

# **FOLLOW THE MONEY**



**April 17, 2018      Howard Jarvis Taxpayers Foundation**

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# HOWARD JARVIS TAXPAYERS FOUNDATION

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## Introduction

### Why are we paying more for less?

*For a state that is said to have one of the highest-ranked economies in the world, as well as some of the highest taxes in the nation, it seems as if California's policymakers never have enough funding to provide adequate services to the state's citizens. Just this year, Governor Jerry Brown proposed a \$190.3 billion spending plan, with a record-breaking \$132 billion general fund budget<sup>1</sup>. And yet, with \$6.1 billion in surplus tax revenue, we were told that we needed to raise gas and vehicle registration taxes to pay for our roads<sup>2</sup>.*

With the election season around the corner, California policymakers will be seeking to pass new tax and spending measures in June and November, citing inadequate funding for many of the state's services and projects. Yet, in spite of having a \$6.1 billion surplus, Californians will not see any decreases in taxes.

Even with some of the highest taxes in the nation, and the highest state personal income tax by far<sup>3</sup>, California seemingly never has enough money for what matters. California ranks last in quality of life<sup>4</sup>, with outrageous housing prices<sup>5</sup> and more than a quarter of the nation's homeless population<sup>6</sup>; our children are not receiving the education they need with one of the worst K-12 education systems in the country<sup>7</sup>, ranking in the bottom ten; and our roads are ranked 49th out of 50, with the only roads judged worse than ours being Rhode Island's<sup>4</sup>. In a state that ranks as having the fourth highest taxes in the nation<sup>8</sup>, how can it be that states without state income taxes rank higher in quality of life, public education and roads?

*Follow the Money 2017* seeks to answer this question, in part, by reflecting on the many frivolous expenditures and costs for fraud and negligence that have been paid out at the expense of taxpayers in the last year, money that could very well have gone to improving our roads, education and overall quality of life. *Follow the Money 2017* has been divided into several general categories as a means to draw attention to the various ways with which the state government squanders your hard-earned tax dollars.

## Bureaucracy and Corruption

With no incentives to operate efficiently, as they receive their income from the general fund by means of the taxpayers, the many bureaucracies in California's government see no need to be frugal. If a private business were to operate inefficiently, it would likely go bankrupt. If a government agency operates inefficiently, it's seen as a justification for greater funding, and calls are made for taxes to be raised or money to be reallocated from

another program. The examples that follow illustrate the inefficiencies of bloated government bureaucracies and call attention to the state government's incessant desire to raise taxes in response.

### **A FI\$Cal disaster**

*January 5, 2017*

In an effort to create an all-encompassing budget program (known as the Financial Information System of California) that would help speed up fiscal and policy decisions, state officials started an accounting system overhaul in 2005<sup>9</sup>. Four years ago, the state projected FI\$Cal would cost \$673 million; several years later, the project is behind schedule and the cost is expected to run up to \$910 million<sup>10</sup>.

### **Convicted former sheriff to receive full retirement benefits**

*January 17, 2017*

Even though former-L.A. County Sheriff Lee Baca pleaded guilty to lying to the FBI in an attempt to cover up inmate beatings at the county jail, he will still receive full retirement benefits, estimated at more than \$342,000 a year<sup>11,12</sup>. Under current California law, public employees convicted of felonies are still owed benefits from before the crime was committed.

### **Water district officials spend \$100,000 on home renovations and Katy Perry tickets**

*January 31, 2017*

Five officials from the Panoche Water District were arrested and charged for the misuse of taxpayer dollars on personal expenses such as home remodels, housing, and Katy Perry tickets<sup>13</sup>. The Attorney General's office estimated that the officials spent as much as \$100,000 of the public's money<sup>14</sup>.

