

Reviewing the Wastebook's Other Items Over \$100 million

#1. "Paid to Do Nothing – (Government wide) At least \$400 million": For the first item on his list, Coburn notes the cost of giving federal government employees back pay for their involuntary furloughs during the federal government shutdown in October 2013. FixGov couldn't agree more: we had a whole series of posts reflecting on the [lessons from the shutdown](#), and the bottom line was that it was a huge waste. But note that this has nothing to do with the overall narrative of government wastefulness that Coburn's project is trying to highlight: bureaucrats would have preferred to have been on the job working for their pay, but were legally forbidden to do so because of Congress.

#5. "Beachfront Boondoggle: Taxpayer's on the Hook for Paradise Island Homes – (HI) \$500 million": Coburn cites a US Department of Agriculture (USDA) rural loan assistance program which made loan guarantees "for \$500,000 or more...to purchase a residence in Hawaii." If these mortgages are not repaid by the new homeowners, the federal government will repay 90% of the loans. So, is the whole \$500 million in guarantees for such attractive-sounding real estate? Seems not: Coburn says "more than 100" such loan guarantees exist, which would make for a total somewhere in the neighborhood of \$50 million in total loan value. And of course the government is unlikely to have to cover anywhere near the full amount, which could only happen in the impossible-to-imagine scenario where all of that real estate lost all of its value. The most clearly wasteful part highlighted in the headline, then, is just a few million dollars at most. For all I know, the whole program may be ripe for cutting, but I think it's safe to assume there are quite a lot of more sympathetic rural folks getting help from the program, and so the political work needed to save \$500 million (even just in loan guarantees, which again shouldn't be counted as spending) is going to be much harder than Coburn's staff implies.

#9. Obamacare website, at least \$379 million: Clearly this is a source of great consternation, and rightly so. But it is an integral part of a bill passed by Congress and signed by the President. That it was done badly doesn't make it easy to cut, and I can't say that the expense is what is really worth getting excited about.

#10. "Cost of Unused Mega-Blimp Goes Up, Up and Away – (Army) \$297 Million": Here Coburn may have found a real military boondoggle. But you're going to have some high-cost failures if you want your military to be on the cutting edge of military technology. Do Americans want to pay that cost? Perhaps not, but cutting military R&D budgets is hardly the political equivalent of shooting fish in a barrel. Just cutting the flops isn't a realistic option.

#13. Facebook tax refund, \$295 million: OK, there are some crazy loopholes in the tax code; cutting tax expenditures is one of my very favorite policy areas to look for reform. Coburn targets federal and state stock option deductions here, about which I don't know enough to comment. (These sorts of things have a nasty habit of having better economic rationales than you might think, though.) In any case, it once again has nothing to do with the classic story about misguided spending or bureaucratic waste.

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<http://www.brookings.edu/blogs/fixgov/posts/2014/02/03-budget-reform-waste-fraud-abuse-Wallach>

#16. Sugar Loans, \$171.5 million: Coburn's dissatisfaction here seems right on. Our agricultural supports for the sugar industry are truly bad policy on behalf of a special interest. Unfortunately, reform in this area has proved to be a very heavy political lift; agricultural interests stick together and it seems Congress, which musters remarkable bipartisanship on these issues, never can manage to make the cuts.

#34. Another scrapped military project, the C-27J tactical transport plane, \$432 million. Once again, [NBC's Ali Weinberg explains](#) that there's more here than Coburn first lets on. And again, while standing up to the military-industrial complex may indeed be a worthy course to savings, preventing these costly mistakes is likely to take some real political courage.

#36. "Duplicative and Wasteful IT Systems - \$321 million": Finally, here is a big ticket item telling the classic story, with the leading culprits being the Departments of Homeland Security, Defense, and (by a large margin) Health and Human Services. I'm sure there's some real room for improvement, although there's nothing here suggesting that the appropriate amount would be 0 for non-duplicative, non-wasteful systems. Reforming legacy IT systems is hard—in the private sector just as much as the public—so that it is much easier to gesture at big savings here than to actually reap them.

#37. Maintaining un- or under-used federal property, \$1.5 billion. Coburn says this is the minimum it costs the federal government to maintain "properties that it no longer needs." Probably many of these might be ripe to sell off—but remember that Coburn was bothered by selling off military material that we didn't need if we didn't seem to be getting a good price for it. The same issue surely complicates the picture for property; a clearance sale on [federal buildings](#) or military installations would be a form of squandering public resources, too.

#60. "Scam Scholarships – (ED) \$1.2 billion." Coburn's concern here is fraud on Pell Grants, where students enroll so that they get some living expense money and then disappear without taking classes. This seems right on target.

#95. Expensive sustainability-promoting renovation of Federal Building in MN: \$200 million. Coburn isn't at all clear about how this number is calculated. I have to admit, the numbers involved in building renovations in general are mind-boggling for me, but that may just go to show how little I understand about construction. My sense is that building renovations are just really expensive for everyone, not just the federal government. Maybe there's some real waste here, but the book tells us very little that would allow us to tell.