
42. Congress recently spent **$2.4 billion** on 10 new jets that the Pentagon insists it does not need and will not use.[[42]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn42)
43. Lawmakers diverted **$13 million** from Hurricane Katrina relief spending to build a museum celebrating the Army Corps of Engineers -- the agency partially responsible for the failed levees that flooded New Orleans.[[43]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn43)
44. Medicare officials recently mailed **$50 million** in erroneous refunds to 230,000 Medicare recipients.[[44]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn44)
45. Audits showed **$34 billion** worth of Department of Homeland Security contracts contained significant waste, fraud, and abuse.[[45]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn45)
46. Washington recently spent **$1.8 million** to help build a private golf course in Atlanta, Georgia.[[46]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn46)
47. The Advanced Technology Program spends **$150 million** annually subsidizing private businesses; 40 percent of this funding goes to Fortune 500 companies.[[47]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn47)
48. Congressional investigators were able to receive **$55,000** in federal student loan funding for a fictional college they created to test the Department of Education.[[48]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn48)
49. The Conservation Reserve program pays farmers **$2 billion** annually not to farm their land.[[49]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn49)
50. The Commerce Department has **lost 1,137 computers** since 2001, many containing Americans' personal data.[[50]](http://www.heritage.org/research/reports/2009/10/50-examples-of-government-waste?lfa=Entitlements" \l "_edn50)

**Pick the Low-Hanging Fruit**

Because many of these examples of waste overlap, it is not possible to determine their exact total cost. Yet it is evident that Washington loses hundreds of billions of dollars annually on spending that most Americans would certainly consider wasteful. Lawmakers seeking to rein in spending and budget deficits should begin by eliminating this least justifiable spending while also addressing long-term entitlement costs.

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