THE GOVERNMENT ACCOUNTABILITY OFFICE'S 2023 HIGH RISK LIST

HEARING

BEFORE THE

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COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

JAMES COMER, Kentucky, Chairman

C O N T E N T S

THE GOVERNMENT ACCOUNTABILITY OFFICE'S 2023 HIGH RISK LIST

Wednesday, April 26, 2023

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

The Committee met, pursuant to notice, at 10:04 a.m., in room 2154, Rayburn House Office Building, Hon. James Comer [Chairman of the Committee] presiding.

Present: Representatives Comer, Gosar, Foxx, Grothman, Palmer, Sessions, Biggs, Mace, Fallon, Donalds, Armstrong, Timmons, Burchett, Greene, McClain, Boebert, Fry, Luna, Langworthy, Burlison, Raskin, Norton, Krishnamoorthi, Khanna, Ocasio-Cortez, Porter, Bush, Brown, Stansbury, Garcia, Frost, Balint, Lee, Casar, Crockett, Goldman, and Moskowitz.

Chairman COMER. The Committee on Oversight and Accountability will come to order.

I want to welcome everyone here this morning.

Without objection, the Chair may call a recess at any time.

I recognize myself for the purpose of making an opening statement.

Today's hearing is an opportunity for this Committee to leverage an important tool in combating waste, fraud, abuse, and mismanagement while safeguarding taxpayer dollars. That tool is the Government Accountability Office's 2023 High-Risk List. The 37 areas contained on this list represent programs within the Federal Government where there is a high risk for fraud, waste, abuse, or mismanagement. The list measures progress and deficiencies so that Congress can take action to conduct meaningful oversight and make those programs more efficient.

Federal Government programs created and funded by Congress must fulfill their intended purpose and meet mission objectives while being careful stewards of taxpayer dollars. Yet too often, massive Federal programs struggle to meet their objectives and become vulnerable to fraud and abuse. The High-Risk List is a critical tool for evaluating whether the programs created and funded by Congress are working as designed for the American people.

The Government Accountability Office, or GAO, publishes this report at the start of each Congress. GAO's High-Risk Report provides status updates on how programs are performing and recommendations on ways they could improve. The 37 areas on the list all present either a financial risk of loss of at least $1 billion taxpayer dollars—that is a billion with a "B"—or a risk involving public health or safety, delivery of essential services to America's national security concerns, economic growth, privacy, or the rights of citizens. Important things are at stake here.

Despite GAO's best efforts to highlight problems and propose solutions, waste, fraud, and abuse in the Federal Government is ever present. GAO has supplied this report to Congress for more than 30 years. Unfortunately, some programs have appeared on this list since the beginning. Fortunately, this Committee has returned its attention and resources to focus on its core missions: to ensure government is working for the American people in an efficient manner, to ensure agencies safeguard taxpayer funds from fraudsters and ineligible participants, and to hold leaders accountable when they fail to perform.

This Committee's very first hearing of the 118th Congress, which included testimony from Comptroller General Dodaro, focused on the rampant waste, fraud, and abuse in COVID relief programs, leading to billions in waste and improper payments, with tens of billions of funds going to transnational criminal organizations instead of their intended recipients. Today, our Committee will also examine the roughly $250 billion lost to waste, fraud, abuse, and mismanagement annually outside of COVID relief programs. This includes improper payments in the Medicaid and National Flood Insurance Program, waste due to outdated cybersecurity measures and a lack of preparation for future disasters, mismanagement of Department of Defense's finances and in the Federal prison system. All of these programs have been highlighted on the High-Risk List.

GAO's work makes clear we need to have more oversight, tracking, and data collection to determine how taxpayer dollars are being spent. GAO estimates that just since last Congress' report, there has already been about $100 billion in Federal savings because of improvements to areas included on the previous High-Risk List. And why is that? Because effective oversight works. It works to expose and prevent waste, fraud, and abuse, it works to safeguard taxpayer dollars, and it works for the American people.

We made a commitment in the 118th Congress to restore accountability not only with this Committee, but the entire House of Representatives, and that is what we are here for today. I will look forward to hearing from Comptroller General Dodaro on the work GAO is doing and how this Committee can seize opportunities to prevent waste, fraud, abuse, and mismanagement in the Federal Government. And with that, I yield to the Ranking Member Raskin for his opening statement.

Mr. RASKIN. Thank you so much, Mr. Chairman. I want to thank you for calling this very important hearing with the GAO on its recently released 2023 High-Risk List. For more than 30 years, GAO has released this list at the beginning of each Congress. The report identifies key areas where we need to ensure that the Federal Government works effectively for the American people and not effectively against us. So, the report has been North Star for government efficiency, illuminating a path forward for Congress and the executive branch to better serve the needs and the priorities of American people. I want to thank Comptroller General Gene Dodaro for testifying before the Committee today and for his extraordinary 50 years of exemplary service of the people at GAO. That is a half century committed to the American people.

I want to echo the Chairman in saying that GAO's independent, nonpartisan work is critical to the mission of efficient government, serving the public, and rooting out waste of taxpayer money, financial fraud, and self-dealing abuses of power. GAO plays a pivotal role in this process. The List identifies the areas of Federal operations most in need of transformation and improvement. Every two years, GAO rates progress or backsliding from the last report and makes specific recommendations for executive branch agencies and Congress where we can make progress. The recommendations save American taxpayers billions of dollars, improve service to the public, and strengthen government performance.

Since 2006, the financial benefit of addressing these high-risk areas has totaled a jaw-dropping $675 billion. Let me repeat that. Addressing the high-risk areas has provided taxpayers $675 billion in financial benefits. If Ben Franklin was right that a penny saved is a penny earned, that is $675 billion earned to the American people, an amount 100 times more—I observed this morning—more than 100 times more than Fox is going to have to pay Dominion for what just happened there. So, investing in our Federal operations in oversight, in leadership, in practical solutions, and in resources yields extraordinary concrete benefits to the American people, including better customer service, a more efficient government in these billions dollars.

[Chart]

Mr. RASKIN. The 2023 list highlights 37 areas across the Federal Government that are at greatest risk today of waste, fraud, and mismanagement, and that need broad structural reform. When we looked at the 2021 High-Risk List, 16 high-risk areas saw improvements and two were removed from the High-Risk List entirely. According to GAO, this is the most progress made by Congress in the government since GAO started issuing the ratings eight years ago. Progress can be seen in directly improved services to the public and in the agencies' enhanced ability to achieve their missions. This is tangible evidence of the Biden-Harris Administration's and the Democratic Majority's commitment to work for the American people and deliver meaningful results over the last Congress.

While we are encouraged by the progress outlined in this year's report, there is much more work to be done, of course. Since 2021, one high-risk area regressed and three new problem areas were added. This is a reminder that we have to do more to hold the agencies accountable. We hope the majority and our colleagues on both sides of the aisle will work together to implement lasting solutions. This means we must ensure continuing key investments in our operations and implementation of policy changes. This public philosophy must take precedence over the suddenly fashionable drive to dismember our country's critical programs, including the social safety net, healthcare, science, education, climate, energy, labor, research, and oversight itself, as outlined in the short-sighted pennywise and pound foolish debt ceiling proposal.

The so-called Limit, Save, Grow Act, better known as the Default on Our Debt Act, would make destabilizing and indiscriminate across-the-board board cuts of an estimated 22 percent to most agency budgets, plunging the government into uncertainty and triage mode without the resources to continue making improvements in the high-risk areas. These slash-and-burn cuts proposed by House Republicans threaten to reverse dramatic progress made in the high-risk areas and make many of our problems worse. They would undermine the crucial progress we made toward addressing the skills gap in the work force, defund our work to protect the Nation from devastating cyberattacks, pit safety and efficiency against each other in our transportation systems, slow down Social Security checks, and cause significant reductions in the number of people served by affordable housing programs.

And this is the tip of the iceberg. These cuts would even eliminate millions of dollars in funding for oversight of pandemic aid and for the oversight work that the Comptroller General is here to tell us about today, oversight work that we all claim to value so much. Members in this hearing room cannot say that they want the Federal Government to best serve the American people and then walk over to the Capitol to vote for a bill that will totally frustrate this goal. One agency official stated the cuts would "cause significant damage to national security, economic competitiveness, American jobs, disaster preparedness, and the natural environment."

Instead of implementing widespread cuts that would halt most of the gains made on high-risk areas between 2021 and 2023, executive branch agencies and Congress need to believe in the value that comes from a well-functioning Federal Government, a government that serves everyone. Executive branch agencies and Congress must commit to addressing hundreds of open GAO recommendations to bring about the lasting corrective solutions we need to the remaining 37 high-risk areas. Persistent and prudent congressional oversight and thoughtful legislative solutions are essential to achieve greater progress. Mr. Chairman, I look forward to working with you on making that happen, and I yield back.

Chairman COMER. The Ranking Member yields back. I am pleased to welcome back to the Committee today's witness, Comptroller General Gene Dodaro, who brings more than 49 years of experience at the U.S. Government Accountability Office and has served as head of the Agency since 2010. As Comptroller General, Mr. Dodaro helps oversee the development and issuance of hundreds of reports and testimonies each year to Congress. These products have led to hearings and legislation, billions of dollars in taxpayer savings, and improvements to a wide range of government programs and services.

He has testified before Congress dozens of times to provide nonpartisan insights into some of our most pressing Federal oversight issues. His leadership with GAO has led to billions in taxpayer savings and crucial evaluations of whether government programs and services are meeting congressional intent. Thank you for joining us today, and I look forward to our discussion this morning.

Pursuant to Committee Rule 9(g), Mr. Dodaro, will you and your staff please stand and raise your right hand?

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

[A chorus of ayes.]

Chairman COMER. Let the record show that the witnesses all answered in the affirmative.

We appreciate you all being here and look forward to your testimony. I recognize Mr. Dodaro to please begin his five-minute opening statement.

STATEMENT OF GENE L. DODARO
COMPTROLLER GENERAL
GOVERNMENT ACCOUNTABILITY OFFICE

Mr. DODARO. Good morning, Mr. Chairman, Ranking Member Raskin, Members of the Committee. I am very pleased to be here today to talk about our latest high-risk update. The story of this update is progress, but many pressing serious consequential problems still need to be addressed.

On the progress front, and I would commend the Congress for a number of things that they did to contribute to this progress. First was to provide funding to the Pension Benefit Guaranty Corporation, which is coming off the list. Congress also provided funding for surface transportation, dealt with some fiscal relief to the Postal Service over this past year, passed a number of provisions to build better climate resilience up front, and this dealt with many of the issues, and it contributed greatly to the progress as well as efforts by the executive branch.

Now, there is progress in 16 areas, two of which we are going to take off the list. One is the Pension Benefit Guaranty Corporation. When we were here last time, the Multi-employer Program was due to be insolvent in 2026, and due to the action that the Congress has taken now and some improvements that have helped in the Single-Employer Program, the PBGC now rates the risk of insolvency very low for the next 15 years, so we are going to take that off the list. Now, just because it is off the list doesn't mean it is out of sight. We are going to continue to monitor it because it doesn't solve the long-term problems in that program.

We are also taking the 2020 Census off the list because of improvements made. This was the first census with an internet response. They were able to contain the cost growth in annual censuses from the pattern that had emerged earlier. They delivered it during a pandemic. There are still a lot of issues in terms of the quality of the count that need to be worked on going forward. Again, we will keep an eye on this area as planning for the 2030 Census ramps up going forward.

Now, there are a number of areas still on the list that I think are very significant that I want to point out to you. No. 1 is cybersecurity, and I first added that to the High-Risk List across government in 1997. I still don't think the Federal Government is operating at a pace commensurate with the evolving grave threat in the cybersecurity area, not only to protect its own assets but critical infrastructure protection throughout the United States. The Administration has just put out a national strategy that we have been calling for, but it does not yet have a detailed implementation plan with milestones, resources, clear roles and responsibilities, so we are going to need to be continue to focus on this area. We have 850 open recommendations yet in the cybersecurity area that we have made, and so that area is very important, I believe, for Congress to continue to focus on.

The second is drug misuse. We added this area a while back, you know, very concerned in the last 12-month period that the CDC has been measuring, there have been over 107,000 overdose deaths. This is the most in the history of the United States. It has been over 100,000 now for the past two or three years. The trend is not good. We have called for a national strategy with coordination not only among Federal agencies, but between Federal, state, and local governments, the healthcare sector, the law enforcement sector. Just this month, earlier, the Office of National Drug Control Policy put out an emerging threat alert because of the combination of fentanyl with xylazine, which is a horse tranquilizer, is becoming very problematic in this area and leading to additional complications. So, they have to put out a report now within 90 days on how they are going to deal with this next evolving issue in this area.

Last, I will point out the area of oversight of medical products and safety. You know, most of our products now come from foreign sources. We have encouraged FDA to have more oversight over that area, and I think we still are at risk of drug shortages. And the medical supply chain issue needs to be dealt with much more effectively than it has been dealt with before, and we have some suggestions on how that could be done.

And so, I am happy to talk about any of these high-risk areas in the question-and-answer section. I appreciate the opportunity to be here today to discuss these very important issues with all of you and hopefully help set the oversight table going forward.

Chairman COMER. Thank you very much. We look forward to a very substantive question and answer session, and I will begin.

Mr. Comptroller General, what is the total amount of improper payments that GAO estimates were made last year across the Federal Government?

Mr. DODARO. Last year, across Federal Government, the cumulative total of the estimates made by the agencies was $247 billion.

Chairman COMER. Hmm.

Mr. DODARO. Mr. Chairman, if I might add, that estimate is not complete. There are a number of programs where estimates were not made, like the Pandemic Unemployment Insurance Program. Since 2003, these estimates have totaled $2.3 trillion. This is a trend that was a problem before the pandemic.

Chairman COMER. Yes.

Mr. DODARO. It got worse during the pandemic.

Chairman COMER. Two-point-three trillion. So, since 2000, it would be roughly $2-and-a-half trillion?

Mr. DODARO. Yes.

Chairman COMER. Two-and-a-half trillion dollars.

Mr. DODARO. Yes.

Chairman COMER. What are the worst programs for improper payments over that time?

Mr. DODARO. Over that time, yes, the Medicaid Program has the highest total for the last couple years: $98 billion in 2021, $80 billion in 2022. Medicare Program is about $47, $49 billion over the last two years. The Unemployment Insurance Program, it is $78 billion in 2021, about $19 billion in 2022.

Chairman COMER. Geez.

Mr. DODARO. The Earned Income Tax Credit——

Chairman COMER. Mm-hmm.

Mr. DODARO [continuing]. Has been about $18 billion a year. And then in 2022, which is the first year the Emergency Loan Programs——

Chairman COMER. Oh.

Mr. DODARO [continuing]. Of SBA were a $36 billion estimate. We encouraged them to make that estimate. They didn't make it in 2021, but they made it in 2022.

Chairman COMER. That is sickening. Last Congress, we heard from you about the need for more oversight over pandemic relief funds. As you testified at the 2021 high-risk hearing, "When you are spending close to a trillion dollars, you also need good accountability and transparency," and guess what Congress did with that important advice that you gave this Committee? It rushed out another $1.9 trillion in alleged pandemic relief, but Congress didn't stop there. Congress also spent another $2 trillion of taxpayer dollars in Green New Deal spending in the infrastructure package, CHIPS and Science Act, and our favorite misnomer, the Inflation Reduction Act, which I am not going to get into that. As with any massive spending bill, oversight is critical to ensure that funds are being used toward their intended purpose.

What has GAO learned about the Federal Government's ability to conduct internal oversight since your last high-risk update, and is the Federal Government truly equipped to oversee the disbursement of trillions of dollars under such a short timeframe?

Mr. DODARO. There are additional areas that I have recommended both to the Congress and the executive branch that need to be dealt with. First of all, the agencies need to implement better fraud reduction measures. That is the only real solution to this problem. Really, it is difficult to catch all the people that have committed the fraud afterwards and then even more difficult to collect the money. I worked with the Congress back in 2016. We passed this Fraud Reduction Act, and the agencies were slow to implement it, and so they weren't very prepared for additional funding.

Chairman COMER. Yes.

Mr. DODARO. You need better internal controls, better management, more aggressive oversight. And I have about a dozen legislative proposals that——

Chairman COMER. Right.

Mr. DODARO [continuing]. I have to help deal with this issue going forward.

Chairman COMER. I look forward to receiving that, so thank you for your insight. As I mentioned earlier in my opening statement, many of the issues we face today began long before the pandemic. The 2023 High-Risk Report served, once again, as an alarming reminder of the extent of the improper payment issues facing Medicare and Medicaid. Last year, Medicare improperly paid roughly $47 billion and Medicaid improperly paid nearly $81 billion. Why do these programs have such massive issues with improper payments?

Mr. DODARO. Well, there are a lot of factors that contribute to it. In Medicare, what needs to be done is there needs to be more timely measures of the contract audits for Medicare Advantage, which is about half of the spending in Medicare now.

Chairman COMER. Mm-hmm.

Mr. DODARO. CMS still hasn't released the audits from the 2011 to 2015 area, so we are way behind in auditing the managed care plans.

Chairman COMER. That is unacceptable, by the way, but yes.

Mr. DODARO. I agree.

Chairman COMER. Mm-hmm.

Mr. DODARO. There also needs to be legislation to allow for recovery auditors, which have proven through a pilot to do some pre-audits ahead of time. I have suggested more pre-authorizations, which have been studied and don't hold up benefits but provide more program integrity. In Medicaid, I don't believe the estimates, as bad as they, are complete. I don't think we have a good estimate yet of the managed care portion of the Medicaid Program.

Chairman COMER. Mm-hmm.

Mr. DODARO. There is a big problem with provider screening and beneficiary eligibility determinations. This was paused during the pandemic, so when once that resumes, which starts this month, I expect those improper payment estimates to increase. But that needs to be dealt with, and I think the state auditors need to be involved more in providing oversight over that program, which is administered at the state level.

Chairman COMER. Well, thank you. We look forward to your legislative advice and look forward to this hearing. With that, I yield to the Ranking Member, Mr. Raskin.

Mr. RASKIN. Thank you Mr. Chairman. Yes, I get complaints all the time from constituents about the Medicare Advantage plans and what is taking place there, so that might be worthy of a hearing of our own, Mr. Chairman, and the fraud that is taking place there. Mr. Dodaro, one of the criteria that you consider before you remove an area from the High-Risk List is agency capacity, specifically whether or not the agency has the people and the resources needed to sufficiently address and correct the risk. Why is agency capacity such a critical factor?

Mr. DODARO. Well, first of all, 22 of the high-risk areas of the 37 are on the list because of critical skill gaps, either not having enough people or the right kind of people to implement those programs effectively. So, you need the right people.

Mr. RASKIN. You are talking about people on the staff of the agency.

Mr. DODARO. Absolutely.

Mr. RASKIN. Under the American Rescue Plan and the other coronavirus relief auths, GAO got $107 million to bolster oversight of the funds and programs authorized by these packages, some of the stuff you were just talking about with the Chairman. My understanding is that the GOP's Default on Our Debt Act, however, would claw back a lot of that oversight funding, money that had been provided before to the GAO. How much money would be taken back?

Mr. DODARO. I would have to provide a detailed answer for the record.

Mr. DODARO. I think we have perhaps around $20 million of that left of the $107, you know——

Mr. RASKIN. Right, but what had been reported to me was $29 million, but I wanted to check.

Mr. DODARO. Well, that is about right.

Mr. RASKIN. OK.

Mr. DODARO. That is right.

