

Statement of Senator Susan M. Collins
HSGAC Business Meeting
October 19, 2011

We have several items on our agenda this morning, but I would like to highlight two important bills that will improve the efficiency of government operations and save money -- The Improper Payments Elimination and Recovery Improvement Act of 2011 and The Government Accountability Office Improvement Act of 2011.

Last year, the government paid out at least \$125 billion in erroneous payments, and that doesn't even include errors within Medicare Part D nor about half of the Pentagon's spending.

Simply put, more than a nickel of every taxpayer dollar was spent either in error or as a result of fraud. America could use that money back - badly.

This is a serious and inexcusable problem. We just can't live with \$125 billion in improper payments. And that isn't a complete count. At the Department of Defense, commercial payments such as contract disbursements are, for the most part, not counted, and the underlying validity of many payments to employees isn't even checked as part of the improper payments estimation process.

To shine the light of transparency in some of the far corners of the Pentagon, Senator McCaskill and I worked to include report language in the recent National Defense Authorization Act.

Today's legislation, which Senator Carper introduced and the Chairman, Senator Brown, and I have co-sponsored, builds on last year's landmark law requiring all federal agencies to identify programs that could be susceptible to fraudulent or mistaken claims and to take immediate action to prevent and recover improper payments.

The bill requires better estimates through more rigorous risk assessments and requires agencies to specifically identify the highest-risk programs. Then, each agency must target and correct the specific payment processes that create the vulnerability that permits fraud or errors in payment.

The bill also allows agencies to work with auditing firms that identify improper payments. These firms are paid a portion of the recovered funds and do not get paid if they don't recover improper payments. The program should pay for itself several times over.

Our bill today would encourage the use of this type of recovery auditing by establishing 10 pilot programs across the government. Finally, the bill targets a problem that we all should be embarrassed to admit still exists: checks sent to deceased Americans and others who obviously should not receive payment. The bill establishes a “do-not-pay list” from different databases across the government, to identify people and organizations we should not pay.

Agencies must check the list to identify people who are deceased, individuals who are making too much money to receive the government benefit, contractors who have been debarred, and so forth - *before* the payment is made. I know that my constituents would like to think that we don't pay dead people, but it happens. It is unbelievable that we would need to legislate such a requirement, but it is clearly necessary. Just ask Senator Coburn, who issued an oversight report over a year ago estimating that the government has spent over one billion dollars in payments to more than 250,000 dead people during the past decade. More recently, the Inspector General for OPM announced that the agency had paid over \$600 million to dead people during the past five years.

I would also like to briefly discuss another bill that is on our agenda today— The Government Accountability Office Improvement Act. This bill should remedy several instances where executive branch agencies have ignored the explicit authorities Congress has invested in GAO to carry out its oversight and investigation prerogatives. The law is clear: federal agencies are directed to provide GAO with information regarding the duties, powers, activities, organization, and financial transactions of the agency. Federal courts have also made it clear that GAO is the investigative arm of Congress and, when acting on our behalf, has the same scope and power of inquiry as does Congress.

Despite these clear authorities, some agencies deny GAO access to documents it needs to carry out oversight for Congress. For example, the Department of Health and Human Services has denied GAO access to the National Directory of New Hires, a database of employment information critical to investigations of fraud in certain federal programs. As incredible as it sounds, HHS is blocking Congressional oversight simply because Congress, and by extension GAO, did not list itself as an “authorized user” of the database. Although Congress has authority to access any information that it does not explicitly deny itself, HHS continues to deny GAO access to this database.

The GAO Improvement Act addresses this and other instances where agencies, such as the FDA and the FTC, are blocking Congressional oversight by denying GAO's authority. Some of the arguments agencies are using to deny GAO access to information include the fear that certain trade secrets or pre-merger information will be made public. Although there is no evidence that GAO mishandles the volumes of sensitive and classified information it already

obtains for its reports, the bill recognizes the sensitivities of the information agencies may provide and reaffirms GAO's responsibility to continue protecting such information.

The final pending business that I would like to discuss is the nomination of Ernest Mitchell, Jr. to be the U.S. Fire Administrator. The Fire Administrator is the steward of our nation's firefighters, and is responsible for research, data collection and analysis, and fire education initiatives. I was impressed with Mr. Mitchell at his nomination hearing and believe that he will bring a wealth of knowledge and experience based on his 33-years within fire service.

In addition to supporting Mr. Mitchell's nomination, I urge my colleagues to support both S. 1409 and S. 237, which would improve the operations of our government.

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