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The Beacon Center of Tennessee

2013 TENNESSEE *pork* REPORT

EXPOSING WASTEFUL GOVERNMENT SPENDING

The Beacon Center of Tennessee is an independent, nonprofit, and nonpartisan research organization dedicated to providing concerned citizens and public leaders with expert empirical research and timely free market solutions to public policy issues in Tennessee.

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2013 Tennessee Pork Report

Exposing Wasteful Government Spending

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INTRODUCTION

The Beacon Center's eighth-annual *Tennessee Pork Report* is proof that state and local governments across Tennessee continue to go hog wild with taxpayers' hard-earned money. The *2013 Pork Report* uncovers more than $511 million that state and local governments squandered over the past year.

Numerous political pet projects retain their black hole status; fraud and abuse remain serious concerns, particularly at the local level; and state and local governments press forward with hundreds of millions of taxpayer dollars in corporate welfare—taking money from certain businesses and doling it out to others, often with no guarantees that jobs will be maintained long-term.

The *2013 Pork Report* exposes a plethora of government waste, fraud, and abuse, including:

- $73 million in erroneously paid unemployment benefits, including cash to existing state workers and the deceased, of which only $15.3 million has been recouped;
- Wasteful film incentives to Hollywood elites to the tune of $13.5 million;
- $800,000 to update a study to determine what to do with the vacant Tennessee State Prison;
- A beef promotion campaign at a cost of $235,000; and
- An outrageous spending spree by a Rockwood city official, who spent $32,000 on an arsenal of guns, ammunition, cameras, clothes, protein powder, and testosterone booster.

And that's not even the best—or worst, rather. Earning the 2013 "Pork of the Year" distinction is Hemlock Semiconductor, which continues to receive a total of $95 million in corporate welfare from the state despite laying off hundreds of workers and failing to live up to the promises that secured that cash.

As anyone who has cracked open a *Tennessee Pork Report* over the past eight years can attest, the contents of this publication will leave taxpayers from Mountain City to Memphis seeing red. Packed into these pages are some of the worst examples of government waste, fraud, and abuse our state has seen over the past year. Every taxpayer should sit down and take a deep breath before reading any further.

PORK OF THE YEAR

A Volunteer State Solyndra

Representing one of the largest corporate welfare catastrophes in Tennessee's history, former Gov. Phil Bredesen's deal with the solar industry's Hemlock Semiconductor continues to sour on taxpayers. Clarksville taxpayers cringed when the company announced in February that it would layoff 300 employees at the newly constructed and taxpayer subsidized $1.2 billion dollar manufacturing plant. The news got worse in March, with Hemlock announcing what many feared: the layoffs would be permanent. All told, the largest polysilicon manufacturer in the U.S. has cost federal, state, and local taxpayers more than $250 million for the stagnant Clarksville project. According to the *Nashville Business Journal*[1]:

- The state pitched in $95 million for construction of Hemlock's $1.2 billion plant.
- Tennessee also gave $6 million for a chemical engineering program at Austin Peay State University in Clarksville geared toward training potential Hemlock employees.
- Hemlock received a payment-in-lieu-of-taxes agreement with Montgomery County worth $77.8 million, though $31.5 million of that is for a potential addition to the facility. The county also agreed to $20.6 million in other incentives.
- The Tennessee Valley Authority committed $60.5 million in the form of a grant.

What should really send taxpayers' heads spinning is that the state negotiated the Hemlock deal without any kind of meaningful "clawback" provision should the company renege on its commitments. Such a clause could have allowed the state to recoup taxpayer money—or, at very least, stop sending checks—in the event Hemlock failed to make good on its promises. Instead, WPLN Radio revealed that the state, in accordance with the original agreement, sent checks to Hemlock long after workers were handed pink slips and the shiny plant shuttered.[2] In April 2013, a full month after Hemlock announced its workers would not be coming back and its Tennessee operations shut down, the state paid the company almost $720,000.

Instead of risking tax dollars on a project that eerily mimics Solyndra, the state could have used its portion of the Hemlock incentives—almost $100 million—to cut the Excise Tax by one-half percent for every business in Tennessee.[3] To the taxpayers subsidizing the deal, that should turn them all "green."

HOLLYWOOD, HOBNOBBERS, AND HANDOUTS: A TAXPAYER HORROR FLICK

Lights…Camera…Taxes

Courtesy of *The Tennessean*

The new ABC television show *Nashville* is a big hit locally, but it hasn't come cheap for Tennessee taxpayers. They shelled out $8.5 million in subsidies to the show's producers in just its first season.[4] Before airing the final episode, the show's producer was back at the trough asking for more.[5]

Proponents of film subsidies are typically either "economic development" agencies who award the subsidies or film producers who receive them. The two groups make big claims of positive economic impact supposedly spurred by taxpayer grants to Hollywood companies. But opponents argue that the return on investment for taxpayers is far less than advertised.

In fact, considerable evidence suggests that film subsidies are a net loser for public treasuries. The Tax Foundation, an independent and nonpartisan think tank, found that, with the exception of those studies commissioned by economic development authorities and the Motion Picture Association, "almost every other study has found film tax credits generate less than 30 cents for every $1 of spending."[6] That is, for every tax dollar sent to Hollywood, Tennessee's economy stands to recoup, at most, just 30 cents—a 70 percent loss. To put this in perspective, the average return on Las Vegas slot machines is more than three times better.[7] Despite these facts, taxpayers footed the bill for a third of *Nashville*'s first-season production costs.[8] Now how's that for southern hospitality?

Studio Prop-Up: Take Two

The Hollywood producers of *Nashville* are not the only filmmakers to get in on the corporate welfare action in Tennessee. The state doled out more than $22 million worth of film incentives between 2008 and 2012, according to *Tennessee Report.*

What could all that taxpayer money fund? As *Tennessee Report* notes, it could cover the salaries of 455 firefighters or 556 police officers in Nashville; five teachers for every county in the state for an entire year; or a tax return of nearly $9 to every Tennessee household.[9] The state budget calls for another $13.5 million to be spent on film incentives this current fiscal year. According to budget documents, this money will create just 164 jobs in the film industry, costing taxpayers an astounding $82,000 per job.[10]

Although no independent study has been conducted on Tennessee's film subsidy program, a state Comptroller of the Treasury audit found that these jobs are likely temporary despite the high price tag. The audit found "little to no evidence [that] the incentives have led to new film producing facilities or permanent film jobs in Tennessee."[11] It appears the benefits of film incentives are little more than "special effects."

CRONYISM, TENNESSEE STYLE

Scan to learn more about Beacon's fight against corporate welfare.