### **County officials conspire with private company to run mining family out of business**

*March 21, 2017*

In what might be considered a case of government corruption and corporate favoritism, Sacramento County was ordered to pay over \$100 million in damages to two gravel-mining families after they were forced out of business<sup>15</sup>. A U.S. District Court found that local officials, "influenced" by rival mining company Teichert Construction, had trapped the mining families in a maze of bureaucratic hoops that were drummed up in an effort to force them out of business.

### **An ex-deputy city treasurer embezzled millions**

*March 30, 2017*

Having stolen upwards of \$3.7 million in city funds over the span of six years, the former deputy city treasurer of Compton was arrested by the FBI<sup>16,17</sup>. The ex-government

official managed to evade suspicion by stealing in increments of \$200 to \$8,000 a day in cash.

### **Superhuman state worker or expert bureaucrat?**

*May 2, 2017*

To many people's surprise, Oakland's highest-paid city employee in 2016 was neither the city manager nor the fire chief, but a civil engineer who reviews building plans. While the engineer's pay rate and compensation of \$484,175<sup>18</sup> suggests he would have been working 16 hours a day, every day of the year, the reality of it is a public employee with a regular salary of \$108,841 gamed the system, thanks to overly generous overtime contracts and favors for developers<sup>19,20</sup>.

### **Audit finds employees playing video games on the job**

*May 2, 2017*

In a recent audit based on tips to the state whistleblower telephone line, the State Auditor's office found state workers had wasted at least \$40,000 in taxpayer dollars<sup>21</sup>. Some of the examples included playing video games on the job and using a state vehicle to commute to work.

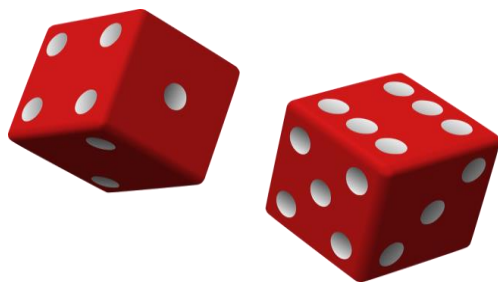
### **State government awards billions in non-competitive contracts**

*June 20, 2017*

A report by the state auditor found that the state government spent \$44 billion on non-competitive contracts<sup>22</sup>.

### **SANDAG gambled taxpayer dollars on interest rates, and then the Great Recession hit**

*July 9, 2017*



In the bloated bureaucracies of California's government, placing blame on any one person or group is an increasingly difficult task, and yet, taxpayers remain responsible for paying off these mistakes, as was the case when the San Diego Association of Governments (SANDAG) bet interest rates would go up prior to the Great Recession<sup>23</sup>. SANDAG bet wrong with its investments and as a result, cost taxpayers \$1.6 billion, with interest<sup>24</sup>.

### **Government official embezzled \$40,000 from improvement project**

*July 27, 2017*

The head of Stockton's Miracle Mile Improvement District was caught charging \$40,000 in personal expenses to the district's credit card<sup>25,26</sup>.

### **A gas tax for everyone but the people who passed it**

*July 29, 2017*

In another case of government bureaucrats exempting themselves from taxes that burden the rest of us, state legislators in both the Senate and Assembly were found to have used taxpayer-funded credit-cards to pay for their gas. From January 1, 2016 to April 2017, state legislators had charged more than \$137,000 in gas to the taxpayers<sup>27</sup>.

### **State legislators spend \$3.43 million in taxpayer dollars on campaign-related mailers**

*August 31, 2017*

Despite California's voters having passed a law in 1988 banning the use of taxpayer money for mass mailings to prevent public money from being spent on campaigns and political purposes, California State Legislature members spent \$3.43 million on sending mail to their constituents right before campaign season<sup>28</sup>.

