EXAMINING THE FINDINGS AND RECOMMENDATIONS OF GAO'S 2021 REPORT ON DUPLICATION, OVERLAP, FRAGMENTATION AND OPPORTUNITIES TO ACHIEVE FINANCIAL BENEFITS

HEARING

BEFORE THE

SUBCOMMITTEE ON EMERGING THREATS AND SPENDING OVERSIGHT

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

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WEDNESDAY, MAY 12, 2021

APPENDIX

EXAMINING THE FINDINGS AND RECOMMENDATIONS OF GAO'S 2021 REPORT ON DUPLICATION, OVERLAP, FRAGMENTATION AND OPPORTUNITIES TO ACHIEVE FINANCIAL BENEFITS

WEDNESDAY, MAY 12, 2021

U.S. SENATE,
SUBCOMMITTEE ON EMERGING THREATS AND
SPENDING OVERSIGHT,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:30 p.m. in via Webex and in room 342, Dirksen Senate Office Building, Hon. Maggie Hassan, Chairman of the Subcommittee, presiding.

Present: Senators Hassan, Sinema, Ossoff, Paul, Romney, Scott, and Hawley.

Also present: Senator Lankford.

OPENING STATEMENT OF SENATOR HASSAN[1]

Senator HASSAN. This hearing will come to order. Good afternoon. The Subcommittee on Emerging Threats and Spending Oversight (ETSO) convenes today's hearing to discuss the Government Accountability Office's (GAO) 2021 annual report on duplication, overlap, and fragmentation in Federal programs, and opportunities to save taxpayer dollars through better program management.

I am grateful to Comptroller General Gene Dodaro and to the GAO analysts assisting him today for their testimony, and for their efforts to not only identify areas of government waste but also to provide constructive recommendations for eliminating that waste to save substantial taxpayer dollars.

This year we celebrate GAO's 100th anniversary. Following World War I, Congress saw the need for better control of expenditures, so it established GAO to investigate how Federal dollars are spent and to review all Federal expenditures. While GAO no longer tracks every penny spent by Federal agencies, its core mission, to oversee Federal agency performance and financial management, remains unchanged.

In 2010, Congress asked GAO to publish an annual report on Federal programs and initiatives that have duplicative goals or activities, and thus lead to wasteful spending. Eleven years later, the

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[1] The prepared statement of Senator Hassan appears in the Appendix on page 21.

annual duplication report has led to roughly $429 billion in financial benefits to the Federal Government. Progress made by the Executive Branch and Congress to address some of the more than 1,100 actions and recommendations made in these reports has improved agency performance and resource management. It has also saved billions of taxpayer dollars and enhanced service delivery to the American people.

GAO's newest report makes 112 recommendations in 33 new and existing issue areas. Topics covered in this year's report include the Department of Defense's (DOD) fragmented system for processing dependency determinations for servicemembers' adult children who experience disabilities; the National Nuclear Security Administration's efforts to encourage cost-saving practices in its contracts, which could save hundreds of millions of dollars; and the duplication and overlap of infectious disease modeling, which, if streamlined at the Department of Health and Human Services (HHS), could help the government better plan for and respond to disease outbreaks such as the coronavirus disease 2019 (COVID–19) pandemic, and save taxpayer dollars in the process.

While many recommendations made over the past 11 years have yet to be addressed, I am committed to ensuring that Congress does its part to eliminate duplication, overlap, and fragmentation to achieve billions in savings. That is why I introduced two bills with Ranking Member Paul last Congress, the Acting on the Annual Duplication Report Acts of 2019 and 2020. These bills directly respond to the recommendations for congressional action detailed in the annual duplication reports.

In addition, I co-sponsored Ranking Member Paul's Duplication Scoring Act, which would require GAO to review legislation to determine whether it risks duplicating existing Federal programs. As then-Chairman Paul noted, when we did our first duplication report hearing together in 2019—this is your quote—"One thing we all agree on is that the kind of inefficiencies caused by duplication need to be corrected."

I urge my colleagues to consider supporting these bipartisan pieces of legislation. Once again, thank you to Mr. Dodaro and to your team for testifying today. I look forward to today's discussion on how Congress and Federal agencies can act on the recommendations made in this year's report to be better stewards of taxpayer dollars.

I will now recognize Ranking Member Paul for his opening remarks.

OPENING STATEMENT OF SENATOR PAUL[1]

Senator PAUL. Thank you, Madam Chair, for holding this hearing, and thanks to our witness, Comptroller General Dodaro, for joining us.

One thing I always hear from taxpayers is frustration with government waste. Despite Americans' desire for less waste, little around here gets done to fix the problem. To its credit, GAO has made great strides identifying areas for us to work on. I am pleased that Senator Hassan shares my commitment to solving the

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[1] The prepared statement of Senator Paul appears in the Appendix on page 23.

problem, but not everybody in Congress shares our zeal. Often Congress creates waste by wanting to look like we are doing something. I call this the "big heart, small brain" syndrome around here. Everybody wants to show they care, but nobody wants to think about, did we already have a program that showed we cared 2 years ago that is not working?

Part of the problem is also that we reauthorize the spending so infrequently, so we have whole committees and whole areas that go on, sometimes for decades. No one ever examines whether they are working, whether we are duplicating them, or whether or not we should change anything, because nobody ever reauthorized them. It is a terrible deficiency of government that goes on, year after year.

We have seen recently some of the problems, even in the recent stimulus bill. It included a new community outreach program in the Small Business Committee's jurisdiction, where I am the Ranking Member, but it simply just copied an already existing program.

We have to do better, and I hope this hearing will help us in Congress realize what Americans intuitively know. There are times where government waste occurs because government agencies cannot coordinate. For years, the Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA) have been competing over the regulation of different types of food. Ultimately, they have arrived at some strange decisions. For example, for products containing poultry, the FDA regulates items with 2 percent cooked poultry meat, while the rest are regulated by the USDA. This is so arcane, I do not think anyone alive knows why the FDA has certain poultry products and the USDA has the rest, but it doesn't make any sense.

Imagine the cost, though, not only to the taxpayer but to American businesses, of figuring out which agency's regulation apply to poultry. Now the USDA and FDA are locking horns again, this time over meat grown in a lab that is not even on the market yet.

But other items, overlapping programs create waste directly. For years we have known that the Federal Government's information technology (IT) programs need improvement, and 2 years ago the Office of Management and Budget (OMB) directed agencies to streamline their contracting. But they didn't. Instead, GAO found five of seven agencies had not used the strategies both GAO and OMB directed them to use to limit waste. We are still wasting millions of dollars each year on IT contracts.

This is just two of the many examples of duplication, fragmentation, and overlap, causing billions of wasted dollars. But it does not need to be this way. Chair Hassan and I have co-sponsored a bill, the Duplication Scoring Act, to help fix these sorts of problems. It would have GAO note ways proposed legislation would create waste and flag it for Congressional Budget Office (CBO) to include in its scores. Our bill will help Congress make better decisions and save taxpayers billions. I am pleased we have passed this bill in Committee, and I am hopeful it will pass the Senate and be signed into law this Congress.

I am interested to learn more about where the Federal Government has made progress from earlier duplication reports, where we continue to fail, and how the Duplication Scoring Act will help us

to improve Congress' performance when it comes to wasteful spending. Thank you.

Senator HASSAN. Thank you, Senator Paul. It is the practice of the Homeland Security and Governmental Affairs Committee (HSGAC) to swear in witnesses. If the witness will please stand and raise your right hand.

Do you swear that the testimony you give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. DODARO. I do.

Senator HASSAN. Thank you. Please be seated.

The Subcommittee is joined today by Comptroller General Gene Dodaro. Mr. Dodaro's career at GAO began more than 45 years ago, and he has spent the last 10 years at its helm. As Comptroller General, Mr. Dodaro oversees the issuance of hundreds of reports, testimonies, reviews, and opinions each year. He has appeared before Congress on multiple occasions to provide testimony on a variety of topics, including the COVID–19 pandemic, GAO's high-risk list report, the Federal fiscal outlook, and, of course, efforts to reduce and eliminate duplication and overlap all across government.

Mr. Dodaro is assisted today by five GAO analysts who assisted with compiling this year's report. They include Jessica Lucas Judy, Cathleen Berrick, Vijay D'Souza, Mark Gaffigan, and Michele Mackin.

Welcome, Mr. Dodaro. You are recognized for your opening statement.

TESTIMONY OF THE HONORABLE EUGENE L. DODARO,[1] COMP-TROLLER GENERAL OF THE UNITED STATES, U.S. GOVERN-MENT ACCOUNTABILITY OFFICE

Mr. DODARO. Thank you very much. Good afternoon, Chair Hassan, Ranking Member Paul. I appreciate the opportunity to discuss this year's annual report on overlap, duplication, and fragmentation. We also include cost savings and revenue enhancements to try to make the government more efficient and effective.

I want to thank both of you for your legislative proposals to advance implementation of our recommendations and to try to prevent additional areas from becoming duplicative in the future.

As noted, Chair, in your opening remarks, in the first 9 years of issuing this report we had over 900 recommendations. Fifty-seven percent of those have been fully implemented, and another 22 percent partially implemented. That has led to hundreds of billions of dollars in financial benefits.

