



OPENTHEBOOKS

INTELLECTUAL AMMUNITION FOR PUBLIC OFFICIALS

OVERVIEW

Our reputation is growing. Journalists have been reaching out to us proactively to glean hard facts that bolster their stories.

The same has been true of public officials, who have increasingly turned to our work to support their own good government reforms.

Members of Congress, governors and state lawmakers have all leveraged our data and findings over the past year.

Here is an overview of our major stories over the past year. **Not only did these investigations make national news, but they made major impacts – including policy and leadership change.**



SEN. RAND PAUL (KY)



SEN. JONI ERNST (IA)



SEN. RON JOHNSON (WI)



SEN. JAMES LANKFORD (OK)



SEN. RICK SCOTT (FL)



SEN. JOSH HAWLEY (MO)



GOV. GREG ABBOTT (TX)



REP. STEPHANIE BICE (OK)



REP. ELISE STEFANIK (NY)



REP. MIKE GALLAGHER (WI)



REP. MATT GAETZ (FL)



REP. NANCY MACE (SC)



REP. JOHN MOLENAAR (MI)



REP. CHIP ROY (TX)



CALIFORNIA STATE ASSEMBLY

\$325 MILLION IN THIRD PARTY ROYALTIES TO NIH SCIENTISTS



BACKGROUND: Last year, our fact-finding on Dr. Anthony Fauci's finances led to our litigation uncovering \$325 million in secret royalties paid to 2,400 scientists at the National Institutes of Health. Private companies like pharmaceuticals licensed technologies and inventions by NIH scientists – discoveries that were funded by taxpayers.

TAKING ACTION: Senator Rand Paul, a doctor himself, confronted Dr. Anthony Fauci about the hidden payment stream at a public hearing. Paul blasted his - and the agency's - refusal to disclose the amount paid to the individual scientist, the name of the payor, or even the invention.

Paul told Fauci at the time, "We've demanded them through the Freedom of Information Act, and what have you said? *We're not going to tell you.* But I'll tell you this, when we get in charge, we're going to change the rules and you will have to divulge where you get your royalties...I promise you that."

In July, Senator Paul demonstrated he meant what he said. During a meeting of the Senate Committee on Health, Education, Labor and Pensions (HELP), he put forth language that would require government bureaucrats and their agencies to make these royalty payments public. Senator Bernie Sanders beat back the attempt to have a vote, arguing the policy should be considered in the Government Affairs committee instead. Paul intends to keep pressing to cure this matter.



SEN. RAND PAUL



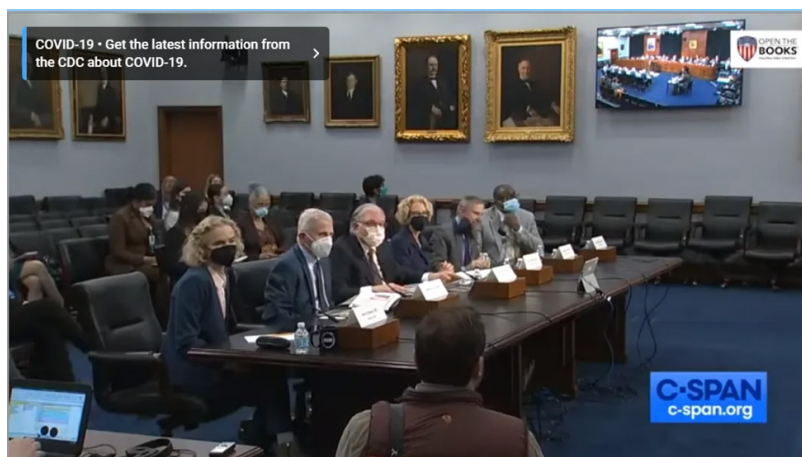
REP. JOHN MOENAAR

PREVIOUSLY: Prior to the committee action, Rep. John Moenaar was able to make then-Acting NIH Director Lawrence Tabak admit that the royalty payments had at least the appearance of a conflict of interest. On the Senate side, four more colleagues joined Senator Paul's effort. Senators Josh Hawley, Rick Scott, Ron Johnson and Jim Lankford all cosigned a letter demanding answers from NIH, though the agency ignored the deadline for a response. Both the letter and press outreach from Sens. Paul and Johnson.

In August, Rep. Chip Roy and fourteen other members of Congress used our findings on third party royalties to author an oversight letter to acting director Lawrence Tabak, citing the lack of transparency and our newly discovered national security concerns regarding third party royalties paid by entities owned by the Chinese Communist Party.



