

NOMINATION OF EUGENE L. DODARO

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

NOMINATION OF EUGENE L. DODARO TO BE COMPTROLLER GENERAL
OF THE UNITED STATES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

NOVEMBER 18, 2010

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NOMINATION OF EUGENE L. DODARO

THURSDAY, NOVEMBER 18, 2010

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 3:10 p.m., in room SD-342, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, Akaka, Carper and Collins.

OPENING STATEMENT OF CHAIRMAN LIEBERMAN

Chairman LIEBERMAN. The hearing will come to order.

I apologize for being late. The subway actually did break down, but it was a healthy walk for me.

Our hearing today is on the nomination of Eugene Dodaro to be Comptroller General of the United States and thereby to lead the Government Accountability Office (GAO).

The next line in my statement is an understatement: Mr. Dodaro is not a newcomer to government. [Laughter.]

Or to GAO. He joined GAO right out of college in 1973 as an entry-level auditor and in less than 10 years was elevated to the rank of senior executive. He served as Assistant Comptroller General of the Accounting and Information Management Division from 1993 to 1999 and Chief Operating Officer, which is the No. 2 position at the agency, for 8 years after that. For the past 2½ years, he has really ably led GAO as Acting Comptroller General.

I must say in the selection process that led to this nomination there was a lot of pushing and pulling and concern about politics, but in the end the process and the President really did select the best possible person for this job. And I say that with such confidence because we know you, and we have worked so closely with you, and yours is clearly a merit selection, by no means influenced by politics, which is exactly what this position is all about.

I think in a lot of ways we in Congress and more generally the American people—although they probably do not know your name or very few of them do—owe you a debt of gratitude for the work that you have done for almost 40 years to improve the performance and capacity of our government. This has risen to a crescendo demand from the public at this point, but you have been out there doing that all along.

GAO is one of those Federal agencies that flies under the radar of most Americans. As an arm of the Legislative Branch of the government, GAO provides information and analysis to Congress and

the Executive Branch, and I consider it to be really an independent, nonpartisan advocate for taxpayers on how their money is being spent.

GAO does not offer policy proposals to solve the challenges on which it reports. That is the job of the President and Congress. Instead, we rely on a clear-eyed presentation of solid facts and constructive recommendations to help our government operate efficiently.

And, Mr. Dodaro, that is exactly what you and those you have worked with, and now I hope will supervise, have done for many years. So I am delighted to preside at this hearing on your nomination and also pleased now to call on Senator Collins.

OPENING STATEMENT OF SENATOR COLLINS

Senator COLLINS. Thank you, Mr. Chairman.

As the Chairman has indicated, today we consider the nomination of Gene Dodaro to head the Government Accountability Office as our Nation's next Comptroller General. As Congress's primary watchdog, the GAO has a critical role to play in the efficiency and effectiveness of government. Its independent audits and nonpartisan investigations help to identify wasteful and ineffective spending and to promote transparency and accountability.

The GAO dates to 1921 when the Federal Government's financial management was in disarray. The country was awash in debt, saddled with the enormous costs of World War I. As the debt mounted, lawmakers faced a lack of reliable information and lax controls over government expenditures. In many ways, I have described what is happening today. Many observers, in fact, would say that we face similar tests today and that GAO has never been more important as we work to overcome these challenges.

GAO has a broad oversight mandate to investigate Federal programs on behalf of Congress. To bolster its independence, the Comptroller General serves a single 15-year term, giving the GAO's leader an autonomy that transcends election cycles. Given the length of the term and the importance of the GAO mission, the Comptroller General must provide strong leadership and chart a visionary future for the agency.

Our Nation desperately needs aggressive and independent oversight of the Federal Government. We are living in an era of historic deficits, crippling unemployment, and smaller budgets. As the government tightens its belt, the GAO, which has been labeled "the American taxpayers' best friend," must remain an unabashed advocate for the public and a protective steward of Federal resources.

At a time when virtually every household in America is grappling with tight finances, the objective, factual, and credible reports from the GAO provide an important accounting of the Federal Government's operations. These audits and investigations, aimed at uncovering waste, fraud, abuse, and mismanagement, can propel needed reforms, and indeed GAO's findings and recommendations are often the foundation for legislative or other congressional action.

As the recent elections have made clear, the public is no longer willing to accept the status quo. That means that the obligation for Congress to effectively conduct oversight has never been more im-

portant. As the new Congress begins in January and as we look for ways to make our government more effective and accountable, the GAO and its next leader will play a critical role.

