

Nevada think tank exposes government waste

By Sean Whaley, Nevada News Bureau

CARSON CITY – From double-dipping employees to the questionable use of credit cards, the newest edition of the Nevada Policy Research Institute's "piglet book" released this week offers highlights of recent questionable government agency actions.

"The Nevada Piglet Book 2012" is authored by Geoffrey Lawrence, deputy policy director for NPRI, a libertarian think tank based in Las Vegas. The third edition comes out as lawmakers prepare to return to the capital for the 2013 legislative session.

In the 40-page report, Lawrence also reviews and raises questions about recent political and policy developments in Nevada, including the successful effort by Gov. Brian Sandoval and others to lure Apple to Reno, and Sen. Harry Reid's efforts to promote green energy projects in the state using taxpayer subsidies.

"While Reid regularly trumpets these deals as ways to 'create jobs' in the state, these deals – it's clear upon review – are really about transferring wealth from taxpayers and electric ratepayers to campaign donors and allied politicians," Lawrence writes in the report.

He cites the work of fellow NPRI staff in criticizing the effort: "Since 2009, with Reid's backing, over \$1.3 billion in federal taxpayer subsidies has gone into renewable-energy contracts in Nevada. Yet the projects those subsidies fund are projected to create only 288 permanent jobs in the state – a cost to taxpayers of \$4.6 million per job."

Reid has strongly supported green energy development in his Senate career. His website says: "Our country is too dependent on oil and fossil fuels, which pollute our air, place our economy and national security at risk, and contribute to climate change. As the Senate majority leader, I am working on building a clean energy future that will help provide Americans safe, reliable, and affordable supplies of clean energy."

As to the decision by Apple to build a data center in the Reno area after receiving large tax breaks, Lawrence said in the report: "To help it win the tax breaks it sought, Apple hired lobbyist and Sandoval adviser Greg Ferraro to represent the company before the Governor's Office of Economic Development – where insider Ferraro was already under contract to perform public relations work for \$200 per hour."

This relationship was reported by the *Las Vegas Sun* in August. Ferraro told the *Sun* he represented only Apple in the dealings that netted the company \$89 million in tax breaks, not the state as well.

While some of the information in the Piglet Report comes from reporters and others looking into questions at all levels of government, many issues cited are uncovered by government agencies themselves through audits.

"Most people don't follow audits, they don't read them, so they don't know what they say, and the problems that some of the cities and counties and state have had," Lawrence said in a telephone interview in advance of the release of the report. "So this is kind of a nice way to make that information more easily accessible to the public."

The audits are an important source of information on the activities of government agencies, but not all entities, including most counties and many cities, do not have an internal audit function, he said. Getting local governments to

invest in such reviews would be a benefit to the taxpayers, Lawrence said.

Lawrence also cites a *Nevada News Bureau* story in the report regarding some questionable use of welfare cash grants, called Temporary Assistance to Needy Families, by recipients.

“Over a seven-month period in 2011, Nevada TANF funds were withdrawn in 35 different states, Guam and the District of Columbia,” he said. “About a hundred withdrawals took place in liquor stores. Others took place in casinos and slot parlors. Some occurred in tourist destinations like New Orleans, Hawaii, Angel Stadium, Magic Mountain, SeaWorld San Diego, Knott’s Berry Farm and Pier 39 in San Francisco. While withdrawals of this nature were a minority, they indicate that at least some welfare payments went to fund indulgences – not necessities.”

The book, and other transparency efforts by NPRI, does have an effect on policy makers, Lawrence said. One example was the successful push for electronic reporting of campaign contribution and expense reports by candidates and elected officials, which was sought by others as well in the 2011 session including Secretary of State Ross Miller.

“These transparency issues especially are things that resonate with people on every end of the political spectrum,” Lawrence said. “So it’s easy for the public to get behind each of these measures. It’s perhaps a little more difficult for lawmakers who may not want to make things quite as transparent.”

But for everyone else the changes are clearly a benefit, he said.