



Highlights of [GAO-07-310](#), a report to Congress on GAO's High-Risk Series

Why GAO Did This Report

GAO's audits and evaluations identify federal programs and operations that, in some cases, are high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement. In recent years, GAO also has identified high-risk areas to focus on the need for broad-based transformations to address major economy, efficiency, or effectiveness challenges. Since 1990, GAO has periodically reported on government operations it has designated as high risk. In this 2007 update for the 110th Congress, GAO presents the status of high-risk areas identified in 2005 and new high-risk areas warranting attention by Congress and the executive branch. Lasting solutions to high-risk problems offer the potential to save billions of dollars, dramatically improve service to the public, strengthen confidence and trust in the performance and accountability of the U.S. government, and ensure the ability of government to deliver on its promises.

What Remains to Be Done

This report contains GAO's views on what remains to be done to bring about lasting solutions for each high-risk area. Perseverance by the executive branch in implementing GAO's recommended solutions and continued oversight and action by Congress are both essential to achieving and sustaining progress.

www.gao.gov/cgi-bin/getrpt?GAO-07-310.

To view the full product, click on the link above. For more information, contact George H. Stalcup at (202) 512-9490 or stalcupg@gao.gov.

HIGH-RISK SERIES

An Update

What GAO Found

In its January 2005 update, GAO identified 25 high-risk areas and, in March 2006, added a 26th area. Since 2005, progress has been made in all areas, although the extent varies by area. Both the executive branch and Congress have shown a continuing commitment to addressing high-risk challenges and taken steps to help correct several of their root causes. High-risk areas were also among the suggested areas for oversight for the 110th Congress that GAO recently provided to congressional leadership. Sufficient progress has been made to remove the high-risk designation from two areas: U.S. Postal Service transformation efforts and long-term outlook and HUD single-family mortgage insurance and rental housing assistance programs. Other areas made significant progress, but not enough to be removed from the list this cycle. Continued attention from the executive branch and Congress is needed to make additional progress in other high-risk areas.

This year, GAO is designating three new high-risk areas. The first new area—critical to the nation's economic development—involves transportation financing and capacity. 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. Given these problems, Congress and, for some issues, the Department of Transportation should reassess the federal role, revenue increase mechanisms, and funding allocations to better position the federal government to address financing and capacity challenges.

The second area involves effective protection of technologies critical to U.S. national security. 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 continue to evolve in the 21st century. Accordingly, we are designating the effective identification and protection of critical technologies as a governmentwide high-risk area that warrants a strategic re-examination of existing programs to identify needed changes and ensure the advancement of U.S. interests.

The third area being designated as high risk involves federal oversight of food safety because of risks to the economy and to public health and 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.