

Chairman's Statement
Senator Tom Coburn, M.D. (R-OK)
What You Don't Know Can Hurt You: S. 2590, the "Federal Funding Accountability and
Transparency Act of 2006"
July 18, 2006

2006 marks the fortieth anniversary of the Freedom of Information Act, also known as FOIA. The essence of FOIA is to give average citizens access to nearly all government documents simply by asking for them, in the hope that with more information would come more accountability. But FOIA requires government staff to respond to requests for information, and as the government grew through the years, the Act has proven woefully inadequate at providing citizens timely and complete information on their government.

Today, government continues to grow at a tremendous pace: we now spend nearly \$3 trillion each year to keep it running. This includes \$460 billion in grants, \$340 billion in contracts, and hundreds of billions more in loans, insurance and direct payments. With this kind of spending, transparency is more important now than it was when FOIA was first passed.

That is why I, along with Senators Obama, Carper, McCain, Sununu and DeMint, have introduced a bill that we believe will go a long way toward equipping citizens with the information they need. The "Federal Funding Accountability and Transparency Act of 2006" would require the Administration to operate a website – that anyone can access for free – disclosing every recipient of federal grants, contracts, loans and other types of assistance. This would include how much money was given and for what purpose, extending to subcontractors and subgrantees. On the issue of tracking subawards – I believe it is vitally important to know where taxdollars are ultimately spent. Often times, grants and contracts are given to initial recipients, but the money ultimately goes to organizations farther down the line. I don't think it is too much for the American public to ask that if they are going to supply the money, they should know where it ultimately is spent.

I like to think of this bill as "Google for Government Spending." The concept behind the bill is really quite simple: put information on government spending out there for all to see and greater accountability will follow. It will also change the expectations of those receiving funds that they will know in advance that the information will be public.

This is not a new concept by any means, but was espoused by Thomas Jefferson, who in 1802 had this to say about the subject:

We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them.

The founding fathers believed in transparency for government spending because even back when budgets were much smaller the possibility of abuse was just as real – but, with transparency comes accountability. Those who we envision using this information would be everyone from the man on the street to watchdog organizations to media outlets to government auditors. The hope of our bill is to harness the power of an eager citizenry wanting to know where tax money is spent by arming them with information.

No business or household could operate the way we do. Every entrepreneur knows that transparent accounting and budgeting information is critical to keeping the business afloat. I note that our government is not exactly “afloat” and maybe the shroud of secrecy around how money is actually spent is partly to blame.

Federal agencies have access to money and power often without the needed transparency or accountability, and so it is not a mystery why abuses occur. Without the level of transparency called for in the bill, the potential for waste and abuse is enormous. Consider the following examples of outrageous spending we have uncovered:

- Half a million dollars for a Teapot Museum in Sparta, North Carolina;
- Half a million dollars in Defense money for the Arctic Winter Games;
- Half a million dollars for the Museum of Glass in Tacoma, Washington;
- Half a million dollars for the Fort Dupont Ice Arena in Washinton, D.C.;
- More than \$2 million for the Appalachian Fruit Laboratory in West Virginia; and
- \$5 million for the St. Louis Zoo;

Each of these items was buried deep within a report not readily accessible to the public or even to Members of Congress who had to vote on them. The American public should know that its Members of Congress are spending their money on these things.

Some have argued that the government already operates some databases and this bill is therefore unnecessary. Let’s talk about some of those.

For example, the Federal Procurement Data Base, which tracks federal contracts, does not provide details on what federal contractors are doing with the money they get nor is the system easy to use. Or again, the Federal Assistance Awards Data System, or FAADS, which tracks grants, loans and other awards, while giving more details than FPDS, only provides quarterly data and is not easily searchable. Even the President’s annual budget to Congress, which gives the most comprehensive picture of what the federal government spends is only an estimate.

OMB does not collect this information, Congress does not collect this information – nobody collects this information. The bottom line is that there is no single source of information explaining where federal money is spent, and there should be.

When I tell people about this bill, the response I usually get is “You mean, that doesn’t already exist?” Most people are astounded to hear that there is not a website available now disclosing everyone who gets federal money. The idea is just so common sense that it is hard for anyone to oppose – that is, unless they’ve got something to hide.

As of today, the bill has been endorsed by nearly 100 organizations spanning the entire political spectrum, and under normal circumstances wouldn’t be able to agree on much. Liberal and Conservative organizations have come together around this idea of “sunshine.” If they can agree, so can the Congress.

I look forward to hearing from our witnesses today, and I want to thank them for all they’ve done to get us this far.