

Statement by

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By way of introduction, our names are William M. Christian, Director of Government Affairs for Citizens Against Government Waste (CAGW), and Deborah Collier, Director of Technology Policy at CAGW. Our colleague, Sean Kennedy, CAGW's Director of Research, could not be with us today, but his views are also provided in today's statement.

CAGW is a private, nonprofit, nonpartisan organization dedicated to educating the American public about waste, mismanagement, and inefficiency in the federal government. Celebrating our 30th anniversary this year, CAGW was founded in 1984 by the late industrialist J. Peter Grace and nationally-syndicated columnist Jack Anderson to build support for implementation of President Ronald Reagan's Grace Commission recommendations and other waste-cutting proposals. Since its inception, CAGW has been at the forefront of the fight for efficiency, economy, and accountability in government. CAGW has more than one million

members and supporters nationwide, and, over the past 30 years, it has helped save taxpayers \$1.3 trillion through the implementation of Grace Commission findings and other recommendations.

CAGW is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954 and is recognized as a publicly-supported organization as described in Sections 509(a)(1) and 170(b)(A)(vi) of the code. Individuals, corporations, associations, and foundations are eligible to support the work of CAGW through tax-deductible gifts. We do not accept government funds.

Our mission reflects the interests of taxpayers. All citizens benefit when government programs work cost-effectively, when deficit spending is eliminated, and when government is held accountable. Not only will representative government benefit from the pursuit of these interests, but the country will prosper economically because government mismanagement, fiscal profligacy, and chronic deficits soak up private savings and crowd out the private investment necessary for long-term growth.

It is no secret that wasteful spending is present throughout the federal government and that every agency could perform its functions more effectively and efficiently. The first modern comprehensive effort to reform government and/or eliminate wasteful spending occurred through the Commission on Reorganization of the Federal Government, which was established by Congress in 1947 under President Harry Truman and became known as the Hoover Commission, as it was led by former President Herbert Hoover. The commission met from 1947-1949 and again from 1953-1955. More than 70 percent of the recommendations were implemented by

executive and legislation action, including the establishment of the Department of Health, Education and Welfare, as well as the General Services Administration.

The next comprehensive study of the federal government occurred under President Reagan, who created the President's Private Sector Survey on Cost Control in the Federal Government in 1982, which became better known as the Grace Commission. The commission issued its final report in 1984 and made 2,478 recommendations that would have saved \$424.4 billion in the first three years after full implementation of the recommendations. Through executive orders, President Reagan helped saved \$100 billion. The administration's annual reports on management of the federal government tracked the implementation of Grace Commission recommendations and provided a list of initiatives that were included in the president's budget.

Recommendations to eliminate waste, fraud, abuse, and mismanagement are regularly provided by the Government Accountability Office (GAO), the Congressional Budget Office (CBO), the president's budget, and congressional authorizing and appropriations committees. Outside of the government, think tanks, advocacy groups, and private-sector companies also provide ongoing analysis of government expenditures. For example, since 1993, CAGW has released *Prime Cuts*, a compendium of recommendations that emanate from both public and private sources; some still date back to the Grace Commission. The most recent edition of *Prime Cuts* identified 557 recommendations that would save taxpayers \$580.6 billion in the first year and \$1.8 trillion over five years. *Prime Cuts* can serve as a blueprint to cut government spending and put the nation on a path toward fiscal stability.

Throughout the year, CAGW produces other thoughtful, well-researched articles, issue briefs and other publications targeted towards spending by the federal government, as well as research on ways to reduce waste, mismanagement and inefficiency in the federal government. Among the tools we have used for our research have included audits by the Inspectors General and their offices in various agencies, the Congressional Budget Office, the Office of Budget and Management, and the Government Accountability Office, as well as a number of outside resources.

Under the stewardship of Deborah Collier, CAGW completed a research project where we tried to use some of the transparency tools provided by the federal government, and we offer it today as an example for the Board's consideration.