Importantly, that number will grow. There has already been some additional action taken on our recommendations that will grow financial benefits by tens of billions of dollars. There are tens of billions of dollars yet in the offing that can be achieved through implementation of our recommendations.

This year we have 112 new recommendations for consideration by the Congress and the Executive Branch. The first recommendation has to do with leveraging the government's enormous potential purchasing power by pulling together to buy common items—like

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[1] The prepared statement of Mr. Dodaro appears in the Appendix on page 25.

medical supplies, office supplies, et cetera. There has been some progress in this area, but there can be much more. The result—significant savings.

In the information technology area, as you mentioned, Senator Paul, there are opportunities to eliminate duplicative IT contracts. There are also opportunities in the IT arena to slim down the government's multi-billion-dollar investment every year by consolidating systems that help States run their Medicaid programs, and also to streamline computer security requirements imposed by multiple agencies that are duplicative on the States. This also detracts from their ability to deal with very serious cybersecurity issues, such as ransomware.

On the revenue side, we make a recommendation to the Internal Revenue Service (IRS) to better manage the fragmentation of its third-party information reporting systems. These are very important systems but there are over 50 different reporting forms and IRS does not look at the value and burden of this information comprehensively. We think if they do that, and if Congress gives IRS the authority to correct administrative errors and to set requirements for unenrolled paid tax preparers, there could be a significant dent in the over $350 billion annual net tax gap between taxes owed and taxes collected. This would bring in additional revenue to the government without changing any of the tax structures at all.

There are also important findings in the public health area. One was mentioned, infectious disease modeling, but there are also findings in research to deal with antibiotic-resistant bacteria. There were over 2.8 million types of infections where antibiotics were not fully effective and over 35,000 people die each year from these infections. We have recommendations to streamline the research for these activities as well as to better oversee the over 2,000 labs that FDA has, in terms of their safety, because they contain live viruses used for research.

I am very pleased to be here today. I look forward to answering your questions and the questions of other Members on the Subcommittee. I thank you again for your intense interest in this area and your zeal. Chair Hassan and Ranking Member Paul, I appreciate that. You two have provided great leadership, and I look forward to working with the Subcommittee to better advance these recommendations and to make our government more efficient and effective.

Thank you very much.

Senator HASSAN. Thank you very much, Mr. Dodaro, and I will start with some questions and then we will move to the Ranking Member, and then we will see who else has checked in and is available for questions.

Before we discuss particular issues in this year's report, I would like to discuss the methodology of the report and how GAO identifies duplication or overlap in agency operations.

Earlier this year, I stressed to President Biden's Office of Management and Budget appointees the need to complete the Federal Program Inventory that Congress has directed OMB to create. This inventory would provide taxpayers with a more complete picture of

Federal program costs and performance, and allow us to better identify wasteful programs in order to reform or eliminate them.

How would a complete Federal Program Inventory assist GAO in compiling the annual duplication report?

Mr. DODARO. An accurate program inventory that meets all of the requirements Congress has passed would greatly improve the efficiency of our reviews. Right now it takes an incredible amount of time to identify programs across the Federal Government, and to make sure the information is reliable, before we can even start the analysis on duplication. This would give us a great head start, and we would be in a position to do more within the same period of time if there was a complete inventory.

I have already met with Acting OMB Director Shalanda Young and Jason Miller, the new Deputy Director for Management. I have talked about the importance of the inventory that they need to develop. We are going to be meeting with them again later this month. I want to make sure that we do everything we can to help them get the inventory right the first time, and not have to come back later and say it is not complete or consistent, or the data are not reliable. I am working to do that.

Senator HASSAN. Thank you. Next question. Over the years, GAO has added new recommendations to issue areas identified in previous reports. One of the areas where GAO continues to identify duplication and overlap is food safety oversight, and this is something Ranking Member Paul mentioned, by two different agencies, the U.S. Department of Agriculture and the Food and Drug Administration, which is housed within the Department of Health and Human Services.

For example, in 2019, the report discussed tension between these two agencies when it came to examining arsenic levels in rice. This year, they are at odds about oversight of cell-cultured meat products. This trend seems to continue with little progress made to reduce duplication or address underlying issues causing the overlap.

Why do certain areas see persistent trends in duplication, overlap, or fragmentation over others? Are there underlying issues that need to be addressed by Congress to improve cooperation among agencies with overlapping missions?

Mr. DODARO. There are a number of factors that create this situation. First, there is inherent fragmentation in several areas in the Federal Government including food safety. You and Senator Paul have mentioned two agencies but actually, there are 15 different agencies administering 30 different laws in food safety. We have had this issue on our high-risk list since 2007, asking for reform in that area or restructuring to clarify roles and responsibilities by the Congress, or, the development of a governmentwide performance plan or a national strategy that is articulated by the Executive Branch to ensure a cohesive approach. Improving Federal oversight of food safety is complicated by the fact that a lot of agency roles and responsibilities are added over time. As Senator Paul mentioned, they are incremental changes.

Second, there are a lot of issues where multiple agencies are involved, and OMB really does not have the bandwidth to be able to handle this and sort these things out. Then you combine that, third, with a lot of turnover within the political leadership of these

departments and agencies. The fourth factor is the congressional jurisdictions, which you would need multiple committees to work together in order to help solve this problem.

Unfortunately it is endemic in the Federal structure and systems, but there is a lot that could be done to better manage it.

Senator HASSAN. Let me follow up on that last point, because I understand your outline here. But how might agencies better identify trends in the types of programs or operations that appear in the annual duplication report year after year, in order to address the root causes of that duplication, overlap, or fragmentation?

Mr. DODARO. Yes. First, they should expeditiously implement GAO and Inspector General (IG) recommendations that have already documented these areas and known weaknesses. They should act on those recommendations.

Second, they should work diligently with OMB to produce the program inventory. We are not the only ones hampered by not having a program inventory. So are the agencies. They do not know what is going on across the rest of the Federal Government in an easily identifiable fashion. We found teacher education programs, many of which are not in the Education Department. We found the same thing with housing programs, employment training, et cetera. There is no ready way for them to identify it.

Third, duplication issues need much more attention at the senior leadership at the agency. Most of the Federal departments and agencies are very stovepiped, and they only know, for example, what their IT contracts are in their bureau. They don't know about IT contracts across the department, and that is part of the problem. There is not enough sharing of information, not enough transparency and visibility by senior leaders in the agencies to do this.

We have pointed out that a lot of the agencies have not given all the chief information officers (CIOs) the full authorities that are contemplated in the law. If properly authorized chief information officers can be helpful partners in dealing with this issue.

Senator HASSAN. Thank you. Quickly, one last thing before we turn it over to the Ranking Member for his questions. Roughly one out of every ten recommendations made in the annual duplication reports requires congressional action. Congress has to do its part to address these recommendations by passing legislation that eliminate duplication and enables cost savings.

This year, the annual duplication report includes just one action item for congressional consideration. It involves payments made to private military housing contractors and opportunities to save millions of dollars by changing how these payments are calculated.

Can you briefly elaborate on that, and we can always come back to it.

Mr. DODARO. Yes. First, the military housing allowance is an important part of cash compensation to military servicemembers, second only to their basic pay. DOD made a recommendation to Congress that they gradually reduced the housing allowance to redirect some of the money to training and other areas. Congress allowed that to be done, and so housing allowances were reduced.

This ultimately impacted the private housing projects, run by the private sector developers under contract, which primarily rely on the housing allowance as their revenue. The concern was if these

private sector developers did not have enough revenue they would not invest and make sure there was proper maintenance and care of the facilities. Congress authorized payments to the housing projects, and they authorized those payments based upon local housing rates, while the housing allowance was reduced based on the average national rate. There is a mismatch, and they are not actually being compensated properly.

We think it was just an oversight, and we are suggesting that both the housing allowance reduction and payments to privatized housing developers use the average national rate, and we think this will take care of the problem and save millions of dollars.

Senator HASSAN. Thank you, and thanks, Senator Paul, for being patient here. I will now turn it over to you for your questions.

Senator PAUL. If Congress were to pass the Duplication Scoring Act and you were requested by law to give a duplication score or information to CBO so it could be reported with each bill, is that something you would be physically capable of doing, that your agency could do?

Mr. DODARO. We could use some additional support from the Congress. As you know, we have been given vastly enhanced responsibilities under the pandemic relief packages that have been enacted. But I think we can do it—we have the skilled people, the institutional knowledge across government and deep knowledge in programs and activities. We can do it. We could use some support from the Congress to do it quickly, Senator.

Senator PAUL. When you were talking about food regulation a few moments ago I think you said—let me see if I have it right—15 different agencies have, what, 30 different standards?

Mr. DODARO. Thirty different laws.

Senator PAUL. Thirty different laws, for—it is food regulation or food safety?

Mr. DODARO. I think it is both. I have my expert, Mark Gaffigan, on the line. Mark, would clarify for the Senator, please?

Mr. GAFFIGAN. Yes. It is food safety. Of course, the regulation is also part of that.

Mr. DODARO. Yes. He is saying that the laws are for food safety, but they are implemented through regulations.

Senator PAUL. Safety regulation. But basically you are saying 15 different agencies, 30 different laws——

Mr. DODARO. Right.

Senator PAUL [continuing]. It sounds like a confusing smorgasbord to try to figure this out.

