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United States Government Accountability Office  
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## **MEDIA ADVISORY**

# **GAO Drops Two Areas and Adds Three To 2007 High Risk List *Food Safety, Protection of Technologies, and Transportation Finance Are New Entries***

WASHINGTON (January 31, 2007) – The U.S. Government Accountability Office (GAO) today released the eighth update of its assessment of federal programs, policies and operations that are “high risk” due to the need for broad-based transformation or vulnerabilities to fraud, waste and abuse and mismanagement.

David M. Walker, Comptroller General of the United States and the head of GAO, announced that sufficient progress has been made to remove two items from the list: the U.S. Postal Service’s transformation efforts and long-term outlook, and the Department of Housing and Urban Development’s single-family mortgage insurance and rental housing assistance programs. At the same time, he said federal oversight of food safety, protection of technologies critical to national security, and transportation financing and capacity have been added to the High Risk List.

Those three additions and two deletions leave 27 programs and operations on GAO’s 2007 High Risk List. “Our objective for the High Risk List is to bring visibility and urgency to these areas in order to prompt needed actions sooner rather than later,” Walker said.

Walker released the 2007 list (GAO-07-310) at a bipartisan briefing on Capitol Hill with leaders of the Senate Homeland Security and Governmental Affairs and House Oversight and Government Reform committees.

There were 14 areas on the High Risk List when the program was initiated in 1990. Since then, there have been 33 additions, 18 removals (eight of which were among the original 14), and two areas were consolidated. The list is updated every two years and released at the start of each new Congress to help in setting oversight agendas.

Over time, GAO has increasingly focused on major programs and operations needing urgent attention and transformation in order to ensure that our national government functions in the most economical, efficient, effective, ethical and equitable manner possible. For example, the National Flood Insurance Program was

added to the High Risk List in March 2006, following unprecedented losses from hurricanes in 2005 (GAO-07-335T).

Congress and the executive branch have been alert to GAO's High Risk List, and the Bush administration has looked to GAO in shaping various of its government-wide initiatives, including the President's Management Agenda. Since GAO's last update, important progress related to many areas on GAO's High Risk List has been made. Effort has been noted in all areas, although to varying degrees.

"The Department of Defense continues to dominate the High Risk List. It has eight of its own high-risk areas and shares responsibility for seven government-wide high-risk areas," Walker noted.

Here are the highlights of the 2007 removals:

- **U.S. POSTAL SERVICE TRANSFORMATION EFFORTS AND LONG-TERM OUTLOOK:** The Postal Service has made significant progress in addressing the financial and human capital challenges that prompted GAO to add this area in 2001. Importantly, comprehensive postal reform legislation sponsored by the Senate Homeland Security and Governmental Affairs and House Oversight and Government Reform committees was enacted in December 2006, which provides a framework for modernizing rate-setting processes and addresses the Postal Service's huge pension and retiree health obligations. The Postal Service continues to face challenges related to generating sufficient revenues in an increasingly competitive environment, controlling costs while maintaining service, optimizing its operations infrastructure and workforce, and providing reliable performance data. We will continue to monitor the Service's efforts in these areas.
- **HUD SINGLE-FAMILY MORTGAGE INSURANCE AND RENTAL HOUSING ASSISTANCE PROGRAMS:** HUD improved its processes for overseeing lenders, appraisers, and property management contractors; estimating the program's credit subsidy costs; and assessing the default risk of borrowers. Also, the amount of estimated improper rent subsidies was reduced by 58 percent between 2000 and 2005, exceeding the goals set in the President's Management Agenda.

These are highlights of the 2007 additions:

- **TRANSFORMING FEDERAL OVERSIGHT OF FOOD SAFETY:** Agriculture, as the largest industry and employer in the United States, generates more than \$1 trillion in economic activity annually. Any food contamination could undermine consumer confidence in the government's ability to ensure the safety of the U.S. food supply, as well as cause severe economic consequences. The current fragmented federal system has caused inconsistent oversight, ineffective coordination, and inefficient use of resources. GAO has recommended that Congress consider a fundamental re-examination of the system and other improvements to help ensure the rapid detection of and

response to any accidental or deliberate contamination of food before public health and safety is compromised.

- **FINANCING THE NATION'S TRANSPORTATION SYSTEM:** Revenues to support federal transportation trust funds are eroding at a time when investment is needed to expand capacity to address congestion caused by increasing passenger and freight travel. Congress and, for some issues, the Department of Transportation should reassess the federal role, revenue mechanisms, and funding allocations to better position the federal government to address financing and capacity challenges.
- **ENSURING THE EFFECTIVE PROTECTION OF TECHNOLOGIES CRITICAL TO NATIONAL SECURITY INTERESTS:** Technologies that underpin U.S. economic and military strength continue to be targets for theft, espionage, reverse engineering, and illegal export. Government programs established decades ago to protect critical technologies are ill-equipped to weigh competing U.S. interests as the security environment and technological innovation evolve in the 21st century. Key vulnerabilities are largely attributable to poor coordination within complex interagency processes, inefficiencies in program operations, and a lack of systematic evaluations for assessing program effectiveness and identifying corrective actions. This condition results in harm both actual and potential to U.S. security and economic interests and warrants a strategic re-examination of existing programs to identify needed changes and ensure the advancement of U.S. interests.

For additional information, contact GAO's Office of Public Affairs at 202-512-4800.

The 2007 High Risk List is available at [www.gao.gov](http://www.gao.gov)

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