

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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June 16, 2025

The Honorable Pete Hegseth
Secretary
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301

Dear Secretary Hegseth:

The Subcommittee on Government Operations is continuing oversight of the Department of Defense's (DOD) financial management practices and path towards a clean audit. DOD spending comprises nearly half of the federal government's discretionary spending and its physical assets make up more than 70 percent of the government's physical assets.¹ The failure to fully account for these assets and spending results in gaps in DOD's operational readiness and the financial strength of the entire federal government.

In April 2025, the Subcommittee held a hearing to continue track DOD's progress towards achieving a clean audit opinion.² Experts from the DOD Office of the Inspector General, and the Government Accountability Office (GAO) detailed the challenges that DOD faces and necessary actions to increase the likelihood of achieving a clean audit opinion by the mandated deadline of December 31, 2028.³ The Office of the Secretary of Defense declined to provide a witness for the hearing.

In correspondence received in lieu of attendance, we were assured "that working towards a 'clean audit' is among the Department's top priorities."⁴ As stated in previous hearings, if DOD is to achieve a clean audit opinion by December 2028, significant progress must be made by fiscal year 2026.⁵ Based on testimony before the Subcommittee, there is still a lot of work ahead for the Department.⁶

¹ U.S. Gov't Accountability Office, GAO-23-104539, DOD Financial Management: DOD Needs to Improve System Oversight, (Mar. 7, 2023).

² *Tracking Progress: Updates to DoD's Financial Management Scorecard: Hearing Before Subcomm. on Government Operations, H. Comm on Oversight & Gov't Reform*, 119th Cong. (Apr. 29, 2025).

³ *Id.*

⁴ Letter from Bryn Woollacott Mac Donnell, Performing Duties of the Under Secretary of Defense (Comptroller), to Pete Sessions, Subcomm. Chairman, Government Operations, H.Comm. on Oversight and Government Reform (Apr. 24, 2025).

⁵ *Tracking Progress: Examining the Department of Defense's Financial Management Practices: Hearing Before Subcomm. on Government Operations and the Federal Workforce, H. Comm on Oversight & Accountability*, 118th Cong. (Sept. 24, 2024).

⁶ *Supra* note 2.

The Honorable Pete Hegseth

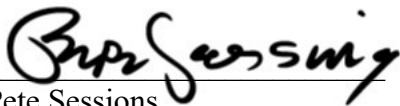
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To assist the Committee's oversight of this matter, we request a briefing on DOD's efforts to address outstanding issues related to financial management and plans for achieving a clean audit opinion for the department, by June 30, 2025.

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. To schedule the briefing or to ask any related follow-up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,



Pete Sessions
Chairman
Subcommittee on Government Operations



Kweisi Mfume
Ranking Member
Subcommittee on Government Operations