ACCOUNTABILITY = DEMOCRACY

PROJECT ON GOVERNMENT OVERSIGHT

ANNUAL REPORT 2011
Dear Friends,

It is hard to improve government from inside the DC Beltway. If you want lasting reform, you need to get the information out and have policymakers hear back from the public. Fortunately, this is possible through an array of choices unimaginable just 10 years ago.

Back in 1981 when I founded POGO (then known as the Project on Military Procurement), we relied almost solely on newspapers, magazines, and television to get our message out. Sometimes we would break through in the mainstream press with stories on weapons that didn’t work or the very successful exposés on the overpricing of spare parts such as the $435 hammer and $7,622 coffee brewer. But for small organizations like ours (and there were only three of us on staff in those early days), organizing grassroots movements to pressure Congress or the White House to adopt reforms was impossible. Only occasionally would we get feedback from citizens in the form of a phone call or a letter.

While it didn't prevent us from producing groundbreaking investigations into military waste and abuses, it did make it difficult to measure the reaction of the general public and to mobilize them. I remember wishing there were a better way to get the public engaged in fighting overspending and fraud.

Today, as social media shapes and defines the public discourse, POGO's work potentially reaches millions of people on Facebook and Twitter.

Together, we are creating an army of good government advocates outside of the Beltway. Tens of thousands of people have taken action through POGO in the last year by signing online petitions or sending emails to their Members of Congress.

And these actions do matter. The POGO staff (along with our colleagues at the Government Accountability Project) got the story of Marine Corps whistleblower Franz Gayl out on Facebook, Twitter, YouTube, Tumblr, Google+, and the blog. Gayl was the whistleblower who saved tens of thousands of lives by exposing delays in getting heavily armored vehicles to troops in Iraq, but was still retaliated against by the Marine Corps. Our petition in support of him helped get his security clearance reinstated so that he could go back to work.

As social media continues to evolve and play an ever-increasing role in citizen advocacy, POGO will be there on the cutting edge. I am proud that I helped start POGO, and I enjoy serving on the Board of Directors. I am impressed by the creative staff, who have expanded POGO’s mission and reach through good investigations and just plain dedicated hard work. Now, they’ve expanded that reach outside Washington through their innovative use of social media to create that army of advocates who will aid in the fight for good government.

Sincerely,

Dina Rasor / Founder
About POGO

The Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO’s investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical federal government.

POGO has earned a solid reputation for uncovering deep-rooted systemic problems which threaten the integrity of the federal government. By working effectively with whistleblowers and other expert insiders, and conducting in-depth investigations, POGO is able to provide accurate and reliable information, findings, and recommendations that are trusted by policymakers, the media, and the public. In fact, policymakers frequently adopt and implement our recommendations to fix the systemic problems originally investigated by POGO. We are further able to advance public policy improvements because we have developed solid bi-partisan relationships with congressional allies and senior agency officials, and have built strong, active grassroots support around our issues.

In POGO’s continuous drive to create positive systemic reform, we not only focus on problems in government policies but also on problems with how government conducts oversight and ensures accountability. If those areas can be strengthened and improved, it is far more likely that the integrity of the government can be ensured. From offering such programs as monthly training sessions for congressional staff in the art of conducting investigations, to working to strengthen both the independence and accountability of the Inspectors General system, POGO is tirelessly working toward a better federal government that works in the interest of the American public.

POGO is just the kind of watchdog you want keeping an eye on government and politicians—alert, persistent, scrappy and effective.

Sheila Krumholz, Executive Director, Center for Responsive Politics
How POGO Is Helping to Make Government Work

The task of making the federal government work better takes more than issuing reports, meeting with policymakers, and working with the media. It also takes building a community of advocates, journalists, partners, and policymakers who care about good government. POGO is helping to build that community through a variety of initiatives. On the Hill, POGO works directly with lawmakers of all stripes to put more accountability into legislation, and helps to develop a broader network of congressional allies through briefings and events. POGO’s Congressional Oversight Training Series continues to hone the investigative skills of staffers and to spark discussions about the best way to conduct effective oversight throughout the legislative branch.

Off the Hill, POGO works with policymakers at the federal agencies as well as at the White House to educate them about our findings and encourage good government reforms. POGO also serves on the steering committees for the Make It Safe Coalition and OpenTheGovernment.org, and on the Congressional Transparency Caucus Advisory Committee. Meanwhile, our Muckrakers’ Happy Hours have become a popular gathering spot for good-government wonks of all kinds. Last but not least, POGO continues to cultivate a burgeoning community of online advocates. Through Facebook, Twitter, LinkedIn, and a host of other social networks, POGO has spread the “provoke accountability” message far and wide. We’d love for you to get involved.