### **Several city officials embezzle \$43 million**

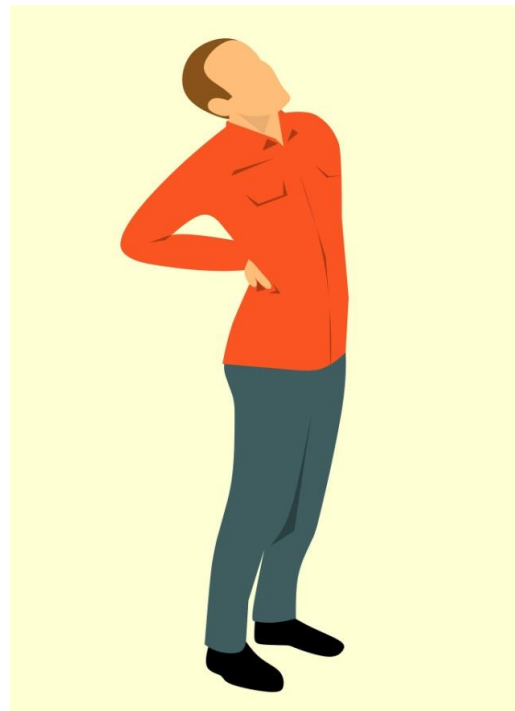
*January 1, 2018*

A massive corruption scandal in Beaumont, California, led to several former public officials pleading guilty to a number of corruption charges, having been accused of stealing almost \$43 million in taxpayer dollars<sup>29,30</sup>.

### **Employee with a questionable work history crashes headfirst into a wall right before he is fired; wins \$1.5 million lawsuit**

*January 31, 2018*

In what should already have been a red flag, the Central Basin Municipal Water District hired a former Pico Rivera mayor convicted of political misconduct. In a highly suspicious incident, the employee crashed headfirst into a wall two hours after a meeting had been called to discuss firing him from his nearly six-figure job, which resulted in a lawsuit costing the agency almost \$1.5 million<sup>31</sup>.



### **Prison psychiatrist cashes out big time**

*February 14, 2018*

A prison psychiatrist managed to work the state government employment law to his advantage and rake in \$540,000 in one year, which was almost \$80,000 more than the second highest-paid prison doctor<sup>32</sup>. Using vacation time from his main job at the state

prison in Tracy, the government employee cashed out his vacation days while working a second job at Alameda County Jail. Although lawyers for the state believe this was done legally, they contend that he was over-awarded 1,100 hours in vacation time.

### **Not enough money for the roads, but enough money to make the Capitol building more interesting for tourists**

*February 22, 2018*

Citing reasons such as difficulty navigating the Capitol building and a desire to offer visitors an interactive experience to learn about California government, state lawmakers are seeking \$543 million from the general fund to knock down and replace the 66-year-old annex office building with a new structure that's 190,000 square feet larger<sup>33</sup>.

### **Employee sues Caltrans after facing retaliation for reporting coworkers sharing lewd content on work computers**

*March 15, 2018*

After a Caltrans employee discovered several of her coworkers had been using work computers to store and share pornography, she reported it to a supervisor, asking for her complaint to remain confidential. When she was subjected to retaliation soon after from the very coworkers and supervisors she had reported, she filed a lawsuit with Caltrans and won \$605,000<sup>34</sup>. Now her attorney is asking for another \$4.6 million for the time and risk that went into suing Caltrans, arguing that had the employee lost the case, she would have had to pay tens of thousands in Caltrans' legal fees.

## **Education**

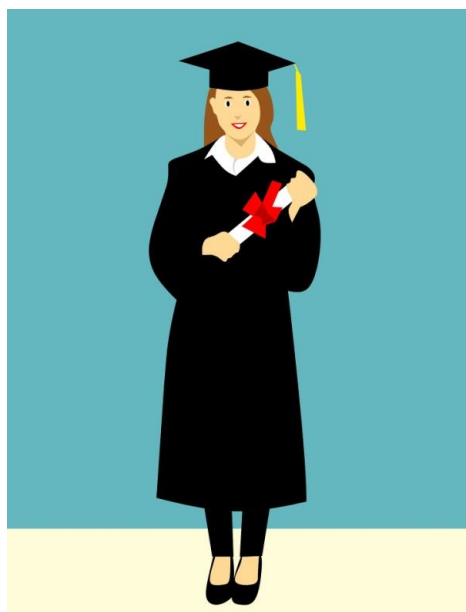
California has several of the best-ranked universities in the world, and yet our K-12 education system is among the worst in the nation, ranking 10th from last in a recent report by *Education Week*<sup>35</sup>. Even more concerning, a recent study by Stanford University found that of the 26 school districts with the lowest reading performance, 11 were located in California<sup>36</sup>.