REP. CHIP ROY



Anthony Fauci and Lawrence Tabak, acting director of the National Institutes of Health, answer questions during the May 2022 U.S. House Appropriations hearing.

MILITARIZATION OF THE IRS



BACKGROUND: Our exhaustive 2019 oversight report, *The Militarization of the Federal Government*, continues to have traction in the national dialogue. We updated the numbers by agency in 2023 with special focus on the weapons spending at the Internal Revenue Service. The IRS, of course, recently had \$80 billion appropriated through the Inflation Reduction Act, part of President Biden’s plan to grow the agency by some 87,000 more staff.



SEN. JONI ERNST

TAKING ACTION: In June, Sen. Joni Ernst acted on our findings, and announced the introduction of legislation: *Why Does the IRS Have Guns Act*. The accompanying [press release](#) and news stories showcased comments from our CEO Adam Andrzejewski. [TownHall.com](#) Editor-in-Chief Spencer Brown and prominent [Washington Times](#) reporter Stephen Dinan led the breaking coverage, along with Andrew Mark Miller for [FOX News](#) and James Franey for [The Daily Mail](#).

Julia Johnson’s reporting at [Washington Examiner](#) acknowledged that Open the Books had led this conversation for years, linking back to a 2016 Wall Street Journal oped from Andrzejewski and our late honorary board member Sen. Tom Coburn. It was titled, [Why Does the IRS Need Guns?](#) – a question repeated nearly verbatim with Ernst’s bill.

PROVEN RESULTS: At the end of July, our findings also caught the attention of Rep. Stephanie Bice, who wrote an oversight letter to IRS Commissioner Daniel Werfel. Bice expressed her “growing concern” about the \$10 million spent since 2020 to grow the agency’s weapons locker.



REP. STEPHANIE BICE

OpenTheBooks.com is cited in [her letter to Werfel](#), her [press release](#) and a [FOXNews.com story](#) outlining her effort. In addition, Bice had a [live conversation](#) with Maria Bartiromo on FOX Business’ Mornings with Maria.



REP. MATT GAETZ

PREVIOUSLY: On the House side, Rep. Matt Gaetz sponsored similar legislation in August 2022, the Disarm the IRS Act. [Coverage of the action](#) once again cited findings from OpenTheBooks.com.

At the time, Andrzejewski told reporters, “Our data shows that the federal government has become a gun show that never adjourns. Taxpayers need to tell Washington that police powers belong primarily to cities and states, not the feds.”



\$1.3 BILLION IN TAXPAYER FUNDING TO CHINA & RUSSIA SINCE 2017



BACKGROUND: Our auditors teamed up with Iowa Senator Joni Ernst to uncover more than \$1.3 billion paid to entities within the adversarial nations of Russia and China.

Here's a quick summary of what we found:

- While the federal government can account for direct grants and contracts awarded and sub-grants and sub-contracts, it loses track after that.
- The Government Accountability Office can sometimes report on these, but there is no reliable mechanism to do so.
- If the subawards and subcontracts see tertiary payments made, the cash flow becomes opaque to U.S. officials.

In other words, no one can say for sure where all our tax dollars end up. But thanks to our auditors, we know that billions flow into countries at odds with our national interests.

TAKING ACTION: Senator Ernst co-authored an editorial with our CEO, Adam Andrzejewski, featured prominently in *USA Today*. Ernst also introduced the *Tracking Receipts to Adversarial Countries for Knowledge of Spending* (TRACKS) Act to address the problem. The legislation requires upstream reporting from any