As the Chairman has indicated, Mr. Dodaro's career at the GAO has spanned more than 30 years, and he has been Acting Comptroller General since 2008. I look forward to hearing more about his vision for this important agency, as well as discussing with him specific areas where I believe additional oversight is warranted. The next Comptroller General must ensure that the "congressional watchdog" zealously safeguards the interests of the American taxpayer.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Collins.

It has become a Committee rule that usually the Chairman and the Ranking Member only give opening statements, but I really would like to ask Senator Akaka if he would like to give an opening statement. He has been so much involved with you in the work of GAO.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Mr. Chairman.

Mr. Dodaro, I want to welcome you to this Committee and congratulate you on your nomination. And I also want to welcome your entire family and thank them for being here today and for their support throughout your career.

My Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia works closely with GAO to address management challenges on the high-risk list and to improve the Federal Government's performance. Effective management is vital to making sure the Federal Government can fulfill its mission as we confront serious fiscal challenges.

I want to express my appreciation for your plans to promote greater awareness of financial literacy. Financial literacy is central to fostering a strong economic recovery and to the financial stability of millions of individuals and families.

You assumed leadership of GAO as the Acting Comptroller General 2 years ago during a very challenging time. Your strong performance over the past 2 years gives me confidence that if you are confirmed GAO will continue to provide Congress with the high quality, objective information that is critical for effective oversight, and I look forward to that.

Mr. Dodaro, thank you very much for agreeing to serve in this position. I wish you well in your confirmation process.

Thank you very much, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Akaka.

Mr. Dodaro has filed responses to a biographical and financial questionnaire, answered pre-hearing questions submitted by the Committee, and had his financial statements reviewed by the Office of Government Ethics. This information, without objection, will be made part of the hearing record, with the exception of the financial data, which are on file and available for public inspection in the Committee offices.

Mr. Dodaro, I know you know that our Committee rules require that all witnesses at nomination hearings give their testimony

under oath. So I would ask you to stand and please raise your right hand.

Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. DODARO. I do.

Chairman LIEBERMAN. Thank you. Please be seated. We would welcome an opening statement, if you would like, now and the introduction of any family members or others that you have with you.

TESTIMONY OF EUGENE L. DODARO¹ TO BE COMPTROLLER GENERAL OF THE UNITED STATES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. DODARO. Thank you very much, Mr. Chairman.

Good afternoon to you, Senator Collins and Senator Akaka. I am very pleased to be here.

I am pleased to be here with my family supporting me as they have throughout my career. My wife, Joan Dodaro, is here, along with my oldest daughter, Sara, and her husband, Jeremy Carver, and my grandson, Bryce, who has made his presence known already. He is actually one of the reasons I am pursuing this job after a lengthy career and going forward because of the significance of the issues that all of you mentioned today.

I also have my son, Benjamin, who is behind me here, my youngest daughter, Samantha, and her fiance, Chris Carley.

I would also like to recognize my parents. I know they are watching via the computer. My mother never had a computer until I became Acting Comptroller General. Now she is an elder geek. [Laughter.]

So I know that she is watching very carefully. They have all been very supportive of me.

I appreciate the opportunity to be here today to discuss my nomination for the Comptroller General position. I want to thank the bipartisan bicameral Congressional Commission for having trust and confidence in me and forwarding my name to the President, which included you, Senator Lieberman, and Senator Collins. Thank you.

I also appreciate the trust and support entrusted to me by President Obama in nominating me for this position.

I would also like to take this unique opportunity to thank the thousands of GAO people who have worked with me over the many years, and if it were not for their dedicated and talented support I would not be here before you today.

I have, as you mentioned, answered many questions and provided a lot of information for the record about my views on the GAO, the roles and responsibilities of the Comptroller General, and my vision for leading the organization. There are a few points, however, I would like to emphasize this morning.

I pledge to faithfully and diligently carry out the mission of the GAO to support the Congress in carrying out its constitutional responsibilities and to help improve the performance and account-

¹The prepared statement of Mr. Dodaro appears in the Appendix on page 28.

ability of the Federal Government for the benefit of the American people.

