

**THE 2021 GAO HIGH-RISK LIST:  
BLUEPRINT FOR A SAFER, STRONGER,  
MORE EFFECTIVE AMERICA**

---

---

**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**OVERSIGHT AND REFORM**  
**HOUSE OF REPRESENTATIVES**  
ONE HUNDRED SEVENTEENTH CONGRESS  
FIRST SESSION

MARCH 2, 2021

**Serial No. 117-6**

Printed for the use of the Committee on Oversight and Reform



Available on: *govinfo.gov*,  
*oversight.house.gov* or  
*docs.house.gov*

U.S. GOVERNMENT PUBLISHING OFFICE

43-756 PDF

WASHINGTON : 2021

COMMITTEE ON OVERSIGHT AND REFORM

CAROLYN B. MALONEY, New York, *Chairwoman*

ELEANOR HOLMES NORTON, District of Columbia	JAMES COMER, Kentucky, <i>Ranking Minority Member</i>
STEPHEN F. LYNCH, Massachusetts	JIM JORDAN, Ohio
JIM COOPER, Tennessee	PAUL A. GOSAR, Arizona
GERALD E. CONNOLLY, Virginia	VIRGINIA FOXX, North Carolina
RAJA KRISHNAMOORTHY, Illinois	JODY B. HICE, Georgia
JAMIE RASKIN, Maryland	GLENN GROTHMAN, Wisconsin
RO KHANNA, California	MICHAEL CLOUD, Texas
KWEISI MFUME, Maryland	BOB GIBBS, Ohio
ALEXANDRIA OCASIO-CORTEZ, New York	CLAY HIGGINS, Louisiana
RASHIDA TLAI, Michigan	RALPH NORMAN, South Carolina
KATIE PORTER, California	PETE SESSIONS, Texas
CORI BUSH, Missouri	FRED KELLER, Pennsylvania
DANNY K. DAVIS, Illinois	ANDY BIGGS, Arizona
DEBBIE WASSERMAN SCHULTZ, Florida	ANDREW CLYDE, Georgia
PETER WELCH, Vermont	NANCY MACE, South Carolina
HENRY C. "HANK" JOHNSON, JR., Georgia	SCOTT FRANKLIN, Florida
JOHN P. SARBANES, Maryland	JAKE LATURNER, Kansas
JACKIE SPEIER, California	PAT FALLON, Texas
ROBIN L. KELLY, Illinois	YVETTE HERRELL, New Mexico
BRENDA L. LAWRENCE, Michigan	BYRON DONALDS, Florida
MARK DESAULNIER, California	
JIMMY GOMEZ, California	
AYANNA PRESSLEY, Massachusetts	
VACANCY	

DAVID RAPALLO, *Staff Director*

EMILY BURNS, *Policy Director*

ELISA LANIER, *Chief Clerk*

CONTACT NUMBER: 202-225-5051

MARK MARIN, *Minority Staff Director*

# C O N T E N T S

---

Hearing held on March 2, 2021 .....	Page 1
WITNESS	
The Honorable Gene L. Dodaro, Comptroller General of the United States, Government Accountability Office Oral Statement .....	5
<i>Opening statements and the prepared statement for the witness are available in the U.S. House of Representatives Repository at: docs.house.gov.</i>	

## INDEX OF DOCUMENTS

---

- \* Letter, Kansas Congressional Delegation; submitted by Rep. LaTurner.
  - \* Report, Kansas Report on Unemployment Claims and Fraud; submitted by Rep. LaTurner.
  - \* Letter, IRS Enforcement Letter from 88 Groups to the Biden Administration and Congress; submitted by Rep. Ocasio-Cortez.
  - \* "Who's Afraid of the IRS? Not Facebook," article, *Pro Publica*; submitted by Rep. Ocasio-Cortez.
  - \* Questions for the Record: to Mr. Dodaro; submitted by Rep. LaTurner.
- Documents entered into the record during this hearing and Questions for the Record (QFR's) are available at: docs.house.gov.*



**THE 2021 GAO HIGH-RISK LIST:  
BLUEPRINT FOR A SAFER, STRONGER,  
MORE EFFECTIVE AMERICA**

**Tuesday, March 2, 2021**

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON OVERSIGHT AND REFORM,  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:39 a.m., in room 2154, Rayburn House Office Building, Hon. Carolyn B. [chairwoman of the committee] presiding.

Present: Representatives Norton, Lynch, Cooper, Connolly, Krishnamoorthi, Raskin, Khanna, Ocasio-Cortez, Tlaib, Porter, Bush, Davis, Welch, Johnson, Speier, Kelly, DeSaulnier, Gomez, Pressley, Comer, Jordan, Gosar, Foxx, Hice, Grothman, Cloud, Gibbs, Higgins, Keller, Sessions, Biggs, Donalds, Herrell, LaTurner, Fallon, Clyde, and Franklin.

Chairwoman MALONEY. Welcome, everybody, to today's hybrid hearing. Pursuant to House Rules, some members will appear in person, and others will appear remotely via Webex. Since some members are appearing in person, let me first remind everyone that pursuant to the latest guidance from the House attending physician, all individuals attending this hearing in person must wear a face mask. Members who are not wearing a face mask will not be recognized.

Let me also make a few reminders for those members appearing in person. You will only see members and witnesses appearing remotely on the monitor in front of you when they are speaking in what is known in Webex as "active speaker" or "stage view." A timer is visible in the room directly in front of you.

For members appearing remotely, I know you are all familiar with Webex by now, but let me remind everyone of a few points.

First, you will be able to see each other speaking during the hearing whether they are in person or remote as long as you have your Webex set to active speaker or stage view. If you have any questions about this, please contact staff immediately.

Second, we have a timer that should be visible on your screen when you are in the active speaker with thumbnail. Members who wish to pin the timer to their screens should contact committee staff for assistance.

Third, the House Rules require that we see you. So, please have your cameras turned on at all times.

Fourth, members appearing remotely who are not recognized should remain muted to minimize background noise and feedback.

Fifth, I will recognize members verbally, but members retain the right to seek recognition verbally. In regular order, members will be recognized in seniority order for questions.

Last, if you want to be recognized outside of regular order, you may identify that in several ways. You may use the chat function to send a request, you may send an email to the majority staff, or you may unmute your mic to seek recognition.

Obviously, we do not want people talking over each other. So, my preference is that members use the chat function or email to facilitate formal verbal recognition. Committee staff will ensure that I am made aware of the request, and I will recognize you.

We will begin the hearing in just a moment when they tell me they are ready to begin the live stream.

[Pause.]

Chairwoman MALONEY. The committee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

I now recognize myself for an opening statement.

The U.S. Government is one of the most complex and consequential organizations on Earth. Responsible for serving a population of more than 330 million people and adding a new person at a rate of every 52 seconds, the Federal Government has a mission that is staggering in both breadth and depth.

Every two years, the Government Accountability Office releases a blueprint for how to better meet this mission. The GAO High-Risk List identifies the areas of Federal operations most in need of improvement and transformation, complete with hundreds of ratings and specific recommendations for how to achieve progress. This year's report is titled "Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas," a message that cuts right to the heart of the challenge we face.

Over the past four years, the objective metrics of the High-Risk List shows that the Federal Government improved less and regressed more than before the President took office. Of the 35 areas that were included on the list, 20 were stagnant, five regressed, and two new areas were added. The country now strives to recover from an unprecedented pandemic that has killed more than 500,000 Americans and reduced the average life expectancy by one full year, a toll that falls particularly hard on minority populations.

Fourteen million Americans lost their jobs in the first three months of the pandemic, more than in two years of the Great Recession. Ten million are still unemployed, and that number doesn't even include the millions of Americans who have given up looking for jobs.

As this silent war rages on in homes and hospitals, another silent battle is being fought in our IT networks by cyber attackers intent on stealing our intellectual property and undermining our national security. The SolarWinds breach that came to light last December as well as escalating targeted cyber attacks that have drained millions of dollars from struggling hospitals are just two examples of the threats that we know about.

The economic toll of the pandemic also cuts across multiple high-risk areas, draining, draining our ability to react and straining our

resources and inflicting damage on financial regulatory systems that remain dangerously fragmented after the last financial crisis.

Our frontline healthcare and essential workers are traumatized and exhausted, suffering devastation that will redefine a generation. They will not forget that the Federal Government told them they were on their own when the ICUs filled up and the personal protective equipment was nowhere to be found. They will not forget the Federal Government put more lives at risk by contradicting basic scientific facts. They will not forget that the Federal Government used outdated IT systems that delayed their economic stimulus checks.

I know our Federal Government is better than that. As one of our colleagues reminded me a few weeks ago, our Federal Government put a man on the Moon. So, setting up a functioning system for distributing pandemic relief payments quickly and accurately should be entirely attainable.

It is attainable, as are the other recommendations in today's high-risk report, but it will take dedicated leadership to get there and not just by one person. No one person can rebuild the broken roads, prevent the next flood, or stop the next deadly virus from ravaging our cities and towns. No one person can remove the lead from the water, cover payroll costs for pandemic-starved small businesses, or save the 136 Americans who will die of opioid overdoses today.

No one person can do all these things, but when we all work together as effectively as possible, we can make progress. That is the work of Government and the work of today's report.

The committee is honored to welcome Gene Dodaro, the Comptroller General of the United States and the head of the Government Accountability Office. The diligent and thorough work undertaken by Mr. Dodaro and his staff of dedicated professionals complements the mission of this committee, and we are grateful for it.

The need for an effective, efficient, functional, and responsible Federal Government has never been greater. Congress and the executive branch must work together strategically on high-risk areas so Federal agencies are in the best position possible to restore the health, security, and prosperity of the Nation.

Comptroller General, thank you for being here today, and I look forward to a wide-ranging discussion.

Before I recognize the ranking member, I want to make one announcement. Mr. Dodaro is testifying in the Senate this afternoon at 2:30 p.m., which means we will have to end our hearing at 1:30 p.m.

With that, I now recognize the distinguished ranking member, Mr. Comer, for an opening statement.

Mr. COMER. Thank you, Madam Chair, for holding this very important hybrid, bipartisan hearing.

And thank you, Comptroller General Dodaro, for your appearance here today. I know you are going to have a very long day.

Today's hearing is exactly what this committee was designed to do, explore areas where there are high risks of fraud, waste, abuse, and mismanagement of Government resources. Congress needs to know what steps we can take to make the high-risk programs more efficient and less susceptible to misuse.

Taxpayers expect the Government to work for them, but far too often, the complexity of the Federal bureaucracy leads to risks of inefficiencies and mismanaged resources. I am glad the hearing today will shine a light on Federal programs that are especially susceptible to such risks, as well as identify solutions to ensure that the Government is working for the American people.

GAO's High-Risk List has informed congressional oversight and decisionmaking since its inception in the 1990's. To be included on the list, the GAO considers several factors, in particular whether the area presents a risk of at least \$1 billion loss, involves public health, safety, national security, economic growth, or citizens' rights.

The 36 separate areas identified in the 2021 High-Risk List are selected by GAO as having both qualitative and quantitative risks that present an elevated likelihood of fraud, waste, and abuse. Once on the list, the program must demonstrate a commitment to progress in five criteria, which GAO clearly outlines.

Today's hearing should help us better understand these recommendations so this committee can use the tools to ensure these programs are better managed. The GAO estimates the High-Risk List, combined with targeted congressional oversight, is responsible for a financial benefit to the Federal Government of \$575 billion over the last 15 years and approximately \$225 billion since its last high-risk update in 2019. That is over half a trillion dollars saved for the U.S. taxpayers over the last 15 years.

But there remains serious work to be done in addressing many of the deficiencies identified on the 2021 High-Risk List. In fact, I see this report as a blueprint for congressional action needed to make our Government work more efficiently for the American people, while managing resources and utilizing our tax dollars in the way that the law intends. Because despite progress made in multiple high-risk areas since 2019, the news is not all good. Only one area met all five criteria for removal from this year's High-Risk List, while two new areas were added to the list. Some areas regressed, while others did not improve in any of the five criteria.

There is still a significant amount of work to be done, and I have said many times that this committee should be guided by its mission to root out waste, fraud, and abuse wherever it may be found. I am glad to see the committee finally addressing these issues.

Since October, committee Republicans have shined a light on a \$35 million contract to a get out the vote effort in California that appears to violate Federal law. Meanwhile, the Election Assistance Commissioner Inspector General has taken no action. That is exactly why it is important for this committee to focus on preventing mismanagement and frivolous spending like we are here today. That is our job on this committee.

I look forward to hearing from our witness today about ways Congress can enhance its oversight and improve the areas identified on the High-Risk List to ensure that our Government works on behalf of the American people.

Again, I thank the chairwoman for holding this important hearing, and I yield back the balance of my time.

Chairwoman MALONEY. Thank you. The gentleman yields back.



I would now like to introduce our witness. Today, we will hear from the Honorable Gene Dodaro, who is the Comptroller General of the United States.

The witness will be unmuted so we can swear him in. Please raise your right hand.

Do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Response.]

Chairwoman MALONEY. Let the record show that the witness answered in the affirmative.

Thank you. Without objection, your written statement will be part of the record.

With that, Comptroller Dodaro, you are now recognized for your testimony.

**STATEMENT OF HON. GENE L. DODARO, COMPTROLLER GENERAL OF THE UNITED STATES, GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. DODARO. Thank you very much, Chairwoman Maloney, Ranking Member Comer, members of the committee. I'm very pleased to have this opportunity to talk about GAO's latest high-risk update today.

There have been some bright spots and improvement. However, our overall conclusion is that there has been limited progress in the majority of the high-risk areas. Twenty, as you mentioned, Chairwoman Maloney, have remained the same with their ratings. Five have regressed.

Now on the positive side, seven areas made improvements in their ratings. One to the point, as Ranking Member Comer mentioned, of coming off the list. That's the defense support infrastructure area. They reduced their warehouse, office space, properties; reduced their leasing costs, as we recommended; taken action to get intergovernmental agreements in place to reduce their costs of operating their bases. And so we feel comfortable.

Now when we take something off the list, that doesn't mean it's out of sight. So, we keep an eye on the area to make sure that it is, in fact, fixed.

And now on the other side of the equation, we're adding two new areas to the High-Risk List. The first is the Federal Government's efforts to prevent, respond to, and recover from drug abuse. Unfortunately, from 2002 to 2019, 800,000 Americans have lost their lives to drug overdose. The latest period from May 1919 to 1920—May 1920 has the highest recorded number of deaths already, on a preliminary basis, of 80,000 people.

This area needs greater Federal leadership, attention, coordination, and a complete national strategy that's executed properly, monitored, and refined going forward to combat this—another public health crisis that we're facing in addition to the pandemic.

Second, we're adding SBA's Emergency Loan Program. Now these loan programs have been a tremendous help to small businesses across the United States during the pandemic, and I want to emphasize that this designation does not detract from the good that these programs have done. However, we think, when you're

spending close to \$1 trillion, you also need good accountability and transparency. And by those standards, these programs have not met that goal.

There is need for greater oversight and management for program integrity to minimize fraud and to provide better accountability to the taxpayer. SBA was unable to get an opinion from its financial auditors this past year because they couldn't substantiate loan balances and other issues.

Now there are a number of existing high-risk areas that I want to call your attention to. First is the cybersecurity of our Nation. I first designated this a high-risk area across the entire Federal Government in 1997. We added critical infrastructure protection in 2003. The Federal Government is still not operating, in my opinion, at a pace commensurate with the evolving serious threats that are presented in this area. So, we've put forth a number of recommendations.

Second is the Federal workforce. There are critical skill gaps. Twenty-two of the high-risk areas are on there in part because of skill gap in the programs. And the Federal Government is, in my view, not well postured as it needs to be to meet 21st century challenges.

This committee is very familiar with the high-risk issues in the U.S. Postal Service and Census. So, I won't go into those in much detail.

Limiting the Federal Government's fiscal exposure by managing climate risk is a very important issue. The Government is an insurer of flood insurance, crop insurance. It is the biggest property owner in the United States and land owner. It needs to limit disaster aid that's now over \$1 trillion—or a half trillion dollars since Katrina took place by building better resilience in up front.

So, the bottom line here is that only 12 of the high-risk areas have had leadership met as part of the criteria. So, we need much greater leadership on the part of the agencies, OMB, and continued oversight and engagement from the Congress. GAO is ready to do its part to help.

Thank you very much. I'd be happy to answer questions.

Chairwoman MALONEY. Thank you. I recognize myself for five minutes for questions.

Last Friday, our committee had a hearing on the SolarWinds breach and received really frightening testimony about how a suspected Russian state actor infiltrated the networks of at least nine Federal agencies and over 100 private sector companies, stealing their intellectual property, their plans, their research. Definitely a national security risk.

Our attackers wreaked silent, invisible damage on our internal Federal networks for months undetected and would have remained undetected for who knows how long if not for the discovery by the cybersecurity firm FireEye. The vulnerability of Federal and private sector systems, including critical infrastructure of the Nation's energy, transportation, communications, and financial sector, is absolutely staggering.