Mr. DODARO. It is. There used to be a food safety working group, but that has been abandoned. We have recommended that Congress put that group in statute so that the group meets and coordinates. This is an area, as I mentioned, we have had it on our high-risk list, Senator, for over 13 years.

Senator PAUL. This would involve, processing of food, like from farm or from butchering, and all the way through to the grocery store?

Mr. DODARO. Yes, and labeling, everything.

Senator PAUL. All right. I believe you looked at some of the problems with real property data management in the DOD. There are 603,000 buildings. Is it clear which buildings are actively being

used, which are surplus, which could be sold? Is that part of the problem of looking at this?

Mr. DODARO. Yes, that can be part of the problem. The basic problem we are identifying this year is that each service independently sets their approaches for verifying the existence and completeness of these buildings, and what condition they are in. As a result you cannot get a good picture of how reliable DOD's real property records are. Let's say, for example, there is a building that is owned by the Air Force, but the Army is moving into that area, just as an illustrative example. They could maybe use the building, or they could lease it within the services. They need a comprehensive approach to improve their data.

In fairness, as I noted when I was here in March talking about the high-risk area, they have reduced the number of buildings that they have and reduced the leasing costs. But we think they could do more with better data, and this is what our suggestion is here. How they go about it is fragmented. This is one of the reasons they cannot pass an independent audit, and it is also important——

Senator PAUL. Oh it is coming, though. It is coming soon, right?

Mr. DODARO. It is coming to a theater near you, at some point. Right now it is still in the trailer status.

Senator PAUL. But anyway, the 603,000 buildings is DOD. Then when we talk about the rest of government, we must have hundreds of thousands of buildings with the rest of government. Do you think there is any coordination between DOD and the rest of government? Because if the rest of government were moving military, they could also use another government building that might sit vacant in a town as well.

Mr. DODARO. That is exactly right, Senator. Real property management is still on our high-risk list. The governmentwide data are not as good as it needs to be. You have the same problem governmentwide that you have within DOD. We're singling out DOD this year, but the problem with the data is governmentwide. They are making some progress but I am trying to get them to move faster in this area.

We mentioned, in this year's report, that most of the street addresses, about two-thirds of the street addresses in the governmentwide data were unable to be read by computer or were not very clear, so you do not know exactly where the property is. This is an area where there needs to be much better management by the General Services Administration (GSA) and some governmentwide leadership by OMB as well.

Senator PAUL. I think it was a couple of years ago there was a hearing, and Social Security had 6.6 million people listed over 112 years of age still active in their rolls. The numbers and the degree of the problem is astounding.

Is part of your job to list properties that are vacant or not in use, that are surplus properties, or is that not part of your purview?

Mr. DODARO. It is the responsibility of the individual agencies to do that and we look at how well they are doing. We did give credit to GSA this past year for reducing their leasing costs and getting out of very high-cost leasing areas where they should have bought the building in the first place, like the Department of Transportation (DOT) headquarters building. We know we are going to have

a Department of Transportation for a while, so they finally bought the building and saved millions of dollars in leasing costs.

But it is up to the individual agencies to do that, and we follow up to see if they are doing it as well as they could. We think they are impeded by the lack of good information.

Senator PAUL. Thank you.

Senator HASSAN. Thank you, Senator Paul. I see that Senator Lankford has arrived, and if you are ready, sir, you can proceed with your questions.

OPENING STATEMENT OF SENATOR LANKFORD

Senator LANKFORD. Madam Chair, thank you for allowing me to be able to join in the conversation today as well. I am not normally on this Subcommittee but I appreciate it very much, getting a chance to come in and pepper Gene Dodaro with questions. Gene, it is good to be able to see you again.

Thanks for bringing up the Department of Transportation building. I have made that exact same statement over and over again. Why we leased a building for $700 million for 10 years and then offered to buy it for $700 million after that, I have no idea. We are trying to work through the process of actually how we handle leasing and purchases. That is a congressional accounting process. That is a foolish way for us to handle our accounting, rather than being able to do it right for the taxpayer. I appreciate your engagement in every way on that.

I am going to be a one-trick pony with you. You and I have talked multiple times about the taxpayer's right to know, and that is something that we finally passed this past year, after years of working through the process. The challenge we have is implementation on it, as you and I have spoken about before.

The Government Performance and Results Modernization Act is a full 10 years behind being actually implemented. Taxpayers' right to know will sit on top of that to actually get information out. What can we do at this point to be able to encourage the administration, to be able to keep the 3-year legislative required deadlines that they have for implementation, and what markers should we be looking for?

Mr. DODARO. Yes. First of all, I believe that this is very important. I would like to see them beat those legislative requirements, Senator. I already had a meeting with Acting Director Shalanda Young and Jason Miller to engage in a wide variety of issues, including the high-risk areas, but I mentioned the program inventory as well. We are going to be meeting with them again later this month to begin to flesh that out.

In their pilot, they have identified some limitations, but I think it was a good step forward. They incorporated some of our previous recommendations in their pilot approach, which covered multiple areas. They picked 12 areas, and there were over 700 programs identified by 34 different agencies, to identify the recipients and the beneficiaries, so you could also triangulate that issue as well. But there are some data limitations, and there are some consistency issues. They need to also link it to and build upon the Digital Accountability and Transparency Act of 2014 (DATA) Act require-

ments as well as the Government Performance Modernization (GPRA) Act requirements that you mentioned.

We are going to get engaged. The law only requires us to look at this effort 2 years after they have fully implemented the inventory. However, we are going to be engaged all along.

I think the next thing would be to ask for an incremental report from them about what they learned from the pilot program and what their next steps are going forward, and how to engage the rest of the government to get commitment from the agencies to work on this with them. Because if the agencies are not cooperating and working toward this, OMB cannot do it alone. They do not have the bandwidth to be able to do it.

We are going to be engaged at every step of the way along the process, as we were with the DATA Act, which led to a successful implementation of the DATA Act. We will be engaged. But I think periodic progress reports from OMB would be appropriate, and we will be reporting ourselves, officially. We are going to start a more detailed approach this year. We are still digging out from our pandemic responsibilities. But we are going to evaluate the pilot and the next steps. We will be reporting to the Congress as well.

Senator LANKFORD. OK. That would be extremely helpful to get that. We will continue to be able to ask questions here in this Committee. Obviously I am going to ask questions of OMB and continue to track that as well, not to be unfair to them but I want to make sure it does not get lost. Obviously, as we see other requirements that are a decade behind, we want to try to make sure that this one actually keeps up. There is no reason that it shouldn't. Again, the pilot has already started. Even before the bill was passed, the administration before saw it and started actually implementing some ideas to say what if this actually got implemented and how could we do it. That was helpful for the Trump team to do that and start getting that process going, because we think it is reasonable, good governance in the process.

If I could just highlight a couple of other things on this. You and I have talked about it before. Everything coming out of your office, every time that this body asks you a question on it, as blunt as you can be in your reports, please do. I have noticed over the past 5 or 6 years you are being more careful in how you word things. We need you to be blunt and clear on everything, to be able to say here is what we saw, here is how we actually would recommend getting it fixed and allow us to be able to agree or disagree with the recommendations. But don't send us safe; send us clear on the different pieces of information.

One other question that I have for you as well is on the issue of remote work. A lot of agencies, if 2 years ago we asked them, and some we did, how many of your employees could telework, they would say 15, 20 percent max. Then the pandemic hit and we had 85 percent teleworking in many agencies. They all learned there are a lot of things they could do.

In that process, we are all learning there may be some jobs that we would not have to list at all to be in the D.C. metro area, in one of our headquarters offices, with the most expensive real estate in the country. These could be remote, an expectation that some of these jobs could be used on USAJobs and they could get hired here

or they could get hired somewhere else, especially for individuals that are spouses of our active-duty military. They get moved around the country all the time, and they are in very remote posts and bases. It would be a great employment option for some of these folks to also be able to work for agencies and have the expectation they could do remote work for those agencies, no matter where they are.

That would potentially save us a tremendous amount of money as well, just on footprint for office space. Tell me where I am wrong on that, or as your team is looking at the issue of remote work and telework, what your expectations might be for how we could be more efficient.

Mr. DODARO. No, you are not wrong on that. I think each agency ought to do a reassessment coming out of the pandemic when they were forced to do remote work. We have had some recommendations for IRS, for example. They had to stop all their processing because a lot of it is done through paper at the service centers, but there is repurposing that could be done, in some cases, to keep people more active in that area. Taxpayer service is another area where it could be done remotely with properly trained people.

There are a lot of opportunities, and I think Congress could ask the agencies to develop those plans. We are going to be looking at their experience with telework, so we will have some suggestions. But I think it is a way to not only expand the workforce but to make it more diverse, not just geographically but more diverse in all sorts of different dimensions. I think it is a really good way to go, for certain jobs. You have to be careful. You have to plan. You have to manage it. You have to train the people. You have to have proper oversight. But it can work, and it can work more than it has been done pre-pandemic status.

I will be as blunt as the evidence allows me to be.

Senator LANKFORD. Terrific. We will take that. Thank you. Chair, thank you very much for allowing me to jump in.

Senator HASSAN. Thank you very much, Senator. We have a couple of other Senators who may be arriving, but in the interim I have some additional questions, and then, Senator Paul, if you have any additional questions we can follow up that way too.

