

## **Additional Information Provided by GAO for the Record**

**March 2, 2021 High Risk Hearing**

### **Insert A**

In response to Rep. Gosar (pp. 16-17 of transcript):

- How big of an issue is sole source contracting in terms of DOD's issues? Then also, in the contract base, is it of question the calibration in regards to Davis-Bacon wages?

Additional information provided by GAO for the record:

### **DOD's Use of Sole Source Contracting**

DOD competitively awards slightly over half of its contracts, as measured in terms of contract obligations, a rate that is far lower than achieved by the civilian agencies. For example, in fiscal year 2019, DOD awarded about 54 percent of its contract dollars competitively, whereas civilian agencies collectively awarded about 82 percent competitively.

Over the last 6 years, DOD's use of competitive contracts has varied by component. For example, on average, the majority of Navy and Air Force contracts were awarded noncompetitively, while the majority of the Army's were competitively awarded.

DOD's competition rate is affected by several factors, including the award of many of its weapon systems contracts on a sole-source basis. While many of these systems were competed at some point during development, DOD often relies on a single supplier to produce its major weapon systems, such as the F-35 fighter aircraft.

DOD's use of sole source contracting has not been raised by its auditors as an issue contributing to its inability to obtain an unqualified audit opinion.

### **Contracting for DOD Financial Audits**

In terms of its financial audits, DOD reported that the contracts awarded to the independent public accounting firms were competitively awarded. According to the DOD Inspector General (IG), who has overall responsibility for DOD's financial audit, the IG contracted with 5 independent public accounting firms to perform DOD components' financial statement audits. According to the IG, the independent public accounting firms submitted contract proposal packages that were reviewed by a panel of DOD officials, composed of representatives from the IG, contracting specialists, and the component being audited. The independent public accounting firms' proposal packages included a price quote, their prior experience, their technical understanding of the subject area, and their proposed staff and resumes. Excluding price, the IG and component personnel then evaluated each proposals on its own merits and provided the contracting specialist a recommendation. The contracting specialist then took the recommendation and factors in the price quote to determine which independent public accounting firm received the contract based on the best value to the government.

### **Application of Labor Laws to Independent Public Accounting Firms**

Your question touched upon the application of two labor-related laws, namely the McNamara-O'Hara Service Contract Act (SCA) of 1965, as amended, and the Davis-Bacon Act. The SCA

## **Additional Information Provided by GAO for the Record**

### **March 2, 2021 High Risk Hearing**

was enacted to provide labor protections for workers on certain federal service contracts. These protections include wage rates, fringe benefits, and other standards to ensure workers on these contracts receive pay and benefits that were found by the Department of Labor to be prevailing in the locality where the contract work is performed. The contracts awarded to the independent public accounting firms are generally subject to the SCA, but we are unaware of any issues related to this on the accounting firms' performance.

The Davis-Bacon Act, as amended, requires contractors working on certain federally funded construction projects to pay their workers at least locally prevailing wages, as determined by the Department of Labor for various job categories. As Davis-Bacon only applies to federal construction contracts, it would not be applicable to the contracts with the independent public accounting firms.

**Additional Information Provided by GAO for the Record**

**March 2, 2021 High Risk Hearing**

**Insert B**

In response to Rep. LaTurner (pp. 74-75)

- Timeframe for GAO's decision to add pandemic unemployment assistance to the High Risk list

See GAO's response for the record.

## Additional Information Provided by GAO for the Record

March 2, 2021 High Risk Hearing

### Insert C

In response to Rep. Grothman (see pp. 78-79):

- Are there any programs in the drug abuse area that we feel have failed and have eliminated or cut back on? Is anybody ever weeding out the bad programs so we have money left for the good programs?

Additional information provided by GAO for the record:

Funding at the federal level for drug prevention, treatment, or control is generally provided through grant programs that are awarded at state and local levels. We have ongoing and completed work assessing federal agency administration of these grants, including how some of the grant programs measure their effectiveness.