In October 2012, CAGW published an issue brief entitled "Government Mobile Apps Proliferate." This report highlighted the wasteful and often duplicative nature of federal mobile applications. Frequently, these mobile apps duplicated efforts already being made by the private sector, or by other federal agencies.

In researching government spending on these mobile apps, CAGW staff reviewed information on *USA.gov* to learn what mobile apps had been developed, Federal Business Opportunities (*FedBizOp*) to learn about any upcoming contracting opportunities for future government mobile apps, the Federal Register and *USASpending.gov* to determine the amount of funding already spent on mobile apps. As noted in the report, while it is easy to find available apps through the *USA.gov* website, it was much more difficult to discern the expenditure to develop each app. Searches on *FedBizOp* and *USASpending.gov* revealed scant information on line-item spending.

CAGW staff also reviewed individual agency websites to find information regarding spending on government mobile apps, primarily for those that were issued through agency sponsored competitions with awards ranging from \$2,000 to \$30,000 for each winning application. However, there is often little indication on agency websites as to whether or not the agency partnered with a private sector sponsor to help pay the prize awards, or if the taxpayer footed the entire bill.

To formulate a “back of the envelope” estimate of total costs for applications available on *USA.gov*'s website, CAGW turned to published private sector industry experts in order to determine approximate costs for such mobile apps. Using their estimates of between \$10,000 to \$200,000 for mobile app development depending on level of complexity, CAGW estimated that, with an average cost of \$30,000 to develop a government mobile app, the federal government had paid approximately \$3.6 million for the 120 mobile apps it had already deployed by the end of 2012.

To say that using the *USASpending.gov* website was frustrating is an understatement. Searches using terms such as “mobile app,” “mobile application,” “website,” and “mobile” yielded many more search results than were applicable to the project at hand, yet each different search criteria yielded some new instances of the creation of a new mobile app not previously found. This continues through today. For example, a recent search on the *USASpending.gov* website for the term “mobile app” found contracts for hand-tools, lectures for training, modifications to contracts for solar power upgrades to the National Solar Thermal test facility, and firefighting equipment in addition to e-books and mobile apps for technician education.

In searching for cloud computing services, *USASpending.gov* provides much clearer information about spending for these services, in part because the agencies are using standard terminology to define cloud computing services in their descriptions. This may be due to the administration's prioritization of cloud computing services under the "cloud first" provisions of the administration's 25-Point Plan to Reform Federal Information Technology. These contracts are very specific to cloud computing services, and provide a better picture of the federal government's total spending on these services, the bulk of which occurred in 2012.

It is clear from the comparison of these two searches that clearly defined standard terminology must be used and available the public for each type of product of services where information is being sought. If the federal government continues to use *USASpending.gov* as the baseline structure for transparency in federal spending, the structure must be completely defined and used consistently by those entering the data. Otherwise, locating information about the various types of services will remain difficult for the average user.

In another instance, in his capacity as CAGW's Research Director, Sean Kennedy used *USASpending.gov* used the website to support the organization's mission, to eliminate waste, mismanagement, and inefficiency in government. Though we work on issues pertaining to all levels of government, our primary focus is the federal level.

Mr. Kennedy is routinely charged with determining funding levels for particular research projects. This can include researching funding for a particular program, which might entail looking up the appropriated amount, the House, Senate, or Conference version of the appropriated amount, whether or not the program received a funding request from the administration, and so on. At other times, he attempted to use *USASpending.gov* to determine

more macro figures, such as how much a particular agency received in funding compared to prior years.

USAspending.gov and *Recovery.gov* were particularly helpful in researching items contained in the American Recovery and Reinvestment Act of 2009. The search tools allowed users insight into various stimulus programs that was not available in a comprehensive form elsewhere. This included tracking repayment schedules for stimulus funding, when applicable. These sites are also helpful to determine information relating to contractors.

Unfortunately, these websites lost their utility when given the existence of outside research tools. According to Mr. Kennedy, *USAspending.gov* does not respond well when a researcher attempts to locate specific funding levels of programs or purchased items. For instance, trying to locate the amount of money directed toward an item such as the M1 Abrams Tank by the Department of Defense (DOD) in a given year is a difficult task. In addition, there is little sophistication to the information – the user is not able to determine whether the House or Senate funded the item, whether funding was added in Congress, whether the executive branch requested funding, or if Congress added funding in addition to the amount requested by the executive branch. Authorizing information is also missing.

