



MEMORANDUM

To: Members and Staff, Subcommittee on Oversight and Investigations

From: Majority Committee Staff

Re: Oversight and Investigations Subcommittee Hearing, “Follow the Money: Oversight of President Biden's Massive Spending Spree.”

On Wednesday, March 29, 2023, at 2:00 p.m. (ET) in 2123 Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing entitled, “Follow the Money: Oversight of President Biden's Massive Spending Spree.”

I. WITNESSES

- The Honorable Teri L. Donaldson, Inspector General, Office of the Inspector General, U.S. Department of Energy
- The Honorable Peggy E. Gustafson, Inspector General, Office of the Inspector General, U.S. Department of Commerce
- The Honorable Sean O’Donnell, Inspector General, Office of the Inspector General, U.S. Environmental Protection Agency
- Mark Gaffigan, Managing Director, Natural Resources and Environment, U.S. Government Accountability Office

II. OVERVIEW

The hearing will provide an opportunity for members of the committee to learn more about challenges selected federal agencies face in managing the large infusion of funding they received via recent major legislation such as the Infrastructure Investment and Jobs Act (IIJA),¹ Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022,² and the Inflation Reduction Act (IRA)³.

III. BACKGROUND

A. Federal Spending

The United States federal government is one of the world’s largest and most complex entities, and the extraordinary challenges facing the country demand more effective

¹ Pub. L. No. 117-58.

² Pub. L. No. 117-167.

³ Pub. L. No. 117-169.

performance.⁴ In Fiscal Year (FY) 2023, federal spending increased by \$175 billion over the same period in FY 2022.⁵ Additionally, over the past two years, recent legislation such as the IJA,⁶ the CHIPS and Science Act,⁷ and IRA⁸ collectively authorized many new programs, expanded existing ones, and appropriated billions of dollars to numerous agencies.

B. Selected Entities Monitoring Federal Agencies

Inspectors General and Government Accountability Office

The Inspector General Act of 1978⁹ (IG Act) authorized many of the Inspectors General (IGs) operating today and governs 64 IGs;¹⁰ including the IGs for the Department of Commerce (Commerce), Department of Energy (DOE), and Environmental Protection Agency (EPA).¹¹ IGs serve as independent units that: (1) conduct and supervise audits and investigations relating to programs and operations of that agency; (2) lead, coordinate, and recommend policies for activities to promote economy, efficiency, and effectiveness in agency programs and prevent fraud and abuse; and (3) inform agency heads and Congress about problems and deficiencies with agency programs.¹²

The Government Accountability Office (GAO) investigates the use of public funds and analyzes expenditures of federal agencies to help Congress determine whether these funds have been used efficiently.¹³ GAO's activities include producing legal decisions and opinions;¹⁴ preparing reports for Congress;¹⁵ managing a hotline for waste, fraud, and abuse;¹⁶ and issuing recommendations for federal agencies.¹⁷

C. Major Relevant Legislation

1. Infrastructure Investment and Jobs Act

⁴ *E.g.*, GOV'T ACCOUNTABILITY OFFICE, HIGH-RISK SERIES: DEDICATED LEADERSHIP NEEDED TO ADDRESS LIMITED PROGRESS IN MOST HIGH RISK AREAS i, 2 (2021), <https://www.gao.gov/assets/gao-21-119sp.pdf>.

⁵ DEP'T OF TREASURY, *FiscalData: How Much Has the U.S. Government Spent this Year?*, <https://fiscaldata.treasury.gov/americas-finance-guide/federal-spending/> (last visited Mar. 22, 2023).

⁶ Pub. L. No. 117-58.

⁷ Pub. L. No. 117-167.

⁸ Pub. L. No. 117-169.

⁹ Pub. L. No. 95-486. *See also* Inspector General Act of 1978, Pub. L. No. 95-486 (H. Office of Law Revision Counsel, Feb. 1, 2023) (noting that Pub. L. No. 117-286 restated, reorganized, or codified this act elsewhere in code), available at <https://www.govinfo.gov/content/pkg/COMPS-1012/pdf/COMPS-1012.pdf>.

¹⁰ BEN WILHELM, CONG. RESEARCH SERV., R45450, STATUTORY INSPECTORS GENERAL IN THE FEDERAL GOVERNMENT: A PRIMER i (2023).

¹¹ 5 U.S.C. § 401-402.

¹² 5 U.S.C. § 402.

¹³ 31 U.S.C. § 712.

¹⁴ GOV'T ACCOUNTABILITY OFFICE, *Legal Decisions*, <https://www.gao.gov/about/what-gao-does/legal-decisions> (last visited Mar. 21, 2023).

¹⁵ GOV'T ACCOUNTABILITY OFFICE, *Reports & Testimonies*, <https://www.gao.gov/about/what-gao-does/reports-testimonies> (last visited Mar. 21, 2023).

¹⁶ GOV'T ACCOUNTABILITY OFFICE, *Report and Prevent Fraud*, <https://www.gao.gov/about/what-gao-does/fraud> (last visited Mar. 21, 2023).

¹⁷ GOV'T ACCOUNTABILITY OFFICE, *Recommendations*, <https://www.gao.gov/about/what-gao-does/recommendations> (last visited Mar. 21, 2023).