So, Mr. Dodaro, in the high-risk area of ensuring the cybersecurity of the Nation, how many of GAO's recommendations currently stand open to secure cybersecurity?

You need your mic on.

Mr. DODARO. Since 2010, we've made 3,300 recommendations. Seven hundred fifty remain open at this point in time.

Chairwoman MALONEY. And how many would you describe as priority recommendations?

Mr. DODARO. There's about 67 priority recommendations remaining open. But I would underscore that all 750 can introduce vulnerabilities if not attended to.

Chairwoman MALONEY. This is unbelievably unacceptable. Which of these recommendations would have been most important in preventing or responding to the SolarWinds attack?

Mr. DODARO. There were two in particular. One dealing with the information technology supply chain. There are best practices that could be put in place to address that issue. We warned about it before, but we took an in-depth look. None of the 23 agencies that we looked at met all the best practice criteria. So, we made 145 recommendations across Government to better manage IT supply chain issues, which was a key weakness exploited during the SolarWinds attack.

Second is to—and I'm pleased that Congress has acted on this recommendation, which is to place a statutory cyber coordinator in the White House that can coordinate activities across Government to support the Department of Homeland Security, to support OMB, and the agencies in the bridge to civilian and military components, along with the National Security Council. So, this is—this is an important area. So far, that position has not yet been filled, however.

Chairwoman MALONEY. Now if your recommendations had been in place, do you think it would have prevented this cyber attack?

Mr. DODARO. Well, it certainly would have led to an earlier discovery of the attack. It's hard to say that, you know, you can't have zero assurance. But we would have been better postured to detect the attack ourselves, to take quicker action, in my opinion.

Chairwoman MALONEY. In response to your statement, if you turn to page 168 of the report, which states—and I quote—about the need to coordinate with a cybersecurity professional, "In light of the elimination of the White House Cybersecurity Coordinator position in May 2018, it had remained unclear what official within the executive branch is to ultimately be responsible for coordinating the execution of the implementation plan and holding Federal agencies accountable for the plan's nearly 200 activities moving forward."

So, Mr. Dodaro, GAO's assessment that the Trump administration's decision to eliminate the White House Cybersecurity Coordinator position, do you believe that that made the Nation more vulnerable to cyber attack?

Mr. DODARO. Well, I'm very pleased that the Congress created the position in statute, and I think having the position filled will help reduce the Government's vulnerability, if effectively implemented and the proper leadership provided across Government.

Chairwoman MALONEY. OK, and I think that the report later discusses the attack and stresses that this national cyber director needs to be filled. We support that. We passed it legislatively. It was removed by the White House, and it has to be put forward, a

national cyber strategy needing a national director focused on all of your recommendations.

I want to really point on something that came out of the hearing, and that was the need to share information. And I know that there has been legislation in calling for the sharing of information between the public and private sector on cyber attacks. There has been great resistance. Many people don't want to share that information. They don't want people to know that they had a breach, but this information has to be shared.

And I want to know what your assessment would be if we required—we have, what, \$1.5 trillion a year in Federal contracts that go out. That if you receive a Federal contract, then you must share that information with Government and the private sector so that we can better address attacks to our cybersecurity. Would you support that type of legislation requiring as part of a Federal contract, if you are receiving Federal money for research and you are breached, then you have to share that breach with the Federal Government and colleagues in the private sector to better combat it?

Mr. DODARO. That type of provision would be very helpful, Chairwoman Maloney. I appreciate that.

You know, 80 percent of the computing assets in this country are in private sector hands. So, we can't effectively combat this issue without sharing between the private sector and the Government sector. Now there's reluctance to do that for liability reasons, for business reasons, but we have to do it in a confidential manner, where we can have and share this information both from the companies being affected, but also from the Government standpoint about threats that they're aware of that they should warn the private sector about because they have unique resources in Government that the private sector doesn't have.

But so far, we're not at that point of having enough fluidity in the sharing of this information to have an integrated, coordinated effort to protect our Nation. And I'm hopeful that the Cybersecurity Coordinator can help—once that's filled, help build trust and build mechanisms to more effectively share this information.

Chairwoman MALONEY. Another thing that came out of that hearing was how vast the amount of information they could receive from the nine Federal agencies and some of the most important businesses in our country, leading businesses and leading agencies and technology that is vital for the survival of our country. Yet they got into one system and was able to go and climb into systems throughout the Government.

And it seems to me we should study how you firewall it. Maybe the Government should not be connected to a system connected to the private sector. In the breaches that I have seen, most of them come in through the private sector and into Government through a connecting system. And I would like some research in that area of how we would firewall off defense, energy, areas that are critical to the infrastructure of our country.

I want to thank you. I have been on this committee many years, and one of my favorite hearings is this one, when you focus on the needs of what we need to do to make our country stronger and more responsive to the people that we serve.

With that, I now recognize the gentleman from Arizona, Mr. Gosar. You are now recognized, Mr. Gosar.

Mr. HICE. Madam Chairwoman? Madam Chairwoman?

Chairwoman MALONEY. Yes.

Mr. HICE. Are we all going to be able to get nine minutes of questioning?

Chairwoman MALONEY. Yes, you can. Mr. Comer has it or whoever he designates it to. This is one of the most important hearings that we have in our committee. It points out what needs to be done to protect our people and to make our country stronger, and I am going to be extremely lenient on the questions because we have the head here to give us direction, and we need to hear his comments and the questions.

So, I am going to be very liberal on questioning because we need to get these answers. But I have been told to call on Mr. Gosar. Is that correct?

Mr. COMER. Yes, yes.

Chairwoman MALONEY. And I will allow him eight minutes if he wants, or whatever. Mr. Gosar, you are now recognized.

Mr. GOSAR. Thank you, Chairwoman.

And I totally agree with you. This is one of the most important hearings that we have in this committee.

We are here to talk about the GAO's 2021 High-Risk List, which highlights major agency assets that have been either lost, stolen, damaged, wasted, or underutilized. There are a lot of programs you can dive into on this report, but there is something I want to focus on first.

Mr. Dodaro, what if we were to tell you there is a massive Government program out there that is ripe with abuse? This program undercuts Americans seeking work in the STEM field by allowing businesses to hire foreign workers at a discounted rate. This program allows these discounts by ensuring these foreign workers don't have to contribute to FICA, which is the Social Security and Medicare taxes.

This program also allows those same individuals the ability to withdraw from Social Security and Medicare even though they don't contribute. As I am sure you are aware, this is extremely problematic since Social Security will be insolvent by 2035 and Medicare by 2026. Oh, no, I take that back. Now that we have new actuarials, Medicare is insolvent by 2024.

This program was also not approved by Congress and actually doesn't have a cap. Currently, no one knows how many individuals are on this program. Do you know of the program I am talking about? Because it didn't make it into your report.

Mr. DODARO. I think you're talking about the—there's a visa investor program where people can come in and invest?

Mr. GOSAR. No. The program is called the Optional Practical Training Program, also known as the OPT. This program was created by a rogue Department of Homeland Security in 2008 and has lasting impacts. Not only is this program reprioritizing Americans last in regards to Social Security and Medicare, two programs they have been paying in their whole lives, but also those graduating in the STEM field.

Imagine being a young person nowadays going to college. Media, society, and even Members of Congress tell youngsters the importance of getting a degree in STEM. They go on to say how there is a massive shortage, so there is a great window for you to build a great career.

You spend years completing your degree, and then you hit the job market just to be told that since you are an American, there are no—they have no interest in hiring you because they can hire a foreign worker for less with the same credentials, and then less money is charged them. Is it really a mystery that the Bureau of Labor Statistics found that for every two students graduating with a U.S. STEM degree, only one is employed in STEM? And that 32 percent of computer science graduates not employed in information technology attributed their situation to a lack of available jobs.

Mr. Dodaro, I suggest GAO adds this program to its list of high-risk programs because, in my opinion and in the opinion of many others, this is a program that needs to be highlighted and addressed as abusive and ultimately bad for Americans.

Shifting gears slightly, Mr. Dodaro, I am hoping that you can shed some light on the deficiencies related to the Pentagon's financial management. As you are aware, Pentagon bookkeeping is notoriously abysmal. In fact, DOD bookkeeping is so abysmal that areas within the DOD have been in the high-risk report since 1995.

These failures are evident and materialize every year when DOD inevitably fails in its annual audit. On November 16, 2020, the Pentagon announced for the third straight year, it failed its financial review. The DOD estimates that it will not be able to pass an audit before 2027, or 37 years after it was required to do so by law.

According to your report, the DOD uses their reporting tools to produce reports for high-level decisionmaking and reporting based on real-time data contained in its centralized data base. This tool enables DOD to produce reports on the status of audit findings and its efforts to address audit priority areas and material weaknesses.

Your report also goes on to say that “The data base information may be inaccurate, unreliable, and incomplete for management decisionmaking” and that “Without complete and reliable information on DOD's audit remediation efforts, internal and external stakeholders may not have quality information to effectively monitor and measure DOD's progress.”

Yet every year, Congress fails to hold DOD accountable for these deficiencies during the appropriations process. We continue to distribute duties and responsibilities to various existing positions with less and less authority. While we must compete with our adversaries, we cannot ignore these deficiencies. In fact, I would argue that these deficiencies hinder our efforts to maintain a strategic advantage over our adversaries.

So, Mr. Dodaro, why is the Pentagon estimating that it will not be able to pass an audit before 2027?

Mr. DODARO. One of the reasons, Congressman Gosar, is that for many years, I'd say almost 20, 25 years, DOD did not have a very good process in place and take this requirement for a financial audit very seriously, and Congress waived the requirement for them for a number of years in order to get their systems in place, which never happened.

So, the past three or four years have been the best I've seen, and I've been monitoring this the whole 30-year period, where DOD is finally serious about having a financial audit done. They've corrected 25, 26 percent of all the weaknesses that have been identified.

So, basically, the reason is they got a very late start. Their systems are antiquated. They need to make sure that they have more financial management personnel that are qualified and trained. That's one of the 22 areas on the list because of the need for closing skill gaps. And they need to fix these problems and to consolidate and modernize their financial systems.

My hope is, if this progress is sustained, that they will get there ultimately because this is the one area in the Federal Government of the 24 largest departments and agencies that have never been able to pass the test of an independent audit, and it's needed.

The other thing I would point out is they're already beginning to realize millions of dollars of savings as a result of doing the financial audit by identifying property and equipment that was not on their books that they can then use rather than reorder new equipment. So, it's already having very good benefits, and I think that will help sustain the progress.

But you're right to point it out, and I think I would encourage Congress to keep monitoring the progress there very carefully.

Mr. GOSAR. Is some of the issues in regards to this audit sole-sourcing contracts?

Mr. DODARO. I don't know. I will get you an answer for the record there. I believe there were competitive—competed. But I'm not sure and—but I will find out and get an answer to you.

Mr. GOSAR. Thank you. Then also in that contract base, is it of question, the calibration in regard to Davis Bacon wages?

Mr. DODARO. I don't believe that applies to the financial audit, no.

Mr. GOSAR. But it does to DOD regards to fair and compensate contracting, does it not?

Mr. DODARO. Well, it does in regard to construction projects and other things, but I'm not sure it applies to professional services. But I'll get you—again, I'll get you a more definitive answer on that.

Mr. GOSAR. OK. One last question. What can we do, as Congress, in the Fiscal Year 2022 NDAA to accelerate the timeline for a successful Pentagon-wide audit? What can we do to put the carrot and the stick so that we actually get that compliance?

I mean, 25 percent is pretty pathetic. And thank you for at least getting that. But I mean, we can't fully understand the ramifications unless we have the full information. So, what can we do to make your job better?

Mr. DODARO. I think you can continue to ask DOD for their plan to modernize their systems to get at the underlying cause for the problems and to make sure that Congress gives them funding to bring in all the qualified people that they need in order to fix these problems. That would—that's the key to expediting progress. That's how it's happened across the rest of the Federal Government.

Mr. GOSAR. Isn't it the purpose of the Antideficiency Act to do exactly that, that Congress appropriate their funds for the specific

purpose and that DOD has to spend those funds accordingly to that purpose?

Mr. DODARO. Yes. But the Antideficiency Fund makes sure that the agencies don't spend more than what Congress gave them to. I mean, so it's basically the Empowerment Control Act is the one that makes sure that they spend it for the purposes that the Congress intended it to do.

Now you asked me what Congress could do to help, and I—and of something that they could place in the NDAA, and I think it is requirements for them to provide good plans for improving their systems and to encourage them to have all the qualified people they need would be good steps for Congress to take.

Mr. GOSAR. Thank you. I yield back, Chairwoman.

Chairwoman MALONEY. The gentleman yields back. The gentleman from the District of Columbia, Ms. Norton, is recognized. Ms. Norton?

Ms. NORTON. Thank you, Madam Chair. Can you hear me well?

Chairwoman MALONEY. Yes, we can.

Ms. NORTON. I appreciate this hearing. I believe we have this hearing annually, and this High-Risk List keeps appearing before us.

I must tell you, Madam Chair, that before being elected to Congress, I was a tenured professor of law. I recognize failure when I see it. So, I would like to discuss changing our approach in at least some ways.

As I looked at this list and I considered my own responsibilities and the committees on which I serve, I thought one way to go with this is to look for win-win opportunities when it comes to high-risk areas. And so I looked for such areas where you have the same investment because that is going to be an issue. Money is always an issue. And the same, time and resources.

And the reason I am looking at a win-win is because of my service on the Transportation and Infrastructure Committee, and we have just gotten a bill in the reconciliation package. And it is, of course, one of the high-risk areas that I think presents us with an opportunity for a win-win.

So, my question for Mr. Dodaro is, first as I understand it, I believe you have just testified in response to a question from one of my colleagues that 80 percent of the—of this issue is in private hands. Is that not the case?

Mr. DODARO. Yes. So, in talking about computing, the computing assets, yes.

Ms. NORTON. So, progress in this area hinges really on congressional action, the action we take. We in the Congress takes. Is that correct?

Mr. DODARO. That's part of the issue, but the executive branch needs to execute as well and to gain the cooperation of the private sector, particularly for critical infrastructure protection.

Ms. NORTON. That is where I want to go, to critical infrastructure protection, because the President, President Biden, has before us a Build Back Better agenda that would invest \$2 trillion to improve the Nation's infrastructure and surface transportation system. That is of special interest to me because of the committee on which I serve. I also know that the American Society of Civil Engi-



neers reports that 1 out of every 5 miles of highway pavement in the U.S. is in poor condition.

So, then I looked at infrastructure itself because of my interest in that area. That The Build Back Better plan would electrify various forms of surface transportation. I think we are already beginning to see electric cars or electric transportation, surface transportation, here in my own district, in the District of Columbia.

It would electrify various forms of surface transportation, and that would include, of course, the kind of surface transportation that is used every day, like commuter trains and school buses, transit buses, ferries, passenger vehicles. All of that is on the horizon, while allocating flexible Federal investments to enable municipalities to install high-rail networks and improve existing transit.

So, looking forward, Mr. Dodaro, would infrastructure improvements create jobs and cut emissions as a prudent investment to address multiple high-risk areas all at one time?

Mr. DODARO. I think it's very important that we, as a country, invest in our infrastructure. The surface transportation infrastructure area has been on our High-Risk List for over 13 years. We need to have the type of financing and support available for improving surface transportation. In the cyber area, we've made recommendations that there need to be more investment in the electricity grid and other areas to build in better resilience to those areas.

So, there's a wide range of needs in the infrastructure area. It would directly address some of the areas on the High-Risk List and, I think, you know would be most appropriate.

Ms. NORTON. Thank you very much.

And there you have it, Madam Chairman—Madam Chair, a win-win matter for us to consider, rather than coming back every year to repeat our failures.

I yield back.

Chairwoman MALONEY. I agree. The gentleman from Georgia, Mr. Hice, is recognized for five minutes.

Mr. HICE. Thank you, Madam Chair.

And thank you, Mr. Dodaro, for being here with us again today.

Isn't it true that there are several programs that have been on the list ever since the High-Risk List was implemented back in 1990, I believe?

Mr. DODARO. Yes. There are 5 charter members remaining of the 14 that were on the list at that point. They're some of the biggest programs in the Government—weapon systems acquisition, Medicare, for example.

Mr. HICE. Right. And not only are those founding members, as you say, but we have a lot of other veteran members that have been on since the late 1990's or early 2000's as well.

Is there any kind of repercussion, such as withholding certain amounts of funds, money that they can receive or any other type of repercussion for agencies or agency organizations that remain on the High-Risk List year after year after year?

Mr. DODARO. Nothing other than what Congress may impose on individual areas. For example, the DOD infrastructure support area we've taken off the list this time, Congress required regular hearings where they had DOD come up. They had GAO continue

to investigate in it. And Congress stayed on them with requirements in the National Defense Authorization Act until it was improved.

