

**Statement of
Rep. Henry A. Waxman, Ranking Minority Member
Committee on Government Reform
Hearing On
Financial Friendly Fire: A Review of Persistent
Military Pay Problems**

April 27, 2006

Mr. Chairman, thank you for holding this oversight hearing today. I am pleased that the Committee continues to focus on exposing and addressing numerous deficiencies in our military pay system. These problems have become painfully apparent during the recent unprecedented call-up of National Guard soldiers and Reservists.

I'd like to welcome the soldiers and their families who are with us today, and praise your heroism in serving your country. I also want to commend you for your bravery in speaking out on behalf of your fellow soldiers on the indignities you've suffered. I hope that the Pentagon takes the necessary actions following today's hearing to help you and your families.

Today, we will be hearing yet again about pay problems in the Army's financial and accounting systems. In 2003, the Committee held its first hearing on pay irregularities that had arisen regarding compensation of soldiers contributing to the military efforts in Afghanistan, Iraq, and elsewhere. At that time, the Army said the problems were anomalies.

Yet, here we are three years later, and the Army still hasn't fixed the problems. At the Committee's request, GAO has been conducting an ongoing review of DOD pay administration systems. GAO tells us that internal control weaknesses, poor training and other human capital problems, and the lack of integrated financial systems continue to exist.

Now we are learning that that newly discovered accounting errors have incorrectly assigned millions of dollars in debt to hundreds of Guard and Reserve soldiers. We will hear from GAO today that DOD delays in reimbursing soldiers, pay errors, and other DOD

accounting and administrative problems have resulted in about \$1.5 million in debts for soldiers who have served in Iraq and Afghanistan.

These incorrectly assigned debts have a very real human cost. The hardships to soldiers caused by these errors can be both burdensome and stigmatizing. Whether it is struggling to pay household bills, car payments, mortgages, or being hounded by debt collectors for bad credit, our veterans continue to suffer after they return from the battlefield. And these debt problems may take months or years to resolve.

Mr. Chairman, I hope this hearing will be the last the Committee needs to hold on military pay problems. Our nation will continue to rely upon Guardsmen and Reserve soldiers into the foreseeable future. Fixing the multiple pay problems affecting these individuals is integral to demonstrating them the respect and care that they so rightly deserve.

Thank you, and again, thank you to the soldiers and their families for being here today.