

FOLLOW THE MONEY



April 15, 2019 Howard Jarvis Taxpayers Foundation

**921 11TH STREET – SUITE 1201
SACRAMENTO, CA 95814
PHONE 916.444.9950 – FAX 916.444.9823**

HOWARD JARVIS TAXPAYERS FOUNDATION

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Introduction

There's talk of record surpluses, but taxes keep rising

California's newly elected Gov. Gavin Newsom began his term by proposing a \$144.2 billion general fund budget and an overall \$209.1 billion spending plan¹. To pay for it, state legislators are rushing to propose new taxes and fees on everything from drinking water and soda to fertilizers and firearms². It's just the tip of the iceberg, with even more and bigger tax proposals heading toward beleaguered California taxpayers.

Follow the money and you'll see a lot of waste. It's hard to watch a \$77 billion bullet train boondoggle or city employees embezzling thousands of dollars^{3,4} while state taxes are rising and 2018 saw nearly 250 local tax increases placed on the ballot⁵.

With the State Legislature planning to spend over \$200 billion for the second year in a row⁶, Californians' quality of life should be amazing next to states with much smaller budgets. However, this is not the case: In US News and World Report's 2018 rankings for states with the best quality of life, California ranked 50th⁷. In stark contrast, North Dakota ranked first for the best quality of life, and with a 2017-2019 budget of only \$13.55 billion⁸.

California's government throws money at problems, like one \$200 million project that ballooned to \$1 billion⁹. Yet no matter how much money the government collects and spends, every year brings more demands for more money and new taxes. From 2016 to 2017, more than 138,000 Californians left the state, many citing the cost of living and excessive taxes as the reason¹⁰.

When a state has such an outstandingly large budget, and yet has the worst quality of life, where is all this money going?

Follow the Money 2018 brings to light documented examples of waste, fraud, and abuse of your hard-earned taxpayer dollars. The cases herein are meant to provide you, the taxpayer, with the resources necessary to understand how and where *your* money is being spent by government officials and bureaucrats. *Follow the Money 2018* has been divided into several general categories to better illustrate the ways in which the various government entities in California squander taxpayer dollars.

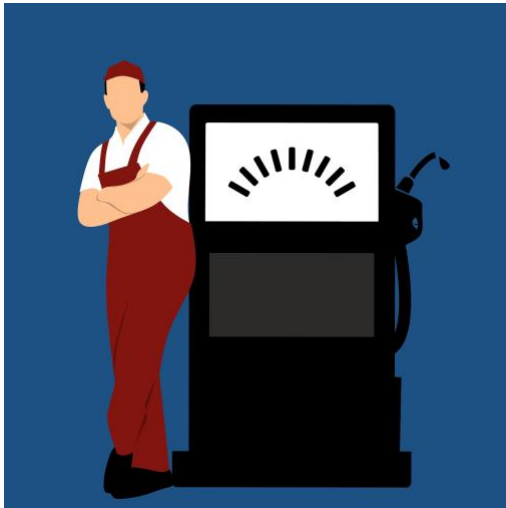
Bureaucracy

When President Donald Trump signed the Tax Cuts and Jobs Act of 2017, state and local tax deductions were limited to \$10,000. This caused high-tax states like California to begin panicking about the high-income taxpayers that would begin looking for ways to reduce their state tax liabilities, and slashing the state's revenue sources¹¹. Rather than accepting it as a wakeup call, state officials and bureaucrats in Sacramento grew even more committed to maintaining their excessive tax-and-spend way of doing business. Instead of reducing taxes, the powers that be sought to collect taxes via charitable donations, only to be quickly stuck down by the federal government, and are now considering a plethora of new taxes and fees. The following examples serve to educate taxpayers on the culture of bureaucratic waste and abuse in California.

The perks of being a politician

March 10, 2018

Rather than making them wait in line with the rest of the Angelenos bustling for tickets to the critically acclaimed musical "Hamilton," the theatre hosting the event gifted several local electeds pairs of tickets¹². In one case, the official asked for four additional tickets, with the gift reaching almost \$1000, far exceeding the state's gift limit of \$470, and Los Angeles' \$100 limit, per year from each giver.



