

Project On Government Oversight



2004
annual report

"Founded in 1981, The Project On Government Oversight remains one of the most respected and unflappable watchdogs in Washington with its laser-like focus on complex issues of waste and abuse affecting the military, contractors and government spending."

— Roll Call, January 20, 2004

Thanks to our friends and supporters, POGO is having more impact each year. By expanding our staff, we have strengthened both our investigative abilities and our organizational structure to work towards a more accountable government.

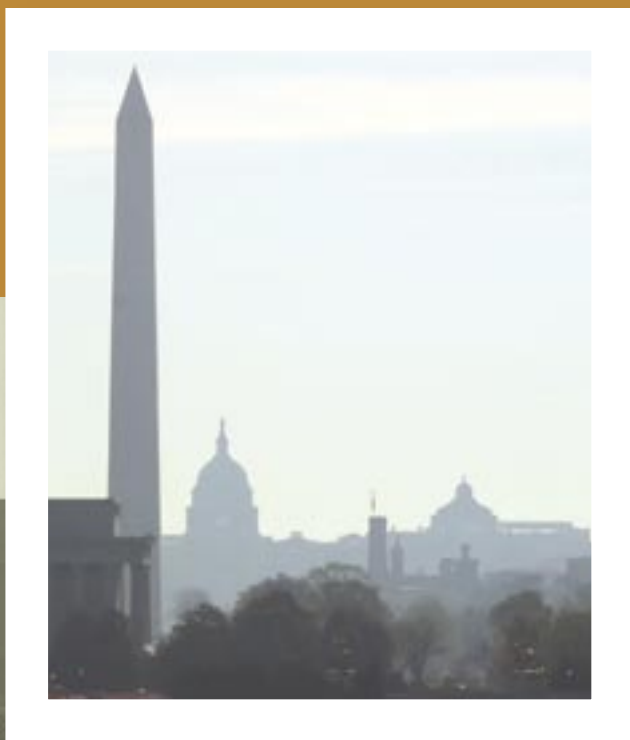
Letter from the Executive Director

During 2004, POGO continued to work with whistleblowers and senior policy makers on both sides of the aisle to conduct journalistic investigations into cases of systemic corruption, mismanagement and inappropriate influence of special interests. In doing so, POGO confronted some of the most powerful special interests that were attempting to thwart the public good. POGO also pushed the boundaries in the many cases where secrecy was used to undermine the safety and security of our nation.

Despite POGO's successes, we are increasingly alarmed by the government's use of secrecy. The cloak of secrecy is being cast over the government's activities to conceal failure and corruption in government decision-making. As a result, POGO's partnership with government insiders willing to expose wrongdoing is more important than ever. By working together, we will continue to hold government officials accountable and work towards a more open and honest government.

Please join us in our mission of exposing corruption and exploring solutions to protect the promises of democracy.

A handwritten signature in black ink that reads "Danielle Brian". The signature is written in a cursive, flowing style.



ABOUT POGO

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

Today, POGO seeks to hold the government to the promises made by our nation's founders for a federal government that would "establish Justice, insure domestic Tranquility, provide for the common defense, [and] promote the general Welfare." POGO believes that only with an open government can there be an honest government that will deliver on those promises.

"POGO represents the strength of our democracy because it is the kind of organization only America has. It provides independent oversight and acts as an outlet for people inside the system who are denied a voice."

Franklin C. Spinney, retired Staff Analyst for the Office of the Secretary of Defense

ABOUT POGO

At a time when our government is keeping more and more secrets, POGO conducts journalistic investigations to shed light on government activities and create opportunities for vigorous public debate.

POGO does so by taking on broad-scale, intractable problems which harm the nation but which would go unaddressed without an aggressive journalistic approach. In 2004, those investigations focused on:

- Excessive government secrecy;
- Wasteful military spending;
- Misplaced homeland security priorities; and
- Contractor accountability.

In recent years, growing partisan rancor and ideological conformity have threatened to quash legitimate problem-solving in the nation's capital. In order to counter this threat, POGO approaches its investigations with an independent, non-partisan eye and embraces bi-partisan collaboration toward reform. The organization demonstrates its commitment to the truth by refusing to accept contributions from the government, labor unions, corporations, or anyone with a financial stake in POGO's investigations.

POGO has been privileged to work with hundreds of government officials and whistleblowers to bring forward evidence of policies gone astray, and to offer solutions that will restore integrity to the government's priorities and decisions. To them, the organization owes its track record of successes and the future promise that our democracy will continue to thrive.



