



Highlights of [GAO-11-278](#), a report to congressional committees on GAO's High-Risk Series

## Why GAO Did This Study

The federal government is the world's largest and most complex entity, with about \$3.5 trillion in outlays in fiscal year 2010 funding a broad array of programs and operations. GAO maintains a program to focus attention on government operations that it identifies as high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges. Since 1990, GAO has designated over 50 areas as high risk and subsequently removed over one-third of the areas due to progress made.

This biennial update describes the status of high-risk areas listed in 2009 and identifies any new high-risk area needing attention by Congress and the executive branch. Solutions to high-risk problems offer the potential to save billions of dollars, improve service to the public, and strengthen the performance and accountability of the U.S. government.

## What Remains to Be Done

This report contains GAO's views on progress made and 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 essential to achieving progress. GAO is dedicated to continue working with Congress and the executive branch to help ensure additional progress is made.

View [GAO-11-278](#) or key components. For more information, contact J. Christopher Mihm at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov).

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## HIGH-RISK SERIES

### An Update

## What GAO Found

In January 2009, GAO detailed 30 high-risk areas and, in July 2009, added a 31st—Restructuring the U.S. Postal Service to Achieve Sustainable Financial Viability. GAO has determined that sufficient progress has been made to remove the high-risk designation from two areas: the DOD Personnel Security Clearance Program and the 2010 Census.

- High-level attention by DOD, OMB, and the Office of the Director of National Intelligence, along with consistent congressional oversight, has led to significant improvements in processing security clearances. For example, DOD processed 90 percent of all initial clearances in an average of 49 days in fiscal year 2010 and thus met the 60-day statutory timeliness objective. Furthermore, DOD has reduced the average time it takes to process 90 percent of initial security clearances for industry personnel from 129 days in 2008 to 63 days in 2010. DOD has also developed and is implementing quality assessment tools and has issued adjudicative standards for addressing incomplete investigations.
- The Census Bureau (Bureau), with active congressional oversight, took steps to address problems GAO pointed out since designating the 2010 Census a high-risk area in March 2008. Those steps included efforts to control costs, better manage operations, strengthen its risk management activities, and enhance the testing of automated systems. The Bureau generally completed its data collection activities consistent with its plans and released the data used to apportion Congress on December 21, 2010, several days ahead of the legally required end-of-year deadline.

This year, GAO is designating one new high-risk area—Interior's Management of Federal Oil and Gas Resources. Interior does not have reasonable assurance that it is collecting its share of billions of dollars of revenue from oil and gas produced on federal lands and it continues to experience problems in hiring, training, and retaining sufficient staff to provide oversight and management of oil and gas operations on federal lands and waters. Further, Interior recently began restructuring its oil and gas program, which is inherently challenging, and there are many open questions about whether Interior has the capacity to undertake this reorganization while carrying out its range of responsibilities, especially in a constrained resource environment.

In the past 2 years, progress has been made, to varying degrees, in most areas that remain on GAO's High-Risk List. Congressional oversight and legislative action, high-level administration attention, and efforts of the responsible agencies have been central to progress. For example, Congress passed the Improper Payments Elimination and Recovery Act (IPERA) of 2010 to enhance reporting and recovering of improper payments in federal programs. In addition, in November 2009, the President issued Executive Order 13520, Reducing Improper Payments and Eliminating Waste in Federal Programs. Congress also passed the Weapon Systems Acquisition Reform Act of 2009, which requires DOD to provide more realistic cost estimates and terminate programs with high cost growth.