A mystery gasoline surcharge

April 8, 2018

Severin Borenstein, a UC Berkeley professor of Business Administration and Public Policy, is calling for the formation of a commission to look at a mystery surcharge costing California's drivers an average \$12 million a day, or \$3 billion to 4 billion a day¹³. There are a number of possible explanations, from the oil industry raising prices to California's state regulations driving the surcharge. Borenstein believes that while the commission could cost as much as \$30 million, the cost would be justified in compared to the extra money Californians are paying at the pump.

City of Compton turns a \$22.4 million surplus into a \$42.7 million deficit

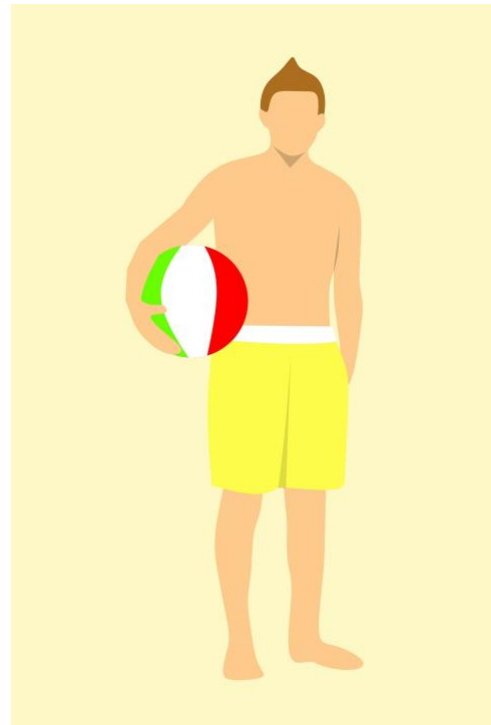
April 19, 2018

In what the California State Controller referred to as "unallowable and excessive gas tax borrowing and spending," the city of Compton's lax accounting and oversight allowed officials to borrow a total of \$5.2 million in violation of state rules over the span of nine years¹⁴. Moreover, another report found the city's overspending habits a decade ago turned a \$22.4 million general fund surplus into a \$42.7 million deficit. Even after city adopted a plan in 2014 to repay the debt, the deficit increased by another \$6.4 million in the following year.

Vacationing on the job

June 4, 2018

From 2013 to 2017, the State Legislature spent over \$192,000 in taxpayer dollars on international travel by legislative staff members, with the Senate accounting for the majority of the expenses at \$154,138¹⁵. The Sacramento Bee found this to be uncommon when it compared the Legislature's international travel expenses with that of other states, like New York and Texas, who had spent no taxpayer dollars on international travel during the time in question.



\$2.1 Million later: “We’re going to need another 22 years”

June 26, 2018

In an effort to speed up 911 response times, the Sacramento region's larger fire departments sought to modernize the area's dispatch system in 2015. Two years and \$2.1 million later, the company that won the bid believes the project will take another 17 to 22 years to complete¹⁶. Fire officials are filing a federal lawsuit claiming fraud and breach of contract. However, the lawsuit claims the software company "... has a custom and practice of failing to perform on their contracts with other government agencies and entities." While the fire departments' choice to conduct business with a company known for a history of poor performance is questionable, what is certain is that taxpayers will have been left with a \$2.1 million bill, potential legal fees, and the same old dispatch system.

Despite new \$290 million tax system not working, state officials push ahead

July 30, 2018

The Centralized Revenue Opportunity System (CROS), a \$290 million sales tax system designed to modernize the state's ability to collect taxes and distribute revenues to various agencies, proved to be a massive headache for taxpayers after being introduced in 2018¹⁷. The State Legislature, expecting issues, passed a bill waiving late-filing penalties for those who had difficulties. The bill was vetoed by former governor Jerry Brown, who stated there was already protocol in place. As such, taxpayers were left to further navigate the tax department's bureaucracy, rather than preemptively waiving penalties.

Taking out the trash: Waste manager fired for defrauding taxpayers

August 08, 2018

A San Luis Obispo County waste manager was placed on leave as the SLO County Integrated Waste Management Authority (IWMA) began an investigation into whether he fraudulently used taxpayer dollars⁴. A private investigator, whose findings sparked the agency's investigation, found the manager had used an IWMA credit card to bilk thousands in personal expenses as

well as awarded contractors lucrative contracts without going through a competitive bidding process.