Corporate Welfare on the "FastTrack"

The state's FastTrack programs provide job training and infrastructure development for select companies through taxpayer-funded grants. These programs have become the preferred method for Gov. Bill Haslam's administration in doling out corporate welfare to favored companies. This is a slight departure from his predecessor who bundled large sums of tax credits and cash payments to a few companies, mostly to relocate to Tennessee. While this new approach reduces taxpayer risk compared to previous corporate welfare strategies, it still involves the hand of government—meaning politicians and bureaucrats—picking winners and losers in business. Because all companies are not treated equally and given a fair shot at receiving the taxpayer handouts, some benefit at the expense of others. And a huge expense it is.

In the 2013-2014 fiscal year, Gov. Haslam will inject nearly $45.5 million into these two programs, plus another $6 million into a headquarter relocation assistance fund for large companies.[12] That is millions of dollars that most businesses will fork over to benefit a select few. And creating or upgrading existing jobs in the state comes with a high price tag. The job skills program itself represents almost $5.3 million of this total spending. With just 400 jobs to be created or "upgraded" in the state as a result, taxpayers are dropping $13,250 per job.[13]

As Haslam's first term comes to an end, the governor will have directed over $250 million in FastTrack grants to a lucky few companies. Meanwhile, Tennessee's corporate income tax per capita remains among the highest in the country for existing Tennessee businesses.[14] A better strategy would be to reduce business taxes across the board, benefiting the start-up, the small mom and pop shop, the medium-sized business, and the large corporation equally. It's time for government to stop manipulating the marketplace with taxpayer money.

TNInvest-No More

The controversial TNInvestco program is no stranger to these pages. Created in 2009 and expanded in 2010, the program provides tax credits to insurance companies who invest in venture capital firms. Costing taxpayers a total of $200 million, 10 venture capital firms were picked behind closed doors to provide seed money to start-up companies.

In late 2012, the state Comptroller's office issued a troubling report on the program. According to auditors, there was "pervasive noncompliance with program requirements" that led to a "risk of fraud, waste and abuse."[15] Even worse, the job-creation statistics are dismal for the four-year-old program. As of November 2012, TNInvestco had created just 752 full-time jobs via $85 million in payments to 114 early-stage companies. Coupled with the $20 million fee for the 10 venture capital firms to manage the project, that amounts to a staggering cost to taxpayers of $140,000 per job.[16] With a track record like this, it is astonishing that some lawmakers continue to defend the floundering program. For taxpayers' sake, it's past time to lay this failed scheme to rest.

STATE BUDGET IS FAT & HAPPY

Pull No Punches

The Tennessee Athletic Commission was born in 2008 to regulate boxing, kickboxing and mixed martial arts (MMA), supplanting the state Boxing Commission. Those wishing to hold a professional boxing, MMA, or kickboxing event must first obtain a license and meet other requirements through the commission. Costing taxpayers $247,000 a year, the commission regulates a paltry 25 events annually.[17] At a cost of nearly $10,000 per event, taxpayers need to deliver this unnecessary agency a knockout punch.

The Boll Dole

Making its first *Pork Report* appearance in 2008, the elusive boll weevil is a tiny bug that threatens the crop of cotton growers. Originally started as a project of longtime Senate Speaker John Wilder, the project remains a staple in the state budget. Funded through the Certified Cotton Growers' Organization Fund, $607,500 is allocated in the 2013-2014 state budget for the eradication of boll weevils.[18] And while the state continues to spend money to eliminate this bug, it admits that the boll weevil is 100 percent eradicated and has been for several years. Fortunately for taxpayers, the state's allocation is a drop in the bucket compared to the $6.4 million once spent annually on the project.[19]

Where's the Beef?!

Apparently the 1984 Wendy's commercial in support of hamburgers has worn off and beef is no longer a favored diet for Tennesseans. In 2012, the state began collecting a 50-cent tax on each head of cattle sold in the state to "build demand and markets for beef in Tennessee."[20] The project, beefed up by the state chapters of the Livestock Market Association, Cattlemen's Association, Farm Bureau Federation, Dairy Association, and Beef Cattle Improvement Initiative, will cost $235,000 this fiscal year.[21] Now, be a good taxpayer and eat your beef.

The Definition of Insanity

An oft-repeated phrase purports that the definition of insanity is doing the same thing over and over expecting different results. Next to that definition is a picture of Tennessee's Pre-Kindergarten program. Racking up an $85 million annual price tag, the program has one thing right: costly consistency.[22] The program's impact has been studied numerous times, and the results are no laughing matter. Despite the good intention of giving Tennessee's children a head start before Kindergarten, research shows that the program fails to produce any long-term benefit. Study after study indicates that beyond the first grade, there is no measurable difference between students who attended Pre-K and those who did not.[23]

One group of children who may benefit at least partially from the program is at-risk students. Yet, as the 2013-2014 state budget confirms, just 38 percent of at-risk children participate in the program.[24] Millions of dollars are instead wasted attracting students who are not at-risk, making Pre-K little more than a glorified babysitting program.

Museum Flooded with Handouts, Not Water (or Visitors)

A Memphis landmark recently received $2 million in federal tax dollars from the U.S. Department of Commerce designed to help communities suffering economically from natural disasters. The National Civil Rights Museum, site of the Martin Luther King, Jr. assassination, is apparently still suffering the effects of a flood that hit Memphis two years ago. Unsatisfied with the seven-figure federal handout, the museum successfully lobbied the state for an additional $600,000.[25]

But questions arose in a *Tennessee Watchdog* report as to whether the museum was affected at all by the flood, or whether it is simply adept at navigating the taxpayer trough. As the story points out, like other property sitting atop the city's trademark bluff, the floodwaters never reached the museum. When asked why the nonprofit, which historically relies on private donations for operating revenue, was in need of a taxpayer handout, Development Director Beverly Sakauye said the 2011 flood "negatively affected attendance and thus our earned revenue."[26] But when pressed for attendance records pre-flood and post-flood, Sakauye reportedly refused to respond. Officials with the Memphis Convention and Visitors Bureau acknowledged the negative effect of the flood on tourism in 2011, but confirmed that current tourist decisions are "not affected by the flood from two years ago."[27]

More Museum Moolah

The National Civil Rights Museum is not the only private organization extending hands—palms up—to state taxpayers. Despite a mission that is local in substance, these museums require subsidies from Tennesseans statewide. The Chattanooga History Museum is tapping taxpayers for $500,000 for "building and exhibit needs."[28] The Knoxville Botanical Garden and Arboretum also hit up taxpayers for a cool half-million to "implement the facilities master plan."[29] Another $50,000 was slipped into the state budget at the last minute, earmarked for the Alex Haley House and Museum in Henning, Tennessee.[30] If these attractions are so valuable to their home communities, it stands to reason they could attract enough private support, and visitors, to be self-sufficient. Otherwise, forcing taxpayers to keep them above water is a losing proposition.

