March 3, 2025

The Honorable James Comer
Chairman, Oversight and Government Reform Committee
US House of Representatives
Washington, DC 20515

Re: GAO-25-108125, 2025 High Risk Report

Dear Chaiman Comer:

The Shared Services Leadership Coalition (SSLC) is pleased to offer comments on GAO's 2025 High Risk Report for consideration by the Committee on Oversight and Government Reform.

Founded in 2015, SSLC is a non-partisan, non-profit organization dedicated to advancing the government's implementation of shared services business models to improve government efficiency and effectiveness.

"Shared services" is a mainstream business model used by around 90% of Fortune 500 companies and leading public and private sector organizations around the world. It includes the consolidation of common services, and if fully implemented in the Federal Government, can dramatically increase efficiency, eliminate technology platform duplication, reduce costs, enhance security and government-wide data analytics for Congress, and improve the quality of services delivered to the American people.

We applaud GAO's and the Committee's ongoing efforts to identify and remediate persistent and systemic vulnerabilities in the government's management capacity and capabilities.   We do not advocate shared services as a panacea for all the government's challenges, but it can be an important toolset for addressing many of the risks identified in the report.

Below are a few basic principles that we believe can help address high risk programs.

- **Shared services can often address systemic, government-wide risks more efficiently and effectively than agency-specific efforts.** Many risks are systemic and not unique to particular agencies. Shared services can address systemic risks by standardizing technologies, policy, processes, human capital and other best management practices and data analytics across the government and providing consistent visibility, monitoring and oversight, resourcing and remediation across the Federal enterprise to improve Congressional and Administrative decision making. It reduces duplication and waste, and dramatically improves the number of error incidents in transactions such as with improper payments. Shared services can also create greater cultural awareness of the importance of

risk mitigation by the use of performance measures and incentives to create a consistent level of accountability at the organization and individual employee levels. Finally, it can reduce risk associated with a lack of labor pool capacity to serve critical roles that assumed by advanced technology, self-service, common platforms, and paperless processing as well as improve audit outcomes at a lower cost.

- **Shared services can leverage leading commercial solutions at scale that outperform in-house government solutions in risk mitigation.** Systemic organizational challenges are not unique to the public sector. Many common government mission support services (e.g., facility management, finance, human capital management, logistics, procurement, travel and expense, and others) operate very much like comparable functions in the private sector. The government can leverage industry experience to inform and guide investments in modernization to address high-risk areas through the adoption of modern commercial business systems that have been proven to be efficient and effective in demanding business environments. For example, commercial solutions offer the safest and fastest ways of making machine learning and artificial intelligence available to the government since these features are often already embedded within solutions. These advantages can rapidly advance the government's efforts to address financial auditability, procurement efficiency, and fraud prevention. Effective competitive acquisition processes can also ensure favorable pricing, terms and conditions and continuous modernization of commercial capabilities.

- **Shared services can leverage lessons learned through government-wide change management initiatives**. One of the greatest benefits of a shared services approach to modernizing government is the ability to apply lessons learned to the same problem sets repeatedly. Developing core competencies for supporting change management is essential to successful enterprise transformation and risk mitigation. Adoption of a shared services approach to modernization will bring efficiency to overcoming the risks identified by the GAO and a playbook for managing success going forward.

In the pages that follow, we discuss three high pay-off opportunities in the High-Risk Report where shared services could be considered as part of a solution set to systemic, government-wide risk areas. Several other areas in the report are also good candidates for shared services, but these three have existed for many years without significant progress and appear most ripe for new government-wide approaches:

- Improper Payments and Fraud, Waste and Abuse

- Strategic Human Capital Management

- Government-wide Personnel Security Clearance Process

Following discussion of these high-risk areas, we discuss SSLC's proposal for achieving full operational capability of shared services across the government.

IMPROPER PAYMENTS AND FRAUD, WASTE, AND ABUSE

Improper payments and other varieties of fraud, waste and abuse require stronger and better coordinated Congressional and Executive Branch action to fully address. A centralized shared service capability accessible and supported by all agencies can play an important role in eliminating improper payments by:

- **Centralizing Data Management**: Shared services can centralize data management, making it easier to track and verify payments. This reduces the risk of overpayments due to data discrepancies or errors.

- **Standardizing Processes**: By standardizing processes across multiple agencies, shared services can ensure consistent application of rules and procedures. This minimizes the chances of overpayments caused by inconsistent practices.