BEYOND THE HEADLINES



POGO's Executive Director Danielle Brian, Anthony Rizzo, Jr., and Congressman Ed Markey (MA)

2004 Beyond the Headlines Award Recipient: Anthony Rizzo, Jr.

On November 18, POGO presented the Beyond the Headlines Award to Anthony Rizzo, Jr., a whistleblower and security officer for eighteen years at the Salem & Hope Creek nuclear power plants in New Jersey. The award honors an individual who has gone beyond the call of duty to bring about positive policy change. Mr. Rizzo worked with POGO on security at his nuclear power plants and came to Washington to brief over a dozen congressional offices about his concerns. Mr. Rizzo also organized 40 of his colleagues to meet Commissioner Ed McGaffigan to make these concerns known to the Nuclear Regulatory Commission (NRC).

At the ceremony, Congressman Ed Markey (MA) said, "...Anthony risked his job to work with POGO to help them with research for their very important report on nuclear reactor security....because of Anthony's efforts and his determination, the NRC finally listened. Anthony Rizzo is a modern day Paul Revere, who risked his own well-being in order to improve the world around him."

If you feel something's wrong, speak your mind. You don't have to be rich or politically connected to have your voice heard – if you try hard enough it can be done.

Anthony Rizzo, Jr.



"I appreciate the tenacity, integrity and standard of excellence that The Project demands in its investigative work."

Senator Charles Grassley (IA)

"POGO sheds light on the unholy alliance that exists between government agencies and contractors. At times, it seems there is no one out there fighting for good government – except POGO."

Senior Federal Procurement Official

2004 ACCOMPLISHMENTS

Contract Accountability

- For the third year in a row, POGO helps defeat industry-driven efforts to gut taxpayer protections in government contracting.
- The government expands the kinds of misconduct that can result in companies being suspended or debarred from government contracts as POGO had recommended.
- The Pentagon improves reporting for government officials going through the “revolving door” to work for contractors as POGO had recommended.

Wasteful Military Spending

- Boeing officials plead guilty to conspiracy for violating conflict of interest and ethics laws in relation to the Boeing tanker leasing deal scandal which POGO helped to expose.
- Army cancels wasteful Comanche Helicopter Program as POGO had recommended, saving billions.

Homeland Security

- Department of Energy Secretary announces increased security standards for nuclear materials based on POGO’s recommendations.
- NORAD confirms POGO’s investigative finding that, five months prior to 9/11, the Pentagon rejected anti-terrorism training scenarios involving hijacked commercial jets hitting the Pentagon.
- Department of Homeland Security stops millions in grants to big oil companies.

Excessive Government Secrecy

- POGO prevails over Nuclear Regulatory Commission attempts to silence criticism of nuclear power plant security.
- POGO sues Attorney General Ashcroft for illegally retroactively classifying information in order to hide FBI failures.

The Washington Post

WEDNESDAY, NOVEMBER 24, 2004

Nuclear Security Decisions Are Shrouded in Secrecy

Agency Withholds Unclassified Information

WASHINGTON — The nuclear security program that the Bush administration has unveiled is shrouded in secrecy, according to a report by the Project on Government Oversight. The report, released Wednesday, says that the Department of Energy and the Department of Homeland Security have withheld information about the program's details, including the names of the contractors and the locations of the facilities that will be protected. The report also says that the program is being implemented in a rushed and disorganized manner, and that the agencies have not provided enough information to the public about the program's goals and objectives.

SUNDAY Los Angeles Times

NOVEMBER 21, 2004

Defense Audits Kept Behind Closed Doors



ROLL CALL

THE NEWSPAPER OF CAPITOL HILL WASH., D.C.

Watchdogs Doggedly Pursue the Truth

By Amy Huber and Susan Orszag

Project on Government Oversight

Founded in 1961, the Project on Government Oversight remains one of the most respected and prolific watchdogs in Washington with its team of former congressmen and government officials. Led by 40-year-old Director Bruce, for the past 11 years, POGO regularly makes news with its investigative spotlight on wasteful spending and problems caused by government mismanagement. Earlier this month, the Project announced it was retaining an introduction of the law-writing committee.

Brussels Bruin

Executive Director

Age 40



ACT, including John T. ...

Career highlights: Bruce helped open up \$200 million in savings to the Superfund, the Clean Air and the Energy Information Administration. He also helped to establish the Federal Reserve's ...