New tax system gives out access to wrong business accounts

August 22, 2018

Another major stumble by the Department of Tax and Fee Administration's CROS program led to an email being sent out to some accountants and business owners with access codes to tax accounts that weren't theirs¹⁸. Even though the codes could only be used to prepay a company's taxes, a number of accountants were concerned that someone could file false information and trigger an audit of businesses with compromised accounts.

California appropriates \$410 million meant to go to financially distressed homeowners

September 19, 2018

A 2012 federal lawsuit led to a \$2.5 billion settlement on behalf of the nation's largest mortgage companies for charges of deceitful and erroneous foreclosures, with California receiving \$410 million to assist affected homeowners¹⁹. Rather than using the money to help mortgage victims, former Governor Jerry Brown and the State Legislature used the money to make payments on old housing bonds. After homeowners sued and courts ordered the Brown administration to repay the money, Brown appealed to the California Supreme Court while the Legislature passed a bill affirming the money had been used correctly.

California state workers received a total of \$1.4 billion in raises during the 2018-19 budget cycle

October 3, 2018

New contracts with 17 of the state's 21 collective bargaining units led to \$1.4 billion in raises for state employees in the 2018-19 state budget²⁰. The year prior, state employees also received a total of \$900 million in raises.

Not so lucky: Two California Lottery cops do their job, get fired

October 9, 2018

When two California State Lottery investigators repeatedly drew attention to the lottery's questionable actions in awarding \$2 million and \$750,000 prizes to recipients unable to prove they had won the lottery, the two employees were fired²¹. After the investigators filed lawsuits, the California State Lottery settled for more than \$500,000.

It pays to be family, literally

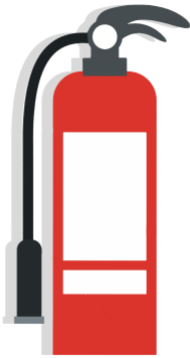
October 18, 2018

After cooperating with auditors and revealing instances of nepotism and wasteful spending, a man working for the Board of Equalization was fired²². The former employee's assistance led to the revelation that about 20% of Board of Equalization employees had a relative on staff. In addition, the man's help uncovered instances of Board of Equalization members using state employees for events auditors considered political in nature, such as parking cars for a women's empowerment conference hosted by one of the members.

San Francisco ignores bookstores' struggle to pay rent, gives them renovation money

October 20, 2018

The City of San Francisco gave out more than \$100,000 to 11 independent bookstores, in an effort to give the stores a boost in the midst of online book retailers²³. The grant money comes with the stipulation that funds be used for infrastructure improvements, such as new lights and floors. The official in charge of the grant program believes the bookstores to be a part of San Francisco's cultural and communal identity.



Firefighters in Los Angeles County earn substantial overtime pay, on par with county's doctors

October 21, 2018

In 2017, at least 640 L.A. County firefighters earned over \$100,000 in overtime, with 24 earning more than \$200,000²⁴. Concerned with the massive amounts of overtime being paid out to the fire department, the county launched an audit. L.A. Fire Department employees make up a third of the county's 1000 highest paid employees, on par with public surgeons, anesthesiologists, and pediatricians.

San Francisco spends thousands encouraging non-citizens to vote in school elections

October 30, 2018

Following the passage of a 2016 ballot measure that allows non-citizens to vote in school board elections, San Francisco spent \$310,000 registering 49 non-citizens and immigrants, or about \$6,300 per voter²⁵. In addition, the City of San Francisco gave out another \$100,000 to nonprofits to inform non-citizens that they were now able to vote in school elections.

City of San Diego leaves out \$52 million in compensations report to the state

November 26, 2018

An audit by the California State Controller's Office found that the City of San Diego conveniently left out \$52 million in employee pension contributions, about \$7,900 per pension-eligible employee²⁶. When questioned about the omission, the city's main accountant argued it was not necessary per state reporting guidelines; the state disagreed and recommended the city fix its reports.

Sacramento employees fake receipts, defraud city of \$5000

December 4, 2018

An audit by a city auditor found that eight Sacramento Department of Utilities employees had defrauded the city and its taxpayers of \$5,000²⁷. Records revealed the scheme goes back as far as 2009, when the employees began using fake receipts to be reimbursed for more than the \$200 designated in their union contracts for safety boots.