Red: Good for Golfers, Bad for Taxpayers

Golfers love seeing red numbers, as this indicates a score under par. But for taxpayers subsidizing the operation of Tennessee's state-owned golf courses, red numbers represent wasteful spending. Unfortunately, taxpayers subsidized almost $1 million worth of golf in 2012, with just one golf course of nine turning a profit.[31]

TENNESSEE STATE GOLF COURSE NET PROFIT/LOSS FOR FISCAL YEARS 2011-2012			
COURSE	REVENUE	EXPENSES	NET PROFIT (+) OR LOSS (-)
Cumberland Mountain	$803,741	$1,061,309	-$257,568
Fall Creek Falls	$491,987	$767,747	-$275,760
Harrison Bay	$1,317,683	$1,162,689	+$154,994
Henry Horton	$754,607	$935,625	-$181,018
Montgomery Bell	$940,036	$988,418	-$48,382
Paris Landing	$765,400	$773,261	-$7,861
Pickwich Landing	$565,506	$740,503	-$174,997
Tim's Ford	$730,477	$911,010	-$180,533
Warrior's Path	$852,065	$867,963	-$15,898
TOTAL	**$7,221,502**	**$8,208,525**	**-$987,023**

The state Department of Environment and Conservation (TDEC) has historically argued that Tennessee's golf courses are part and parcel to an overall "self-sufficient" state park system. But the question remains whether operating golf courses for the benefit of a few at the expense of all is either an equitable use of tax dollars or a core function of state government. And while TDEC should be commended for reducing the net loss to taxpayers by roughly $315,000 from the previous fiscal year, the fact remains that taxpayers have shelled out an average of nearly $1.4 million annually since 2006 to cover the loss of these operations. With eight of nine golf courses losing money, it's long past time the state cut its losses.

Over 100 Ways to Say "Pork"

The Tennessee General Assembly established the Tennessee Foreign Language Institute in 1986 to provide over 100 different foreign language services to Middle Tennessee residents. Arguably a venerable endeavor, with a significant chunk of its operating dollars coming from state taxpayers, Tennesseans would be justified in questioning the expense. While the institute once boasted that state dollars represent "less than 20 percent" of its annual budget, the bottom line to taxpayers has been trending upward and crossed the 20 percent threshold this year at $388,100.[32] In fact, the institute's cost to taxpayers has increased by 15 percent since 2011.[33] Taxpayers could also be justified in questioning why the state chose to locate a foreign language institute in Nashville. Commonly referred to as "Athens of the South," Nashville is home to almost 25 accredited four-year and postgraduate institutions, eight community colleges, and 12 vocational and technical schools within a 40-mile radius.[34]

Public TV Close To Takeoff…From the Nest

In an entry that will hopefully soon meet the ash heap of history, public television stations across the state are finally being weaned off state government. Typically receiving millions of dollars each year to stay afloat, the 2013-2014 state budget allocates a mere $125,000 to the stations.[35] After all, market forces have managed to deliver a number of over-the-air channels in high definition to the public for free without taxpayer subsidies. The state should allow market forces to drive public television to spread its wings without handouts from the taxpayers.

A Country Music Hall of Shame

As if shelling out more than half-a-billion dollars for the new convention center in Nashville was not enough for taxpayers to bear, the state recently kicked in another $1 million to the adjacent Country Music Hall of Fame to integrate itself into the new complex.[36] The Hall of Fame is a Tennessee staple known all over the world and will inevitably benefit from its location near the new convention center. It is reasonable, then, to think it could cover the costs of these improvements on its own rather than expecting taxpayers to shell out even more money to this mammoth project on Nashville's south side.

Watkins College of Art, Design, Film & Government Handouts

With tuition skyrocketing at state institutions across Tennessee, public university students might be surprised to know that taxpayers are also supporting certain private colleges. Take for instance the Watkins College of Art, Design & Film in Nashville, which this year will receive $200,000 "to address facility maintenance needs."[37] Apparently it's not enough for the state to fund the dozens of public colleges and universities across the state; it now wants to pick up the tab for private institutions' expenses.

Private Land? What's That?

At the rate Tennessee is burning through taxpayer cash to buy up park, forest, and wetlands, the term "private land" may one day be a thing of the past. Yet again, this year's state budget allocates another $13.3 million to purchase forests and wetlands for the state, as well as for various local governments to construct parks. Another $500,000 will be spent to compensate local governments for lost future property tax revenue related to the government purchases of private land.[38] This is all done in the name of conservation, but it comes off the backs of homeowners. This land grab is funded via the real estate transfer tax, which drives up home prices significantly. That tax could be slashed by 17 percent if the state would leave private property in the hands of its current owners.[39]

WASTE, FRAUD, & ABUSE HITS CLOSE TO HOME

Government Waste Convention

Metro Nashville recently celebrated the opening of a $623 million convention center, the "most expensive publicly financed complex in the state's history" according to the *New York Times*.[40] Throw in the $128 million in incentives city officials awarded the new Omni Hotel, which will connect with the convention center, and that brings taxpayer liability to a whopping $751 million for the project.[41]

Now that the Music City Center has opened its doors, there is concern about its viability. A study conducted by the center claimed that it would snag 49 conventions during the upcoming fiscal year, filling 418,950 hotel room stays. Yet, as of April 2013, with just months left before the fiscal year began, the center's best estimates showed it booking just 36 conventions and 241,761 room nights, far shy of expectations. Of the hotel room nights counted by the center, 103,000 come from the Country Music Marathon and CMA Festival, neither related to convention center bookings itself. With that considered, the center has booked a mere one-third of projected hotel stays.

Not only does the center appear to be breaking the promises of its proponents at the outset, taxpayers are already on the hook due to poor planning and a construction delay. When the center missed its grand opening target, it was forced to pay $678,000 to associations who had booked conventions at the center that will never come to pass.[42] One thing is for sure: proponents of the three-quarters-of-a-billion-dollar project could hold one massive convention on government waste. And from the looks of it, they would have plenty of dates from which to choose.

