

STATEMENT OF SENATOR SCOTT BROWN, RANKING MEMBER

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,  
GOVERNMENT INFORMATION, FEDERAL SERVICES AND  
INTERNATIONAL SECURITY

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

“Assessing Efforts to Eliminate Improper Payments”

May 25, 2011

Chairman Carper, thank you for holding this hearing today. There is no doubt that we have a serious problem here and unfortunately it seems to only get bigger every year. While Congress is debating raising the debt limit above an already incredible \$14 trillion dollars, taxpayers are left to wonder when Washington is going to put an end to its out-of-control spending binge.

Americans are looking for some sign of fiscal restraint and, if nothing else, at least some responsible stewardship of their hard earned tax dollars. Yet this expectation is constantly challenged by federal agencies and programs that, for too long, have been immune from proper accountability and oversight. As the Chairman has pointed out, \$125 billion dollars in improper payments is a staggering number -- and in today's uncertain fiscal environment, it is simply unacceptable.

With each passing year there is a substantial rise in the amount of total improper payments -- up from \$55 billion in 2007 to more than double that today. Clearly this increase illustrates that agencies are reporting on more programs at risk -- a positive step. However, it also illustrates that as government spending increases, so too does the opportunity to lose a more substantial amount of money to error and fraud.

Legislation that requires executive agencies to report and recover improper payments has been enacted for seven years. But as the Government Accountability Office (GAO) points out in a recent report to the Subcommittee, federal agencies and departments still can't meet the statutory requirements to report and fix these errors. This means that, incredibly, \$125 billion may still not represent the true limit of the problem. For example, Health and Human Services has yet to report an estimate for the almost \$60 billion in outlays for Medicare Part D. In addition, according to a recent Department of Defense Inspector General's report, potentially half of the Department's total outlays are not included in current DoD estimates for improper payments. Federal agencies cannot continue to let statutory obligations go unmet and major at-risk programs go unexamined.

For this reason, I was glad to cosign a letter with the members of this Subcommittee and others to ask Mr. Hale to provide Congress with the Department of Defense's plans for improving improper payments reporting and meet the requirements of current law. As the Chairman pointed out, the members of this Subcommittee have a long history of working together to find solutions and I appreciate the commitment of the Chairman and Senator Coburn to bring needed attention to this issue. I look forward to working with them to keep agencies' feet to the fire and ensure that meaningful progress is being made to correct these problems in the future.

I also appreciate the efforts of Mr. Werfel and the Office of Management and Budget to take this effort seriously and I am encouraged by new initiatives like the Do-Not-Pay list. For Mr. Hale's part, his quick response to our letter is an encouraging sign that the Department of Defense is also putting more attention on this problem.

However, until agencies can fully meet their obligations and error rates begin to decline on a meaningful basis, it is clear that much more needs to be done. With American families and businesses struggling in the present economy, we cannot afford to squander any additional taxpayer dollars simply by error or fraud. Properly accounting for every dollar spent is not just important, but critical to maintain both the government's fiscal health and the taxpayer's trust in the future.

Thank you again, Mr. Chairman. I look forward to hearing from our witnesses.