

Chairman Towns Speech on GAO High Risk List

January 22, 2009

I am pleased to be here this morning with my colleagues to discuss GAO's report on programs in the federal government which pose the most serious threat for waste fraud and abuse—known as the “high risk list.” More importantly, I'm pleased to discuss our plans for correcting these potential abuses!

As a Sub – Committee Chair last Congress, I became very familiar with the programs on this list. In fact, I held hearings on a dozen of these topics. My goal was to find legislative solutions to these problems, and we did so, especially in the area of contract management reform.

I plan to take the same approach as full committee chair. Last week I gave a speech where I outlined some of my priorities for the Oversight Committee.

Procurement and contracting reform will again be on the front burner this year. I plan to move a bill written last Congress in cooperation with then-Senator Obama that would prevent tax delinquent contracting firms from getting new federal contracts.

I also plan to review the suspension and debarment system to understand how poor performers and fraudulent contractors continue to receive work from the federal government.

I will review possible re-organization of government financial regulators so that we are not choosing winners and losers in the marketplace—but providing a framework that clearly defines the rules of the game for all participants.

I also intend to stay active in conversations about healthcare reform and issues surrounding food safety, FDA reform, and efficiency and accountability in the Medicare and Medicaid systems.

Of course, these topics AGAIN appear in this GAO report being released today. The issues that GAO has identified will be among the highest priorities of the Oversight Committee.

We come together here two days after President Obama's inauguration. It is an exciting time in Washington. The President has pledged to take a hard look at what works and what doesn't in our government. We in Congress, and at the GAO, can and will be his allies in this task.

Another ally is here with me today, Darrell Issa, is the ranking member of the Oversight Committee. I am pleased that we have developed such a strong working relationship in the early weeks of this Congress. We share the same goal of a more responsive, more effective government, and we will continue to work together.

To that end, we sent a letter this morning to the Defense Secretary, Robert Gates regarding eight areas in DOD operations that are at high risk of fraud, waste, abuse, and mismanagement and seven others for which DOD shares responsibility. More than half of the areas GAO has identified involve DOD. Many of these areas have been on the list for almost two decades.

The risks DOD faces cut across most areas of its operations and include DOD's longstanding inability to deliver its major weapon system acquisitions on time and at promised costs and capabilities, modernize its business systems, protect critical technologies, and manage its contracts, its supply chain, its property and its people, among others.

With the country facing its most serious financial and economic problems in decades and fighting two wars overseas, we cannot afford for the Department to get

less than the maximum value from the resources the Congress and the American taxpayer provide it. That is why we have asked Secretary Gates to meet with us to discuss why the Department has not been able to resolve these serious and costly problems, and to discuss a concrete plan with specific time frames to implement GAO's recommendations.

We will be asking for similar meetings from other Cabinet-level officials about projects within their area of responsibility that appear on the high risk list. Through this process, we are making clear Congress' expectation – that President Obama's senior officials will give their personal attention to fixing the longstanding and critical problems that GAO has identified.