We're on the Road to Nowhere

Gallatin city officials are taking what the Gallatin News Examiner calls a "gamble" on a new road, literally to nowhere. The Middle Tennessee city is seeking to lure at least one new business into the second phase of its industrial park. It's hook? A road to a now-vacant plot of land, paid for by the Tennessee Department of Transportation (TDOT). If the city fails to lure a company to the empty field within three years, local taxpayers will have to repay TDOT $1.9 million for the road's construction. As TDOT puts it, the agency does "not want to build a road to nowhere or waste money."[43] It's a little too late for that, given that the plot of land has set vacant for four years already.

Mayor's Got A Brand New Cad

There's making a good impression, and then there's paying $1,200 per month to make that impression in a vehicle you don't even own. That's the cost to Memphis taxpayers

Scan to watch a special news report on the mayor's expensive ride.

for Mayor A.C. Wharton to ride in style to meetings and appearances in a 2013 Cadillac XTS valued at almost $60,000.

An ABC 24 story found the arrangement greatly exceeds that of comparable southern cities.[44] In Louisville, for instance, the mayor drives a 2010 Ford Escape that the city purchased for $25,000. In Charlotte, a $4,800 annual vehicle allowance is sufficient to get its mayor to meetings with executives of the nation's largest banks. He drives his own 2005 Volvo.

Excessive luxury aside, the real head-scratcher is the lease agreement. At $1,200 per month, the city of Memphis could have actually purchased a comparable luxury vehicle valued at $57,000 over the mayoral term. Yet, the city will spend the same amount renting one over the next four years. Additionally, the lease agreement allows the mayor to drive 25,000 miles per year, but the city pre-purchased an additional 20,000 miles. At 45,000 miles per year—equal to three times the national annual mileage average according to the Federal Highway Administration—the mayor would need to drive 180 miles per business day to recoup this cost.[45] With the mayor spending this much time in the car, one wonders how much Memphis taxpayers are spending on office space.

Bogus Bonuses

Managers can't be blamed for trying to boost morale around the office, unless of course they do it with public money and without appropriate approval. Superintendent of the Lincoln County Board of Public Utilities did just that, doling out Easter eggs with bonuses inside for employees. The bonuses were paid using ratepayer money, public funds the board had not approved. An audit by the state Comptroller revealed holiday bonuses to be the norm for this utility district, with extra cash routinely showered on employees for Thanksgiving, Christmas, and the Fourth of July.[46] Bonuses were even a weekly occurrence for some employees. Auditors found that, between 2008 and 2011, ratepayers in Lincoln County paid for $300,000 in bonuses at the utility district, all without board approval or oversight.[47]

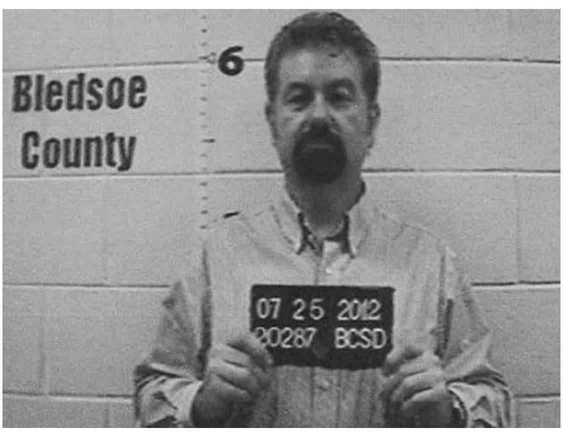
In addition, auditors found that employees regularly received bonuses for doing routine parts of their jobs, such as reporting water theft or scouting possible water intake sites along the river. Employees received overtime pay even when they didn't work extra hours and also received bonuses through random drawings and marble handouts. One employee even received a bonus for "adultery watch," which apparently involved monitoring another employee during work hours.[48] Employees even had their own water bills adjusted to the tune of $13,000. Boosting morale, indeed!

Ain't That Some Chit

A Comptroller audit found that a former Rockwood city coordinator couldn't resist using the city credit card for personal benefits. Over a three-year period in his role at the city, Tom Pierce racked up a tab over $32,000 on a variety of personal property and services at taxpayer expense. What did he need so badly that caused him to steal from taxpayers? The audit reveals Pierce purchased nearly $12,000 in guns registered personally to himself, ammo, and firearm accessories (what good is a new .308 rifle without a scope?), $6,000 for camera equipment, and $4,000 in online college tuition, among other things.[49] Here's a sampling of Pierce's damage:

- One tactical shotgun
- One .308 rifle
- One .44 caliber revolver
- Two 9mm pistols
- Holsters, rifle scopes, tactical sights, and ammunition
- Two Olympus cameras (valued at $1,200 each)

In addition, Pierce used the city's charge card to purchase over $7,000 in clothes including polo shirts, cargo shorts, underwear, socks, women's jeans, suit separates, and running shoes. Another $3,675 was billed to the city for protein powder, testosterone booster, digital music, books, and movies. In February, a Roane County Grand Jury returned a seven-count indictment against Pierce for theft, fraudulent use of a credit card, and official misconduct.



What Can I Say? I'm a Car Guy!

Seemingly never having grasped the concept of "public trust" in his first two stints as mayor of Pikeville, Greg Johnson had his third term interrupted by a grand jury indictment containing four counts of official misconduct and one count of theft in excess of $60,000.[50] Acting on public complaints that the mayor was misusing funds, the district attorney contacted the state Comptroller, whose investigative audit team revealed that Johnson spent almost $110,000 on used cars that were never registered with the city. District Attorney for the 12th Judicial District Mike Taylor said that the charge stems from the purchase of 10 used cars from a dealership in Alabama and that some of the vehicles were not even in working condition.[51]

The investigation later found the mayor cut himself a check for $16,000 to purchase a 2008 Honda Element that he gave to one of his family members.[52] In addition, a third count says that Johnson improperly received $130,000 in health insurance reimbursement claims for expenses he never incurred. All in all, the former mayor ran up a tab of more than $250,000 on Pikeville residents before getting caught red handed.

An Erosion of Cash

An April 2013 audit revealed that an employee of the Chester County Soil Conservation District was using taxpayer dollars as a personal slush fund. According to the Comptroller's Division of Investigations report, Stacey Clark, a secretary in charge of all administrative functions, issued over 100 checks to herself or to "cash" in the amount of $47,460 over four years.[53]

In order to conceal and carry out her scheme, Clark created more than 28 fraudulent bank statements and forged supervisor signatures. Clark was the only employee with administrative duties, which enabled the theft and kept the scam in the dark for so long; but the Comptroller's investigative audit team finally caught up with her. A Chester County Grand Jury indicted Clark earlier this year.

