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LETTER FROM THE EXECUTIVE DIRECTOR

This year, POGO celebrates a quarter century of shining an investigative light into the shadowed corridors of government. POGO grew out of the offices of the National Taxpayers Union and was originally named the Project on Military Procurement. We were adopted by the Fund for Constitutional Government and moved into a tiny office above a Chinese restaurant, where Pentagon whistleblowers dropped off documents in unmarked envelopes. The Project made its mark by looking into Pentagon fraud and waste, spotlighting overspending on overpriced toilet seats, coffee makers, and other spare parts. This led Herb Block, editorial cartoonist for The Washington Post, to perpetually depict then-Defense Secretary Caspar Weinberger with a toilet seat draped around his neck.

Sixteen years ago, we expanded our mission to examine all federal agencies, becoming the Project On Government Oversight. Today, our office is larger but still modest. We hear from nearly a hundred government sources and whistleblowers monthly, and still get the occasional unmarked envelope slipped under the door. POGO’s range of investigations has come to include homeland security concerns; government subservience to commercial interests; mismanagement and abuse in government contracting; excessive secrecy; and mismanagement of natural resources by federal agencies.

Throughout our years of working toward a more honest and accountable government, one thing has remained the same – if we dig in the right place, a government official usually shows up at our door trying to intimidate us! We have been fortunate over the years to prevail in efforts to thwart our investigations or reveal our sources. There have been numerous attempts to silence our criticisms including endeavors to hold us in contempt of Congress for refusing to hand over our home and office phone records, and an attempt to confiscate our office files.

Integrity in the federal government is under assault today more than it has ever been since POGO was founded. Corruption in government is undermining the public’s confidence in the democratic process. So, while we celebrate our accomplishments, we see that POGO’s mission to make the government more honest, open, and accountable must not only continue but must also meet the unknown challenges the future will bring.

Danielle Brian
Executive Director
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

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

From the beginning, POGO (which was then known as Project on Military Procurement) has worked to expose outrageously overpriced military spending such as the $7,600 coffee maker and the $436 hammer. In 1990, after many successes reforming the military, POGO expanded its mandate to investigate systemic waste, fraud, and abuse in all federal agencies.

While some organizations develop grassroots movements to place pressure on Members of Congress, and other organizations focus their funds and energy on hiring lobbyists to work the government system from the inside, POGO is unique in its approach. POGO conducts in-depth investigations into public policies in dire need of reform, develops recommendations based on those investigations, and then advocates for the implementation of the recommendations or solutions.

POGO uses investigative journalism techniques to shed light on the government’s activities, including working with whistleblowers and anonymous sources, and accessing information through the Freedom of Information Act.
Government and corporate whistleblowers and insiders bring POGO many of its important investigative topics. POGO informs the public of its findings, in large part through reports that contain extensive documentation and recommendations for how to solve the problems that are identified. Once a report has been released, many more insiders usually approach POGO to provide further documentation and information.

By gathering information and building relationships with whistleblowers and government insiders, as well as by collaborating with other nonprofit organizations, POGO is able to get to the root of the issues in question. We can then provide realistic recommendations for solving age-old problems that have plagued the government and the services it is responsible for providing.

POGO is often asked to testify at congressional hearings and to provide background information and questions to Members of Congress, government agency representatives from the executive branch, the Government Accountability Office, several Inspectors General. By applying internal and external pressure through the media, the public, government insiders, and policymakers, POGO helps ensure that the federal government implements policies and programs in a manner that benefits all Americans.

“...In today’s Washington, the pressures on honest government workers to remain silent in the face of waste, fraud and abuse are intense. These insiders need more than a profound commitment to the public interest when they speak up – they need POGO.”

Representative Ed Markey (D-MA)
POGO’S ACCOMPLISHMENTS IN 2005

HOMELAND SECURITY
- Congress appropriates $10 million for consolidating nuclear materials, which POGO had recommended to improve security and reduce the waste of taxpayer dollars.
- Department of Energy transfers weapons-grade nuclear materials from vulnerable site at Los Alamos National Laboratory to more secure site, after POGO’s four-year struggle to remove those materials from this site.

OPEN GOVERNMENT
- POGO wins lawsuit against then-Attorney General John Ashcroft for illegally retroactively classifying information critical of the FBI.
- Congress and President’s Council on Integrity and Efficiency mount investigations into the government’s whistleblower agency in response to a complaint filed by POGO, agency staff, and other organizations.
- Congress approves funding for the Public Interest Declassification Board that was created to provide independent review of classification decisions.
- Federal Election Commission Inspector General issues a report confirming POGO’s findings that election data is inaccurate and unreliable.
- Department of Homeland Security abandons proposal to force employees to sign secrecy oaths after criticism from POGO and others.
- Congress passes state-of-the-art protections for nuclear whistleblowers.

