

DARRELL E. ISSA, CALIFORNIA  
CHAIRMAN

ONE HUNDRED TWELFTH CONGRESS

ELIJAH E. CUMMINGS, MARYLAND  
RANKING MINORITY MEMBER

DAN BURTON, INDIANA  
JOHN L. MICA, FLORIDA  
TODD RUSSELL PLATTS, PENNSYLVANIA  
MICHAEL R. TURNER, OHIO  
PATRICK McHENRY, NORTH CAROLINA  
JIM JORDAN, OHIO  
JASON CHAFFETZ, UTAH  
CONNIE MACK, FLORIDA  
TIM WALBERG, MICHIGAN  
JAMES LANKFORD, OKLAHOMA  
JUSTIN AMASH, MICHIGAN  
ANN MARIE BUERKLE, NEW YORK  
PAUL A. GOSAR, D.D.S., ARIZONA  
RAUL R. LABRADOR, IDAHO  
PATRICK MEEHAN, PENNSYLVANIA  
SCOTT DesJARLAIS, M.D., TENNESSEE  
JOE WALSH, ILLINOIS  
TREY GOWDY, SOUTH CAROLINA  
DENNIS A. ROSS, FLORIDA  
FRANK C. GUINTA, NEW HAMPSHIRE  
BLAKE FARENTHOLD, TEXAS  
MIKE KELLY, PENNSYLVANIA

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074  
FACSIMILE (202) 225-3974  
MINORITY (202) 225-5051

<http://oversight.house.gov>

EDOLPHUS TOWNS, NEW YORK  
CAROLYN B. MALONEY, NEW YORK  
ELEANOR HOLMES NORTON,  
DISTRICT OF COLUMBIA  
DENNIS J. KUCINICH, OHIO  
JOHN F. TIERNEY, MASSACHUSETTS  
WM. LACY CLAY, MISSOURI  
STEPHEN F. LYNCH, MASSACHUSETTS  
JIM COOPER, TENNESSEE  
GERALD E. CONNOLLY, VIRGINIA  
MIKE QUIGLEY, ILLINOIS  
DANNY K. DAVIS, ILLINOIS  
BRUCE L. BRALEY, IOWA  
PETER WELCH, VERMONT  
JOHN A. YARMUTH, KENTUCKY  
CHRISTOPHER S. MURPHY, CONNECTICUT  
JACKIE SPEIER, CALIFORNIA

LAWRENCE J. BRADY  
STAFF DIRECTOR

### Opening Statement Rep. Elijah E. Cummings, Ranking Member

#### Hearing on "Waste and Abuse: Refuse of the Federal Spending Binge"

February 17, 2011

Thank you, Mr. Chairman. And thanks to all of our witnesses today. In particular, I would like to extend a special welcome to Senator Claire McCaskill, who has taken time out of her busy schedule to be with us today.

As many of you know, Senator McCaskill is the Chair of the Subcommittee on Contacting Oversight on the Senate Committee on Homeland Security and Governmental Affairs. It's safe to say that no single Member of Congress has been more active than Senator McCaskill at rooting out waste, fraud, and abuse in contracting across the federal government.

I am thankful Senator McCaskill could be here today because the Committee plans to review the 2011 High-Risk Report issued by the Government Accountability Office (GAO). This report has become a critical tool in focusing Congress' oversight efforts. It lists 30 government programs and spending areas most susceptible to waste, fraud, or abuse.

I had the opportunity yesterday to join the Comptroller General, Gene Dodaro, when GAO issued this year's report. As in previous years, the massive issues surrounding federal procurement are featured prominently.

Over the past decade, government contracting costs have escalated dramatically. In 2000, the federal government spent about \$209 billion on procurement. That number has now grown to more than \$500 billion in annual expenditures. During this same period, the number of sole source and noncompetitive contracts has also expanded.

In this year's High-Risk Report, six of the thirty programs on the GAO list relate directly to federal contracting. They involve contracting at the Department of Defense, the Department of Energy, NASA, and across multiple federal agencies. Several other entries on the GAO list also have significant contracting components, such as "Transforming the Department of Homeland Security."

When you examine all of these together, they have a massive impact, accounting for hundreds of billions of taxpayer dollars every year.

It's a real challenge to fully evaluate the extent of this problem. For example, during an interview last year, Defense Secretary Robert Gates offered what he called "a terrible confession." He stated: "I can't get a number on how many contractors work for the Office of the Secretary of Defense."

In many cases, congressional oversight of government contracting has led to meaningful reform. In 2007, when I became Chairman of the Subcommittee on Coast Guard and Maritime Transportation, I launched a series of hearings to examine the Coast Guard's multi-billion dollar acquisition program to modernize its ships and aircraft.

We found that the Coast Guard had little in-house capability to manage a major procurement effort when it initiated the Deepwater program. As a result, it outsourced many of its oversight responsibilities to the private contractors doing the work. Based on these results, I introduced legislation to make comprehensive reforms in the Coast Guard's acquisition program, and this legislation passed the House unanimously.

In addition, Rep. Tierney led an investigation last Congress into Defense Department contracts for supply chain trucking in Afghanistan. As a result of that investigation, General David Petraeus issued new contracting guidelines, created a task force to review contracting in Afghanistan, and moved to debar a major federal contractor.

To its credit, the Obama Administration has made significant strides to improve government contracting. In 2009, the President directed federal agencies to streamline their acquisition processes, and last year, the amount of federal contracting declined for the first time since 1997. The Administration's initiative also resulted in a reduction of no-bid and other noncompetitive contracts last year.

Moving forward, we have to continue this progress by conducting our oversight efforts in a sustained, dedicated, and bipartisan manner.

Thank you, Mr. Chairman.