Mr. Dodaro, as GAO has previously identified, the Federal Government spends upward of $175 billion annually on improper payments. To put that number into perspective, if we considered improper payments like an agency budget, it would be the third-largest agency in terms of discretionary spending, just behind the Departments of Defense and Health and Human Services.

Last year, Congress finally passed legislation to expand information-sharing between agencies to address improper payments. This legislation is expected to significantly curb wasteful spending associated with improper payments, and I was glad to support it.

How soon can agencies and taxpayers expect to see declines in improper payments as this legislation is implemented?

Mr. DODARO. A lot depends on how effectively it is implemented and how fast it is implemented. The Stop Payments to Deceased People Act gives Social Security 3 years to determine whether it is feasible to share the full death master file (DMF) with Treasury's Do Not Pay program. In my view, it should be done faster than

that, much faster, and I have already talked to OMB and others about it in the administration to see if they could move that faster in that area. Sharing was done with the stimulus payments, so it has been done already. We know that could be faster.

Also, the laws require better risk assessments. Unfortunately, I hate to be the bearer of bad news but I think the problem is going to get worse before it gets better. The number for this last year, in 2020, went up over $200 billion, from $175 billion. A lot of it is due to Medicaid and Medicare, but mostly Medicaid, and it is the fastest-growing program. I am going to be working with the new administration to try to get them to focus on this issue.

These numbers, Senator, are understated. Not all the programs are reporting properly. Some are reporting nothing at all. But the legislation is very helpful. I appreciate your support and other members' support to get the legislation, and I would encourage the agencies to move as swiftly as possible. I will be doing it from my vantage point as well.

Senator HASSAN. Terrific, and we will continue to do that. I want to turn to another agency here. The 2021 annual duplication report discusses improper payments made by the Department of Energy. Specifically, in fiscal year (FY) 2019, Energy identified $31.7 million spent on improper payments, but GAO asserts that that number could be much higher, or at least more accurate, if Energy used recovery audits to determine payment integrity.

Can you describe why the Department of Energy is not using this recommended audit method to track its improper payments? How could using recovery audits assist the Department with reducing improper payments?

Mr. DODARO. Yes. They feel they are doing as much as they need to, and we respectfully disagree. The law requires the use of recovery audits for programs over $1 million, if it is cost effective. The Department does not know whether it is cost effective or not since they have not tried it. The audits that they are relying on are years behind, in some cases more than 6 years later, and so every year there are two-thirds of the payments that they report on without having them audited.

I think that they should try this. If they do not, I plan on elevating it as a matter to the Congress in order to require them to do so. I think it is not too much to ask, to try this when it has worked in many cases across the government. It is specifically focused on the payment process—to look for overpayments. Given that this is a governmentwide problem, I find it difficult to believe that it would not be of benefit to DOE. But it needs to be at least tried.

Senator HASSAN. OK. Thank you. I would look forward to working with you on that.

Of the $90 billion that the Federal Government spends on information technology, $50 billion funds contracts for products and private services. However, many of those contracts are duplicative, meaning that agencies are buying the same products and services twice sometimes.

To reduce contract duplication, the Office of Management and Budget directed agencies to implement category management principles for their IT acquisitions. Category management uses indus-

try-leading practices to streamline agency acquisition of major products and services, such as IT, transportation, and medical supplies. GAO estimates that agencies could save tens of millions to hundreds of millions of dollars if they fully implement category management on IT acquisition alone.

What is preventing agencies from fully implementing category management? How could the Office of Management and Budget improve its oversight of category management?

Mr. DODARO. There are several things that could be done. When we looked at this in the private sector—what do they do in order to drive down their costs. They pore over the prices that they pay, what they spend. They do analysis after analysis after analysis to drive down their costs because they have the incentive, from a profit standpoint, to drive these costs down.

For the Federal Government, there is not enough of this basic information available in the first place. Only about 10 percent of all spending on commonly-used goods and services has enough pricing information available to do these spend analyses and then to identify their requirements.

OMB can provide greater leadership to deal with these limitations on the data, but they are already making some progress. Between 2017 and 2019, they saved slightly over $27 billion from the category management initiative. But there are billions more than could be saved here.

The agencies need to have savings goals themselves. What OMB has been reporting is the governmentwide savings, but there are certain agencies that could do better. You have to set agency targets, have performance measures for each of the major agencies, to have them drive down these costs. You need better data, you need better leadership, and you need an agency focus.

Senator HASSAN. OK. Excellent. What other benefits does category management offer? I am particularly interested in how agencies could use this practice to inventory their IT systems in an effort to reduce reliance on legacy IT.

Mr. DODARO. That is exactly right. I mean, IT is one of the categories in category management, and it is a big one. The Federal Government spends $90 to $100 billion a year on IT, and most of that, 80 percent of it, is for operations and maintenance of existing systems, many of which are old, outdated legacy systems that carry with them the millstone of security concerns as well.

What we found in the IT area is agencies were not sharing enough contract information, even within departments, but across government, so that people would have the knowledge to know who is buying what, where, and what are they paying for it. If you do not have that basic knowledge, you cannot consolidate. OMB put out some very good guidance, but not all the guidance has been followed by all the agencies. There needs to be greater compliance, and that is what we have been focusing in on with our recommendations, to implement these best practices that we have done research on, and OMB has put into practice. There needs to be greater compliance to get the full benefit of the category management.

Senator HASSAN. Thank you. That is of ongoing interest, because I think we really need to drill down on the legacy IT issue in Fed-

eral Government writ large, and really modernize not only to save money and be more secure but to give the American people the kind of service they are rightly expecting in the 21st century. I look forward to working with you on that.

I am going to move to another question and then I am going to check on where the other Senators are, and if folks cannot make it we will have one wrap-up question.

But I want to move now from talking about category management and legacy IT to coins. Earlier this year, Senator Ernst and I reintroduced the Coin Metal Modification Authorization and Cost Savings Act. This legislation addresses a recommendation to Congress made in the 2019 annual duplication report to authorize the U.S. Mint to modify the composition of coins in circulation.

Currently, the United States Mint spends nearly twice as much money producing the penny and nickel as the coins are actually worth. The Mint has conducted extensive research on different metal compositions that could be used to save on production costs, but it does not have the authority from Congress to start producing these alternatives and realize millions in cost savings.

What advantages would the Mint have in reducing production costs by having broader authority to use alternative metal compositions rather than overly prescriptive authority defining specific metal alloys to use?

Mr. DODARO. It would allow the Mint and the Treasury Department to adjust the metal composition of coins based upon changes to prices for different metals because they do not have the authority to do that now. As for nickels, dimes, and quarters, they could save millions of dollars a year. But if they moved to a particular mix of metals that could change 2 years down the road, depending on production and prices and market influences. Giving the Mint the flexibility to adjust the metal composition will allow them to make changes in response to metal prices and market influences.

I think the only stipulation Congress should give is that when the Mint adjusts the metal composition of a coin, it does not change its weight or appearance, so it functions the same for the public and in vending machines. Without this stipulation, the government may save money but cause increases in costs to the private sector. But I think it could be done. The Mint should be given broad authority to adjust to market conditions.

Senator HASSAN. Thank you. I am now seeing that Senator Hawley is joining us remotely. Senator Hawley, you are recognized.

OPENING STATEMENT OF SENATOR HAWLEY

Senator HAWLEY. Thank you very much. Thank you, Madam Chair. Thank you, Mr. Dodaro, for being here.

Let me talk with you a little bit, if I could, start on the issue of the IRS and customer service. The GAO's annual duplication report discusses how the IRS can improve customer service and also address the average $441 billion gross tax gap. To start on this, could you give us a sense of how outdated or duplicative processes limited the ability of the IRS to provide services during the pandemic?

Mr. DODARO. Yes, Senator. I will mention one area and then I will turn it to Jessica Lucas Judy, who is our director for tax issues, and she can explain further.

The one area that really struck me when we did our work was the limited English proficiency of some of the customer service materials that were put together, given the multiple languages we have in our country. Now they have changed the 1040 into Spanish, for example, to make it easier. We should be making it easier for people to comply with our tax laws. Jessica?

Ms. JUDY. Right. As the Comptroller General said, one of the areas that we highlighted was in limited English proficiency, and I am pleased to say that IRS has taken some steps to expand the information that is available in other languages to taxpayers, which we think will help improve compliance and help people understand what their tax obligations are.

Another area that we looked at in this past year, with the effect of the pandemic, was IRS's ability to provide customer service remotely. While they did manage to eventually open up a lot of the telephone lines and allow for taxpayer interaction and taxpayer service to be provided remotely, most service at the taxpayer assistance centers is in person, and that has taken longer. We recommended that IRS look for additional ways to provide customer service to taxpayers and provide ways for its workforce to be working remotely, to provide additional service.

The telephone level of service in the current filing season has come down significantly, and so it is a lot harder for taxpayers who have questions to be able to reach customer service assistors, and they have to wait longer to be able to do that.

In addition, the processing of returns and providing information to taxpayers is also taking a lot longer. A lot of that is paper-based and not able to be done remotely. That is another area that we highlighted.

I am pleased to say that IRS has been working on improving its customer service strategy, which is another area that we have highlighted in the past, and to try to look more broadly at the taxpayer experience and to make sure that its performance measures are aligned with its strategic goals for improving service to taxpayers.

