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House of Representatives

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Ranking Member Robert Garcia
Subcommittee on National Security, the Border, and Foreign Affairs
Hearing on “Beyond the Budget: Addressing Financial Accountability in the Department of Defense”
July 13, 2023

Thank you, Chairman Grothman and Chairman Sessions.

Auditing the Department of Defense is an important and bipartisan priority. The department’s financial management has been on the Government Accountability Office High-Risk List since 1995. It goes without saying that these problems are bigger than any single administration, President, or Party.

Auditing an agency as large as the Department of Defense is a complex process and a significant challenge, and it is critical that we work together to make this goal possible. The department’s spending makes up about half of the federal government’s discretionary spending.

Its physical assets comprise almost 68 percent of the federal government’s physical assets.

DOD’s financial management faces long-standing issues including ineffective processes, systems, and controls; incomplete corrective action plans; and the need for more effective monitoring and reporting.

These longstanding issues limit the ability to identify vulnerabilities and miss out on ways to improve operations and ultimately save taxpayer money.

As the recent 60 Minutes segment on DOD price gouging pointed out, without greater visibility and accuracy, DOD contractors can use their status as uniquely positioned sole-source suppliers to overcharge the American people, or to profit inappropriately from our military.

Actions like these divert funding from other critical priorities, and we cannot allow for it.

And DOD should not get a free pass from the law, especially when other agencies that invest in priorities like health care, education, climate change, or economic growth are under high scrutiny and take important and difficult steps to comply with statutory auditing requirements.

I welcome a bipartisan conversation as we make sure that our military, which is the most powerful in history, becomes a more effective and transparent institution.

However, I need to address a deeply concerning issue. Some of my colleagues in the majority, including members of this committee, have continued to push a narrative that our aid to Ukraine, in particular, is not properly overseen or is improperly used.

Many members of the majority submitted amendments to the National Defense Authorization Act this week to obstruct our aid to Ukraine. Some of the most extreme and irresponsible members have tried to end our aid to Ukraine completely.

Just last week, the Chairman of this Committee was on Fox News stating, “there is no real oversight” of Ukraine aid. I believe this a totally false narrative, and you don’t just have to take my word for it.

Here’s what Republican Foreign Affairs Committee Ranking Member Senator Jim Risch said this week: He said that he’s seen first hand that the idea that equipment is ending up in the wrong hands is, “all baloney,” and that, “Stuff is going where it’s supposed to go and it’s going quickly.”

He pointed out the last Ukraine supplemental had 52 separate oversight provisions saying, “We’ve got really, really strong oversight.”

To further dispel this anti-Ukraine myth, I am sure the Inspectors General for the Department of Defense, Department of State, and USAID would be happy to brief the Committee on the whole-of-government oversight effort for Ukraine aid—including the 20 government agencies and hundreds of staff working on current and planning for future oversight projects.

I hope to hear more about this important work and look for areas where we can hold agencies appropriately accountable.

Thanks to President Biden, we provided the Ukrainians with the tools to track defense equipment, which they are using—even as their country fights for its survival. I look forward to learning today how we can help improve on these efforts.

I am disappointed, however, that the majority decided to move forward with this hearing without the Department of Defense Comptroller, Under Secretary McCord, who is best equipped to provide full answers to Congress on today’s topic, including oversight of Ukraine aid.

Although unavailable on today’s date, Mr. McCord attempted to avail himself for this hearing, but the majority would not offer alternative dates.

Our fight in Ukraine is a fight for democracy, and for the global system of trade, peace and the rule of law that we all rely on.

America is stronger with our allies and partners, not when we are isolated and weak. We need to stand up to global authoritarians, like Vladimir Putin, who has attacked our democracy, who threatens our allies, and who started a criminal, and unprovoked war of aggression. And we won’t accept any effort to distort the truth about our aid to Ukraine. I certainly won’t accept any effort to pander to the most extreme fringes who support Vladimir Putin and his war.

I look forward to a productive conversation about building a better and stronger Department of Defense, to cracking down on corruption in contracting, and to developing a more accountable government.

Thank you, Mr. Chairman. I yield back.

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