

Statement of

Senator Susan M. Collins

Ad Hoc Subcommittee on Contracting Oversight

Committee on Homeland Security and Governmental Affairs

“Improving the Ability of Inspectors General to Detect, Prevent, and Prosecute Contracting Fraud”

Tuesday, April 21, 2009

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The Inspectors General are vital partners in Congress’s effort to identify inefficient, ineffective, and improper government programs. By leveraging the expertise and independence of Inspectors General and their staffs, Congress has been able to identify, and take action to stop, wasteful spending.

The investigations and reports of IGs throughout the government also help Congress shape legislation and oversight activities – improving government performance, providing important transparency, and giving Americans better value for their tax dollar.

Last Congress, working with Senators Lieberman, McCaskill, and Levin, our Committee was able to pass important reforms to the federal contracting process and to strengthen our nation’s IGs.

I mention these two separate bills together because the contracting reforms we successfully enacted were based, in part, on the recommendations of our nation’s Inspectors General. Moreover, the reforms themselves will be amplified by the indispensable efforts of IGs.

The most recent report of the President’s Council on Integrity and Efficiency provides some insight into the effectiveness of the Inspector General community. In fiscal year 2007, IG efforts resulted in:

- \$11.4 billion in potential savings from audit recommendations;
- \$5.1 billion in investigative recoveries;
- 6,800 indictments;
- 8,900 successful prosecutions;
- 4,300 suspensions or debarments; and
- the processing of nearly 310,000 hotline complaints.

More than 30 years after the Inspector General Act was passed in 1978, the Inspector General Reform Act of 2008 improves the independence and effectiveness of Inspectors General and contributes to better relations among the IGs, the agencies they serve, and the Congress. The Act helps to insulate and protect Inspectors General from inappropriate efforts to hinder their investigations and preserves their independence. Finally, the law explicitly mandates that IG

appointments be made on the basis of ability and integrity, not political affiliation.

The white paper produced by the National Procurement Fraud Task Force provides additional proposals for us to consider.

I also note that two of our witnesses have proposed an additional effort desperately needed to improve our government's acquisition programs – a well-trained, properly resourced acquisition workforce. These personnel reforms are important for the proper execution of government contracts. But a well-trained group of acquisition personnel can also help our IGs identify and audit inefficient or ineffective procurement programs.

I look forward to hearing from all our witnesses regarding their proposals for reform.