State Senate discounts needs of sexually assaulted staffer, settle for \$350,000

January 9, 2019

The California State Senate agreed to a \$350,000 settlement after failing to accommodate, and eventually firing, a woman who was raped during a social event after work²⁸. The settlement was reported to be at least double any other recent taxpayer-funded legislative payouts.

Aloha: California lawmakers fly to Hawaii to meet with utilities executives

January 14, 2019

As the Camp and Woolsey Fires destroyed billions of dollars' worth of property and left many Californians without homes, twelve California lawmakers met with utility executives in Hawaii to discuss how liable the utilities should be held for wildfires²⁹. Dubbed by Consumer Watchdog as the "Wailea 12," these lawmakers had previously voted for legislation that favored utilities and have received more than \$630,000 in campaign contributions from utility companies³⁰.



Low-rent housing, high-cost financing

January 21, 2019

Sacramento city officials announced a \$25 million bond that would be loaned to a low-rent apartment complex owner to help finance a \$28 million renovation project, with the cost working out to \$378,000 per unit in the 74-unit complex³¹. At the time, comparable apartment complexes in the area could be purchased, ready to go, for between \$200,000-\$250,000.

Two years later: City of Calexico turns a \$4.1 million surplus to a \$4 million deficit

January 24, 2019

In an audit of the City of Calexico, the State Controller found that the city's government officials turned a \$4.1 million surplus into a \$4 million deficit³². The city was found to lack proper financial oversight, with expenditures exceeding revenues by \$8.1 million over a two-year period. In one instance, the city began a \$4.8 million project to improve water meters without a formal contract.

Millionaire's tax to fund \$380,000 supportive housing units for homeless

January 30, 2019

Planning to use funds from 2016's Proposition 2, the measure that allowed revenue from the "millionaire's tax" to fund homeless housing, the Sacramento County Board of Supervisors approved two renovation applications amounting to \$12.7 million³³. Between the two projects' 181 units, it will cost over \$380,000 to renovate each supportive housing unit. With the total cost of the projects adding up to \$73.5 million, the developers are hoping federal tax credits for low-income housing will fund the majority of the project.

PG&E's bankruptcy causes million-dollar problems for CalPERS and CalSTRS

January 31, 2019

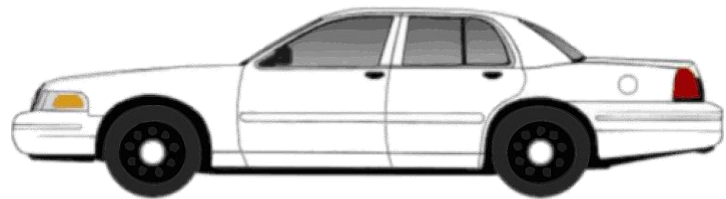
As a result of PG&E filing for bankruptcy in January, CalPERS and CalSTRS are expected to take on tens of millions in losses. CalPERS' PG&E stocks, which were worth approximately \$122.7 million in June 2016, are now estimated to be as low as \$47 million³⁴. While the amounts are rather small in comparison to CalPERS and CalSTRS large portfolios, that money will need to be made back in one form or the other.

CHP officers fake overtime hours, collect \$360,000

February 2, 2019

An investigation found that some CHP officers at the agency's East Los Angeles office fraudulently collected at least \$360,000 in overtime pay, over a two-year period beginning in 2016³⁵.

The ruse involved officers faking overtime hours for road crew assignments, netting them between \$84 and \$104 per hour.



A DMV account is in the reserves, will either need to become efficient or raise registration fees

February 26, 2019

The \$3.9 billion Motor Voter Account, primarily responsible for funding the California Highway Patrol and Department of Motor Vehicles, is expected to become insolvent by as early as 2021³⁶. Citing an increased workload due to state and federal regulations, the Motor Voter program, and Real ID requirements, the DMV has been dipping into its reserves. The Legislative Analyst's Office suggested making the DMV more efficient, or raising registration fees.

Education

The governor's proposal for the 2019-2020 state budget suggests education funding will increase during the upcoming fiscal year, growing by another \$5.2 billion and amounting to a grand total of \$75.9 billion, or 53% of the budget¹. With almost \$80 billion in just state funding going towards education, one would assume California is spending a tremendous amount per student, but that would be incorrect. Between increasing teacher pensions, outrageous administrative salaries, lawsuits, and no system of accountability, California's public education system has created the perfect money sink as seen by many of the examples in this section. Moreover, state officials and education advocates argue there still isn't enough money being spent on education, and as such, activists are attempting to weaken Proposition 13 by way of a "split roll" tax initiative that would remove Prop 13 protections from commercial properties³⁷. The Legislative Analyst's Office suggests the measure would increase annual property taxes paid for commercial properties by \$7 billion to \$11 billion in most years³⁸.