So, congressional oversight and actions. In some cases in the past, there's been funds withheld for modernization efforts until they develop proper plans and institutions. There's no sort of generic—

Mr. HICE. I get that, and you are spot on. There is no question the role of Government oversight. But I am wondering from a legislative perspective to ensure—if there is ramifications? Everyone works off incentives. Our free markets work off incentives, and where there are incentives to improve, people tend to improve. But if there are no incentives to do so, then people, organizations—in this case, organizational groups stay on the High-Risk List year after year after year.

Would there be wisdom in having some sort of incentive program or ramifications for these agencies to get off the list?

Mr. DODARO. Whatever incentives could be craft—crafted would be helpful.

Mr. HICE. OK.

Mr. DODARO. But in crafting of them, they'd have to be careful because some of them provide essential services to people, and you wouldn't want to interfere with Medicare payments, you know, for people in need of healthcare—

Mr. HICE. Sure.

Mr. DODARO [Continuing]. Inappropriately. But there—so you'd have to tailor the incentives, and you know, it'd be better if there were positive incentives, but if there are incentives that—or the things you want to put in as penalty type of things, that has to be carefully crafted.

Mr. HICE. Right. And that is a point well taken.

But at the end of the day, I mean, don't we have to ask ourselves what is the effectiveness of having a High-Risk List if there is no incentive for agencies to get off it? I mean, what are we ultimately accomplishing? Just it is almost like this has become the norm for certain agencies just to be on there every year.

Mr. DODARO. Well, as pointed out earlier, in the last 15 years, the financial benefits have been over \$575 billion. So, we've saved—you know, there's been a lot of progress in saving some of them money.

Mr. HICE. For those agencies that have responded.

Mr. DODARO. Well, even—even some that are on the list. I mean, some of the biggest savings, for example, have come in the weapon systems area, where they've reduced the cost growth.

Mr. HICE. Right.

Mr. DODARO. And in the Medicaid program by making some of the demonstration projects now budget—they're supposed to be budget neutral, budget neutral or not. So, that's been \$10 billion.

So, a lot of the financial benefits come from programs that are still on the list that are making incremental progress. They don't come from—

Mr. HICE. OK, I get you. But we still have a long ways to go, obviously, when looking at all this?

Mr. DODARO. Oh, no, clearly. Yes.

Mr. HICE. I am going to try to stay within my five minutes. So, let me just ask you this one other question that has really been on my mind. Is there any relationship between IT modernization and these agencies that stay on the High-Risk List? In other words, those that year after year after year are on this list, are they also primarily the ones who are failing to modernize their IT?

Mr. DODARO. There are clearly cases of that. It's not universal. One primary case would be the Veterans Administration, both in healthcare, acquisition management, and other areas. The DOD financial management area, we just talked about. So, there clearly is an interrelationship between a lack of ability to modernize. There's a relationship in the high-risk areas. These legacy systems are a millstone around the neck of the Federal Government from a security standpoint.

Mr. HICE. Right.

Mr. DODARO. And many of them are 40, 50 years old, and they were never developed with security concerns in place. So, there's interrelationship between IT and the cyber areas.

Mr. HICE. That may be one area we could look.

Mr. DODARO. That's definitely a fruitful area to pursue, Congressman.

Mr. HICE. OK. All right. Thank you very much.

I yield back.

Chairwoman MALONEY. The gentleman yields back. The gentleman from Massachusetts, Mr. Lynch, is recognized. Mr. Lynch?

Mr. LYNCH. Thank you, Madam Chair and to the ranking member.

Welcome back, Gene. Good to see you. Thank you for your great work and for the work of your team.

As the chair has said, this hearing is one of the most valuable I think for Congress to focus on this High-Risk List, and you have really been very helpful in getting us to focus when we have got so many issues that are out there that need to be addressed.

Now DOD in 2020 was slated to spend about \$1.8 trillion in taxpayer money to acquire about 106 different weapon systems. And what really concerned me deeply is that the level of vulnerability we have, because these weapon systems are so, so complex, and we could talk about, you know, our satellite system, the hypersonic weapon systems, the F-35, you know, the Aegis Destroyer systems. All of it is heavily dependent on software, on cybersecurity in order to optimize the value to the warfighter.

So, what I am concerned about, and this is especially relevant after the SolarWinds hack, you mentioned in your report—and I will quote from the Director of Operational Test and Evaluation. He said that nearly every warfighting and business capability is now software-defined. Simply put, the systems, whether it is the missile system or ships or the F-35, all of that is dependent and doesn't work if the software doesn't work. And we are likely to upgrade a system by installing new software than by replacing hardware.

However, in your report—and I am thankful for it—your most recent high-risk report, the Director also reported that the Department “lacked testing personnel with deep cybersecurity expertise.” The Director also stated that, “Without substantial improvements

to cybersecurity test and evaluation, especially in the workforce, DOD risks lowering the overall force readiness and lethality” of our weapon systems.

So, can you talk about that aspect of your report? Because I think, look, the costs are completely out of control, and the schedules, we are falling years and years behind on some of these complex systems. And even the asymmetry of the threat environment out there, you know, a handful of good hackers can keep thousands of our people on the defensive end busy just trying to protect against that small group. So, if you could talk about that aspect of your report, I would appreciate it.

Thank you.

Mr. DODARO. Yes. A few years ago, we started looking at the focus the DOD had on cybersecurity and developing new weapon systems, and they really weren't focused on it very well. When they did look into it, it showed extraordinary vulnerabilities. And so we became concerned. So, we've looked more at it. We made some recommendations, and they're gradually improving.

But they're not to the point of where they need to be in the development of new weapon systems going forward. So, we're watching that very carefully. It's very concerning, and this is true of many critical functions. Not only the DOD, but in the private sector and elsewhere, because most things now, our industrial control systems, everything is software dependent or connected to the Internet that would have problems. So, this is problems that we see as well in the GPS systems.

Mr. LYNCH. Is this a pipeline problem where we are not developing the personnel to do this work, or is it the private sector is siphoning away all the good talent with better salaries and things like that so that from a personnel standpoint we are having a difficult time competing?

Mr. DODARO. Yes. Well, there's definitely that element to it, and I'll ask Nick Marinos, our cybersecurity expert who looked at the workforce issues. But I think you have multiple facets of it. You definitely don't have enough people to provide services to both the private sector and the Government. So, we need to increase the pipeline. There's no question about that.

Mr. LYNCH. Yes.

Mr. DODARO. And a number of universities now are starting to have cybersecurity programs. University of Maryland has one. I've met with the professors there. We were actually in the classrooms giving case examples in how you could—and we're pulling people in from the Government. So, and I work with Virginia Tech and some other places.

So, we've got to increase the pipeline. We'll never be competitive in the Government for services from the private sector in this arena. So, we use contractors a lot, which is fine, and we're going to have to use contractors to help. But the Government has got to have an ability to oversee the contractors effectively and to have the patience and the discipline necessary to make sure that these areas are attended to before they rush into production.

That's the biggest problem we've seen is where they want—the technology is not mature enough, including cybersecurity, but other parts of maturity in the technology before we want to rush it into

production. So, that's an area where, you know, congressional intention is important, but we have to increase the size of the workforce in the United States. And whatever can be done in that area I think is terribly important.

Mr. LYNCH. Well, I thank you for your service and your assistance in this matter.

And Madam Chair, I yield back. Thank you.

Chairwoman MALONEY. The gentleman yields back. The gentleman from Ohio, Mr. Gibbs? You are now recognized, Mr. Gibbs.

Mr. GIBBS. Thank you, Madam Chair.

And thank you for being here today.

Let us talk a little about the Post Office. The Postal Service has lost \$87 billion over the past 14 fiscal years, including \$9.2 billion in Fiscal Year 2020. Is that correct?

Mr. DODARO. That sounds about right.

Mr. GIBBS. And they expect to lose about \$9.7 billion in Fiscal Year 2021. Given the serious financial disaster looming at the Postal Service—and also their service has, you know, just gone to pot—wouldn't you agree that congressional action is urgently needed to bring reform and that mere half measures and band-aids would be unacceptable?

Mr. DODARO. Absolutely. I have testimonies dating back several years that have Congress needs to urgently act on the Postal Service. So, I'd certainly believe it now. I've believed it for a while.

Mr. GIBBS. If Congress addresses the prefunding of Medicare integration, would that be enough to permanently fix the Postal Service financial situation, or would it just make the balance sheet look better at the time?

Mr. DODARO. It would—it wouldn't fix the underlying business model problem, no. It would help alleviate some of the current fiscal stress, but not fix the fundamental—

Mr. GIBBS. So, we also have to implement operational and structural reforms?

Mr. DODARO. Yes. Yes, you need structural reforms.

Mr. GIBBS. Does your agency suggest any structural reforms or—

Mr. DODARO. Yes. Yes.

Mr. GIBBS. Can you specify?

Mr. DODARO. Well, we think—I mean, the fundamental issue here is you have a business model that's completely broken. It's been disrupted by technology, and that's been accelerated by the pandemic. And it accelerated during the global financial crisis where first-class mail is dropping, which is where they had a competitive advantage, you know? They were basically a monopoly from that standpoint.

And the Congress has expected them to operate like a business, but the model is broken. So, there has to be a determination here because nobody wants to give up some of the services that the Postal Service is providing—six-day delivery, universal coverage, rural area coverage, and other areas. And our recommendation, there needs to be an agreement within the Congress about what services do you really want, and does the model where you have a Postal Service that's supposed to operate like a private sector really the model that you want? Or do you want something like that, but

there's a—there's a commitment by the Congress to provide additional funding there, too, to have a floor of service required.

So, you need to figure out what services you want to provide, how you want to pay for them, and then structure a governance structure and an organization that fits that on a sustainable basis going forward.

Mr. GIBBS. Last week, Postmaster General DeJoy testified, and of course, he is working on reforms. And one thing I questioned—I was concerned about is in their reforms and their projections going out I think it was 10 years, they are projecting more volume. And what would you think, are they going to actually have more volume?

Obviously, the economy grows and everything else, but we are seeing what is happening in the private sector, the Amazons of the world. Do you think it is prudent for them to base their projections on a significantly increased volume that they will be handling, or is that something they should not be doing?

Mr. DODARO. Yes. Well, I haven't—we haven't looked at their projections lately. I'd be happy to do so. But I mean, my offhand reaction to that is that you don't want to be overly optimistic because in the package area, they have competition. And the competition has been moving out, and they rely on the post office particularly in rural areas, where it's not cost effective. But where it's cost effective, those companies are moving in that area and are having services—Amazon and others—delivering their own packages and things.

Mr. GIBBS. I totally agree with you. There is competition in the packages. That is obvious. But I would also argue that the competition might even be even greater in the first-class postage because of the use of online, Internet. I told him last week that I refuse to mail a check in the mail anymore because I don't have confidence in the system.

And so I think they are going to have more first class is, you know—

Mr. DODARO. Well, I think you're going to—you have a generation now, as the generations age, they're not using mail. I mean, even my children don't even check their mail that often, you know, because they're using text and they're using other things.

Mr. GIBBS. I certainly agree, and I made that point. I'm a baby boomer, and I look at the millennials and the Generation Zs. If I am doing this as a baby boomer trying to not use the mail because I don't have confidence anymore, that is why my argument about their increased volume and everything else, I think that they are maybe singing in the wind.

But anyways, appreciate your comments. Thank you.

Mr. DODARO. Sure.

Mr. GIBBS. I yield back.

Chairwoman MALONEY. The gentleman yields back. The gentleman from Tennessee, Mr. Cooper, is recognized. Mr. Cooper, you are now recognized.

Mr. COOPER. Thank you, Madam Chair.

Congratulations, Gene, on another superb biennial report.

I would like to focus my comments on how we can help you humanize that report because, unfortunately, with over 300 pages,

when so much of it is mind-bogglingly complex, the media and our constituents back home will miss the fact that your report really is a feast for those of us who hate waste, fraud, and abuse.

So, I want to offer three suggestions as ways we might be able to keep this report in the news longer and help the news focus more on the details. Because a detail in your report is still often-times a multibillion dollar, if not a trillion dollar, matter.

No. 1, I would like to suggest that as great as your report is, it is almost too much to swallow all at once. When you were talking about \$6.6 trillion in annual outlays from the Government, that is to say even a small corner of the report can be an incredibly large and important area. I don't know if there is a way that maybe we could parcel this out over some time period so that we have weekly scandal that we could look into or weekly waste, fraud, and abuse thing that we could attack.

No. 2, I noticed in your report that you really don't even look at anything smaller than \$1 billion in money at risk. And that is entirely appropriate for your report, but it seems to me that we might be able to farm out some of these areas that are smaller than \$1 billion but still very much worth pursuing so that we could get, I don't know, maybe agency IGs to be held responsible for the items under \$1 billion. Because for the folks back home, cutting things off at anything smaller than \$1 billion as essentially budget dust, that is hard to explain back home.

My third point is this, and one of the previous questioners was getting at it. As good as congressional oversight can be, and I am glad that the DOD infrastructure has made some improvements, I was heartened to see, for example, that the U.S. Army in the National Capital Region in the last 10 years has reduced its leasing requirements from 3.9 million square feet to only 1 million square feet. That is saving us like half a Pentagon just right there, and that is just because we tightened up a little bit of the management for one of the military services.

But I am worried that we need some sort of mechanism like maybe freezing the budget of an agency that doesn't respond to your request. Because when you mentioned the five charter members that have been on your report since the beginning, that is pretty embarrassing that we haven't been able to graduate those charter members into reformed entities that have taken to heart your recommendations and like the Pentagon should have done, what, 20, 30 years ago, actually pass an audit.

So, these are just three areas I think where we can work more effectively together so that we can make your report even more effective than it already is because the savings you have already achieved are monumental and wonderful, but there is so much more that we can do together. So, I just would like your comments on my three comments.

Thanks.

Mr. DODARO. Yes. First, with regard to the focus of the report being broad, we only do this once every two years. And what's been done in the past that I found effective is a series of hearings that then delve into individual areas in more depth over a period of time. Because what we're trying to do when we do this at the be-

ginning of each new Congress is to help set the oversight agenda for the Congress for the entire two-year period.

And so, you know, that's still possible to take each of these areas and have more hearings on them. Other committees have these hearings, the authorizing committees, the appropriation committees as well. This committee could pick a subset of issues, focus on them in more in-depth work. I've got plenty of experts in GAO who can come and testify, get down to the real nitty-gritty details in those areas.

Second, on the billion dollar cut, that's just for the high-risk areas. We look at a lot of programs and activities that are below \$1 billion in GAO and issue regular reports on that. We issue 600 or more reports every year on all facets of the Government.

Also, it can be less than \$1 billion if it has public health and safety risk or national security risk or other areas. And so the dollar threshold is only one of very many factors that we consider in designating them in the other areas.

The last area that you mentioned I think is important, but that's really a policy followed by the Congress, and I think it has to be tailored to each individual area that's on the list to make sure that the incentives work in a proper way, and we don't actually cause people to game the systems, and not fix the problem, get around the penalties or incentives that are in place. That's been the case in the past, and I think the best thing—what I'm going to try to do, Congressman Cooper—and I appreciate your comments on the report—is I regularly meet with the heads of the agencies once they're confirmed to try to get them to focus on these areas.

Where I've been successful in that regard, and OMB has been engaged. Really, OMB hasn't been engaged over the past few years in this area because some of these require resource investments to fix as well as other areas. Where OMB is engaged and the Congress is engaged on a continual basis, those are the ingredients for success and things can come off the list.

And one of the reasons some of these areas are on the list, like Medicare, is the entitlement programs are on basically automatic pilot unless there is a change in the requirements. They don't go through—a lot of these programs don't go through the annual appropriation process. So, there could be other ways of getting at some of these programs.

So, I'd be happy to work with the Congress on implementing all of your suggestions, more focused attention on individual areas, crafting incentives to try to provide positive improvement at a quicker pace over time, focusing in on smaller areas that may not have the dollars but have, you know, an outsized impact on the public and their health and safety.

Mr. COOPER. Thanks, Gene.

Madam Chair, I yield back. Thanks.

Chairwoman MALONEY. The gentleman yields back. The gentleman from North Carolina, Mrs. Foxx, is recognized for five minutes or as much time as she may consume.

Ms. FOXX. Thank you, Madam Chairman, and thank you very much for having this hearing.

And Mr. Dodaro, we really appreciate you. And I want to followup on one comment that our colleague Mr. Cooper brought up,



and that is I think it is troubling to me and to the American people that we don't put groups on the High-Risk List until the exposure for loss is at least \$1 billion. You know, that is a big number for us, but I am glad to hear what you had to say about we all know—I think most of us know that you are looking at things that have exposure to less than that when you are asked to do that.

And I certainly appreciate the work that you have done on looking at programs that come under the jurisdiction of the Education and Labor Committee, and you all have done a great job on that. So, I really appreciate what the GAO does. I think we all have to remember that we are talking about hard-working taxpayer dollars all the time, and I appreciate it.