### **State Auditor's Office finds UC system wasteful and unable to keep track of money**

*April 25, 2017*

The University of California Office of the President had \$175 million in budget reserve funds that UC President Janet Napolitano claimed wasn't "hidden" and was actually intended for programs meant to improve the University of California system<sup>37</sup>. Of that \$175 million, \$32 million was from a yearly charge paid by each of the schools that was meant to be spent on student services, such as food security for low-income students and lowering the schools' environmental footprint.

Salaries for the executives and administrators in the University of California were (and still are) higher than comparable salaries, amounting to a combined total of \$2.5 million more than comparable state employee positions.



It was also determined that the UC system spent at least \$21.6 million on employee benefits that can rarely be found in the public sector, such as additional retirement *contributions*<sup>38</sup>. The office of UC President Napolitano also offered retirement *contributions* to its executives, equal to 5% of their salaries, adding up to another \$2.5 million.

The State Auditor's office also found that not only were UC administrators unable to justify their spending on the UC's statewide initiatives, ***they didn't even have a complete listing of the initiatives, how much they cost, and what benefit they even offered the UC system!***

From 2012 to 2016, the administrative spending for Napolitano's office increased by \$80 million, citing management costs for retirement programs and other services for campuses and employees. In addition, Napolitano's office spent more than \$2 million on business meetings and entertainment in that same span of time.

Finally, the Office of the President screened employees' responses to the State Auditor's surveys about the UC's spending, revising surveys critical of the UC President's office so that they might appear more positive.

At the end of the day, no lasting changes have been made as a result of the state's audit of the UC system, and therefore these unelected bureaucrats will continue to burn through taxpayer dollars, enjoying lavish salaries (like Napolitano's \$570,000 a year<sup>39</sup>), all while calling for increased tuition and fees as well as more money from the state.

### **Former UC Davis Chancellor used PR firms to improve image after students are pepper-sprayed, then resigns, only to still be paid like a chancellor**

*March 24, 2017*

It began with the revelation that former UC Davis Chancellor Linda Katehi had been moonlighting as a board member for the for-profit DeVry Education Group and textbook publisher John Wiley & Sons.



As a result of the incident at UC Davis in November 2011 where campus police had pepper-sprayed student protestors, the University paid out almost \$2 million in legal costs and settlements<sup>40</sup>.

Katehi's staff paid several public relations firms \$407,000 to improve the image of Katehi and the school in the aftermath of the pepper-spray incident and Katehi's for-profit side job.

Moreover, Katehi spent over \$300,000 a year on staffing, maintenance, and entertainment at the chancellor's house in the 2013-14 and 2014-15 academic years.

In an investigation of Katehi, the University of California paid an investigative law firm nearly \$1 million, with the lead investigators being paid \$595 an hour<sup>40</sup>!

Upon the release of the investigation results, Katehi resigned the same day. *However, she was allowed to keep her \$424,360 salary with retirement and health benefits for the year, while she remained on leave*<sup>41</sup>.

When former Chancellor Katehi was ready to return to teaching at UC Davis, she was awarded the title of distinguished professor, with a salary equivalent to what she was making as the chancellor<sup>42</sup>! When all is said and done, the story of Linda Katehi remains a shining example of the bureaucracy we see in the public sector, with government bureaucrats pulling favors for their own at the expense of us, the taxpayers.

