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Federal agencies spend billions on self-promotion

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The federal government for years has been using Americans' tax dollars to pay for its own PR through carefully coordinated marketing campaigns, to the tune of billions of dollars.

Over the past seven years, federal agencies have spent more than \$4.3 billion on self-promotion and marketing, according to government contract data compiled from USASpending.gov in an oversight report by spending watchdog OpenTheBooks.com.

Federal agencies spent \$2.35 billion in salary and bonus payments to federal employees with the job title of "public affairs officer" and more than \$2 billion on outside contractors for additional public relations projects, according to the report.

In fact, the U.S. government employs so many public affairs officers that it ranks as the second-largest public relations firm in the world in terms of the number of employees.

Although it is certainly important and necessary for federal agencies to engage in public relations in order to make information available to taxpayers and to understand the markets they serve, the report highlights cases in which the government's marketing budget appears to border on propaganda and pandering.

For example:

- The Internal Revenue Service has spent nearly \$18 million on "customer satisfaction surveys" and analysis. The IRS has a 90 percent positive rating, and the report argues that most Americans wouldn't be bold enough to tell the IRS any differently.
- The Department of State has spent over \$36 million on public opinion polling in foreign countries, including nations that are U.S. allies.
- In fiscal years 2007 and 2008, the State Department dabbled in the culinary arts, spending roughly \$62,000 on cooking videos and demonstrations promoting U.S. agricultural products overseas, including an online cooking demonstration streamed in Japan.

- The U.S. Army spent \$23.6 million on public relations efforts in Afghanistan from 2009 to 2013 — as President Obama was announcing a military withdrawal from the region.
- The Department of Veterans Affairs paid the Gallup organization \$1.7 million for “employee-engagement” surveys before, during and after the VA scandal in 2014. The VA also paid out millions of dollars to public relations specialists who are accused of doctoring reports to show veterans had shorter wait times at VA hospitals.

Adam Andrzejewski, founder of OpentheBooks.com, argued in the report that federal agencies, while tasked with informing American citizens about their work, are not “charged with making information interesting or newsworthy.” These examples demonstrate that the government is “using taxpayer funds to engage in thinly veiled propaganda campaigns that are primarily designed to protect their budgets and hype outcomes.”

Employing more than 133 public affairs officers at a cost of \$116.8 million since 2007, the IRS is a heavy user of polling to gauge “stakeholder satisfaction,” according to the oversight report.

The IRS spent \$17.49 million on such polling since 2007, mostly on different types of satisfaction surveys. Under the last year of the George W. Bush administration, the IRS disclosed \$1.4 million in polling and survey work. By fiscal year 2014, the figure had tripled to \$4.3 million in annual charges.

Some of the IRS survey contracts include \$226,915 for an “injured spouse satisfaction survey,” \$125,000 for a study on “taxpayer use of paper products” and three separate studies totaling roughly \$535,000 on “tipping income behavior.”

“The IRS spent enough on studying tips to give every bartender in the country an \$8 tip,” said Ryan Ellis, tax policy director at Americans for Tax Reform, citing the Bureau of Labor Statistics estimate on the number of bartenders in the U.S. “I bet if you asked the bartenders, they’d rather have the cash than the study.”

IRS defends its work

The tax agency pushed back strongly at the watchdog report, saying in a statement that “getting feedback from taxpayers and the tax professional community serves an important role in ensuring our nation’s tax system runs effectively.”

Public affairs work helps the agency do its job better, the unsigned IRS statement said, adding: “For example, tip income is taxable under the law, but it is a long-standing area where we look to balance our compliance efforts while considering the needs and burden of people working in fields where tips are common.”

“Any suggestion IRS surveys are for public relations purposes is misleading and inaccurate,” the statement said. “The IRS has not seen the full report, so it cannot confirm the numbers being cited.”

But other spending watchdogs say the new report highlights the hypocrisy behind the government’s revolving-door budget, as agencies continually lament a lack of funding and demand Congress appropriate more each year.

“When a private firm is bad at PR, it suffers by losing market share or disappointing stockholders. When Washington wastes money on PR, the reward can be an even bigger budget because agency officials argue they need more funding to counter an image problem their past failures may have contributed to in the first place,” said Pete Sepp, president of the National Taxpayers Union. “The merry-go-round needs to stop, and agencies need to show clear metrics for the outlays they demand.”

According to the report, the U.S. government spent \$170.7 million on survey contracting and just over \$21 million on polling services since 2007.

Overseas, the State Department and the U.S. Army spend heavily on surveys, with purchases totaling roughly \$56 million since 2007.

Much of that spending is vague. Of the \$36.5 million the State Department spent on international polling since 2007, \$34.3 million was disclosed as being paid to “miscellaneous foreign vendors.”

In an email to The Washington Times, a State Department official said the department “endeavors to be good stewards of taxpayer money,” and added that the agency looks for efficiencies in its programs and reviews expenses, “always aware of the fiscal restraints in which all government institutions must operate.”

The U.S. Army did not immediately respond to requests for comment.

The VA spent \$1.7 million from fiscal years 2010 to 2014 on employee satisfaction surveys. It was revealed in April 2014 that as many as 40 veterans died while waiting for care at a VA facility in Phoenix, and it was later reported that as many as 70 percent of VA facilities doctored reports to show shorter wait times for veterans.

“There is no indication that their ‘employee polling and surveys’ led to or identified the need for any real reforms — while some veterans died waiting to see a doctor,” Mr. Andrzejewski wrote.

In an email to the Times, a spokeswoman for the VA defended the surveys, saying that the agency is required by federal law “to conduct outreach to inform Veterans, survivors and their family members of the benefits and services to which they are entitled. That outreach may

include the coordinated and integrated use of traditional and social media, advertising and marketing programs along with direct involvement with Veterans at local events.”

Spending experts say these examples highlight one of the government's biggest spending fallacies: that it continues to believe and fund its own propaganda.

“One of the reasons why the government fails so much is that agencies seem to believe all the one-sided advocacy they propagate,” said Chris Edwards, a budget analyst at the libertarian Cato Institute. “Instead, agencies should critically examine their own performance and focus on quality improvements to serve the public.”

Mr. Edwards argued that the government should not be engaging in such self-promotion because, unlike private companies that need to promote their services, the government faces no market competition for most of its services.

Many studies have shown that taxpayers continually are less satisfied with government services than private-sector services, and watchdogs say federal agencies should do away with costly satisfaction, opinion surveys and PR projects — instead focusing on improving their dismal performance.

“Our oversight report begins the process of holding the federal agencies accountable for a line-item expenditure that most taxpayers find wasteful. The public purpose of wanton public relations spending must be challenged,” Mr. Andrzejewski said.