Senator HAWLEY. Very good. Let me just ask you about the remote work component, since you mentioned it. Mr. Dodaro, I will ask you this, or anyone who wants to answer. Do we have a sense of what percentage of the IRS's workforce transitioned to remote work during the pandemic, and now what percentage is back working in an office-based setting?

Mr. DODARO. Jessica can respond, Senator.

Ms. JUDY. At the end of October 2020, most of the customer service representatives were able to work remotely. It took a little time to get that up and running, but IRS did provide technology and authority for its customer service representatives to work remotely. But as I mentioned, they had more difficulty with remote work for submissions processing and returns processing. As of the end of October of last year, it was still about a third of some of those offices that were on either weather and safety leave or another type of leave.

IRS has been calling more of its employees back in as they have found ways to have employees work safely, but there are still a number of employees that are out, and as a result, we have seen

that there have been significant delays in processing returns—and in getting information to taxpayers, and that has been a continued source of frustration for people.

Senator HAWLEY. Yes. We have heard a lot about this. I have heard a lot about this from my constituents in Missouri, lots of delays in processing tax returns, lots of delays around the relief checks, as part of the COVID relief packages. This has been a source of great frustration in the State, which is one of the reasons that I have asked Federal offices in the State of Missouri, with the vaccines now widely available, to return to in-person work as soon as possible.

Is it your sense that some of the delays with processing of returns, with processing of relief checks, or answering questions about these things from constituents, were due to the shift to telework? Is that your conclusion, based on what you have seen?

Mr. DODARO. Jessica.

Ms. JUDY. A lot of the areas that we had highlighted in the past were exacerbated by the pandemic and the need to work remotely, such as this reliance on paper-based processes, the reliance on legacy systems and inability to access a lot of IRS's systems when working remotely. That has caused a lot of the delays that we are seeing.

Mr. DODARO. Yes, I think, Senator, there also have been a lot of additional responsibilities given to the IRS on top of just their normal tax processing systems, and they were having difficulties just handling their normal tax processing systems. For example, 23 percent of business tax returns that are filed are still done on paper. Even though they may be electronically prepared, they are filed on paper. A lot of individual people send in paper forms. We have made recommendations that Congress require paper returns to at least be scanned, have a bar code on them that could be scanned. They could be much faster if they can eliminate more paper and go from an electronic standpoint.

When you have that kind of built-in problem in your normal system, and then you have the pandemic, or if you asked IRS to do something else, then they are going to have all that much more difficulty. They need to improve their strategies as well. However, having this material in an electronic format would greatly enhance their timeliness.

Senator HAWLEY. If I could, Madam Chair, one final question. I am curious. The GAO report notes that the IRS disagreed with at least one of your recommendations regarding remote work and paid leave. I am wondering if you could describe what that recommendation was and why the IRS said that they disagreed with your assessment.

Ms. JUDY. That was a recommendation that we made that they assess other ways to have employees who were on leave be able to work remotely, to see if there were perhaps other jobs that those people could do, other training that they could have that could be done safely in a remote environment, or if there were other locations the IRS could use. IRS thinks that it had done all that it could do, all that it needed to, to be able to have its workforce back.

Senator HAWLEY. Understood. Thank you very much. Thank you, Madam Chair.

Senator HASSAN. Thank you, Senator Hawley. I have a wrap-up question, and there is a chance that one or two more Senators may come by, but we are just going to go forward and see if they can make it or not.

But really, to close, what advice would you give to agencies hoping to continuously monitor their programs for duplication, overlap, and fragmentation in order to be better stewards of taxpayer dollars?

Mr. DODARO. Number one, I think they should recognize there are significant opportunities for savings. They should not accept the status quo. They should challenge the status quo and try to find ways to reduce cost. They can use GAO and the recommendations as a guide, and those they may receive from their inspector generals.

Every year I send each agency head a letter with open GAO recommendations, and I prioritize which ones I think could result in greater savings or improved services, public safety, or other things, to the agency head, in a manageable number that I think should require their personal attention. I also meet with each of the agency leaders, as they get confirmed and in place, to talk to them about suggestions that we have for going forward.

Also, I would recommend, as I mentioned earlier, that they look at making sure their chief information officers and their chief financial officers, their management team, has all the authorities necessary. They also should quiz their management teams about the reliability and accuracy and completeness of the data that they use to make decisions, to make sure they understand some of the limitations. They should also move forward with plans to improve the reliability, timeliness, and completeness of that information, so they are able to make better informed decisions.

Then last I would say to them that they should work very closely with OMB, and volunteer to be part of this program inventory development process, because that will help them learn more about their programs, the history, as well as other related programs in other agencies that could allow for savings, not just within their agency but across government.

Senator HASSAN. Excellent. Thank you for that, and I look forward to continuing to work with you on that.

Senator Scott, your timing is just perfect, because the Comptroller General and I were just wrapping up my last question.

Senator SCOTT. I didn't have any. I was just coming in to listen to the end of it.

Senator HASSAN. OK. What we were just talking about was what agencies could do to really continue to conduct their own inventories and learn more and not assume that they cannot save any money, because there is plenty of money to be saved.

If you are all set in terms of questions——

Senator SCOTT. No. I just want to thank you. [inaudible].

Mr. DODARO. Thank you, Senator. I appreciate that very much. Thank you.

Senator HASSAN. Let the record reflect, in case it did not come through in the transcript, that Senator Scott thanked the Comptroller General for his work and his reports.

I want to thank all of those who were able to join us this afternoon. Thank you, Comptroller General Dodaro, and your dedicated staff at the Government Accountability Office, for your valuable work and insights on the topic of duplication, oversight, and fragmentation in Federal programs. Thank you as well for your contributions to improving the effectiveness and efficiency of the Federal Government so that it works better for the American people.

As I mentioned in my opening statement, I look forward to continuing to work with Ranking Member Paul to save taxpayer dollars and deliver government services more efficiently and effectively.

The hearing record will remain open for 15 calendar days, until 5 p.m. on May 27th, for submissions of statements and questions for the record.

This hearing is now adjourned.

[Whereupon, at 3:31 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Opening Statement as Prepared for Delivery by Chair Maggie Hassan
Emerging Threats and Spending Oversight Subcommittee Hearing:
Examining the Findings and Recommendations of GAO's 2021 Report on Duplication,
Overlap, Fragmentation and Opportunities to Achieve Financial Benefits
May 12, 2021

Good afternoon. The Subcommittee on Emerging Threats and Spending Oversight convened today's hearing to discuss the Government Accountability Office's 2021 annual report on duplication, overlap, and fragmentation in federal programs, and opportunities to save taxpayer dollars through better program management.

I am grateful to Comptroller General Gene Dodaro and to the GAO analysts assisting him today for their testimony, and for their efforts to not only identify areas of government waste, but also to provide constructive recommendations for eliminating that waste to save substantial taxpayer dollars.

This year, we celebrate GAO's 100th anniversary. Following World War I, Congress saw the need for better control of expenditures, so it established GAO to investigate how federal dollars are spent and to review all federal expenditures. While GAO no longer tracks every penny spent by federal agencies, its core mission – to oversee federal agency performance and financial management – remains unchanged.

In 2010, Congress asked GAO to publish an annual report on federal programs and initiatives that have duplicative goals or activities, and thus, lead to wasteful spending. Eleven years later, the annual duplication report has led to roughly $429 billion in financial benefits to the federal government.

Progress made by the Executive Branch and Congress to address some of the more than 1,100 actions and recommendations made in these reports has improved agency performance and resource management, as well as saved billions of taxpayer dollars and enhanced service delivery to the American people.

GAO's newest report makes 112 recommendations in 33 new and existing issue areas. Topics covered in this year's report include: the Department of Defense's fragmented system for processing dependency determinations for servicemembers' adult children who experience disabilities; the National Nuclear Security Administration's efforts to encourage cost-savings practices in its contracts, which could save hundreds of millions of dollars; and the duplication and overlap of infectious disease modeling, which, if streamlined at the Department of Health and Human Services, could help the government better plan for and respond to disease outbreaks such as the COVID-19 pandemic and save taxpayer dollars in the process.

While many recommendations made over the past 11 years have yet to be addressed, I am committed to ensuring that Congress does its part to eliminate duplication, overlap, and fragmentation to achieve billions in savings. This is why I introduced two bills with Ranking Member Paul last Congress – the Acting on the Annual Duplication Report Acts of 2019 and

2020. These bills directly respond to the recommendations for congressional action detailed in the annual duplication reports.

In addition, I cosponsored Ranking Member Paul's Duplication Scoring Act, which would require GAO to review legislation to determine whether it risks duplicating existing federal programs. As then-Chairman Paul noted when we did our first duplication report hearing together in 2019, "one thing we all agree on is that the kind of inefficiencies caused by duplication need to be corrected." I urge on my colleagues to consider supporting these bipartisan pieces of legislation.

Once again, thank you to Mr. Dodaro and to your team for testifying today. I look forward to today's discussion on how Congress and federal agencies can act on the recommendations made in this year's report to be better stewards of taxpayer dollars.

ETSO Subcommittee Hearing: Examining the Findings and Recommendations of GAO's 2021 Report on Duplication, Overlap, Fragmentation and Opportunities to Achieve Financial Benefits

May 12, 2021

Opening Statement of Ranking Member Paul

Thank you, Madam Chairwoman, for holding this hearing. Thanks to our witness, Comptroller General Dodaro, for joining us.

