

**Opening Statement of Ranking Member Ron Johnson**  
**“Mistreatment of Military Families in Privatized Housing”**  
**April 26, 2022**

*As submitted for the record:*

The Permanent Subcommittee on Investigations (“PSI”) has a longstanding bipartisan tradition of investigating government and non-government entities, uncovering waste, fraud, abuse, and outright corruption. These efforts have brought transparency and accountability to the public. I am pleased to join Chairman Ossoff on this inquiry and look forward to continuing the Subcommittee’s traditions of conducting thorough oversight on behalf of the American people.

Today, PSI released a bipartisan report and findings based on its inquiry into issues with privatized housing on U.S. military installations. We will hear from service members whose family’s health and safety have been put at risk because of the conditions of their homes. We will also hear from Balfour Beatty Communities (“Balfour”), one of the largest managers of privatized military housing in the country.

Service members represent the finest among us. They and their families make many sacrifices in service to this great nation. When stationed in U.S. military installations, these men and women should expect to live in conditions that will not damage the health and safety of themselves and their families. The Subcommittee uncovered troubling practices by Balfour in which prolonged delays in repairs put the health and safety of service members and their families at risk and potentially wasted taxpayer dollars. These practices went on at multiple homes for several months and senior leaders at the company failed to take action to prevent harm.

The Subcommittee also uncovered multiple instances where data within Balfour’s work order software was inaccurate. Accurate work order data helps families moving into homes determine whether there is a history of a particular problem within a home prior to move in. In addition, accurate and complete work order data is a vital tool in preventing waste of taxpayer dollars. Because Balfour receives financial incentives from the military for prompt and complete repairs, it is essential that the data reflecting those work orders is accurate.

In 2021, Balfour pled guilty to fraud against the United States for inflating its performance metrics and receiving improper incentive fees from military service branches. As a result, the company agreed to pay over \$65 million in fines and restitution. This guilty plea coupled with the Subcommittee’s findings show that Balfour still has a long way to go to earn the public’s trust.

Moving forward, the Defense Department and all military housing providers must ensure that our service members live in safe, habitable environments. In particular, the Defense Department and its Office of Inspector General need to actively oversee its housing contracts to ensure compliance. I thank the witnesses for appearing before the Subcommittee today and I look forward to your testimony.