

## Wade's Horn of plenty

by *Bill Berkowitz*

Former Department of Health and Human services official signs on as a consultant with Deloitte Consulting LLP after questions are raised about federal government grants and abstinence-only sex education programs

Wade Horn It's difficult to know exactly what Wade Horn was thinking in the days prior to his resignation from the Department of Health and Human Services (HHS): Perhaps he didn't relish the thought of having to defend his pouring of millions of dollars in taxpayer money into abstinence-only sex education programs that have been thoroughly discredited; perhaps he was worried about being brought in front of a congressional committee and asked to account for some of his other grant-making decisions.

Perhaps he was concerned about being subjected to charges of cronyism -- involving contracts to organizations he has been closely affiliated with -- and/or nepotism -- involving subcontracts attained by his wife's company from organizations that received faith-based money. Perhaps he was thinking that the revelation "shortly before his resignation" that the nearly \$1 million he gave to the National Fatherhood Initiative ( NFI ), where he was the president for at least three years until joining the Bush administration in 2001, was only the tip of the iceberg.

Perhaps it was all of the above.

Whatever the reasons, in early April, Wade Horn opted to resign from his post as the Assistant Secretary for Community Initiatives at HHS . During his tenure at HHS Horn was the Bush Administration's point man for welfare reform, Head Start and abstinence-only education, and as such, he was a veritable faith-based slot machine for religious organizations, some of which he had longtime close relationships.

Despite charges by David Kuo, the former second-in-command at the White House Office on Faith-Based and Community Initiatives who, in his book "Tempting Faith: An Inside Story of Political Seduction" claimed that the Bush Administration short-changed Christian faith-based organizations, Horn was responsible for placing hundreds of millions of dollars in the religious right's and conservative philanthropy recipients' collective coffers.

On April 18, a little more than two weeks after his rather unexpected resignation, Horn joined Deloitte Consulting LLP as a director in the organization's Public Sector practice. According to PR Newswire, Horn "will be a key advisor to health and human services clients of Deloitte Consulting's state government practice"

Why did Horn suddenly resign?

In two recent postings at Talk to Action, Cynthia Cooper, a playwright and the author of several nonfiction books, carefully tracked some of Horn's shenanigans. In a post called "Hand That Feeds" (March 3, 2007), Cooper wrote that Horn, who oversaw a budget of \$47 billion, was "very kind to Religious Right organizations, including the one that he founded in 1994 with Religious Right money -- the National Fatherhood Initiative in Gaithersburg, Maryland."

According to Cooper, Horn gave "the National Fatherhood Initiative a ... ' Capacities Building ' grant in the amount of \$999,534 from a program he started in his agency and called by the familiar-ringing name of the 'Responsible Fatherhood Initiative.'"

Cooper also pointed out it was Horn who "approved the hiring of columnist Maggie Gallagher" -- who also worked for the National Fatherhood Initiative -- "to promote marriage"; and "gave money to writer Mike McManus to support marriage promotion, while also giving money to McManus' organization, Marriage Savers ('a ministry that equips ... local congregations to prepare for lifelong marriages ...')." Horn was also a founding board member of Marriage Savers.

In addition to the NFI grants, in 2006, the organization received a \$2.279 million no-bid contract from the Assistant Secretary's office, investigative reporter Mike Reynolds told Media Transparency. That money, according to OMB Watch, is part of a \$12.382 million contract that runs through the year 2011, three years after the end of President Bush's second term.

Before Horn resigned, Cooper notes that he had been "recently handed additional money to dispense -- the \$157 million in abstinence-only education. He has a nifty idea that abstinence programs could go beyond students, and become engaging programs for adults, as well."

After Cooper's story on Horn appeared in early March, several other commentators added to the conversation. In a posting titled "Blowing the Whistle on Wade Horn," the revealer asked: "Why is Wade Horn invisible to the press? Is it because the media is part of a vast right-wing conspiracy? Is it because reporters hate women and queers? Not likely. Rather, it has more to do with a decades-long decline in press coverage of the federal government's middle managers, who oftentimes have more influence over our everyday lives than the boldface names. Such stories don't sell papers, but they do serve the public interest."

In her regular column for the National Organization of Women, Kim Gandy, president of NOW wrote "Right Wing 'Father'land" in which she pointed out that Horn, "Opposing everything NOW stands for (from abortion rights to economic justice), ... founded the National Organization of Fathers [which later changed its name to the National Fatherhood Initiative], and openly stated his belief that 'the husband is the head of the wife just as Christ is the head of the church.' He even advocated that federal benefits, such as Head Start and

subsidized housing, should only be available to children of married couples, not single parents. So of course the Bush administration put him in charge of all the welfare and public assistance programs that primarily serve those very same single mothers he so detests. And did he find a way to derail the funding away from single moms? You bet he did."

The National Family Planning and Reproductive Health Association said in a statement that in his position, Horn "administer[ed] both the Abstinence Education Grants to States program (Title V) and the Community-Based Abstinence Education (CBAE) program. During Horn's tenure, the CBAE program saw major funding increases, bringing the current total for federally funded abstinence-only-until-marriage education programs to \$176 million per year. Horn also oversaw a dramatic tightening of HHS restrictions on how abstinence-only funds can be used, and promoted an increased emphasis on marriage and faith-based initiatives."