Emergency Embezzlement

While theft from government coffers is never a laughing matter, one former public official takes the cake for low blows. Cathey Mathis, the former head of the Bedford County 911 system, bilked taxpayers for $47,000 that should have gone to fund the county's emergency communications. A Comptroller audit found that Mathis splurged on $25,000 worth of Eddie Bauer clothes, $6,500 on designer Lucky Brand jeans, and nearly $500 in clothing from Dillard's. Mathis further used taxpayer money to eat at posh restaurants and to buy two iPods, two Nooks, and other items.[54] After Communications District board members began questioning her expenditures, Mathis resigned in 2012. Her actions are under review for criminal wrongdoing.

A GOVERNMENT WASTE POTPOURRI

The Red Mile

The old Tennessee State Prison in Nashville has been used in movies such as *The Green Mile* and *The Last Castle*, but this has been the only productive use in years for the vacant century-old, taxpayer owned building. In August 2012, Tennessee's State Building Commission approved $800,000 to update—not the building—but a "master plan for the future use" of the property.[55] No, it's not your eyes; you read that correctly. Almost a million taxpayer dollars to merely update a study that was so useless the first time the building remains vacant, bleeding taxpayer dollars annually.

According to the report, one of the options being considered in the $800,000 study includes a $27 million renovation. For what purpose remains unclear, considering an injunction prohibits the Tennessee Department of Corrections from ever again housing inmates on the premises.[56] At the time, Corrections Commissioner Derrick Schofield said, ultimately, the state may choose to abandon the property.[57] More recent talks involve the possibility of converting the prison into a museum.[58] Regardless, at $800,000 just to come up with ideas, that's an expensive "plan."

Speaking Truth To Power Salaries

According to the U.S. Census Bureau, the average Chattanooga resident makes $23,434 per year. Those fortunate to score a job at Chattanooga's Electric Power Board are likely to make nearly triple that. The average employee salary at the public utility was more than $63,000 last year, according to an investigation by the *Chattanooga Times-Free Press*.[59] But the bloated average salary was just the tip of the iceberg, as the paper revealed that over 50 employees raked in six-figure salaries courtesy of ratepayers. In contrast, the city of Chattanooga, which has more than 2,000 workers, employs less than 20 folks at $100,000 or more. The city's top executive, the mayor himself, is compensated at roughly $145,000 annually. Six EPB employees make more. EPB president Harold DePriest hauls in the most at over $206,000 per year. That's almost nine times the average Chattanoogan's annual income, all to manage an entity that has borrowed more than $400 million and issued that debt on the backs of Chattanoogans. That must be hard to stomach every time the light bill is due.

Dying to Get Unemployment Benefits

In March 2013, the state Comptroller issued a shocking report on the Department of Labor and Workforce Development. The audit showed that the department had made $73 million in overpayments through its unemployment insurance program over the past six years.[60] And to date, only $15.3 million of that has been recouped.[61] Among those who should not have received payments included 18 currently employed state workers. Another seven of those who should not have received unemployment benefits were in fact jobless, but only because they were dead. That's right…dead people were receiving unemployment benefits paid by Tennessee taxpayers. Ironically, employers across the state pay these benefits through taxes. Absent the overpayments, those employers' tax burdens could be reduced, allowing them to hire more people off the unemployment rolls—at least the ones who had a pulse.

No Work, More Pay

The Metropolitan Development and Housing Agency in Nashville has been the city's chief organization for seizing private property through eminent domain, often offering owners a fraction of fair market value. Phil Ryan, the agency's executive director, recently resigned after he unsuccessfully attempted to demote a deputy employee, and an ensuing review of the situation led to a call for his termination. His future is not that gloomy, however, as he was handed a sizeable severance package equal to one year of his salary. Despite the fact that he has left his taxpayer-funded job, taxpayers will pay him $152,880 to do nothing for an entire year.[62]

Nosedive

As covered in the *2012 Pork Report*, the public Chattanooga Metropolitan Airport Authority joined the airport management business at a huge cost to taxpayers. The authority originally dumped $4 million in taxpayer money into a new fixed base of operations (FBO) to compete with the existing private business, TAC Air, to sell fuel to private jets flying into and out of the Chattanooga airport.

In just its first six months, the new taxpayer-subsidized FBO lost more than $300,000. Its downward spiral continued through 2012 and early 2013. In March, the Senate Transportation and Safety Committee learned that the FBO had lost another $569,000.[63] Hopefully, the airport authority will ground this plane before it crashes and taxpayers are left to sift through the rubble.

Courtesy of *Knoxville News Sentinel*

Taken for a Ride on Big Greenbelt Taxes

A 1976 law known as the "Greenbelt Law" has permitted some of Tennessee's wealthiest residents to slash their property tax rates by as much as 99 percent. The law was enacted to protect farmers from being "taxed off their land" as it rose in value, but is "so full of loopholes and so erraticly [sic] enforced it's become a popular tax shelter for more than just those making their living on the farm," notes the Memphis *Commercial Appeal*.[64] Of 214,000 parcels designated as greenbelt property across the state, a paltry 87 are true open space as envisioned by the law. That amounts to just 4/100ths of one percent.[65] Much of the rest represent massive tax breaks for the super wealthy.

Among the high-profile Tennesseans who benefit the most from this law include[66]:

- Former Gov. Phil Bredesen, who slashes his annual property tax in half, saving $62,000 a year on his $13 million Nashville home.
- Country music singer Wynonna Judd, who saves $18,000 a year on her 545-acre estate, an 81 percent tax break.
- Billionaire Thomas Frist, Jr., whose tax bill is cut by more than $50,000 a year on his $17.5 million property.
- Memphis developer Michael Lightman, who reduces his property tax by 99 percent

from nearly $53,000 a year to a mere $347.

- Nashville lawyer E. Warner Bass, whose 51-acre estate gets $38,000 in tax savings.

It is hard to blame anyone for taking advantage of a legal tax break, but the law costs local governments $191 million annually, rarely benefitting the low-income farmers it was originally designed to help. It's worth revisiting the costly loopholes that redistribute wealth from average Tennesseans to the richest among them.

State Employees Just Wanna Have Fu-un

Courtesy of NewsChannel 5

As the spokeswoman for the Tennessee Housing Development Agency (THDA) tells it, the department just loves to "have fun."[67] And taxpayers make it happen. Last summer, the entire office spent a day at Dave & Busters, a bar and game venue. Each employee got a free lunch and $40 for video games and bowling, racking up a $9,939 bill. When the agency's executive director turned 50, THDA dropped $1,300 on a party complete with a balloon artist. On Administrative Professionals' Day, the agency ponied up $641 for a stretch limo for a lunch outing. And to celebrate the holidays, THDA rented out the entire Country Music Hall of Fame to a tune of $26,261.[68]

When pressed by NewsChannel 5 reporter Phil Williams as to whether the agency could have fun without spending money, the spokeswoman simply replied: "ask a teenager."[69] A strange response, but at least teenagers know that abusing privileges often leads to punishment. Here's hoping the embarrassing publicity has led some within THDA to be a little more "grounded."

