

OPENING STATEMENT

The Honorable Paul Broun, M.D. (R-GA), Chairman

Subcommittee on Investigations & Oversight

Stimulus Oversight: An Update on Accountability, Transparency, and Performance

November 30, 2011

Good morning. Welcome to the Investigations and Oversight Subcommittee hearing titled “Stimulus Oversight: An Update on Accountability, Transparency, and Performance.” This is the Subcommittee’s third oversight hearing of the American Recovery and Reinvestment Act of 2009.

The Subcommittee’s previous hearings focused on monitoring the development of internal agency controls, and reviewing external oversight mechanisms prior to money going out the door. Now that funding has been obligated, and recipients are actually spending the money, it is important for this Subcommittee to take a step back and see if we can develop any lessons learned, any best practices, or identify any areas of concern that require additional review. With funding available for many more months, the agencies, the IGs, the GAO, the Recovery Board, this Subcommittee, and the American people will continue to monitor how this money is spent.

To put this task into perspective, the Stimulus Bill contained roughly \$787 billion, of which approximately \$40 billion was for science-related activities. This accounts for roughly the amount already appropriated for that fiscal year, essentially doubling the funding. Monitoring this funding is proving to be a daunting task for agencies and watchdogs.

As we have seen in recent months, efforts by agencies to conduct the proper due diligence can be challenging for a number of reasons including external deadlines, insufficient training, or inadequate staffing or funding levels. A lot of attention has been paid to Section 1705 and the Loan Guarantee Program because of Solyndra and Beacon Power. While these certainly garner a lot of press attention, the fact that many of these loan guarantees were made in such a rushed fashion before the deadline makes me believe that we will see a lot more of the same. Separate from the Loan Guarantee Program, issues also exist in other areas like ARPA-E, DOE program offices like EERE, and Section 1603 payments. Additionally, potential areas of concern include facility construction at NIST and NSF and shipbuilding efforts at NOAA and NSF.

Although there is certainly enough oversight work to go around, I am pleased to hear that a positive theme has developed as well. Funding for basic research at the Department of Energy’s Office of Science and NASA appears to have been administered quickly and efficiently. This may be because they simply used existing mechanisms to get funding out the door, accelerated existing work, or funded projects that were previously found to be meritorious.

Much of the work done by the IGs, GAO, and the Recovery Board has focused on waste, fraud, abuse, mismanagement, transparency, and accountability – and rightfully so. A lot of the work done on accountability has focused on being able to track where money is going and for what purpose. While this is important, evaluations of accountability should also address whether the

intended goals of the Act have been met using specific metrics. I hope the agencies, the IGs, GAO, and the Recovery Board can assist Congress in this endeavor as well.

Regardless of whether you agree with the underlying Act, Congress has an obligation to make sure that if taxpayer money is going to be spent, that it is done appropriately. Minimizing waste, fraud, and abuse is a nonpartisan endeavor that I am sure we can all agree with.

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