

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

MINORITY (202) 225-5051

<https://oversight.house.gov>

Ranking Member Kweisi Mfume

Subcommittee on Government Operations and the Federal Workforce

Hearing on “Beyond the Budget: Addressing Financial Accountability in the Department of Defense”

July 13, 2023

Thank you, Chairman Sessions and Chairman Grothman.

This hearing could not have come at a better time, as the House considers a bloated and outrageous defense spending package.

The Department of Defense unfortunately has a history of critical challenges with its financial management systems, business processes, internal controls, and financial reporting. Not my findings, but rather according to the GAO. Like all the members on this Committee support our troops and believe we have a solemn duty to ensure our nation is protected from increasing threats at home and abroad, but there has to be accountability to the American people. As it stands, no one really knows how much waste, fraud, and abuse is at issue and whether this money could be spent on other crucial programs all across the country.

As lawmakers, we also have a duty to maintain accountability of the billions of taxpayer dollars that make up Defense spending, which comprises half of the federal government’s discretionary spending and 15% of total spending.

In the past, I’ve supported amendments to the National Defense Authorization Act to cut the excessive billions of dollars funneled to the Pentagon because I know of the longstanding issues that keep the Department of Defense on the Government Accountability Office’s High-Risk List. The recent GAO report specifically details the Department of Defense’s history of pervasive deficiencies in its financial management systems, business processes, internal controls, and financial reporting.

Until the Department can restore full faith and accountability for these critical dollars, I cannot justify inflating their budget and sending tax dollars in an unknown, often untraceable realm.

Since 2018, auditors have identified increasing material weaknesses in a total of 28 areas. These material weaknesses are serious deficiencies that impact financial reporting, and impede the Department’s ability to achieve a clean audit opinion. In fact, the Department is the only major federal agency unable to receive a clean audit opinion because of these deficiencies.

The Department of Defense is the largest federal agency, employing more than 1.4 million active duty service members, more than 770,000 civilian employees, and an additional 1.1 million citizens who serve in the National Guard and Reserve forces. I am grateful for and honor the sacrifices that these hardworking Americans make for this nation every day. In their effort to keep our nation safe, we must ensure our patriots

have the most sophisticated, modernized technology and systems to eliminate financial errors, streamline data entry, and ensure that we are getting the most effective national security possible for the dollars we invest in it.

That is why it is important for Democrats and Republicans to continue investing in the Technology Modernization Fund (TMF), which helps agencies update outdated, legacy IT systems, secure sensitive data, and utilize taxpayer dollars in an efficient manner.

Morally, I cannot allow another year, another NDAA, another failed audit to go by without speaking on the record of the severity of this issue. I implore Department of Defense leadership to end this madness, and remedy the underlying material weaknesses within the Department immediately.

Thank you to our witnesses for testifying before us today and for their commitment to holding our government accountable. It is my hope that this hearing leads to decisive action that renders us from having to meet again under these circumstances next year.

The security of this nation remains of paramount concern, and accountability across the Department of Defense must be of utmost efficiency and effectiveness. I look forward to hearing your testimonies.

Thank you, Chairman. I yield back.

###

Contact: Nelly Decker, Communications Director, (202) 226-5181