Mr. RASKIN. Now, that is money that you intended to use on essential oversight of COVID–19 relief, including examining the contents and management of the Strategic National Stockpile, evaluating agency IT preparedness and response during COVID–19, assessing airline service disruptions and their causes, and investigating, significantly, worker health and safety conditions in the meat and poultry processing industry. This funding will help us understand what happened during COVID and how to better prepare for future emergencies. On top of that, these proposed dramatic across-the-board budget cuts would undermine GAO's ability to oversee the 37 high-risk areas that we are here to talk about today.

So, last month you testified before the Committee on Appropriations and stated that, "Congress is basically out-resourced against the executive branch, and unless you have strong oversight and a strong GAO, it is hard to provide effective oversight." At that same hearing, you described the severe challenges that you experienced after the last drastic budget cuts took place under the 2011 Budget Control Act. So, how would these new budget cuts affect GAO's ability to conduct oversight that we are all counting on?

Mr. DODARO. Yes. Well, potentially the cuts collectively that have been discussed would have a devastating effect on our ability to support the Congress. Under some of the proposals that have been put forward, we would either have to lay off about 570 people, or we would have to not replace people who left due to attrition, and furlough GAO people. We would have to shut GAO down for about a month and a half and for providing services. So, you know, it would definitely have an impact on us and our ability to serve the Congress.

Mr. RASKIN. I mean, is that cutting off our nose to spite our face?

Mr. DODARO. Well, we provided $145 back for every dollar invested in us over the last years—five—and so, we provide a very good return on investment. And to get the returns, you got to continue to make investments. It would be like pulling your money out of a CD and still expecting interest.

Mr. RASKIN. Yes. So, I just want to get our colleagues to focus on this point. Like, there is the level of rhetoric which a lot of politics in Washington takes place, and then there is the level of real investment in work to make things happen. And this reckless Default on Our Debt Act would gut funding not just for veterans and housing and nutrition and climate work and so on, but for important oversight work which saves billions of dollars to our people and making sure that the government is working for people. And that is just unacceptable, and it is not going to be productive. So, if our colleagues really want to make government more effective and more efficient, if they really want to improve the programs and the services that we provide to our constituents, let's not undermine key oversight entities, like the GAO that provide accountability and transparency to Congress and to the American people. That really is cutting off our nose to spite our face.

Thank you Mr. Chairman. I yield back.

Chairman COMER. The Chair recognizes Mr. Gosar from Arizona for five minutes.

Mr. GOSAR. Comptroller General, it is good seeing you again, absolutely. U.S. involvement in Ukraine has been an epic disaster, resulting in hundreds of thousands of military and civilian casualties. Each day without peace is another day that jeopardizes the fragile security the world has enjoyed for decades, free from the devastation of nuclear weapons, and our blank check for this war is coming at a cost of our own military readiness.

At our current pace, it will take five years to restock our Javelin missiles, 13 for Stinger missiles. Every one month, six years' worth of our 155-millimeter artillery rounds are expended or disappear. The horrible decision to give American taxpayer dollars to a corrupt regime is not the only reason why the U.S. military readiness is suffering. The recent GAO report has found four critical areas where our DOD is at risk of losing over $1 billion due to mismanagement, waste, and fraud.

Mr. Dodaro, let me quote a line from your report: "The Department of Defense needs to improve oversight of its weapons systems and to make better-informed investment decisions to ensure the timely delivery of critical capabilities to the warfighter." Mr. Dodaro, given the fact that the U.S. munitions stockpiles have been significantly depleted, how has the decision to meddle in this foreign war on the other side of the globe affected the military readiness of the U.S.?

Mr. DODARO. One of the things that we have been asked to do is provide oversight by the Congress on what is happening to the funding that we provided. And one of the things we are going to look at is that very issue, particularly in terms of replenishing the stockpile. I will ask Mr. DiNapoli, who is our expert in that area, to elaborate a bit, Congressman. It is a good question.

Mr. DINAPOLI. Many thanks for the question. It is good. As Gene mentioned, we are kicking off a series of reviews to take a look at what type of weapons and assistance has been provided to Ukraine. As of last month, $39 billion, you know, where 75 different types of goods and services have been provided to the Ukrainian Armed Forces. As part of that, we are going to look at the replenishment of those, how the decisions were made what to replenish, how to replenish it, what is the cost of that replenishment, and the impact on sustainment and readiness.

Mr. DODARO. And also, Congressman—excuse me—we also have work ongoing looking at the readiness issue. We have been focused on that a number of years now.

Mr. GOSAR. Got you. So now, in your discussions with the DOD, have you noticed a special push to restock ammunition and weapons?

Mr. DINAPOLI. Yes. In our early observations, in our discussions, they are definitely focusing on making sure that the supplies of critical things needed by our armed forces are available when needed.

Mr. GOSAR. From your vantage point, are they at acceptable rates?

Mr. DINAPOLI. So, we are continuing that analysis. I can't give you an answer right now, but we hope to have that report out to you by the end of the year.

Mr. GOSAR. Love to have that. Now, there have been over 107,000 drug overdose deaths in Fiscal Year 2022. Much of this death is due to policies that perpetrate open borders. Has GAO issued recommendations to the Department of Homeland Security on steps that the Agency could take to deter illegal border crossing and to more easily and effectively return illegal aliens to their country of origin?

Mr. DODARO. Yes, we have. I am going to ask Charles Johnson to come to the table, our expert in that area, or Rebecca. Rebecca Gambler. I am sorry.

Ms. GAMBLER. Good morning. Thank you for the question, Congressman. Yes, GAO has made a number of recommendations to DHS over many years related to its efforts to secure the border. Those recommendations include things related to better oversight and monitoring of border security efforts, better performance measures so that we can assess what we are getting out of investments made in border security. And we are continuing to follow up on those recommendations over time.

Mr. GOSAR. So, can you commit to a report by GAO on policy recommendations Homeland Security should take to stem the tide of illegal immigration?

Ms. GAMBLER. We would be happy to work with your office on specific areas of interest that you are interested in GAO taking a look at and reporting on.

Mr. GOSAR. Got you. Now my last question. Many prisoners are being held, allegedly committed crimes on January 6 of 2021. They are being held in deplorable conditions in two D.C. jails. There are reports that the prisoners are prevented from seeking counsel, had their freedom of religion violated, been denied medical care, refused access to exculpatory evidence, and been forbidden basic hygiene products to keep themselves groomed and washed. Are you aware of these violations of prisoners' rights?

Mr. DODARO. I am going to ask Charles Johnson. He is our expert in this area of the Bureau of Prisons. Go ahead, Charles.

Mr. JOHNSON. Thank you. Congressman, we have not specifically looked at that particular issue. We have been doing some studies looking at the Federal management of the prison system, which, you know, was included in the High-Risk report this year as a new addition. We are aware of some mistreatment of some of the incarcerated individuals in certain facilities. The particular one in the District, we have not looked at, but we would be happy to take a further look at that.

Mr. GOSAR. Would you commit to a report to Congress on that very subject?

Mr. JOHNSON. We would definitely look at it and reach out to your staff to have a further conversation on that issue.

Mr. GOSAR. Thank you very much. Good seeing you again.

Mr. DODARO. Yes, good seeing you.

Chairman COMER. The Chair now recognizes Ms. Norton from Washington, DC, for five minutes.

Ms. NORTON. Thank you, Mr. Chairman. In the 117th Congress, Democrats led the way with historic legislation to rebuild and modernize our Nation's crumbling infrastructure. Congress passed the bipartisan Infrastructure Investment and Jobs Act to rebuild roads and bridges in communities around the country, improve climate resilience, cleanup pollution, and a lot more. During the first year of implementation, the Biden-Harris Administration is already delivering results. Over $185 billion in funding has been committed to more than 6,900 projects across the country.

So, Mr. Dodaro, can you give a couple of examples of how the bipartisan Infrastructure and Investment Jobs Act contributed to significant progress across several high-risk areas?

Mr. DODARO. Yes, absolutely, and I have called up David Trimble, our infrastructure expert. But first, I would say, No. 1, surface transportation and providing stable funding over the long term has been on the High-Risk List since 2007, and so the Infrastructure Act provided enough money to provide stable funding at least up until 2028. After that, there is going to be a funding gap again, which is why we didn't take it off the list. Also, the Inflation Reduction Act did provide a number of programs and grants to build climate resilience in up front. And so, those are two ways that they make contributions to those areas. I would ask Mr. Trimble if he has any additional examples.

Mr. TRIMBLE. I think those are the two examples I would cite as well, but we are happy to meet with your staff to give you other examples we have seen in our audits. We have got a number of reviews ongoing, tracking the funding across a whole host of areas, so would be happy to meet and go over those more detail if that would be useful.

Ms. NORTON. I would appreciate that. Mr. Dodaro, what concrete benefits did this progress deliver for the American people?

Mr. DODARO. Well, I think, you know, the infrastructure, by our accounts and by many experts in that area, was desperately in need of repair, you know, particularly for surface transportation, and bridges, and other things. So, I think you know these projects take a long time to get developed, and there needs to be, you know, more work done in order for everybody to realize fully the benefits that are in place, but the funding needed to get out there and get started in those areas. I think climate resilience will yield a number of benefits both to individuals as well as the Federal Government. Also, the expansion of broadband capabilities throughout the country, particularly in rural areas, will help people realize the benefits of connectivity in those areas.

And so, you know, we have pointed out, though, that we need to look at the workforce to make sure there is an adequate workforce to deliver these broadband capabilities throughout the country. So, we looked in the telecommunications area, and, as David mentioned, we have about 30 or 40 different requirements for studies on the Infrastructure Act, so we will be continuing to put those out. Also, we have already issued one report, for example, on crash dummies and saying that, you know, the dummies, while they represent, you know, men in particular, they don't really represent women or children. And so, there is, you know, more study needed, and changes need to be made so that the full range of occupants, of course, can be made safe.

Ms. NORTON. For the high-risk area of funding the Nation's surface transportation system, GAO did not provide a rating for executive branch agencies' progress because "Addressing the identified issues will primarily involve congressional action. So, Mr. Dodaro, can you explain what funding the Nation's surface transportation system is about and why we should take heed that this area is on the High-Risk List?

Mr. DODARO. Yes. Well, the national gas tax hasn't been raised since 1993, so the model that was set up by the Congress is to have occupants and users of the roads and highways pay for the funding repairs. And that model, with the fact that the gas tax hasn't been raised, more people, fuel efficient vehicles, now electronic vehicles, that model is not going to be sufficient, has not been sufficient, in the future. Congress has supplemented the amount of money going into the Highway Trust Fund by making general appropriations available, and now the Infrastructure Act covers that for at least the next five years, but the long-term financing really is not there.

Now, we are looking at some of the efforts to look at the mileage driven and to perhaps have a different model of people paying a certain amount of money for the miles that they drive every year. There are some pilots going on throughout the states. We are not sure whether it is going to be scalable yet. That is one of our recommendations to the Department of Transportation.

Ms. NORTON. Sir, I yield back.

Chairman COMER. The Chair recognizes Dr. Foxx from North Carolina for five minutes.

Ms. FOXX. Thank you, Mr. Chairman. Thank you, Mr. Dodaro, for being here. This year, the unemployment insurance, UI system, was added to the High-Risk List. In the report, you mentioned that fraud risks to the UI Program need to be addressed. As I understand it, the current statute of limitations for criminal and civil penalties for COVID, UI fraud, and overpayment is only five years. Is that correct?

Mr. DODARO. That is correct.

Ms. FOXX. OK. Legislation, such as the Protecting Taxpayers and Victims of Unemployment Fraud Act, would extend the statute of limitations for criminal charges and civil actions for prosecuting fraud to 10 years. What would the impact of that change be, and how much more could we expect the government to be able to recover as a result of this change?

Mr. DODARO. Well, I think that that is a good change. Congress has already extended the statute of limitations for the SBA emergency loan programs from 5 to 10, or maybe 10 years, and I think it makes sense to do it for an unemployment insurance area. You know, we estimated at the low end of the fraud and unemployment insurance, it was $60 billion in fraud. We are working on a high-end estimate now which we will have later this summer, so there is a lot of money yet that hasn't been recovered. Now, how much can be recovered? Quite frankly, it is going to be modest, but I think there is also a benefit from a deterrence effect about——

Ms. FOXX. Sure.

Mr. DODARO [continuing]. Punishing people who have committed the fraud——

Ms. FOXX. Yes.

Mr. DODARO [continuing]. As well as trying to get back as much money as possible.

Ms. FOXX. Absolutely. As you know, the United States Postal Service has been on the GAO High-Risk List since 2009. However, since the last High-Risk List was published in 2021, this Committee came together to create the Postal Service Reform Act, which was signed into law. This law greatly reduced the Postal Service's unfunded liabilities for retiree health benefits. Along with this "relief," the Postal Service is charged with implementing the Postmaster General's 10-year plan, which we believe will lead the Postal Service toward self-sufficiency. Do you have any recommendations for Congress to help ensure the Postal Service achieves self-sufficiency?

Mr. DODARO. Yes. Well, first of all, Congress did provide substantive relief to the Postal Service, but it didn't change the long-term business model, and the Postal Service is continuing to lose money, even with these relief efforts. So, the 10-year plan being executed by the Postal Service will be helpful, but, ultimately, I think the Congress is going to have to decide what level of service that it wants the American people to have and how to provide a stable funding arrangement, and whether or not they want the Postal Service to be self-supporting or not.

Ms. FOXX. Let me ask you a follow-up——

Mr. DODARO. Sure.

Ms. FOXX [continuing]. Before you continue that.

Mr. DODARO. Right.

Ms. FOXX. The High-Risk List mentions that USPS should continue to take actions under its own authority to enhance its financial viability while still meeting its mission to provide universal postal service. What actions under its own authority can USPS take to enhance its financial viability?

Mr. DODARO. I will ask Mr. Trimble, our expert, to give you an answer there.

Ms. FOXX. Thank you.

Mr. TRIMBLE. Yes. Currently, we have an ongoing review of the USPS' new 10-year strategic plan and the number of projects they have in there to address their costs, and also service and reorganization efforts they have under way to address their cost structures. So, I think, really, it is going to be to execute against that plan, and that is something we will be monitoring in our ongoing review.

Ms. FOXX. Great. Mr. Dodaro, again, one of the key points made in the High-Risk List is at the Office of Management and Budget. OMB is critical to addressing high-risk areas because it can lead and support agencies. How can Congress help OMB conduct more meaningful oversight to help improve high-risk programs, and along with that, I will note that there is no Inspector General there. How would having an Inspector General help this situation?

Mr. DODARO. Well, first, the first thing Congress could do is hopefully work with the Administration and get a confirmed Controller in that position. There hasn't been a confirmed Controller in that position for at least seven years now, and that is a problem in terms of us working with them to not only deal with high-risk areas but also improper payments and also all financial management issues. So, I think there needs to be additional leadership responsibilities there.

I have been very pleased with the cooperation from the Deputy for Management, Jason Miller. We have had tripartite meetings between GAO, OMB, and agencies on the list. OMB is always looking for resources just like everybody else, so Congress should look carefully at those issues. Inspector Generals are an important part of oversight over the Federal Government, and I would, you know, think that there is some merit to considering that, although OMB is in the Executive Office of the President. So, we would have to look at it in a broader aspect than just OMB because OMB is a very small entity.

Ms. FOXX. Sure. Well, I have one more question, but I will submit it, Mr. Chairman, I yield back. Thank you, Mr. Dodaro.

Mr. DODARO. Thank you.

Chairman COMER. The Chair recognizes Mr. Ocasio-Cortez from New York for five minutes.

Ms. OCASIO-CORTEZ. Thank you, Mr. Chair. I would like to yield 30 seconds to the Ranking Member Raskin.

Mr. RASKIN. Thank you kindly, Ms. Ocasio-Cortez. Congress has committed $24 billion in security assistance to Ukraine in their war of self-defense against the brutal invasion by Russia, and to ensure the proper use of that funding, Congress and the Administration established robust oversight structures to detect fraud and abuse. And that included additional funding for the IGs of DOD, the State Department, and the United States Agency for International Development.

And recent testimony from Administration officials confirm that these robust oversight structures are working. On February 28, the House Armed Services Committee, during which DOD's undersecretary of defense for policy testified the Agency has provided Ukrainians with supplies to track the systems the U.S. has provided, including scanners and software, and that they have not seen any evidence of diversion. So, I just want to say that you have helped us get ready for that. I yield back.

Ms. OCASIO-CORTEZ. Thank you. Thank you, Mr. Chair. Thank you to the Ranking Member. Now, I want to dive into a little bit of what we are looking at today. This week Republicans introduced their legislation to bring the U.S. Government into default. That is what is happening, and that would introduce de-stabling and a profoundly unprecedented process that would initiate across-the-board cuts of an estimated 22 percent to most agency budgets, including cuts to lifesaving medical care, Social Security, student debt, SNAP benefits. And in all of that, my colleagues seem to forget another way to solve our impending fiscal crisis.

This isn't just about continued cuts to the poor and to the working class in our central services, but we can raise revenue. In fact, when tax cuts in 2017 were passed by the other side of the aisle, we see wonderful tax cuts for yacht owners and private jets. But in order to balance our budget, now we are talking about cuts to

SNAP, to food out of babies' mouths instead of actually re-examining the inequities within our tax system. Let us look into the decreasing IRS' revenue that has contributed to a loss in revenue from taxing the wealthiest Americans.

Mr. Dodaro, how much have appropriations for IRS enforcement activities decreased since 2010?

Mr. DODARO. I am going to ask Jay McTigue, our expert in IRS, to respond.

Ms. OCASIO-CORTEZ. Thank you.

Mr. MCTIGUE. Thank you, Congresswoman. The appropriations for IRS have declined considerably since 2010, roughly 20 percent when adjusted for inflation, and roughly the same amount when looking at enforcement in particular.

Ms. OCASIO-CORTEZ. And we have seen, according to your May 2022 report, Mr. Dodaro, GAO, you reported a decrease in audit rates of individual tax returns, correct?

Mr. DODARO. That is correct.

Ms. OCASIO-CORTEZ. And in that same report, you state that the tax community has also raised concerns about whether the IRS is selecting taxpayers for audit in an equitable manner. Can you explain the concern with respect to the equity of audits and, particularly, any drops in audit rates for incomes making over $500,000 a year?

Mr. DODARO. I will ask Mr. McTigue to respond.

Mr. MCTIGUE. Again, thank you, Congresswoman. In the report that you reference, we did point out that audit rates have declined by about a third since 2010 across the board, but they have declined more dramatically for higher-income individuals, and the reason behind that has really been a resource and a capacity issue. Auditing high-income, high-wealth individuals, partnerships, corporations require a lot of expertise, both human capital as well as information technology and analytics, whereas auditing lower-income individuals is much more straightforward. The IRS has a lot of information from third parties on income, such as wages——

Ms. OCASIO-CORTEZ. Yes.

Mr. MCTIGUE [continuing]. And less information on other types of income. So, there is a wide disparity there.

Ms. OCASIO-CORTEZ. Thank you. I appreciate that, and to your note, auditing the rich is an enormously complex process that takes a lot of manpower, and the cuts to IRS enforcement are strategic, and they have resulted in a loss of revenue. Is that correct?

Mr. MCTIGUE. IRS has been unable over the past decade to backfill, you know, very highly skilled individuals that have retired.

Ms. OCASIO-CORTEZ. Thank you. I apologize. I just have to reclaim because I don't have time, but what we see here, and I would like unanimous consent to submit the report from the GAO——

Ms. OCASIO-CORTEZ [continuing]. That there was an 87-percent decline in audits for taxpayers making between $500,000 and $5 million. And according to the GAO, we have seen that new funding for the IRS that we recently put in the Inflation Reduction Act has increased those revenues over 10 years.