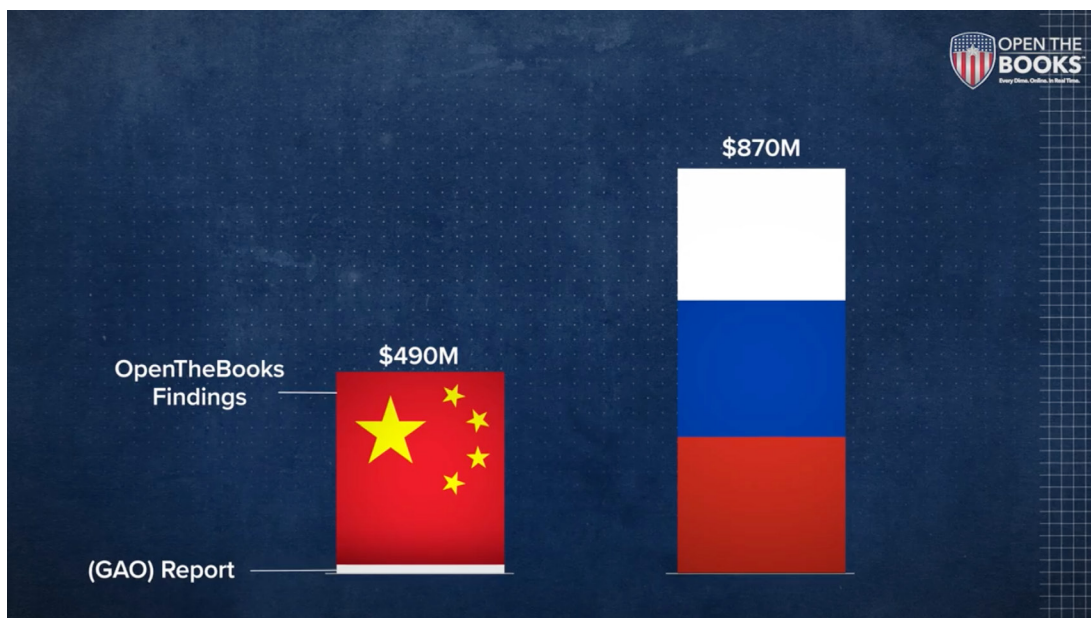
SEN. JONI ERNST

organization that's given federal tax dollars, accounting for where it traveled after it left government coffers. Ernst cited OpenTheBooks.com on social media, in her press releases and during media appearances related to the bill.



REP. MIKE GALLAGHER

Rep. Mike Gallagher also participated, sponsoring companion legislation in the House of Representatives.



Screenshot of OpenTheBooks video: Why the U.S. Needs the TRACKS Act

DIVERSITY EQUITY INCLUSION OFFICE CANCELED AT THE PENTAGON'S K-12 SCHOOLS



BACKGROUND: In 2022, OpenTheBooks investigated the new DEI Chief Kelisa Wing and her troubling social media posts, far-left children's books, and high-paid job inside the Department of Defense Education Activity (DoDEA). We helped spark a congressional investigation.

Members of Congress were promised by Gil Cisneros under Secretary of Defense for Personnel and Readiness that the Pentagon would investigate her employment, performance, and report back its findings by September 30. September, came and went, as did Halloween, Thanksgiving and Christmas. OpenTheBooks.com auditors kept digging with a deeper look into Wing's taxpayer-funded teachings and her side business as an education consultant.

TAKING ACTION: In March 2023, we launched the follow-up investigation by first offering a preview to House Majority Caucus Chair Rep. Elise Stefanik and her staff. The result was our investigation broke nationally at FOX News and included immediate reaction from a top House lawmaker. Stefanik not only commented on our reporting and the need for answers from DODEA; she hammered Cisneros with questions during another public hearing. In September, Cisneros left the Pentagon as well.



REP. ELISE STEFANIK

PROVEN RESULTS: The coordination among the Communications Directors at our organization and in House leadership netted concrete results. Wing was removed from her post, and the entire Diversity, Equity and Inclusion office was folded; the Pentagon's excuse was a broad reorganization of DODEA headquarters.

***Click [here](#) to watch Stefanik demand answers from the Pentagon in an open hearing.*



Screenshot of Rep. Elise Stefanik Slamming DoD Woke Ideology in Military Schools

\$3 TRILLION IN IMPROPER PAYMENTS SINCE 2004



Our auditors updated the numbers on the running cost of improper payments made by federal agencies.

Tracking all the way back to the Bush era, since 2004, Washington has run up nearly \$3 trillion in mistaken outlays. In a nod to the nonpartisan nature of our work, auditors pointed out that President Obama was able to make some inroads, shrinking these annual mistakes before they began trending upward again during the Trump era and reached historic highs during President Biden's first years in office.

Our findings earned coverage across FOX News' dayside programming and on local Sinclair stations across the country.



GOV. GREG ABBOTT

Texas Governor Greg Abbott [amplified the story](#) on social media, writing "This must end...TRILLIONS of your hard-earned tax dollars WASTED on payments made by the government to the wrong person, in the wrong amount, or for the wrong reason."

In July, Sen. Joni Ernst wrote an oversight letter to Isabella Castillas Guzman, Administrator at U.S. Small Business Administration, regarding the urgency of improper payments within the pandemic relief programs. Ernst prominently cited our OpenTheBooks Improper Payments: Oversight Report published in June.

