Thanks to our friends and supporters, POGO is having more impact each year. By expanding our staff, we have strengthened both our investigative abilities and our organizational structure to work towards a more accountable government.

Letter from the Executive Director

During 2004, POGO continued to work with whistleblowers and senior policy makers on both sides of the aisle to conduct journalistic investigations into cases of systemic corruption, mismanagement and inappropriate influence of special interests. In doing so, POGO confronted some of the most powerful special interests that were attempting to thwart the public good. POGO also pushed the boundaries in the many cases where secrecy was used to undermine the safety and security of our nation.

Despite POGO’s successes, we are increasingly alarmed by the government’s use of secrecy. The cloak of secrecy is being cast over the government’s activities to conceal failure and corruption in government decision-making. As a result, POGO’s partnership with government insiders willing to expose wrongdoing is more important than ever. By working together, we will continue to hold government officials accountable and work towards a more open and honest government.

Please join us in our mission of exposing corruption and exploring solutions to protect the promises of democracy.
ABOUT POGO

Founded in 1981, the Project On Government Oversight (POGO) is an independent nonprofit that investigates and exposes corruption in order to achieve a more accountable federal government.

Today, POGO seeks to hold the government to the promises made by our nation’s founders for a federal government that would “establish Justice, insure domestic Tranquility, provide for the common defense, [and] promote the general Welfare.” POGO believes that only with an open government can there be an honest government that will deliver on those promises.

“POGO represents the strength of our democracy because it is the kind of organization only America has. It provides independent oversight and acts as an outlet for people inside the system who are denied a voice.”

Franklin C. Spinney, retired Staff Analyst for the Office of the Secretary of Defense
At a time when our government is keeping more and more secrets, POGO conducts journalistic investigations to shed light on government activities and create opportunities for vigorous public debate.

POGO does so by taking on broad-scale, intractable problems which harm the nation but which would go unaddressed without an aggressive journalistic approach. In 2004, those investigations focused on:

- Excessive government secrecy;
- Wasteful military spending;
- Misplaced homeland security priorities; and
- Contractor accountability.

In recent years, growing partisan rancor and ideological conformity have threatened to quash legitimate problem-solving in the nation’s capital. In order to counter this threat, POGO approaches its investigations with an independent, non-partisan eye and embraces bi-partisan collaboration toward reform. The organization demonstrates its commitment to the truth by refusing to accept contributions from the government, labor unions, corporations, or anyone with a financial stake in POGO’s investigations.

POGO has been privileged to work with hundreds of government officials and whistleblowers to bring forward evidence of policies gone astray, and to offer solutions that will restore integrity to the government’s priorities and decisions. To them, the organization owes its track record of successes and the future promise that our democracy will continue to thrive.
2004 Beyond the Headlines Award Recipient: Anthony Rizzo, Jr.

On November 18, POGO presented the Beyond the Headlines Award to Anthony Rizzo, Jr., a whistleblower and security officer for eighteen years at the Salem & Hope Creek nuclear power plants in New Jersey. The award honors an individual who has gone beyond the call of duty to bring about positive policy change. Mr. Rizzo worked with POGO on security at his nuclear power plants and came to Washington to brief over a dozen congressional offices about his concerns. Mr. Rizzo also organized 40 of his colleagues to meet Commissioner Ed McGaffigan to make these concerns known to the Nuclear Regulatory Commission (NRC).

At the ceremony, Congressman Ed Markey (MA) said, “...Anthony risked his job to work with POGO to help them with research for their very important report on nuclear reactor security....because of Anthony’s efforts and his determination, the NRC finally listened. Anthony Rizzo is a modern day Paul Revere, who risked his own well-being in order to improve the world around him.”

If you feel something’s wrong, speak your mind. You don’t have to be rich or politically connected to have your voice heard — if you try hard enough it can be done.

Anthony Rizzo, Jr.
“I appreciate the tenacity, integrity and standard of excellence that The Project demands in its investigative work.”

Senator Charles Grassley (IA)

“POGO sheds light on the unholy alliance that exists between government agencies and contractors. At times, it seems there is no one out there fighting for good government — except POGO.”

Senior Federal Procurement Official
2004 ACCOMPLISHMENTS

Contract Accountability

- For the third year in a row, POGO helps defeat industry-driven efforts to gut taxpayer protections in government contracting.

- The government expands the kinds of misconduct that can result in companies being suspended or debarred from government contracts as POGO had recommended.

- The Pentagon improves reporting for government officials going through the “revolving door” to work for contractors as POGO had recommended.

Wasteful Military Spending

- Boeing officials plead guilty to conspiracy for violating conflict of interest and ethics laws in relation to the Boeing tanker leasing deal scandal which POGO helped to expose.

- Army cancels wasteful Comanche Helicopter Program as POGO had recommended, saving billions.

Homeland Security

- Department of Energy Secretary announces increased security standards for nuclear materials based on POGO’s recommendations.

- NORAD confirms POGO’s investigative finding that, five months prior to 9/11, the Pentagon rejected anti-terrorism training scenarios involving hijacked commercial jets hitting the Pentagon.

- Department of Homeland Security stops millions in grants to big oil companies.

Excessive Government Secrecy

- POGO prevails over Nuclear Regulatory Commission attempts to silence criticism of nuclear power plant security.

- POGO sues Attorney General Ashcroft for illegally retroactively classifying information in order to hide FBI failures.
POGO’s research and products are regularly used by news media, Members of Congress and their staff, nonprofits, and government agencies

- News Media. POGO generates or is quoted in an estimated 3,000 media stories per year. In the past year, POGO has worked regularly with major TV news outlets (e.g. NBC, ABC, Fox News, CBS, CNN), as well as newspapers (e.g. Washington Post, Wall Street Journal, New York Times, Los Angeles Times, USA Today), news magazines (e.g. Business Week, Time, U.S. News & World Report), trade publications (e.g. Defense News, Inside Energy), and radio shows (National Public Radio). POGO particularly works closely with investigative reporters on larger in-depth pieces, helping them to gain access to documents and experts to inform their coverage.