CONTRACT OVERSIGHT
- Congress passes legislation preventing Department of Energy contractors from charging frivolous whistleblower litigation costs to the taxpayer.
- The government makes agreements with law-breaking contractors available to public.
- White House drops plan to allow government employees to charge up to $250,000 on government purchase cards.

DEFENSE
- Senate forces Army to restructure the Future Combat System contract to improve oversight, transparency, and accountability.
- Senate forces Air Force to restructure the C-130J cargo aircraft contract, which the Pentagon Inspector General has indicated is a disaster for the taxpayers and the people who must fly and maintain these aircraft.

POGO’S ACCOMPLISHMENTS IN 2005

1985
- Dina Rasor publishes *Pentagon Underground*, chronicling the creation of the Project and its work.

1986
- The Project champions Senator Charles E. Grassley’s (R-IA) legislation that makes the False Claims Act the most effective tool to fight fraud against the government.

1987
- The Project helps defend Air Force whistleblower A. Ernest Fitzgerald’s assertion of his First Amendment rights when he refuses to sign a government-wide “gag order.”

1989

1990
- The Project expands to include all federal agencies and changes its name to the Project On Government Oversight (POGO).

Danielle Brian observes the Army’s Stryker first-hand.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2005 *

REVENUE & SUPPORT

Grants $ 384,683
Contributions 161,951
Investment Income 34,289
Special events revenue 12,024
Publications and other income 4,538

TOTAL REVENUE AND SUPPORT 597,485

EXPENSES

Programe Services
Nuclear Weapons Complex Security 225,953
Contractor Accountability 220,786
Defense Investigations 142,982
Whistleblower Protections 94,986
General Program 91,677
Government Secrecy 71,704
Homeland Security 30,587
Nuclear Power Security 20,373
Energy & Natural Resources 5,094
Lobbying 5,094

Total Program Services 909,236

Supporting Services
Development 123,325
General & Administrative 30,553

Total Supporting Services 153,878

TOTAL EXPENSES 1,063,114
Change in Net Assets -465,629

NET ASSETS, BEGINNING OF YEAR 1,505,688 **

NET ASSETS, END OF YEAR 1,040,059

* Unaudited
** Figure includes multi-year grants received in 2004 designated for 2005

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

1991
Justice Department forced to fine SAIC after POGO exposes the contractor’s attempts to use political connections to escape prosecution.

1992
POGO exposes lavish Congressional junkets, which leads to fewer taxpayer-sponsored Congressional vacations.

1993
POGO is credited with cancellation of the wasteful $11 billion Superconducting Super Collider project, the largest government program cancelled up to that point.

1993
Secretary of Energy Hazel O’Leary dispatches Inspector General agents to POGO’s offices in an attempt to uncover its sources of Supercollider document leaks.

1994
POGO wins first victory defending the False Claims Act, a key government anti-fraud law, from defense industry attacks.
The *Beyond the Headlines Award* was created to recognize a person who has tenaciously pursued efforts to create a more accountable and responsive federal government. This person is one whose work went beyond reaching for the headlines, and whose cause is consistent with POGO’s mission. The award is presented each year to someone who is devoted to advancing public interest over private gain, and who has initiated substantial public policy improvements.

Past recipients include:
- Senator Charles Grassley (R-IA)
- Robert Martin, EPA National Ombudsman
- Bill Hedden, Utah Conservation Director, Grand Canyon Trust
- Philip E. Coyle, III, former Director, Pentagon Operational Test and Evaluation Office
- Scott Armstrong, Investigative Journalist and Executive Director of Information Trust
- Gloria Flora, former Supervisor, U.S. Forest Service
- Anthony Rizzo, Jr., Security Officer, Salem & Hope Creek Nuclear Power Plants

The 2005 *Beyond the Headlines Award* was presented to Mr. Russ Kick, who has used his Memory Hole website and blog – maintained primarily out of his own pocket – to catalog and disperse “material that is in danger of being lost, is hard to find, or is not widely known.” The site is most recognized for posting photographs gained through the Freedom of Information Act (FOIA) of previously undisclosed flag-draped coffins returning from Iraq.
The Bi-Partisan Leadership Award was created to recognize Members of Congress and other leaders who work together across the aisle to promote a more open, honest, and accountable government. This is the first year that POGO has presented this award.

