

# LAS VEGAS REVIEW-JOURNAL

## LETTERS

### Instead of raising taxes, erase the waste

By: Brian Aiken - Oct. 17, 2012

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To the editor:

At a time when many taxpayers are being urged to give a little more, it is shocking to learn how many tax dollars are lost due to fraud, waste and abuse.

The Institute of Medicine, an independent organization that advises the government, reported that the U.S. health care system is wasting \$750 billion a year, about 30 cents on every dollar spent on health care. Causes included unneeded procedures, complex paperwork and procedures, fraud and other wasteful habits that the health care system has developed over the years.

Welfare fraud has been estimated to run tens of billions of dollars per year. A Senate investigation found that student loan programs were "plagued with fraud and abuse at every level." With more than \$1 trillion in outstanding student loan debt, fraud is estimated to be in the billions of dollars.

The food stamp program's improper payment rate is about 6 percent, costing taxpayers about \$1.7 billion annually. School lunch fraud cost taxpayers about \$1.4 billion annually. Almost \$4 billion worth of annual unemployment insurance benefits are improper or fraudulent. The General Accounting Office estimated that about \$1 billion worth of payments by the Federal Emergency Management Agency after Hurricanes Katrina and Rita were "improper and potentially fraudulent."

The Supplemental Security Income program (for the blind and disabled) pays out \$4.6 billion in improper and fraudulent benefits annually. The U.S. Department of Agriculture distributes more than \$15 billion in cash subsidies to farmers and owners of farmland each year. GAO studies make clear that the USDA doesn't have a good handle on how much cheating is actually going on.

There are about \$1 billion in erroneous and fraudulent overpayments of housing subsidies each year, according to the GAO.

Add these up, and the Cato Institute says \$100 billion a year - or perhaps much more - of benefits are misappropriated by people not entitled to them.