For example, GAO has ongoing work on the following:

- **HHS Opioid Grant Funding.** The Substance Abuse and Mental Health Services Administration (SAMHSA) administers the largest opioid-specific grant program: the State Opioid Response (SOR) grants. SOR funding was \$1.5 billion annually in fiscal years 2019 and 2020 and is awarded to single state agencies for opioid use disorder (OUD) treatment and other services.

Key preliminary questions for this engagement are 1) What financial and performance information does SAMHSA collect from SOR grant recipients? 2) To what extent does SAMHSA use information collected from SOR grant recipients to monitor the use and results of grant funds? 3) To what extent is information related to the SOR program, including results and evaluations, made available to Congress and the public?

- **ONDCP Grant Tracking System.** P.L. 115-271 SUPPORT for Patients and Communities Act requires the Office of National Drug Control Policy (ONDCP), in coordination with the Department of Health and Human Services, to establish a tracking system for federally funded grant programs to ensure the public has electronic access to information identifying all drug control grants; pertinent information for each grant; and any available performance metrics, evaluations, or other information indicating the effectiveness of such programs. GAO is examining the extent to which ONDCP is providing information to the public on drug control grants, including any available information that agencies report on the performance of these grant programs.

Key preliminary questions for this engagement are (1) To what extent has ONDCP taken steps to provide the public with information on federally funded drug control grants and available performance information? (2) To what extent has ONDCP facilitated federal efforts to ensure that potential applicants have access to the grant process? (3) To what extent has ONDCP facilitated federal efforts to identify duplication, overlap, fragmentation, or gaps for drug control grants?

GAO also issues an annual report on duplication, overlap, and fragmentation among federal programs. If we identify opportunities to better manage duplication, overlap, or fragmentation in

## Additional Information Provided by GAO for the Record

### March 2, 2021 High Risk Hearing

the course of these or future engagements on the topic, those recommendations would also be included as part of that effort.

GAO's published work on the federal response to drug prevention, treatment, or control includes:

*Substance Use Disorder: Reliable Data Needed for Substance Abuse Prevention and Treatment Block Grant Program.* GAO-21-58, Dec. 14, 2020.

GAO reported that the Substance Abuse and Mental Health Services Administration (SAMHSA) primarily relies on the number of individuals served to assess the effect of three of its largest grant programs on access to substance use disorder (SUD) treatment and recovery support services. However, GAO found the agency lacks two elements of reliable data—that they be consistent and relevant—for the number of individuals served under the Substance Abuse Prevention and Treatment Block Grant (SABG) program. For example, grantee reporting includes individuals served outside of the program, which limits this measure's relevance for program assessment of access. SAMHSA plans to implement data quality improvements for the SABG program starting in fiscal year 2021. However, the agency has not identified specific changes needed to improve the information it collects on individuals served by grantees, which include states and other U.S. jurisdictions. GAO recommended that SAMHSA identify and implement changes to the SABG program's data collection efforts to improve these two elements of reliability—the consistency and relevance—of data collected on individuals served. SAMHSA concurred with this recommendation. (Within this report, GAO also examined and reported on the State Opioid Response (SOR) and State Targeted Response to the Opioid Crisis (STR) grant programs. Funding for the STR program ended in fiscal year 2019).

*Drug Misuse: Agencies Have Not Fully Identified How Grants That Can Support Drug Prevention Education Programs Contribute to National Goals.* GAO-21-96. Nov. 18, 2020.