Education without the information

August 16, 2018

Though California pours at least \$100 billion taxpayer dollars into public education every year, the state lacks the data system in place to establish whether that money has been put to good use, or has been going down the drain³⁹. The state has been resistant to efforts to improve accountability, as seen by California being one of the 22 states that does not have a cohesive, longitudinal data system keeping track of the progress of K-12 education in place.

LAUSD in dire straits, must get finances in order or risk state takeover

September 13, 2018

Facing financial ruin as a result of massive overspending, the Los Angeles Unified School District received a warning LA County and the California Department of Education: fix their spending problem, or risk a state takeover. Part of LAUSD's plan to save \$86 million for the district involves reducing 15% of its office staff⁴⁰. Positions on the chopping block include, but are not limited to: the chief of police, 13 police officers, 4 directors, and a television producer-director making \$160,000 a year⁴¹.

Montebello Unified School District tries to pay off whistleblower, loses \$3 million lawsuit

January 2, 2019

After a superintendent for the Montebello Unified School District was fired for exposing misconduct by one of the top administrators, she was fired and received a \$391,000 severance⁴². In turn, the former superintendent and another previous employee filed a lawsuit against the district for wrongful termination and were awarded \$3,267,665 in damages⁴³.



Despite \$35 million deficit, Sacramento Unified School District sends administrators to Harvard for \$35,000 conference

March 18, 2019

Facing a deficit of more than \$30 million, Sacramento Unified School District is in danger of insolvency and a state takeover⁴⁴. Despite already having issues with managing its finances, SUSD sent eight administrators to a six-day conference at the Harvard Business School for more than \$35,000.

Friends with connections: California Community College administrator awards \$500,000 no-bid contract to friend

March 18, 2019

In an effort to speed up the process, California's online community college director offered a \$500,000 no-bid contract to a friend with a history of political fundraising and connections to former San Francisco Mayor, Willie Brown⁴⁵. As an executive recruiter, the new position would involve recruiting professionals to fill six positions on the college's executive team.

Environmental

While ensuring the natural beauty of our state is a priority for all Californians, there is some disagreement on what needs to be done and how. Many of the projects proposed by the state's bureaucrats and politicians often cost incredible amounts of money and serve as a means of posturing before election season. Yet, at the end of the day, Californians are left with higher taxes, more regulations, and meager results to show for all the commotion.

LAPD goes green, spends \$10.2 million on electric BMWs

January 16, 2018

In an ambitious effort to make the police department more environmentally friendly, the Los Angeles Police Department started a \$10.2 million, taxpayer-funded project in 2016 leasing 300 BMW electric cars⁴⁶. As of early 2018, an investigation led by CBS2 News found most of the cars had been hardly used, with many having only a few thousand miles on them. The investigation also discovered that some of the cars were being improperly used by officers to get manicures and grab lunch.

“Priceless” eco-friendly road project in Los Angeles costs \$40,000 per mile

April 10, 2018

Los Angeles is painting some of its streets white in an effort to fight global warming. While officials believe the benefits of the project to be “priceless,” the taxpayer cost is \$40,000 per mile⁴⁷. With 6,500 miles of road in the city, the cost of doing the whole city would amount to \$240,000,000, with the paint needing to be redone every seven years^{48,49}.

California Energy Commission loans \$5 million to Oregon solar project, company defaults on loan and pollutes location

November 26, 2018

Despite efforts by California to promote renewable energy, a \$5 million loan made by the California Energy Commission to help finance an Oregon solar equipment company turned out to be a bust⁵⁰. After the company went out of business due to costly and unsound products, it stopped making payments on its loans. Moreover, the company polluted its location, leaving a \$500,000 cleanup bill for Oregon taxpayers.

