

Written Statement of Dr. Tom Coburn
April 27, 2016

Good morning. Thank you, Chairman Johnson, Ranking Member Carper and members of the Committee. It is good to see you. It's good to be back with the Committee.

Since leaving the Senate last January, I have kept busy. I am supporting the Convention of the States Project to restore Washington's accountability to the states and the American people. I have been active working on the Manhattan Institute's Project FDA to improve patient treatments and innovation. I also recently formed a new group – The Foundation to Restore Accountability – to continue my work investigating and conducting oversight of wasteful spending in the federal government.

Most importantly, I have been enjoying spending time in Oklahoma with Carolyn and our children's families, including our beautiful grandchildren.

As I spend time away from Washington and travel across the country, I am more convinced than ever that our nation faces a crisis. Our national debt has grown to more than \$19 trillion. The federal government's obligations continue to expand at a time when our nation's challenges—including serious threats to national security—are increasing and threaten our way of life.

All the while, the American people have lost faith in their government. They do not see leadership coming from Washington because there is none. They do not believe that Congress and the Administration are able to fix our nation's problems. I agree.

Recognizing these serious problems, my purpose for visiting with you today is to share my thoughts about what lessons I learned from serving on this important committee. I am proud of the work that we did together. But so much remains unfinished.

One important lesson that I learned was the importance of oversight. Without knowing where you are, you can't get to where you need to go.

Consider the Duplication Report that we are talking about today. The Duplication Report started with a request that I made to my staff. I asked them to identify all of the areas of overlap and waste in the federal government. They thought I was nuts. My staff spent several weeks and found waste and duplication all across the federal government. I then asked for GAO to effectively compare all of the departments, agencies, offices, and programs across the federal government.

Gene, I am sincerely grateful for all of the work that you and your dedicated staff have done over the years. But even your team was reluctant to volunteer for such a daunting project. So we passed an amendment to the 2010 bill to raise the debt ceiling to make it happen. The amendment passed 94-0.

GAO has now completed six duplication reports, which have identified 237 areas where federal agencies' programs are overlapping or duplicative, and where we can achieve savings. My gut is there are even more. There are real savings here.

GAO says in this year's report that we've saved \$56 billion already and will save another \$69 billion over the next 10 years. And those savings are achieved after Congress and federal agencies have implemented less than half of GAO's recommendations. To put that in context, the current fight over funding to fight the Zika outbreak comes in at less than \$2 billion.

This year's report highlights duplicative payments by the federal government for the health care of low-income individuals. The government is often reimbursing the states for Medicaid and paying subsidies to their Obamacare exchanges for the same low income people. The goal of President Obama's health care plan was universal coverage. The goal was not to pay twice for the same coverage.

GAO also highlighted this year that the Social Security Administration is losing billions by overpaying disability insurance recipients, and, rather than requiring them to pay back those overpayments, simply waives them. The disability program has many problems, and for SSA to simply write-off the mistakes it makes is a disservice to disabled Americans.

In another example, the Dodd-Frank law created a structure where there are now as many as 15 federal and state regulatory agencies overseeing financial institutions. GAO reports this is bad for institutions, bad for the regulators, and bad for the consumers, who are poorly protected by this inefficient structure of confusing responsibility.

Finally, the Department of Defense is so fundamentally bad at procuring what it needs, that it now has a stockpile of 529,373 tons of excess ammunition awaiting disposal, which is expected to double over the next five years. DOD spends about \$118 million each year just disposing of extra ammunition that could be transferred to other federal agencies, reducing their need to spend money on ammo.

And the Duplication Report is just the tip off the iceberg of where we can find savings in the federal budget. Look at what we found in our annual Wastebook reports. Wastebook highlighted a million dollar federal grant for a website about romance novels, hundreds of thousands for Swedish massages for rabbits, and a federally-funded project to study shrimp on a treadmill.

This work did have some success through oversight and persistence. The bridge to nowhere is finally dead. The NFL tax loophole is closed. Taxpayers no longer fund political party conventions. The federal government is no longer funding the Woodstock museum. And we actually let the ethanol tax credit expire, which was a recommendation in GAO's very first Duplication Report.

These reports were just a few in addition to the 47 oversight reports that my office released during my time in Congress. Beyond just the waste, we identified serious problems at critical agencies like the Department of Veterans Affairs where mismanagement leads to poor

care and even lost lives of American heroes. Or at the Department of Homeland Security, where failure to achieve its missions like border security and immigration enforcement puts our nation and the American people at risk.

I am also proud of the bipartisan oversight and investigative work that we did at this Committee, including my work with Carl Levin at the Permanent Subcommittee on Investigations.

For example, I am pleased to report that the Department of Justice has finally indicted several of the subjects of our bipartisan investigation of the fraud and corruption in the Social Security disability program. Our report found Eric Conn, a disability attorney in Kentucky, was paying doctors to manufacture fraudulent medical records to support Social Security disability claims. Mr. Conn then directed those claims to an Administrative Law Judge, David Daugherty, who would approve them on the record, without a hearing.

Just a few weeks ago, Mr. Conn, former Judge Daugherty, and one of Mr. Conn's doctors were all indicted on a number of charges, including mail fraud, wire fraud, and money laundering, all of which were outlined in this Committee's 2013 report and hearing.

Senator Levin and I didn't always agree on matters of policy and how to reform our government. But we did agree that the Congress and the American public deserve the facts and to know the truth.

Bipartisanship wasn't just about doing oversight work. It has been the basic culture of this Committee since I joined it in 2005. And it was through that bipartisan work that we succeeded in passing legislation on issues where we could find basic agreement. I am proud to have worked with then-Senator Obama to pass the Federal Funding Accountability and Transparency Act of 2006 to create the USASpending.Gov, which was a key step in making our government more transparent.

Senator Carper, I am proud of the all of the work we did together all those years—starting back at the Federal Financial Management subcommittee and continuing through the last days of the last Congress with the full Committee. We sat together for more hearings than I can remember. We worked together to co-sponsor more bills than I can count. I am particularly proud of our record enacting bipartisan legislation, from improving federal cybersecurity, IT management, and curbing improper payments.

We didn't always succeed. Take our legislation together to reform the federal real property system, our bill to stop improper payments to dead people, and the Taxpayer Right to Know Act, which would have required an online database of all federal programs. All of these were good-government bills that would have made a difference but were held up by just one or two objections and could not pass by unanimous consent.

But we did our best to work together to solve problems where we had agreement and there was a window of opportunity. And together you and I—and our Committee—became a model of bipartisanship in the process.

Chairman Johnson, I applaud your leadership of this Committee. I appreciate that you continue to focus on the major problems facing our nation, and that you and Senator Carper are continuing to carry forward the tradition of bipartisanship, including passing 68 bipartisan bills through the Committee so far. I am particularly thankful that you are continuing to champion some of the reforms that Senator Carper and I were working on all those years, from real property reform and identifying and reducing improper payments, to protecting whistleblowers and strengthening watchdogs. I am optimistic that you two and the Committee will succeed in getting those reforms across the finish line this year.

I will close with one final thought for each of you. I think back to my time spent in your position. I now fully appreciate the limited time that we have serving the American people as members of the Senate. As a private citizen again, I encourage each of you to approach each day asking what you and your staff can do to help address the big challenges facing our nation.

Whether it is implementing GAO's recommendations, working together on bipartisan legislation or just doing basic oversight, each of you—both individually and collectively as a Committee—has an opportunity to make a difference and to begin to win back the American people's trust.