A new addition to the High-Risk List this year is national efforts to prevent, respond to, and recover from drug abuse. Over the past few years, Congress has authorized billions of funding through legislation such as Comprehensive Addiction and Recovery Act, CARA, and SUPPORT for Patients and Communities Act. Would you say that the billions in resources provided these and related legislation is vulnerable to waste, fraud, and abuse?

Mr. DODARO. I'd have to go back and take a look at that. But which legislation again, Congresswoman?

Ms. FOXX. CARA Act and SUPPORT for Patients and Communities Act. We have some real concerns on this, and I wonder if you looked at how—has GAO looked at where the billions of funding Congress has passed to fight the opioid crisis has actually been spent? Has anyone asked about that?

Mr. DODARO. Yes, let me ask Ms. Clowers. She's on the line. Nikki, do you—are you familiar with these programs?

Ms. CLOWERS. I am. And Representative, we are actually—we have ongoing work right now looking at the uses of the opioid funding. As you noted, billions have been allocated, and we are in the process of studying how those moneys have been used.

Ms. FOXX. Yes, and I think in particular because this money has been put out in grants to the states and local government, we need to expect and demand accountability, like have there been fewer overdoses? Are more lives being saved?

So, I think too often we never get accountability for these funds, and the emphasis, it seems to me, should always be there. However, what we are hearing is increasing rates of drug overdoses in the 12-month period ending May 2020. So, we have no way of knowing, as far as I know, again what the impact has been on these grants and maybe what the impact has been from COVID.

I think there needs to be some emphasis there, too. So, I hope you all will be looking at that.

Mr. DODARO. We will. We will. Go ahead Nikki.

Ms. CLOWERS. Yes, ma'am. I am sorry. Yes, ma'am. It is a really good point, both in terms of the grants to the state and local governments, but also it is across the Federal Government, too. There is about a dozen Federal agencies that are involved. And so finding—having that transparency and visibility is important, and we will bring that to you because, as you said, the overdose deaths have increased by May 2020. But then also projections in terms of the impact on COVID that deaths have increased, overdose deaths

have increased to about 83,000 during the period of last year, which is very concerning.

Ms. FOXX. And I think, to go back to what you said earlier, Mr. Dodaro, that we need to have some feedback from you all on what needs to be done to tighten up these programs a little bit.

I have one more question. As we all know, the Post Office is repeatedly on GAO's High-Risk List. The Postal Service is not making required payments to fund the postal retiree health and pension benefits, and we had a hearing last week with the Postmaster General. So, what congressional action do you believe is necessary to address this issue? It is very timely that you are here to be able to talk about that in conjunction with the hearing last week.

Mr. DODARO. Yes. Well, I think, in the short term, the Postal Service needs some, you know fiscal help and release. And I know there's been discussions about not requiring pre-funding anymore. My only caution there is if Congress decides to go that way that according to our calculations, the fund would only be enough for the next 10 years to pay for the retiree healthcare costs, and then there would be a payment of our estimate is \$7 billion a year that our Postal Service would have to come up with to pay on you go basis.

So, there may be a compromise between not paying at all and paying a more modest amount into the fund so you don't have all of a sudden, you know, a \$7 billion bill hits you on a year down the road. So, we don't want to kick the can down the road and have it explode in our face later, and I think so there'd be caution on that front.

I know there's some discussion about using Medicare program that has some options, but there are problems with the Medicare. The Medicare hospital trust fund is estimated by 2024, which isn't that far away, to only have 83 cents to pay on the dollar. So, we're shifting part of the problem there, where we already have a problem.

So, that would help create some room for the Postal Service, but they need fundamental reform, as I mentioned earlier in my comments to the gentleman, Congressman from Ohio. And I think Congress needs to come to grips with that. They're not—you can't deal with this with just giving them temporary relief and hoping that it's going to go away. It's not going to go away. There needs to be more fundamental reform, and you got to figure out what the Federal Government wants to contribute over time and the model because I'm not sure they could be self-sustaining over a long period of time.

Ms. FOXX. Right.

Mr. DODARO. I know they're trying to, and I wish them well. But the dynamics are not in their favor long term.

Ms. FOXX. Well, when we were in the midst of talking about these pension reforms, I asked staff to check with me. Only 22 percent of the people in the private sector in this country are covered by pensions. It just seems very unfair to me to ask the taxpayers, who have no pensions themselves, to be paying for the pensions of other people who are working for the Government or in a quasi-government agency.

Thank you, Madam Chairman. I appreciate it very much. I yield back.

Chairwoman MALONEY. I thank the gentlelady for her question, and I ask a point of personal clarification.

On the Medicare integration portion, it is my understanding that the postal people paid into it. They paid into it, and they aren't claiming it. And Congress has said they can't claim it. Certain people can't claim it.

What we were talking about is just allowing the postal workers to have the same benefit that every person has, that if you pay into Medicare, you are entitled to get your payment out. Right now, in our research, the Postal Service had paid \$35 billion into the Medicare program that their workers were not pulling out because they had paid it. So, maybe a study on that that clarifies exactly how much have they paid in, and why are they not allowed to get Medicare like anyone else in the country who pays into it.

I now call upon Mr. Connolly. You are now recognized for five minutes.

Mr. CONNOLLY. Thank you, Madam Chairwoman.

And welcome, Mr. Dodaro. It is great to see you again. And I do think that this piece of work by GAO is maybe one of the most critical pieces of work Congress gets on a routine basis. It is an illuminating document. It is a guidepost to what we need to be doing in Congress, frankly, to make Government work better and certainly, I think, a flashing red light for many executive agency heads to understand that they have got problems they have got to deal with. And so thank you.

I would just note, the gentlelady from North Carolina just talked about the unfairness of some pensions being helped by tax dollars. I don't think anyone is talking about the postal pension program or the healthcare benefits being bailed out by tax dollars. I mean, these are dollars paid into those programs by hard-working postal workers. And we came up in 2006 with this onerous prepayment requirement—again, with postal workers' money, not somebody else's money—that has unnecessarily burdened the Postal Service with a debt overhang that is unique to it. And since Congress created that problem, we need to fix it, and that is what we are trying to do with postal reform.

Mr. Dodaro, could you talk a little bit about one of the high-risk items you identified a number of years ago that we picked up on and did act on in passing FITARA, which you endorsed and followed through on oversight with twice a year hearings—we are now about to schedule the 12th such hearing—was IT modernization of the Federal Government, a lot of legacy systems, lack of investment, and so forth.

Where are we on that as a high-risk item today?

Mr. DODARO. Well, the passage of FITARA by the Congress and the continued focus of the FITARA scorecards and the attention of, Congressman Connolly, you and other members of this committee have helped make progress. It saved billions of dollars in data center consolidations. It's also drawn a spotlight on the software inventory issue, which is now taken out of the scorecard process because so much progress has been made in that area.

However, there is remaining work to be done. The many agency CIOs still don't have the full range of responsibilities that are needed to make them a key player at the table, oversight over the IT budgets, sway in some of the decisions that are made. That's still a problem area that needs attention in that area.

There is still not fast enough pace on modernization of the legacy systems. The Technology Modernization Fund was thought to be had more funds in it that could help in that regard, and that hasn't—that hasn't been necessarily forthcoming in terms of that expectation.

So, you really need to reform those legacy systems faster for security purposes, for service purposes, and a wide range of other areas.

Mr. CONNOLLY. So, if I can interrupt you—if I can interrupt you, Mr. Dodaro, on that point. And that is why the new President recommended \$10 billion, \$9 billion of which would go to the Technology Modernization Fund precisely to serve as sort of seed capital and the catalyst to retire those legacy systems, some of which are 40 and 50 years old and getting pretty creaky. Is that correct?

Mr. DODARO. That's my understanding. I'd ask Nick Marinos, our IT specialist to comment on that. Nick?

Mr. MARINOS. Yes that's correct, Congressman Connolly. So, ultimately, the benefit of having the Tech Modernization Fund gain some additional appropriations would be to give it wider reach. So, at the moment, there's only about a dozen projects that have been approved. But the benefit of TMF would ultimately be to give the Director of OMB the ability to more rapidly associate where there are areas that need the funding and then agencies to also go through a much faster approval process versus what would normally take probably a couple years for procurement within their agencies to actually work.

Mr. CONNOLLY. And Nick and Mr. Dodaro, just to show the direct correlation with COVID-19 relief funding, clearly IT plays an integral role in delivering the benefits we are voting for. Is that not correct?

For example, we asked the SBA back in the spring to increase its lending 30-fold in one month. So, we went from a \$20 billion a year loan portfolio for SBA for small businesses for a year, \$20 billion, to \$600 billion in one month. And its IT system, eTrans, could not handle the volume, the demand, and the program changes for eligibility and review that Congress mandated in the Federal law.

We saw a similar pattern in the 60 different IT systems at IRS that got overwhelmed with family payments, child support payments, as well as doing its job with respect to tax returns. And of course, at the state level, it has been a nightmare, frankly, because of IT systems being old and legacy laden in terms of unemployment insurance benefits.

But could you comment just a little bit about that, how the pandemic, how TMF is so necessary as part of the COVID-19 response because we have seen the creakiness and the fractures in IT systems that are directly related to the missions for which we need them, we depend on?

Mr. DODARO. No, that's absolutely right. I mean, basically, there was serious strain on those systems to just conduct normal operations. And what we did was we layered on top of that, you know, trillions of dollars to be spent in a quick period of time, and therefore, it took already-stressed systems to the breaking point, to the brink.

And so you need some help and relief in those areas. And the state unemployment systems are 40 years old in some cases.

Mr. CONNOLLY. Yes, yes.

Mr. DODARO. And this is the first time as a country we've had unemployment across so many sectors at the same time. Not even during the global financial crisis did we have as many sectors of the economy affected as we've had with the pandemic. And so that's a classic glaring example. SBA is another example where they've been unable to provide the services that are needed in a short period of time.

The Technology Modernization Fund, as Nick alluded to, provides a faster vehicle for getting systems in place than going through the regular process. That was one of its virtues. And so those things can help, particularly in a pandemic.

You know, we have the tendency to think . You know, if you just—we just throw money at something, it's going to solve it. But in order to do it efficiently and effectively, you need IT, and you need the people skills in order to do it properly with proper accountability and transparency and efficiency.

Mr. CONNOLLY. Well, I know you are going to the Senate today, and I hope you will take that message to our colleagues in the Senate, who thought that the TMF, the Technology Management Fund, was unrelated to COVID and at one point zeroed it out, to the horror of the chairwoman and myself and my ranking member Mr. Hice and I think Mr. Comer as well.

So, thank you for that testimony, and thank you, Madam Chairwoman, for the indulgence.

Chairwoman MALONEY. Thank you. The gentleman yields back. The gentleman from Texas, Mr. Cloud, is recognized. Mr. Cloud?

Mr. CLOUD. Thank you, Madam Chairwoman.

Thank you, Mr. Dodaro, for being here.

As has been said a number of times, I can't think of a more important committee hearing for us to have. I look forward to this each time, and appreciate you coming here and presenting the findings of your report and thank the chairwoman's latitude in giving us room to really address this.

You know, I would say the one thing I wish is that we have more of these, and that believe your report came out Friday, or at least that is when our offices—they were distributed to our offices, and so it would be wonderful to have even more time to dig into these issues and get down to the details of it. Because as you mentioned a number of times, congressional action is so important, and we want to make sure we get that right and get the details right. And so I appreciate you being here.

You know, Last time when you met here, I think we were \$22 trillion in debt. We are just about—I checked out the U.S. debt clock this morning—about to hit \$28 trillion, and that is before the

\$1.9 trillion bill that is working its way through Congress right now.

And it has also been mentioned when you talk back home about to even begin to make the list, you have to be potential wasting \$1 billion. It has been said years ago I think that you spend millions and millions, soon it adds up to real money. We are to the point where it is you spend billions and billions, sooner or later it adds up to real money. But that is where we are.

I would note, is debt or interest considered in your report?

Mr. DODARO. Yes, I have a special report that I issue every year on the fiscal health of the Federal Government. That will be coming out in the next month or so. And you know, I basically said in that report that our Government is on a long-term unsustainable fiscal path.

I've called for reforms to how we set the debt ceiling, which really doesn't control the debt, and it causes problems when it's not raised in time. Because all the debt ceiling does is authorize Treasury to borrow the money to pay for the bills Congress has already appropriated and the President signed into law. And there can be disruptions in the Treasury market and increasing cost.

But we need to do everything as a country now to deal with the COVID-19 healthcare crisis and to deal with our economy and get it back in a robust manner. But as soon as that happens, we've got to quickly turn our attention to having a plan, which I've called for now for four straight years, to deal with our long-term problems.

There are problems. Our Highway Trust Fund is insolvent this year. Congress has been supporting it with other funds. It's not self-sustaining, the way it was initially intended. There's a gap there of about \$195 billion over the next few years.

I mentioned Medicare. By 2024, only have 83 cents to pay on the dollar for the hospital trust fund. And Social Security by 2031 will only have enough money to pay 75 cents on the dollar.

Mr. CLOUD. It seems to me, you know, this being a report on waste, fraud, and abuse, and the potential thereof, that every dollar we spend on interest is wasted. It doesn't go into any sort of programs, and of course, interest is about to outpace military spending even, and that is totally crowding out any sort of discretionary funds that we have.

Do you know how many Federal programs exist? This is a—this is a number I have been trying to get for a long—do we have a hard number?

Mr. DODARO. No. There is not a hard number, and I've been—

Mr. CLOUD. Are agencies—

Mr. DODARO [Continuing]. Recommending this for years. Actually, Congress passed a law that required OMB to develop an inventory of programs.

Mr. CLOUD. Right.

Mr. DODARO. That law is now about 10 years old, and we still don't have an inventory of Federal programs. Now there's a Taxpayers Right-To-Know Act that passed recently—

Mr. CLOUD. Right.

Mr. DODARO [Continuing]. That would require them to do this. We've given them some advice on how it could be done. They've

tried it before, but it hasn't worked. They let each agency come up with their own list. And so we need a program inventory.

Mr. CLOUD. And our office has presented legislation that would implement a Federal sunset commission, for example, that would review these. But the first step is counting and figuring out how many programs and agencies we have for review.

Mr. DODARO. Right.

Mr. CLOUD. And it seems like that it is a difficult—

Mr. DODARO. We've done that in some areas, but it takes a lot of work. And as soon as you have it, it's outdated.

Mr. CLOUD. Yes. I want us to talk a little bit more on something that Mr. Hice talked about earlier, and that is just the general how do we incentivize performance? For example, in business, you have built-in incentive for efficiency and performance and getting those metrics and advancing those metrics. In a bureaucracy, it seems like everything is against that.

You know, everything—there is no incentive and, actually, a disincentive for, if you know if you do something efficiently your budget gets cut, and if you do something poorly, then we come back to Congress and say we need more money to do it. And then just there has been sometimes, unfortunately, a sense in a bureaucracy that the administration, whichever administration it is, is temporary, the bureaucracy is permanent. We will just kind of wait this out, live this out.

How do we shift that? What are some recommendations you would have for us in being able to deal with nonperformance and be able to return, whatever your view, right or left, on the issue of just being able to return value to the taxpayer?

Mr. DODARO. Yes, right now, the incentives are reversed. When a program is created in the Federal Government, you have to take extraordinary measures to stop that program from continued funding. There's an assumption that it should be continued funding.

And so if GAO comes up with an idea or the IGs or somebody else, the onus is on us to say you shouldn't fund it at that level. The onus ought to be on the agencies to say that the program is effective, we've evaluated it, it's meeting its objective, and here's when we're done.

Most of these programs, not only do we not know the number, we don't know whether they're effective or not because they've never done program evaluation. Now Congress passed legislation recently to go to evidence-based decisionmaking about programs. And so it's very important that these program evaluations be done to see if they're operating effectively.

So, Congress needs to change the—flip the script and require a clear record of positive performance to continue funding at the same level and not assuming that it will continue.

Mr. CLOUD. Sounds like a good case for a sunset commission to me, among other—I have a whole slew of other questions on specifics of the different programs, but thank you for the indulgence on the time. And hopefully, we will be able to have more hearings on the specifics of this list going forward to address these.

Thank you so much, Madam Chair.

Mr. DODARO. Thank you.

Chairwoman MALONEY. Well, all questions can be put into the record to get answered later, too.

Mr. CLOUD. Right. Well, I will do that, but the discussion now. Chairwoman MALONEY. The gentleman from Maryland, Mr. Raskin, is recognized for five minutes. Mr. Raskin?

Mr. RASKIN. Thank you, Madam Chair, and thank you for this excellent hearing.

I want to talk about climate change, which is not only a civilizational emergency, but it is also a fiscal catastrophe. America has incurred \$1.24 trillion in economic damages since 2005 through various climate disasters and calamities. We have seen millions of acres of forest in California lost to wildfire, record drought across the country, record flooding across the country, especially in coastal cities, a dramatic rise in sea level, millions of climate refugees from around the world, record velocity hurricanes, and so on.

