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MEMBER OF CONGRESS
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Congress of the United States
House of Representatives
Washington, DC 20515

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October 1, 2003

Waste at the Department of Education Costs Taxpayers and Students Millions

Dear Colleague:

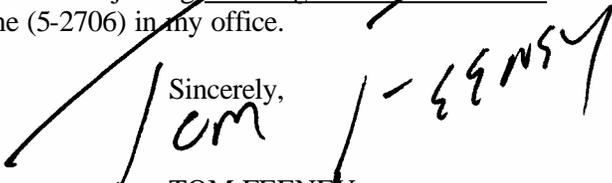
This week Washington Waste Watchers will be attacking waste in the form of fraud. Every year the federal government wastes billions of dollars of the taxpayers' hard earned money; much of it is from fraud.

Tens of thousands of deserving students are denied Pell Grants, financial aid and other Department of Education resources, every year, because the needed resources are wasted when student loans are improperly forgiven. In one of the more egregious examples, *two doctors were caught after trying to defraud the government of \$40,000 by having their student loans discharged. The doctors both claimed to be disabled -- one in a wheel chair and the other confined to his home. Investigators discovered the two riding bicycles and swimming at the beach together.*¹ Although these individuals were caught, this type of fraud goes undetected every year.

This waste costs taxpayers billions of their hard earned dollars and prevents worthy candidates from receiving the educational resources they deserve. A House Budget Committee study showed that **23% of individuals who have had their student loans discharged because of disability actually hold jobs.** According to the same study **clamping down on improper loan forgiveness could prevent \$40 million a year from being wasted.**² With the federal deficit over \$400 billion, eliminating waste is a logical starting point for cutting spending. Pell Grants and Federal Student loans have long been a valuable resource for America's brightest and most deserving young minds. This kind of fraud and abuse is a disgrace to our education system that denies future generations educational benefits. Even more so, it is a mismanagement of the taxpayers' trust.

The fraud in this program is symptomatic of the waste, fraud, and abuse that exists throughout the federal government. As a Co-Founder of Washington Waste Watchers, a working group to combat waste, fraud, and abuse, I am working to identify examples of waste in the federal government and develop solutions to eliminate it. If you are interested in joining Washington Waste Watchers or finding out more information please contact Myal Greene (5-2706) in my office.

Sincerely,


TOM FEENEY
Member of Congress

¹ Statement to House Budget Committee by Lorraine Lewis, Inspector General for the Dept. of Education

² June 1999 House Budget Committee Study

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