CalRecycle spends \$1 billion extra on Camp Fire cleanup, despite lower bids for the same work

January 30, 2019

Five companies filed protests against CalRecycle in February when state officials awarded contracts to companies whose bids were millions of dollars higher, for the same work. The state plans to split \$2 billion among three companies for the Camp Fire cleanup; however, the total cost of the contracts from the five companies were valued at \$1 billion⁵¹.

A million-dollar possum home

February 1, 2019

A project by the California Air Resources Board involved the creation of a zero-emission bus that costed over \$1 million⁵². When local reporters inspected the bus, they found it had never been put into service and was now the pricey home of an unfriendly possum. When asked about whether the bus should be considered a waste of taxpayer dollars, the board believed the project to have been worth the cost, because now they knew that the technology associated with the project didn't work.



Lack of accessible recycling centers results in Californians missing out on \$308 million in recycling deposits

February 28, 2019

Due largely in part to a diminishing number of recycling centers, Californians are estimated to have lost out on as much as \$308 million in recycling deposits during 2018⁵³. While there are still 1,600 recycling centers still open, there was a 40% reduction in the number of centers over the last five years

Healthcare

Most people going to the hospital for injuries or sickness don't look forward to it, but the hospital visits are made all the worse by the paperwork and outstanding costs visitors are left with. Factor in massive disagreement between political ideologies and all levels of government, and your average citizen is stuck in the mire of a broken healthcare system, bombarded with increasing premiums and out-of-pocket costs. Unfortunately, as California looks for ways to implement a single-payer healthcare system, waste and misuse are running rampant in the state's healthcare system.

The federal health insurance mandate is removed and Covered California premiums rise

July 19, 2018

As a result of the federal government removing the mandate requiring people have to have health insurance or pay a fine, Covered California premiums are expected to rise 8.7 percent⁵⁴. The rise is expected to mostly impact those who don't receive government subsidies. The 88

percent receiving coverage under Covered California who received government subsidies will see increased assistance to help cover the rising costs.

Report finds California's healthcare system to be costly and lacking sufficient coverage

July 23, 2018

Although California spends almost a third of its \$200 billion budget on healthcare, a recent report by George Mason University found the state's healthcare system to be among the worst⁵⁵. Citing Medi-Cal's poor reimbursement rates, narrower provider networks, and availability of hospitals, the report ranked California's healthcare system as 40th in the nation.



Audit discovers California paid out \$4 billion to ineligible Medi-Cal recipients

October 30, 2018

The State Auditor's office discovered 453,000 ineligible Medi-Cal beneficiaries who received \$4 billion from 2014 to 2017 as a result of discrepancies

in state and county records⁵⁶. At least 57 percent of the ineligible beneficiaries had been receiving benefits for at least two years.

California to implement a state-level health insurance mandate by 2020

February 20, 2019

Despite the federal government having removed the health insurance mandate requiring individuals to have health insurance or pay a fine, California lawmakers are looking to reinstate the policy in the Golden State by 2020⁵⁷.

UCLA Health ordered to pay \$7.5 million lawsuit after system hack gives access to personal records

March 27, 2019

UCLA Health has been ordered to pay a \$7.5 million settlement after hackers gained access to the confidential health information of 4.5 million people⁵⁸. UCLA Health was first made aware of a potential breach in 2014 and contacted the FBI for help, but failed to notify affected patients within the 60-day window as required by HIPAA.

Infrastructure

Taxpayers just can't catch a break in the Golden State. In a seemingly never-ending cycle, Californian's are presented with billion-dollar infrastructure projects, vote to increase taxes to fund said projects, and then told the project now costs another couple billion and that new taxes are needed to complete the project. California has seen its fair share of billion-dollar infrastructure boondoggles over the years, and 2018 was no exception.

The gas tax hoodwink

May 20, 2018

Though the gas tax was labeled as necessary for the revitalization of California's crumbling roads and state officials repeatedly insisted the money would go to roads, their idea of road upkeep included \$28.6 million for 40 electric buses and \$40.5 million for light-rail vehicles in Sacramento⁵⁹. About 28 projects were awarded nearly \$2.6 billion from gas tax revenues, with none of the projects working towards actually fixing the roads.

Another California boondoggle

August 16, 2018

In 2017, State officials estimated the Delta tunnels project would cost \$16.3 billion. A year later, the number jumped by nearly 22% to \$19.9 billion, after officials adjusted for the cost of inflation⁶⁰. Despite the project only being half funded by Southern California and facing opposition from environmental groups and Northern California local governments, state officials are determined to keep the project going.