### **Former UC Berkeley Chancellor steps down and is paid the same salary to transition back into teaching**

*August 8, 2017*

Considering the University of California's decision to hire Linda Katehi as a distinguished professor after wasting several million taxpayer dollars, it should come as no surprise that when the former Chancellor of UC Berkeley, Nicholas Dirks, stepped down, he retained almost exactly the same salary. In what the University of California justifies as allowing for the retention and reintegration of top academic professionals, executives transitioning back into teaching retain their executive salary while on leave. For Nicholas Dirks, this amounted to \$434,000, during which time he did not teach or administrate<sup>43</sup>.

### **Free speech isn't quite "free" at UC Berkeley**

*February 6, 2018*

The University of California's flagship campus at Berkeley spent \$4 million on security for *just one conservative guest speaker*, out of fear of rioting and protests<sup>44</sup>.

## Environmental

From Big Sur to Yosemite, California has some of the most beautiful beaches and national forests in the nation, drawing in tourists and new residents alike. In an effort to sustain such beautiful scenery, California has gone all in on green energy, throwing money at just about anything that might reduce our reliance on fossil fuels and minimize our environmental impact. Almost everyone agrees that we should do our best to protect our environment and preserve our wildlife and natural parks for the generations to come. However, the reality is that many of these measures and programs fall short of their intended causes, instead subsidizing the wealthy or locking up innocent waiters and waitresses.

### **Subsidized electric cars for the wealthy**

*August 26, 2017*

As recently reported by the Pacific Research Institute, it should come as no surprise that 79 percent of the electric vehicle plug-in tax credits were claimed by households with adjusted gross incomes over \$100,000<sup>45</sup>. When taking into consideration the \$449 million in \$2,500 consumer rebates the state government has given out to incentivize the purchase of electric cars, it becomes clear that the state program is nothing more than a taxpayer subsidy for the wealthy<sup>46</sup>.



### **Water agency spends \$32 million meant for endangered wildlife on other projects**

*August 29, 2017*

From 2008 to 2016, the U.S. Bureau of Reclamation wasted \$32 million in funds that were meant to protect fish and wildlife in the Klamath Basin, which overlaps in Oregon and California<sup>47</sup>. Rather than improving standards for endangered or at-risk animals in the area, the money given to the Klamath Water and Power Agency (KWAPA) was instead spent mostly on compensating farmers for using groundwater instead of federal irrigation water, and

the rest on salary raises and other questionable expenses. KWAPA argues they did nothing wrong, and the U.S. Department of the Interior has yet to do anything about it.

### **Divestment doesn't pay the bills**

*December 4, 2017*

A report by the non-profit American Council for Capital Formation slammed CalPERS investing strategies, which include favoring environmental and social causes and divesting from industries like fossil fuels and firearms<sup>48</sup>. According to another report by

the Wilshire Associates investment management firm, California's activist investment policy has led to CalPERS missing out on almost \$8 billion in potential earnings as a result of its divestment policies since the 1980s<sup>49</sup>. For a government branch whose sole responsibility is making sure public employees have the money they need to retire, CalPERS has done an abysmal job.

### **Another large company picks up and moves out of California**

*December 15, 2017*

As if it isn't already hard enough to live in California as a result of rising housing costs and taxes, Riverside-based company EnerBlü Inc. decided 2017 was the year to pack up and leave, moving its headquarters and employees to Kentucky. The lithium battery manufacturing company announced that it would be investing \$372 million in its production facility in Pikeville, Kentucky, creating 875 full-time jobs<sup>50</sup>. The company cited the availability of workers, low power costs, and the location of Kentucky being within reach of 65% of the nation's population.

### **The Last Straw**

*February 1, 2018*

Politicians in the California State Capitol now want to make it illegal for restaurants to automatically provide customers with straws<sup>51</sup>. Unless a customer explicitly asks for a straw, offenders could expect up to six months in jail, fines up to \$1,000, or a combination of both... for offering straws<sup>52</sup>.