You call, Mr. Mihm, for a National Climate Strategic Plan. You call for prioritizing national climate resiliency projects, and you also call for a new pilot program for community climate migration. I wonder if you would explain to us what that means?

Mr. DODARO. Yes, I'm going to ask Mr. Gaffigan, who's our expert in that area, to respond to that question, Congressman.

Mr. RASKIN. Sure.

Mr. DODARO. Mark?

Mr. GAFFIGAN. Thank you, Congressman. Thank you, Congressman Raskin, for the question.

Yes. When we talk about the migration program, there are communities throughout the country that are particularly vulnerable to climate change. Communities in Alaska, we did a recent report, looked at communities in Alaska. Maryland, the Eastern Shore and your home state, as well as other parts of the country. And there is a need to prioritize the help that we can provide these communities and not leave them alone as they address these challenges.

Mr. RASKIN. In 2015, the GAO recommended that the Federal Government come up with a plan to provide information to state, local, county decisionmakers, as well as private sector decisionmakers, to educate people about the dangers of climate change and also to promote climate resiliency. I am wondering whether that happened, why we need it, and also whether you think that such cooperation and information sharing between the Federal level and state and county and local level would better prepare us for things like the Texas power grid disaster that we saw last month because of extreme weather in Texas that disrupted the lives of millions of people?

Mr. DODARO. Yes, let me just say, Mark, and I'll turn it over to you. Congress passed an important bill that began to move in this direction back in the 2018 Disaster Reform Recovery Act that required the agency, FEMA, to create a grant program with funding for disasters to allow resilience, to be building in resilience up front.

For years, the Federal Government standard when there was a disaster is build back the same as it was before, not better. And this would help agencies—or state and local levels and others to build more resilience in up front. It's been proven that, you know,



a dollar spent up there can save \$9, \$10 later on by building resilience in up front.

Mr. RASKIN. OK. And so that is really my question now, when you are calling for prioritizing national government resiliency projects, coordination between the Federal level and the state and local level for community climate migration and so on, I mean, would all of that help us to prepare for things like the catastrophe that just took place in Texas where—

Mr. DODARO. Yes, yes.

Mr. RASKIN [Continuing]. People's lives were disrupted?

Mr. DODARO. Yes, absolutely. Absolutely. Mark, you want to explain a little bit better?

Mr. GAFFIGAN. Sure. I mean the, the information, you asked about information, Congressman Raskin, and that has been some worked on since 2015, but we have been kind of disappointed that there hasn't been this national strategy that could pull together that kind of information. We have done some work on building resilience that sort of points to three areas the Federal Government can help.

One is providing incentives. The other is information, but also integration. Because not only does this need to be a whole of government approach and all levels of government, including tribes, but it also needs to be a whole society situation where we address this, bringing in—

Mr. RASKIN. Yes, let me pursue that for one second, Mr. Gaffigan, because I think that the COVID-19 crisis, I hope if it has taught us nothing else, it is that an invisible and silent threat can shut down the country and can traumatize and kill lots of our people. Climate change is in the same category, isn't it? And don't we need to mobilize the whole society to confront this danger?

Mr. DODARO. Absolutely, yes. Yes.

Mr. RASKIN. And my time is up. So, I will yield back.

Mr. DODARO. I would just say, Congressman, in closing that we put that on our list in 2013. We think it's important to deal with this to limit the fiscal exposure of the Federal Government, and the Government—Federal Government can provide leadership, but just like on the drug misuse area, you need to have national leadership, but you've got to have all segments of the society involved to help.

You know, building codes and structures are set at the local level. So, if you don't have them involved, the Federal Government is going to be limited in what it's going to be able to do.

Mr. RASKIN. Thank you very much. I yield back, Madam Chair.

Chairwoman MALONEY. The gentleman yields back. The gentleman from Louisiana, Mr. Higgins, is now recognized. Mr. Higgins?

Mr. HIGGINS. Thank you, Madam Chairwoman. I thank you, ma'am and Ranking Member Comer, for holding today's hearing regarding the GAO High-Risk List for 2021. Ensuring oversight of Federal programs and American treasure should be a priority mission of this committee. Transparency and supervision of these programs, while time-consuming, is crucial.

Over the last 15 years, oversight of the High-Risk List has saved over \$575 billion. While large programs are created with trillion dollar budgets, this has increased exposure, shall we say, to bad ac-

tors, Government malfeasance, and unforeseen consequences. This is almost predictable when we are dealing with this much money. So, so this is an incredibly important function, and our oversight should be 100 percent bipartisan. And I am sensing that now.

And I would like to thank my friend Representative Raskin for bringing up climate change, and I invite him to Louisiana, where we have a very old saying that if you don't like the weather in Louisiana, stick around because it will change. Perhaps my constitutionalist friend can visit, and we will have an interesting townhall in my district regarding—

Mr. RASKIN. I am going to take you up on that, Mr. Higgins. I would love to join you. Love to.

Mr. HIGGINS. Yes, sir. Always the gentleman you are, good sir.

Madam Chairwoman, critical programs such as the Census, Postal Service, cybersecurity, the SBA programs, PPP and EIDL, they should remain the focus for the GAO and Members of Congress and this committee. But I would like to focus my time and give our Comptroller General an opportunity to respond to some questions I have regarding specifically cybersecurity as it relates to Government contracts and national security.

So, Comptroller General, thank you for being here, and I would like you to give us your insight regarding what GAO is doing, at what level does vetting take place and your own inspections dive deep into cybersecurity-contracted entities that deal with protecting us against intellectual property theft, malware, and cyber espionage?

And I give you a lengthy time to respond here, sir, because it is very important. I would like to know. The committee would like to know. America's interest is certainly much more heavily focused now on cybersecurity, as we should be. So, give us the GAO perspective there, please, sir. Intellectual property theft, malware, and cyber espionage.

Mr. DODARO. Yes. Well, we raised this issue recently on intellectual property, most recently with the pandemic in terms of protecting information regarding vaccines development and distribution. We had pointed out a lot of problems at HHS, at CDC, the National Institutes of Health and others, and urged them to correct the problems that they have in place to protect the intellectual property around that area.

The Government has a responsibility for all its contractors to make sure that they have proper safeguards in place in order to make sure that the business they're doing with the Government and access to the Government systems are protected. DOD has just started a computer or cyber maturity model accreditation to make sure the contractor systems are up to speed. That's in its incipient stages. It needs to be developed further.

I'd ask our expert in the cyber area, Nick Marinos, to add, Congressman, because you're asking a very good question, and it's very important. Nick?

Mr. MARINOS. Yes, Congressman Higgins, I think you raise a really important point. The reliance that the Federal Government has on contractors to process Government information is the only way that we get business done in many ways. And so it requires Federal agencies to realize that that is their responsibility, that

they have to have the capabilities in-house to be able to confirm that those contractors and also vendors—so it could be the software that is being utilized—that they have ways to verify the cybersecurity of those products and services.

And unfortunately, as this committee last Friday showed through its hearing on SolarWinds, you know, our—we are behind the eight ball on this, and we continue to be, which is why cybersecurity has remained on the High-Risk List for over 20 years now. The benefits to having some kind of a certification process are quite significant because it would allow agencies to have a level playing field, kind of understand, you know, which contractors have sort of been vetted to sort of clear those security requirements.

But on the other side, this is also a workforce issue. Government agencies not only need to have cyber expertise within their security operations center and within their technical capabilities, but also within their procurement offices. We need to have oversight of those contractors come from individuals that are both savvy in understanding how to administer contracts and also how to ensure that the contractors are adhering to things like security requirements as well.

Mr. DODARO. But we're going to be taking, Congressman, a closer look at this area because the concern I have is that the agencies haven't been able to fix the systems properly that they have responsibility for, let alone oversee the contractors. So, I think you got a potential double vulnerability here that needs to be more deeply investigated.

Mr. HIGGINS. Thank you, sir. I very much appreciate your very thorough response.

And Madam Chair, I look forward to further discussions on this issue, and I yield. Thank you, Madam.

Chairwoman MALONEY. The gentleman yields back. The gentlelady from California, Ms. Speier, is recognized.

Ms. SPEIER. Thank you, Madam Chair.

I concur with all of my colleagues that this is one of the most important hearings we have every two years.

Mr. Dodaro, once again, you are a jewel to the Federal service, and I thank you for the almost a generation that you have been at GAO.

I would like to start off by suggesting something. I want to associate myself in particular with members on both sides of the aisle, but also specifically the gentleman, my good friend from the state of Tennessee, Mr. Cooper. I think that there are ways of highlighting your work that would be very effective, and I would like to make one recommendation, Madam Chair.

There is always low-hanging fruit, and it may not be over \$1 billion. What if we were to create—and Mr. Dodaro, this is where you would come in—a bushel of low-hanging fruit. And I just looked it up, and a bushel is 32 quarts. So, if we identified 32 programs or fixes that we should make, that could be real money, and I would like to recommend that, Madam Chair, as something that we could do.

As we talk about the SBA, in your report you made reference to the fact that there is not a review of loans that are under \$2 mil-

lion. Do you think that number should be lowered and we should demand that Treasury look at smaller loans?

Mr. DODARO. Yes, I think there should be. Not each individual loan. What Treasury said is that they want to look at every loan over \$2 million. Our view was that SBA needed to have some plan on a sampling basis or some risk analysis to go in and look at the other loans as well, not each and every one of them.

And they do have a plan to look at loans under \$150,000, which is many of the loans are at that level, before they give forgiveness for the loan. And so, but we've just gotten their plan. We haven't looked at it yet. But it's based upon a risk analysis and then a sampling of the loans, from what I understand.

Dan Garcia-Diaz here is our expert in that area. Dan, do you have a comment on that, please? I think you're on mute, Dan. Your mic is not working? OK, I'll speak on behalf of Mr. Garcia-Diaz. And so, you know, we're going to be—

Ms. SPEIER. I think his microphone is working now.

Mr. GARCIA-DIAZ. My mic is working now, yes.

Mr. DODARO. OK, go ahead.

Mr. GARCIA-DIAZ. Yes. So, there is now plans for both automated reviews and manual reviews of the different—at different loan levels, and so we are assessing those plans right now. But as the Comptroller General pointed out, we don't expect a full review of all the loans, but rather to devise a process for selecting loans and particularly flagging loans that may have some questionable characteristics that might further warrant review by SBA.

Mr. DODARO. Yes, I think it's important as far as—

Ms. SPEIER. Could I ask a followup question? Has the SBA detailed a clear plan on how to recover funds deemed were fraudulently obtained?

Mr. DODARO. Not that we've seen yet. And, I don't believe so. But my concern here is that this program has been very poorly managed, and we just recently got their oversight that we called for last June. Now I can understand in March, you know, getting the money out quickly, but you needed to have an oversight plan in place soon thereafter.

And one of—there's been a lot of fraud in this area, both the PPP program and the Economic Injury Disaster Loan program. And one of the reasons I think it's important to look at loans that are all sizes is that a lot of people committing fraud purposely stay at a low level and try to, you know, just hit several different times to stay under the radar screen. And you have instances of people creating fake businesses that don't even exist that are getting the money.

And so there have been over 140 different indictments so far. About 40—some people have already pleaded guilty. There are hundreds of investigations still ongoing. So, there needs to be some money.

Now they did recover, from what I understand, about \$450 million in the Economic Injury Disaster Loan program. So, the IGs and the Justice Department are working together in this area as well. So, we're going to be looking at it more carefully once we get their plans and can evaluate.

Ms. SPEIER. Well, as they are starting to ask for forgiveness, it is really important that we identify the fraud. So, I hope that is part of your effort. And my understanding is only about a third of the companies that were in the Fortune 500 list or had the ability to receive capital elsewhere actually returned the money. So, two-thirds of them did not.

It would be helpful to me in particular, and probably to other members of the committee, if we identified those two-thirds of the companies that did not and create some kind of shaming around it. I know my time has expired, but I think this is so ripe for our continuing review this year, Madam Chair, that we do that.

I just want to ask two final questions. You pointed out that—do you agree that gutting the Naval Audit Service and having less oversight of these critical programs would be moving in the wrong direction? It is my understanding that they have actually reduced the number of persons serving in that capacity.

Mr. DODARO. I'm not familiar with that situation, but I'd be happy to take a look at it. I have been concerned about some of the Inspector General functions across Government having their independence undermined in a number of cases, and I'll be happy to look into that situation and give you my assessment of it.

Ms. SPEIER. Comptroller General, I would agree with you. In fact, I think many of the Inspector Generals associated with the military services do not have the skills at all to provide that function. We saw that most recently at Fort Hood, where the force IG went down and said everything was great. And then an independent committee was sent down, and it did a serious review and found that there was gross dereliction of duty.

So, I would encourage you to help us define how we should maybe change Inspector Generals into civilians within each of the services because I don't think they are necessarily serving the American people and may be just protecting the various services.

And finally, let me just ask you, if you haven't, to look at the contracts for housing at bases around the country and, in fact, around the world. I think these contracts go on for decades. There is not accountability.

At recent visits to military bases, I have found serious problems with lead, asbestos, mold in many of these housing settings where our servicemembers and their families are living, and it is the equivalent of tenement living, and I think it is shameful. So, I hope that you will take some time to look at that.

Madam Chair, thank you for the accommodation. I yield back.

Chairwoman MALONEY. The gentlelady yields back. The gentleman from Pennsylvania, Mr. Keller, you are now recognized.

Mr. KELLER. Thank you, Madam Chair.

This is an important hearing for us to understand which programs and agencies need reform to improve their effectiveness and reduce waste, fraud, and abuse in the best interest of the American taxpayer. Pennsylvania's 12th congressional District is home to two Federal prisons, USP Lewisburg and FCC Allenwood, both of which have been negatively impacted by the Bureau of Prisons inmate transfer policies and lack of transparency with the American people.

We saw this firsthand with the BOP when they refused to halt transfers and movement of the roughly 150,000 inmates it is charged with securing during the early stages of COVID-19, putting corrections officers and inmates at risk of infection and causing further community spread. We owe it to our outstanding corrections officers, the inmates they secure, and the surrounding communities to work with the BOP to improve its operations.

Mr. Dodaro, in the last five years, the GAO has made 19 recommendations related to the BOP, of which 16 have yet to be addressed. The recommendations are largely centered on rectifying the BOP's failure to manage its staff appropriately and improve mental health, their failure to plan for new inmate wellness programs that reduce recidivism, and failure to monitor and evaluate programs which have led to wasting taxpayer dollars. Can you say more about your ongoing and planned work related to the prison system?

Mr. DODARO. Yes. As you point out rightly, we've been concerned about this. We've made a number of recommendations. My team just recently met with the head of the Bureau of Prisons service, and he announced he's going to create a task force within BOP to look at the high-risk issues that we're identifying and to begin to address the root causes of the problem. So, I was very pleased with his initial response to our designation that we are considering putting it on the High-Risk List.

Our work now is focused on the FIRST STEP Act, where Congress required a number of reforms to be put in place, and we want to see if those reforms are being implemented properly, and that will be the critical determinant as to whether we officially add them to the High-Risk List or not.

Mr. KELLER. So, you don't know whether or not they will be added to the list in the upcoming two years? But I guess it would be dependent on their performance?

Mr. DODARO. Yes, yes.

Mr. KELLER. OK.

Mr. DODARO. And we designate, Congressman, people onto the list out of the two-year cycle. So, if we finish our work and we think that they should be added, we'll add them out of cycle.

Mr. KELLER. Just for the benefit of the people that might be watching today's hearing, can you explain a little bit about what the High-Risk List is and how an agency or a program gets added to it?

Mr. DODARO. Sure. The High-Risk List was created in 1990 as a result of some fraud, waste, and abuse issues that had surfaced at the HUD, the Housing and Urban Development Department. There were some procurement scandals at DOD at that time. And Congress came to the GAO, and they said, well, can't you identify what these risks are before they get to be crisis proportion?

And so we developed a list to identify areas in need of fraud, waste, abuse, and mismanagement, and we started with 14 areas. Over time, we've also added areas of—areas that are in need of broad-based transformation. In other words, there's been circumstances that have changed that they need to make a transformation and to develop.

For a good example is on oversight of medical products where most of our drugs now or ingredients in the drugs are made by foreign manufacturers, and FDA was set up for domestic production. So, that's an area of needed transformation, and so that helped the Congress spur that area.

We consider a number of factors, whether it has implications for public health, safety, the economy, national security, and whether there's a lot of taxpayer dollars at risk. Those are the factors to get on the list.

Then to get off, you have to show leadership commitment. You have to have the capacity, an action plan, monitor your efforts, and actually demonstrate some success in lowering the risk or fixing the problem to get off.

Mr. KELLER. OK. Thank you. I appreciate that. We owe it to our outstanding corrections officers, the inmates they secure, and the surrounding communities to work on the BOP to improve their operations.