Transcript: Conflict of interest may hurt nuke security

September 8, 2004



Lisa Whelan, Project on Government Oversight

Some drawings of U.S. nuclear power plants were found in al-Qaeda camps in Afghanistan, the nuclear power industry says. It has spent \$1 billion beefing up its security since — Washington Post — after it was revealed that the industry had been selling blueprints to the terrorist group. The industry says it has spent \$1 billion beefing up its security since — Washington Post — after it was revealed that the industry had been selling blueprints to the terrorist group.

"You have the ...
Washington's Florida plan ...
But both ...
"I challenge ...
NRC, many ...
check the ...

THE WALL STREET JOURNAL

Energy Department May Set Plans For New Nuclear-Material Security

By John J. Piro

WASHINGTON — Department of Energy officials are working on a plan to set up a new nuclear-material security agency, according to a report by the Project on Government Oversight. The report, released Wednesday, says that the Department of Energy is planning to create a new agency to oversee the security of nuclear materials. The report also says that the agency will be responsible for ensuring that nuclear materials are protected from theft and sabotage. The report also says that the agency will be responsible for ensuring that nuclear materials are protected from theft and sabotage.

The Detroit News AND Free Press

Sunday, November 21, 2004

GUEST COMMENT

Whistleblowers

U.S. intelligence on shaky ground with weak protection for workers

By NEIL KOPPELBERG and LAUREN ROSENBERG



With the election over, Congress gets back to business with intelligence reform legislation. At the top of the agenda, however, is the issue of whistleblowers. The new intelligence reform legislation might be a step in the right direction, but it is not enough. The new law is not enough to protect whistleblowers from retaliation. The new law is not enough to protect whistleblowers from retaliation.

The New York Times

FRIDAY, OCTOBER 8, 2004

A Growing Military Contract Scandal

More Air Force Deals With Boeing Are Questioned



WASHINGTON — The Air Force is under fire for a growing number of deals with Boeing that are being questioned by lawmakers and the public. The deals, which are worth billions of dollars, have raised concerns about the Air Force's procurement process and the potential for conflicts of interest. The deals, which are worth billions of dollars, have raised concerns about the Air Force's procurement process and the potential for conflicts of interest.



WAME & National Public Radio

Transcript: Reclassifying Security Information

Monday, June 28, 2004

Former FBI translator and interpreter Sheryl Edwards and the Project on Government Oversight have used Attorney General John Ashcroft and the Justice Department for reclassifying national security information having to do with the FBI and W.I.L. A panel explains the cases and their implications for national security, the speech, and more.

Sheryl Edwards, former FBI linguist
David Yazbeck, co-director for the Project on Government Oversight's lawsuit against the Justice Department, and professor of law at Georgetown Law School
Bruce Felt, former associate deputy attorney general, Republican counsel during the Iran-contra hearings, and founding partner with the Litchfield Group

To listen to the full program, go to: <http://www.wame.org/wame2004/104062.htm>

OUTREACH AND IMPACT

POGO's research and products are regularly used by news media, Members of Congress and their staff, nonprofits, and government agencies

- **News Media.** POGO generates or is quoted in an estimated 3,000 media stories per year. In the past year, POGO has worked regularly with major TV news outlets (e.g. NBC, ABC, Fox News, CBS, CNN), as well as newspapers (e.g. *Washington Post*, *Wall Street Journal*, *New York Times*, *Los Angeles Times*, *USA Today*), news magazines (e.g. *Business Week*, *Time*, *U.S. News & World Report*), trade publications (e.g. *Defense News*, *Inside Energy*), and radio shows (National Public Radio). POGO particularly works closely with investigative reporters on larger in-depth pieces, helping them to gain access to documents and experts to inform their coverage.
- **Congress.** POGO enjoys good working relationships with Republican and Democratic Members of Congress and often accomplishes its policy reform goals with their help. During the past two years, there have typically been five congressional hearings called each year as a result of POGO's research, and many Members of Congress use POGO-generated information. POGO is also invited to testify or speak at an average of ten additional congressional hearings and events every year.
- **Government Agencies.** POGO regularly informs and works with investigators and staff members at agencies such as the Government Accountability Office, White House, Congressional Research Service, Cost Accounting Standards Board (which monitors \$125 billion in primarily defense industry contracts annually), Nuclear Regulatory Commission, Department of Energy, Office of the Secretary of Defense, and Defense Department's Office of Testing and Evaluation (which provides independent analysis of testing for weapons and systems).
- **The Public.** POGO's web site has become an important tool to reach the public directly. Currently, the POGO web site (www.pogo.org) receives approximately 1 million hits and 30,000 unique visitors each month. Beginning in 2004, POGO launched a POGO Blog and an Action Center on the www.pogo.org web site. The unique format of the Blog allows POGO to engage in dialogue with the public on the various issues POGO investigates. The Action Center encourages and facilitates the public's ability to write both their Members of Congress and the editors of their local newspapers.