Tax Dollars: Yours, Mine & Ours

Not to be outdone by the Tennessee Housing Development Agency, a division of the state Department of Environment and Conservation held its own five-figure retreat in late 2012. Division of Water Resources employees spent three days at Montgomery Bell State Park west of Nashville. Among other activities, employees spent the retreat getting to know each other, playing golf, holding a music jam session, and watching the 1968 Lucille Ball film, "Yours, Mine and Ours." Altogether, the outing set taxpayers back $45,627.[70]

Wasting Tax Dollars at the Speed of Light

Last year's *Pork Report* documented how the Chattanooga Electric Power Board sank more than $100 million in taxpayer money on ultra-high-speed Internet that hardly any subscribers purchased. According to experts, consumers will not even demand this level of Internet speed for another decade. Just as that did not stop Chattanooga, it is not deterring other Tennessee cities from getting in on the action. Tullahoma's 18,000 residents now have their own $300 a month uber-Internet. And it's costing them $17 million. City Administrator Jody Baltz says that Tullahoma is "trying to position [itself] for the future."[71] Apparently, the future is the only time when citizens will demand this form of Internet, because not a single resident of the small town has thus far forked over the cash to purchase the ultra-high-speed version. At a cost of nearly $1,000 for every single man, woman, and child in Tullahoma, the endeavor operated on a $2.1 million deficit in fiscal year 2012.[72]

50,000 Tons of Crop

Previous *Pork Reports* have extensively documented the boondoggle that is the Tennessee switchgrass-to-ethanol initiative. With a state grant, the University of Tennessee and subsidized companies attempted to create gasoline out of switchgrass, a crop rarely otherwise grown in Tennessee. But as the Knoxville *Metro Pulse* points out, five years and $70 million later, "there's no sign of a commercial-scale cellulosic ethanol plant in Tennessee anywhere in sight."[73] There is, however, a 250,000-gallon refinery in the small East Tennessee town of Vonore, which sits near empty save 50,000 tons of switchgrass. That is because the bulk of the funding—$40 million—has instead been used to produce ethanol from corn…in Iowa. Genera, the company that now owns the 50,000 tons of useless switchgrass, recently received a $1.3 million investment by the University of Tennessee, all while it was being "spun off" into a free-standing entity.[74] While officials claim this pot of money came from management fees rather than state appropriations, this whole mess just smells like a load of crop.

THIEVERY & FOOLERY

A Hand in Your Pocket

Local government employees across Tennessee stole or misused more than $3 million of taxpayer money according to 2012 and 2013 audits. Even worse, officials in some of the most important positions of public trust were among the culprits. Examples include the following:

Tabitha Street, former bookkeeper at Valley Forge Elementary School in Carter

County, misappropriated at least $8,542 in various collections from the school and manipulated school records to conceal the thefts.[75]

Someone in Henning tried to use two counterfeit checks issued in the town's name last year. The banks refused to honor those checks, but town officials failed to identify the abuser or take prompt remedial action to invalidate one of these checks, resulting in a loss to the town of $25,500.[76]

A bookkeeper for the Henry County General Sessions Court Clerk improperly took almost $30,000 in court funds for personal use over a five-year period.[77]

The City of Jellico borrowed money in violation of state law by entering into a bank line-of-credit, creating an invalid or nonconforming obligation. This invalid obligation was used to improperly finance the purchase of a piece of real property at a cost of $196,000.[78]

As a recruitment incentive in 2007, a Marshall County school director approved the payment of hourly supplements to coaches that were intended for teachers working after hours with students or participating in professional development training. Hourly supplemental payments made to coaching staff at the high school from January 2007 through April 2012 totaled $148,575.[79]

The administrative secretary of the Morgan County Soil Conservation District, Sharlene Justice, used various schemes to steal at least $53,412 from the district. Among the schemes, she forged signatures of the district board's chairman and also wrote checks to herself and to family members.[80]

A former employee of Millard Oakley Public Library in Overton County stole $6,000 in funds intended for the library, an investigation by the Comptroller's Division of Local Government Audit has found. The former employee used electronic withdrawals from the library's checking account to pay for personal expenses such as satellite television, wireless telephone service, and credit card bills.[81]

Connie Mitchell, former manager of the Sneedville Utility District, took $7,445 in ratepayer money for her own personal use between July 1, 2010 and September 30, 2011. Over a three-year period, Mitchell also spent nearly $20,000 in district funds to upgrade her insurance coverage without authorization by the district's board of commissioners.[82]

The former school bookkeeper of Beech Elementary School in Sumner County, Penny Knight, stole more than $20,000. Ms. Knight used more than $13,000 in school funds to pay her personal bills and loans, as well as to pay for personal purchases of electronics, groceries and other items.[83]

At the Upper Cumberland Human Resource Agency, taxpayer money was used to cover $2 million for travel expenses, meals and entertainment, mobile communications devices, and subsidies for a training complex. Expenses included nearly $60,000 on an annual trip to Washington, D.C., more than $1.6 million to subsidize the training complex and resort property, $123,000 for gift certificates, and more than $100,000 annually on 160 mobile communication devices for employees.[84]

At least 29 receipts issued from July 1, 2007 through September 30, 2011 were never deposited with the Warren County Trustee's Office. This resulted in at least $20,792 missing from the Warren County Memorial Airport's records.[85]

In Wilson County, cash seized by the Joint Violent Crimes Task Force from 14 drug cases totaling $34,709 and awarded to the county was mishandled and not properly accounted for, of which $25,909 has gone missing.[86]

Down the Drain

While the waste of water by public utilities may not seem like a huge deal, such loss can add up to a hefty bill for taxpayers and utility ratepayers. The city of Elizabethton, with its population of approximately 14,000 residents, had over a billion gallons of water lost or unaccounted for last year.[87]

Elizabethton was among 56 governments in Tennessee that lost an excessive amount of water last year (a water loss of 35 percent or more is considered excessive, according to state standards). When this happens, water districts lose money and ratepayers are charged higher rates, simply because authorities are not repairing malfunctioning meters and leaks in lines.