One thing I always hear from taxpayers is frustration with government waste. Despite Americans' desire for less waste, little around here gets done to fix the problem. To its credit, GAO has made great strides identifying areas for us to work on. I am pleased Senator Hassan shares my commitment to solving the problem but not everybody in Congress shares our zeal. Often, Congress creates waste by wanting to look like we are doing something. But in the end all we are doing is creating new programs to tackle problems without looking to see if we have already got a program on the topic.

We saw this with the recent so-called stimulus bill. It included a new community outreach program in the Small Business Committee's jurisdiction, where I am ranking member, which just copied an already-existing program. We have to do better, and I hope this hearing will help us in Congress realize what Americans intuitively know.

There are times where government waste occurs because government agencies can't coordinate. For years, the FDA and the USDA have been competing over the regulation of different types of food. Ultimately, they've arrived at some strange decisions. For example, for products containing poultry, the FDA regulates items with 2 percent cooked poultry meat while the rest are regulated by USDA. Imagine the cost, not only to the taxpayer but to American businesses, of figuring out which agency's regulations apply? And now, the USDA and FDA are locking horns again, this time over meat grown in a lab, that isn't even on the market yet.

But other times, overlapping programs create waste directly. For years we have known the federal government's IT systems need improvement and two years ago, the OMB directed agencies to streamline their contracting. But they didn't. Instead, GAO found five of seven agencies had not used the strategies both GAO and OMB directed they use to limit waste. So, we are still wasting millions of dollars a year on IT contracts unnecessarily.

That is just two of the many examples of duplication, fragmentation, and overlap causing billions in wasted money.

But it does not need to be this way. Chairwoman Hassan and I have a bill, the Duplication Scoring Act to help fix these sorts of problems. It would have GAO note ways proposed legislation would create waste, and flag it for CBO to include in its scores. Our bill will help Congress make better decisions and save taxpayers billions. I am pleased we have passed this bill in committee and I remain hopeful it will pass the Senate and be signed into law this Congress.

I am interested to learn more about where the federal government has made progress from earlier duplication reports, where we continue to fail, and how the Duplication Scoring Act will help us improve Congress's performance when it comes to wasteful spending.

United States Government Accountability Office

GAO

Testimony before the Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, U.S. Senate

For Release on Delivery
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GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits

Statement of Gene L. Dodaro
Comptroller General of the United States

GAO@100

A Century of Non-Partisan Fact-Based Work

GAO-21-544T

Chair Hassan, Ranking Member Paul, and Members of the Subcommittee:

I am pleased to be here today to discuss opportunities to reduce fragmentation, overlap, and duplication, and achieve cost savings and other financial benefits for the federal government.

The federal government has made an unprecedented response to significant public health and economic challenges as the country continues to battle Coronavirus Disease 2019 (COVID-19). Once the pandemic recedes and the economy substantially recovers, Congress and the administration should develop and swiftly implement an approach to place the government on a sustainable long-term fiscal path.[1]

In the short-term, opportunities exist for achieving billions of dollars in financial benefits and improving the efficiency and effectiveness of a wide range of federal programs in other areas. GAO has responded with annual reports to a statutory provision to report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.[2] As part of this work, we also identified additional opportunities for greater efficiency and effectiveness that result in cost savings or enhanced revenue collection.

In annual reports issued from 2011 to 2021, we introduced more than 350 areas and more than 1,100 actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenues.[3] We reported in May 2020 that actions from Congress and executive branch agencies to address many of these actions had resulted in about $429 billion in financial benefits, including $393 billion that accrued through 2019 and

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[1]GAO, *The Nation's Fiscal Health: After Pandemic Recovery, Focus Needed on Achieving Long-Term Fiscal Sustainability*, GAO-21-275SP (Washington, D.C.: Mar. 23, 2021). For additional information, see https://www.gao.gov/americas_fiscal_future.

[2]Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

[3]See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2021 annual reports: http://www.gao.gov/duplication-cost-savings.

$36 billion that was projected to accrue in future years.[4] While GAO will update total financial benefits in fall 2021, at least tens of billions of dollars in additional financial benefits have been achieved since May 2020. We also estimate tens of billions more dollars in financial benefits could be realized by fully implementing all of our remaining open actions.[5]

Our 2021 report being released today, the 11th in the series, presents 112 new actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication and achieve other financial benefits.[6] My testimony today describes (1) new issues identified in our 2021 annual report; and (2) examples of open actions recommended to Congress or executive branch agencies where potential financial benefits could amount to $1 billion or more.

My comments today are based on our 2021 annual report, as well as our update on the progress made in implementing actions that we have suggested in our previous annual reports where potential financial benefits could amount to $1 billion or more. These efforts are based upon work we previously conducted in accordance with generally accepted government auditing standards. More details on our scope and methodology, including the definitions we use for fragmentation, overlap, and duplication for this work, can be found in the full report.

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[4]For 2021, the work on fragmentation, overlap, and duplication will be published in two separate special publications. This publication focuses on newly identified areas of fragmentation, overlap, and duplication from GAO reports generally issued between March 2020 and March 2021, as well as prior actions raised in our 2011-2020 reports (referred to as follow-up), where general estimates of the potential financial benefits could amount to $1 billion or more. The second publication, to be issued in the fall, will provide an update on remaining follow-up actions, as applicable, and an update to our online Action Tracker.

[5]In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and used different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest $1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude.

[6]GAO, *2021 Annual Report: New Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits*, GAO-21-455SP (Washington, D.C.: May 12, 2021).

New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

The 112 new actions we identified span the federal government and are opportunities that Congress or executive branch agencies can take to improve the efficiency and effectiveness of government. In some areas, we have identified fragmentation, overlap, or duplication in government missions and functions. In others, Congress or executive branch agencies could take action to reduce the cost of government operations or enhance revenue collections. For example:

- The Office of Management and Budget should improve how agencies buy common goods and services—such as medical supplies and computers—by addressing data management challenges and establishing performance metrics to help save the federal government **billions of dollars over the next 5 years**, as well as potentially eliminate duplicative contracts.

- The Internal Revenue Service (IRS) could enhance third-party information reporting to increase compliance with tax laws and raise revenue. GAO has also previously suggested (1) providing IRS with authority—with appropriate safeguards—to correct math errors and to correct errors in cases where information provided by the taxpayer does not match information in government databases and (2) establishing requirements for paid tax return preparers to help improve the accuracy of tax returns they prepare. These actions could help reduce the substantial tax gap and increase revenues.

- The National Nuclear Security Administration could implement cost savings programs to operate more effectively at its nuclear laboratory and production sites to potentially save **hundreds of millions of dollars over approximately a 5-year period**.

- The Department of Defense's payments to privatized housing projects have lessened the financial effects of the housing allowance rate reductions for these projects, but revising the calculation for these payments could potentially result in **millions of dollars** of savings.

- Federal agencies could improve coordination of fragmented cybersecurity requirements and related assessment programs for state agencies, potentially minimizing the burden on states and saving **millions of dollars** in associated federal and state costs.

- The Department of Health and Human Services could improve coordination of its infectious disease modeling efforts to better identify any duplication and overlap among agencies, which could help them to better plan for and more efficiently respond to disease outbreaks.

- The Centers for Medicare & Medicaid Services could reduce inefficient duplication and potentially save **millions of dollars**

annually by actively identifying and encouraging states to pursue information technology system sharing opportunities across state Medicaid programs.

Action on Remaining and New Areas Could Yield Significant Additional Benefits

Congress and executive branch agencies have made progress toward addressing actions that we have identified since 2011. For example, in 2020, Congress passed and the President signed into law legislation rescinding part of the Advanced Technology Vehicles Manufacturing (ATVM) program's remaining credit subsidy appropriations, as we had suggested in April 2014. Specifically, the Consolidated Appropriations Act, 2021, rescinded about $1.9 billion of the ATVM program's remaining $4.3 billion in credit subsidy appropriations.[7] Congress now has the opportunity to appropriate the funds for other priorities. In addition, based on GAO's updates for spring 2021, the Department of Health and Human Service's changes to spending limit determinations for Medicaid demonstration waivers further reduced federal spending by about $30 billion in 2019.

Further steps by Congress and executive branch agencies are needed to fully address open actions that could yield significant financial benefits, as shown in table 1. Specifically, Congress and executive branch agencies could realize potential financial benefits ranging from millions of dollars to tens of billions of dollars.[8]

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[7]Pub. L. No. 116-260, 134 Stat. 1182, 1367 (2020); see also GAO, 2014 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits, GAO-14-343SP (Washington, D.C.: Apr. 8, 2014) and the online *Action Tracker*.