The Department of Education (Education), the Department of Health and Human Services (HHS), and the Office of National Drug Control Policy (ONDCP) manage six key federal grant programs that can support drug prevention activities in schools. The flexibility of these grants, awarded to states and other local entities, supports a variety of drug prevention education programs. Among other things, GAO found that the departments have not clearly defined how their grant programs support the National Drug Control Strategy's goals. Although the agencies have performance measures for their programs, some of the measures:

- Did not relate to drug prevention
- Did not link directly to the Strategy's goals
- Were not reported at all in the Strategy

GAO made four recommendations, including that Education, HHS, and ONDCP clarify how grants that can include drug prevention education programs support related goals of the National Drug Control Strategy. HHS and ONDCP agreed with the recommendations and

## Additional Information Provided by GAO for the Record

### March 2, 2021 High Risk Hearing

Education partially concurred, saying it would explore collecting and reporting related performance data. No action on these recommendations has been reported since November 2020, and GAO is continuing to monitor agency progress.

*Workforce Innovation and Opportunity Act: Additional DOL Actions Needed to Help States and Employers Address Substance Use Disorder.* GAO-20-337, May 21, 2020.

The Department of Labor has awarded Workforce Innovation and Opportunity Act (WIOA) grants to help states (and a tribe) address the opioid crisis through training and employment services. Among other things, state officials told GAO that they were using funding to help meet the unique needs of those affected by substance use disorder (SUD). For example, state officials said job seekers who are in recovery may have additional challenges with finding employment, in part, due to employers' concerns about potential criminal histories, relapse, and social stigma. To help meet the training and employment needs of those in recovery and potential employers, state officials said they need clearer expectations around their role in addressing the opioid crisis and more information on lessons learned and successful practices. GAO recommended that DOL clarify (1) its expectations of state workforce agencies and (2) how WIOA funding can be used in addressing the needs of those affected by SUD and potential employers, and share information with all states on lessons learned and promising practices. DOL agreed with our recommendations.

*Adolescent and Young Adult Substance Use: Federal Grants for Prevention, Treatment, and Recovery Services and for Research,* [GAO-18-606](#). September 4, 2018.

Among other things, GAO reported on grant programs to provide services related to prevention, treatment, and recovery targeting adolescents (aged 12 to 17) and young adults (aged 18 to 25). GAO selected four agencies to review—the Department of Health and Human Services (HHS), the Office of National Drug Control Policy (ONDCP), the Department of Justice (DOJ), and the Department of Education (Education)—the key agencies that fund grant programs for services for adolescents and young adults. GAO identified 12 federal grant programs within HHS, ONDCP and DOJ that funded substance use prevention, treatment, and recovery services in fiscal year 2017 and targeted adolescents' and young adults' use of illicit substances such as marijuana and nonmedical use of prescription opioids. Grantees included states, tribes, and local service providers such as community coalitions. While the Department of Education (Education) has grant programs that can fund prevention services for adolescents, they do not specifically target such services.

- Eight programs targeted substance use prevention. In total, they had 1,146 active grantees in fiscal year 2017 and provided about \$266 million in awards that year.
- Four programs targeted treatment and recovery services. In total, they had 57 active grantees in fiscal year 2017. Two of the 4 grant programs awarded about \$23 million in funding in that year (the other two awarded funding in prior years).

In addition, other grant programs beyond these 12 also fund substance use prevention, treatment, and recovery services across age groups, but are not specifically targeted to adolescents and young adults. (GAO did not make recommendations.)

## **Additional Information Provided by GAO for the Record**

**March 2, 2021 High Risk Hearing**

*Opioid Use Disorders: HHS Needs Measures to Assess the Effectiveness of Efforts to Expand Access to Medication-Assisted Treatment*, [GAO-18-44](#), October 31, 2017.

GAO found that since 2015 HHS had implemented four grant programs that focused on expanding access to medication-assisted treatment (MAT) in various settings (including rural primary care practices and health centers), as part of its key efforts that focus on expanding access to MAT for opioid use disorders. Grantees included states and other U.S. jurisdictions and local service providers. GAO also examined HHS's evaluation of its efforts to expand access to MAT and recommended that HHS take two actions: (1) establish performance measures with targets related to expanding access to MAT, and (2) establish timeframes for its evaluation of its efforts to expand access to MAT. HHS concurred with both recommendations, and completed actions to accomplish those recommendations as of March 2020.