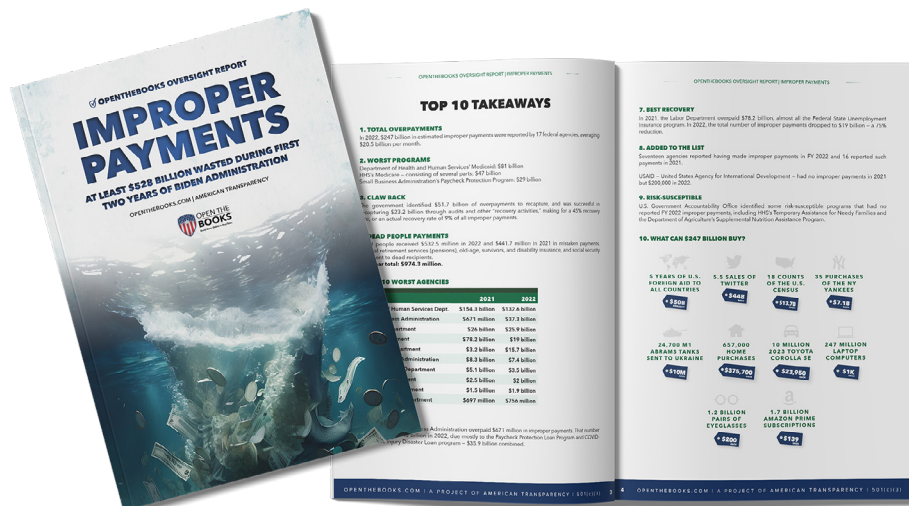


SEN. JONI ERNST

Last year, in 2022, improper and mistaken federal payments totaled \$247 billion. That's about \$20.5 billion per month, or more than \$675 million every, single day.

What exactly is an improper payment? Federal law defines the term as "payments made by the government to the wrong person, in the wrong amount, or for the wrong reason."

In other words, a corner grocery store has better accounting controls than our \$6.82 trillion U.S. federal government had in 2021.



SOUTHWEST AIRLINES CHRISTMAS CALAMITY



BACKGROUND: Severe weather set in during the peak travel time around the Christmas holiday at the end of 2022. Southwest Airlines was at the center of the nationwide calamity that unfolded, with brutal cancellations and delays leaving Americans grounded indefinitely. Southwest stranded tens of thousands when it cancelled 5,400 flights in less than 48 hours. The airline blamed the incident on their outdated scheduling system, which crashed once the cascade of cancellations and re-bookings began.

TAKING ACTION: Our own CEO, Adam Andrzejewski, was caught up in the mess at Chicago Midway Airport and immediately took action, connecting with FOX News correspondent Mike Tobin, who was on the ground covering the travel chaos. Despite the holiday, our auditors jumped into action and used government disclosures and the company's own 10-K reports to find \$7.2 billion in federal aid that had been awarded to Southwest in recent years.

OUR FINDINGS: Over \$3.3 billion came during the September 2020 Covid aid package, with another \$3.8 billion in April 2021 as part of the American Rescue Plan and other subsidies. The entire airline industry collected \$64 billion in cash and loans during the Covid-aid period. It was money that could have been used to maintain its staffing levels and update systems, but it appeared that few improvements were made. Southwest's old-school scheduling system had been left untouched.

PROVEN IMPACT: The information was broadcast throughout the day on FOX, and nearly every single broadcast news station in the country. Within hours, Rep. Nancy Mace was [calling for an audit](#) to determine how Southwest had used our tax dollars. Outcry from the public and lawmakers like Mace led to a subsequent [announcement](#) that the Department of Transportation had opened a federal investigation into Southwest.



REP. NANCY
MACE



**\$7.2 BILLION IN FEDERAL SUBSIDIES & CONTRACTS
SINCE 2020 TO SOUTHWEST AIRLINES**

GOV. GAVIN NEWSOM (CA) & NEWSOM, INC.



BACKGROUND: After a decade-long fight to open California's books, our auditors did an end-run around State Controller Betty Yee, filing hundreds of public information requests with every government entity in California.

TAKING ACTION: Auditors then pieced together the information to create the state checkbook from scratch and released related investigations in January and February 2023.