For this example, it is much easier to consult the relevant legislation (i.e., House and Senate versions of the DOD appropriations bill, the conference DOD appropriations bill, and the budgetary documents released by the Office of Management and Budget). While these bills are also not particularly searchable, users will get better results using the source documents.

Among CAGW's recommendations would be that the website provide greater detail in all areas. It would be extremely helpful if the user could provide the program and year, and be able

to access all the relevant legislation that contained funding levels for that program. In addition, macro level data, such as agency funding levels from year to year, would provide better context.

The website could be more helpful if it allowed itemization of each program in appropriations bills, and their corresponding authorized amounts. Synthesizing search results in a manner that is helpful to the use would provide the largest improvement. Currently, search terms return as a disorganized listing of information.

While we recognize various shortcomings of the current system, we would not suggest scrapping the platform: instead, we would prefer that the current infrastructure, to include lessons learned from its implementation to date, be remedied, rather than starting over from scratch. Indeed, CAGW is loath to add another example of redundant, overlapping, or duplicative procurement of federal information technology (IT) assets to our current Rogue's Gallery of waste. We already know that federal IT mismanagement is a long-standing problem. From 2001 to 2012, federal IT spending grew by 76 percent, from \$46 billion to \$81 billion. Unfortunately, according to Oversight and Government Reform Committee Chairman Darrell Issa's (R-Calif.) opening statement at a January 2013 hearing on wasteful IT spending, federal managers estimate as much as \$20 billion of taxpayer money is squandered on IT every year.

CAGW shares the goals of "open data:" that it be structured, standardized, and accessible. The transformation of government information – "from paper and plain text to open data," as espoused by the Data Transparency Coalition (DTC) – requires two conceptually simple steps that become very difficult in practice: First, apply consistent data standards—common identifiers, uniform formats, and the like—across diverse agencies and systems. Second, publish the compilation online so that it can be searched and scrutinized by everyone.

The legislative vehicle for data transparency in spending is the Digital Accountability and Transparency Act, or DATA Act, which was simultaneously introduced in the House (H.R. 2061) and Senate (S. 994) on May 21, 2013. On November 5, 2013, along with various other organizations, the Council for Citizens Against Government Waste (CCAGW), [joint letter](#) of support for the legislation, stated that:

...the DATA Act is an important step toward true federal spending transparency as it empowers the public to see how their tax dollars are being used.

Currently, data on federal spending is incomplete, inconsistent, and difficult for the public to access. All too often, the federal government fails to publish crucial spending data at all – or publishes such data in formats that are not interoperable or are otherwise difficult to use, impeding public access and analysis. The DATA Act would address these problems. It directs the Treasury Department to create data standards for tracking and reporting government-wide spending, including requiring agencies to use consistent identifiers for entities and publish data in machine-readable formats. These data standards would, for the first time, permit government-wide data searches, comparability, and quality checks. In turn, this would put pressure on agencies to make sure the data they release is accurate and timely.

The DATA Act will also expand the scope of the USASpending.gov portal to include internal expenditures (in addition to external grants and contracts that are already reported) and full payment-level detail (not just the summaries currently available). Finally, the federal government would catch up to foreign countries, such as Brazil and Slovenia, and state and local governments (such as Texas and New York City) that already provide such detailed spending data to their citizens so that they can see what's happening at the payment level... The DATA Act will improve the transparency of our government to its citizens and modernize our government's ability to manage itself. Fully implemented, it empowers agencies and their inspectors general to deploy data analytics to hone in on waste and abuse, potentially deterring it before it occurs.

On November 6, the Senate Homeland Security and Government Affairs Committee (HSGAC) unanimously passed a modified version of S. 994. On November 18, 2013, the House passed H.R. 2061 by a lopsided 388-to-1 vote.