And based upon what you laid out there as far as the risk to taxpayers and all the items, in view of what has happened since this Congress began, the \$1.9 trillion, only 9 percent of which is going to actually public health safety. The other 91 percent is going to Speaker Pelosi's payoffs, one of them being a subway in Silicon Valley for \$140 million and also \$12 billion going to foreign governments rather than helping the American people.

In addition to that, we are talking about H.R. 1, which is going to take taxpayer dollars and use them to fund elections so that more people, more American people will be watching more election commercials and so forth at election time. Do you have any plans on putting Congress on that list to see what reforms could be done?

Mr. DODARO. There are limits to our authority.

Mr. KELLER. That is unfortunate.

Mr. DESAULNIER.[Presiding.] The gentleman's time has expired. I will now recognize the gentlelady from Illinois for five minutes. Ms. Kelly?

Ms. KELLY. Thank the Chair.

Mr. Dodaro, I would like to thank you for all the work your agency is doing to evaluate our response to the coronavirus pandemic. This vital work is helping policymakers at all levels of government understand the challenges we face and inform our efforts to address them.

In that vein, I would like to ask you about a topic that many of my Democratic colleagues and I have noted must play a critical role in informing our pandemic response data. I am not talking about the scientific data that support the implementation of public health measures, like mask wearing and social distancing, but also the data that helps us to understand the people and places hardest hit by COVID-19.

Your report today references an earlier GAO report from January 2021, which notes that data collection by state and local entities, as well as HHS, is "critical to inform a robust national response." Can you briefly explain why good data is so vital to Federal, state, and local decisionmaking?

Mr. DODARO. Well, first, this pandemic has laid bare some of the frailties of our highly decentralized public health system and the

need for better data in order to respond to the public health outbreaks.

First, you need to find out, you know, there wasn't clear and complete data on testing. So, you need to know how many people were being tested and where. Where there were outbreaks. So, how to target assistance to those outbreaks. The disproportionate effect that it was having on people of color and what exactly was happening in those areas.

I'll ask Ms. Clowers to elaborate a little bit further, but this is an area where we've quickly noted—and this is a real concern going forward. We need to invest in more public health surveillance, operations, in order to be efficient and effective about our responses. Nikki?

Ms. CLOWERS. Yes, sir. Congresswoman, as the Comptroller was saying, the system is fragmented, and so the data is collected by different actors at the Federal level, as well as state and local. And because of that, they are often using different definitions of the data.

So, even when there are efforts to collect data from different sources, you roll it up, it is incomplete, it is inconsistent because we haven't used the same standards. And so we have made recommendations to the Government to address this. Because to your point, it is critical that we have better data so we can spot problems and take the corrective action needed. Without the data, we can't make those mid-course corrections.

And to the point the Comptroller General made as well, COVID has laid bare the disparities in health outcomes that we are seeing. And again, we need better data on that. For example, right now, in terms of vaccine, vaccines rates, about 50 percent of all of that data is missing race and ethnicity information. We need better data on that so we can better target populations to make sure that they are having the right access to care and to the vaccines.

Ms. KELLY. Your report also notes the need for HHS to have strong, clear coordination with states, territorial, and tribal governments and the public as we work to distribute and administer the vaccines. You reference the agencies' responsibility for managing a national evidence-based campaign to increase awareness of the safety and efficacy of the vaccines, particularly in communities with low vaccination rates. Why is this initiative so important, and what can HHS do to make sure it is as successful as possible?

Mr. DODARO. Nikki, please?

Ms. CLOWERS. Yes. A critical piece is involving the state and local officials. They play a key role in any type of the public health measures that we are taking, but also, importantly, the vaccination efforts. And that is why we recommended in September 2020 that the Federal Government needed to develop a distribution strategy which included outlining the communication with and obtaining input from state and local governments and ensuring that populations are reached.

You know, it is the local governments that understand their communities, their citizens, and can help ensure that we reach those populations in getting the vaccine out, getting the word out about the vaccine and the benefits of having—of taking the vaccine.



Ms. KELLY. It does seem like a more comprehensive data collection would aid our efforts to understand systemic racial disparities in the United States and actually advance reforms to achieve health equity.

With that, thank you so much to the witnesses and your patience, and I yield back.

Mr. DESAULNIER. I now recognize the gentleman from Arizona, Congressman Biggs.

Mr. BIGGS. Thank you very much, Mr. Chairman.

This is at least the third hearing I have participated in since coming to Congress related to the GAO's High-Risk List, and each year, I see many of the same agencies and programs in the report. For example, I served on the House Science, Space, and Technology Committee my first two terms. So, I am very familiar with the Environmental Protection Agency's Integrated Risk Information System, or IRIS, which receives very brief mention on pages 31 and 32 of the report.

The IRIS program was meant to be a clearinghouse of sorts within EPA for consolidating data and reporting on chemical toxicity. The problem, though, is that many of the program offices within EPA, for example, the Office of Chemical Safety and Pollution Prevention and the Office of Water, have already been doing their own research and integrating their findings with other departments. So, in other words, IRIS is an unnecessarily duplicative super-structure.

When I chaired the SST Environment Subcommittee, I advocated for eliminating IRIS and returning more work to the EPA program offices. For those who are curious, I have also introduced a bill to achieve this result, H.R. 62, the Improving Science in Chemical Assessments Act.

Going back to the IRIS references in the GAO's High-Risk List, the report accurately identifies a major problem with IRIS stating that the program did not issue a completed chemical assessment between August 2018 and December 2020. The report then goes on to suggest that the failure of IRIS was rooted in larger faults with EPA because the agency did not indicate, and I am quoting here, "did not indicate how it was monitoring its assessment nomination process to ensure it was generating quality information about chemical assessment needs."

Further, the report suggests EPA "lacked implementation steps and resource information in its strategic plan and metrics to determine progress in the IRIS program."

Maybe if EPA were better at monitoring its assessment protocols, we would have a better IRIS. That is possible, I suppose. But again, I posed a much simpler and more cost-effective solution of eliminating IRIS altogether, and that speaks to a larger issue I have with the GAO High-Risk List.

It doesn't seem to offer many recommendations to fully eliminate some problematic programs, even though that course may, indeed, be the best option in some cases. Or maybe, quite frankly, in many cases.

Mr. Dodaro, is there a reluctance on your agency's part to make recommendations for the full elimination of consistently problematic programs, such as the IRIS program?

Mr. DODARO. Not if we have the evidence necessary to support that. We've not looked at the IRIS program in the context of what you're mentioning, and let me ask Mr. Gaffigan if he has a view on that matter.

Mr. GAFFIGAN. Yes, thank you for your question, Congressman Biggs.

You know, there are many ways the assessments can be done. The current process, as it is set up, allows for a nomination process, it did at one point, and for these assessments to be done. Our main point is the assessments aren't being done. And whether it is done in the program offices or at IRIS, there is a need to commit the resources to it.

And so, you know, that is an option going forward. The bottom line now is the assessments are not getting done. Whether it is done by an IRIS program or another alternative, as you suggest, those are all viable ways to do it. It is just not getting done right now.

Mr. BIGGS. Thank you. I appreciate the answer to the question. And rather than droning on further about the IRIS program and its need, I would suggest that as we look forward, we might—I would appreciate recommendations such as in the IRIS program, which has been so problematic and so duplicative, maybe—maybe viewing it from your perspective of whether that program should actually be eliminated or go forward.

And so I would ask for that request. And then I would just say that the IRIS program has been bugging me, actually, as you can tell, for about four years now because it is duplicative. I think it needs to go away. I think we can accomplish this more efficiently. And if resources need to be redrawn there, we can do that.

And I appreciate your comments, Mr. Dodaro and also Mr. Gaffigan. And with that, Mr. Chairman, I will yield back.

Mr. DESAULNIER. Thank you, Congressman. I now recognize the gentlelady from Michigan, Ms. Tlaib, for five minutes.

Ms. TLAIB. Thank you so much.

I think it is important to say to my colleagues across the aisle, you know, the problem isn't IRIS. The problem is Republican refusal to believe in science and take climate change seriously. It is no coincidence that the EPA failed to do its job under the Trump administration.

As you all know, I represent a zip code that is the most polluted zip code in the state of Michigan. So, climate change is here, and its impacts are becoming more and more devastating with each passing year.

So, we must stop weighing whether or not we will act on climate change by how much money it will cost our Government and big corporations and start measuring the substantial expense of this country's inaction on climate change on communities across the country, especially our black, brown, and low-income communities.

And we must also focus on detrimental health impacts resulting from our reliance on fossil fuels. The child with asthma who is forced to miss school because their house is surrounded by corporate polluters, and this is a real fact that happens in my community. A third of a class will raise their hand and say they have asthma.

The family who has uprooted everything because of constant flooding. That is happening in my community in the Dearborn Heights neighborhood. Or the neighborhood block that has been completely devastated by respiratory diseases and cancer because of dirty air.

So, Mr. Dodaro, the Environmental Protection Agency's Integrated Risk Information, the IRIS system is supposed to assess the health hazard of chemicals in the environment to inform all of us so that we can make much more informed decisions on our environmental policies and regulations to keep our communities safe. However, the GAO report states that, and I quote, "EPA's agency-wide strategic plan for fiscal years 2018 through 2022 does not mention the IRIS program at all."

So, I am wondering, and furthermore, I know the report also notes the astonishing fact that the IRIS program had not completed a single, not one, chemical risk assessment between August 2018 and December 2020. So, Mr. Dodaro, is it fair to say that these assessments can literally be life or death for communities like mine because they identify chemicals and pollutants that pose potential fatal adverse health effects?

Mr. DODARO. Yes. Basically, the Government can't take informed action without a thorough assessment, now whether it comes from IRIS or somewhere else. But I would note, we rated the EPA area as an area that regressed because they were proposing, the administration had been proposing to cut the IRIS budget, but Congress kept reinstating—

Ms. TLAIB. By 34 percent. Isn't that correct?

Mr. DODARO. That's correct. But Congress reinstated the funding, and so that's the reason we didn't rate them down in leadership. What we rated down is monitoring and an execution area.

Mark, do you have any other thoughts you want to mention?

Mr. GAFFIGAN. No, I think that is true. And again, we would just like to see the assessments done because they are important to everyone's health. And you know, how we do that, that can be discussed, and there are good options.

The other thing I would mention, Congresswoman Tlaib, is the issue of environmental justice. We did a report in 2019 that pointed out the interagency working group. There are 16 agencies working on environmental justice issues, and many of them had done some individual plans, but we found that the plans were not updated. There was a lack of performance measures around the issue of environmental justice affecting particularly communities of color, and that is a huge need going forward.

Ms. TLAIB. Yes. I really would urge my colleagues, and this is sincere, come visit my district. I have given a number of tours, what I call the "toxic tour." Come breathe the air. You can smell it in the neighborhoods I represent. Meet your fellow Americans that don't have access to running water in the richest country on Earth.

Come and tell us to the face of, again, your fellow Americans and that they are trying to raise their children that it is too costly to protect the climate, that it is too costly to address climate or environmental toxins and to really combat corporate greed that is so

interconnected to a lot of these decisions that were made by the Trump administration, including missing deadlines and so forth.

Because that is exactly what our Government says again and again and again to residents like mine through these failures is that it is OK that they aren't breathing clean air. It is OK that their lives are shortened because we are doing nothing on these issues.

So, I really thank all of you for your report. I know there was a number of things I wanted to ask in regards to missing deadlines and some of the lack of prioritizing these issues, but again, I really appreciate and appreciate the chairwoman's intention in making this a critical issue to address. So, I really appreciate that.

Thank you, and I yield.

Mr. DESAULNIER. Thank you. And the chair now recognizes the gentleman from Kansas, Mr. LaTurner, for five minutes.

Mr. LATURNER. Thank you, Mr. Chairman. I want to thank you for holding this important hearing to help the committee to really focus on its primary mission to investigate, locate, and root out all fraud, waste, and abuse from the Federal Government, an enormous task already, with expected F.Y. 2021 budget outlays nearly \$6 trillion, but one that has been greatly complicated over the past 12 months with soon to be \$2 trillion in new spending for COVID-related and mostly unrelated spending.

I want to applaud the Comptroller General for his 300-page report detailing just how much Congress is failing in this central mission of making sure that every hard-earned taxpayer dollar is being spent in a responsible and worthwhile manner. But this is far from a partisan issue. Both sides have failed in cleaning up this mess. We know that during the past 15 years alone, this effort by GAO has saved nearly \$575 billion, including \$225 billion just these past two years.

I am afraid to even consider what percentage of the total Federal budget is lost to waste, fraud, and abuse. I can only imagine. Now, more than ever, with new programs created by the CARES Act, including the roughly \$350 billion Provider Relief Fund and the nearly \$750 billion Paycheck Protection Program, it is critical that Congress and in particular this committee work together to ensure these new moneys are going to people who have legally demonstrated they are qualified to receive the funding.

But that is not all. I especially want to touch upon the growing unemployment claims fraud scandal that has impacted our Nation and, frankly, robbed my home state of Kansas. Last year, Congress authorized the expenditure of hundreds of billions of dollars for both the Federal pandemic unemployment compensation program and the pandemic unemployment assistance program for self-employed workers.

This dramatic increase in funding has overwhelmed state systems, including Kansas, that were wholly unprepared and failed to respond to the wave of fraudulent claims after several red flags were present and obvious. In Kansas, we lost an estimated \$600 million in false claims, according to a legislative post audit report released last month. That is 24 percent of claims. This is money we are all likely to never get back. Nationwide, the U.S. Depart-

ment of Labor believes the figure is roughly \$63 billion during this last year.

Madam Chairwoman, I would like to submit the Kansas state audit report and a Kansas delegation letter to Governor Kelly for the record.

Mr. DESAULNIER. Without objection.

Mr. LATURNER. Thank you.

While I understand these are state-run programs, it involves billions of Federal taxpayer dollars with language requiring certain integrity measures that are put in place. So, I would appreciate your perspective on this subject.

It is my understanding that the GAO threshold to make the High-Risk List is \$1 billion. Help me understand why the various Federal pandemic unemployment system programs, with an estimated fraud level of \$63 billion for 2020, didn't make your list.

Mr. DODARO. Well, we considered that, and they're going to continue to look at that issue. We haven't had a chance to look in depth at it at this point in time, but we will consider it as we move forward.

Mr. LATURNER. Could you talk about the process of consideration and what facts you are bringing to bear in making that decision?

Mr. DODARO. Yes. Well, we have work underway looking at the system, at what needs to be done in order to fix it. In a lot of cases, one of the factors that we consider in putting something on the High-Risk List is that GAO has some recommendations for how to address that issue. Now given that most of these unemployment systems are state by state determined in terms of the criteria for looking at them and also the factors, so there could be different reasons in each state. So, we're going to have to look very carefully at this and decide whether we have, after we looked at it carefully, have appropriate recommendations to make so that we could point to what needs to be done that gets the agencies off the High-Risk List.

It's not enough to just say there's a big problem, but we have to have something that we bring to bear in order to say how it should be fixed. And in this case, the fixes are state-centric, and so we need to really inform ourselves on how to go about this. We typically don't have—make recommendations to individual states to fix their systems.

Mr. LATURNER. Could you give me—my time is running out. Could you give me a timeframe, and are you willing to come back to this committee and report any findings? A timeframe for the decision?

Mr. DODARO. Yes. Well, I'd have to get back to you on the timeframe. I'm not sure exactly where that work stands right now, but we'd be happy to come back and talk about it, though. I'll provide a timeframe for the record.

Mr. LATURNER. Thank you for your time, and thank you, Mr. Chairman.

Mr. DESAULNIER. I thank the gentleman. And I will recognize myself at this time. Just want to add my congratulations to a job well done, as every year, to you and your staff. Really terrific work.

On the comments from my friend across the aisle from Texas, we would like to work with you and him on the issues of incentivizing

good performance and performance-based budgeting. When I was on the executive board of the National Conference of state Legislatures, we did a lot of work with your colleagues, or they did, to try to get those best practices. And I will say that very successful program here in my district years ago when I was a county supervisor, we were actually able to target at-risk kids by Census track over time.

But the funding and the incentives were given us by foundations, and it put us in a position to save quite a bit of money now 20, 25 years later to look at what we did and really become a national model. So, I would love to work with you on that. Incentivizing good performance and reinvesting those cost savings are of great interest to me.

Specifically, I would like to talk to you about your report on the Office of National Drug Control Policy. We know opioids, and this committee has done a lot of work in this area, and thank the chairwoman for bringing Purdue Pharma and the Sacklers here for a memorable hearing just recently. But the costs of drug abuse in this country, \$600 billion, according to NIH, and treatment is—helps us \$12, for every \$1 spent saves us \$12.

So, Mr. Dodaro, you recognized this before the pandemic, but you held off the release of your recommendations, as I understand it. Can you talk a little bit about that and the context, as your staff has said, in this terrific book that I just finished, “Diseases of Despair,” about the continued increase in diseases of despair—suicide, alcoholism, and drug abuse—and not just the human suffering, but the cost to state, local government.