The bill has been amended to remove jail time and the fines as a result of widespread ridicule<sup>53</sup>; however, the fact remains that California has legislators that would go so far as to fine and/or jail restaurant workers for something as miniscule as offering straws.



## **Healthcare**

As healthcare costs continue to rise and our elected government officials debate over the best path to counteract these costs, many of us are stuck in the middle, paying increasingly pricey premiums. As the call for a revised single-payer healthcare system has begun to gain traction in some parts of the country with the fallout of the Affordable Care Act, other parts of the world are beginning to feel the staggering costs and wait times of government-run healthcare. This was the case for the United Kingdom's National Health Service, where more than 9 million people who visited emergency wards in Britain were sent home in the 2016-2017 fiscal year<sup>54</sup>. In Canada, another

country that is lauded for its single-payer system, an increasing number of Canadians are seeking treatment outside of the nation, citing wait times and the minimal treatment the system covers<sup>55</sup>. In the United States, insurance fraud between the government, private insurers, and healthcare systems costs taxpayers in the billions, begging questions such as, why does the system have to be so muddled as to raise costs for us, the taxpayers, with no improvement in services?

## **Medicare and Medicaid overpaid almost \$730 million**

*June 12, 2017*

Bureaucratic negligence at the Centers for Medicare and Medicaid Services resulted in healthcare providers being overpaid nearly \$730 million from a program meant to incentivize providers to switch their healthcare records to an electronic format<sup>56</sup>. Even more shocking, the electronic records that the providers were paid for did not even meet the meaningful use requirements for the program in the first place!



## **Anthem settles after a cyberattack on its system compromised the personal information of 79 million people**

*June 26, 2017*

Following a cyberattack on its systems in 2015 that exposed the personal information of almost 79 million people, healthcare insurance company Anthem has agreed to settle with the lawyers of the victims for \$115 million<sup>57</sup>. Many of those affected by the security breach are believed to be affiliated with Anthem through the Blue Cross Blue Shield Association, which administers the Medicare program for our nation's seniors.

## **Healthcare fraud costs taxpayers billions**

While Medicare and Medi-Cal were designed as programs meant to provide quality healthcare to the disadvantaged, disabled, and elderly, insurance fraud can take the much-needed funds from these programs and divert them into the hands of scammers.

- *March 21, 2017*
  - Medicare overpaid 33 San Francisco area hospitals as much as \$5.3 million due to the hospitals' misreporting of wage data<sup>58</sup>.
- *May 18, 2017*
  - IN a scheme that may have cost taxpayers a minimum of \$1 billion, health insurance company UnitedHealth Group overcharged the federal

government through the Medicare Advantage program by making patients appear sicker than they were<sup>59</sup>.

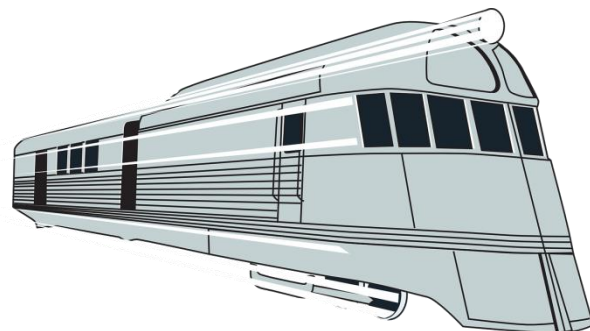
- *July 13, 2017*
  - In one of the largest healthcare fraud scams in the nation's history, over 400 medical professionals across the country were charged with \$1.3 billion in false billings, prescriptions, and distribution of opioids<sup>60,61</sup>. The nation continues to struggle with opioid abuse; an estimated 91 Americans die daily from opioid-related causes<sup>62</sup>.
- *July 14, 2017*
  - 17 California physicians have been charged with defrauding Medicare, and by extension California's taxpayers, of approximately \$147 million<sup>63</sup>. The doctors submitted false claims for prescription drugs that were neither completed by the pharmacy nor received by patients.
- *July 29, 2017*
  - In a lawsuit regarding false claims filed with Medicare and MediCal, Pacific Alliance Medical Center agreed to pay \$42 million to the U.S. Department of Justice<sup>64</sup>. The healthcare provider, located in L.A.'s Chinatown, used the reimbursements from Medicare and MediCal to pay for expensive doctor's offices in an attempt to influence doctor referrals.

