



May 9, 2019

Support the Federal Employee Disclosure (FED) Transparency Act, H.R. 2612

On behalf of our activist community, I urge you to contact your representative and ask him or her to cosponsor the Federal Employee Disclosure (FED) Transparency Act, H.R. 2612. Introduced by Rep. Jody Hice (R-Ga.), the FED Transparency Act would require the disclosure of federal pension records under the Freedom of Information Act and a report from agency heads on performance bonuses given to employees.

The FED Transparency Act is based on two bills that were introduced in the 115th Congress, the Taxpayer-Funded Pension Disclosure Act, introduced by then-Rep. Ron DeSantis (R-Fla.), and the Federal Employee Bonus Disclosure Act, introduced by then-Rep. Mark Sanford (R-S.C.). These bills were efforts to shine light on how taxpayer dollars are being spent in the form of compensation to federal employees.

An August 2017 report published by OpenTheBooks.com noted that the federal government faces a \$3.5 trillion unfunded liability in the form of employee pensions and makes \$125 billion annually in pension payments. Yet, taxpayers cannot see how much a federal employee may receive through this form of compensation. This may include a federal employee who took a compensation deal to avoid a disciplinary action or some other punishment. The National Taxpayers Union estimated that disgraced former IRS official Lois Lerner, for example, may receive as much as \$102,600 annually in pension benefits.

The FED Transparency Act would make pension records subject to the Freedom of Information Act (FOIA) and require disclosure of certain information, including the name of the individual receiving the pension, the monthly annuity amount, total reported wages, and his or her retirement date. Even union stronghold states like California, New York, Illinois, and Oregon have similar pension transparency laws in place. It's time for Congress to get on board.

The other aspect of the FED Transparency Act is disclosure of performance bonuses awarded to federal employees. In most instances, bonuses to federal employees are disclosed after a FOIA request. However, when it comes to all performance bonuses, all of them are hidden. Union

contracts shield the bonuses. Given that \$1.1 billion in bonuses were awarded in FY 2016, transparency is needed.

As one might imagine, bonuses have been doled out to federal employees with conduct issues. For example, a February 2018 report by the Treasury Inspector General for Tax Administration (TIGTA) found the IRS gave more than \$1.7 million in bonuses to nearly 2,000 employees who had “a disciplinary or adverse action during the 12 months prior to receiving their award.” The IRS does not disclose information on performance bonuses.

The FED Transparency Act would require agency heads to submit reports to the Office of Personnel Management that describes each performance bonus within 30 days after the end of a fiscal year, the name of the employee receiving the bonus, and the amount of the bonus.

Taxpayers deserve transparency, and they have a right to know how their hard-earned tax dollars are being used. For these reasons, I urge you to contact your representative and ask him or her to cosponsor the FED Transparency Act, H.R. 2612.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized flourish at the end.

Adam Brandon
President, FreedomWorks