So, COVID has made a very difficult problem worse. Could you talk a little bit about that and then maybe specific comments about the previous administration, in my view, really poor performance, and the metrics we need to improve the National Drug Control Office?

Mr. DODARO. Yes. First, we did designate our intention to add it formally to the High-Risk List in March 2020, but we did not withhold our recommendations. I mean, we made specific recommendations at that point about what needed to be done to make the strategy, the national strategy meet all the statutory requirements. We felt it was appropriate to not distract from the efforts to focus on the pandemic at that point in time. So, we didn’t withhold the recommendations, just the formal designation to add it to the High-Risk List.

The pandemic, you know, complicated. We did realize, even back last March, that the pandemic was likely going to exacerbate some of the underlying problems that lead to drug abuse in the first place, which are unemployment, isolation, depression, and other things that were happening potentially to people who were vulnerable to those type of issues during the pandemic or a lockdown period of time. And indeed, some of the early data that’s available from CDC show an increase in the March, April, May timeframe that I referred to earlier, during the—the preliminary data on the amount of COVID deaths due to overdoses. Not COVID deaths, due to—deaths due to overdoses at that point in time.

Now some of the things that need to be done that are missing is the law calls for a five-year resource plan for each area that’s

required. That hasn't been done yet, and these problems are not going to get solved looking at it only a year-by-year basis. You need to have a long-term plan.

The treatment area, there's only—there's 30 percent of the counties in the United States that don't have access to substance abuse disorder treatment for people so that there's a huge problem there as well. There needs to be more coordination. We pointed out where some of the agencies are pursuing plans, but it's not clear how their plans contribute to the national strategy, and there needs to be more evaluation of what's working and what's not working and more engagement and coordination with the private sector, state and local governments, healthcare providers, law enforcement, and others because this is a multifaceted problem.

Mr. DESAULNIER. I really appreciate it and look forward to continuing the conversation. I do want to mention legislation that was passed last session that was spearheaded by our former chair Elijah Cummings to help facilitate with the coordination. I hope we can work on that, make that successful with this administration.

Thanks again so much.

I would now like to recognize the gentleman from Wisconsin, Mr. Grothman, for five minutes.

Mr. GROTHMAN. Yes, I would like to talk about the drug abuse programs myself again. I wish it was true that you could spend \$1 and save \$12. I always wonder if those studies are right on point, you know, that you can spend \$1 and save \$12.

But in any event, over time, seems to me we have spent more and more money on drug abuse, at least it seems to me that we brag about the amount we are spending. Nevertheless, we still are around 80,000 lives lost a year, which is really tragic. And I would think, given all the money we are plowing into this, that we would begin to make some progress.

We all have—or at least I have reasons why I think we are not doing a very good job here. But given that we keep throwing more dollars at it, are there any programs in the drug abuse field that we feel have failed and have eliminated or cut back on? Given that we hit records every year in the number of people who die, or at least recently we do, I would assume some of these programs are failing.

Mr. DODARO. Well, one of the areas we point out is a lack of evaluations in some of these programs. Let me ask Ms. Clowers, who's director of our healthcare area, if she wants to add anything.

Ms. CLOWERS. I would add two points. In terms of the ONDCP strategy that has been put out, this is an area where we have pointed out the strategy needs to be improved, that they do need performance measures for efforts that are ongoing so we can assess whether programs are making progress or making a difference.

The second point I would mention is that we do have ongoing work looking at the different grants that are being provided to states to help combat the opioid epidemic, and we will be looking to examine what we are getting with those funds.

Mr. GROTHMAN. Yes, I mean, it frustrates me because this is an issue that I care deeply about. And of course, because everybody cares for it, you keep voting for more and more. But when you—and I assume there is a lot more money being spent today than,

say, six or seven years ago, but it seems the number of people who die just keeps going up. And part of it could be the COVID, but in any event, when you plow this much money into a program or programs with a promise that we are going to fight this overdose stuff and it keeps going up, is anybody ever weeding out the bad programs so we have money left for the good program? And you are telling me that doesn't happen?

Mr. DODARO. Not as rigorously as it should. That's one of the reasons we elevated it to the High-Risk List is to make sure that there is more focus on this and there is more evaluation of these programs, so we can tell what works and what doesn't work and make adjustments to those.

Mr. GROTHMAN. Yes. And as far as you know, there are no programs that categorically are wiped out for being no good, or when we send out the grants, we are not going to send it to these programs. It is just kind of up, up, up all the time?

Mr. DODARO. Well, I'll go back and take a look at that and see if there's anything that we've done along those lines, and I'll provide an answer for the record.

Mr. GROTHMAN. Yes. We have had several programs on the High-Risk List since the 1990's, which is concerning. You know, when we identify a problem, you would like to think in 30 years, we would begin to address it.

One of those are improper payments to Medicare, and that can be wildly expensive, of course, because doctor bills are wildly expensive. But it is still on the program 30 years later. Can you tell us why it is apparently not addressed or not addressed enough to keep it off the list?

Mr. DODARO. Actually, the improper payments are coming down in the Medicare area. So, I've been pleased that there's been some progress in that area.

It's also on the list because of the restructuring and the move from paying people for the quantity of services to get the quality of healthcare in there as well. So, there are some reforms that need to be made. We've made some recommendations to the Congress to give authority for recovery auditors to look at things prepayment. We've also suggested that CMS more use prior authorization before they make payments and to expand—they've done this for pilot programs that have been successful. Where they've saved money, prevented improper payments, and it's not affected the ability of people to get services, that they expand that more often.

Actually, the bigger problem now is Medicaid improper payment. Medicaid improper payments for last year over \$85 billion, compared to \$42 billion in Medicare. So, Medicare is coming down. It can come down further with implementation of our recommendations. Medicare is dramatically increasing—Medicaid, rather, excuse me.

Mr. GROTHMAN. They are similar programs. Why is Medicaid such a bigger problem than Medicare?

Mr. DODARO. Well, you have a lot of different state programs and rules. Each state has their own different Medicaid program. Medicare, you have more uniformity across the program, and it's run by the Federal Government versus a partnership with the individual state programs. We've expanded Medicaid quite a bit in the Afford-



able Care Act and also with the recent pandemic. And so the programs are changing quite a bit.

One of the reasons it's going up so fast now is that some of the states aren't doing enough to enroll providers and make sure that the providers that are enrolling are eligible to provide services under the program. So, and the managed care portion of Medicaid, which started out as a small program, is now about half of the spending, and there is still not enough scrutiny, in my opinion, over the managed care portion of Medicaid.

Mr. GROTHMAN. Thank you.

Chairwoman MALONEY. [Presiding.] Thank you. The gentlelady from California is recognized. Representative Porter?

Ms. PORTER. Thank you very much, Madam Chair.

Mr. Dodaro, is it correct that the Federal Government fails to collect taxes that it is owed to the tune of about \$400 billion a year?

Mr. DODARO. That's correct. That's the gross amount. The IRS is—go ahead, please.

Ms. PORTER. That is the gross amount. And we call this—this is often referred to as the “tax gap,” but it seems to me it is really more like a canyon in terms of the amount of money. So, this is one of the charts from your report, and it shows the gap right here between the blue, which is what is owed, and the green, which is what is collected. And we collect about 11 percent of what—of this missing amount.

So, what your report shows is that of the \$458 billion that is this tax gap, after the IRS engages in enforcement, they only collect this blue portion, and all of this red portion—and that is a lot of zeroes there—\$406 billion goes uncollected. Based on the GAO studies over the years, has this amount, this tax gap, gotten smaller? Are we tackling this problem year after year and working on it?

Mr. DODARO. We're not as successful as a government at IRS that I'd like to see. The problem is not getting better. It's stayed actually about the same over the period of time. There are some recommendations—

Ms. PORTER. So, on average, every year, we fail to collect \$406 billion?

Mr. DODARO. Well, they think they'll collect some. The net tax gap or what they definitely don't think they collect is \$381 billion, but you're—it's in the ballpark. So, yes, that's true—that's true.

Ms. PORTER. For a person like me, \$381 billion, \$400 billion, it is all just a lot of zeroes that is not being paid. I have a question for you. In your GAO high-risk report, you say that this is relating to staffing problems. So, has IRS been increasing its staffing so that we can collect what we are owed as taxpayers?

Mr. DODARO. Staffing has only been going recently up. It's been declining over time, and I think they're not back up to the 2010 levels yet. Let me ask Mr. Mihm to give you an example. But the problem is not just staffing. There are some other things that could be done. Chris?

Ms. PORTER. What are those other things?

Mr. DODARO. I think Congress should regulate, authorize IRS to regulate the paid tax preparers, No. 1. Some of the studies that we've looked at using their data, in some cases taxpayers' accuracy

is more accurate than people that use paid tax preparers, particularly in the earned income tax credit area.

Second, there ought to be more information returns prepared so that the IRS could match data. For example, for real estate, people that fix up their real estate property, to report that, as well as businesses, corporations that have services. They can report that data. The IRS could cross-check it to the providers to see what they're reporting.

Ms. PORTER. So, Mr. Dodaro—

Mr. DODARO. There's also—yes.

Ms. PORTER [Continuing]. I just have a sort of basic question. Who benefits from failing to collect taxes that are owed?

Mr. DODARO. Only the people that owe them that are not paying them.

Ms. PORTER. So tax cheats, tax underpayers, delinquents, that is who is benefiting. Who is being hurt by this failure to collect between \$381 billion and \$406 billion on average a year? Who is being hurt?

Mr. DODARO. Well, the Americans are getting hurt. The people that are—

Ms. PORTER. Americans are getting hurt.

Mr. DODARO. The people that are paying their taxes and the other people that aren't paying taxes because they're too young, but we're borrowing money to pay for things that they're going to have to pay for in their generations ahead. So, everybody is getting hurt by it.

Ms. PORTER. OK. So, everybody is getting hurt at the expense of tax cheats or tax frauds who are getting helped.

Mr. Dodaro, what is the GAO's motto?

Mr. DODARO. Our motto?

Ms. PORTER. Mm-hmm.

Mr. DODARO. Accountability, integrity, and reliability is our core values.

Ms. PORTER. OK. On your recent reports, you have this slogan, "A century of nonpartisan fact-based work." Does this ring a bell?

Mr. DODARO. It does. This is our 100—

Ms. PORTER. A century of nonpartisan fact-based work. I wish that Congress could have that as its motto for even one day, much less a century. Does the GAO sell T-shirts with that motto, "A century of nonpartisan fact-based work," because I would totally buy one of these T-shirts. I would buy them for all my family and give the money to the IRS to enforce against collecting taxes from people who are cheating the rest of us.

With that, I yield back.

Chairwoman MALONEY. The gentlewoman yields back. I now recognize the gentlewoman from New Mexico, Ms. Herrell.

Ms. HERRELL. Thank you, Madam Chair.

And thank you so much, Mr. Dodaro, for being here. It is incredible, and I kind of want to echo what my colleague have said. It is just almost too much for one committee hearing because there is so much information. So, I just appreciate all of your comments, and if I am redundant, I apologize. I ran to vote.

But something one of my colleagues was saying earlier, there are so many programs, and you had mentioned earlier that it is some-

times hard to know exactly how many there are. But are there programs that have been funded or happening for years and years where maybe we need to take, think about maybe a different approach? Think about things outside the box?

Maybe like Einstein says if you keep doing the same thing over and over and you still get the same results, perhaps it is time to change your thought process. And I am wondering, are there things that you see that maybe Congress could be doing very differently to help either have more accountability or more success so that we don't see this number of programs on this High-Risk List? Does that make sense?

Mr. DODARO. Yes, yes. Yes, well, we have, as I mentioned, just in the tax area, recommendations for Congress to act, to give IRS the authority to do this. We have a number of recommendations for Congress to act on that we think can be helpful in helping resolve these areas.

I mentioned that we talked about the Postal Service before. There is actually 14 of the high-risk areas that the solution to solving that involves congressional action. Surface transportation, Postal Service, for example. So, we've highlight where Congress needs to act that could act on those areas.

Now with regard to the programs I mentioned earlier, I think Congress ought to insist on having program evaluations that demonstrate the success of the program before continuing to fund it often at increased levels. So that, I think, would be a game changer that I think would get the attention of a number of advocates of those programs to really do, you know, investigations and evaluations.

Ms. HERRELL. And I agree with that. And just looking at it from the lens of our constituents, it is different. They are not in the halls of Congress. They don't hear the conversations and even understand always some of the dialog that is taking place.

And so I can—just to kind of simple it down, I can tell you what they will ask me in my district. It will be things such as how are we sending money to foreign countries or maybe for aid or for different programs, sometimes to not even countries that are our allies, when we can see that we have possible trouble heading our way with the Highway Trust Fund, like you mentioned, or Social Security or Medicaid, you know, or even updating the computer systems in the IRS.

And I am just asking is this solely resting on the shoulders of Congress to do a better job in allocations, or is this something that these departmental programs can come forward with where we can work collectively? But do you see where I am going with this? People don't understand how we are sending so much money overseas in some cases, but yet not taking care of, say, our infrastructure, the IT, and other things that really have a direct impact on some of these programs.

Mr. DODARO. Well, you have two dimensions here. You have the President, on behalf of the administration, recommending funding for these programs. But the ultimate decision lies with Congress as to whether they're going to fund the programs or not.

Ms. HERRELL. Right.

Mr. DODARO. That's not, you know, a prerogative of my organization. Our job is to advise the Congress and so that they can make informed decisions. But those ultimate decisions about the policy priorities of the Government rest in Congress' hands.

Ms. HERRELL. Right. And I am just going to shift gears just a little bit because I come from a border state, and just can you discuss the work of GAO as it relates to drug trafficking across our border and areas of improvement your agency found the Government needs to make to intercept drugs and improve border security? Because I know that has just been issue we have been seeing for decades, but just your thoughts on that.

Mr. DODARO. Oh, yes. We've done a lot of work in that area and have recommendations. I'd be happy to provide those for the record.

Ms. HERRELL. Great, great. Because it just—what concerns me is, obviously, we have this crisis, the drug overdose, all over the country. And certainly, we see it in New Mexico, and we understand that a lot of drugs, illicit drugs are coming through those southern borders, and other ports everywhere. But I am thinking that opening the borders might compound this if it feels like we are starting to see some improvement on that.

But I can see that Congress has a lot of work to do, and again, I really appreciate your comments today.

And Madam Chair, I wish we had more—

Mr. DODARO. I think the issue there, we need to focus on the border and the interdiction of drugs. But we really need to work on bringing the demand down. As long as there is demand for the product, the product is going to find its way here.

Ms. HERRELL. Right.

Mr. DODARO. And that's something that we've never been successful on in the Government as long as I've been here, and I've been here a long time. And that's one of the reasons I decided to try elevate it to the High-Risk List to get some greater attention on the education and prevention front of this thing as well as the interdiction and, of course, treatment programs, but we haven't quite found the magic formula to balance the dimensions to make any progress in this area.

Ms. HERRELL. Right. That makes sense, and it does. And I appreciate those comments.

And Madam Chair, thank you for the additional time, and we have our work to do for sure. So, thank you, Madam Chair.

Chairwoman MALONEY. Thank you. The gentlelady yields back. The gentleman from Georgia, Mr. Johnson, is now recognized. Mr. Johnson?

Mr. JOHNSON. Thank you, Madam Chair.

And Mr. Dodaro, thank you for being here today, and I agree fully with you, and I would go further to say that the war on drugs has been an abysmal failure in this country. But I want to ask you about the FDA. The coronavirus pandemic has put immense pressure on all facets of our healthcare system, including the U.S. Food and Drug Administration, which has been working, by the way, nonstop to facilitate the approval of COVID vaccines and drug therapies. This work has been further complicated by drug shortages and inept leadership from the previous administration.

Drug shortages are not only a serious threat to Americans' health and safety, they are also incredibly expensive. In 2019, a survey found that drug shortages cost hospitals \$360 million annually in labor costs alone. Of the 6,000 healthcare facilities surveyed, more than half faced at least 20 shortages during the six-month study.

Today's report highlights the important role the FDA plays in addressing drug shortages and why their role is particularly important during a global pandemic. Has the problem, sir, of drug shortages been more severe or become more severe because of the COVID-19 pandemic?

Mr. DODARO. I want to ask Nikki Clowers, the head of our healthcare team, to answer that question. Nikki?

Ms. CLOWERS. Yes, I think what the pandemic has done is shown the vulnerabilities that we have in our drug supply chain. As many—as you probably know, most of our generic drugs are manufactured overseas. And so whenever there is a crisis or other disruption in the supply chain, that can affect the availability of drugs and lead to drug shortages.

We have made recommendations to FDA to help them better manage drug shortages. It is certainly not only an FDA responsibility. It is a shared responsibility, and the private sector is involved. But we think there is more that FDA could do in terms of using data and trying to forecast where there is different drug shortages.

We also recently made—

Mr. JOHNSON. OK. Well, let me stop you right there and move on.