- Congress. POGO enjoys good working relationships with Republican and Democratic Members of Congress and often accomplishes its policy reform goals with their help. During the past two years, there have typically been five congressional hearings called each year as a result of POGO’s research, and many Members of Congress use POGO-generated information. POGO is also invited to testify or speak at an average of ten additional congressional hearings and events every year.

- Government Agencies. POGO regularly informs and works with investigators and staff members at agencies such as the Government Accountability Office, White House, Congressional Research Service, Cost Accounting Standards Board (which monitors $125 billion in primarily defense industry contracts annually), Nuclear Regulatory Commission, Department of Energy, Office of the Secretary of Defense, and Defense Department’s Office of Testing and Evaluation (which provides independent analysis of testing for weapons and systems).

- The Public. POGO’s web site has become an important tool to reach the public directly. Currently, the POGO web site (www.pogo.org) receives approximately 1 million hits and 30,000 unique visitors each month. Beginning in 2004, POGO launched a POGO Blog and an Action Center on the www.pogo.org web site. The unique format of the Blog allows POGO to engage in dialogue with the public on the various issues POGO investigates. The Action Center encourages and facilitates the public’s ability to write both their Members of Congress and the editors of their local newspapers.
"The largest gains in nuclear power plant security since September 11 have resulted from POGO’s efforts. POGO’s work has lessened and should continue to lessen the threat to millions of Americans from sabotage of nuclear power plants."

David Lochbaum, Nuclear Safety Engineer, Union of Concerned Scientists

“I commend your organization for its strong commitment to exposing abuses of power within the federal government and bringing those abuses to Congress’ attention.”

Senator John McCain (AZ)
## Statement of Activities

For the Year Ended December 31, 2004

<table>
<thead>
<tr>
<th>REVENUE &amp; SUPPORT</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>2004 TOTAL</th>
<th>2003 TOTAL</th>
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<td>27,537</td>
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<td>8,633</td>
<td>—</td>
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<td>Publicaton and other income</td>
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<td>475</td>
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<td>Special events revenue</td>
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<td>Net assets released from restrictions: Satisfaction of program restrictions</td>
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<td>(492,600)</td>
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<th>EXPENSES</th>
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<th>2003 TOTAL</th>
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<td>Program Services</td>
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<td>Nuclear Weapons Complex Investigations</td>
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<td>198,153</td>
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<td>Defense Investigations</td>
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<td>Government Secrecy Investigations</td>
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<td>Homeland Security Investigations</td>
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<td>Energy and Environment Investigations</td>
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<td>Lobbying</td>
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<td>Total Program Services</td>
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<th>Supporting Services</th>
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<th>2003 TOTAL</th>
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<td>113,303</td>
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<td>TOTAL EXPENSES</td>
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<td>871,554</td>
<td>696,430</td>
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</table>

| Change in Net Assets | 71,903 | 187,500 | 259,403 | 71,148 |
| NET ASSETS, BEGINNING OF YEAR | 1,033,785 | 212,500 | 1,246,285 | 1,175,137 |
| NET ASSETS, END OF YEAR | $1,105,688 | $400,000 | $1,505,688 | $1,246,285 |
“Oversight is one of Congress’ most important responsibilities. I commend the Project on Government Oversight for its strong commitment to accountability and integrity in government. POGO has been an invaluable partner in our oversight of tactical aircraft acquisitions and nuclear weapons complex security. Their work has always been highly professional, insightful and accessible. “

Representative Christopher Shays (CT)
POGO

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   Director for Advancement

“POGO: fearless, indefatigable, and savvy. To hold federal officials accountable to the people they represent, POGO goes where few organizations dare tread to expose inefficiencies and outright corruption. Thank goodness they are there. “

Lee Wasserman, Director, Rockefeller Family Fund
POGO’s organizational funding comes from foundation grants and individual donations. POGO does not accept contributions from the government, unions, corporations, or anyone with a financial stake in our investigations.

**FOUNDATION GRANTS**

Anonymous (1)  
Beidler Charitable Trust  
Carnegie Corporation of New York  
Cavallo Foundation  
Citizen’s Monitoring and Technical Assessment Fund, RESOLVE  
Colombe Foundation  
Compton Foundation  
Deer Creek Foundation  
The Educational Foundation of America  
Everett Public Service Internship Program  
The Fertel Family Foundation  
Fund for Constitutional Government  
Global Bridge Foundation  
Robert & Ardis James Foundation  
Janelia Foundation  
The Joyce Foundation  
John D. and Catherine T. MacArthur Foundation  
New-Land Foundation  
Omidyar Network  
Park Foundation, Inc.  
Ploughshares Fund  
The Scherman Foundation  
Threshold Foundation  
Town Creek Foundation  
Wallace Global Fund  
Working Assets

“POGO provides a funder the best return for an investment in Washington ... and the return is not just in a well-run and productive nonprofit, but in a more transparent and accountable government, and more importantly, in a more open and richer democracy.”

Geri Mannion, Chair, Strengthening U.S. Democracy and Special Opportunities Fund, Carnegie Corporation of New York
## Individual Donors

### $25,000+
- **Anonymous (1)**
  - Alida Rockefeller Messinger
  - Rockefeller Philanthropy Advisors

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- **Gretchen Graf**
- **Thad Guyer**
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- **Anonymous (8)**
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- **Cathy Ansheles & Bill Stanton**
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- **George Dwight, Esq.**

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