Testimony of Sean Moulton, Senior Policy Analyst
Project On Government Oversight
before the House Committee on Appropriations Subcommittee on Financial Services and General Government
March 27, 2019

Chairman Quigley, Ranking Member Graves, and Members of the Subcommittee:

I appreciate the opportunity to submit testimony about steps this Subcommittee can take on two important issues: improving data quality for federal spending information collected and posted under the Digital Accountability and Transparency Act, and improving the public availability of work done by inspectors general (IG). It is my hope that this Subcommittee will encourage increased agency action on financial data quality by requiring agencies to file publicly available improvement plans and regular progress reports; provide dedicated funding for Oversight.gov, the central repository of inspector general reports; and help create best practices for posting information about those reports.

I am a senior policy analyst for the Project On Government Oversight (POGO), where I focus my efforts on a range of government accountability initiatives. Founded in 1981, POGO is a nonpartisan independent watchdog that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing. We champion reforms to achieve a more effective, ethical, and accountable federal government that safeguards constitutional principles. POGO has long worked to strengthen the effectiveness and accountability of federal agencies through fact-based policy analysis.

Quality of DATA Act Data

Federal agencies currently spend over $4 trillion in taxpayer money each year.\(^1\) Reliable oversight of and accountability for that spending is one of the few truly bipartisan issues. Strong bipartisan support led to the passage of the Federal Funding Accountability and Transparency Act in 2006, which launched USAspending.gov as the primary portal for federal award data.\(^2\) That bipartisan support was again evident in 2014 when Congress passed the Digital Accountability and Transparency Act (DATA Act) to significantly expand and improve the government spending data available for public examination on USAspending.gov.\(^3\)

But as DATA Act implementation has moved forward, serious data quality problems have emerged. Congress, recognizing the importance of data quality, included provisions requiring each agency’s Office of Inspector General to audit a statistically valid sample of their agency’s submitted spending data to assess completeness, timeliness, and accuracy.

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The agency inspectors general completed the first round of audits in 2017 and revealed widespread data quality problems. POGO reviewed 41 audits, including 9 for Cabinet-level agencies, and discovered that 25 agencies submitted significantly incomplete information and 30 agencies—or about 75 percent—submitted significantly inaccurate information. Further, a staff report on federal agency DATA Act compliance by the Senate Committee on Homeland Security and Governmental Affairs’ Permanent Subcommittee on Investigations reported that the 2017 inspector general audits found that “over half of the data submitted to USAspending.gov was inaccurate.”

Quality data is paramount to the purpose of publicly posting financial information, which is to allow greater public oversight to federal spending. If the data cannot be relied upon, then the public and policymakers cannot use the information to draw correct conclusions or make good decisions. As the old computer programing saying goes, “garbage in, garbage out.” This sentiment certainly applies to financial information. The Senate staff report concluded that USAspending.gov “does not currently fulfill its legislative mandate as a reliable source of government-wide spending.”

Given many agencies’ poor starting point on data quality, this Subcommittee should take steps to ensure that all agencies with data quality problems quickly and fully address all deficiencies in financial information posted on USAspending.gov. The Subcommittee should instruct agencies whose IG audits identify significant problems with timeliness, completeness, or accuracy to file publicly available data quality improvement plans with the Department of the Treasury. The agencies should also be required to regularly report on progress until the data quality issues are considered resolved.

Treasury should report to the Subcommittee on a semiannual basis, in a publicly accessible manner, on current data quality efforts and recommendations for any additional steps needed for full implementation of the DATA Act. These reports should describe agencies’ progress toward the data accuracy, timeliness, and completeness necessary to meet the requirements of the Act, and toward addressing the issues identified in each agency’s inspector general audit.

The DATA Act requires that each agency’s inspector general conduct two additional data quality audits, expected in 2019 and 2021. The Subcommittee should also encourage inspectors general to continue to audit agency implementation of the DATA Act, including correction of key issues identified in previous audits, until the inspector general offices are satisfied that the agencies have sufficiently addressed outstanding issues.

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Inspector General Transparency

The DATA Act audits are just one example of the critical work that inspectors general produce, but not all of their work is so readily accessible to the public, or even lawmakers. In 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) established Oversight.gov as a central repository for all federal agency inspector general reports, a major step forward in improved accountability of the inspectors general and accessibility of their work product. Now, the public can go to one location to easily access nearly all the recent work by the 73 inspectors general, along with links to additional materials on federal oversight. Stakeholders no longer have to visit all 73 separate inspector general websites to access reports on cross-cutting government issues like information technology security or disaster response.7

Oversight.gov was established primarily through in-kind work by individual inspectors general.8 Recently, this Subcommittee provided its first funding for Oversight.gov to CIGIE.9 However, this effort requires a steady funding stream to continue its operations, improve its functionality, and provide expanded services. We urge you to continue your support of a robust Oversight.gov with increased functionality by providing at least $1 million in dedicated fiscal year 2020 funding to CIGIE. We ask that this support be accompanied by report language that outlines some of the expectations for how best to use this funding. We are happy to provide suggestions for what that report language could look like.

Congress should also provide guidance to CIGIE as to the importance of Congressional and public accessibility of the work of inspectors general through publication and notification of publication of all reports through their websites, and should request that CIGIE articulate best practices for inspectors general on this topic. The Inspector General Empowerment Act already requires that all IG reports be available online within three days of being sent to the agency; however, the Act also states that reports should not be posted if doing so would contradict other statutes that prohibit disclosure, such as for those considered classified under national security statutes.10 Individual IGs do not have consistent rules for reporting on and providing access to classified or unclassified but sensitive reports.11 Even Congress could remain unaware of a nonpublic report, as there is no consistent method among IGs for how to make nonpublic reports known to Congress.

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11 Shining a Brighter Light
The best practices guidance from CIGIE should be modeled on the current practices regarding classified and sensitive reports as demonstrated by the Department of Defense Inspector General, among others, which publicly posts the title, topic, and report identifier of its classified and sensitive reports. The Department of Justice and the Government Accountability Office do the same. Providing the public with this information when it is not possible to publish the full reports online gives interested parties the chance to submit a Freedom of Information Act request for the information, subject to redactions.

We have prepared suggested report language to accomplish these goals for DATA Act implementation and public accessibility of IGs’ work, which we are happy to provide to the Subcommittee.

Thank you for the opportunity to submit testimony on these important issues. I am happy to answer any questions.