So, instead of looking at climate and instead of looking at cuts to healthcare, we should examine why our colleagues and the Republican Party is so invested in protecting the wealthiest people in this society and would rather attack healthcare and services for our veterans than repealing tax cuts for yacht owners and private jets. And with that, I yield my time.

Chairman COMER. The Chair recognizes Mr. Grothman from Wisconsin for five minutes.

Mr. GROTHMAN. Yes. I would like to focus a little bit on the Department of Defense, arguably the most important department because our freedom depends upon them doing a good, efficient job. First of all, the Department of Defense financial management and contractor management have been on the GAO's High-Risk List since the early 90's. Why is that?

Mr. DODARO. The financial management part, and I will ask Mr. DiNapoli to talk about contract management, but on a financial management, they have been unable to pass the test of an independent audit. They are the only major Federal agencies that have been unable to pass the test of an audit. Their financial systems and controls are not sufficient. There have been hundreds of identified weaknesses by people who are doing the audits.

Now, for many years, the Department didn't try to do a financial audit, but in the last five years they have, and they are making some good progress in that area. They are finding good benefits from the financial audits. They are finding helicopters they didn't know they had on the books. They are finding lots of supplies. They are saving some money not reordering things that they already have. So, there are some benefits to it, but the main reason is they have been able to pass a test of an independent audit, financial audit.

Mr. GROTHMAN. Why compared to other agencies is the Department of Defense so much worse? Is it arrogance? Is it ignorance? What would you attribute it to?

Mr. DODARO. Well, a part of it is scale. For a number of years, it was lack of effort, to be honest with you. I mean, the requirement has been in place since 1996. For about a decade or so, they really just certified they were unauditable and didn't do it. More recently, there has been commitment in the last two administrations, and I have been very pleased about it, and they are starting to take it seriously. They recognize they need it in order to manage more efficiently and effectively. But it is big agencies, and there is——

Mr. GROTHMAN. OK.

Mr. DODARO [continuing]. Not a lot of standardization across the Department. So, there are a lot of decentralized efforts, and, therefore, the systems are unable to exchange information properly.

Mr. GROTHMAN. OK. Thanks. In November 2022, Defense failed its fifth consecutive audit. It was unable to account for 61 percent of its $3.5 trillion in assets. What are the reasons why the DOD cannot produce a clean audit?

Mr. DODARO. A couple reasons. One, their financial systems are not reliable in a number of cases. Second, they do not have good internal controls over their property, over their inventory systems, and that is a problem. They also do not have the full type of skills in their work force that they need in those areas. And so, it is a myriad of issues.

Mr. GROTHMAN. Could you elaborate on they don't have the skills? How is this possible they don't have the skills?

Mr. DODARO. Well, there are not enough people. I mean, for over 200 years, the Federal Government operated without any financial statements or independent financial audits. We started in the 90's, so this wasn't a big priority in those areas. And then for a number of years, the Department didn't think they needed to do this, and so they didn't build the capacity that they need in those areas. Most of the expertise in financial management of Federal Government has been in the budget area, not in preparing financial statements and auditing where they have the systems people necessary to produce those statements. So, they are trying and are making improvements, but I still think they need additional skills to be able to do this.

Mr. GROTHMAN. OK, and we will jump ahead here. What is the dollar figure for waste the GAO has identified at the Pentagon, and this number will include the GAO alone and not include the Department of Defense Inspector General's numbers.

Mr. DODARO. Yes. Yes. We are working on a figure now for government-wide waste. So far, the only figure we have come up with has been for the Unemployment Insurance Program, which is over $60 billion at the low end of the range.

Mr. GROTHMAN. OK. Department of Defense last estimated that in 2014, contractors were in possession of $220 billion in government-furnished property, but GAO says that number is significantly understated. Why does GAO believe that?

Mr. DODARO. I will ask Mr. DiNapoli to respond.

Mr. DINAPOLI. Thank you for the question. It is a lot about financial, similar to what Gene mentioned with regard to financial management, also occur in the property management system. So, having the proper records, having the information technology systems to govern that process, and then having the folks to do the proper oversight of those, all combine to having information about the amount of government property in contractors' hands by being excessively low.

Mr. GROTHMAN. OK. I will give you a little different question. They always say generals are fighting the last war.

Mr. DINAPOLI. Mm-hmm.

Mr. GROTHMAN. And I look at stuff like aircraft carriers, which when they have war games, get sunk right away. Do you guys have any comments on the Department of Defense—or maybe even I shouldn't say Department of Defense—our Appropriations Committee and Armed Service funding weaponry that may not be up to snuff or wouldn't last very long in a 21st century war?

Mr. DINAPOLI. So, thank you for that question, and that is another high-risk area of our weapons systems work, which has also been on the High-Risk List since 1990. And what we have continually found through the past 30 years is the Department of Defense generally buys weapons systems in a manner that results in cost overruns and schedule delays, and often doesn't provide the warfighters what they need when they need it.

Mr. GROTHMAN. Thank you very much. I think our Department of Defense and, quite frankly, some people in this building are a little bit embarrassing as far as protecting our country, but thank you for letting me go a little over.

Chairman COMER. The Chair recognizes Ms. Stansbury from New Mexico for five minutes.

Ms. STANSBURY. Thank you, Mr. Chairman, and I want to welcome Mr. Dodaro. It is wonderful to have you here today, and thank you to all the staff who are joining us.

You know, Mr. Chairman, I just want to take a moment to say thank you for having this hearing. This is exactly the kind of hearing that this Committee should be having is actual oversight and the fiscal responsibilities of the Federal Government. And I am particularly grateful to have all of you here and to have this discussion. As a former Senate Committee employee and a former examiner at OMB, I am very familiar with your work and have actually worked with a number of you over the years, so it is great to have you here today.

I want to start out by saying as the Representative for New Mexico's 1st Congressional District, many of the items that are on the High-Risk List for this year are items that, of course, New Mexicans experience every single day. Of the programs and items that are listed under high risk, issues around tribal communities and their access to healthcare, funding for the Bureau of Indian Education, issues around access to disabilities programs through Medicaid and through the VA system, and, of course, course many of the issues around military spending and the other issues that have been discussed this morning. So, I want to dive in on some of these issues here.

But I do want to take a moment to amplify on some of the comments that were made earlier, and that it is particularly peculiar to be having this hearing this week as we learned just this morning, in the wee hours of the night last night the GOP and the Rules Committee dropped their version of the debt ceiling negotiation, which is really a ransom note for many of the programs that we are talking about that are covered under this report. In fact, in the name of balancing the debt ceiling, the GOP is proposing to cut for 10 years Federal programs across the board.

And in the GAO's High-Risk Report, it is acknowledged over and over again across the hundreds of pages of this report that part of why we made progress on the High-Risk List is because we have been making investments, and particularly, congressional investments, in these programs. And, in particular, I want to highlight those investments in climate change since one of the proposals in the GOP's proposal this week is to gut the Inflation Reduction Act as well as other programs.

You know, in a 2019 report that the GAO published, it was estimated that by 2040, that climate would cost the United States $315 billion a year, and the GAO said in this report that for every single dollar that we spent on climate change as the Federal Government, it would save the Federal Government $11. That is an 11-to–1 investment. So, when we hear arguments like we have this morning, that investments in climate action are a waste of taxpayer dollars, they are literally saving taxpayer dollars by ensuring that we are mitigating financial and fiscal risk for the Federal Government down the road.

And, in fact, the report that you have issued actually states that. In fact, I want to take a direct quote from the report. It says that, "congressional action has helped to improve this high-risk area," and then goes on to talk about the ways in which the Infrastructure Bill and presumably the Inflation Reduction Act are actually going to help mitigate fiscal risk to the government. So, I really wanted to amplify that this ransom note that the GOP has issued this week on gutting these vital social programs, climate programs, are really going to undermine the fiscal responsibility of the Federal Government.

But I do want to allow the opportunity for you to share some of the findings of the report, especially around climate change. I know there were five key areas that were in need of improvement, particularly around government-wide planning and technical assistance to our communities, is something that I work on every day. I have a number of bills that I am working on. And so, Mr. Dodaro, could you and the staff please expand on some of the key things that we can do to address our fiscal responsibilities around climate change?

Mr. DODARO. Yes. I am going to ask Mr. Gaffigan to do these. He is our expert in the area, but we have got some good ideas.

Ms. STANSBURY. Great.

Mr. GAFFIGAN. Yes. I mean, if you look at our high-risk designation on climate, it is about the fiscal exposures, so you are spot on in terms of highlighting that. And the Federal Government can provide a lot of incentives to build resilience in and save those dollars that you are talking about. It can also be an integrator for all the stakeholders who are involved in that and also provide key information. Those are three sort of key areas of resilience that we can build in. But I think the fiscal exposure is a huge issue, and it is why we put it on the High-Risk List in 2013.

Mr. DODARO. Yes, I think a couple specifics. One would be to give better climate information to state and local officials so that they can make better planning decisions, also to work with them to build the better building codes in. You know, the Federal Government does not control building codes, and so it is very important that the Federal Government try to provide information to get those building codes up to speed. And also, the Federal Government needs to set priorities. There is a lot to do here, and we need priorities, you know. That would help us to make the most optimal investments.

Ms. STANSBURY. Absolutely. Well, thank you, and we really appreciate your work on this issue. And as I said, this is a significant investment in the future of this country and mitigating financial risk to our country's fiscal health but also to ensuring that our communities have a livable planet, and so we appreciate your work highlighting that. And with that, Mr. Chairman, I yield back.

Chairman COMER. The Chair recognizes Mr. Palmer from Alabama for five minutes.

Mr. PALMER. Thank you, Mr. Chairman. Mr. Dodaro, good to see you again. You and I have done a lot of work on some key issues, particularly in the high-risk area, and I just want to know, it has been very frustrating the lack of response in some cases. And I just want to know if there are some common themes or patterns that you have noticed across high-risk areas when compiling the List in recent years.

Mr. DODARO. Yes. One thing is the programs that rely upon state and local administrations are among the most difficult to deal with this. This will be Medicaid, Unemployment Insurance Program, because we allow the states to design their own programs within certain parameters, so it is very difficult. And a lot of Federal agencies have a, you know, a little bit of a softer posture in terms of oversight when there are a lot of responsibilities delegated to state and local government, but you really need Federal leadership in a more aggressive manner. So, that is No. 1.

No. 2 is I think there needs to be more resources brought to bear and more disciplined management of Federal programs and activities on spending in normal programs, but on emergencies, which we have had and will continue to have, and that is the basis for the 10 legislative suggestions I put before the Congress.

Mr. PALMER. Well, in regard to the emergency, it raises the question about the government's response to the COVID–19 pandemic. Has that worsened our ability to manage vulnerable funds? And you mentioned one of them, the unemployment insurance fraud that took place on a massive scale.

Mr. DODARO. Yes. The pandemic exposed fundamental management weaknesses that the Federal Government has in the payment process in normal times.

Mr. PALMER. Mm-hmm.

Mr. DODARO. One is the emphasis has been on pay and chase in the fraud area rather than preventing fraud in the first place. I have tried to change that working with the Congress and the agencies. We are nowhere near where we need to be in preventing fraud in the first place.

Mr. PALMER. Well, that is some of the stuff that you and I have worked on over the years is how do we incentivize Federal agencies to prevent the improper payments that I think you are really talking about right now, the pay and chase. And I think one of the that GAO pointed out was that so much of that is just failure to verify eligibility on things——

Mr. DODARO. Right.

Mr. PALMER [continuing]. You know, poor paperwork, you know, just administrative errors, but also antiquated data systems.

Mr. DODARO. Right.

Mr. PALMER. And I am still interested in pursuing the way to incentivize agencies rather than punish agencies that don't pursue this. But what is the GAO's current estimate of improper payments?

Mr. DODARO. Well, the government-wide estimates, based on what the agencies have done for the last fiscal year, was $247 billion. The previous year was $280 billion, but as I mentioned to the Chairman, those estimates aren't complete.

Mr. PALMER. Yes.

Mr. DODARO. So, I think the number is much higher.

Mr. PALMER. So, OK, you estimate it is much higher. Let us just say it is between $250 and $300 billion per year. Just at a static level, we are talking, over a 10-year period, $2-and-a-half to $3 trillion. And what people need to understand about this $2-and-a-half to $3 trillion over 10 years that we are having to borrow and pay interest on. And when we are trying to deal with the debt limit and trying to get our fiscal house in order, recognizing the enormous impact it is going to have on our capital markets, that is a pretty significant number. That is a pretty big hill that we need to climb.

And I would like for the Committee to continue to work with the GAO to come up with a way to incentivize Federal agencies to address this issue. I think one place that we could start, Mr. Chairman, is on updating the antiquated data systems because part of the problem, I think, Mr. Dodaro, you and I ran into was the lack of ability for interface between data systems between state and Federal Government. So, I think we have got some real opportunities here.

I have some other questions I may submit in writing relative to some of the things that my Democrat colleagues have said that I want to evaluate a little bit deeper. But I do think that we don't pay enough attention to how much money is going out of the Treasury in improper payments, and we are doing pay and chase rather than prevention. And with that, Mr. Chairman, I yield back.

Chairman COMER. Thank you. The Chair recognizes Ms. Balint from Vermont for five minutes.

Ms. BALINT. Thank you, Mr. Chair, and thank you for being here, Mr. Dodaro. I appreciate your time.

The Postal Service is a lifeline for rural communities like mine in Vermont. My neighbors in Vermont rely on the Postal Service for essentials like medication and for many folks who run small businesses, you know, out of their homes. And the continued viability of the Postal Service, especially in rural parts of this country, is one of my top priorities. Now, thanks to leadership on this Committee, including our Chairman, Mr. Comer, and former Chair, Carolyn Maloney, the Postal Service Reform Act of 2022 was actually a really great bipartisan success story of the last Congress, and I want to dive in a little bit more on the Postal Service. Mr. Dodaro, how long has the Postal Service been on the High-Risk List?

Mr. DODARO. The most recent, I think, was 2009 when we added it. Actually, if you go back in time, we added it a long time ago. I will get you the specific date, but then we took them off after some congressional action, but then they deteriorated further. I remember because I actually was called by the Postmaster General at the time, and I was Acting Comptroller General at that time, and he actually asked us to consider putting them back on List.

Ms. BALINT. Yes.

Mr. DODARO. And we did. We made our own independent judgment.

Ms. BALINT. And, Mr. Dodaro, how did the Postal Service Reform Act in 2022 contribute to the significant progress in the high-risk area——

Mr. DODARO. Well——

Ms. BALINT [continuing]. So, we can understand that a little bit better.

Mr. DODARO. Well, it eliminated the requirement for pre-funding healthcare benefits, and it forgave the amount of money that they owed to that fund in that area. It also shifted some of the responsibilities to the Medicare Program. It was mostly in the healthcare area, so, but there are a lot of things that, down the road, it didn't deal with that are going to need to be dealt with. For example, the pre-healthcare benefits issued around the 2030 time-frames, that fund is going to run out of money because there is no pre-funding into it. So, at that point, the Postal Service is trying to estimate what it would cost to pay out of their operating revenue, which it would be about $5 billion a year. I mean, they are already losing money——

Ms. BALINT. Yes.

Mr. DODARO [continuing]. So, they are not going to be able to deal with that. I mean, the first-class mail has been declining. It is not expected to turn around. Packages, the competition there is keen. Coming out of the pandemic, the package revenue is going down. Now, the only revenue increase is due to the increases in the price of postage, so they have problems. They are still in debt in a number of areas. So, the basic business model isn't sound going forward in the future. Congress gave it some life——

Ms. BALINT. Yes.

Mr. DODARO [continuing]. For a period of time, but the underlying problem is still there and needs to be dealt with. I will ask Mr. Trimble if he has any additional comments.

Mr. TRIMBLE. No, I think that that covers the main points. I think just in terms of longer-term challenges that they face, currently their long-term liabilities in debt is over $144 billion. And they are projected to lose in Fiscal Year 2023 about $4-and-a-half half billion. And so, when the Health Benefit Fund runs out, if you are already running a deficit of $4-and-a-half billion and you have to add another $5 billion on top of that, you can see the challenges that they are currently facing.

Ms. BALINT. Well, I appreciate that. One of the things that I always say about Vermont is that we run on duct-tape, twine, and hundreds of hours of volunteer time, you know, from Vermonters across the state, and we are cheap by nature. We are thrifty, and I just want to convey that there are lots of rural communities just like the one that I live in Vermont that depend on the Postal Service for their very survival. And so, I certainly understand the concerns about how the business model is not working, and we made progress. I think, you know, by my count, more than a billion dollars in financial benefits came to taxpayers since 2006 because of progress in the high-risk areas.

And I appreciate that as a thrifty Vermonter, but I just want to plant a flag in the ground and say we cannot let the Postal Service die on the vine. Rural America is depending on us——

Mr. DODARO. Yes.

Ms. BALINT [continuing]. To figure this out.

Mr. DODARO. I understand that. I understand that. You know, my motto at GAO is elegant but cheap.

Ms. BALINT. I like that.

Mr. DODARO. Any Vermonters who want to come to work at GAO, it is a good place to practice their thriftiness. But also, the fundamental issue here, you know, if you look back in history, Postal Service was a government entity——

Ms. BALINT. Yes.

Mr. DODARO [continuing]. In the beginning, and then somebody said, oh wow, we can do better having a private sector model in this area, and it worked well until it didn't.

Ms. BALINT. Right.

Mr. DODARO. And so, I think Congress is going to have to come to grips with what model that we want to have if we want to guarantee level of service to the American people and who is going to pay for it.

Ms. BALINT. Yes.

Mr. DODARO. And that is the decision down the road that is inevitable in this case, and what we are saying is the sooner Congress deals with that issue, the better.

Ms. BALINT. Agreed. Last comment. Just, you know, we did great work in a bipartisan manner on this issue in the past. I want to continue to work on this. It is really not an overstatement to say that rural America depends on the Postal Service. It is a critical, critical infrastructure, and we got to come together. We got to continue to come together in a bipartisan manner on this issue. Thank you.

Mr. DODARO. I agree.

Chairman COMER. The gentlelady's time has expired. Before I yield to Mr. Sessions, I would like to point out I spoke with Postmaster General DeJoy last night, and we hope to bring him in front of at least a Subcommittee hearing within the next month or so, maybe two months, whatever the calendar will permit. So, I think that is a very good point that that you all discussed, and it is something that this Committee has legislative jurisdiction on and we are going to have to take very seriously. We passed bipartisan legislation, but there are still things, I think, that need to be done, so I appreciate that.

The Chair recognizes Mr. Sessions from Texas for five minutes.

Mr. SESSIONS. Mr. Chairman, thank you very much. By the way, I am probably one of a few Members that sat on the old Postal Subcommittee when we saw this happening, but because we were not bipartisan, the answer did not happen. Mr. Dodaro, welcome back. It is good to see you again, Gene, and thank you for your service to this Nation as well as your colleagues.

During both the Committee hearing at which you testified in February and subsequent hearing in the Government Operations Subcommittee, which I chaired, we heard that self-certification was a leading cause of fraud in the Unemployment Insurance Program during the COVID pandemic. Thus, it would make sense not to rely on self-certification in the future, and yet the Biden Administration is proposing to allow applicants for student loan forgiveness to self-certify for this benefit. Look, I get it. The Supreme Court may decide the Biden Administration does not have the authority to forgive student loans. However, it concerns me that we may be poised for another big giveaway because we are relying on self-certification. Would the gentleman please address this issue?

