

**Homeland Security and Governmental Affairs Committee**  
**“Recovery and Investment Spending: Implementing a Bold Oversight Strategy”**  
Chairman Joseph Lieberman  
April 2, 2009

**AS PREPARED FOR DELIVERY**

Good morning and welcome to this second in what will be a continuing series of hearings this Committee, pursuant to its oversight responsibilities, will hold to monitor how billions of taxpayers’ dollars are being spent under the American Recovery and Reinvestment Act.

To give you an idea of what we would like to accomplish with these hearings, I’d like to quote Benjamin Franklin who said: “It takes many good deeds to build a good reputation, and only one bad one to lose it.”

And so it is with the Recovery Act. Americans want the Recovery Act to succeed – need it to succeed so it can save or create 4 million jobs and get our economy growing again.

But if Americans start hearing stories about how their money being wasted on pet projects or funneled to favorite contractors or flat out lost to fraud or theft, faith in government at all levels and support for the overall program will erode – no matter that other parts of the program are successful. I understand that is a large undertaking: to say that we will prevent any waste and abuse, but that has got to be our goal.

We want to use these hearings – in cooperation with the Administration – as a way to spot potential problems and do what we can to solve them before they become financial scandals that hurt all Recovery Act programs.

To help with the very supervision I’m talking about, the Recovery Act created the Recovery Accountability and Transparency Board composed of a chairman and 10 inspectors general from across the federal government.

That board met for the first time last Friday and its chairman, Earl Devaney – on loan from his job as Inspector General of the Interior Department – joins us here today and we look forward to hearing how that first meeting went and what plans or recommendations may already be in place or emerging.

The Recovery Act also included \$250 million for federal inspectors general to hire additional experienced auditors and investigators for their agencies. This is good. But we need to remember that much of the nearly \$500 billion in spending will be contracted and supervised by state and local governments – governments whose budgets have been crippled by the recession.

For instance, my home state of Connecticut is facing spending cuts that may total \$2 billion over the next two years with layoffs almost guaranteed to be a part of that.

We need to talk about ways to help our states and municipalities retain and prepare the skilled managers, contract specialists and auditors they need to ensure this money is spent wisely and with accountability.

We need to make sure that State and local agencies – already stretched thin by this Great Recession – have the capacity to manage Recovery Act funds.

I want to note that our Committee will hold a field hearing Tuesday in my home state of Connecticut on this very challenge that our states and local governments face.

Also joining us is Rob Nabors the Deputy Director at the Office of Management and Budget. In addition to providing overall guidance to federal agencies on Recovery Act implementation, OMB has stood up the website, [recovery.gov](http://recovery.gov), which – if designed correctly – will allow journalists, bloggers and citizens to keep an eye on stimulus spending and report waste, fraud, abuse or theft if they suspect it.

I understand it's already getting about 4,000 hits a second.

This can be a marvelous tool not only to monitor Recovery Act spending, but could eventually help us develop powerful tools to monitor all federal spending.

But for it to work to its best potential, it will need to allow its users to burrow deep into the details of where and how and where the money is being spent and I want to follow up on concerns raised at our last hearing that the data trail may turn cold at the precise point spending needs to be monitored most closely – at the specific contract level.

I understand that Chairman Devaney's Board is taking over responsibility for content of Recovery.gov while OMB will remain responsible for the collection of data that feeds into the web site. I'd like to hear more from Mr. Nabors and Mr. Devaney about precise plans to make recovery.gov the incredibly useful fiscal watchdog tool I hope it can be.

Again, we ask these questions to spot the challenges ahead – the potential problems, flaws and loopholes – so we can prepare to meet them for as Ben Franklin also said: “By failing to prepare, you are preparing to fail.”

And with our economy at stake, the American Recovery and Reinvestment Act – in the financial parlance of our time – is simply too big – and too important – to fail.

Senator Collins.