[8]In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods and used different data sources, assumptions, and methodologies. These estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

Table 1: Examples of Areas with Open Actions with Potential Financial Benefits of $1 Billion or More

Area name and description (year-number links to Action Tracker)	Mission	Potential financial benefits[a] (Source)
*DOE's Treatment of Hanford's Low-Activity Waste (2018-17):	Energy	**Tens of billions**
The Department of Energy may be able to reduce certain risks by adopting alternative approaches to treating a portion of its low-activity radioactive waste. (GAO-17-306)		(GAO)
*Medicaid Demonstration Waivers (2014-21):	Health	**Tens of billions**
Federal spending on Medicaid demonstrations could be reduced if the Department of Health and Human Services was required to improve the process for reviewing, approving, and making transparent the basis for spending limits approved for Medicaid demonstrations. (GAO-13-384)		(Centers for Medicare & Medicaid Services, GAO)
*Disability and Unemployment Benefits (2014-08):	Income Security	**$2.2 billion over 10 years**
Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefits and Unemployment Insurance benefits that cover the same period. (GAO-12-764)		(Office of Management and Budget)
*Tobacco Taxes (2013-31):	International Affairs	**$1.3 billion**
By modifying tobacco tax rates to eliminate tax differentials between similar tobacco products Congress could reduce federal revenue losses from substitution. These losses were as much as $2.5 to $3.9 billion between April 2009 and September 2018. For example, if the pipe tobacco tax rate was equal to the higher rate for similar products, it could increase revenues by an estimated $1.3 billion between fiscal year 2019 and fiscal year 2023 (GAO-19-467, GAO-14-811T, GAO-12-475)		(GAO)
Federal Payments for Hospital Uncompensated Care (2017-25):	Health	**More than $1 billion annually**
The Administrator of the Centers for Medicare & Medicaid Services should account for Medicaid payments a hospital has received that offset uncompensated care costs when determining hospital uncompensated care costs for the purposes of making Medicare Uncompensated Care payments to individual hospitals. (GAO-16-568)		(GAO)
*Internal Revenue Service Enforcement Efforts (2012-44):	General Government	**Billions**
Enhancing the Internal Revenue Service enforcement and service capabilities can help reduce the tax gap between taxes owed and paid by collecting billions in tax revenue and facilitating voluntary compliance. This could include expanding third-party information reporting. For example, reporting could be required for certain payments that rental real estate owners make to service providers, such as contractors who perform repairs on their rental properties, and for payments that businesses make to corporations for services. (GAO-08-956, GAO-09-238, GAO-11-493, GAO-12-176)		(GAO)
Information Technology Investment Portfolio Management (2014-24):	Information Technology	**Billions**
The Office of Management and Budget and multiple agencies could help the federal government realize cost savings by taking steps to better implement PortfolioStat, a process to help agencies manage their information technology investments. (GAO-14-65, GAO-16-511)		(GAO)

Area name and description (year-number links to Action Tracker)	Mission	Potential financial benefits[a] (Source)
Navy Shipbuilding (2017-18):	Defense	**Billions**
The Navy could achieve cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained. (GAO-20-2, GAO-17-211, GAO-16-71)		(GAO)
Tax Expenditures (2011-17):	General Government	**Billions**
Periodic reviews could help identify ineffective tax expenditures and redundancies in related tax and spending programs, potentially reducing revenue losses. (GAO-16-622, GAO-15-83, GAO-05-690)		(GAO)

Legend: * = Legislation is likely to be necessary to fully address all actions in this area.

Source: GAO. | GAO-21-544T

Note: The potential financial benefits shown in this table represent estimates of amounts GAO or others believe could accrue if steps are taken to implement the actions described. All estimates of potential savings are dependent on various factors, such as whether action is taken and how it is taken. Actual savings may be less, depending on costs associated with implementing the action, unintended consequences, and the effect of controlling for other factors. The individual estimates in this table should be compared with caution, as they come from a variety of sources, which consider different time periods and use different data sources, assumptions, and methodologies.

[a]GAO developed the notional estimates, which are intended to provide a sense of the potential magnitude of savings. Notional estimates have been developed using broad assumptions about potential savings, which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential savings. GAO generally determines the notional labels (millions, tens of millions, hundreds of millions, etc.) using a risk-based approach that takes into account factors, such as the possible minimum and maximum values of the cost savings estimate (where available), the quality of the data underlying those values, the certainty of those values, and the rigor of the estimation method used.

In conclusion, we will continue to look for additional or emerging instances of fragmentation, overlap, and duplication and opportunities for cost savings or revenue enhancement. Likewise, we will continue to monitor developments in the areas we have already identified. We stand ready to assist this and other committees in further analyzing the issues we have identified and evaluating potential solutions.

Thank you, Chair Hassan, Ranking Member Paul, and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer questions.

GAO Contacts

For further information on this testimony or our May 12, 2021 report, please contact Jessica Lucas-Judy, Director, Strategic Issues, who may be reached at (202) 512-6806 or lucasjudyj@gao.gov or Michelle Sager, Managing Director, Strategic Issues, who may be reached at (202) 512-6806 or sagerm@gao.gov. Contact points for the individual areas listed in our 2021 annual report can be found at the end of each area in GAO-21-455SP. Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement.

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GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

July 7, 2021

The Honorable Margaret Wood Hassan
Chair
Subcommittee on Emerging Threats and Spending Oversight
Committee on Homeland Security and Governmental Affairs
United States Senate

GAO's 2021 Report on Fragmentation, Overlap, and Duplication and to Achieve Financial
Benefits: Responses to Questions for the Record

Dear Chair Hassan:

Thank you for the opportunity to testify before the Committee on Homeland Security and
Governmental Affairs' Subcommittee on Emerging Threats and Spending Oversight on May 12,
2021 at the hearing titled, "Examining the Findings and Recommendations of GAO's 2021
Report on Duplication, Overlap, Fragmentation and Opportunities to Achieve Financial
Benefits."[1] We also appreciate the opportunity to provide the committee with additional
information in response to questions for the record. Our responses can be found in the
enclosure to this letter.

Please contact me with any further questions.

Sincerely yours,

Gene L. Dodaro
Comptroller General
of the United States

Enclosures

cc: The Honorable Rand Paul, Ranking Member
Subcommittee on Emerging Threats and Spending Oversight
Committee on Homeland Security and Governmental Affairs

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[1]For more details about our work in this area, see *GAO, 2021 Annual Report: New Opportunities to Reduce*
Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits. GAO-21-455SP (Washington,
D.C.: May 12. 2021).

Homeland Security and Governmental Affairs Committee
Emerging Threats and Spending Oversight Subcommittee
"Examining the Findings and Recommendations of GAO's 2021 Report: Duplication, Overlap,
Fragmentation and Opportunities to Achieve Financial Benefits"
Wednesday, May 12, 2021
Senator Kyrsten Sinema

Questions for Hon. Eugene L. Dodaro

1) **In examining Federal IT contract duplication, GAO found in its latest report released on May 12, 2021 (GAO-21-455SP) that five of seven agencies had not implemented OMB category management principles and practices, which can potentially lead to duplicative IT contracts.**

    a. **Does GAO have plans to look at other agencies beyond the seven reviewed in this report?**

    We currently do not have plans to review other agencies' implementation of category management practices and use of spend analyses[1] to identify duplicative contracts. Our review focused on agencies that had the highest IT obligation, and the highest number of new IT contracts for fiscal year 2018, but we would be happy to review the extent to which other agencies have implemented practices to reduce IT duplication if requested. We plan to continue monitoring the agencies' actions to address the category management and spend analysis recommendations identified in our May 2021 report.

    b. **Does GAO have a sense of how widespread this lack of implementation is across the Federal government?**

    No, but we have identified issues that could hamper efforts to effectively implement category management. For example, in November 2020, we reported, among other things, that officials at every level of the initiative—including category managers, Senior Accountable Officials, and officials tasked with helping Senior Accountable Officials implement category management at selected agencies—faced numerous challenges collecting, analyzing, and sharing both prices-paid data and spending

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[1]A spend analysis is an effort to identify how much is being spent for which products and services and where opportunities exist to leverage buying power. We and GSA have determined that conducting a spend analysis can be used to reduce contract duplication.

data.[2] We noted that these challenges had hindered the officials' ability to implement the category management initiative.

We recommended that the Director of the Office of Management and Budget, in coordination with the Category Management Leadership Council and the Chief Data Officer Council, establish a strategic plan to coordinate agencies' responses to government-wide data challenges hindering implementation of the category management initiative, including challenges involving prices-paid and spending data. OMB concurred with the substance of our recommendation and findings and acknowledged that more work needs to be done to strengthen data analysis.[3]

    c. **What steps can Congress take to ensure these management principles and practices are implemented across Federal agencies?**

Congress should continue to hold oversight hearings like the one that your committee held on May 12, 2021. Such hearings help bring attention to the challenges that agencies face in managing IT, including reducing duplicative IT contracts. We look forward to continuing to support congressional hearings and oversight of these important topics.

2) **The Department of Veterans Affairs (VA) was one of the Federal agencies examined in the IT contract duplication. The VA is undergoing some very extensive IT modernization efforts, including the electronic medical record and financial management systems. Can you expand specifically on what you found the VA to be doing well and where continued improvement is needed to manage and implement IT contracts?**

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[2]GAO, *Federal Buying Power: OMB Can Further Advance Category Management Initiative by Focusing on Requirements, Data, and Training*, GAO-21-40 (Washington, D.C.: Nov. 30, 2020). The report assesses the extent to which: (1) OMB has focused on agencies' requirements definition, (2) agencies face challenges analyzing data, and (3) agencies bought common products and services from small businesses.

[3]The Category Management Leadership Council is a council of representatives that come from the agencies who comprise the majority of federal procurement spending. The council's mission is to be the governing body that makes important decisions and sets the direction of the government's category management initiative. The Chief Data Officer Council is responsible for establishing government-wide best practices for the use, protection, dissemination, and generation of data, among other responsibilities.