Mr. DODARO. I, too, was concerned, so I have commissioned a GAO study to look at what the proposed operating procedures would be if they are given the green light by the Supreme Court to go through with an income-driven program, and so we will have a report out on that soon. So, I share your concern on that, particularly given what happened in both unemployment insurance and the Paycheck Protection Program, and EIDL, Economic Injury Disaster Loan Program.

Plus we have seen before on the income-driven repayment plans at the Education Department where they didn't verify the incomes, that a lot of people who reported zero income really didn't have zero income. And so, we made a number of recommendations there that they have better procedures to verify the income in the Department in the process of implementing those recommendations. So, you are right to be concerned. I was. We are looking at it, and hopefully we will have some recommendations, if they go forward with that program, that can provide better safeguards.

Mr. SESSIONS. Mr. Dodaro, thank you very much. In fact, the Subcommittee and this Committee would welcome that. As you may recall from the Subcommittee hearing, it was virtually a unanimous bipartisan viewpoint that what happened in this process of the D18 group and the things that occurred were not in the best interest of anyone, except people who fraudulently received that money. So, I want you to know that we will work and I will work with our young Chairman and our young Ranking Member, as well as Mr. Mfume and myself, on putting together a letter that we would like to make sure that is accompanying your feedback.

I think it is important that internally, your team make sure that they understand that your report is coming, that we look at it the same way, that we try and authorize this in such a way to where we are all together, including the Administration, not just Congress, so thank you very much.

Sir, has the GAO looked at the Department of Education's self-certification, the one we were just talking about, and have they come up with any realistic viewpoint about where they might also, unto them self, recognize this did not work the right way?

Mr. DODARO. You mean from the Education Department officials?

Mr. SESSIONS. Right.

Mr. DODARO. Yes.

Mr. SESSIONS. Have they indicated, whoops, didn't quite work the way we wanted, or are they still out there following this, look, we are going to continue this process?

Mr. DODARO. Yes. I don't specifically know the answer to that question. I will talk to the team and get a response back to you. I do know that there was some balking at cooperation with us in the first place, and, you know, because they were concerned that this might provide a roadmap for people to commit fraud, and I was saying that is not my goal. My goal is to help you prevent fraud in the first place. So, what their exact posture is right now at the working level, I don't know, but I will get you an answer.

Mr. SESSIONS. Thank you.

Mr. SESSIONS. I think that insight helps the six of us or the four of us up here as we attempt to provide our written guidance. I want to thank you for your service. Mr. Chairman, I yield back my time.

Chairman COMER. The gentleman yields back. The Chair recognizes Ms. Lee from Pennsylvania for five minutes.

Ms. LEE. Thank you, Mr. Chair, and thank you, Mr. Dodaro, for joining us today in this important hearing.

Waste, fraud, and abuse in our system, you know, obviously must be taken seriously. The American people work too hard for their paychecks. They pay their fair share in taxes, or at least 99 percent pays their fair share in taxes, and we should be working to ensure that tax money is used to actually benefit them. Yet Republicans on this Committee will decry the need for oversight on our programs and in the same breath support Speaker McCarthy's debt ceiling legislation that is on the floor this week. Rather than help further the goals GAO lays out in the High-Risk List, this bill seeks to impose drastic across-the-board cuts to critical government programs and significantly disrupt agency work that addresses the identified problems.

Mr. Dodaro, in GAO's 2023 High-Risk List, you outline the financial benefits that making progress on high-risk areas can yield. Since 2006, how much in financial benefits have actions on high-risk areas yielded for taxpayers?

Mr. DODARO. Six hundred and seventy five billion dollars.

Ms. LEE. Thank you. I want to emphasize what the comptroller general just stated. Addressing high-risk areas has provided taxpayers $675 billion in financial benefits. Mr. Dodaro, what factors do you include when you calculate financial benefits?

Mr. DODARO. We include savings, you know, cost savings, better use of the resources. We also account for revenue collections that may have come in as a result of our recommendations, and it has included revenue enhancements as well.

Ms. LEE. So, the financial benefits tracked by GAO are more than just savings. They could mean reduced government expenditures, increased revenues so that limited government funds can be reallocated to higher-priority areas. Is that correct?

Mr. DODARO. That is correct.

Ms. LEE. What are one or two examples of recommendations from this year's High-Risk List that could produce financial benefits and improve services for taxpayers if implemented correctly?

Mr. DODARO. There are a number. We have had a number, for example, in the Medicare area, we think that if you equalized payments by place of service. Right now, if you go to a medical appointment at a doctor affiliated with a hospital as opposed to a doctor who is operating their own practice in a private building, the government will pay more for the same level of service to the doctor at the hospital physician. And we think there are tens of billions of dollars that could be saved there as well. I think, you know, there is a number of savings we had, if the Congress would act, to give the Energy Department more authority to look at how we dispose of nuclear waste at the Hanford site, that there is a cheaper way to do it that would save tens of billions of dollars, if not more, in disposing of that low level activity waste at the Hanford site. This waste that has been accumulated since World War II in a buildup of our nuclear weapons systems. So, those are two big examples of where there are big dollars.

Ms. LEE. Thank you. Just in closing, an ineffective government causes more than just a headache for citizens. It can mean people have to wait longer for tax refunds that they desperately need, or that it takes longer to travel somewhere because of our crumbling roads and our bridges, something Pittsburghers know all too well.

The answer is clear: we can't drop ball when it comes to oversight of our programs. And with that, I yield back, Mr. Chairman.

Chairman COMER. The gentlelady yields back. The Chair recognizes Ms. Mace from South Carolina for five minutes.

Ms. MACE. Thank you, Mr. Chairman, and we are here today to talk about government accountability, oversight, transparency. We have heard about cybersecurity issues and fraudulent payments on Medicare, Medicaid, et cetera. And then our friends across the aisle want to start banging Republicans over the head over absolute nonsense and accuse us of wanting to literally take food out of babies' mouths, I think is what I heard earlier today. If I recall, it was under the current Administration, last year, when there was a massive baby formula shortage literally taking food out of the mouths of babies during that shortage. And if I recall during the baby formula shortage, that we even had under the Biden Administration, Border Patrol agents that were literally holding baby formula imports hostage where I had to call the Border Patrol and get baby formula released from the Border Patrol so that babies could have the formula that they needed. So, to hijack this hearing over those issues is utter nonsense.

We also heard others across the aisle talking about, you know, how Republicans want tax breaks for the wealthy. Well, you know, one of the greatest tax breaks for the wealthy was under the IRA, the Inflation Reduction Act, where there were $250 billion dollars of tax breaks for the wealthiest one percent. That is $26,000 in SALT, tax cuts for millionaires, an almost $13,000 government subsidy the for couples who are making half a million dollars a year to buy their luxury electric vehicles, taxpayer-funded subsidies for the wealthy for home buying, childcare, pre-K, Obamacare, paid leave, and more. So, I really don't want to hear about the hypocrisy of the left on this issue at all.

The IRA mentions taxes, fees, and penalties 637 times. It was the largest expansion of Federal Government in 50 years. There are over 150 new government programs. And today the debate rages on about the debt ceiling, but Americans wouldn't recognize it. Americans are living paycheck to paycheck right now. They can't afford a platinum credit card with no limits, and yet that is what the Federal Government is doing today.

The debate is not about, you know, about not raising the debt ceiling. The debate is about how much to raise the debt ceiling by. The debate is not about how soon to balance the budget. The debate is not about that at all. It is not about fixing Washington's out-of-control spending, which, by the way, is bipartisan because under President Trump, he raised the debt by $8 trillion, under President Biden over $4 trillion: $12 trillion added to the debt over the last six years. And we have to deal with nonsense in this Committee when we are trying to talk about ways that we can reduce waste, fraud, and abuse in the American government system.

American families who run a business and run their family budgets, they understand something that the Congress does not. They cannot run on a deficit. They have to balance their checkbooks every single week, and I am not going to give my teenage kids a platinum credit card with no limits whatsoever. And to see this debate politicized rather than having both sides come together on both sides of the aisle to say what are we going to do to fix the debt and the spending crisis that both sides have created today. And it is absolute crickets from our friends across the aisle on the left.

And so, now that I have gotten totally off on the other side because the importance of this hearing is important, I do want to get to you, Mr. Dodaro, on some of this. You mentioned cybersecurity as being an issue, and I would like to hear some of your thoughts on this issue. You know, one of the things that we brought up on this Committee is the aging workforce in the Federal workforce and also the workforce that isn't showing up to work actually. But in the private sector, they don't have this issue where you have four times the number of Federal workforce employees in IT that are over the age of 60 that will be going into retirement soon versus those that are under the age of 30. I mean, how big of an issue is this going to be in the next couple of years?

Mr. DODARO. I think it is a very important issue, and point in fact, strategic human capital management is on the High-Risk List across the Federal Government. I am very concerned about the Federal workforce. Less than seven percent are under 30. At GAO, I might add, it is over 10, but, you know, because I have been focused on this as well.

Ms. MACE. Mm-hmm.

Mr. DODARO. But this is a real problem for the Federal Government. There are 22 areas of the 37 on the High-Risk List because of critical skill gaps and shortages: government wide in the cybersecurity area, human capital management, acquisition management. And there are individual agency skill gaps in a lot of critical agencies across the government. So, this is a real problem that the government has, and I am concerned about it.

Ms. MACE. And the last thing I will add—I only have 10 seconds left—I was learning COBOL in the late 90's, and I was a programmer during Y2K, back then in the late 90's. Those were legacy systems.

Mr. DODARO. Yes.

Ms. MACE. And the number of systems that we have on COBOL in the advent of technology, even AI, and accessing our vulnerabilities and keeping data safe and secure is something else that we need to explore. I know your office is on top of it, so we really appreciate the reports you have been putting out and bringing cybersecurity to the forefront of this conversation. Thank you, Mr. Chairman, and I yield back.

Chairman COMER. The gentlelady yields back. The Chair recognizes Mr. Casar from Texas for five minutes.

Mr. CASAR. Thank you Mr. Chairman, and I think it is entirely appropriate that the Democratic minority on this Committee be talking about the potential impending crash of the American economy and the global economy if the American Government, for the first time ever, doesn't pay its bills. I think if anything should be on the High-Risk List, that probably No. 1 would be if this Congress, led by the Republican majority, forces default for the first time ever against the American people by this Congress not paying our bills.

And so, if we want to have conversation here about making sure we don't have tax breaks for the wealthiest Americans or the biggest corporations, I think that would have enormous support here from the Democratic minority. I think it would be great for us to talk about repealing the last of the Trump tax scam, which we know benefited the top one percent of one percent. Our colleague here, Congressman Jimmy Gomez, recently introduced the 99.5 Percent Act, which would close loopholes on the estate tax and end benefits for those billionaires that continue to avoid paying their fair share every single year.

That is, of course, not in Mr. Dodaro's report because that isn't part of your gig, but since it was brought up, I think really important for us to say here that that is an extremely high risk to the American economy and to the Federal Government if, for the first time ever, the Republican majority refuses to pay America's bills, basically holding things like SNAP benefits for ransom over it, which would take food out of children's mouths and seniors' mouths, and holding things like veterans' healthcare hostage.

Just to get back to my line of questioning here for you, Mr. Dodaro, your report rightly highlights the fact that the climate crisis is having a devastating impact on our communities. In Central Texas, 100-year floods now we really call every-couple-a-year floods. We have had three of those in the last 10 years. So, your report says that FEMA really needs to update its work in order to address things like wildfires and floods. Tell us, would FEMA be able to achieve some of your recommendations and do the work that you all are tasking it to do if its budget were cut by, say, 22 percent? How would that impact FEMA's ability and other agencies' ability to achieve your recommendations to deal with climate?

Mr. DODARO. Yes. It would definitely complicate their efforts. By how much, I don't know. It depends on whether or not they have carryover money left or multi-year funding that is available. But the FEMA workforce has been a particular problem over the years, and we have written a lot about the current gap. They would have difficulty, you know, staffing if we had, you know, multiple disasters, but they have special resources they could call on.

But the biggest issue, though, there on the High-Risk List is flood insurance, and given what you said, I am going to ask Ms. Orice Williams Brown to talk about what we think needs to be done in the flood insurance area. Orice?

Ms. Williams Brown. In the National Flood Insurance Program, this is a program that has been on the list for many years basically following Katrina. It is a Federal program, and basically, the Federal Government stepped in to this space because there was a lack of a private market because, no surprise, you are quite familiar, flooding can be unpredictable, but flooding is also the great equalizer. And the challenge with the program is balancing affordability with sustainability of the program.

And FEMA has been unable to charge actuarially sound rates. They have taken some steps recently to improve the rate-setting process and that increases premiums, but it also makes sure that the premiums reflect the risk of flooding, and this is an area that FEMA can only do so much. It does also require Federal intervention in terms of addressing a number of issues related to the program.

Mr. CASAR. With the goal being you don't want your flood insurance to be unaffordable, nor do you want the program to be insolvent.

Ms. Williams Brown. Exactly.

Mr. CASAR. And I would assume that a 22-percent cut to something like FEMA would make that even more challenging.

Ms. Williams Brown. It would make administering the program challenging.

Mr. CASAR. And so, again, I think it is entirely appropriate for the Democrats in the hearing here today to be raising that massive cuts to programs like FEMA will make addressing flood insurance harder. It will make it harder to make sure your flood insurance isn't unaffordable, harder to make sure the Flood Insurance Program isn't insolvent, harder for us to deal with crop insurance as we see our crops suffer from the climate crisis, along with consistent attacks on basic programs like SNAP, which most folks know as food stamps. We want to make sure that we have teachers in our schools. We want to make sure that folks are able to put food on the table, and we want to make sure that folks are able to be more and more resilient from all of these disasters. We have gone through floods and freezes, gone through the entire electric grid in Texas shutting down, and we need to be expanding these programs, not curtailing them.

Thank you, Chairman. I yield back.

Chairman COMER. The Chair recognizes Mr. Biggs for five minutes.

Mr. BIGGS. Thank you, Mr. Chairman. Thank you, Mr. Dodaro. Your report suggests that as of December 2021, DOD expected to spend more than $1.9 trillion to acquire weapons systems. Over what time period is this spending expected?

Mr. DODARO. I am going to want to ask Mr. DiNapoli, our expert in that area, to respond. Tim?

Mr. DINAPOLI. Thank you for that question. It is a difficult one to answer because most of those weapons systems equates to a life-cycle cost, so that can stretch out for 10, 20, 30, 40 years. So, it is a long period of time.

Mr. BIGGS. So, as you look at it, have you made any modification vis-a-vis the use of weapons from our stockpile in the Ukrainian crisis?

Mr. DINAPOLI. So, as we mentioned before, that we do have a body of work ongoing taking a look at not only what has been provided to the Ukrainian Armed Forces but also what we are doing to replenish the stocks that we have taken them from.

Mr. BIGGS. So, tell us what the result of your re-analysis or modification would be.

Mr. DINAPOLI. It is still ongoing, so we can't actually give you the final results, but we are looking at, you know, how they determine which stocks would be provided from where, whether we will replenish them with new stocks or just going to let them draw down, how we are going to buy those new socks and when are they going to be available back to the armed forces.

Mr. BIGGS. Have you made any recommendations?

Mr. DINAPOLI. Not as of yet in that particular area.

Mr. BIGGS. So, on DOD financial management, you indicated that DOD has longstanding issues, including ineffective processes, systems, and controls, incomplete corrective actions, and the need for more effective monitoring and reporting. And I think you testified to Mr. Grothman regarding their failure of an audit in 2022. DOD financial management has been flagged as high risk since 1995.

Your report states that financial management issues extend beyond reporting as, “Longstanding control deficiencies adversely affect the economy, efficiency, and effectiveness of its operations.” You state that 67 recommendations remain open within DOD financial management and that implementation of previous recommendations has resulted in a savings of nearly $4 billion in taxpayer dollars. Can you provide an estimate of the cost to taxpayers for the unimplemented recommendations?

Mr. DODARO. Yes. We can look at that issue and give you an estimate. Yes, we have done that across GAO, so I would be happy to provide that to the Committee.

Mr. BIGGS. Yes. I would love to see that because, I mean, they implemented a few of them and saved $4 billion. I would like to know the cost of failure to implement 60-some-odd.

Mr. DODARO. Yes. Will do.

Mr. BIGGS. Thank you. On business system modernization, your report states that DOD spends billions each year to acquire and modernize business systems. However, significant challenges impede DOD’s efforts to improve their systems environment. And you highlight three critical challenges: improving business systems acquisition, improving business systems investment management, and leveraging DOD’s federated business enterprise architecture. Can you provide an estimate of the cost to taxpayers for unimplemented recommendations within DOD’s business system modernization efforts?

Mr. DODARO. We will have to provide that for the record.

Mr. BIGGS. OK. I look forward to seeing that.

Mr. BIGGS. You also state that weaknesses in management of contracts, finances, supply chain support, acquisition and weapon systems acquisition adversely affect DOD’s efficiency, effectiveness and render its operations vulnerable to waste, fraud, and abuse, which, in turn, affects the readiness and capabilities of U.S. military forces. Can you discuss the final impact in more depth? What is the effect of waste within the Department of Defense on military readiness, and then I would ask if you are familiar with a study that was released where they estimated $125 billion a year was being wasted in DOD. That is not an official GAO——

Mr. DODARO. Right.

Mr. BIGGS. That is a journalist’s estimate. So, I am curious if you are familiar with that as well.

Mr. DODARO. Yes. We took a look at the study you are referring to. We will provide some information for the record on that. It has been a while, but I remember what you are referring to, and I will take a look at it and give you an answer for the record.

Mr. BIGGS. Yes. I would really appreciate that because I don't know whether they are accurate or not with $125 billion a year, but if they are, and I think it was a 2015 study.

Mr. DODARO. Yes.

Mr. BIGGS. So, that is eight years, and we have had inflation since then. I would imagine that the waste, fraud, corruption, duplication, whatever you want to call it, has probably increased. I would really like to know where GAO, where you stand on that, what you are finding, and I would look forward to getting that. When might I expect that?

Mr. DODARO. We should be able to provide something to you within the next month.

Mr. BIGGS. OK. Thirty days?

Mr. DODARO. Yes. Yes, a month. I will go with 30 rather than 31.

Mr. BIGGS. I was hoping you were going to say 30 minutes, but I guess I will take 30 days.

Mr. DODARO. Yes.

Mr. BIGGS. OK. Thank you, Mr. Chairman. Thank you.

Mr. TIMMONS. The Chair now recognizes Ms. Crockett from Texas for five minutes.

Ms. CROCKETT. Thank you, Mr. Chair. Too often when I sit in this room listening to my colleagues on the right, I ask myself why are we having this hearing, but today is a little different, or is it? I applaud my Republican colleagues for conducting this hearing because GAO reports highlight the reasons why we cannot and should not pass the GOP's budget bill this week. You see, my colleagues on the right want their cake and they want to eat it, too. I call it hypocrisy and hype. They want to use this Committee as an arm of the RNC for 2024, but they don't want to provide the American people with actual substantive solutions. They want to point out issues in the Federal Government, but they don't want to give the resources to fix the problems of the American people.

So, let us take a look at one issue that I know my constituents care about: taxes and getting their tax refunds. I am not even going to say tax returns. They want their refunds. Like my constituents in Texas 30, last week, I had to file my tax returns with the IRS, and like them, I want to make sure that I get my money. But according to the GAO report that is the focus of today's hearing, the IRS "needs to increase its capacity to implement new initiatives, improve ongoing enforcement in taxpayer service programs, and combat identity theft and refund fraud." I have no doubt Federal employees at the IRS work hard to ensure Americans tax refunds go into the right hands. How do I know this? Because my mom is one of those Federal employees that works for the IRS, and, honestly, she is the hardest-working woman that I know.