Of course, as is often the case with the sausage-like business of legislating, challenges remain for the DATA Act, stemming ironically from its popularity in both chambers of Congress, each wanting its own imprint on the effort. Unfortunately, amendments approved by HSGAC [removed critical House-passed elements](#) that are key to successful implementation of the law. To put it bluntly, the legislation will be neutered if the committee's version is enacted. The accountability platform provided in the bill (the current Recovery Accountability and Transparency Board, formed to monitor the expenditures under President Obama's "stimulus" program) is scheduled to cease operations in 2015. The bill as introduced and passed by the House included the continuation of the board, which would avoid reinventing the wheel to create a new oversight agency, while the \$20 million annual cost to run the Recovery Board would be more than offset by the billions saved from illuminating and eliminating waste.

The excision of the accountability platform was also accompanied by the removal of one of the bill's key goals: to "prevent waste, fraud, abuse, and improper payments." This decaying of the legislation is clearly self-defeating. As the DTC [points out](#), "without any internal government effort to use the newly-standardized spending data for any purpose, there will be no internal pressure to improve the quality of data published on USASpending.gov."

Hopefully, the integrity of the bill's enforcement provisions can be restored ahead of final Senate passage and ultimate enactment. For the legislation to achieve its goals, reporting agencies must understand, first, that their overseers are reviewing the data provided, thus necessitating its accuracy, and, second, that consequences will accrue to those whose information is flawed. If these criteria are restored and signed into law, the DATA Act will be transformational.

Despite the best intentions of presidents and legislators to address wasteful spending and improve government efficiency, the size and scope of government continues to grow. The president's budget includes a list of program terminations and consolidations; a limited number of these programs are eliminated or consolidated every year, usually saving a few billion dollars. On the other hand, the creation of new programs and expansion of existing programs always overwhelm those efforts. While "waste" can be subjective, everyone should agree that taxpayer dollars should not be mismanaged. Unfortunately, there are very few systems or incentives in place to prevent misspending by Congress and the executive branch. We are hopeful that passage of the DATA Act, with its emphasis on government-wide reporting via the USAspending.gov portal, would prove an exception to this rule.

As far as the Government Accountability and Transparency Board is concerned, we hope that this advisory board recognizes the merits of these efforts. We welcome the opportunity to collaborate, where appropriate, on achievement of the goals espoused herein.

Before concluding our presentation, we beg the Board's indulgence in remembering the John Godfrey Saxe poem, "The Blind Men and the Elephant." The essence of this poem has been employed in discussion often, and I am sure most – perhaps all – of you are familiar with its premise, which deals with an individual's narrow perspective.

Saxe recounts the experience of six men from Indostan, each described as much inclined to learning, who went to see an elephant, "...[t]hough all of them were blind..." Each blind man took his turn at observing the elephant. The first, who fell against the elephant's "broad and sturdy side," inferred that the creature was "very like a WALL!" The second happened on the tusk, exclaiming that the elephant was "very like a SPEAR!" The third blind man took the squirming trunk in his hands and decided that the elephant was a snake, while the fourth felt the

elephant's knee and determined that it was a tree. The fifth, "who chanced to touch the ear," assumed that the elephant was a fan. The sixth and final blind man, seizing upon the elephant's tail, assumed that it was a rope.

But the moral of Saxe's poem can be found in the final stanza, which reads like this:

*And so these men of Indostan,
Disputed loud and long,
Each in his own opinion
Exceeding stiff and strong,
Though each was partly in the right,
And all were in the wrong!*

The same can be said about information. If we cannot view the same object – particularly one that is as gargantuan as an elephant or the expenditures of the federal government – through the same lens, then we will inevitably miss the big picture.

At the end of the day, this is a management issue: the proper management of monies provided by the American taxpayer. Regardless of whether the federal government is in surplus or deficit, there is no excuse for mismanaging the taxpayers' money. Better stewardship of the taxpayers' money should be the mantra for every member of Congress and every federal program administrator. With a little effort, current tools can help to meet this standard.

We appreciate the opportunity to present our perspectives to the Board, and we would be glad to answer any questions.