In 2019, the FDA's drug shortages task force put out a report to mitigate—on how to mitigate drug strategies. How useful were those recommendations in confronting the drug shortage challenges posed by the pandemic under the previous administration?

Ms. CLOWERS. They were useful in that providing steps that both FDA could take as well as the private sector in terms of risk management and better contracting.

Mr. JOHNSON. Was the FDA able to take those steps that were recommended under the previous—

Ms. CLOWERS. They are taking—

Mr. JOHNSON [Continuing]. Under the previous administration?

Ms. CLOWERS. They are in the process of implementing those recommendations, and I can report back to you as we get more information about the status.

Mr. JOHNSON. OK. Well, I know that you don't want to comment about the previous administration. But the FDA was not equipped to predict drug shortages caused by former President Trump, who incessantly tweeted unproven assertions that certain drugs were effective in treating COVID-19. Trump threatened the health of hundreds of millions by spreading false information about treatments for COVID-19 and creating mass demand for drugs that patients with lupus or rheumatoid arthritis relied upon.

And his assertions led to widespread shortages of those medications across the country, and he didn't stop there, though. He went further, contacting the FDA and bullying the Administrator into issuing an emergency order allowing the use of those drugs to treat

COVID-19, when, in fact, there was no evidence that those drugs were efficacious. These drugs were more than just ineffective, they could have potentially caused dangerous side effects depending on the patient.

Mr. Dodaro, do you think or do you believe—or let me ask you this. How did Trump’s actions constitute a direct public health threat?

Mr. DODARO. Well, I mean—there—you know, I mean, my belief is in science, and I think that the scientists should speak out on these issues and that there needs to be authoritative scientific underpinning of decisions we’ve heard.

Mr. JOHNSON. And let me ask you this question. In your opinion, do actions taken by the FDA Administrator, pursuant to President Trump’s order, merit further investigation.

Mr. DODARO. We are actually looking at the political influence on FDA and CDC, and we’ll be reporting our results to the Congress.

Mr. JOHNSON. Thank you, and I yield back. Thank you, Madam Chair.

Chairwoman MALONEY. The gentleman yields back. The gentlelady from the great state of New York, Ms. Ocasio-Cortez, is now recognized.

Ms. OCASIO-CORTEZ. Thank you very much, Chairwoman Maloney.

And thank you, Mr. Dodaro, for coming in front of us today and offering your expertise in some of these issues, emerging issues that we should be keeping an eye out for.

Now you are the Comptroller General of the United States. Correct?

Mr. DODARO. That’s correct.

Ms. OCASIO-CORTEZ. And you know, for some of my constituents in community watching at home, that means, among your many other responsibilities, you kind of keep an eye on the books for the United States. Would that be fair to say in a broader sense?

Mr. DODARO. Yes. Books and programs, all Federal activity.

Ms. OCASIO-CORTEZ. Wonderful. Thank you.

So, before I begin, Madam Chairwoman, I would like to ask for unanimous consent to submit a Pro Publica article on Facebook on enforcing tax law and a letter from 88 national organizations urging President Biden and Congress to invest in fair enforcement of the tax law to the record.

Chairwoman MALONEY. Without objection.

Ms. OCASIO-CORTEZ. Thank you. Thank you very much.

So, Mr. Dodaro, let us talk about taxes. If I was the CEO presently of a large international corporation that was founded here in the United States and wanted to manipulate my taxes and park the profits somewhere else, do you think I would be able to get away with that in our current system?

Mr. DODARO. Well, there’s a lot of potential loopholes in the current system that can be exploited.

Ms. OCASIO-CORTEZ. Thank you. And you know, actually, according to this Pro Publica article, it seems that some records have been unearthed, and Sheryl Sandberg wrote in April, an April 2008 email that “My experience is that by not having a European center

and running everything through the U.S., it is costly in terms of taxes.”

And Facebook’s head of tax actually replied to Sandberg in these records that the company needed to find a “low-tax jurisdiction to park profits.” And it found that jurisdiction in Ireland, where its tax rate is near zero.

Now why would Facebook, do you think, want to do that?

Mr. DODARO. Well, there’s different tax advantages. I’m going to have—Mr. Mihm is our expert in the tax area. I’m going to ask him to help comment.

Ms. OCASIO-CORTEZ. Sure, of course.

Mr. DODARO. Because we’ve looked at some offshoring kind of issues. Chris?

Mr. MIHM. Thank you, sir. And yes, ma’am. We have looked at offshoring and, as you are suggesting, that there are various tax advantages to where major corporations claim that their businesses are taking place. And they are fully aware of those tax advantages, and they use those to their advantage to minimize the amount of taxes that they have to pay.

So, that is an important consideration in business decisions. Yes, ma’am.

Ms. OCASIO-CORTEZ. Thank you so much, and I appreciate that answer. You know, and I would actually kind of contest this term “tax advantage,” because it may be an advantage to an individual corporation, but we currently have an enormous tax gap in the United States. Would you say that that is correct, Mr. Dodaro?

Mr. DODARO. That’s correct.

Ms. OCASIO-CORTEZ. And so weakened tax enforcement actually rigs this economy against workers. It seems as though we are starting to see a pattern where the IRS is starting to go a little bit more after lower-income people that target the EITC, and this is kind of referenced due to the lack of resources that the IRS currently has. Would that be fair to say?

Mr. DODARO. Well, the amount of enforcement efforts and auditing of the tax returns has been going down as a percentage. I’m not sure what the current mix is.

Ms. OCASIO-CORTEZ. Yes, and so it seems like companies like Facebook have kept billions of dollars in tax breaks through tactics like offshore tax evasion. But working families are struggling to pay rent, put food on the table, and stay alive. And in fact, we are constantly told that we cannot afford tuition-free public colleges, expansion of healthcare in the United States because we can’t afford it.

The official estimates peg the national tax gap at \$381 billion per year, but the former Commissioner Charles Rossotti estimates that it is now closer to \$600 billion.

Mr. Dodaro, does any other item on the GAO’s High-Risk List come anywhere close to having a \$600 billion impact on the Federal budget?

Mr. DODARO. Not any one single item alone.

Ms. OCASIO-CORTEZ. So, this seems to be one of the largest areas of having a negative impact on our Federal budget. It is tax evasion and other sorts of—

Mr. DODARO. Yes. Yes, there are two others that have potential large areas. One is healthcare, improper payments in healthcare, which are over \$100 billion a year. And the defense weapon systems, where there is a portfolio of \$1.8 trillion.

Ms. OCASIO-CORTEZ. All right. Thank you very much. Appreciate it.

Mr. DODARO. Madam Chair, Madam Chair, would it be possible for me to have five minutes before we continue?

Chairwoman MALONEY. Certainly. We will recess for five minutes.

[Recess.]

Chairwoman MALONEY. We're now in session. The gentleman from Texas, Mr. Fallon, is recognized for five minutes.

Mr. FALLON. Madam Chair, thank you very much.

Comptroller General Dodaro, thank you for taking the time. It has been a fascinating committee hearing. And thank you for the important work that you are doing and the service you are providing to our country and our taxpayers.

I have got a couple of questions. Medicare has been on the High-Risk List for over 30 years, and I am not surprised because when I was in the Texas legislature, it was one of the things that I learned about was the fraud that we saw just at our level in the state and in Texas. And it was, according to our Inspector General, in the hundreds of millions of dollars provable and potentially and probably in the low billions.

And again, that is just Texas. So, I shudder to think what the actual costs are when you look at 50 states.

So, my first question is, do you share my concern about the massive potential and actual fraud that could exist within the Medicaid program, Medicare program and the process? And if you do, do you have any idea of possibly a ballpark figure of what that realistic potential fraud could be across the country?

Mr. DODARO. Yes. Well, I share your concern about it clearly, both for Medicare and Medicaid, all right, in those two areas. I do not have a figure for you. It's hard to calculate. There are figures on improper payments that are made. These are payments that should not have been made or made in the wrong amounts.

Now they would include—Now any fraud would be an improper payment by definition, but not all improper payments are fraud because you have to prove an intent and criminality. Last year, the amount of improper payments in Medicare and Medicaid combined were over \$100 billion, all right? But again, that's not all fraud, but it's indicative of an issue.

And I believe that the amount of improper payments estimated for Medicaid is an underestimate. The numbers are big.

Mr. FALLON. I would also like to share with the committee and the other members that when I asked our Inspector General a very innocent question, what I thought which was, when someone is audited, in this case, Medicaid, what percentage of those physicians or the offices that are giving the medical care had their billing lowered the next month? And it was 100 percent, all of them, which is alarming, obviously, for clear reasons.

But the Medicare program has been on the list, as I mentioned earlier, year after year for three decades. What suggestions, if any,



would you have today that we could implement to finally hold the Medicare program accountable and, as a result, of course, reduce this massive taxpayer theft and reform Medicare and Medicaid so that they can actually earn their way off the list?

Mr. DODARO. Well, there's a couple of things. One is we think they should expand the prior authorization. They tested prior authorizations. This provides greater assurance that you are spending the money for a legitimate purpose to a legitimate provider for a legitimate medical reason before you spend the money. You don't have to worry about trying to get it back later.

It's been proven in pilot projects, but it hasn't been expanded because it will save money and it won't affect the services' timeliness or the services to the individual if done properly.

Second, it's been shown that recovery auditors who actually audit some of these things after the fact can audit prepayment in some of these areas. That will reduce that issue as well. So, those are two recommendations off the bat.

The other reason Medicare is on the High-Risk List is that it's undergoing a transformation right now to sort of pay people for not quantity of services, but the quality of services, and that transformation is underway and not anywhere near complete. But let me ask Ms. Clowers if she has any other recommendations. She's our healthcare head.

Mr. FALLON. Yes, thank you. Thank you.

Mr. DODARO. Nikki?

Ms. CLOWERS. Yes. One more recommendation in the Medicare area would be for CMS to do more work on their risk adjustment scores. That is when we see coding differences between fee-for-service, for example, versus then the payments that are made under managed care or the Medicare Advantage. We want to make sure that those coding differences are taken into account so we are not overpaying for the services provided. We have a recommendation in that area.

And then on the Medicaid front, the Comptroller General has also mentioned this a little bit earlier. But in the managed care area, there is not a sufficient medical review of the payments and services that are made, and we think that area needs a great deal of attention as the care that is being provided through managed care now accounts for almost half of all Medicaid spending.

Mr. FALLON. Thank you, Madam Chair. Thank you, Madam Chair. I yield back.

Chairwoman MALONEY. The gentleman yields back. The gentlelady from Missouri, Ms. Bush, is recognized for five minutes. Ms. Bush, you are now recognized.

Ms. BUSH. Thank you, Madam Chair.

St. Louis and I thank you for convening this hearing today, and thank you to Mr. Dodaro for being here.

I will ask today for the thousands of people who urgently need a voice in this room, the environmental violence of the Departments of Energy and Defense has emblazoned my community with extremely hazardous radioactive waste. Nothing could fully capture what it was like for people to find out that their—that nearly everyone from their high school was sick with rare cancers or dead. That is real life for people along Coldwater Creek in St. Louis.

The Department of Energy knew that Coldwater Creek was dangerously contaminated in the 1960's. Mr. Dodaro, based on what you know about DOE environmental liabilities, would you guess that the creek is cleaned up today?

Mr. DODARO. Well, there hasn't been as much progress as I think there needs to be made, and the cost to the Government to clean up keeps going up, despite spending billions of dollars, because they don't really have a risk-based approach to addressing those issues.

Ms. BUSH. OK well yes. You are right. Yes, it is certainly not.

The CDC has estimated that as many as 350,000 people in North County, my community, have been exposed to radioactive waste. The creek runs through the Florissant area and several other towns in my district. We are not talking about a distant problem. I am in the room, actually. I lived by this creek, and the basement of my townhouse would flood with potentially radioactive water all the time. My son's room was in that basement.

Mr. Dodaro, based on what you know about these two departments, would you take over the lease at that townhouse, or would you take your kids to the nearby playground?

Mr. DODARO. Based on the circumstances that you're explaining, I don't think so.

Ms. BUSH. Well, and I am a nurse. I would never let you do it. One day, I opened my door, and there were butterflies, dozens, lying on the ground with their wings opened, like nothing I had ever seen. I realized something must be very, very wrong, but we had no idea what was happening.

Most people still don't know what is happening even right now. The Army Corps of Engineers is slowly conducting a cleanup in St. Louis under the FUSRAP program. They have estimated that some black and brown communities won't be cleaned up for 20 years.

Eyewitness accounts state that the Corps and contractors like those mentioned in the report have been seen picking random houses on a street to test soil without even notifying neighbors who are growing gardens. There are still no signs, no signs at the creek warning people of the dangers.

Mr. Dodaro, would you say that the DOE has enough money to post some type of warning signs along the creek that is giving people rare cancers or at least what we believe to be causing it?

Mr. DODARO. I'll ask—I'll ask Mr. Gaffigan to answer further, but DOE has one of the largest budgets in the Government. So, I would think they could afford a sign, but Mark?

Mr. GAFFIGAN. I would only add the reason we put this on the list is because we think this is just the tip of the iceberg. We think there are a lot more places like Coldwater Creek around the country that need to be identified, and we need to figure out to what degree we are going to clean them up.

Ms. BUSH. Thank you. Thank you.

The Department of Energy is a "responsible party" for Coldwater Creek. We have heard that the DOE set aside the maximum amount of money, but then deemed it was not all needed. My constituents and I, we want to know where does the supposedly unneeded money go? Mr. Dodaro?

Mr. DODARO. I'm going to ask Mr. Gaffigan on that one.

Ms. BUSH. OK.

Mr. GAFFIGAN. Well, we have been critical that DOE has not taken a risk-based approach to this, you know, identifying all the sites throughout the country and treating it in sort of a risk-based approach. And the fact that communities are feeling left out is not a good sign.

Ms. BUSH. No, it is not. Thank you.

I have one final question. Mr. Dodaro, if you were me, representing hundreds of thousands of people with potential or confirmed toxic exposure, what would you do to massively expedite DOE?

Mr. DODARO. I mean, I think Congress is empowered to get answers from DOE about what their plans are and what they're intended to do. So, if I was a Member of Congress, I'd insist that they provide answers to the questions to satisfy you about what their plans are and what the timeframes are for implementing those plans.

Ms. BUSH. Thank you, Mr. Dodaro. I will be following up with further questions, a lot of questions.

And I yield back.

Chairwoman MALONEY. The gentlelady yields back. And the gentleman from Kentucky, Mr. Comer, is now recognized.

Mr. COMER. Thank you, Madam Chair.

And Mr. Dodaro, thank you for your time. I know you have to leave, and you have been with us all day and a press conference before that. I just wanted to ask a real brief question.

Has the COVID-19 pandemic led to an increase in drug abuse, and that is what contributed to the addition of a new area on the GAO list and that area being the national efforts to prevent, respond to, and recover from drug misuse?

Mr. DODARO. I want to be clear on this. We were going to add that area before the pandemic, and we announced our intention to do that March 2020. So, it wasn't a result of the pandemic that we added the drug misuse area, but the pandemic has complicated that issue.

Mr. COMER. Isn't it true the number of drug overdoses has increased during the pandemic from March to May of—March 2019 to May 2020?

Mr. DODARO. That's true. That's true.

Mr. COMER. Or March 2020 to May 2021, yes?

Mr. DODARO. Yes, right. Right. But if you look at it, we have a chart in our report, Congressman, that shows the rate of drug increases were going sort of like this. It was, you know, on a trajectory. It dropped slightly in 2018, but it bounced back in 2019 to go increase again.

So, it was on a very disturbing trend pattern before the pandemic, and it's apparently likely to get worse once all the final data is in going forward.

Mr. COMER. So, what do you think the Federal Government's response needs to be to this spike in drug abuse?

Mr. DODARO. Well, I think we need to double down on our efforts. We need to have a comprehensive national strategy. We need to engage—there are 12 different agencies in the Federal Government that are considered part of this implementation effort. We need to

engage the states, localities, and the private sector in this area because it affects businesses. It affects all parts of our economy.

So, we need to really make a concerted effort over time with the proper resources and investment in order to arrest this disturbing trend.

Mr. COMER. Well, I would add to that, in my opinion, that I believe taking steps to reopen the economy and getting people back to work certainly would seem to help the situation as well.

But thank you again for being here. I know we have extended this meeting beyond the time that we set forth, but I do appreciate your service.

And Madam Chair, I yield back.

Chairwoman MALONEY. The gentleman yields back. And in closing, I want to thank the Comptroller for his testimony, his service, his report, his press conference earlier today, and I know he is testifying shortly before the Senate on the report also.

I also want to commend my colleagues for participating in this important conversation, and without objection, all members have five legislative days within which to submit additional written questions for the witness—to the chair, which will be forwarded to the witness for his response. I ask our witnesses to please respond as promptly as you are able to.

And this hearing is adjourned.

[Whereupon, at 1:51 p.m., the committee was adjourned.]