OUR FINDINGS: Amid the findings were Jennifer Siebel Newsom's radical nonprofit, The Representation Project, which was fielding donations from large corporations that also donated to Newsom's political campaigns and routinely had business before the state. The group was screening documentaries filled with far-left philosophies on gender identity and social justice, for middle school children across the state and nation, taking taxpayer dollars as licensing fees.

PROVEN IMPACT: Our communications team released the information in several parts, resulting in six-plus weeks of sustained news coverage. It persisted nationally for so long that The Representation Project finally, grudgingly Tweeted a backhanded acknowledgement, expressing "excitement" that their documentaries were being exposed to "new audiences."

Later in the year, Newsom, Inc. came up again during the collapse of Silicon Valley Bank. Bank President John China was a board member at the California Partners Project, another Siebel Newsom nonprofit that works to enact the same progressive philosophies. China was seen on Twitter bragging that the bank had complied with CPP's diversity pledge, fulfilling identity-based quotas on its leadership team. That stood in contrast with the bank's basic failure to hedge its risk exposure as interest rates and inflation each skyrocketed.

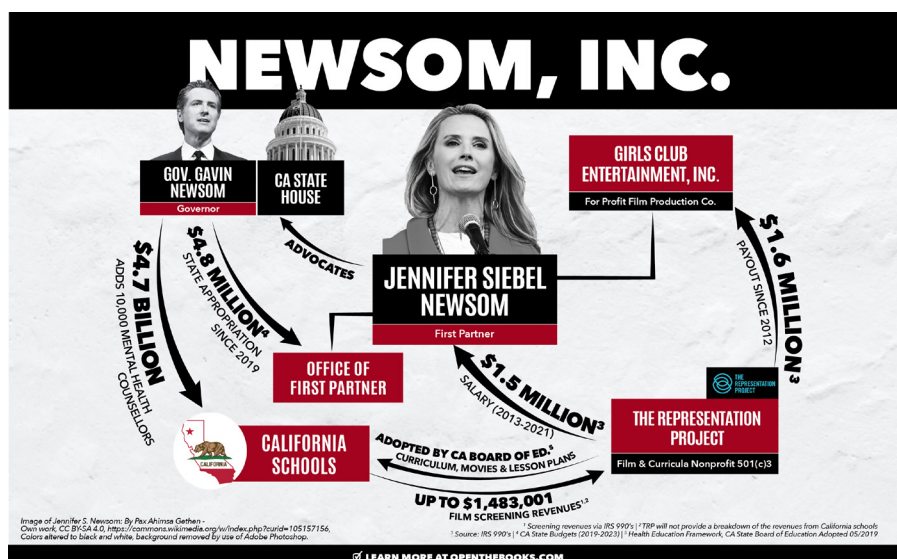
The news of the bank's failure and its close ties to the Newsom administration led the Republican leaders of the California State Assembly and State Senate to [call on Newsom to recuse himself](#). They cited multiple news reports - from [Newsweek](#), [Business Insider](#) and more - that were based upon our ongoing research.



CALIFORNIA STATE ASSEMBLY

EXCERPT: "As chief executive officer of the State of California, the Governor is prohibited from taking administrative or other actions that could benefit his own financial circumstance. Simply putting all your assets in a blind trust a few years ago does not allow Governor Newsom to intercede in a bailout of a bank that he knew he and his family had extensive dealings with."

"There's the potential for conflict of interest, and the actual perception of conflict of interest - we think the Governor's action in the SVB matter crossed the line into both areas." - California Senate Minority Leader Brian Jones and Assembly Republican Leader James Gallagher.



★ **NOT POSSIBLE WITHOUT YOU** ★

TOGETHER WITH YOUR INVESTMENT,
WE REMAIN COMMITTED TO ARMING
PUBLIC OFFICIALS WITH FACTS AND FIGURES
THAT HELP DRIVE THE NATIONAL POLICY
CONVERSATION!

WITH YOUR SUPPORT, WE ARE SPEAKING TRUTH
TO POWER IN THE MOST IMPACTFUL FIGHTS
IN THE COUNTRY.

THANK YOU!





GOV. GREG
ABBOTT



SEN. JONI
ERNST



GOV. MIKE
GALLAGHER



REP. MATT
GAETZ



REP. NANCY
MACE



REP. STEPHANIE
BICE



REP. ELISE
STEFANIK



SEN. RAND
PAUL



SEN. RON
JOHNSON



SEN. JAMES
LANKFORD



SEN. RICK
SCOTT



SEN. JOSH
HAWLEY



REP. JOHN
MOLENAAR



REP. CHIP
ROY



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