## Infrastructure

Californians are asked to approve one public works project after another, and yet, the state of affairs remain the same: our roads are among the worst in the nation, our commute times are awful, and traffic congestion is a nightmare. To make matters worse, after already having among the highest gas taxes and registration fees in the nation, the California State Legislators passed another gas tax this last year to pay for our roads, declaring that this money would actually go towards the roads for which it was intended. However, the question remains: where has the money from the gas taxes and registrations fees gone before Sacramento's bureaucrats decided that *this time* the money would go towards what it was actually taxed for?

*December 15, 2017*

The California High Speed Rail, dubbed by opponents as the "Train to Nowhere", has become notorious across the nation for the project's wishful thinking and immense cost overruns<sup>65</sup>. What began as a \$43 billion project meant to connect Los



Angeles to San Francisco has skyrocketed to an overwhelming \$77 billion and pushed back to 2033<sup>66,67</sup>, and *they've only just begun the first section of track...* in rural Kern County<sup>68</sup>!

*December 30, 2017*

LA County officials spent \$440 million over the course of three decades on a train project that was supposed to haul the county's trash to a remote landfill in the desert<sup>69</sup>. The problem? The train will likely never be used due to increased recycling and nearby landfills still having decades of space left. It brings to mind another train project that will likely cost taxpayers far more than it's worth...

## Sexual Harassment

An unfortunate addition to this year's *Follow the Money* report, but costly enough that it merits its own standalone section, the state of California has paid out more than \$25 million for sexual harassment claims from 2015-2017<sup>70</sup>. The following is a list of the ten largest settlements paid out by the state.

- *March 2016, \$10 million*
  - In a settlement that cost the state \$10 million, a staff counselor for the Herman G. Stark Youth Correctional Facility in Southern California was accused of coercing young men into sex acts in exchange for goods and privileges, and punishing those who did not accept his advances.
- *March 2017, \$1.7 million*
  - After being accused of inappropriate hugging, touching, and kissing, the ex-dean of UC Berkeley School of Law stepped down from his position while still remaining a tenured professor. The state agreed to pay out \$1.7 million to the sexually harassed assistant, and the ex-dean made a deal with the UC to resign "in good standing".
- *September 2015, \$1.6 million*
  - A correctional officer located at the California State Prison in Sacramento accused the department of creating a hostile work environment that led to her and other female workers being exposed to inappropriate behavior from the inmates. The female officer was forcibly assaulted by a prisoner a week later, after the department had failed to appropriately address the concerns the officer had raised about the same inmate a week earlier.
- *January 2017, \$1.15 million*
  - Graduating college should be considered a time of joy and a milestone achievement in anyone's life. This was not the case for a student at UC Santa Cruz, who accused one of her professors of rape that occurred on

the night before her graduation. The professor was placed on involuntary leave, with pay, the following year after the rape occurred.