POGO Testifies

Photos from left to right: Nick Schwellenbach, Scott Amey, Benjamin Freeman, Ph.D., Angela Canterbury

→ Testimony of Nick Schwellenbach before the Senate Homeland Security and Governmental Affairs Committee’s Subcommittee on Contracting Oversight, on “Improving Federal Contract Auditing”

→ Testimony of Scott Amey before the Commission on Wartime Contracting in Iraq and Afghanistan, on “Deficient Contractor Accountability Leaves Agencies and Taxpayers at Risk”

→ Testimony of Angela Canterbury before the House Committee on Oversight and Government Reform, on “The Freedom of Information Act: Crowd-Sourcing Government Oversight”

→ Testimony of Scott Amey before the Committee on Homeland Security’s Subcommittee on Oversight, Investigations, and Management, on “Homeland Security Contracting: Does the Department Effectively Leverage Emerging Technologies?”

→ Testimony of Benjamin Freeman, Ph.D., before the Senate Armed Services Committee’s Subcommittee on Personnel, on “General and Flag Officer Requirements”

→ Testimony of Scott Amey before the Senate Committee on Homeland Security and Governmental Affairs’ Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, on “Intelligence Community Contractors: Are We Striking the Right Balance?”

→ Testimony of Nick Schwellenbach before the House Committee on Oversight and Government Reform’s Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform, on “Are government contractors exploiting workers overseas? Examining enforcement of the Trafficking Victims Protection Act”

→ Testimony of Angela Canterbury before the Senate Committee on Homeland Security and Governmental Affairs’ Subcommittee on Contracting Oversight, on “Whistleblower Protections for Government Contractors”
Accomplishments & Progress in 2011

Fighting Revolving Door

Sparked a Pentagon Inspector General investigation into the head of the Defense Advanced Research Projects Agency whose former company—still headed by her dad and uncle—is winning contracts from the agency.

Revealed, through its investigative report and database, the extent to which hundreds of Securities and Exchange Commission employees went through the revolving door to represent Wall Street clients in front of their former employer.

The Project on Government Oversight has become the financial regulatory eyes and ears for our nation. While one would think Congress might care to thoroughly investigate government agencies and hold them to account, our recent history has shown us that the Congressional oversight is severely lacking. Enter POGO.

Larry Doyle, “POGO: ‘Reports the SEC Doesn’t Want You to See,’” Sense on Cents, January 24, 2011

Exposing Waste, Fraud, and Mismanagement

Turned conventional wisdom on its head with its groundbreaking report, Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors, by revealing that government contractors cost, on average, nearly double what federal employees cost when performing the same work.

Released recommendations, along with its ally Taxpayers for Common Sense, for reducing the deficit by nearly $600 billion over the next decade through cutting wasteful defense spending.

Made internal DoD documents public, revealing numerous problems facing the F-35 Joint Strike Fighter. In part because of these disclosures, POGO helped increase oversight and accountability of the DoD’s largest weapons procurement ever.

Made public for the first time an un-redacted DoD IG report that shows Boeing ripped off taxpayers by overcharging by several thousand percent on several helicopter spare parts. The most egregious instance was a charge of $71.01 for a straight, thin metal pin that DoD had on hand, unused by the tens of thousands, which it had purchased for 4 cents each—an increase of over 177,000 percent.

Worked with a bipartisan coalition in the House and Senate to get a law passed that expands the cap on government reimbursement of DoD contractor compensation, which will save billions of dollars over the years. Previously, the cap was limited to the top five contractor executives, but now covers the amount of taxpayer reimbursement of compensation for all DoD contractor employees.

The issues that you follow are highly technical and yet you do a wonderful job of presenting the material clearly to permit the public to understand the problems and possible solutions. The branches of government were designed to provide checks and balances, but have done a poor job in discharging their assigned duties. I am glad you are there to closely monitor federal agencies.

Louis Fisher, formerly Specialist in Constitutional Law at the Law Library and Senior Specialist in Separation of Powers at the Congressional Research Service
More Accomplishments & Progress in 2011

Stopping Excessive Secrecy

Organized an open letter urging Senators to oppose a measure that threatened the free speech rights of intelligence community employees by imposing harsh penalties on those merely suspected of leaking classified information. The language was scrapped after POGO’s work and after Senator Ron Wyden objected.