Oroville Dam repairs exceed initial cost estimate by 550%

September 5, 2018

Initially estimated to cost \$200 million, the Oroville Dam's cost of repair ballooned to \$1.1 billion in the latter half of 2018⁹. State officials expect FEMA to pick up 75 percent of the bill, with the water districts who pull water from the dam to pay for the rest.

No rest for the over-taxed: Rushed construction costs bullet train another \$600 million

November 15, 2018

As a result of rushing construction for the high-speed rail project, California's High-Speed Rail Authority's decision led to \$600 million in cost overruns³. Taxpayers thought they were given a way out of the \$77 billion boondoggle in early 2019 when Gov. Gavin Newsom announced the project's current plan was not reasonable in his State of the State address. This reprieve was proven to be non-existent as plans for high-speed rail were expanded to include a longer segment through the Central Valley.

Special districts have almost \$50 billion saved up

February 18, 2019

The 250 largest special districts in California had almost \$47.1 billion in cash and investments at the end of the 2017 fiscal year, with several transportation agencies holding onto more than \$1 billion⁶¹. In defense against being absorbed by local governments, many special districts argue they provide necessary services and that the money is saved for the construction, improvement, and replacement of essential infrastructure.

Pensions

California's looming pension crisis has been the elephant in the room for years. Developed by the Bureau of Economic Analysis, a new methodology for calculating unfunded pension

liabilities suggests that California's official \$179 billion unfunded pension liabilities could be as large as \$360 billion⁶². As liabilities continue to outpace CalPERS' assets and cities look for increasingly creative ways to fulfil their pension payments, taxpayers can expect to see a wave of new tax proposals in the coming years. In just the 2018 election alone, 254 local sales taxes were placed on the ballot in California⁶³. CalPERS' ability to achieve solvency is continually beset with difficulties as a result of ever-expanding government pensions and benefits. The lowest pension for the state's list of the top 100 highest public pensions comes out to \$219,000, with the highest being a lofty \$390,485⁶⁴. While the top 100 make up 0.01 percent of CalPERS recipients, they are indicative of a grander problem: government officials offering greater pensions than the state can afford and public employees working the system. As of 2017, state workers had stockpiled nearly \$3.5 billion in unused vacation leave⁶⁵. Though the state caps vacation balances at 640 hours, gross mismanagement and lax enforcement has led to a scenario where unused vacation hours are based off employees' final pay rates, increasing the cost of banked vacation hours over time. All told, these factors add up to a proliferating public pension debt that could have dire consequences for California during the next recession, as the state will still be obligated to make payouts, risking cuts to many programs.



Conclusions

As one of the most unique places in the United States, California has a diverse geography and a population that covers nearly every point of the political spectrum. Though Californians may differ in opinion on the feasibility of single-payer healthcare or the viability of high-speed rail, nearly everyone agrees that taxpayer dollars should be used with the utmost care and that we should be vigilant against instances of waste, fraud, and abuse.

The *Follow the Money* report is written with that vigilance in mind as it highlights cases where public funds were wasted and misused at the expense of taxpayers. However, the examples within the report are only the tip of the iceberg, with new instances being unearthed every day by diligent auditors, citizens, and whistleblowers.

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.

In the wake of the 2018 election and tax-and-spend officials taking office, Californians will be asked to approve a myriad of new projects and taxes that will promise to improve our quality of life. Among the number of items considered in the next year, lowering taxes will not be one of them.

About the Authors

Eric Eisenhammer serves as Director of Grassroots Operations at Howard Jarvis Taxpayers Foundation and is CEO of Dauntless Communications. He earned his Master of Public Policy Administration from Sacramento State University and Baccalaureate in Business Administration with an emphasis in Finance from California State University, Northridge. Previously, he worked in the California State Senate as a Legislative Aide and Fellow.

Michael Valdez serves as a Policy Coordinator at Dauntless Communications. He earned his Baccalaureate in Anthropology with a minor in Public Affairs at UCLA. He will be attending Sacramento State University in the Fall of 2019 to earn his Master of Public Policy and Administration.

Media Contact

Susan Shelley, Vice President of Communications at Howard Jarvis Taxpayers Foundation. She can be reached at susan@hjta.org and (213) 384-9656.

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