- *May 2017, \$784,500*
  - The state was forced to pay \$784,500 after a unit supervisor was found to have placed a hidden video camera in one of the restrooms at the California Health Care Facility in Stockton.
- *February 2016, \$750,000*
  - When supervisors failed to correctly address instances of unwelcome sexual advances and comments coming from a male coworker at California State Prison-Corcoran over the span of two decades, a female correctional officer filed a lawsuit with the state for \$750,000 and won.
- *December 2016, \$600,000*
  - A female office assistant located at the California Highway Patrol headquarters in Sacramento filed a lawsuit against the state when she was subjected to numerous sexual advances by a male supervisor, including forced attempts to kiss her. The CHP concluded that there was not enough evidence to act, but settled for \$600,000 on the condition that the office assistant retire from the department.
- *April 2015, \$400,000*
  - In a \$400,000 settlement, a former worker at the California Pollution Control Financing Authority was forced to resign and never seek re-employment within the California state government after she accused a male supervisor of rape. The department believed her allegations to be false and thought they were an attempt by her to avoid discipline.
- *April 2015, \$400,000*
  - A female police officer at the Porterville Developmental Center won a \$400,000 settlement against the state after being subjected to sexually explicit comments from three fellow male officers. Moreover, the supervisor who oversaw the investigations was harassed and retaliated against by the accused officers and their commander.
- *August 2017, \$400,000*
  - After being subjected to numerous instances of sexual harassment by one of her supervisors, an office technician at the Fairview Developmental Center in Costa Mesa filed a lawsuit against the state. As if harassing a coworker wasn't enough, the supervisor threatened the office technician's employment with the department, pressuring that she remain silent about his conduct.

## Conclusions

California is a large state with a population that hosts a diverse range of cultures, beliefs, and political perspectives concerning the role of government in our daily lives and the taxation that accompanies it. While debates exist about how much and for what we should tax, most would agree we want to make sure those taxes go towards the government services we were taxed for.

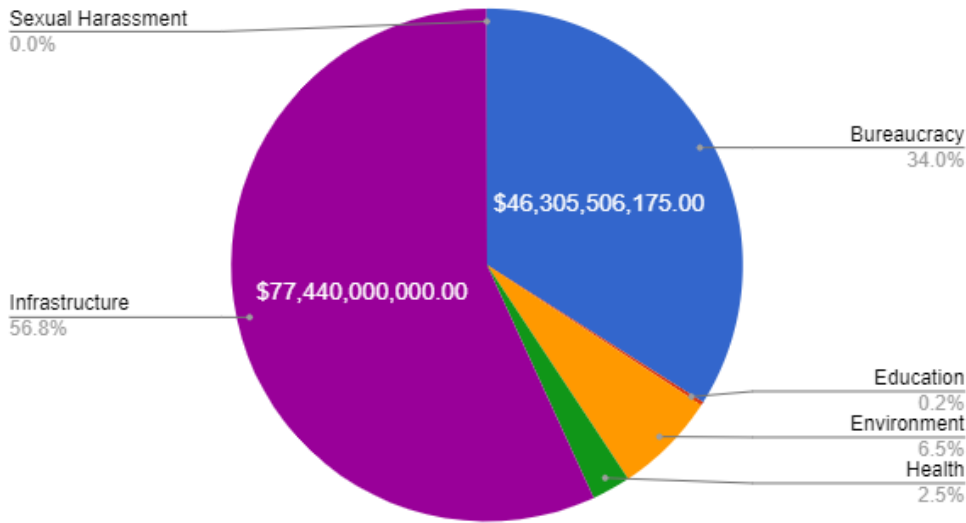
The *Follow the Money* report is designed to draw your attention towards the instances in which your tax dollars were used in situations of waste, fraud, and abuse, and not for their intended purposes. While there are surely many more cases of bureaucratic mismanagement and fraud that have yet to come to light, this report has sought to illustrate the cases that have been discovered and exposed by official investigations and the press in the last year alone.

Over the past decade, the Howard Jarvis Taxpayers Foundation has released numerous annual reports documenting government waste. Before *Follow the Money*, the Foundation released a similar report titled the “Piglet Book”. That there was never an empty report indicates that there are many more instances of waste still out there and many more that will likely be discovered in years to come.

As we prepare for the 2018 campaign season, Californians will be asked to consider a number of tax proposals and spending measures. Before voting to give Sacramento politicians more money, consider the number \$46,305,506,175.00. Almost \$50 billion, this number represents the total amount of taxpayer dollars that have been wasted by means of mismanagement and fraud from the cases in just this year’s *Follow the Money* report.



## Follow the Money 2017: Spending by Category



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## Endnotes

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