Senators John Cornyn (R-TX) and Patrick Leahy (D-VT) are the first recipients of our newly-created Bi-Partisan Leadership Award. Senators Cornyn and Leahy have been combining forces to increase government transparency and strengthen FOIA. In their most recent effort, Senators Leahy and Cornyn sponsored the OPEN Government Act of 2005 (S. 394), as well as other open government bills, which prevents burying exemptions to FOIA in legislation.

Senator Cornyn is a long-time defender of an open government and has worked on other measures to fortify FOIA. While serving as Texas Attorney General, he led an open-government initiative.

Senator Leahy has consistently supported measures to strengthen open government and whistleblower protection. In the past, he has worked on other measures to beef up FOIA and has garnered bi-partisan support for corporate whistleblower protection.

If you feel something’s wrong, speak your mind. POGO helped me to prove that 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., Security Officer  
Salem & Hope Creek Nuclear Power Plants

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
POGO’S OUTREACH AND IMPACT

By conducting comprehensive research and advocating solutions from a nonpartisan position, POGO has gained a reputation for making substantive recommendations for policy reform. POGO’s research and investigative products are regularly used by the news media, Members of Congress and their staff, nonprofits, and government agencies.

MEDIA

POGO generates or is quoted in an estimated 3,000 media stories per year. During 2005, POGO worked regularly with major television, print, and radio news outlets including cable and broadcast network news channels, national newspapers, news magazines, trade publications, and national radio outlets. POGO particularly works closely with investigative reporters on longer in-depth news stories by 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. In each of the past two years, approximately five congressional hearings have been called 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, Nuclear Regulatory Commission, Department of Energy, Office of the Secretary of Defense, and Defense Department’s Office of Test and Evaluation (which provides independent analysis of testing for weapons and systems). POGO also works with the White House; Congressional Research Service; and Cost Accounting Standards Board, which monitors $125 billion in primarily defense industry contracts annually.

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 over one million hits and 30,000 unique visitors each month. Beginning in 2004, POGO launched a POGO Blog and an Action Center as part of the web site. The journal format of the Blog allows POGO to engage in dialogue with the public, the media, and experts on the various issues POGO investigates. It also allows POGO to highlight information that does not necessarily warrant a press release or formal report, but should still be made public in a timely fashion. The Action Center encourages and facilitates the public’s ability to write to their Members of Congress and editors of their own local newspapers.

I commend the Project On Government Oversight for its strong commitment to accountability and integrity in government. Their work has always been highly professional, insightful and accessible.

Representative Christopher Shays (R-CT)
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 (R-AZ)
POGO ALUMNI
Former interns, legal fellows and staff

As a young non-profit, IAVA was blessed to have the mentorship and guidance of POGO, an exceptional organization that is filled with talented and dedicated people. As our troops battle for America overseas, it is good to know POGO is battling for America back home.

Paul Rieckhoff
Executive Director and Founder
Iraq & Afghanistan Veterans of America

During the past 25 years, POGO has provided opportunities for young people to learn firsthand about government oversight and to participate in the Democratic process. POGO’s internships and fellowships enabled college students to gain valuable research experience by working directly with the Congress, Executive Branch agencies, the media, and whistleblowers. POGO currently employs five former interns and fellows, including Executive Director Danielle Brian. In addition, POGO has inspired many more students and staff to help improve the government by pursuing careers in public service, joining other watchdog groups, think tanks, or public policy organizations.

These are just a few examples of how POGO alumni are helping to achieve a more accountable federal government.

Peter Brand
POGO Investigator, 2004 to 2006
“POGO proved to me that a small budget and staff are no hurdles at all, if you’re dedicated to setting things right in the government and making sure that accountability and honesty don’t become just empty words.”

Peter is a Special Agent for the Department of Interior Inspector General

Marcus Corbin
POGO Senior Defense Investigator, 1994 to 2000
“Working for the government in the same field as POGO now, I see even more the vital, complementary role played by such an effective and dynamic organization.”

Marcus is currently a communications analyst at the Government Accountability Office.

Nicole Harkin
POGO Investigator, 1998 to 2001
“My work at POGO taught me that the government is not a fortress, it is made up of people who can make a difference.”

After working at POGO, Nicole was awarded a Fulbright Fellowship at Pace University School of Law. She has interned at the Department of Defense and Department of Justice Inspectors General offices, and will be working at the Department of the Treasury in the summer of 2006 to participate in the Presidential Management Fellowship program.