- **Enhancing Monitoring and Oversight**: Shared services can provide enhanced monitoring and oversight capabilities. With centralized systems, it becomes easier to detect anomalies and flag potential overpayments for further investigation.

- **Improving Training and Support**: Shared services can offer improved training and support for staff across agencies. This ensures that employees are well-equipped to handle payment processes accurately and efficiently, reducing the likelihood of errors.

- **Leveraging Technology**: Shared services can leverage advanced technologies such as artificial intelligence and machine learning to identify patterns and trends that may indicate overpayments. These technologies can also automate certain processes, further reducing the risk of human error.

- **Realizing Cost Savings and Efficiency Gains**: By consolidating services and resources, shared service models can achieve cost savings and improve efficiency. This allows agencies to allocate more resources towards preventing and addressing overpayments.

An outstanding building block already exists in the government which could be expanded and scaled into a robust government-wide analytical capability. The Pandemic Analytics Center of Excellence (PACE) created by the Pandemic Response Accountability Committee (PRAC), set to expire on September 30, 2025, could form the core of a permanent shared service and housed with compatible functions in the Department of the Treasury. We urge Congress to make this data analytics function permanent and provide it with legal authorities to ensure access to agency data and authority to share data with the Inspector General and law enforcement communities. A whole-of-government data analytics function will considerably enhance law enforcement's capabilities to detect and recover fraudulent and improper payments, and agencies capabilities to improve pre-payment screening and other front-end controls to reduce risk exposure.

We further suggest the government consider establishing a Payment Integrity Quality Services Management Office (QSMO) within the Department of the Treasury with a mission to create and oversee the operation of a marketplace of government and commercial shared services for access by executive branch agencies, and provide advice to agencies about prevention strategies, practices and service selections. The PACE tools, Treasury's Do Not Pay and GSA's LogIn.Gov could initially populate this marketplace, with other services added as gaps in agency strategies are identified and new technologies and services are brought to market. The QSMO would be responsible for identifying best practices in the global government and industry sectors and bringing best of breed solutions into the Federal environment.

STRATEGIC HUMAN CAPITAL MANAGEMENT

Human capital management has been on the high-risk list since 2001, and the government's progress in addressing these issues has been woefully slow. GAO's report card gives the government a passing grade of "Met" on one of its five criteria, "Leadership Commitment" but a failing grade of "Not Met" on the most important measure, "Demonstrated Progress." The government is graded as "Partially Met" on the criteria of "Capacity," "Action Plan" and "Monitoring." These ratings have not changed since the previous assessment in 2023 and indicate the need for a new approach and bolder action.

Shared services can play an important role in modernizing and improving the performance of critical HCM functions and addressing all five of GAO's critical success factors.

▪ **Leadership Commitment**: Shared services can promote a unified approach to strategic human capital management by fostering collaboration among agency leaders. This collective commitment ensures that top leaders are aligned in their efforts to address high-risk areas and implement necessary changes.

▪ **Capacity**: By pooling resources and expertise, shared services can enhance the capacity of agencies to manage human capital effectively. This allows agencies to leverage specialized skills and knowledge that may not be available within a single agency, leading to a more robust and capable workforce.

▪ **Action Plans**: Shared services can facilitate the development and implementation of comprehensive action plans for strategic human capital management. By standardizing processes and procedures, agencies can create consistent and effective action plans that address high-risk areas. Shared services can also provide the necessary tools and support to ensure these plans are executed efficiently.

▪ **Monitoring**: Shared services can improve monitoring and oversight by providing centralized systems for tracking progress and performance in human capital management. This allows agencies to identify and address issues more quickly, ensuring that corrective actions are taken in a timely manner. Enhanced monitoring capabilities can also help agencies demonstrate progress and accountability.

- **Demonstrated Progress**: Shared services can help agencies achieve and demonstrate progress by providing the necessary infrastructure and support. By centralizing services, agencies can streamline operations and reduce redundancies, leading to more efficient and effective outcomes. This can result in tangible improvements that can be measured and reported.

By addressing these areas, shared service business models can help agencies overcome challenges and achieve lasting improvements in strategic human capital management, ultimately leading to better performance and accountability.