But even with this, the GAO High-Risk Report that one of my colleagues wanted to have a hearing on today cites that the primary reason for declines in audit rates and roughly $50 million to $250 million in payments by the government to fraudulent tax returns is because of reduced staffing due to decreased funding, because last time I checked, ain't nobody trying to work for free. So, how would my Republican colleagues plan to fix this?

Well, just this past January, they voted to defund the IRS even more, slashing $80 billion under the Inflation Reduction Act, passed by Democrats last Congress, and now Republicans are using the GOP budget bill to cut this $80 billion to the IRS. On top of how ridiculous this solution is, I am not even surprised that the CBO projected that in cutting this funding, the Republican budget bill would add $114 billion to the national deficit. Simply put, if Republicans really cared about fiscal responsibility and protecting American taxpayer dollars, they would put their money where their mouth is, but as we know, their budget bill represents their priorities, and it is clear that their priorities are to protect wealthy tax cheats instead of throwing the Federal hammer down on them.

At the end of the day, I am here to do a job, and that is to protect my constituents. So, I would like to close out by asking our witnesses the following questions. Mr. Dodaro, what steps must Congress take to combat identity theft and fraud through the IRS and improve Agency efficiencies so that people can get their refunds?

Mr. DODARO. We have a number of recommendations for the Congress in that area. You know, one would be to require additional electronic filing, you know, rather than have the paper returns, you know, keyed in. That is an inefficient process and introduces errors into the process. I will ask Mr. McTigue to elaborate a little bit further, but one additional thing is to give IRS the authority to set requirements for paid tax preparers. Many of the unenrolled paid tax preparers actually have greater error rates than people preparing their own taxes.

Ms. CROCKETT. Mm-hmm.

Mr. DODARO. So, I think it would be provided better oversight over that area, and to also require more third-party information reporting so IRS could match against the records. That would provide more accurate and timely responses. Jay, would you have any additions?

Mr. MCTIGUE. Those are the key ones. I guess the one additional comment I would make, Congress could provide IRS with greater authority to correct simple math errors where taxpayers have inadvertently made errors, information differs from what IRS or the government has in its data bases. And that would not only help in terms of IRS' administration, but it also would reduce the burden on taxpayers to address those errors through correspondence and back and forth with the IRS. Obviously taxpayers need to have protections and the ability to interact with IRS, too.

Ms. CROCKETT. I understand. Thank you so much, and you would agree that IRS needs resources to be able to carry out these plans, correct?

Mr. MCTIGUE. I am sorry. What was the question?

Ms. CROCKETT. I was just saying you would agree with me that the IRS does need resources in order to effectuate these plans, correct?

Mr. MCTIGUE. GAO has long pointed out that, you know, IRS does receive considerable resources, and, you know, it is imperative that they use the resources that they have most efficiently and effectively, but that can only go so far, particularly with the growth in the economy——

Mr. TIMMONS. The gentlelady's time has expired.

Mr. MCTIGUE [continuing]. And the, you know, growth in the number of taxpayers.

Ms. CROCKETT. Thank you, and thank you, Mr. Chair.

Mr. TIMMONS. Thank you. I now recognize myself for five minutes.

Mr. Dodaro, great to see you. Thank you for coming before us to discuss a matter of the utmost importance. I commend you and your staff on the work that was put into this year's High-Risk Report. Many of the wasteful government programs that you identified here today have been discussed and rightfully criticized. Discussions are good and can be effective. However, discussions require follow-through to be effective. Unfortunately, Congress and the executive branch have been missing the bar when it comes to follow-through for decades.

As you know, my colleague, Rep. Kilmer, and I worked on legislation contained in last year's NDAA that requires GAO to provide succinct priority recommendation reports to congressional committees. These reports would be organized by topic and contain the amount of time a priority recommendation has been open for and a cost savings estimate, among other things. So, my first question is, how many total priority recommendations produced by the GAO remain outstanding? What recommendations have been outstanding the longest, and how long is that?

Mr. DODARO. There are hundreds of open priority recommendations. I would have to go back and look at the winner, if you will, of who has been open the longest. There are a number to go back a number of years.

Mr. TIMMONS. Is it——

Mr. DODARO. It is years. It is years.

Mr. TIMMONS. Ten years or less?

Mr. DODARO. Well, I don't know, and I am not going to guess.

Mr. TIMMONS. Sure.

Mr. DODARO. We don't guess at GAO. We will give you the facts.

Mr. TIMMONS. I will give you another one. What recommendation that hasn't been addressed concerns you the most?

Mr. DODARO. There are a number that could save a lot of money. The one I mentioned earlier in the Medicare area where we are paying people differently based on place of service for the same service. That doesn't seem to be a good practice on the part of the Federal Government. Second would be the one I just mentioned on IRS, which is to give IRS to set requirements for paid tax preparers. I think that would generate additional revenue for the Federal Government without any additional costs, and it would be a more fair and equitable tax system. The one on Hanford is important, too, because that has low-level radioactive waste disposal. That has tens of billions of dollars in potential benefits.

Mr. TIMMONS. I know you don't like guessing, but what if we implemented all of the recommendations you have made? How much do you think that would save the Federal Government?

Mr. DODARO. Between $30 billion and $100 billion.

Mr. TIMMONS. So, we should implement these recommendations.

Mr. DODARO. I don't have to guess on that. Yes.

Mr. TIMMONS. OK. How much of this falls on congressional inaction compared to the executive branch agencies?

Mr. DODARO. It falls, you know, about equally, you know. There are a number of open recommendations for the Congress as well as the agencies. Most of the big-dollar savings, though, require congressional action.

Mr. TIMMONS. So, in regards to the initial report from the legislation that was signed into law last year, the NDAA, how far along is it, and when do you think Congress should expect to receive it?

Mr. DODARO. You will have it in June.

Mr. TIMMONS. In June.

Mr. DODARO. Yes.

Mr. TIMMONS. OK. Well, thank you. I want to transition to PPP fraud. Obviously tens of billions, possibly $100 billion was stolen through the PPP Loan Program. And I actually introduced the PPP Shell Company Discovery Act, which basically forces communication between SBA, IRS, and DOJ, and I think that is just one step in reclaiming fraudulent payments. I guess my question is, is the SBA fit to mitigate fraud in future emergency situations? Did we learn anything?

Mr. DODARO. Yes, so we learned quite a bit. SBA is trying to put in place a better fraud management framework that meets GAO best practices. We have had several conversations with the current administrator. They have finally designated an entity, but it is not fully staffed yet. They still have to do some more work, but, yes, I think we have learned some things. We are trying to put in place better practices over there, and I am encouraged, but we are not where we need to be yet fully.

Mr. TIMMONS. In retrospect, do you think that the CARES Act should have given SBA access to some documents, from a limited nature, from the IRS to prevent what was hundreds of billions of dollars of fraud? Would that have fixed it?

Mr. DODARO. That would have made a big start on it. For example, they were prohibited by Congress from using tax transcripts in the Economic Injury Disaster Loan Program where they use them for the normal program, and that put them at a big disadvantage. Even though Congress corrected that later, it still took them months to be able to get that back as a control.

Mr. TIMMONS. Sure. Thank you. I yield, and with that, the Chair now recognizes Mr. Frost of Florida for five minutes.

Mr. FROST. Thank you, Mr. Chairman. My colleagues called this hearing to look at GAO's High-Risk List, a place where no government agency should be. And I commend the Biden Administration for making historic improvements over the past two years to get agencies off of this list and welcome the opportunity to help address some others. I also understand the concern of my Republican colleagues. You know, three new areas were added to the High-Risk List and one in particular, the Federal prison system.

And, you know, I am kind glad of this new interest I am seeing from Republicans on this Committee that are showing interest in how incarcerated people are being treated, even if it seems that started just about two years ago on January 6. Some of us fight against mass incarceration, unjust prison conditions, and a lack of re-entry resources on behalf of our loved ones, friends, and constituents behind Bars. It seems like Republicans are looking to do it only for insurrectionists, but regardless of how you got here, welcome to the fight.

Mr. Dodaro, I am curious. In the High-Risk List, the GAO notes that the Bureau of Prisons hasn't evaluated programs for incarcerated folks in decades. According to the GAO, the Bureau of Prisons has longstanding challenges, including several leadership changes, unsound storage of financial resources, and poor planning and evaluation of programs to help incarcerated people successfully return to society in their community. What changed in your assessment of their failures that elevated the Bureau of Prisons to high risk?

Mr. DODARO. Well, one was the fact that this has been occurring over a period of time. I was very concerned about that. We also looked at the implementation of the First Step Act and waited actually until their original implementation of that act. You know, you mentioned leadership changes. They have had six Directors in six different years, the staffing problems, extensive use of overtime led to safety concerns both for the inmates and the staff. And I will ask Charles Johnson, our expert, to elaborate a little bit more.

Mr. JOHNSON. Yes, thank you, Comptroller General, and, Congressman, as the Comptroller General mentioned, there have been longstanding staffing challenges. One of the recommendations we made was that the BOP needed to collect better data and be able to monitor and come up with a real way by which they are able to calculate their staffing needs. Currently, we are finding that they have been authorized about $40,000 personnel, and they are roughly at about 35,000. So, they have a 15-percent gap in their staffing levels, which does impact the safety and security not only of the individuals incarcerated but their personnel as well. There is a massive use of overtime. Overtime has increased about 100 percent, and we felt like they needed to also assess their use of overtime and the impact that overtime has on their operations as well——

Mr. FROST. Got you. Thank you.

Mr. JOHNSON [continuing]. Among a lot of factors as well.

Mr. FROST. Thank you. And I understand that before assigning a high-risk designation, GAO assesses the effectiveness of an agency's planned or ongoing corrective actions. Mr. Dodaro, since the Bureau of Prisons was elevated to the High-Risk List, has there been any signals of positive change or compliance with legal requirements?

Mr. DODARO. I was very encouraged. I met with the new Director of the Bureau of Prisons. We talked about this. I was impressed with her commitment to addressing these issues. They are working on some detailed plans to address this area. We are going work with them and agreed on a set of specific metrics that we are going to follow to determine when we take them off the High-Risk List because it not only takes leadership commitment. It takes capacity, an action plan, and actual monitoring and demonstrating some results. So, I think we are going to lay a good framework in place.

Mr. FROST. OK.

Mr. DODARO. Once we have those metrics, I will share them with the Congress, of course.

Mr. FROST. Thank you.

Mr. FROST. You know, in Florida, we have the third-largest prisoned and incarcerated population in the Nation. The Republican legislature in Florida is intent on creating new criminal penalties for reading the wrong books, treating the wrong patients, what they call the wrong patients, and who knows what other infringements on our freedom will come from the state of Florida. Floridians have a large stake in rehabilitation programs simply because we have such a large, incarcerated population. What are some actionable steps that the Bureau of Prisons can implement that can contribute to them getting off of the next high-risk list?

Mr. DODARO. They can develop a better staffing model. They can make sure that they have a program evaluation plan for evaluating these programs to help prevent recidivism. You know, their latest estimate shows that about 45 percent of the population, within three years after release, ends back in prison. And so, there are a lot of those areas that they can do as well as specifying a little bit more about what would qualify for some of the benefits for early release right now that is allowed under the First Step Act.

Mr. FROST. Thank you. You know, the effective planning and ongoing evaluation of these programs is essential to lower risk of recidivism and ensure formerly incarcerated folks can be integrated back into our communities. Thank you. I yield back.

Mr. BURLISON. [Presiding.] The Chair recognizes Mr. Fallon from Texas for five minutes.

Mr. FALLON. Thank you, Mr. Chairman. Mr. Dodaro, what do you think the estimated total fraud is for the PPP Program?

Mr. DODARO. On the PPP Program, we don't have a fraud estimate, but there was $36 billion estimated for improper payments. We are looking at, you know, making that. The only one we have a fraud estimate now for is, at the low end, was unemployment insurance, which we estimate it was over $60 billion.

Mr. FALLON. And what can we do in the future to prevent the PPP, you know, fraud or mis-payments and also on the unemployment?

Mr. DODARO. First is not allow total self-certification. That invites fraud. Second was to make sure the agencies implement GAO's framework for preventing fraud in the first place. Second is to require internal control plans that have special procedures for emergency loan programs. We are about ready to issue report on a framework for that going forward, but I think it would be good if Congress required that framework in law. And also, any new program over a $100 million, in my opinion, should be automatically deemed susceptible to improper payments so that there is an estimate made earlier in the process.

Under the current rules, it could be two or three years before they make an estimate of improper payments. This would happen with PPP. I mean, the first time they did it is 2022, you know. They should have begun doing it a lot earlier, but we recommended they do it, but they weren't able to do it or didn't do it.

Mr. FALLON. We don't hear a lot in this building "common sense," "good sense," so thank you for that. The Department of Defense spends millions of dollars each year to acquire and modernize business systems, including ones that address key, you know, areas such as, like, personnel, financial management, healthcare, and logistics, et cetera. And in my opinion, every time it seems like the good idea fairy visits the Pentagon, a new colonel gets his wings. I mean, it is massively bureaucratic over there, and I sit on the HAS Committee. There is so much duplicative effort over there, and it comes as no surprise to me that we struggle to bridge kind of the valley of death in a system designed like that. Through your work at the GAO, how do you think that DOD can best streamline business functions at the Pentagon?

Mr. DODARO. Implement leading practices. We do a lot of studies. I will ask Tim DiNapoli to come to the table to explain about how we have used leading practices to improve their weapon systems portfolio.

Mr. FALLON. Mm-hmm.

Mr. DINAPOLI. So, through the years, as I mentioned before, DOD has been unable to deliver weapons systems on a timely basis and cost increases. So, what we did for last 20 years, have gone out to the private sector to look at a variety of companies and see how they develop and produce their systems.

Mr. FALLON. Mm-hmm.

Mr. DINAPOLI. And the companies that we identified cut across industries, so it is not one particular segment. We try to look for the best companies in particular areas, and what we have been able to do is to distill those practices that are common to leading companies. We have made a series of recommendations through the years for the Department to incorporate those, and for the most part, in the early years, the Department has been able to do that in their policies. They don't follow them on a consistent basis, which means that from a practice perspective, they are not following what the policies are.

We are currently updating that work to identify new practices based on new technologies and new information, and we have identified three or four key things that the Department could do in terms of trying to develop weapons systems and field them more quickly. The Department has not yet implemented those in their policies. We find it mixed in terms of whether or not individual programs are implementing them in their practices. So, I think there is a ways to go yet in terms of how weapons systems can be acquired, but that same principle can apply to almost any business modernization system as well.

Mr. FALLON. Oh yes, and that is the thing. I think it is obvious you can learn a lot from the private sector. Do you think that they are looking enough to the private sector for that help and really just to follow that example? You don't always have to reinvent the wheel.

Mr. DINAPOLI. You know, it is always a challenge, right, because folks within the Department have a legacy system, and they are trying to maintain those.

Mr. FALLON. Yes.

Mr. DINAPOLI. And so, trying to develop new systems requires both a maintaining of the existing, make sure they have those capabilities, and then figuring out a way to implement those new processes in an efficient and effective way. There are sometimes challenges on both sides.

Mr. FALLON. In an efficient and effective way. That is what we are after.

Mr. DODARO. Yes. One of the things that I think is important is that we have been trying to impress upon the Department the importance of maturing technology before you put it into production. Oftentimes they rush ahead. Now, I know that there are, you know, pressures to meet, you know, near-peer competition and other things that force them to do that, but that leads to costly reinvestments down the road where they have to correct things.

I mean, the Joint Strike Fighter is a good example of that and, you know, we are looking at the Columbia Class submarine development that has got some scheduling issues and others. But that is an important part as you sit on your assignments on the defense committees to check on is the maturity of the technology before they hit the production button.

Mr. FALLON. Mm-hmm. Thank you very much. Thank you, Mr. Chair.

Mr. BURLISON. The Chair recognizes Mrs. Bush from the great state of Missouri for five minutes.

Ms. BUSH. Yes, great state of Missouri. All right. St. Louis and I are here today for a timely and important hearing. Mr. Dodaro, it is a pleasure to see you again, and hello to all the GAO staff.

Last Congress, we discussed the Federal Government's obligation to clean up areas where Federal activities, including nuclear weapons production, have contaminated the environment. The Department of Energy knew that Coldwater Creek in North St. Louis County was dangerously contaminated in the 1960's, yet it has taken over 60 years to address this crisis. The Federal Government now faces $626 billion in liabilities for these cleanup responsibilities.

For decades, radioactive materials from the first atomic bomb were allowed to seep deadly contamination into Coldwater Creek in my district. Toxic chemicals, like radium and uranium, continue to threaten the safety and well-being of my constituents and my loved ones in St. Louis. As a result, tens of thousands of people in my community have confirmed or suspected exposure to radioactive waste. That means lung cancer, bone cancer, leukemia, breast cancer, skin cancer, and that is just to name a few of the tragic impacts.

Far beyond the monetary cost, I know the human toll that this high-risk area takes because I have lived it and my constituents continue to live it every single day. We are not talking about a distant problem. I am in this room. I lived by the creek for a number of years. Even when I moved a few minutes away, the fully finished basement of my new townhouse would flood with potentially radioactive water. My son's room was in that basement. Our children are not safe living near the graveyard of an atomic bomb factory.

Mr. Dodaro, what progress has been made on the Coldwater Creek issues, which remains on the High-Risk List since 2021?

Mr. DODARO. I will ask Mr. Gaffigan, our expert, to respond, please.

Ms. BUSH. Sure.

Mr. GAFFIGAN. Thank you for the question, Congresswoman——

Ms. BUSH. Mm-hmm.

Mr. GAFFIGAN [continuing]. And we discussed this two years ago.

Ms. BUSH. We did, mmh-mmh.

Mr. GAFFIGAN. We did, and at your request, we have been looking at this issue. Coldwater Creek is one of 20 FUSRAP sites, which were the commercial side of the Manhattan Project that have left a legacy of waste, not only in your state but seven other states, so we are currently undergoing a review of the Corps. The Army Corps is charged with the cleanup of these 20 sites, and we are looking at Coldwater Creek and all the sites in all these communities, and assessing where they are and assessing the environmental liabilities, where are the risks. Are they following leading practices for doing the cleanup, and what is the engagement with the community, the communication and sharing with the folks at what is going on? So, we are looking at all those issues.

And we visited Coldwater Creek in November 2022, talked to the residents there and the cleanup officials, and we expect to report to you in August 2023 on the status of that project as well as the others.

Ms. BUSH. Thank you. Thank you for all of that info. All right. As we know, some progress has been made. Much more still needs to be done just across the board. Last October, high levels of radioactive exposure were detected in samples taken from the library, from the kitchen, classrooms, fields, and playground of Jana Elementary School in my district. The school has since been permanently shut down. Mr. Dodaro, what more can the Federal Government do to tackle this serious issue, or it can go to, yes.

Mr. GAFFIGAN. Yes. Sure, and that's one of the things we are looking at. I know there have been several studies done just to that elementary school and what is going on.

Ms. BUSH. OK.

Mr. GAFFIGAN. And I think that will be encompassed in our report as well because there is contamination from that site.

Ms. BUSH. OK. Thank you. Yesterday I introduced the bipartisan, bicameral Justice for Jana Elementary Act to ensure that potentially radiation-exposed schools in my district are lifted up and not left behind. It will require the Federal Government to clean up Jana Elementary and test other properties in the school district for contamination. You know, when we think about this issue, while Republicans are working to cut funding that will undermine the Federal Government's ability to meet its obligations to clean contaminated areas and assist suffering communities like ours, Democrats, we are working to make sure the Federal Government does more and invests more robust funding to support our communities.

