



## How to Make It as a Triple-Dipping Bureaucrat

Daniel Mitchell

September 15, 2016

As a public finance economist, I normally focus on big-picture issues such as the economically debilitating effect of excessive government spending and punitive taxation.

But as a human being, what irks me most about big government is the way that insiders use the system to enrich themselves. I don't like it when politicians, bureaucrats, lobbyists, contractors, cronies, and other well-connected interest groups funnel money to themselves at the expense of ordinary people.

Especially when taxpayers pay twice. They have less take-home income because of higher tax burdens and over time their pre-tax income doesn't grow as fast because a bloated public sector reduces growth.

In other words, a lose-lose situation for regular folks.

But it's a win-win situation for insiders. Consider, for instance, this exposé in the *Daily Caller* about a bureaucrat who double-dipped by getting a big paycheck from Uncle Sam as an interior designer while also getting outside contracts as – you guessed it – an interior designer.

“A fashionista from Beverly Hills, Calif., collected millions in interior design contracts from federal agencies by claiming to be “disadvantaged,” while simultaneously working at the Department of Veterans Affairs (VA) sending work to design companies. Ronda C. Jackson was a no-show at her VA job, colleagues said. Records show she instead spent her time running a design company that got \$7 million in contracts from the VA and other government agencies since 2008, reselling them marked-up goods like five-seat tables for \$17,000.

Here are some of the sordid details.

“Jackson worked as a full-time federal employee at the Los Angeles VA center in fiscal years 2010 and 2011, which ran from Oct. 1, 2009 to Sept. 30, 2011. Pay records show she worked as a GS-12 level interior designer and made \$80,000 each year. Colleagues said they never saw Jackson in the office. ...In fiscal years 2008 through 2010, the company had \$222,000 in

contracts with the VA, federal records show. ...she was being paid as a full-time employee for almost a whole year while also working on a contract for the same agency and at the same hospital and for the same type of work. Her job as an employee was to buy furniture for the VA, and her job as a contractor included selling it.

Wow, sort of reminds me of the bureaucrat from the National Weather Service who created a contractor position for himself.

But Ms. Jackson took it to the next level, getting a paycheck and being a contractor at the same time. How did she get away with all this?

Well, her boss set a good example of how to waste money and bilk the system.

“Robert Benkeser, a high-level manager in charge of facilities, was told that Jackson appeared to have a no-show employment arrangement, but did nothing. Benkeser is the same manager who was in charge of an official vehicle fleet from which 30 of 88 cars disappeared. He fired the employee who exposed the missing cars as well as the fact that government credit cards from the same unit appeared to have been used fraudulently. Benkeser received only “counseling” for the misconduct.”

Gee, I wonder if he was one of the VA bureaucrats who got a big bonuses after the agency put veterans on secret waiting lists?

But what makes Ms. Jackson special is the way she doubly double-dipped.

That’s an odd way of describing something, but somehow appropriate because she got herself classified as “disadvantaged” so that she could get contracts without the usual competitive bidding process.

“A 2009 contract, in which records from USASpending.gov classify the company as HUBZone while listing its Beverly Hills address, says she was paid \$72,000 for outfitting the Federal Aviation Administration with “framed artwork for CMEL guest room and main building [and] conference rooms.” The company subsequently moved to Los Angeles. Jackson charged \$70,000 for an unspecified “21 [inch] freestanding unit” and \$17,000 for a five-person outdoor table. Ninety-eight percent of the nearly \$7 million in contracting dollars awarded to Jackson’s company came without the government weighing her offer against those of other companies.

So instead of paying twice as much as something would cost in the private sector, which is typical for government, her no-bid scams probably resulted in taxpayers paying four times as much as necessary. So she was a bureaucrat, a contractor, and disadvantaged, which we can consider a form of triple-dipping.

As the old saying goes, nice “work” if you can get it.

There’s no question that Ms. Jackson has “earned” her way into the Bureaucrat Hall of Fame.

Congratulations, Ronda!

By the way, the article raises a bigger issue.

“Jackson’s case underscores questions about VA’s army of 167 full-time interior designers. Nearly every VA hospital in the country has one or more.

I can understand why it might be acceptable to have one interior designer (assuming the VA stays in the business of running hospitals, which obviously shouldn’t be the case), but why 167 of them?

Oh, it’s government and we need to remember what Milton Friedman said about “other people’s money.” Forget that I even asked such a silly question.

*Daniel J. Mitchell is a senior fellow at the Cato Institute who specializes in fiscal policy, particularly tax reform, international tax competition, and the economic burden of government spending. He also serves on the editorial board of the Cayman Financial Review.*