

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
115TH CONGRESS**

**HEARING CONCERNING
\$125 BILLION IN SAVING IGNORED: REVIEW OF DOD'S EFFICIENCY STUDY**

WRITTEN TESTIMONY OF ROBERT STEIN:

Chairman Chaffetz, Ranking Member Cummings, and members of the Committee, thank you for inviting me to provide testimony today.

My name is Robert ("Bobby") Stein, and I am here to discuss the Department of Defense (DoD) efficiency study commissioned by Secretary Hagel and created under my leadership as former Chairman of the DoD Defense Business Board (DBB).

As you know the DBB is an advisory panel comprised of a select group of our nation's business leaders. The DBB was established to provide the Secretary and Deputy Secretary of Defense, and other senior leaders, with independent advice rooted in private sector perspective for application to the agency.

I was honored serve as a member of the DBB between 2010 and 2014 and Chairman from 2014 to 2015, and I brought a strong business background to the job. Throughout my career I have founded the successful investment and growth of many businesses in a variety of sectors, including real estate, oil and gas, technology, and healthcare.

The DBB efficiency study was one of many reports undertaken by the DBB under my leadership. The purpose and ultimate goal of the efficiency study was to help grow and protect the landscape of our nation. This study was the first effort ever in DoD history to comprehensively evaluate labor cost data and create a picture how much money is being spent on non-combat operations at the agency.

The efficiency study was commissioned at the request of then Secretary Hagel and carried out with the support of both military and civilian leadership. DBB member

Kenny Klepper led the project along with other DBB members, and was supported by some of the best business minds in the country. To conduct this study, the DBB set about to identify areas of productivity and measure accountability, no small feat. It is important to note that there are not many people in this country capable of effective transformational change of business processes, and we were very fortunate to have had Kenny Klepper on board who has successfully undertaken similar tasks at Fortune 500 companies.

After twelve months and many hours of commitment, research, data analysis, interviews, and briefings the efficiency study was completed in early 2015. The study was presented to the full DBB at a public hearing in January 2015 and won unanimous approval for its findings and recommendations. The Government Accountability Office also reviewed the study and found the methodology and analysis adequate to confirm its conclusions.

After the completion of the study, I along with other members of the DBB were ready to move forward to assist the DoD in reviewing the study's findings and recommendations and begin the process of applying them to the agency's systems. I believe that the DBB efficiency study represents a quality analysis of costs and inefficiencies at DoD, and could be useful to the agency's efforts to streamline operations. In 2017, I met with current Defense Secretary Mattis to discuss the efficiency study, and hope that its findings and recommendations can be used to support the DoD in the future.

It was an honor to lead the DBB during the creation of the efficiency study, and I am proud of the work achieved in support of a strong national defense. Thank you for your time, and I am pleased to answer any questions the Committee may have.