GOVERNMENT-WIDE PERSONNEL SECURITY CLEARANCE PROCESS

The background investigation and security clearance process is an outstanding candidate for a single, government-wide shared services solution. The current state, in which multiple agencies have adopted their own investigation and security clearance processes and often refuse to recognize clearances offered by other agencies, is irrational, inefficient and highly inconvenient to government employees and contractors who do business across the government.   Past attempts to consolidate the background investigation function either in the Office of Personnel Management or the Department of Defense have failed to produce a more efficient and effective system. The High-Risk Report indicates that progress since 2023 is "Unchanged" in four of five report card categories. Clearly, the current approach is not working well, and a new approach is necessary. The primary barriers to progress fall across the following areas:

- **Fragmented Processes**: Different agencies have their own processes and standards for security clearances, leading to inconsistencies and inefficiencies. This fragmentation makes it challenging to implement a standardized approach across the government.

- **Lack of Interagency Coordination**: Effective standardization requires strong coordination among various agencies. However, the report highlights that interagency collaboration is often lacking, which hampers efforts to create a unified security clearance process.

- **Resource Constraints**: Agencies may face resource constraints, including limited funding and personnel, which can hinder their ability to adopt and implement standardized processes. These constraints can also affect the timeliness and quality of security clearance investigations.

- **Technological Challenges**: The report notes that outdated and incompatible IT systems across agencies pose significant challenges to standardizing security clearance processes. Modernizing these systems and ensuring interoperability is crucial for achieving standardization.

- **Policy and Regulatory Differences**: Variations in policies and regulations governing security clearances across agencies can create barriers to standardization. Aligning these policies and regulations is necessary to establish a consistent and efficient process.

- **Resistance to Change**: Organizational culture and resistance to change can also impede efforts to standardize security clearance processes. Agencies may be reluctant to adopt new practices and technologies, preferring to stick with their established methods.

The Security Clearance, Suitability, and Credentialing Performance Accountability Council (PAC) made up of the Deputy Director for Management of OMB, the Director of National Intelligence (DNI), the Under Secretary of Defense for Intelligence and Security, and the Director of OPM was created in 2018 to resolve these cross-agency challenges, but the reality of slow progress indicates that the PAC has been unable to break through the above barriers to progress.

Shared service business models can address these issues in the following ways:

- **Leadership Commitment**: Shared services can foster a unified approach to personnel security clearance processes by promoting collaboration among agency leaders. This collective commitment ensures that top leaders are aligned in their efforts to address high-risk areas and implement necessary changes.

- **Capacity**: By pooling resources and expertise, shared services can enhance the capacity of agencies to manage personnel security clearance processes effectively. This allows agencies to leverage specialized skills and knowledge that may not be available within a single agency, leading to a more robust and capable workforce.

- **Action Plans**: Shared services can facilitate the development and implementation of comprehensive action plans for personnel security clearance processes. By standardizing processes and procedures, agencies can create consistent and effective action plans that address high-risk areas. Shared services can also provide the necessary tools and support to ensure these plans are executed efficiently.

- **Monitoring**: Shared services can improve monitoring and oversight by providing centralized systems for tracking progress and performance in personnel security clearance processes. This allows agencies to identify and address issues more quickly, ensuring that corrective actions are taken in a timely manner. Enhanced monitoring capabilities can also help agencies demonstrate progress and accountability.

- **Demonstrated Progress**: Shared services can help agencies achieve and demonstrate progress by providing the necessary infrastructure and support. By centralizing services, agencies can streamline operations and reduce redundancies, leading to more efficient and effective outcomes. This can result in tangible improvements that can be measured and reported.

By addressing these areas, shared service business models can help agencies overcome challenges and achieve lasting improvements in government-wide personnel security clearance processes, ultimately leading to better performance and accountability.

PROPOSAL FOR GOVERNMENT-WIDE SHARED SERVICES TRANSFORMATION

SSLC has published a proposal for government-wide transformation of mission support services. We believe that a byproduct of full implementation of shared services will be significantly improved management capabilities and data analytics to identify and prevent risks from becoming realized in financial losses and mission delivery failures. Systemic vulnerabilities like many of those identified in the High-Risk Report cut across the Congressional committee structure and Federal budget accounts and require improved collaboration between both branches of government. Our proposal calls for coordinated legislative and administrative action to:

- Mandate that a consolidated shared services business model be employed for government common services

- Create effective governance with appropriate responsibility, authority, and accountability

- Design and apply the most effective operating and business models including a business case, transformation plan, and change management plan

- Transform to a new way of implementing common government services.

Our proposal can be found at the following link: SSLC-Proposal-for-Transforming-Government-Operations-12-17-24.pdf

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We appreciate the opportunity to comment on the High-Risk Report and hope our comments are helpful. We stand by to meet with the Committee Members and staff to discuss these issues in greater detail at your earliest convenience.

Sincerely,

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