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House of Representatives

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Opening Statement

Rep. Elijah E. Cummings, Ranking Member

Hearing on “Waste and Inefficiency in the Federal Government: GAO’s 2016 Duplication Report”

April 13, 2016

Thank you, Mr. Chairman, for once again holding what has become a tradition for our Committee and for making sure that GAO’s report gets the attention it warrants. This type of oversight is one of the core functions of our Committee.

Today, we will focus on GAO’s sixth annual report on duplicative programs and opportunities for cost savings in the federal government. This report allows the Executive Branch and Congress to work together to identify critical areas where we can reduce waste and make federal programs more efficient and effective.

This report is interesting because it focuses on both the Executive Branch and Congress. Since 2011, GAO’s reports have consistently shown that Congress has been doing far worse than the Executive Branch in implementing GAO’s recommendations.

Today’s report is no different—it shows that Congress could be doing much more to foster a more efficient, effective, and accountable government.

According to GAO, the Executive Branch has fully or partially completed 81% of GAO’s recommendations. That is an impressive success rate, particularly in light of the budget cuts agencies have endured in recent years.

Congress, on the other hand, has implemented only about 46% of GAO’s recommendations. Even that 46% is generous because GAO gives Congress credit for taking “partial” action by just moving a bill through Committee, even if it has not passed either the House or Senate.

Mr. Chairman, during last year’s hearing, you thanked GAO for “providing Congress and the executive branch with a road map to achieve the needed savings.” According to GAO, the Administration has done a much better job of following that road map than Congress.

Specifically, GAO made 459 recommendations for the Executive Branch, and 372 have now been fully or partially completed. In contrast, GAO has made 85 recommendations for Congress, but only 37 of those have been fully or partially completed.

GAO's new report highlights areas where Congress could legislate right now to eliminate waste and duplication. For example, GAO recommended that Congress pass legislation to protect private citizens who report tax fraud to the IRS from retaliation by their employers.

It is vital that we protect these whistleblowers and reward them for their service. That is why in February Senator Baldwin and I introduced the WARN Act. Our bill would increase incentives for people who blow the whistle on financial crimes, including misrepresentations of tax liabilities in public filings. The bill has been endorsed by many organizations, including POGO, Americans for Financial Reform, the AFL-CIO and the Communication Workers of America, and I hope Congress can consider this bill this year.

GAO also recommended that Congress lower the threshold requiring employers to electronically file W-2s to help the IRS detect fraudulent refund claims.

GAO's 2016 report also recognizes improvements by federal agencies and includes a number of recommendations for federal agencies going forward.

For example, GAO highlighted a number of success stories at the Centers for Medicare and Medicaid Services (CMS), including eliminating duplicative contracts and improving processes for identifying improper payments. Through improvements to the Medicaid Integrity Program, CMS helped recover nearly \$657 million in improper Medicaid payments in fiscal year 2015, according to GAO

On the flip side, GAO found that the Department of Defense still has 79 major weapon system programs with a total acquisition cost of over \$1.4 trillion. DOD spends \$100 billion each year on these systems but has failed to strategically manage those investments resulting in inefficiency and waste. Taxpayers, and our troops, deserve better than that.

I want to thank all of our witnesses. Mr. Dodaro, you and your talented staff provide a critical service to Congress and the American people with this annual report, as well as with the work you do every day to help ensure our tax dollars are spent wisely.

Thank you, Mr. Chairman.

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