

STATEMENT OF SENATOR BARACK OBAMA
SENATE SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, AND INTERNATIONAL SECURITY
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Thank you, Chairman Coburn and Ranking Member Carper. It's a privilege to appear before this Subcommittee and testify with Senator McCain.

I'm still relatively new to Washington. But even during my short time in the Senate, I've been surprised and shocked by the examples of government waste, fraud, and abuse that we've seen, particularly at a time when this country's most vulnerable citizens need to see government at its best. In the aftermath of Katrina, we have not seen government at its best, and all Americans – but in particular, the people of the Gulf Coast – deserve better.

It's been embarrassing to hear about the government paying 15 times more than the market price for plastic tarps to cover damaged roofs in New Orleans, or paying 5 times too much for debris removal, or contracting with vendors for ice or transportation services who don't even have the relevant experience or equipment.

How can we expect the American people to have confidence in us when all they hear about is overcharging and overpayments, pork-barrel projects like the Bridge to Nowhere, and money being wasted on frivolous expenses? How can we expect them to have confidence when the Administration and Congress seem unwilling or unable really to hold people accountable?

But these problems are probably only the tip of the iceberg. I don't think any of us really know how much more waste is out there. Remarkably, as Chairman Coburn and I have discovered, it's often not possible to get good information about Federal grants and contracts even when you're a U.S. Senator. There are several different databases of Federal spending information, but they all work differently, they are all incomplete, and there is no way to see the full picture of government spending. The lack of transparency over the use of Federal resources is simply appalling.

And if we as Senators can't get this information, you can be sure that the American people know even less. All of us should be able to figure out easily how tax money is spent. We have a right to know how the Federal government is managing its fiscal resources. We have a right to insist upon answers to reasonable questions about where and how our tax dollars are used.

This is not a partisan issue. Money that is lost to waste or abuse is money that cannot be used for any policy priority. Every dollar that is wasted is a dollar that cannot be used for reducing the deficit, investing in health and education, or eliminating child poverty. All of our priorities are compromised and shortchanged when Federal funds are not managed prudently.

Whether you believe the government ought to spend more money or spend less, you should certainly be able to agree that the government ought to spend every penny efficiently and

transparently. Democrats and Republicans can all agree that wasteful spending is unacceptable, whether it's by FEMA, HUD, DOD, or any other federal agency.

Fortunately, the solution is really quite simple. All we have to do is shine a little light on government spending, and the bill that Chairman Coburn and I have introduced would do just that. The Federal Funding Accountability and Transparency Act requires that all Federal financial transactions be open to public scrutiny. The same way the American people have a right to hear about the Bridge to Nowhere, they also have a right to know how much money has gone to Halliburton, or to debris removal companies in New Orleans, or to environmental nonprofits, or to religious organizations, or to any other public or private entities. We have a right to know where and how Federal funds are being used.

If government spending can't withstand public scrutiny, then the money shouldn't be spent. If a government agency isn't willing to be held accountable for the grants or contracts it awards, then that agency shouldn't have control over Federal resources.

Now, transparency isn't the solution to all of our problems. It wouldn't have stopped FEMA from spending \$880 million on temporary housing trailers that are now sinking and rusting away in Arkansas. Nor will transparency by itself prevent Federal relief monies from being used to perform sex-change operations or to take Caribbean vacations.

But transparency is the first step to holding government accountable for its actions. Transparency is a prerequisite to oversight and financial control. Transparency is essential if we are to do something about the billions of taxpayer dollars being spent with no assurances that the funds are going where they are needed. We can't reduce waste, fraud and abuse without knowing how, where, and why Federal money is flowing out the door.

This bill will provide that transparency. And not just to members of Congress. Anybody with access to the Internet will be able to see how Federal funds are being spent. They'll be able to search by the name of the entity that receives funding, by the purpose of the funding, by industry, or by location. They'll be able to see whether it's a grant, a contract, a loan, or another form of financial assistance. Ordinary citizens can join members of Congress as watchdogs of how their money is being spent.

When you describe this proposal to people on the street, they're all a little mystified that this isn't actually law yet. That's why this bill has been supported by newspapers around the country and a broad range of groups from across the political spectrum. It's time for the Senate to pass this bill, and I applaud this Subcommittee for holding this hearing.

In closing, I'd like to thank my good friend, Chairman Coburn, and your staff for your leadership on this issue. I'm glad to have been a partner with you, not only on this important piece of legislation, but also on other ways to improve transparency and accountability. I look forward to continuing to work with you in the months and years to come. Thank you.