Congress and the Federal Government must meet their hazardous waste cleanup obligations to our communities, yet Republicans and their Default on America Act would deprive the government of resources to tackle these hazards and put the health and education of yet another generation of children at risk. I want to thank Mr. Dodaro and the GAO for being here today and answering our questions. I yield back.

Mr. DODARO. Thank you.

Mr. BURLISON. The Chair recognizes myself for five minutes. Thank you, Mr. Dodaro.

There have been several programs that have been mentioned today and in your testimony that have been included in the High-Risk List since the 90's. So, the ones that I recall is Medicare, the fact there are improper payments, cybersecurity, which is a high risk, strategic human capital management. Any others?

Mr. DODARO. The ones from 1990, the original charter list, if you will, was a DOD weapon systems, the Tax Administration, Department of Energy, contracting system, NASA's acquisition system, and Medicare.

Mr. BURLISON. OK. And so, have any of these agencies fallen off the list? Which ones have fallen off?

Mr. DODARO. Well, these are the ones that are currently on the list.

Mr. BURLISON. That have been there since the 90's.

Mr. DODARO. Yes. There was 14 on the original 1990. I am talking about just the original 1990 list. There were 14. Six are left, so eight have come off the list over time.

Mr. BURLISON. OK.

Mr. DODARO. And in total, there have been about 27 seven areas we have designated over time that have come off the list. There is a complete list in the report on when they came off the list.

Mr. BURLISON. So, are there any factors that are in common with these six that are remaining on the list? Any structural issues with those?

Mr. DODARO. Yes, there are some inherent risk, you know, associated with those issues. You know, weapons systems are a one-of-a-kind kinds of things that are developed. Medicare is a large and growing program with, you know, thousands if not millions of transactions every year, you know, with those programs, but they are all unique. There really is not one single thing, but I would also, you know, point out that in those six areas, even though they are still on the list, there has been a lot of progress made, and some of the financial benefits. We mentioned the $675 billion that has been saved since 2006. A significant part of them have come from those six programs.

Mr. BURLISON. That is promising to hear because, you know, seeing that they have been on this since the 90's is discouraging. So, but do you have any issues with agencies ignoring the fact that they are on the list? Is there any punishment or anything that happens when an agency is identified and placed on the High-Risk?

Mr. DODARO. Yes. The only statutory requirement is that if GAO puts something on the High-Risk List, that OMB needs to do a portfolio review of that issue. And so, we have been having regular meetings with OMB, the agencies on the High-Risk List, and GAO. I personally participate in those meetings, but, I mean, other than that, there is no "penalty." Nobody ignores us. We won't let them. And so, you know, we are working with them, and I would like to see, you know, the continued leadership commitment. One of the things we take very seriously is since these are longstanding problems, is to provide transition between administrations of having each successive administration commit to that issue, and I have had good success there.

Mr. BURLISON. But you could implement one measure that would save the United States, you know, enormous amount of money and eliminate a lot of opportunity for fraud, of all the things, what would you say?

Mr. DODARO. Equalizing the payment process by place of payment for Medicare. Medicare. I mean, I mentioned this earlier. I mean, if you go into a doctor's office at a hospital or you go into a doctor's office in a private building——

Mr. BURLISON. Mm-hmm.

Mr. DODARO [continuing]. The government pays you more for the same treatment——

Mr. BURLISON. Yes.

Mr. DODARO [continuing]. In a hospital, tens of billions of dollars there, and it will reduce the amount of potential fraud in Medicare, and there is——

Mr. BURLISON. Yes. I know of patients, family members even that are on Medicare and were getting treatment in an outpatient setting, and they were moved. The hospital made the decision to end that service so they could move them into the hospital so they could charge more.

Mr. DODARO. It is——

Mr. BURLISON. And that happens all the time.

Mr. DODARO. Yes, well, and it is costly. It is costly, and you don't get any better treatment. I mean, you get the same treatment.

Mr. BURLISON. Same service.

Mr. DODARO. So, I have been trying to get Congress to act on this for many years. I have several of my gray hair have come from this particular recommendation, and there are many others that we have.

Mr. BURLISON. Thank you. My time has expired.

Mr. DODARO. Sure.

Mr. BURLISON. The Chair now recognizes Mr. Goldman from New York.

Mr. GOLDMAN. Thank you, Mr. Chairman. Mr. Dodaro, I want to focus a little bit on security clearances today. The government-wide personnel security clearance process was added to the High-Risk List five years ago. Is that right?

Mr. DODARO. That is correct.

Mr. GOLDMAN. All right. I see you have a colleague joining you. Happy for her to answer any of these questions. That year, the Federal Government announced the Trusted Workforce 2.0, which was an ambitious personnel vetting reform plan that intended to streamline and expedite the three personnel vetting processes under a single policy framework, focusing on suitability as well as fitness and a couple of other issues that I will get to.

In the most recent High-Risk Report, the GAO says that considerable progress has been made in implementing this reform, but there is no rating for this area since the last report. It also identifies several problems, including examples of partially met initiatives relating to capacity, which is a schedule to manage oversight of security clearances, an action plan, monitoring, and demonstrated progress that. The changes have not fully been implemented since the GAO recommended them five years ago, and this is of particular importance in recent months.

As you no doubt know, between January and April of this year, dozens of classified U.S. intelligence documents surfaced on public websites. And it was determined that a leaker, who was a 21-year-old IT employee of the Air National Guard, who had the highest level of security clearance, was ultimately charged criminally with unauthorized retention and transmission of national defense information and removal of classified documents. Now, this individual, Jack Teixeira, regularly posted racist and anti-government content online on the gaming app, Discord, on a group called Thug Shaker Central, and he was openly anti-Federal Government and criticized U.S. support for Ukraine.

Now, this episode reveals severe blind spots in our security clearance process, especially as it relates to White nationalism and anti-government ideology. And, Mr. Dodaro, what actions has the GAO taken or plans to take to address this gap in vetting White nationalist and anti-government sentiments in the security clearance process?

Mr. DODARO. I am going to ask Ms. Berrick, who is our expert in the area, to respond.

Ms. BERRICK. Yes, thank you for the question. There are a number of areas that we are reviewing with respect both to the security clearance process and also the Insider Threat Program that exists within the Department. Related to the security clearance process itself, we are looking at continuous vetting for individuals that have received a clearance. Right now, the executive branch does not have a way to assess performance of how that is working. We are also looking at the capacity of the Department to develop a new management information system to track clearances and be able to grant reciprocity. We are also looking at controls related to protecting national security systems.

With respect to the Insider Threat Program, we have looked at DOD programs and have found that in some cases, they were not meeting minimum Federal standards to protect national security systems, so we made a number of recommendations——

Mr. GOLDMAN. OK.

Ms. BERRICK [continuing]. For them to strengthen that.

Mr. GOLDMAN. Good. Right.

Ms. BERRICK. Given the recent incident, we are going to be doing a follow-on review looking at their Insider Threat Program.

Mr. GOLDMAN. All right. I am happy to hear that. I think all or nearly all of my colleagues would emphasize and agree that this is a serious national security issue, but I am concerned that at least one colleague of mine does not seem to recognize that this is a concern. Here is a tweet from a Member of this Committee which says that, “Jack Teixeira is White, male, Christian, and anti-war. That makes him an enemy to the Biden regime. He told the truth about troops being on the ground. Ask yourself who is the real enemy: a young low-level National Guardsmen or the Administration that is waging war in Ukraine.” Mr. Dodaro, without putting you on the spot, who is the real enemy to our national security, President Biden or Jack Teixeira who disclosed top-secret and unauthorized information?

Mr. DODARO. Anyone who violates their oath to protect the Constitution would fall into that category.

Mr. GOLDMAN. Thank you. I yield back, Mr. Chairman.

Mr. BURLISON. The Chair now recognizes Mrs. McClain.

Mrs. McCLAIN: Thank you. Thank you for being here. The past two years, HHS under the Biden Administration, I think, has fallen short in many areas. The GAO has concluded that HHS has failed to establish clear roles and responsibilities, provide clear and consistent communication, especially around COVID–19, as it pertains to transparency, accountability, really to ensure the public's trust, and has really failed to understand key partners' capabilities and their limitations.

Specifically, as the Chair of the Subcommittee in Oversight on Healthcare and Financial Services, I found the FDA to be gravely flawed in responding to the baby formula crisis, and we had a whole hearing on that. And we can say that, you know, it is Abbott's issue and it is the FDA's issue, but last I checked, we have all of these government agencies, and it is their job to oversee to make sure instances like this doesn't happen. So, my question is, has the GAO identified other areas where the FDA has been deficient, right? We can't fix a problem until we can first admit we may have one.

Mr. DODARO. Yes. I mean, there are two areas on the High-Risk List that involve FDA, three including the new one that we just added, but one is oversight of medical products and safety, including pharmaceuticals, also a range of drugs, as well as medical devices, and we made a lot of recommendations there. The other is food safety.

Mrs. McCLAIN: Yes.

Mr. DODARO. We have had food safety on the High-Risk List for a number of years, and FDA is one of the key players there as well.

Mrs. McCLAIN: So, I am curious because in my hearing I asked a couple questions, but I am curious to know if you know how many of those regulators are actually back to work and not teleworking?

Mr. DODARO. Offhand, I don't know. I don't know if any of my colleagues know. Apparently not, but we are looking at the use of telework across Federal Government, so I will check with that team—they are not here today—and see if we have an answer there we can provide you.

Mrs. McCLAIN: I mean, I would think as a regulator, it is kind of difficult to regulate a facility sitting on your couch, but yes.

Mr. DODARO. Yes.

Mrs. McCLAIN: I think as much as we would like to stay at home, we actually have to begin to hold the government to the same standards that we hold private industry to, and that is outcomes and outcome-based. What changes have been made around food security and food safety?

Mr. DODARO. Not enough in our view. I mean, we have been calling for a governmentwide food security safety plan for a number of years with clear performance measures and guidelines. That hasn't been forthcoming.

Mrs. McCLAIN: Well, so I just want to make sure I understand.

Mr. DODARO. Right.

Mrs. McCLAIN: So, we have a government agency that is their job to oversee food safety, right? They hold——

Mr. DODARO. Well——

Mrs. McCLAIN: Right? They hold——

Mr. DODARO. Well, actually, there are 15 Federal agencies, 30 different laws that require them to have food safety. You have USDA involved. You have CDC. You have other——

Mrs. MCCLAIN: Sure, so 15 agencies.

Mr. DODARO. Right. Right.

Mrs. MCCLAIN: Yes. Thank you for that clarification.

Mr. DODARO. Yes.

Mrs. MCCLAIN: So, we have 15 agencies upon agency upon agency——

Mr. DODARO. Right.

Mrs. MCCLAIN:—to do a job. From what I heard you say, we have given them recommendations or we have asked for some sort of accountability, some sort of measurements, and they just haven't had the opportunity to do it.

Mr. DODARO. No. No. No, no.

Mrs. MCCLAIN: I wonder what they are doing.

Mr. DODARO. Well——

Mrs. MCCLAIN: Clearly not their job——

Mr. DODARO. Well, they are doing a lot of things.

Mrs. MCCLAIN:—that they are paid to do.

Mr. DODARO. And they are doing a lot of things, and I will ask Mr. Gaffigan to respond on food safety. But the issue is——

Mrs. MCCLAIN: But hang on one second.

Mr. DODARO. Yes.

Mrs. MCCLAIN: Let me, and I don't mean to interrupt you.

Mr. DODARO. Yes.

Mrs. MCCLAIN: But we have asked them for outcomes on the job that they were signed up and paid to do, and we have not received that from them.

Mr. DODARO. There is no governmentwide plan yet. We have asked Congress to require a governmentwide plan to create, recreate an interagency working group to work together. We have even recommended in the past there be a single food safety program and that Congress, you know, move in that direction. So, the agencies haven't done it, and Congress hasn't required them to do it. Mark, do you want to add anything there?

Mr. GAFFIGAN. Yes. It has been frustrating since 2007 all those options we have laid out, both for the executive branch and for Congress. And to come back to your example of infant formula, in the response, they said, well, let us develop immediate national strategy.

Mrs. MCCLAIN: Let us hire more people to do a study.

Mr. GAFFIGAN. Well, let us develop an immediate national strategy. That is not the way to do a national strategy, right, an immediate national strategy. So, they are planning to try to formalize that, but for each thing that comes up, these agencies, working with all the regulations, try to address them piecemeal, and we think a national strategy would be a much more effective way to do that.

Mr. DODARO. Yes, like, for example, on the infant food safety for infant formula. If I might——

Mr. BURLISON. Briefly.

Mr. DODARO. This is a very important point. On that area, that market for infant formula is a very fragile——

Mrs. MCCLAIN: Yes.

Mr. DODARO [continuing]. Concentrated market that is insulated from domestic and foreign production. And also, a big factor is the WIC Program, and there is a single-payer approach on the WIC Program. So, even though you have FDA there, the actions taken by HHS on how we hire companies to provide services through the states on the WIC Program has a big impact on the infant formula market. So, you need a whole-of-government approach to deal with these issues.

Mrs. MCCLAIN: We will talk more.

Mr. DODARO. I appreciate the indulgence of the Chair. I am sorry.

Mr. BURLISON. The Chair now recognizes Ms. Porter from California.

Ms. PORTER. Thank you very much, and they say bipartisanship is dead. And yet I am the Ranking Member of the Oversight Subcommittee on Health Care and Financial Services, and Representative McClain is the Chairwoman of that Committee, and I want to echo a lot of what she just asked you about. She is absolutely right that we need to be outcome-based, that we had a terrific hearing on this and yet did not get, I don't think, a fully satisfactory plan.

I think what you have added, very helpfully, Mr. Dodaro, is a sense that it is not just the FDA that we have bad interagency, you know, sometimes bad interagency communication, certainly a much better opportunity for interagency cooperation. So, I am interested in the whole-of-government approach. I think I would be happy to talk with my colleague on the other side of the aisle about whether or not that is something we should have a hearing about because I think what we took away, both of us, Republican and Democrat, from the FDA hearing is that what we saw with the infant formula crisis could very well occur again because we have not fully adapted and changed. Would you agree with that?

Mr. DODARO. Absolutely. That is why they are on the High-Risk List, so I am very concerned about it. You know, FDA has got challenges on both their fronts, on the food safety front and on a medical product safety, particularly since a lot of that is foreign production now in those areas. So, both of their responsibilities have grown, and I think it is a need to take a re-examination of their capabilities. You know, we have raised the need for a workforce plan for FDA and others, and I am really concerned about this because part of this is, and I have spent most of my career trying to get the government to adapt to changing circumstances in their environment, and this has outstripped the capacity, I believe, of FDA to deal with these issues on a satisfactory basis.

Ms. PORTER. Yes. Amen, and I will just say that I think a big focus of my time in Congress has been trying to get the government to adapt to changes in circumstances. So, I take it that you think that the FDA's announcement to create a human foods program is only a partial solution here to the larger problem of interagency coordination that is needed.

Mr. DODARO. Absolutely.

Ms. PORTER. So, I mean, I think while that plan would reduce fragmentation and improve coordination, it is simply isn't going to get us to the whole-of-government, which is where we need to be.

Mr. DODARO. Yes, absolutely. It doesn't get to the root cause of the problems.

Ms. PORTER. Now, as you know, doing the work and being outcome-based, as Representative McClain says, takes resources. The President's Fiscal Year 2024 budget requests an increase of $521 million for the FDA, about 10 percent more than last year. I want to make sure those tax dollars are used wisely and effectively in programs that work, but it is hard to square the FDA improving when, in fact, House Republican leadership is asking us to vote for a bill that would slash the FDA's budget by 22 percent or more. You just said that they have more work to do. Is giving them less resources going to help them?

Mr. DODARO. It definitely is going to be a complicating factor to ensure that you have those issues. Well, we haven't specifically looked at squarely the issue that you are talking about, but it is an issue that has to be carefully considered because it could have serious consequences.

Ms. PORTER. Yes. I want to turn to talk about the Federal role in housing. Homeownership is incredibly important to American families, to their way of life, to their security, to their well-being, for their ability to have economic stability, and it is out of reach for too many, homeownership. Since 2013, so for a decade, GAO has designated the Federal role in housing finance as a high-risk area, and in 2019, Treasury and HUD did work to lessen some of the risk by issuing housing finance reform plans. They had 81 administrative recommendations to the agencies. How many of these 81 administrative recommendations have been implemented?

Mr. DODARO. Yes. I am not sure offhand, but I would ask Orice Williams Brown, our expert, to help respond.

Ms. Williams Brown. Yes, thank you. I actually don't have the list. We are happy to do some digging and provide a response.

Ms. PORTER. I mean, I hope you do do the digging because we actually tried to identify some of this information, and we were having trouble keeping track of whether or not Treasury and HUD, they seem to have stopped systematically tracking their implementation. And we can't tell if these are finished recommendations or unfinished recommendations, and we can't assess the risk that we still face in housing finance if they don't do that. So, I would like you to both track them and put it on your websites so we can see who is making progress on these 81 recommendations and who is not.

I also want to just point out briefly, Mr. Chair, if I could, that you also made 35 recommendations to Congress on reducing risk in housing finance, and Congress has enacted zero. And so, this is, again, like with the FDA, a problem of both agencies and Congress having opportunities, and we can't just keep passing the buck back and forth between each other. We have to act in concert to deliver. So, thank you very much for your indulgence, Mr. Chair.

Mr. BURLISON. The Chair now recognizes Mrs. Boebert from Colorado.

Mrs. BOEBERT. Thank you, Mr. Chairman, and thank you to Comptroller Dodaro for joining us today.

It is this Committee's responsibility to investigate and root out causes of waste, fraud, and abuse, and mismanagement. Noticeably, this year's report indicated the Department of Health and Human Services' leadership and coordination of public health emergencies, even though COVID is over. And the unemployment insurance system, it was added to the High-Risk List after the Biden Administration has continued to fumble the ball when it comes to responsibly managing taxpayer dollars regarding COVID management. Comptroller Dodaro, for some background information, what are some of the ways that certain agencies and programs are added to the High-Risk List?

Mr. DODARO. Yes. We have a number of factors. One, you know, we do ongoing work at GAO all the time across all areas of the Federal Government, so we look at our institutional knowledge of these issues. We consult each Inspector General list, what they believe the top management issues are in each of their individual agencies across government. So, we consult that. We consider the amount of money that is involved—it has to be at least a billion dollars—and we look at a lot of qualitative factors as well, the impact on public safety, for example, and other matters.

Mrs. BOEBERT. Thank you. The High-Risk List this year included one very notable addition: the Department of Health and Human Services' leadership and coordination of public health emergencies. Can you elaborate on their failures of this program?

Mr. DODARO. Yes. Yes. I will ask Jess Farb, who is our expert in healthcare.

Mrs. BOEBERT. Thank you. Hi.

Ms. FARB. Thank you for the question.

Mr. BIGGS. Yes, ma'am.

Ms. FARB. So, we looked at HHS's response to public health emergencies over decades, so not just the most recent emergency that we are all familiar with, but response to Zika, response to natural disasters, responses to Ebola. And so, looking at that, we found that HHS did not have a number of things in place that would have helped with this response, including understanding roles and responsibilities, the capacity of their partners, communicating clearly with the public, being transparent about actions that need to be taken. So, there were a number of things that we observed over time across multiple public health emergencies that allowed us to sort of come to the conclusion that they needed to be added to the list.

Mr. DODARO. Yes, and I want to keep it visible to the American public and to the Congress because I don't think we are anywhere near as prepared for the next emergency as we need to be.