As you mentioned in your opening comments, there are many domestic and international challenges confronting our country now that are important to the well-being of our citizens and the security and prosperity of our country, and GAO can help. We can help by continuing to provide an important source of independent, professional, fact-based, nonpartisan information to the Congress, to help it make important policy choices and to exercise its oversight responsibilities, to help make sure that taxpayer dollars are spent in the best interest of the country and that government performance operates effectively for the benefit of our citizens.

GAO is a trusted advisor to the Congress, and my view would be that we need to continue to enhance that responsibility, to tackle these difficult challenges going forward.

Now my vision for accomplishing this would be to build upon the solid foundation that we have established in the GAO and to continue to enhance and evolve our role to support the committees across the Congress as an institution. GAO serves every standing committee of the Congress and about 70 percent of the subcommittees. So it is very important for us to know what the most important national issues are, to engage in a continuing dialogue with Members of Congress and their staffs, to make sure that we are working collaboratively and identifying the most important issues for GAO to work on, and for us to have the talented and dedicated support of the people necessary to be able to do that.

So the first point I would make is that GAO is a full-service organization, and it will remain so going forward if I am confirmed as Comptroller General, and it will continue to enhance its capabilities across the board.

Now within that broad context of supporting the institution of the Congress, I would like to see GAO place an even greater emphasis on identifying high-risk areas across the Federal Government and working collaboratively with the Congress, the agencies on the high-risk list, and the Office of Management and Budget (OMB) to resolve the problems. I would, if confirmed, want to during my 15-year tenure see as many areas as possible removed from that list and if any new ones are added that they are successfully tackled and addressed.

I believe this can be done by elevating the attention to those high-risk areas within the agencies, setting good milestones and performance measures, and continued diligent oversight from the Congress. I know this Committee has supported us in our high-risk efforts over time, and I think GAO can do more, while maintaining its independence, to apply additional specifics and encouragement and direction to the agencies to fix these very important problems. If we can fix these important problems of high-risk areas across the government, we can make a significant contribution to a more efficient and effective government, save billions of dollars, and improve services to the taxpayers.

I also think GAO needs to remain an important voice, advising the Congress on the financial condition of the country and its fiscal outlook, and to identify ways to improve government to make it more fiscally prudent and sustainable in the long run. This in-

volves working with Congress and the agencies to reduce billions of dollars in improper payments, to identify areas of duplication and overlap that can be addressed, to try to identify additional ways to save money and to enhance revenues, and very importantly to also continue our forensic audit activities to ferret out fraud, waste, and abuse in the Federal Government, and to try to successfully tackle that and eliminate it.

In my view, Senators, addressing our long-range fiscal outlook in this country is going to involve shared sacrifices by many people, and those sacrifices will be more easily borne if they know government is running as efficiently and as effectively as possible, and they really would rely on GAO to continue to do that.

Now in order to carry out this vision, we need to continue to have a first-rate workforce in our organization. We have many highly skilled people. We have great capabilities. But we need to continue to enhance that to carry out our responsibilities in the future.

I would particularly try to add additional resources in technology, science, and engineering because they are very important to solving many of our problems in this country, going forward. I have been doing that all along, but we need to continue to enhance those skills in our organization.

Plus, we have a new union at GAO. I am pleased that we have just reached our first tentative collective bargaining agreement that will go to the bargaining unit for ratification and approval, and I hope that is completed and I can sign off on that by the end of the year.

We have tremendous people at GAO. I am committed to working with our union, our employee groups, and all the people in GAO to continue to maintain and enhance its status as one of the highest ranked, best places to work in the Federal Government.

We can make a great organization even better, working together, and I will do that, and it will be a hallmark of our organization. It is of paramount importance that we have a high performing, well-motivated workforce where everybody feels respected and treated fairly, and I am committed to making sure that happens.

I would also like to thank this Committee for the support that they have given the GAO over the years, particularly your unwavering commitment to our high-risk areas and programs. That has been very important to us.

I also want to thank you for reporting out S. 2991, which would enhance GAO's access authorities. It would provide a legislative remedy to address the *Walker v. Cheney* situation and give us additional access authorities, which we need in order to get the information, to do the analysis, to be able to provide to the Congress. By and large, we get great cooperation from the Executive Branch, but there are cases where we need those authorities bolstered by this legislation, and I would encourage you to continue to ensure that it be passed, hopefully this Congress.

