

**Additional Questions for the Record**  
**Mark Gaffigan, Managing Director, Natural Resources and Environment,  
U.S. Government Accountability Office**

**The Honorable Michael Burgess**

**1) What did you identify as the biggest misuse or waste of federal funds?**

We did not identify instances of misused or wasted federal funds in the specific programs discussed in my testimony. However, we have previously identified a number of longstanding challenges across the federal government, including challenges with some Commerce, DOE, and EPA programs for which Congress and the administration have provided significant funding through recent legislation. Left unaddressed, such challenges may increase the risk of misused or wasted federal funds.

For example, in numerous reviews, we and agency inspectors general identified weaknesses in agencies' internal controls for managing and overseeing grants. We found that when such controls are weak, federal grant-making agencies face challenges achieving grant program goals, and assuring the proper and effective use of federal funds to avoid improper payments. Our prior work also identified weaknesses in grant oversight and accountability issues that span the government, including undisbursed grant award balances, late single audit submissions, and significant levels of improper payments in grant programs.

We have issued 16 reports identifying challenges in various aspects of some Commerce, DOE, and EPA programs for which Congress and the administration have provided significant funding through recent legislation. These challenges included fraud risk management, adherence to cost controls, and ensuring that programs have the right policies and expertise in place. Our 16 reports included a total of 67 recommendations to address these challenges. The agencies have implemented 38 of these recommendations.

**2) What oversight mechanisms can Congress put in place to ensure this waste does not happen again?**

Congress can take a number of steps to enhance the overall transparency and accountability of federal spending. For example, in our March 2022 testimony before the Senate Committee on Homeland Security and Governmental Affairs, we identified 10

matters that Congress should consider to strengthen internal controls and financial and fraud risk management practices across the government.<sup>1</sup> These matters for congressional consideration remain open. We continue to believe that such actions would increase accountability and transparency in federal spending in both emergency and nonemergency periods. These matters include:

- **New program improper payment reporting.** (1) Designate all new federal programs distributing more than \$100 million in any one fiscal year as “susceptible to improper payments,” and, thus, subject to more timely improper payment reporting requirements; and (2) require agencies to report improper payment information in their annual financial reports.<sup>2</sup>
- **Fraud risk management reporting.** Reinstate the requirement that agencies report on their anti-fraud control and fraud risk management efforts in their annual financial reports. Such reporting would enhance congressional oversight to better ensure fraud prevention during normal operations and emergencies.
- **Fraud analytics.** Establish a permanent analytics center of excellence to assist the oversight community in identifying improper payments and fraud.

Related to the specific programs for which Congress and the administration have provided funding through recent legislation, in December 2021, we issued a matter for congressional consideration, suggesting that Congress consider implementing a mechanism for greater oversight and accountability of DOE carbon capture and storage demonstration project funding.<sup>3</sup> As of January 2023, this matter remains open.

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<sup>1</sup>GAO, *Relief Funds: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID-19 and Beyond*, [GAO-22-105715](#) (Washington, D.C.: Mar. 17, 2022).

<sup>2</sup>In a November 2020 report, we suggested that Congress consider designating executive agency programs and activities making more than \$100 million in payments specifically from COVID-19 relief funds as “susceptible to significant improper payments” in any future legislation appropriating COVID-19 relief funds. We believe that Congress should amend provisions enacted by the Payment Integrity Information Act of 2019 to designate all newly established executive agency programs and activities, both emergency-specific and otherwise, making more than \$100 million in payments in any one fiscal year as “susceptible to significant improper payments” for their initial years of operation. GAO, *COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response*, [GAO-21-191](#) (Washington, D.C.: Nov. 30, 2020).

<sup>3</sup>GAO, *Carbon Capture and Storage: Actions Needed to Improve DOE Management of Demonstration Projects*, [GAO-22-105111](#) (Washington, D.C.: Dec. 20, 2021).

In addition to these specific matters for congressional consideration, we may work with Congress to urge agencies to take action on open recommendations we have made through the congressional oversight, authorization, appropriations, and budget processes. In this regard, we have issued 16 reports with a total of 67 recommendations to address challenges in various aspects of some Commerce, DOE, and EPA programs for which Congress and the administration have provided significant funding through recent legislation. The agencies have implemented 38 of these recommendations. Congress can hold hearings, withhold funds, or take other actions to provide incentives for the agencies to act. Congressional use of our work sends an unmistakable message to agencies that Congress considers these issues a priority.