Mrs. BOEBERT. So, have these leadership failures at HHS contributed to other—it sounds like it does—other health emergencies, like the baby formula shortage, the crisis at the border, and several other natural disasters that took place just last year?

Ms. FARB. HHS is a very complex department, as we all know, and having multiple components that both need to act independently but also work together, and we were talking about this earlier how agencies need to coordinate, not only across the government but also even within the Department. And this is a case with HHS that they need to do more coordination within the Department to respond.

Mrs. BOEBERT. The report found that the GAO has consistently found deficiencies in HHS' ability to lead the country's preparedness, as mentioned, and response for more than 10 years, which is quite literally their job to do. According to a report published in January of last year, you identified 246 total recommendations for improving Federal operations at HHS alone. How many of your recommendations has the Biden Administration implemented?

Ms. FARB. I believe we will have to get back to you with an answer on that for the record. I don't know off the top of my head how many they have implemented, but they have implemented some recommendations. How many of that that total number, I can't give you the number today.

Mr. DODARO. Yes, and I would say, you know, HHS is one of the agencies that has a relatively lower percentage of implementing our recommendations than is the norm across Federal Government. So, we are trying to work to increase that, and whatever help we can get from the Congress, we would appreciate.

Mrs. BOEBERT. Thank you. I look forward to assisting in that and hearing that we have bipartisan support in getting Congress to act to assist you in that. I think we should put that as one of our priorities here. Another notable addition to this list is the unemployment insurance system. In your report, you indicated this addition is largely due to large amounts of fraud and improper payments, which have come at a huge cost to taxpayers, of course. Did the rate of these errors in unemployment insurance systems increase throughout the 53-week extension from this Administration?

Mr. DODARO. It has been going on during the entire pandemic, yes. Tom, would you like to add?

Mr. COSTA. Yes, the improper payment rate went up. It is now at 22 percent, but that doesn't include the Pandemic Unemployment Assistance Program where we expect that the improper payment rate is higher than that.

Mrs. BOEBERT. Thank you. My time has expired, and I yield. Thank you for your answers.

Mr. BURLISON. Thank you. The Chair now recognizes Ms. Brown from Ohio.

Ms. BROWN. Thank you, Mr. Chairman, and thank you, Mr. Dodaro, for joining us today. I appreciate us holding this important hearing to review the Government Accountability Office's Biannual High-Risk List. The High-Risk List is an important tool for the government to responsibly manage trillions of dollars of spending. And if we are honest, when the Biden Administration came into office, there were certainly opportunities for improved oversight of past Federal spending.

With the Trump Administration's $2 trillion tax giveaway to the wealthy and giant corporations, Republicans' actions had a detrimental impact on the Federal deficit. In fact, President Biden inherited a historically high deficit. As always, Democrats came in and started righting the ship. For example, take the investment in our tax enforcement made possible by the Inflation Reduction Act. That provision alone means billions of dollars back in the pockets of American people by having the wealthy begin to pay their fair share. Unfortunately, my friends on the other side of the aisle are proposing legislation to directly undo all of that good work. Their

Default on America Act is part of the backward, catastrophic Republican plan.

According to Moody's Analytics, the Republican budget would "meaningfully increase the likelihood of a recession and result in 780,000 fewer jobs by the end of 2024." My colleagues on the other side of the aisle are willing to put our country on the brink of recession to make sure that the top one percent can get away with contributing half or a third of what a schoolteacher or firefighter pays in taxes. Does that make sense to anyone here?

The Republicans' proposal slashes non-defense discretionary funding by 22 percent. That would mean cuts of more than 20 percent from everything, like veterans medical care to rail safety inspections and more. The Default on America act would also threaten the strength of our Federal workforce and ability of Federal agencies to fill those workforce vacancies. So, Mr. Dodaro, how would the inability to fill critical workforce positions at Federal agencies contribute to an increase in high-risk programs?

Mr. DODARO. Well, 22 of the 37 areas on the High-Risk List—22 of the 37—are on there in part because they already have critical skill gaps and shortages. So, the extent to which those continue or are exacerbated would, you know, prevent them from solving fully and gaining the capacity that they need to be able to address those issues.

Ms. BROWN. Thank you for that. Now, for the record, how much in savings is returned to the economy for every dollar spent at the GAO?

Mr. DODARO. In the last five years, it has averaged $145.

Ms. BROWN. Thank you. Frankly, I find it alarming that workforce and skills gaps, which would be significantly worsened by the default on our debt plan, could have such a harmful impact on the high-risk programs that the Biden Administration is working diligently to address. According to the top experts, the Republicans' plan to hold the full faith and credit of the United States hostage in order to force huge, unnecessary, and arbitrary cuts would potentially put the country on the brink of a recession, cost millions of jobs, and hurt us all. Meanwhile, House Democrats favor protecting public safety and improving public health, lowering costs for families and students, and supporting seniors and veterans. And with that, Mr. Chairman, I yield back.

Mr. BURLISON. The Chair now recognizes Mr. Fry from South Carolina.

Mr. FRY. Thank you, Mr. Chairman, for having this hearing today, and thank you, Mr. Dodaro, for being here.

The American people deserve to know where their money is being spent. I have talked with a lot of my constituents since being in Congress, and I know that they are hurting financially. We see that in an inflation and in other things. They have to decide right now between gas in the tank or groceries in the fridge. They have to say "no" to a lot of things right now. That is why it is so hard to look at this High-Risk List. It makes me disappointed. It makes me frustrated, and I know that these big agencies and programs are prone to risk. They need to be good stewards of the taxpayer dollars. If the American people have to cut back on spending, why not the U.S. Government, too? Why not reform the way that we operate our agencies to account for the American taxpayer?

I represent the 7th District in South Carolina, home to South Carolina's finest beaches and golf courses. It is a premiere retirement destination. That being said, I also represent a lot of people who are on Medicare. In fact, my district has the highest population of Medicare beneficiaries in the state with over 201,000 people enrolled. Mr. Dodaro, I want to talk about Medicare today, which, again, makes the GAO's High-Risk List for, what, the 3d decade I think at this point in a row?

The improper payments going out under Medicare total nearly $81 billion. That is roughly 15 percent of the total costs of Medicare. I bet Americans would love to have a little piece of that back. So, I get it, Medicare is a giant program with things going on. They slip through the cracks. In Fiscal Year 2022, $47 billion of Medicare funds were improperly paid out. Mr. Dodaro, where is that money going?

Mr. DODARO. I will ask Ms. Farb, our healthcare expert, to respond.

Ms. FARB. So, a large portion of the improper payment rate that is calculated by the Agency is driven by lack of documentation. So, it is hard to know if the payment was made improperly, meaning it should be returned so there is a monetary loss, or if it was just a lack of documentation, for example, a clinician didn't provide the information needed to approve the claim. So, one of the things we have recommended in the past is that CMS take a look at the documentation requirements for clinicians and try to balance the idea of not over burdening clinicians but also making sure the documentation, you know, requirements are easy to meet.

Mr. FRY. How much do you think is being distributed to fraudsters who are intentionally trying to rip off the Federal Government?

Ms. FARB. I don't have an estimate of the exact amount of fraud, but we can get back to you on that——

Mr. FRY. Yes, please.

Ms. FARB [continuing]. For the record.

Mr. DODARO. There are definitely cases that have been brought, and, in fact, most recently within the last year, I think one of the biggest fraud in the Medicare Program has been done by the Department of Justice under the task force. Clearly, there are big cases of fraud involving a number of people.

Mr. FRY. Right. Thank you. Would you say that most of the money is because of improper payments from clerical errors or otherwise? Is that where most of the losses——

Mr. DODARO. Yes, it can be. It can be going to ineligible people. It could be going to an eligible providers. It could be, you know, the wrong amount. Most of this is overpayments. Some of it is under payments, but it is a very small percentage going to under payments. But the frustrating part, as Ms. Farb mentioned, is that in a lot of cases, there is just no documentation to tell, and you know if you were audited by the IRS, they would want to have your documentation, but a lot of the people in the Federal agencies say, well, it is just a documentation problem.

I say we should have the same requirement when we are spending money to make sure you can adequately explain to us why you are spending that money as if you are getting audited by the IRS. So, that is a problem, too.

Mr. FRY. How do you think that we can prevent this? I mean, what are some steps these agencies can take regarding Medicare to make measurable progress here?

Mr. DODARO. Yes. Well, they will need to do more audits of Medicare Advantage providers. They are way behind in those audits, and they still haven't released the audits from 2011 to 2015. Jess, you want to add——

Ms. FARB. Well, also, they should allow the recovery audit contractors to conduct prepayment reviews. They get a percentage of post-payment reviews with this pay-and-chase model we were talking about earlier, but if they were allowed to do prepayment reviews and more of that, then that would help. And Congress has to give them some of that authority.

Mr. FRY. Yes. What changes in strategies that have been implemented in other agencies or programs to remove that agency from the High-Risk List would be useful to the Medicare Program if they were to apply?

Mr. DODARO. Well, one would be to continue to have an action plan to deal with these issues with goals and measures. Like, they don't really have a goal right now, that I am aware of anyway, where they would reduce the improper payment to a certain level. And one of the problems that we have is that you need to have a goal to know whether you are making progress or not. Now, they have been bringing down the improper payment rate, even those are big numbers yet, in the Medicare program. The Medicaid Program is going the other way, and that is, to me, a bigger problem in Medicaid than there is a Medicare right now.

Mr. FRY. Thank you, Mr. Chairman. I yield back.

Mr. BURLISON. The Chair recognizes Mr. Moskowitz from Florida.

Mr. MOSKOWITZ. Thank you, Mr. Chairman. Mr. Dodaro, good to see you again. I want to turn your attention to a high-risk area that is not necessarily on your list, but it is an issue that the GAO has published a number of reports about, and that is the risk of defaulting on our national debt. Mr. Dodaro, what would happen if the United States defaulted on our national debt?

Mr. DODARO. I think it would have relatively catastrophic effects, you know. One of the reasons that, you know, the Federal Government, where the dollar is the, you know, the reserve standard is because we have most of most liquid markets, Treasury markets in the world, and that provides a lot of safe, reliable investments on the part of a number of people. That is why a lot of reserve banks in other countries purchase Treasuries. And I think, you know, we are borrowing such large amounts of money at a high pace, that if we defaulted on our debt, I think we would have a very difficult time convincing other people to borrow. So, I mean, if you lend money to somebody and they didn't pay you back in time, would you give them more money? And we are pretty dependent on having——

Mr. MOSKOWITZ. Do you want me to answer that?

Mr. DODARO. Yes.

[Laughter.]

Mr. DODARO. That is fine, but I have been trying for at least six years now, maybe longer, to try to get the way we set the debt ceiling changed. I think the way we have it now, you know, we are only one of two countries in the world that do this. The other one is Denmark, and they set their debt limit so high they will probably never get there, so this is a problem. Right now, what we have seen around these dead-impasse periods is that people stop purchasing Treasuries that might mature around a date that there may be a potential default on this. So, it distorts the Treasury markets. It causes——

Mr. MOSKOWITZ. Right. Even——

Mr. DODARO. Yes.

Mr. MOSKOWITZ. Even before a default.

Mr. DODARO. Yes, absolutely. Absolutely. Well, and also you see, the interconnected nature of our markets now. Let us take, for example, just Silicon Valley Bank and Signature Bank, two relatively small banks in the scheme of things, but even there can have potential systemic repercussions. So, I think a default would have enormous repercussions here and would affect not only our economy but have ripple effects throughout the world.

Mr. MOSKOWITZ. Yes, and since 1960, the debt ceiling has been raised 78 times: 49 times under Republican Presidents, 29 times under Democratic Presidents, 18 under Ronald Reagan, 8 times under Bill Clinton, 7 times under George W. Bush, 5 times under Barack Obama, 4 times under Donald Trump. And, you know, this debt ceiling brinksmanship that we go into, I mean, I want to talk about how damaging, you know, you think that is as well, just this continued conversation that we always have to have because the debt ceiling is used as leverage for other issues.

Mr. DODARO. Yes. Well, it hasn't yet ever changed the trajectory of the long-term path of the Federal Government, which I have reported is on an unsustainable fiscal path, but it does raise the interest rates that people want to have to borrow us money. So, in addition to distorting the liquidity, affecting the liquidity in the Treasury markets and people avoiding purchasing Treasuries, it costs us more money in the short run to borrow additional money. So, it is really not, you know, an effective way.

Like, for example, we have recommended that the debt ceiling be raised at the time Congress makes the appropriation decisions, you know, so it is done as a unified basis, or that Treasury have the ability to raise the debt ceiling whenever it is needed based upon the laws that Congress has already passed. All it does now is allow Treasury to borrow the money that Congress has already authorized and the President has signed into law.

Mr. MOSKOWITZ. Right, and, you know, we hear from our colleagues about the economy, and the fall of the dollar, and the fact that the dollar is the currency for the world, and the rise of China, and we have a China Select Committee. I mean, nothing, in my opinion, could be more fuel for the rise of China and the fall of the United States in the eyes of the world than defaulting on our debt. Do you agree with that?

Mr. DODARO. Yes, I do. It will have economic but reputational consequences that will be felt for years if we ever defaulted, and I hope we never do.

Mr. MOSKOWITZ. Thank you. I yield back.

Mr. BURLISON. The Chair now recognizes Mrs. Luna from Florida.

Mrs. LUNA. For those of you tuning in, each Congress the Government Accountability Office provides a list of programs and operations that are susceptible to fraud, waste, and abuse, management or needs improvement. As of 2023 in April, there were 37 areas on the High-Risk List, one of which was improving Federal oversight on food safety, which is an area that still needs major improvement after being added to the list back in 2007.

In the United States, the safety and quality of food is overseen by around 30 Federal laws and are administrated by 15 Federal agencies. One major area of concern in food safety is the use of food dyes, which have been linked to hyperactivity, behavioral issues in children, including an increased risk of certain cancers, and other health problems. This is because the food dyes that they are using are derived from petroleum and often contain chemicals that are toxic to the body. Other countries like the United Kingdom have taken these safety and quality of food so seriously, that they have banned dies like Red 40, Yellow 5, and Yellow 6 food colorings because of safety concerns.

Another area of concern for food safety is the importation process for foods, which are regulated by several agencies, including the FDA and the USDA. I recently was able to visit a port where I witnessed the importation process firsthand and realized that in the instance of seafoods, they are not always tested when they arrive at our ports, which is a huge problem because studies have shown that China's seafood farms, which produce about 80 percent the world's mariculture, are responsible for dumping large amounts of antibiotics into the ocean, giving dyes to fish, like Red 40, that are known to cause cancer as well as whatever other nasty things they decide to feed them.

Mr. Dodaro, why is improving the oversight on food safety on the GAO's risk list?

Mr. DODARO. We have a lot of concerns about the level, you know. The last estimates in terms of, like, there are about 125,000 people a year to get ill from food safety. There are a number of hospitalizations and there about 3,000 deaths that occur based on the latest estimate, so I am very concerned about it from a public health and safety standpoint. The system is fragmented, and I will ask Mr. Gaffigan, our expert, to explain some additional reasons.

Mrs. LUNA. If, I guess, I could then ask him——

Mr. DODARO. Sure.

Mrs. LUNA [continuing]. Why has the Federal agency that is tasked with improving the oversight of food safety not developed a national plan or strategy to address this problem?

Mr. GAFFIGAN. I wish I had a good answer to that. We have recommended that they do so in various ways. There was a food safety working group back in 2009, shortly after we had put this on the list, that stopped meeting in 2011. That was one mechanism. We have talked about them then establishing, you know, again, a national strategy or a Blue Ribbon Commission to study this. We have done a national academies panel. Everybody agrees there needs to be some kind of national strategy that brings all these entities together.

Mrs. LUNA. Do you know why they stopped meeting back in 2011, was it?

Mr. GAFFIGAN. Just, again, I think the problem is no one is in charge, right? When you have 15 agencies in charge, no one's in charge, and I think also from Congress, you know, we have suggested that they could take action to designate, you know, a lead agency. And so, it has just been kind of go along, and as things come up, like we talked about infant formula, OK, well, let us develop an immediate national strategy. Yes, we recently did work on cell culture food, how they are going to address that. And, again, it is the same issue. How are you guys working together?

Mrs. LUNA. Mm-hmm.

Mr. GAFFIGAN. OK. You need to do better at collaboration. We made a bunch of recommendations in that lane. So, as each thing comes up, and you mentioned additives. OK. Now, we need a national strategy on additives?

Mrs. LUNA. Well, for these instances, it caused cancer.

Mr. GAFFIGAN. Right. Right.

Mrs. LUNA. So, I guess would anyone here feed your family something that is known to cause cancer? Certainly not, right? Yes.

Mr. GAFFIGAN. So, that is why it is on the list.

Mrs. LUNA. Exactly. OK. So, does GAO in general, Mr. Dodaro, look at other countries in regards to their food standards and make recommendations on how we should implement that here in the United States?

Mr. DODARO. Yes. Mark, have we ever looked at that?

Mrs. LUNA. Like U.K., Asia, anywhere.

Mr. GAFFIGAN. Yes. You know, that has come up at times. We haven't done any recent work on that. You know, we are aware of what is going on in other countries and sometimes talk about that. There hasn't been an interest in that, and I will mention, and this is the same issue on chemicals which are on our High-Risk List——

Mrs. LUNA. Mm-hmm.

Mr. GAFFIGAN [continuing]. What they do to address chemicals and chemical assessments. The EU does things, because chemicals don't know any borders, additives, sorts of things, so I think there is some potential there. We haven't done any recent work, or we haven't been asked to, but we are open to having those discussions.

Mrs. LUNA. I think, you know, obviously the bigger issue is the American public needs to be able to trust the food that is available for purchase at grocery stores, you know, understanding that there should be a strict safety and quality standard that is met before it is available to the public, but unfortunately, that seems to not be the case, especially in these instances. And I am just going to close with this. I hear a lot of people talking about SNAP and EBT, but the more processed foods there are, the more crap—excuse my language—is in them. And unfortunately, this is basically government-subsidized poison that we are giving to many people that can't afford food and actually leads to long-term health impacts. So, thank you, Chairman. I yield my time.

Mr. BURLISON. The Chair now recognizes Mr. Burchett from Tennessee.

Mr. BURCHETT. Thank you, Mr. Chairman, Mr. Dodaro. Did I get that name right? What is it? How do you say it?

Mr. DODARO. "DO-dar-oh."

Mr. BURCHETT. Dodaro. I am sorry. I am sorry.

Mr. DODARO. That is fine. I answer to just about anything.

Mr. BURCHETT. Well, it is "BUR-chet" unless I win the Heisman, and then it becomes "bur-CHET" because Tony Dorsett was Tony "DOR-set" when he played for Pittsburgh.

Mr. DODARO. Right.

Mr. BURCHETT. And then he wins a Heisman and became Tony "dor-SET."

[Laughter.]

Mr. BURCHETT. So, I have not won the Heisman yet, contrary to all the rumors that have been floating around. Thank you, brother, for being here, and I know you all got up this morning and thought, wow, I am going to go before Congress, this is going to be awesome, and I can tell you are really just enjoying it. Mr. Chairman, we didn't bring out a food plate or anything.

Anyway, let me ask you. How long has the Department of Defense financial management been on the Government Accountability Office's High-Risk List?

Mr. DODARO. Since 1995.

Mr. BURCHETT. All right. And what issue does DOD's financial management face?

Mr. DODARO. Well, they face a lot of inadequate financial management systems that they have. They don't have adequate controls in all cases, and they need to continue to work to make sure they have got the proper workforce to be able to make progress in this area.