In our review of agencies' efforts to reduce duplicative IT contracts, we found that VA had fully implemented one category management practice but needed to improve its implementation of four other practices to effectively manage IT contracts.[4] Specifically, VA had fully implemented the practice associated with engaging its workforce in training regarding category management principles and practices, consistent with OMB guidance.

However, we found that the agency was deficient in its implementation of four practices: (1) developing processes and policies for implementing the agency's category management efforts duplication review; (2) reducing unaligned IT spending,[5] including increasing the use of Best in Class contract solutions;[6] (3) developing and implementing vendor relationship management strategies to gain knowledge of the market providing required IT services and supplies; and (4) sharing prices paid, terms, and conditions for purchased IT goods and services government-wide.

Accordingly, in our report, we stressed the need for VA to

- finalize processes and policies for implementing the agency's category management efforts;

- perform an analysis of alternatives to justify its use of unaligned IT contracts;

- finalize its vendor management strategy to include strategies it claimed it was using, including industry days and industry visits; and

- provide evidence that it had shared prices paid contract information with other agencies.

We also reported that, while VA told us that it had implemented two spend analysis practices critical to reducing duplicative IT contracts, it did not provide any documentation of these efforts. Specifically, officials in VA's Office of Information and Technology stated that the agency had performed spend analyses to identify opportunities to reduce IT contract duplication. In addition, the officials reported that they had developed and implemented

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[4]GAO, *Information Technology: Selected Federal Agencies Need to Take Additional Actions to Reduce Contract Duplication,* GAO-20-567. Washington, D.C.: September 30, 2020.

[5]Unaligned spending involves purchasing in a decentralized manner and not conforming to category management principles.

[6]Best in Class contracts are contracts that have been identified within the government as offering the best pricing and terms and conditions within the federal marketplace and reflecting the strongest contract management practices.

strategies, including the use of enterprise-wide contract vehicles, to address the duplication. However, they did not provide supporting documentation for either of these activities.

We issued six recommendations to VA to address all of the weaknesses we identified with its implementation of category management and spend analysis practices. The agency has since taken action to address our recommendations, and provided supporting documentation, which we are currently evaluating.

3) **Regarding the Federal Data Centers section of the report, are there any updates to the Federal Information Technology Acquisition Reform Act (FITARA) that GAO would recommend Congress consider to improve IT acquisition processes across the Federal agencies?**

At this time, we do not have any recommendations for updating FITARA's data center-related provisions to further improve federal IT acquisition processes. However, we believe that agencies' and the Office of Management and Budget's (OMB) implementation of FITARA undermines the law's intent for data centers. Specifically, FITARA required OMB to develop metrics applicable to the consolidation and optimization of data centers. Those metrics are to measure and report on efficiencies, including, at a minimum, server efficiency. However, OMB's current server efficiency metric provides an incomplete picture of the server utilization.

In OMB's June 2019 Data Center Optimization Initiative (DCOI) guidance, OMB directed agencies to develop their own methodology for evaluating server utilization that addressed their mission and hardware and software needs. Agencies' implementation of OMB's server utilization metric resulted in varying definitions of server utilization that, in most cases, did not measure server usage and efficiency.[7] For example, 13 agencies developed methodologies that did not give them the ability to assess overall server utilization. These agencies defined server utilization in terms of measuring central processing unit or storage utilization, but did so for only part of the agency's server population or without utilization targets that helped identify properly or poorly performing servers. Accordingly, we recommended that agencies use a more consistent and comprehensive data center server efficiency metric to provide an accurate view of their data center optimization progress. For

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[7]GAO, *Data Center Optimization: Agencies Report Progress and Billions Saved, but OMB Needs to Improve Its Utilization Guidance* GAO-21-212 (Washington, D.C.: March 4, 2021)

server utilization, this would include defining measures with performance targets for the operation of a server's components.

We also recommended that OMB use a more inclusive definition for a data center facility. OMB issued revised DCOI guidance in June 2019 that narrowed the scope of the type of facilities that would be defined as a data center. This revision eliminated the reporting of approximately 4,500 facilities government-wide. Without a requirement to report on these facilities, important visibility would be diminished, including oversight of security risks. OMB should require agencies to report facilities previously reported as data centers so that visibility of the risks of these facilities are retained. OMB neither agreed nor disagreed with our recommendation. However, in our June bi-monthly meeting with the agency, officials from the Office of the Federal Chief Information Officer were receptive to implementing it.

4) **Regarding the reports section covering Federal Cybersecurity Requirements and Assessments of States, how will President Biden's May 12, 2021 cybersecurity executive order change your assessment on this area?**

The President's May 12, 2021, executive order on improving cybersecurity for the nation is not likely to change our assessment that more coordination is needed among federal agencies when establishing cybersecurity requirements for state agencies.[8] Among other things, the order calls for federal agencies to standardize contractual requirements (including for cybersecurity) for the acquisition of information technology. As our report noted, federal agencies document the cybersecurity requirements for state agencies in agency-specific security policies rather than acquisition-related contracts. Thus, it is unlikely that the executive order will result in more coordination among federal agencies' cybersecurity requirements for state agencies.

   a. **What recommendations would you provide to the White House in carrying out this executive order that will address the numerous GAO cybersecurity recommendations that are still pending completion?**

   When carrying out the executive order to address cybersecurity concerns, we recommend that the White House ensure that it develops and executes a more

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[8]The White House, *Improving the Nation's Cybersecurity*, Executive Order 14028 (Washington, D.C.: May 12, 2021).

comprehensive federal strategy for national cybersecurity and ensure the National Cyber Director is in a position to effectively lead the implementation of the strategy.

We have previously reported that the federal government needed to take 10 specific actions[9] to address the four major cybersecurity challenges that the federal government and other entities face: (1) establishing a comprehensive cybersecurity strategy and performing effective oversight, (2) securing federal systems and information, (3) protecting cyber critical infrastructure, and (4) protecting privacy and sensitive data.[10] We have made numerous recommendations to federal agencies and the Congress related to the 10 specific actions needed to address the four major cybersecurity challenges.

Federal agencies have made progress in improving the security of federal and critical infrastructure IT systems, but more work remains to fully address the four cybersecurity challenges facing the nation. For example, since 2010, agencies have implemented more than 2,700 of about 3,300 recommendations that we have made related to the four cybersecurity challenges. Nevertheless, many agencies and critical infrastructure entities continue to face challenges in safeguarding their information systems and information, in part because many of these recommendations had not been implemented. In particular, more than 750 of our recommendations had not been implemented as of December 2020. We have also designated 103 as priority recommendations, and as of December 2020, 67 had not been implemented.

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[9]The 10 actions are (1) develop and execute a more comprehensive federal strategy for national cybersecurity and global cyberspace; (2) mitigate global supply chain risks; (3) address cybersecurity workforce management challenges; (4) ensure the security of emerging technologies; (5) improve implementation of government-wide cybersecurity initiatives; (6) address weaknesses in federal agency information security programs; (7) enhance the federal response to cyber incidents targeting federal systems; (8) strengthen the federal role in protecting the cybersecurity of critical infrastructure; (9) improve federal efforts to protect privacy and sensitive data; and (10) appropriately limit the collection and use of personal information and ensure that it is obtained with appropriate knowledge or consent.

[10]GAO, *High-Risk Series: Urgent Actions Are Needed to Address Cybersecurity Challenges Facing the Nation*, GAO-18-622 (Washington, D.C.: Sept. 6, 2018); and *High-Risk Series, Federal Government Needs to Urgently Pursue Critical Actions to Address Major Cybersecurity Challenges*, GAO-21-288 (Washington, D.C.; March 24, 2021).

The President's May 12, 2021 executive order on improving cybersecurity for the nation addresses a number of the cybersecurity challenges and actions needed to address them that we have previously reported on.[11] For example:

- Regarding the key action to mitigate global supply chain risks, the order calls for establishing security measures for critical software and requirements for suppliers of critical software.

- Regarding the key action to improve implementation of government-wide cybersecurity initiatives (including the federal government's Federal Risk and Authorization Management Program (FedRAMP) for securing cloud services), the order calls for updates to agencies' plans for cloud adoption, a federal cloud security strategy, and modernization of FedRAMP.

- Regarding the key action to address weaknesses in federal agency information security programs, the order calls for increasing the visibility into and detection of cybersecurity vulnerabilities and threats to agency networks through endpoint detection and response platforms and improved sharing of threat and vulnerability data.

- Regarding the key action to enhance the federal response to cyber incidents, the order calls for the development of a standard set of operational procedures (playbook) for federal civilian agencies in planning and conducting cybersecurity incident response activities. It also calls for the Cybersecurity and Infrastructure Security Agency to validate agencies' incident response and remediation activities.

While these actions could help to improve the federal government's cybersecurity posture and address a significant number of recommendations for the four challenges we identified, more work remains to be done. Until the administration develops and executes a more comprehensive federal strategy for national cybersecurity, it will not be effectively positioned to address the rapidly evolving and grave threats to the country's cyber infrastructure. Among other things, the federal strategy should address cybersecurity workforce management challenges, the security of emerging technologies (e.g., artificial intelligence and Internet of Things),

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[11]The White House, *Improving the Nation's Cybersecurity*, Executive Order 14028 (Washington, D.C.: May 12, 2021).

critical infrastructure protection, and federal efforts to protect privacy and sensitive data.