In closing, I would welcome the opportunity, if confirmed, to lead the GAO during this important period in our country's history. I pledge to do it with a commitment to our core values of accountability, integrity, and reliability and to work with my colleagues in GAO to make sure that we remain a strong, steadfast, nonpartisan watchdog for the taxpayers, a trusted advisor to the Congress, and

a leading force in bringing about a more effective and efficient government for the benefit of all.

I thank you very much for your time and attention today. I would be happy to answer any questions, and thank you again for the opportunity to be here.

Chairman LIEBERMAN. Thank you very much for that excellent opening statement.

I must say, Mr. Dodaro, that I have thought about this before in the many times you have testified, and no less today. You always seem to have such a command of the material you are presenting that you rarely have a text in front of you, which is quite unusual. I think I would later like to call your children to the witness stand and ask if you remember everything they did over their lifetimes, but I will not. [Laughter.]

It is very impressive, it is very unique, and I appreciate it. We always feel like you are talking directly to us.

I am going to start my questioning with the standard questions we ask of all nominees. First, is there anything you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. DODARO. No.

Chairman LIEBERMAN. Second, do you know of anything personal or otherwise that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. DODARO. No.

Chairman LIEBERMAN. And then finally, do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Mr. DODARO. Yes, I do.

Chairman LIEBERMAN. I appreciate your answers.

I think the first couple of questions that I have really pick up from your opening statement.

I appreciate the fact that you have set a goal for yourself to try to reduce the agencies, or alter at least the agencies, that appear on the high-risk report list. That is a very important document to our Committee that GAO prepares at the start of every session of Congress because it does help us highlight troubled areas that need more work. But the truth is, as you have indicated, there are too many departments and agencies that continue to appear there, and that is really not acceptable.

I just want to ask you to go on just a bit more about what you as Comptroller General have in mind to help those agencies and programs remove a high-risk designation. Is that a case where you will try to work more directly with the Executive Branch, or to work in combination with us here in Congress, to make sure that the agencies know that we are just not going to accept them repeatedly appearing on this high-risk list?

Mr. DODARO. Yes, Senator, I appreciate the opportunity to talk a little bit more about that.

First of all, I have been involved with the high-risk program for many years, and it has been used as a source of input for Presidents' management agendas dating back to President Clinton

through the Bush Administration and now the Obama Administration. And what was started during the Bush Administration were meetings between GAO, OMB, and the agencies on the high-risk list, and they were committed to having a corrective action plan.

Well, what I have suggested, and we have started working with now Acting Director Jeff Zients over at OMB, is continuing to build upon that set of meetings between GAO, the agencies, and OMB. And I agreed to personally be involved in all those meetings as long as the deputy secretaries, at a minimum, were involved in the meetings. So we have elevated attention within the agencies and commitment on the part of the top leadership to address these problems.

We have had dozens of meetings. I will be outreaching obviously to the Congress as an integral part of this, not only in providing oversight to encourage agencies to do this, but in many areas there are legislative remedies that are needed in order to fully address the underlying root cause of the high-risk problem.

So I see this as GAO providing sort of a force to bring all the proper people together, the Congress and the Executive Branch, at a high level, with an increased intensity. These meetings have led to more specificity about the problems, more suggestions about the solutions, and a sustained attention on the problem, and I think all those things will yield important outcomes.

As Senator Akaka knows, he and Senator Voinovich have been focused on, for example, the personnel security clearances area, and they held another hearing this week on it. That attention is bringing about important progress.

So I think elevating attention in this fashion is a constructive role for us. It does not impede our independence. We are not going to take anybody off the list until they deserve it, but we can provide more impetus for positive improvement.

Chairman LIEBERMAN. I think that is a great priority for you to commit yourself to because there is a way that when a high-risk report comes out, the agencies on it suffer some bad publicity for a day, and then for some of them, unless there is a driving follow-up mechanism such as the one you have described, it just goes away until the next report.

We are guilty in that too because the flow of events around here take us onto the next piece of legislation or next hearing. So I really commend you for that, and I think you will produce some results there, and I appreciate it.

In your questionnaire that you filled out for the Committee prior to the hearing, you highlighted an interesting thought, which is that you would use "the unique position of the Comptroller General to promote greater financial literacy in the United States" and that you would attempt to enhance the emphasis on financial literacy throughout our education system. That is a very interesting, different kind of initiative. So tell me what you have in mind.