In her follow-up post after his resignation titled "Wade Leaps" (April 3), Cooper pointed out that there were other troubling things going on during Horn's reign: "Horn had stonewalled successfully for years. A legal action filed with the HHS Civil Rights division by Legal Momentum, pushed some buttons. It alleged sex discrimination in 34 of 100 programs funded under the 'Responsible Fatherhood' initiative, and cited the funding that went directly to Horn's old program as running as high as \$5 million."

"As Democrats control the House and Senate and Henry Waxman is driving the House Oversight committee, Wade Horn had to know that he and his discredited faith-based abstinence-only programs and their funding were smack in Waxman's crosshairs," Mike Reynolds, author of a book on politics, money and the religious right to be published by St Martins Press in 2008, told Media Transparency in an e-mail exchange.

"Given the choice between answering subpoenas and facing the CSPAN cameras like the hapless Attorney General Alberto Gonzales or moving on to a more lucrative position at Deloitte Touche Tohmatsu seems like a no-brainer to me," Reynolds added. "And it's no surprise that he landed at Deloitte since his old boss at HHS , Tommy Thompson, heads the Deloitte Center for Health Solutions."

All in the [Horn] family

Reynold has also been keeping a sharp eye on Horn's wife Claudia, who founded and heads Performance Results Inc. (PRI), which according to its website is "an organizational services and support firm specializing in evaluation, evaluation training, and data systems to support evaluations." PRI has worked as subcontractor for the Institute for Youth Development (IYD) and its sister nonprofit, the Children's Aids Fund (CAF).

Reynolds pointed out that IYD, which has received millions of dollars from HHS , provides technical assistance and training to abstinence-only groups, crisis pregnancy centers, "healthy marriage" programs and other Bible-based ministries regarding how to receive government grants and how to manage their respective

operations.

Claudia Horn also provides ResultsOnline, "a customized, web-based program evaluation system that enables users to design their own program evaluation, create customized surveys, input participant information, and create powerful summary reports."

In the course of his research, Reynolds found that "according to its GSA filing, PRI's 'sales to the general public/state or local government' for 2005 was \$1.1 million, with an additional \$250,000 coming from federal contracts. As project director ... Horn charges \$1,551 per day for training. PRI's client list posted on their web page includes the Department of Justice, Office of Personnel Management, HUD, the Institute for Youth Development and the National Fatherhood Initiative. ...

With IYD and NFI -- both so closely entwined with the [former] Assistant Secretary -- regularly pulling in millions of federal dollars from his CAF for their 'faith-based' outsourcing and then subcontracting to his wife's company to service those federally-funded programs appears to be far less than six-degrees of separation."

Claudia Horn is also the co-author, along with Patrick F. Fagan, Ph.D., Calvin W Edwards, Karen M Woods and Collette Caprara of a recent Heritage Foundation Special Report titled "Outcome-Based Evaluation: Faith-Based Social Service Organizations and Stewardship" (March 29, 2007).

The Special Report deals with something the authors call "Outcome-based evaluation (OBE)" which they claim "is a tool ... [that allows] faith-based organizations to define specifically what success means for their programs and then measure the degree to which they achieve those goals. This discipline not only documents effectiveness, but also helps the organizations to refine the work they do and thereby begins a cycle of continuing improvement and greater success."

The Deloitte brand

Previously known as Deloitte & Touche, which, according to Wikipedia, was formed by the merger of Touche Ross and Deloitte Haskins & Sells (outside of the UK ) in 1990, a section of its website, titled "About Deloitte" reads:

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein [association], its member firms, and their respective subsidiaries and affiliates. Deloitte Touche Tohmatsu is an organization of member firms around the world devoted to excellence in providing professional services and advice, focused on client service through a global strategy executed locally in nearly 150 countries. With access to the deep intellectual

capital of approximately 135,000 people worldwide, Deloitte delivers services in four professional areas -- audit, tax, consulting, and financial advisory services -- and serves more than one-half of the world's largest companies, as well as large national enterprises, public institutions, locally important clients, and successful, fast-growing global growth companies. Services are not provided by the Deloitte Touche Tohmatsu Verein, and, for regulatory and other reasons, certain member firms do not provide services in all four professional areas.

Wikipedia notes that as of 2006, the company had some 135,000 professionals at work in nearly 140 countries, "delivering audit, tax, consulting and financial advisory services to more than one-half of the world's largest companies. The US firm employs over 33,000 people (2005) and the UK firm employs over 10,000 people (2006)."

When asked about Wade Horn's role at Deloitte, Mike Reynolds pointed out that Deloitte Touche "is a major player in social services and welfare privatization -- a lucrative field where corporate and faith-based interests congenially feed. Horn is a perfect fit with both."

"Deloitte did particularly well with Thompson heading HHS and Horn working there," Reynolds noted. "Their contracts with the department increased more than tenfold. In the year 2000, Deloitte had \$2 million in contracts with HHS ; between 2005 and 2006 that figure increased to more than \$25 million. With Thompson and Horn now in the Deloitte shop, one wouldn't be surprised to see those contracts bump even higher over the next two years."

Meanwhile, back at HHS , a statement issued on April 2 by HHS Secretary Mike Leavitt indicated that Daniel Schneider, a deputy assistant secretary for children and families, will serve as acting assistant secretary until a replacement for Horn is named.

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