Among the worst offenders:

- The Cross Anchor Utility District lost 45.72 percent of the water it purchased in 2012.[88]
- Cumberland Gap's unaccounted for water totaled 52 percent.[89]
- The City of Elizabethton had 55 percent of its water go missing. The North Elizabethton Division of WRRWA lost 62 percent of its water. In total, more than a billion gallons of water was unaccounted for in Elizabethton.[90]
- Harriman Utility Board did not account for 53 percent of its water.[91]

- The percentage of unaccounted for water in Jonesborough was 55.6 percent, a total of over 740 million gallons.[92]
- Lobelville lost 47 percent of its water during the past year.[93]
- The City of McEwen's unaccounted for water totaled 45 percent.[94]
- McKenzie had 47 percent of its water go missing.[95]
- The percentage of unaccounted for water in Mount Pleasant was 45 percent.[96]
- The Town of Oliver Springs lost 61.9 percent of its water during the past year.[97]
- Pikeville had 49 percent of its water go missing.[98]
- The Town of Sharon lost 47 percent of its water.[99]
- Siam Utility District lost half its water throughout the year, a total of over 47 million gallons.[100]
- The City of Sparta had 49 percent of its water go missing.[101]
- Sunbright Utility District's unaccounted for water totaled 54 percent.[102]
- Tiptonville lost 47 percent of its water.[103]
- The Town of Wartrace had 46 percent of its water go missing, a total of over 88 million gallons.[104]
- The percentage of unaccounted for water at the Watauga River Regional Water Authority was 62 percent.[105]
- The City of Waverly lost 51 percent of its water, a total of over 217 million gallons.[106]

Budget-Busters

Nearly three-dozen counties spent more money than appropriated by county legislative bodies last year in violation of state law, according to state Comptroller audits. The following is a summary of the overspending by these governmental entities, whose various deficits totaled over $16 million.

- Benton County General Fund – $439,623[107]
- Bledsoe County Solid Waste/Sanitation, General Debt Service Fund and Highway/Public Works Fund – $2,854, $10,666, and $96,604 respectively[108]
- Carter County School Federal Projects Fund and General Purpose School Fund – $185,752 and $26,458, respectively[109]
- Decatur County General Purpose School Fund – $7,673[110]
- DeKalb County Solid Waste Disposal Fund and School Federal Projects Fund – $3,267,777 and $96,023, respectively[111]
- Dickson County General Purpose School Fund and School Federal Projects Fund – $49,637 and $28,700, respectively[112]
- Dyer County Solid Waste/Sanitation Fund and Highway/Public Works Fund – $3,961 and $16,171, respectively[113]
- Fayette County General Purpose School Fund and School Federal Projects Fund – $1,252,647 and $308,709, respectively[114]
- Grainger County General Fund and Highway/Public Works Fund – $23,183 and $222,063, respectively[115]

- Hancock County General Fund – $45,068[116]
- Hardeman County General Fund and Solid Waste Disposal Fund – $9,825 and $1,032,539, respectively[117]
- Hardin County Highway/Public Works Fund and General Purpose School Fund – $3,579 and $16,277, respectively[118]
- Haywood County Solid Waste Disposal Fund – $1,673,827[119]
- Henry County Central Cafeteria Fund – $141,084[120]
- Humphreys County General Fund – $13,023[121]
- Jackson County General and Highway/Public Works Fund – $278,418 and $129,631, respectively[122]
- Lake County General Purpose School Fund – $93,343[123]
- Lawrence County General Fund – $14,748[124]
- Lewis County General Fund and General Purpose School Fund – $318,775 and $9,728, respectively[125]
- Macon County General Purpose Fund – $57,521[126]
- Madison County General Fund – $8,811[127]
- Marion County Solid Waste/Sanitation Fund – $16,304[128]
- Marshall County General Purpose School Fund – $140,964[129]
- McNairy County General Fund and Solid Waste/Sanitation Fund – $12,696 and $1,119, respectively[130]
- Moore County General Fund, Highway/Public Works Fund, General Purpose School Fund, School Federal Projects Fund, and Central Cafeteria Fund – $15,542, $8,730, $3,856, $20,497 and $6,409, respectively[131]
- Obion County General Fund – $11,125[132]
- Overton County School Federal Projects Fund and Central Cafeteria Fund – $38,954 and $27,957, respectively[133]
- Perry County General Fund – $8,094[134]
- Pickett County Drug Control Fund – $8,171[135]
- Polk County General Fund, Highway/Public Works Fund and General Purpose School Fund – $10,948, $16,978 and $143,614, respectively[136]
- Scott County Public Utility Fund, General Capital Projects Fund, Other Capital Funds, Highway/Public Works Fund, and General Purpose School Fund – $1,888, $54,213, $25,587, $27,891, and $29,852, respectively[137]
- Smith County Solid Waste Disposal Fund and General Fund – $2,200,155 and $40,000, respectively[138]
- Sumner County Self-Insurance Fund – $3,516,794[139]
- Wayne County Solid Waste/Sanitation Fund, General Fund, General Purpose School Fund, and School Federal Projects Fund – $6,027, $17,893, $124,139 and $31,176, respectively[140]
- White County Solid Waste Disposal Fund – $334,063[141]

Bidding Below the Belt

Tennessee law requires state and local officials to publicly advertise competitive bids for services exceeding $10,000. This law exists for a very good reason: to ensure that the best and lowest price is obtained, and to prevent officials from misusing taxpayer money by paying more than the competitive price. As the following examples show, certain public officials seem unable to obey the law.

In January 2012, the Cocke County Board of Education awarded a contract totaling $539,273 to a local vendor for a roof rehabilitation project at Cocke County High School. This local vendor was not the lowest bidder, however, and in fact was not the second or third lowest bidder.[142]

In DeKalb County competitive bids were not solicited for food purchases for the jail totaling $138,208.[143]

In Giles County, competitive bids were not solicited for tires purchased for the Ambulance Service totaling $11,918.[144]

In Hancock County, competitive bids were not solicited for site preparation for an elementary school playground totaling $26,414.[145]

The county mayor of Hardeman County did not solicit competitive bids for a fence expansion at the airport totaling $64,745. Competitive bids were also not solicited for a geothermal project at Bolivar Central, totaling $788,940.[146]

In Lawrence County, competitive bids were not solicited for 11 workstations and 13 chairs purchased for the Circuit Court Clerk's Office totaling $15,710. Competitive bids were also not solicited for roofing materials at Leoma Elementary School.[147]

School Department officials in Lewis County purchased projects using the federal Race-to-the-Top Incentive grant ($45,603) and Title I grant ($41,483) funds. Competitive bids were not solicited for these purchases.[148]

Nashville Electric Service (NES) has paid one manufacturer and its distributor more than $17 million over the last eight years for electric power cable that was not properly bid. Through an exclusive agreement that originated in 1998, NES has paid Kerite Company more than $13 million and its distributor, Utilicor, more than $4 million since 2005 for electric power cable.[149]

In Rutherford County, competitive bids were not solicited by the Sheriff's Department for dozer services of $14,000. The department split the cost of these services ($7,000 each) to try to circumvent the county's purchasing requirements.[150]

Union County failed to secure competitive bids for the demolition and removal of a burned house. Rather than perform the work with highway department equipment and employee, the highway superintendent contracted with a company owned by his brother for $10,000.[151]

In Warren County, competitive bids were not solicited for the purchase of liability insurance ($234,826), boiler insurance ($10,360), workers' compensation insurance ($87,703), and building and contents insurance ($137,184).[152]

CONCLUSION

The *2013 Tennessee Pork Report* exposes an astonishing $511 million in government waste, fraud, and abuse. From the state budget to local indiscretion, Tennessee's governments continue to be poor stewards of taxpayers' money.