Mr. DODARO. First, we are asked to look at the Federal Government's activities to promote financial literacy. Actually, the Wall Street Reform legislation that just passed mandates that GAO conduct a study on effective methods, strategies, and technological tools used to improve financial literacy and financial education pro-

grams. So we have a mandate from the Congress to look at this as a starting point.

Senator Akaka and I have had many discussions about this as well.

And there is a Financial Literacy and Education Commission comprised of 20 agencies across the Federal Government, and we have reviewed that, pointed out the need for greater strategic planning and the resources to be able to do it.

The new Bureau of Consumer Financial Protection within the Federal Reserve, created by the Wall Street Reform Act, will also have an Office of Financial Education.

We have looked at disclosures on mutual fund fees, credit cards, bank statements, the Social Security statement that is sent to everybody every year, disclosing their Social Security status. We have looked at retirement planning activities and disclosures on fees there.

So we have a strong foundation for looking across the Federal Government and evaluating its activities to try to address financial literacy, and it is going to be very important.

More people are taking on responsibilities for their own retirement planning going forward. We certainly saw what can happen with inadequate disclosures and understanding of different mortgage arrangements that were made and the aftermath of the housing situation that led to the recession. So I think there is an important need.

Also, the American Institute of Certified Public Accountants (AICPA) has a financial literacy initiative. GAO has supported it. And they are working with State and local governments and educational institutions.

I think with the trust and confidence that people have in the GAO and in the position of the Comptroller General, we can be a constructive force.

I will also guarantee that whatever we do in this area, I will have extensive outreach with the Congress to make sure that everybody is comfortable with what we are doing, going forward. But I think it can have a lasting impact in our country.

Chairman LIEBERMAN. Yes, I agree. I urge you on in that.

We all remember that your predecessor, David Walker, devoted a lot of time and energy to the so-called fiscal crisis, even went on a fiscal wake-up tour around the country. And this is a different way, not to go at quite the same problem, but it will affect that problem if we can raise financial literacy.

Mr. DODARO. It will empower people. I think part of this can be also education about the financing of the Federal Government.

Chairman LIEBERMAN. Correct.

Mr. DODARO. And the issue is to be able to do it and addressing it in that fashion.

Chairman LIEBERMAN. Thanks. My time is up on this round. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Like the Chairman, I want to start off with the high-risk list. This has been a valuable tool, but it is also a limited tool. It is really troubling to me that half of the original 14 items on the high-

risk list in 1990 remain on the list today. It is totally unacceptable for a program to remain a high risk for 20 years.

A contributing factor to this problem is that GAO releases the list, Congress may hold a hearing on the issue, we look to the departments and to OMB to pay attention and take action, but we go away and do not look at the list again until the next Congress.

I would like you to be more specific on how GAO could improve the utility of the high-risk list. One of the problems that I see with it, for example, is one of the areas that has been listed for the last 20 years is the Medicare program. Well, that is so huge that it is really not very helpful to tell Congress or even the Department of Homeland Security (DHS) that the Medicare program is high-risk. Probably everyone knows that. If GAO drilled down and selected specific aspects that make it high-risk, it would be more valuable.

Mr. DODARO. Yes, Senator. Let me address that. First, I would just say of the 14 areas that were originally on the list in 1990, half have come off during that period of time, but you are correct; half have remained on, including the Medicare area.

I also would point out that 10 of the 19 that we have put on since 1990 have been removed. So progress has been made, but on the Medicare point, you are exactly right.

I would mention a couple of things that we have done over time. When it was first put on the list, there was no measurement at all of the amount of improper payments being made under the Medicare program. People were estimating and guessing at the amount of fraud. Now there is a scientific statistical method for measuring the amount of improper payments.

We have also pointed out additional opportunities to use pre-edit checks, to use more technological tools to prevent some payments in the beginning, and to use more diagnostic tools to do more medical reviews of the claims. Right now, less than 1 percent of the Medicare claims are subject to a subsequent review to determine if they are medically necessary. So we have a lot more specifics, and we are starting to engage in discussions in that area.

So we can decompose the problem as you articulate, and that is what I would like to do. When I say "greater emphasis," that is exactly what you are talking about—greater specificity, greater follow-through, and a clear message that we are not going to hold off. We are going to keep pressing until these problems get solved.

Senator COLLINS. Right, because it should not be a one-shot deal—

Mr. DODARO. Right.

Senator COLLINS [continuing]. At the beginning of each Congress, and that is true for us as well as for you.