## Additional Information Provided by GAO for the Record

March 2, 2021 High Risk Hearing

### Insert D

In response to Rep. Herrell (p. 87):

- Can you discuss the work of GAO as it relates to drug trafficking across our border and areas of improvement the government needs to make to intercept drugs and improve border security?

Addition information provided by GAO for the record: GAO has a body of work related to U.S. efforts to counter drug trafficking and has identified a number of areas for improvement. Agencies have made some progress as outlined below but areas for improvement remain. For example,

*International Mail: Progress Made in Using Electronic Data to Detect Illegal Opioid Shipments, but Additional Steps Remain, GAO-20-229R, Dec 18, 2019.*

In December 2019, we reviewed the U.S. Postal Service (USPS) and U.S. Customs and Border Protection (CBP) efforts to implement requirements in the Synthetics Trafficking and Overdose Protection Act of 2018 (STOP Act of 2018). The STOP Act called on USPS, CPB, and the U.S. Department of State (State) to collaboratively improve the nation's ability to detect and interdict international mail shipments that contain illegal opioids. We found that USPS and CBP had made progress implementing the law's requirements. For example, we found that USPS had increased the transmission rates of required information to CBP. The required information includes details from foreign postal operators on, for example, shipped content's description and shipper name. We also found that USPS and CBP had taken steps to assess the quality of these data. However, we determined that the Department of Homeland Security (DHS) had not issued regulations to clarify USPS's data transmission responsibilities. We recommended that DHS establish and implement a timeframe for completing these draft regulations and submitting them to the Office of Management and Budget (OMB) for review. DHS concurred and submitted draft regulations to OMB for review in August 2020. This recommendation is addressed.

*Land Ports of Entry: CBP Should Update Policies and Enhance Analysis of Inspections, GAO-19-658, Aug 06, 2019.*

In August 2019, we reported on CBP inspections at land ports of entry. We found that while CBP has processes for inspecting passenger vehicles, pedestrians, and commercial vehicles at U.S. land ports of entry (POEs), it had not updated many of its policies—in a few cases for almost 20 years. As a result, CBP policies did not always reflect changes in technology or processes, such as those for conducting searches and handling fentanyl. To help ensure officers have the guidance needed to consistently and properly inform inspections, we recommended that CBP review and update its policies related to land port of entry inspections in accordance with CBP Office of Field Operations guidance. CBP concurred with this recommendation. Further, we reported that CBP uses its national level Self-Inspection Program (SIP) to help monitor inspection activities at land POEs annually by determining compliance with CBP policies. We found that while CBP analyzes the results of the SIP annually to identify systematic compliance issues across CBP, it did not analyze noncompliance at individual POEs over time. To identify and address potentially reoccurring inspection deficiencies at individual ports of entry, we recommended that CBP analyze SIP results over time and at a level



## Additional Information Provided by GAO for the Record

### March 2, 2021 High Risk Hearing

necessary to identify and address potentially reoccurring inspection deficiencies at individual ports of entry. CBP concurred with this recommendation. In addition, we reported that while CBP uses covert testing to monitor inspection activities at land POEs, opportunities exist to enhance analysis of covert operational testing. CBP has produced comprehensive analyses of the results from some of its covert operational tests conducted at land POEs in fiscal years 2013, 2014 and 2018. These comprehensive assessments of aggregated covert test results provide analysis of trends, common vulnerabilities, and best practices used in inspections across land POEs; however, CBP had not developed comprehensive assessments for various other covert tests it conducted during this time frame. To better position CBP to understand the effectiveness of inspection policies, personnel, and technologies across land POEs over time and identify inspection vulnerabilities, we recommended that CBP implement a policy for conducting periodic comprehensive analyses of its covert operational test results. CBP concurred with our recommendation.