The IIA authorizes \$1.2 trillion in transportation and infrastructure spending, including \$550 billion in “new” federal investment.¹⁸ Signed into law on November 15, 2021, this legislation appropriated \$60 billion to the EPA for FYs 2022 through 2026 for activities such as water infrastructure improvements, pollution cleanup, and the clean school bus program.¹⁹ The IIA also charged Commerce’s National Telecommunications and Information Administration (NTIA) with administering over \$48 billion in broadband funding.²⁰ It also appropriated \$62.5 billion to DOE over FYs 2022 through 2026 for activities such as clean energy demonstration projects, energy efficiency and renewable energy programs, grid reliability and transmission projects, battery recycling grants, a new carbon dioxide transportation infrastructure financing program, and fossil energy and carbon management programs.²¹ According to DOE, it will stand up 60 new programs utilizing IIA funding and authorities.²² In a White House update in November 2022, the Biden administration already announced over \$185 billion in funding and over 6,900 specific projects.²³

2. Creating Helpful Incentives to Produce Semiconductors and Science (CHIPS) Act of 2022 and Science Act

The CHIPS and Science Act of 2022 provides funding and incentives for domestic semiconductor manufacturing and authorizes research and development and technology commercialization programs at several federal science agencies.²⁴ This legislation appropriates \$50 billion over five years for a “CHIPS for America Fund,” which the Department shall use for activities to support the domestic production of semiconductors.²⁵ This includes \$39 billion in manufacturing incentives.²⁶

3. Inflation Reduction Act

¹⁸ Annie Grayer et al., *Congress Passes \$1.2 Trillion Bipartisan Infrastructure Bill, Delivering Major Win for Biden*, CNN, Nov. 6, 2021, <https://www.cnn.com/2021/11/05/politics/house-votes-infrastructure-build-back-better/index.html>.

¹⁹ Pub. L. No. 117-58, div. J., tit. VI; OFFICE OF THE INSPECTOR GEN., ENVTL. PROT. AGENCY, FISCAL YEAR 2022: INFRASTRUCTURE INVESTMENT AND JOBS ACT OVERSIGHT PLAN – INAUGURAL EDITION i (2022).

²⁰ Pub. L. No. 117-58, div. J., tit. II; NAT’L TELECOMM. AND INFO. ADMIN., DEP’T OF COMMERCE, *NTIA’s Role in Implementing the Broadband Provisions of the 2021 Infrastructure Investment and Jobs Act*, <https://broadbandusa.ntia.doc.gov/news/latest-news/ntias-role-implementing-broadband-provisions-2021-infrastructure-investment-and> (last visited Mar. 22, 2023).

²¹ Pub. L. No. 117-58, div. J., tit. III; OFFICE OF THE INSPECTOR GEN., DEP’T OF ENERGY, DOE-OIG-23-08, MANAGEMENT CHALLENGES AT THE DEPARTMENT OF ENERGY – FISCAL YEAR 3 2023 (2022).

²² DEP’T OF ENERGY, *Clean Energy Infrastructure*, <https://www.energy.gov/clean-energy-infrastructure/clean-energy-infrastructure-homepage> (last visited Mar. 22, 2023).

²³ THE WHITE HOUSE, *FACT SHEET: One Year into Implementation of Bipartisan Infrastructure Law, Biden Harris Administration Celebrates Major Progress in Building a Better America*, Nov. 15, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/15/fact-sheet-one-year-into-implementation-of-bipartisan-infrastructure-law-biden-%E2%81%A0harris-administration-celebrates-major-progress-in-building-a-better-america/>.

²⁴ See Pub. L. No. 117-167.

²⁵ *Id.* at div. A, § 102(a).

²⁶ § 102(a)(2).

In addition to taxation policy changes intended to offset its spending,²⁷ the legislation funds climate and energy programs across several agencies and includes clean energy tax incentives, grants, and funding for loan guarantees.²⁸ The DOE received \$44.28²⁹ billion dollars of funding for activities including domestic manufacturing conversion grants, interstate electricity transmission siting grants, industrial greenhouse gas reduction deployment, home energy efficiency rebates, energy efficient building grants, and new Loan Programs Office loans.³⁰ The IRA also appropriated \$41.5 billion to the EPA for air quality, enforcement, greenhouse gas emission reduction and reporting, and environmental justice programs.³¹

IV. KEY QUESTIONS

The hearing may include discussion around the following key questions:

- What are the greatest challenges associated with identifying and preventing misuse of taxpayer dollars with the implementation of the IIJA, CHIPS and Science Act, and IRA?
- How do OIGs plan to monitor agency efforts to roll out new programs, manage new program offices, and administer new funding?
- What are significant risk factors for waste, fraud, abuse, or mismanagement for federal programs?
- What past failures or lessons learned concerning agency spending and new programs can inform future oversight efforts?

V. STAFF CONTACTS

For questions regarding the hearing, please contact Christen Harsha with the Subcommittee on Oversight and Investigations Majority staff at (202) 225-3641.

²⁷ MCKINSEY & CO., *The Inflation Reduction Act: Here's What's in It*, Oct. 24, 2022, <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-inflation-reduction-act-heres-whats-in-it>; See Pub. L. No. 117-169, tit. I, subtit. A.

²⁸ Pub. L. No. 117-169; MCKINSEY & CO., *supra* note 27.

²⁹ OFFICE OF THE INSPECTOR GEN., DEP'T OF ENERGY *supra* note 21, at ii.

³⁰ Pub. L. No. 117-169, tit V, subtit. A.

³¹ OFFICE OF THE INSPECTOR GEN., ENVTL. PROT. AGENCY, FISCAL YEAR 2023 TOP MANAGEMENT CHALLENGES 4 (2022); see also Pub. L. No. 117-169, tit V. subtit. A-B.