

WASHINGTON -- Midlands lawmakers who have directed federal funds to private, for-profit companies in the past seem to be on board with President Barack Obama's call to submit such funding to competitive bidding.

"The awarding of earmarks to private companies is the single most corrupting element of this practice, as witnessed by some of the indictments and convictions that we've already seen," Obama said last week.

The president also said earmarks need to serve a worthy public purpose and pass through a transparent process.

The practice of earmarking came under increased scrutiny in recent years after some high-profile scandals. Former U.S. Rep. Randy "Duke" Cunningham of California was sentenced to prison for accepting bribes in exchange for earmarks.

Though cases of outright bribery have been relatively rare, more common has been the practice of lawmakers requesting earmarks that benefit private companies that have donated to the lawmakers' campaigns.

The World-Herald reported in 2007 that Congress had approved more than \$50 million in earmarks for Omaha defense contractor 21st Century Systems Inc.

Among those on Capitol Hill who helped secure earmarks for the company were Sen. Ben Nelson, D-Neb., and Rep. Lee Terry, R-Neb. The lawmakers also had received campaign contributions from those at 21st Century.

Terry said in 2007 that he would no longer seek specific funding for private companies.

Last week, he said that the earmarks he once requested for companies such as 21st Century funded worthwhile projects, but that after reflecting on the practice, "the look and the feel of giving a private company public money without competing for it was not appropriate."

His earmark requests are now only for "public institutions with an obvious benefit to all and a national nexus," Terry said.

"By doing that, you eliminate the appearance of improprieties when somebody gets an earmark and find out their daughter works there, or it was a business started by an in-law or something like that."

Terry said he has for some time been arguing the same points that Obama made: that earmarking should be transparent and that Congress should avoid so-called "omnibus" legislation that makes it difficult to identify and root out wasteful projects.

The \$410 billion spending bill that Obama signed into law last week included billions of dollars in earmarks, though the total amounted to about 1 percent.

The spending bill included at least \$26.7 million for Nebraska. The bill did not identify a private company as the recipient of any earmarks in Nebraska.

Nelson declined to be interviewed for this article. His spokesman, Jake Thompson, said the senator "doesn't oppose" Obama's proposal and had no earmarks in the spending bill for private companies.

Further, most private company earmarks have involved defense programs, Thompson said.

"Sen. Nelson established a policy last year requiring private sector constituents to have a public sector partner on earmark requests," Thompson said.

"Requests for earmarks involving a private and public sector partnership will be evaluated on the basis that the earmark supports a worthy project, serves a public good and is supported by the Department of Defense."

Nelson has been a dedicated defender of the general practice of earmarking, saying that if Congress doesn't take a role in directing spending to worthwhile projects, then all such decisions will be made by bureaucrats with no accountability.

He has said the process needs to be transparent and regularly notes that he posts his earmarks on his Web site.

