

CPA in Congress says U.S. spends without a limit

By Gary Cramer
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U.S. Rep. Joseph J. DioGuardi wants Congress to stop behaving as if it had a credit card with no spending limit.

Such behavior is evident in the ever-growing deficit and the spending habits of congressmen who don't understand the financial implications of the legislation they pass, he said in Lancaster Monday.

The nation's fiscal ills cannot be corrected without Congress's undertaking of a method of financial record-keeping quite unlike that which it is used to. Such was the conclusion reached this spring by the Task Force on Federal Budgeting and Financial Management, chaired by DioGuardi.

Now in his second term representing New York's 20th district, DioGuardi has spoken across the country of his push for a uniform, government-wide financial management service.

Under such a service, the federal government would adopt the same Generally Accepted Accounting Principles (GAAP) the Securities and Exchange Commission makes corporations use.

A certified public accountant who "just happens to be a congressman," DioGuardi brought his message of congressional financial irresponsibility to yesterday's meeting of the Northeast Lancaster Rotary Club.

"You can't plan for the future if you don't know where you are today — and we don't know where we are today," the 47-year-old Republican said. "We in Washington continue to use the Mickey Mouse cash-basis system of accounting..."

Cash-basis accounting, DioGuardi explained in a Wall Street Journal article last November, affords Congress no qualitative information about its expenditures. But the GAAP method of accounting would show what government programs really cost.

With a GAAP system he could "save you hundreds of billions of dollars, not millions," he noted

last night. "If we converted the books of this country to the proper method...you know what the real (national) debt would be (shown to be)? Over \$6 trillion."

DioGuardi was invited to speak here by Michael Ranck, former district attorney and a local delegate to the Republican National Convention, when the two men met in New Orleans last week. It was the first time DioGuardi had lectured in Pennsylvania.

At its simplest level, his message stems from his comparison of a plastic card he uses to vote on House matters to a credit card whose bill can be passed on to future generations.

"This is the most expensive credit card in the world. It has no limit," he said, brandishing his card. "We have a credit card mentality in this country, and we have to remove this card from the congressmen, Democrat or Republican, who will use it irresponsibly."

He said his opponents say, "Joe, we can't argue with you...but they also know they don't have to do anything, because the public doesn't understand."

But as the only C.P.A. in Congress, and a former partner with the international accounting and consulting firm of Arthur Andersen & Co., DioGuardi said he understands better than anybody in Congress what's gone wrong. His duties include serving on the Banking, Finance and Urban Affairs Committee, the Select Committee on Narcotics Abuse and Control, and the Government Operations Committee.

When asked what the largest source of money waste by the government was, he replied, "The waste is all over the place. It is not on the surface and in sight...it is structural and systemic and organizational...(and comes from) thousands upon thousands of stupid things done each day."

To help illustrate the enormity of the problem, DioGuardi said he convinced a friend to build a



public "clock" which will show the pace of the national debt's growth. He expects to hold a press conference for the clock's unveiling next year.

"I want everyone to get nervous as they see that clock running," he said. "And it's going to run damn fast, I'm telling you."

But before then, he must win the race for his third term, a race which will cost him \$15 million in order to remain a "conservative Republican" in a house full of "liberal Democrats." He said his campaign expenses will be the largest ever recorded for a congressional race.

"The (presidential) election this November...is going to set the course of this country probably for the next 50 years," he added, noting he has informed both presidential candidates of his views on the government's financial situation.

However, he hopes to see vice president George Bush take the top spot because Bush "believes in accountability," he said after the meeting. He said he has met with Bush's advisors, and that they have assured him his plans will have a place in Bush's fiscal policy-making following a successful election.