Amelia Kegan
POGO Summer Intern, 2003
“I was worried that coming to POGO, I would become cynical about Washington. Instead, I left POGO more optimistic that if I worked in a non-partisan way and relied on the facts, I could make a real difference.”

Amelia is currently a Legislative Intern at the Center for Budget and Policy Priorities

Donna Martin
POGO Research Associate, 1981 to 1985
“I was hired as a congressional staffer because of the success of the Project on Military Procurement (now POGO). I’d like to think my work with whistleblowers, which began over 20 years ago, has been of some benefit to those dedicated to promoting the integrity and efficiency of DoD operations.”

In 1985, Donna went to work for then-Representative Barbara Boxer (D-CA). In 1993, Donna joined the Pentagon’s Inspector General where she is now a Senior Investigator and Team Leader.

Caleb Rowe
POGO Summer Intern, 2003
“While at POGO, I learned that outrage is never enough, but when combined with extensive research, incontrovertible evidence and realistic proposals for improvement, it becomes a force for positive change. By working with the system in order to change it, POGO reminded me why I chose to study policy in the first place.”

Caleb is currently working in campaign finance compliance in California, and will begin working as a Legislative Aid for Congressman Ed Case (D) of Hawaii this summer.

Senator John McCain and Jill Carlson, POGO Summer Intern, 2002

POGO exposes a taxpayer-paid romp for Pentagon officials to the Taj Mahal Casino in Atlantic City. The party was cancelled after being lampooned in The Washington Post.

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

Former Air Force official jailed for conspiracy to violate conflict of interest and ethics laws in the Boeing tanker leasing deal. In 2005, former Boeing executive joins her in jail.

POGO forces Nuclear Regulatory Commission to back down from efforts to silence POGO’s criticisms of security testing at the Indian Point nuclear power plant.

Department of Energy Secretary Spencer Abraham announces increased security standards for nuclear materials based on POGO’s recommendations.
POGO's organizational funding is provided by foundation grants and individual donations. POGO does not accept contributions from the government, unions, corporations, or anyone with a financial stake in the outcomes of our investigations.

Anonymous (1)
The Arca Foundation
Frances Beidler Charitable Trust
Herbert Block Foundation
The Curtis L. Carlson Family Foundation
Carnegie Corporation of New York
Cavallo Foundation
Citizen's Monitoring and Technical Assistance Fund, RESOLVE
Colombe Foundation
The Deer Creek Foundation
The Educational Foundation of America
Everett Public Service Internship Program
The Fertel Family Foundation
The Fund for Constitutional Government
Richard and Rhoda Goldman Fund
Robert & Ardis James Foundation
Janelia Foundation
John D. and Catherine T. MacArthur Foundation
New-Land Foundation
Omidyar Network
Park Foundation, Inc.
Ploughshares Fund
The Rockefeller Family Fund
The Scherman Foundation
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

2005

POGO wins lawsuit against Attorney General John Ashcroft and the Department of Justice for illegally retroactively classifying information critical of the FBI.

Nuclear materials removed from most vulnerable site at Los Alamos' Congress appropriates $10 million to consolidate nuclear materials, after POGO's four-year struggle to improve security of the U.S. nuclear weapons complex.

White House backs down on attempt to allow government employees to charge up to $250,000 on government purchase cards after POGO exposes wasteful practice in Katrina contracting.

Department of Homeland Security abandons proposal to force employees to sign secrecy oaths after criticism from POGO and others.

Congress passes state-of-the-art protections for nuclear whistleblowers.
## INDIVIDUAL DONORS

### $25,000+
- Dee Ann Kotla
- Alida Messinger
- Paul Newman

### $5,000–$24,999
- Harriett Crosby
- Rockefeller Family and Associates

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- Eric & Deborah Stucky
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- Richard Vuernick
- Glenn Walp

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**POGO and other open government advocates secure funding for the Public Interest Declassification Board to review secrecy decisions.**

**Risky weapons contracts, including those for the Future Combat System and the C-130J, are restructured to protect the taxpayer.**

**Federal Election Commission agrees with POGO that election data is inaccurate and unreliable. Many reporting discrepancies found.**

**Department of Energy announces they will move bomb-grade nuclear materials from the Livermore National Lab, where 7 million people live within a 50 mile radius.**

**Office of Government Ethics recommends improvements to the government’s conflict of interest laws, which apply to executive branch employees, partly in response to POGO’s work.**