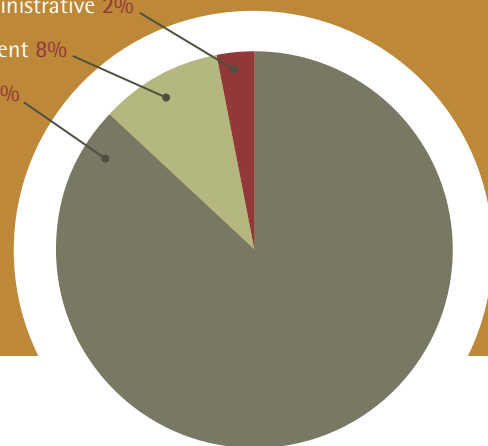
"I commend your organization for its strong commitment to exposing abuses of power within the federal government and bringing those abuses to Congress' attention."

Senator John McCain (AZ)

"The largest gains in nuclear power plant security since September 11 have resulted from POGO's efforts. POGO's work has lessened and should continue to lessen the threat to millions of Americans from sabotage of nuclear power plants."

David Lochbaum, Nuclear Safety Engineer, Union of Concerned Scientists

General & Administrative 2%
 Development 8%
 Total Program Services 90%



STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2004

	UNRESTRICTED	TEMPORARILY RESTRICTED	2004 TOTAL	2003 TOTAL
REVENUE & SUPPORT				
Grants	\$375,000	\$655,100	\$1,030,100	\$547,249
Contributions	38,762	25,000	63,762	166,017
Investment Income	27,537	—	27,537	43,610
Special events contributions	8,633	—	8,633	—
Publication and other income	475	—	475	2,421
Special events revenue	450	—	450	8,281
Net assets released from restrictions:				
Satisfaction of program restrictions	492,600	(492,600)	—	—
TOTAL REVENUE AND SUPPORT	943,457	187,500	1,130,957	767,578
EXPENSES				
Program Services				
Nuclear Weapons Complex Investigations	206,769	—	206,769	186,610
Contractor Accountability	198,153	—	198,153	131,360
Defense Investigations	137,846	—	137,846	165,846
General Program	51,792	—	51,792	62,519
Whistleblower Investigations	51,692	—	51,692	—
Government Secrecy Investigations	43,077	—	43,077	55,266
Nuclear Power Plant Investigations	34,461	—	34,461	—
Homeland Security Investigations	17,231	—	17,231	—
Energy and Environment Investigations	8,615	—	8,615	20,779
Lobbying	8,615	—	8,615	6,562
Total Program Services	758,251	—	758,251	628,942
Supporting Services				
Development	87,457	—	87,457	46,764
General and Administrative	25,846	—	25,846	20,724
Total Supporting Services	113,303	—	113,303	67,488
TOTAL EXPENSES	871,554	—	871,554	696,430
Change in Net Assets	71,903	187,500	259,403	71,148
NET ASSETS, BEGINNING OF YEAR	1,033,785	212,500	1,246,285	1,175,137
NET ASSETS, END OF YEAR	\$1,105,688	\$400,000	\$1,505,688	\$1,246,285



“Oversight is one of Congress’ most important responsibilities. I commend the Project on Government Oversight for its strong commitment to accountability and integrity in government. POGO has been an invaluable partner in our oversight of tactical aircraft acquisitions and nuclear weapons complex security. Their work has always been highly professional, insightful and accessible. ”

Representative Christopher Shays (CT)

POGO

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“POGO: fearless, indefatigable, and savvy. To hold federal officials accountable to the people they represent, POGO goes where few organizations dare tread to expose inefficiencies and outright corruption. Thank goodness they are there. ”

Lee Wasserman, Director, Rockefeller Family Fund

POGO's organizational funding comes from foundation grants and individual donations. POGO does not accept contributions from the government, unions, corporations, or anyone with a financial stake in our investigations.



FOUNDATION GRANTS

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"POGO provides a funder the best return for an investment in Washington ... and the return is not just in a well-run and productive nonprofit, but in a more transparent and accountable government, and more importantly, in a more open and richer democracy."

Geri Mannion, Chair, Strengthening U.S. Democracy and Special Opportunities Fund, Carnegie Corporation of New York

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\$25,000+

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