Mr. BURCHETT. It seems like the Pentagon lost about a billion dollars, it seems, in their last audit. I am not sure if "lost" is the correct word, but you don't have to acknowledge that. I was just throwing that one out for free, but I am not bitter about it or anything. How many recommendations has your office made regarding this risk area?

Mr. DODARO. The DOD financial management risk? I can get you the number.

Mr. BURCHETT. That is OK. I got it. It is $150. I am supposed to ask you that and then, you know——

Mr. DODARO. I am supposed to say $150.

Mr. BURCHETT. Yes, sir. Yes, sir. Sorry.

Mr. DODARO. All right, $150.

Mr. BURCHETT. Sorry my people didn't get your notes early enough. I apologize, yes.

[Laughter.]

Mr. BURCHETT. How many of these recommendations remain open? Do you have——

Mr. DODARO. I will get you the number. I don't know, but most of them.

Mr. BURCHETT. My office found 67.

Mr. DODARO. Yes.

Mr. BURCHETT. I don't know. There might be more, I don't know, but if there were more, I would like to know.

Mr. BURCHETT. What criteria does DOD's financial management need to meet in order to remove from the High-Risk List?

Mr. DODARO. They have to get an unqualified or unmodified audit opinion, a clean audit opinion for at least two years.

Mr. BURCHETT. Two years?

Mr. DODARO. At least two years in a row.

Mr. BURCHETT. When was the last time they did that? I am just trying to figure out——

Mr. DODARO. Never.

Mr. BURCHETT. Never?

[Laughter.]

Mr. BURCHETT. Well, that is an honest answer. Let me switch gears a little bit, sir. Are you aware that the DOD is, well, yes, you are aware they have five consecutive audits? Does that sound accurate?

Mr. DODARO. Yes. Yes, that is what they have tried. They were supposed to have been doing this since 1996, but in many years they didn't even try.

Mr. BURCHETT. How long have you been on the job with this bunch?

Mr. DODARO. In June, I will have been at GAO 50 years.

Mr. BURCHETT. Whew. All right. I am just 58, so I was eight years old when you started up here. How does that make you feel?

Mr. DODARO. Fine.

[Laughter.]

Mr. BURCHETT. Good. That is a good answer. Good answer. Not in my questions either. I have had so much caffeine today, I am just letting you have it. OK. In 2022, the DOD could only account for 39 percent of its $3.5 trillion in assets and $3.7 trillion in liabilities. Are you aware of that?

Mr. DODARO. Yes.

Mr. BURCHETT. OK. In your opinion, do you think that is fiscally responsible? Am I asking you a question you can't answer, or is that just one of those you just have to kind of smirk and turn your head?

Mr. DODARO. No, no, it is not fiscally responsible.

Mr. BURCHETT. Another honest answer, sir. You have no place in Washington.

[Laughter.]

Mr. BURCHETT. Are you aware they make up—DOD, that is—they make up roughly 50 percent of their discretionary spending?

Mr. DODARO. That is correct.

Mr. BURCHETT. Is that normal? Is that it is just——

Mr. DODARO. No, historically, that is the number, you know, but what has happened is that, you know, about two-thirds of the Federal budget hours are mandatory spending areas, so the size of the discretionary budget has been shrinking——

Mr. BURCHETT. Sure.

Mr. DODARO [continuing]. Over time. So, DOD proportionally has a high share of it.

Mr. BURCHETT. Why do you think we should give such a fiscally irresponsible department half of our discretionary budget?

Mr. DODARO. Well, I mean, those are policy decisions by the Congress that are made, and clearly, I mean, they have an essential critical mission to fulfill. We have a lot of, you know, adversaries and we need do it. I mean, we need to provide it, but whether or not Congress should allow them to have less oversight on this matter, I would say that they shouldn't.

Mr. BURCHETT. OK.

Mr. DODARO. And we should have more oversight.

Mr. BURCHETT. All right. Well, that is the end of my questioning. I want to say thank you. You have given me very honest answers, and I appreciate that. I have been up here for five years. Some of these old timers, you know, I have seen them come and go, you know, "back when Teddy Roosevelt did it," but I want to thank you. You have been very honest and forthcoming, and that speaks well for you and those folks that work with you all. Thank you very much, sir, ma'am.

Chairman COMER. [Presiding.] The Chair recognizes Mr. Langworthy from New York for five minutes.

Mr. LANGWORTHY. Thank you very much, Mr. Chairman, and first of all, I would like to thank you, Mr. Dodaro, for being here today and being so forthright with our panel. The High-Risk List is a valuable tool for the Committee on Oversight and Accountability, and I am very happy to have the opportunity to hear from you here today.

I want to start today by looking at cybersecurity. GAO listed cybersecurity as an area needing significant attention. Can you explain why this is?

Mr. DODARO. There is enormous risk to our country, both in terms of sensitive information being able to be accessed, denial of service attacks, shutting down of our critical infrastructure in a number of areas, so this is enormous. As all organizations, public and private sector, have been more dependent on the internet and more on computerized systems, both industrial systems as well as information technology and other operational systems, our exposure is enormous. And it is something that hasn't been adequately addressed.

I mean, I first raised this issue in 1997, critical infrastructure protection, 2003. And so, the government is still not operating at a pace commensurate with a serious evolving threat. Now we have articulated at least four areas and 10 things that need to be done, and Mr. Marinos, who is our expert, can elaborate on that, Congressman.

Mr. LANGWORTHY. Very good.

Mr. MARINOS. Yes. Congressman Langworthy, I think, ultimately, the critical path is clearly there. We have been calling for decades for a comprehensive strategy to be established. We have seen the last five administrations, including this one, put forward a national strategy. The rubber is going to meet the road with implementation because, ultimately, the threats are going to be pervasive. They are going to be ever-evolving, and if we are not able to determine whether or not we are doing an effective job at protecting our Nation against them, we are always going to be behind.

Mr. LANGWORTHY. It seems like something that an endless supply of resources can go toward, you know, without necessarily achieving what we need to do. Since 2010, GAO has made 4,000 recommendations, and approximately 670 of those been made in just the last two years alone. Is there a reason why less than one-quarter of the recommendations have been satisfied?

Mr. DODARO. This area hasn't been given enough priority, in my opinion, by the top leadership at the departments and agencies all along, and those recommendations we make are very specific. They should be able to be implemented in a much more rapid fashion, particularly since the evolving threat is happening at a more rapid pace. So, we are falling further and further behind, in my opinion.

Mr. LANGWORTHY. Do you have anything you would like to add?

Mr. MARINOS. I would wholeheartedly agree. Ultimately, it is about agency leadership committing resources to actually addressing the issues, as the Comptroller General noted. In fact, many of our recommendations are very technical and very specific in nature, so in many ways, we are providing a road map for the agencies to implement them. A lot of times they are challenged by legacy systems that need to be updated in order to actually improve security, but at the end of the day, if agency leadership commits resources to it, they can do a better job than they have so far.

Mr. LANGWORTHY. So, most of the GAO's criteria, they are all rated as partially met, the same rating that they had had in the last Congress. How does GAO measure progress for each criterion?

Mr. MARINOS. It can be very complex, in part, because, as the Comptroller General noted, this is a very expansive area. So, if we are looking, for example, at whether the Administration has implemented a comprehensive strategy, there are going to be certain metrics that we would like to see specificity and who is responsible for each of the actions that have been identified as a priority. Ultimately, one expectation we should have as a Nation that we will see, you know, those goals met. But if you are looking at, for example, specific agency information security issues, then those measurements are going to come ultimately at seeing improvements in key areas that Federal legislation calls for, not only the agencies, but the Inspector Generals to assess on an annual basis. So, those would be things like addressing weaknesses in a comprehensive and a quick manner and being able to see that they are able to continuously monitor the protections that they have put in place.

Mr. LANGWORTHY. Very good. I think we know the risk to national cybersecurity if these criteria don't improve, but what recommendations in closing would you have for us as Members of Congress in relation to protecting our digital privacy and hardening our systems?

Mr. DODARO. Yes. Actually, one is to hold oversight hearings on the implementation plan when it is developed and get our critique of the implementation plan, and then have steady progress reports on that plan and whether it is being executed on time. We have also recommended that Congress update the privacy laws. You know, the original Privacy Act was passed in 1974. There have been some modest changes, but it is completely out of date in terms of protecting the privacy of American citizens.

Mr. LANGWORTHY. Thank you very much. I yield back.

Chairman COMER. The gentleman yields back. The Chair recognizes Mr. Armstrong from North Dakota for five minutes.

Mr. ARMSTRONG. Thank you, Mr. Chair. You know, if there is ever a more somber and sober example of bureaucratic inertia and inefficiencies lasting for more than one administration, I think this hearing is always a really good example. And, you know, we continue to speak about funding and resources, and funding and resources, but also at the same time over the last half a century, Congress has abdicated its responsibility and allowed many of these agencies to continue to expand their scope while they often suffer on providing the basic needs and basic services in which they were originally designed to do.

And I wish some of my colleagues, particularly Mr. Frost from Florida, was here, because with all due respect, Mr. Dodaro, and you have a great report on Bureau of Prisons, we think they could use a little motivation. And we have dropped a bicameral, bipartisan bill on Bureau of Prison oversight reform, and if we get a little chance, we will get back to that. But I would like to start with something that is important to my state and my jurisdiction.

The Bureau of Indian Education was added to the GAO High-Risk List in 2017, but I think we all recognize that problems persisted for decades before that, and BIE is still on your High-Risk List. I believe that one of the reasons for this is that BIE bureaucracy does not have the necessary flexibility to adapt and meet the needs of various tribal communities where students attend either tribally controlled or Bureau-operated schools. The needs of tribal communities vary from tribe to tribe, and the most important partners in education are parents, teachers, administrators, and tribal governments. The foundation of this relationship is the engagement between the BIE and individual constituencies for each school system.

Given the unique needs of tribal education, has GAO evaluated BIE's community engagement methodology?

Mr. DODARO. We definitely have pointed out that there needs to be more engagement between the Federal agencies and the community. This is something that is very important. You know, I have created a special tribal council of representatives to give me advice and our people at GAO about how to get better engagement, and we have seen this from time to time when we look at different programs that involve tribes and their representatives, and there needs to be more engagement. They want to have more engagement and they have different needs, and so I think it is very important that the Federal agencies have more aggressive community engagement.

Mr. ARMSTRONG. Yes. I mean, even in a state like North Dakota, just the varying different communities even within one state are so varyingly different from one another. I mean, at least there, they suffer from the dual impact of rural and a lot of traditional headwinds that they have been looking at essentially since they formed.

So, in 2022, the GAO testified before Congress that the Federal Government works with the tribes toward the goal of ensuring that Interior-funded schools are of the highest quality and provide for the basic elementary and secondary educational needs of their student population, including meeting their unique educational and cultural needs. Yet the graduation rate in BIE schools is 53 percent, and the national average graduation rate of all Native Americans is 69 percent.

I am concerned that the systemic issues at the BIE, including lack of sufficient community engagement and an overly bureaucratic operating structure, contribute to lower graduation rates and student successes. If the graduation rate at BIE schools is only 53 percent, do you think the BIE is meeting the goal of ensuring schools are of the highest quality in providing an education?

Mr. DODARO. No. No, not at all, and that is why they are on the list. You know, they have staffing shortages over there, about 27 understaffed. They really haven't focused on technology needs of the schools, and in today's environment, if you don't do that, you are really disadvantaging the students.

Mr. ARMSTRONG. Well, and they are suffering 30 years of very much understanding the difference between appropriated and authorized. I mean, the deferred maintenance lists in tribal education systems are fantastic.

Mr. DODARO. Right.

Mr. ARMSTRONG. It is hard and they know it, and if they didn't know it before COVID, they knew it just like everybody did after COVID. Having reliable access to the internet and technology is absolutely essential for 21st century education.

Mr. DODARO. Right.

Mr. ARMSTRONG. The flip side to that is, it is a little hard to do that when you have kids wearing parkas and hats because you haven't had windows replaced, even though they have been authorized to be replaced for the last 30 years or so.

Mr. DODARO. Yes. Yes, the condition of the schools was the other reason we put them on the list and to have better construction assistance.

Mr. DODARO. Well, I appreciate GAO's dedication and being able to shine a light on this issue. It is just something we have to get on, and this is not one of those that we should wait three or four more administrations before we deal with it. So, I appreciate it very much, and with that, I yield back.

Chairman COMER. The Chair recognizes Mr. Garcia from California for five minutes.

Mr. GARCIA. Thank you, Mr. Chairman, and thank you, of course, to Mr. Dodaro and want to just thank you for all the work that you do and your team does.

We know that in the last two years since President Biden took office, we have seen an incredible amount of progress, and a lot of us are really grateful for the work that has happened throughout the Administration and throughout all levels of government. We have demonstrated that our government can work better efficiently and still get a lot of progress for the American people. And the Administration has clearly provided stable leadership, in much a contrast of the Trump Administration and their years of chaos across our government.

Now, Brookings reports that top-level turnout is down from 92 percent during the Trump Administration down to 44 percent now, which is the lowest in recent history, and those results, I think, are pretty clear across the government. Now, Mr. Dodaro, since the last 2021 report, of the 34 high-risk areas that the GAO identified, that have been identified, how many of those have seen improvements of those 34?

Mr. DODARO. Sixteen.

Mr. GARCIA. And that is essentially half of those areas, so those improvements in the last two years have happened under President Biden. And how much financial benefit total has that brought through those improvements?

Mr. DODARO. Well, we have categorized at least and recognized $100 billion of financial savings to the government. But I want to add, though, that I think, you know, while the Administration has done a very good job, a lot of progress is due to Congress, too, acting on a number of pieces of legislation. So, I want to make sure Congress gets its credit. Sometimes it gets its blame. In this case, it deserves some credit along with the Administration. I am very pleased with their engagement.

Mr. GARCIA. So, approximately $100 billion in financial benefit, improvements to 16 of 34 high-risk areas, obviously support for the work that Congress is doing as well, all seems to be very good news and a good direction. Now, Mr. Dodaro, since the GAO began publishing the high-risk ratings, has any congressional term yielded more progress than the last Congress in the 117th?

Mr. DODARO. No.

Mr. GARCIA. So, I wasn't a member of 117th. I wish I was looking at those numbers, but I do want to congratulate the work in the last two years for the incredible savings and really reforms that have made our government work better for the American people, and so I want to note that. Now, despite this historic progress that we are seeing and the benefits to everyday Americans, our colleagues on the other side of the aisle, unfortunately, want to propose just damaging spending cuts that would damage a lot of this progress. I want to highlight a couple more of those pieces.

In 2021, of course, Congress passed the Infrastructure and Jobs Act. That provided $541 billion for surface transportation and transferred about $270 billion to the Highway Trust Fund for those of us that are in districts that work a lot with ports and the supply chain, which this is really critical for. Now, did the GAO report identify what would have happened to the solvency of the Highway Fund without this funding?

Mr. DODARO. Well, it would have been insolvent.

Mr. GARCIA. So, our Highway Trust Fund would have gone insolvent had not been for the action that happened through the Congress and the President of this last Congress. I just want to make sure that that is very clear.

Mr. DODARO. Yes. No, that is clear, and in the preceding Congresses. I mean, the Highway Trust Fund has not had enough money automatically generated through revenues for a number of years, and Congress has been augmenting that——

Mr. GARCIA. I completely agree.

Mr. DODARO [continuing]. With general appropriations.

Mr. GARCIA. Completely agree with you. Completely agree with you there. And on climate resiliency, another area, President Biden and more than 20 agencies have taken steps to improve resiliency, improve sustainability. Did the GAO identify what happens to the government's fiscal exposure if we don't address climate change?

Mr. DODARO. The fiscal exposure will continue to grow. I mean, that is why we have it on the High-Risk List. It is very important to build resiliency up in front, but also, in 2018, Congress passed legislation to allow some of the recovery money to also go toward building back better than what you did before rather than just replacing what was there.

Mr. GARCIA. Absolutely. And to be clear, investments in climate change lower the government's fiscal exposure, and that is something that has been pretty clear in what you are saying. Investments in climate change are actually good for the government, good for efficiency, and obviously important for us to save our planet and our country, so thank you for reinforcing that. And, of course, despite of all this incredible progress the last Congress made, the President made, Republicans are still trying to propose cuts across our government, which is really unacceptable. They are gutting investments in climate. They are gutting investments in all the great work that happened the in the Infrastructure and Jobs Act. And so, thank you for pointing out the actual progress that has been made through President Biden in the 117th Congress when Democrats controlled the House.

With that, I just want to thank you again for your service and to the service of your team, and I yield back.

Chairman COMER. The gentleman yields back. That concludes our questioning phase. In closing, Mr. Dodaro, I want to thank you and your staff for being here today for this important testimony. And I now yield to Ranking Member Ocasio-Cortez for her closing statement.

Ms. OCASIO-CORTEZ. Thank you Mr. Chair, and I would like to thank Mr. Dodaro again for his insightful testimony today along with plenty of the GAO staff who have come up to help as well.

You know, we are very proud of much of the work and much of the progress that has happened over the last two years to help achieve the most progress in the high-risk areas since the GAO started its ratings about eight years ago. We clearly have a lot of work to do, but the momentum is on our side. This progress means better results for the American people, including easier access to hard-earned benefits, a more effective government, and billions of dollars in savings that can be used to help Americans elsewhere.

As we have heard today, it is absolutely imperative that we maintain this momentum and do more to improve Federal Government operations, not less. And let me be clear: the Republicans' Default on America Act, which they are working to pass imminently, would do less for the American people, a lot less. The disastrous cuts would force Federal agencies to shift their focus away from addressing high-risk areas as they struggle to triage the effects of depleted workforces and decimated resources.

Mr. Dodaro also clearly explained today that debt limit brinkmanship and the prospect of a default clearly present grave dangers to the American people as well. Republicans should not be holding the full faith and credit of the U.S. Government hostage to force these dangerous cuts. Working to reduce risk to the American people should be a bipartisan priority, and risking default will make the risks we have discussed today even worse. Republicans should stop pushing through this short-sighted, pennywise and pound foolish debt bill, and the American people can all improve and deserve a better outcome. With that being said, I think that there were multiple areas identified today where there is bipartisan collaboration, from Medicare to Postal Services, and I look forward to working with the Chair and colleagues on those areas of common interest. And I yield back.

Chairman COMER. The gentlelady yields back. Thank you, Mr. Dodaro. Thank you again for being here today and for sharing these incredibly valuable insights with the Committee. I would also like to extend our gratitude to the GAO staff for their work on all of these issues and for answering our many questions on ways to improve the functionality of the Federal Government.

As we have heard here this morning, the 2023 High-Risk List is a valuable tool for Congress to help identify areas that need the most oversight, and we know that effective oversight works. When Congress and, more specifically, this Committee holds agencies accountable for their ability to provide taxpayer-funded services, we see more efficient management of Federal resources, and Congress can make more informed decisions about what programs really work. In the past 17 years alone, we know that this report has helped save approximately $675 billion in Federal resources, and there is still more work to be done.

I believe we have found several areas of bipartisan interest at this hearing, just as Ms. Ocasio-Cortez said, including better oversight of our Postal System, baby formula shortages, and food safety. I look forward to working with my colleagues across the aisle to continue to oversee all the Federal programs mentioned here today and ensure that they are performing to the standards that taxpayers expect to see from their government. Thank you again for your testimony here today.

And without objection, all Members will have five legislative days within which to submit materials and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their response.

Chairman COMER. If there is no further business, without objection, this Committee stands adjourned. Thank you.

[Whereupon, at 1:25 p.m., the Committee was adjourned.]

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