Led the successful pushback effort against a new defense-budget-bill secrecy provision. POGO worked closely with Senator Patrick Leahy and Representative Carolyn Maloney, who amended the bill to narrow that provision and require that information withheld by the Pentagon under a certain Freedom of Information Act exemption pass a “public interest balancing test.”

Developed recommendations for the National Action Plan for open government as part of its work with OpenTheGovernment.org, a coalition of good government groups chaired by POGO Executive Director Danielle Brian. The White House incorporated many of POGO’s recommendations such as committing to enhancing whistleblower protections; improving FOIA administration; declassifying information that should be public; modernizing federal records to preserve agency emails; and increasing transparency in federal spending and taxpayer royalty collection for natural resources harvested from public lands.

Protecting Whistleblowers

Worked to ensure that financial regulatory agencies have the authority to provide awards and protections to industry whistleblowers who make disclosures directly to the government. Industry groups had aggressively lobbied for a requirement that would have forced whistleblowers to go through internal compliance programs in order to qualify for an award, which would have presented companies with the opportunity to retaliate against the whistleblowers and conceal any alleged misconduct.

POGO and the Government Accountability Project successfully issued a call to action to their memberships to pressure the two leading federal agencies responsible for government whistleblower protections to protect Franz Gayl—whose disclosures may have saved tens of thousands of U.S. troops from death and injury from IEDs by accelerating the purchase of MRAPS—and to get him his job back.

The whole intelligence oversight business is really sort of in-grown and conducted behind closed doors. There’s just a handful of organizations and journalists and others who are even paying attention. That’s why POGO, among so many other reasons, is playing an important role here just by watching and participating in the process. Without that, even the oversight committees get the impression that nobody cares.

Steve Aftergood, Director of the Project on Government Secrecy, Federation of American Scientists

As you know, several of Transparency International’s Chapters in Central and Eastern Europe are currently looking to replicate POGO’s work with the Whistleblower Film Festival. We have found this medium to be a highly innovative way to communicate the importance of whistleblowers to a wide demographic, and to reach out to the potential whistleblowers themselves.

Paul Zoubkov, Senior Programme Coordinator, Europe and Central Asia Department, Transparency International Secretariat
With an assist from comedian Lewis Black and a cadre of well-wishers representing the good government community, whistleblowers, and past and present Members of Congress, the Project On Government Oversight pulled off a celebration in May 2011 that was three decades in the making.

The reception, dinner, and panel discussion at the House of Sweden in Washington, DC, highlighted 30 years of accomplishments ranging from the organization’s early work rooting out wasteful defense spending to its more recent investigations into oil industry and financial sector corruption.

While Black, who is known for his biting social commentary, could not attend the event, he provided a videotaped toast and appeared in a brief documentary about POGO’s mission and successes at holding the government accountable.

The evening was highlighted by a panel discussion moderated by The Huffington Post’s Dan Froomkin and featuring Representative Jan Schakowsky (D-IL), former Representative Chris Shays (R-CT), and noted Wall Street maverick David Einhorn. Titled “Wikileaks, Wall Street and Whistleblowers: The Role of Government Oversight,” the discussion focused on the intersection of three areas that have been at the core of POGO’s work in recent years.

“We’ve seen five different presidents and a slew of cabinet secretaries and agency directors come and go, but there’s really no end in sight to our work—no matter which political party is in power, the need for good government oversight will never go away,” said Danielle Brian, who started at POGO as an intern in 1983 and became executive director in 1993. “It has been a remarkable journey, and we’re looking forward to another 30 years of exposing corruption and exploring solutions.”
In order to preserve our independence, POGO does not accept contributions from the government, unions, corporations, or anyone with a financial stake in the outcomes of our investigations. POGO accepts limited contributions from law firms, capping each at less than 1% of POGO’s operating budget. POGO also accepts employee-directed contributions and donor-matching funds from companies.