*Drug Control: Certain DOD and DHS Joint Task Forces Should Enhance Their Performance Measures to Better Assess Counterdrug Activities, GAO-19-441, Jul 09, 2019.*

In July 2019, we reviewed the Departments of Defense (DOD) and Homeland Security 5 task forces that are tasked with combatting the flow of illicit drugs into the U.S. We found that these task forces can help coordinate the counterdrug efforts of military and federal law enforcement agencies and have minimized unnecessary duplication. However, we also found that only 1 of the task forces had measures to determine the effectiveness of its counterdrug activities. We made 3 recommendations to address this deficiency: (1) the Director of Joint Interagency Task Force (JIATF)-West should establish a vital few performance measures that are consistently measured over time; (2) the Director of JIATF-West should establish specific targets that set a minimal level of performance; and (3) the Secretary of Homeland Security should develop outcome-based performance measures for the DHS Joint Task Forces (JTFs) that are consistent. Both DOD and DHS concurred. These recommendations are not yet fully addressed.

*Security Assistance: U.S. Agencies Should Establish a Mechanism to Assess Caribbean Basin Security Initiative Progress GAO-19-201, Feb 27, 2019.*

In February 2019, we reviewed the Caribbean Basin Security Initiative (CBSI)—an initiative launched in 2010 by the U.S. and Caribbean countries to reduce drug trafficking, among other goals. At that time we reported that U.S. agencies had allocated more than \$560 million for CBSI from fiscal years 2010 through 2018. We found that the U.S. had undertaken some planning and reporting of the CBSI's activities, but State had not created an initiative-wide planning and reporting mechanism that facilitates interagency coordination or establishes consistent performance indicators across agencies, countries, and activities—key elements for effectively aligning foreign assistance strategies. Moreover, we found that State and the U.S. Agency for International Development (USAID) had established objectives and performance indicators for selected CBSI activities, but State could not ensure the reliability of its program monitoring data because collection and maintenance of this data was conducted differently in each country and there was no centralized data storage system.

We made 2 recommendations. (1) We recommended that the Secretary of State should, in consultation with USAID and other stakeholders as appropriate, create an initiative-wide planning and reporting mechanism for CBSI that includes the ability to monitor, evaluate, and

## **Additional Information Provided by GAO for the Record**

### **March 2, 2021 High Risk Hearing**

report the results of their collaborative efforts. State concurred with the recommendation, and in May 2020, instructed all U.S. embassies in CBSI countries to implement a new planning and reporting process. This will enable posts to plan projects in alignment with goals and allow State to monitor, evaluate, and report on CBSI efforts. In addition, State's guidance instructs CBSI posts to report on a quarterly basis, and includes reporting data from USAID. This recommendation has been addressed. (2) We also recommended that the Secretary of State should ensure that a data management system is developed and implemented for centrally collecting reliable program monitoring data for all CBSI activities. State concurred with this recommendation and has taken some steps to address it but the recommendation is not fully addressed.

*Illicit Opioids: While Greater Attention Given to Combating Synthetic Opioids, Agencies Need to Better Assess their Efforts* GAO-18-205, Published: Mar 29, 2018. Publicly Released: Apr 12, 2018.

In March 2018, we reviewed U.S. agency efforts to combat illicit synthetic opioids. We found that CBP was not taking a risk-based approach to address the accumulating backlog of suspicious packages awaiting for testing at some of its labs. To address this deficiency, we recommended that CBP, in consultation with its Executive Director of CBP's Laboratories and Scientific Services Directorate and the Laboratory Directors, assess volume and risk at each port of entry to determine those with the greatest need for resources, use this information as a basis for staff allocations, and document its risk-based, staff allocation process. CBP concurred with the recommendation. In August 2020, CBP implemented an approach to determine ports of entry with the greatest need for resources and began to use it to inform staffing allocation decisions. The recommendation is addressed.