To protect tax dollars from this waste, fraud, and abuse, state and local elected officials need to enact reforms that will make government as fiscally responsible as Tennesseans expect.

State-Level Reforms

In addition to outright eliminating the various examples of waste, fraud, and abuse laid out in these pages, the state legislature should enact stricter spending laws. This would prevent further erosion of state tax dollars on needless pork projects. There are three key solutions that, if enacted, would provide much-needed protection for taxpayers' wallets.

1. Strengthen the Copeland Cap

If members of the General Assembly truly wish to curb spending, they must strengthen the Copeland Cap. Enacted in 1978, the Copeland Cap is designed to prevent wasteful spending by tying state spending to personal income growth. If annual state spending grows at a higher percentage than Tennesseans' personal income for that year, the legislature must approve the excess spending in a separate bill.

Unfortunately, the Copeland Cap can be overridden by a simple majority vote of legislators, rendering it practically ineffective. By amending the state Constitution to require a two-thirds vote rather than a simple majority to override the cap, lawmakers could curb spending abuse, while still preserving their ability to expend needed funds in times of emergency or disaster.

Further, lawmakers should revise the calculation used to determine whether annual spending "breaks the cap." Because state law currently prohibits the state budget from growing at a faster rate than the state's personal income growth, and personal income growth could be substantial in good years, this calculation provides far too much leeway for out-of-control spending. The General Assembly should instead base the calculation off population growth plus inflation. These factors more closely align with the growth of government spending. Government should not spend more simply because the economy improves, as is the case with the current calculation. Rather, spending should be tied directly to the factor that most influences the size and scope of government programs: population growth, along with adjustments for inflation. This more fiscally conservative approach would protect taxpayers' hard-earned money in good times and bad.

2. Enact a "Kicker" Law

Coupled with a stronger Copeland Cap, the General Assembly should enact a "kicker" law to further curb government spending. Under such a law, if tax revenues exceed estimates, the General Assembly would be required to return the surplus to taxpayers. Lawmakers could do this in a variety of ways, such as temporarily lowering certain taxes to offset the over-collection of revenues.

3. Establish a State Spending Commission

Finally, state lawmakers should establish a version of the federal Grace Commission established by President Ronald Reagan in 1982. This panel of business executives and private sector volunteers undertook a comprehensive review of the federal government. Officially known as the report of the President's Private Sector Survey on Cost Control, the Grace Commission made 2,478 recommendations that saved taxpayers $424.4 billion during a three-year period. A similar state-level independent body should be tasked with analyzing the entire state budget from cover to cover, pinpointing waste and identifying opportunities for savings.

Local-Level Reforms

Further, because waste, fraud, and abuse abound at local levels of government outside the state Capitol, it is imperative that state and local elected officials advance measures that hold those local governments accountable. Among the solutions to rein in the squandering of local taxpayers' money, city and county governments should:

1. Establish Audit Committees

Audit committees would be tasked with overseeing local elected and appointed officials and ensuring that taxpayer money is protected. According to the CPA Journal, local government audit committees can "increase the integrity and efficiency of the audit process, as well as the system of internal controls and financial reporting."[153] This is a crucial first step toward establishing effective safeguards for the use of taxpayer money by local governments across the state.

2. Create and Maintain a Rainy Day Fund

Similar to the state's reserve fund, local governments should maintain a segregated fund for "rainy days" so that difficult budgetary times do not pose a threat to the fiscal health of the local government or become an easy excuse to raise taxes. This rainy day fund should represent a substantial percentage of the local government's overall operating budget, such as five to seven percent. Each year, the local government should divert surplus revenue into this reserve fund until it reaches an adequate portion of the total local budget.

3. Debt Disclosure Requirements

Local governments often take on debts to cover existing obligations or to fund public projects. In many cases, taxpayers are left in the dark as to the details of these debt obligations and the impact they have on the local government's fiscal stability. It is therefore imperative that local governments be bound by certain debt disclosure requirements. Only then can taxpayers know how much debt their local governments have incurred, and make informed decisions about how payments on that debt are made and whether their local officials are allowed to take on future debt obligations.

4. Implement Centralized Financial Management Systems

A more comprehensive reform that should be pursued by state and local officials is a financial management systems act, such as that proposed by Comptroller of the Treasury Justin Wilson in 2013. The proposal allows counties "to adopt a centralized system for managing fiscal procedures."[154] By encouraging counties to formalize their accounting, financial, and purchasing programs, this measure could lead to a reduction in the amount of waste, fraud, and abuse that plague many local governments across the state.

Until these important solutions become a reality, the Beacon Center will continue to hold elected and appointed officials accountable. If state and local officials persist in their refusal to truly tackle government waste, the *Tennessee Pork Report* will continue to make government spending as transparent for taxpayers as possible.

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To support the Beacon Center of Tennessee and projects like the *Tennessee Pork Report*, consider making a tax-deductible gift to our cause. For every single dollar donated to the Beacon Center for publishing the *Pork Report*, we uncover more than $127,000 in government waste, fraud, and abuse. A gift to the Beacon Center represents a tremendous investment for you and your family.

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Send us your own example of government waste by calling (615) 383-6431 or emailing us at tips@beacontn.org. Many of the examples found in the *Tennessee Pork Report* come directly from citizens across the state. Become one of Tennessee's citizen watchdogs by submitting your own examples. All tips will remain anonymous.

Tips can also be provided to the Tennessee Comptroller of the Treasury, who serves as the state's "money cop," monitoring state and local agencies for waste, fraud, and abuse. Tennesseans with knowledge of illegal, improper, or outright waste of taxpayer money can call the Comptroller's Fraud, Waste, & Abuse Hotline at 1-800-232-5454 or visit www.comptroller.tn.gov to file a report online.

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