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Statement of Activities*

REVENUE
Grants .................................................. $ 1,752,573
Contributions ........................................... $ 91,671
Fundraising Event ..................................... $ 59,400
Volunteer Services ................................. $ 58,950
Publications and Other Income ............... $ 219
Investment Income ................................. ($33,967)
Total Revenue .......................... $ 1,928,846

PROGRAM SERVICES
Government Accountability ...................... $ 353,916
Contract Oversight ................................. $ 260,342
Defense and National Security Investigations .... $ 197,794
Emerging Programs ............................... $ 176,908
Public Health Investigations ..................... $ 171,092
Inherently Governmental Functions ........... $ 158,463
Nuclear Weapons Security Investigations ....... $ 145,488
Whistleblower Protections ....................... $ 110,397
Financial Sector Oversight ........................ $ 91,688
Energy and Natural Resources Investigations .. $ 76,815
Inspector General Investigations ............... $ 53,118
Congressional Oversight Training .............. $ 44,738
Direct Lobbying .................................... $ 37,947
Total Program Services ........................ $ 1,878,706

SUPPORTING SERVICES
Administrative ......................................... $ 161,542
Development .......................................... $ 269,080
Total Supporting Services ....................... $ 430,622
Total Expenses .................................. $ 2,309,328

Change in Net Assets ............................... $ (380,482)
Net Assets at Beginning of Year ............... $ 3,967,065
Net Assets at End of Year ....................... $ 3,586,583

*January 1, 2011 - December 31, 2011 / Audited

- 81% Programs
- 7% Administrative
- 12% Development
Supporters

Effective Circle ($10,000+)

George Miller and Janet McKinley

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POGO also extends thanks to the many contributors who gave between $1 and $99 in 2011—
we deeply appreciate all of our generous supporters. You are truly the foundation of our organization.
If we somehow neglected to acknowledge you here, please let us know and accept our regrets.

* Member of the Monthly Giving Club. It’s easy to support POGO on a monthly basis, and every
donation makes a difference for our programs.
† Gave to the Beth Daley Impact Fund
‡ Gave to the Beth Daley Impact Fund and to POGO
I have been a longtime financial and moral supporter of POGO. Here’s why.

Let me start by asking, “Why do most of us support an organization?” The answer probably lies within the parameters of these basic premises: because we have confidence in its leadership, we believe in what it is trying to accomplish, the consistent quality of its results, the demonstrable integrity of the organization, and its adoption of new tools to promote its mission such as savvy social media and Internet presence. POGO exemplifies all these to me.

Most of us who care about how our country is run are daily bombarded with evidence of governmental and corporate corruption and serious mismanagement. Many of us are saddened and maddened at the degree to which money and illegality has corrupted our government and corporations. Why can’t somebody do something about it?

In many ways POGO can and does. POGO brings to the table a Charity Navigator 4-star rating for wise management of our contributions. It is a non-partisan, non-profit organization. It demonstrates considerable skill using what I call the ‘tools of principle’ when spotlighting corporate and governmental miscreants: accountability, openness, ethical conduct, and a tough but careful willingness to call out corruption and mismanagement when they see it.

I cannot draw to a close without noting two more great things about POGO. First, not only does POGO expose wrongdoings related to governmental and corporate actions, it also offers specific and useful remedies designed to improve governmental operations. And second, it offers whistleblowers a wise and powerful ear: POGO will listen to them and defend them against those touchy officials who dislike having their often dangerous, greedy, and lawless behavior exposed to outside criticism and possible legal action.

Happy 31st POGO. Ad Astra per Aspera.*

*To the stars through hardship.
POGO People

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Henry Banta
David Burnham
Michael Cavallo
Stacy Donohue (Observer)
Charles Hamel
Janine Jaquet
Morton Mintz
Nithi Vivatrat
Anne Zill

Thank You

Former staff members Lynn Mandell, Mandy Smithberger, and Paul Thacker; and interns Dahna Black, Rhya Ghose, Rob Jones, Alison Nataboff, Demoni Newman, Caroline Peterson, Rohail Premjee, and Rebecca Rotenberg.

2011 Staff

Danielle Brian, Executive Director
Scott Amey, General Counsel
Angela Canterbury, Director of Public Policy
Paul Chassy, Ph.D., J.D., Investigator
Lydia Dennett, Research Associate
Danni Downing, Editor and Congressional Oversight Training Series Director
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Adam Zagorin, Journalist-in-Residence
POGO is the most a**-kicking, name-taking, bunch of goody-two-shoes, good-government types in America.

Lewis Black, Actor & Author

Founded in 1981, the Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO’s investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical federal government.

The Project On Government Oversight has earned a fifth consecutive 4-star rating from Charity Navigator, America’s premier charity evaluator, for its ability to efficiently manage and grow its finances. Only 4% of the charities reviewed by Charity Navigator have received at least five consecutive 4-star ratings, indicating that POGO outperforms most charities in America.