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## Hooked On Spending

### Former Congressman Says Feds Need To Do Better Accounting

By THOM PARDOE  
Staff Reporter

POTSDAM — Tired of hearing about the federal government wasting taxpayer dollars? Feel a little cheated at tax time knowing the money gets wasted?

Certified Public Accountant and former U.S. Congressman Joseph DioGuardi says he knows what is wrong with the federal government and how to solve the problem of a nation "hooked on spending."

DioGuardi, chairman of the government watchdog organization Truth In Government and two-term member of the House of Representatives from Rye, N.Y., is visiting Clarkson University's School of Management as an Executive-in-Residence this week, and will make his major presentation to the North Country Professional Accountant's Banquet tonight sponsored by

Clarkson's Department of Accounting and Law.

In and out of Congress, DioGuardi has been a frequent and vocal critic of the federal government's attempts to account for the billions of tax dollars it spends each year.

His view of government accounting is best summed up in the opening lines of an opinion piece he wrote last summer for *The Washington Times*:

"Imagine an organization with an annual cash budget of \$1.2 trillion and more than 2 million civilian employees... Imagine further that this organization is run by a... board of 535 micromanaging directors, concerned not with overall profit and loss, but with maximizing their own individual power, visibility and popularity..."

"Now imagine that organization

without anything resembling a chief financial officer, and you have a perfect snapshot of our federal government."

What DioGuardi suggests is most disturbing is America's credit card mentality. One example he uses is the plastic identification card he pulls from his wallet which has the same size and shape of a credit card.

It is his House voting card, used by members of Congress to register their yeas and nays in a computerized system. When members of Congress use "the most expensive credit card" to vote on an appropriations bill, he says, they are "forcing the treasury to issue the bonds to get the money to put in the bank to write the checks," for government programs.

"This card has no limit," he says, somewhat exasperated.

Despite laws which place a limit on how much debt the government can incur each year, when Congress runs out of money for all its appropriations, "they just pass a law to raise the limit."

"Is that accountability?" he asks.

Although about half the Senators and House members are lawyers, DioGuardi says when he was in office there were only four accountants and he was the only practicing CPA in Congress.

DioGuardi's solution appears simple: create the position of an independent Chief Financial Officer with wide-reaching powers and authority who answers only to the president. In addition, within each executive agency, install assistant chief financial officers who, with the CFO, make up the govern-

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JOSEPH DIOGUARDI

# -DioGuardi

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ment's financial management agency to ensure taxpayers' dollars are spent and accounted for in ways consistent with accepted accounting practices.

All of his noisemaking has apparently done some good: last year, President George Bush signed into law the Chief Financial Officers Act of 1990, an altered form of a bill originally proposed by DioGuardi in 1987.

Part of the problem, DioGuardi says, is that the government takes a "do as I say, not as I do" attitude with the states, businesses and individuals.

While businesses and the states are required to use generally-accepted accounting procedures to keep track of their money, federal agencies, according to DioGuardi,

use approximately 427 different accounting systems, of which about half do not conform to the standards of the General Accounting Office (GAO), the legislative branch's accounting watchdog.

Generally, he says, the federal government operates on a "cash basis accounting" — the same system that sank New York City in the 1970s — which defers expenses and accrues debts, pushing the burden of today's fiscal problems onto future generations.

DioGuardi calls it "the most

Mickey Mouse accounting system."

One of the best examples is Social Security. DioGuardi says the government "borrows" surpluses from the Social Security Trust Fund, essentially writes an IOU from the treasury, all to offset expenses in other areas to make the actual federal deficit look much smaller than it really is.

"They're playing another kind of shell-game," he says, "It's called passing the buck, or as I call it, passing the bill."

"We're pushing an added burden onto the next generation," he says.