One very valuable reorganization that the GAO undertook was in 2005 when the Forensic Audit and Special Investigations Unit was created. I see the head of the unit in the front row. We have worked very closely with that investigative unit, including uncovering \$1 billion in fraud in the wake of Hurricane Katrina, exposing the high risk for fraud and abuse in the Energy Star program, identifying misuse of Homeland Security grant money, and revealing lax procedures for securing a passport.

Given what I view as the great success of this unit and the need for more aggressive oversight in this era of tight budgets, are you

considering devoting more resources to this unit, which is currently very small.

Mr. DODARO. I am committed to enhancing the capabilities of the unit and to consider adding additional resources, Senator. I am very interested. I was involved in helping create the unit. It had great success, and we definitely are enhancing the tools, and I will do everything I can to try to enhance the level of resources there.

And I would appreciate this Committee's support in helping GAO on its resource requests. I know you have in the past, but when I became Acting Comptroller General, we were at our lowest staffing level in GAO's history overall. And while I have been successful in working with the Congress in getting some additional resources over the past couple of years, we are still at a level of about 3,200 people when we had almost 2,000 more people earlier.

But to answer your specific question, yes, the resource investment in this group has paid off handsomely and with great dividends, and I will consider adding additional resources.

Senator COLLINS. I hope you will because if you look at it from a cost-benefit ratio, this unit has produced so many valuable reports and investigations that have led to reforms that have really saved taxpayer dollars.

Mr. DODARO. The other thing, Senator, that we have done is to integrate that unit with other units, like, for example, the work we did for this Committee on the Federal Protective Service. They did some testing in the security area.

Senator COLLINS. Exactly.

Mr. DODARO. So we are looking for integration. That will help leverage the resources as well.

Senator COLLINS. Let me bring up in this first round a criticism of GAO's reports, and that has to do with the timeliness of reports, and this is probably directly related to resources, and I recognize that. But the pace of congressional oversight efforts cannot, at times, wait for months or even years for the completion of a GAO report.

I know that you have to prioritize, that you are overwhelmed with requests, and from our perspective, you do a good job prioritizing requests from chairmen and ranking members, but the timeliness remains a problem. The best report, if we get it far after the problem has been allowed to languish, does us far less good than a timely report.

What steps are you going to take to ensure that your reports are more timely?

Mr. DODARO. There are several things, Senator, that I have been and will continue to do to make improvements in this area.

First would be to get a clear sense of the priorities of the committees. As you mentioned, on average for the last several years, GAO receives about a thousand requests from the Congress. For 3,200 people, that involves making sure we set the right priorities, working with the committees. So I plan to enhance that by trying to have meetings with the chairmen and ranking members to get their priorities for the upcoming Congress. I know there is a lot of discussion at the staff level, but I think a higher level discussion on the priorities would help ensure more timeliness.

Second, we are looking at different product lines to provide more sophisticated briefings. We provide a lot of testimony, even on preliminary observations when we have done enough work to be able to do it. We also are adding additional technologies and tools.

I am very pleased that also during this period of time, we have taken on more responsibilities for the Troubled Asset Relief Program, the American Recovery and Reinvestment Act, and now the Wall Street Reform Act, which has 44 mandates for GAO to do studies, 17 of which have to be done within a year.

We also have a new requirement to do an annual report on duplication and overlap in the Federal Government.

But in the last 10 years, we have also turned over our workforce in providing for succession planning, over half of our senior executives and half of our workforce. So we are working on training programs, tools, and techniques. I am trying to streamline some of our methodologies and administrative processes. I know it is an important area.

The other thing, Senator, I would point out is that we also survey staff and Members of Congress after we issue a report, and one of the questions we ask is whether or not the report was received on time. Of those people who respond, 95 percent say that they have received the report on time. So I am watching.

Timeliness is one of our performance measures, but your point is something that is a valid issue. I am aware of it, and I will work hard to improve it.

Senator COLLINS. Thank you.

Chairman LIEBERMAN. Thanks, Senator Collins. Senator Akaka.

Senator AKAKA. Thank you, Mr. Chairman.

Mr. Dodaro, GAO has extensively studied the implementation of the Government Performance and Results Act (GPRA) and has found that while GPRA has established a solid foundation for improving results, the law has not reached its full potential. Do you have recommendations for Congress to improve GPRA?

Mr. DODARO. Yes, Senator, I agree with you. It has not yet reached its full potential, and there is more that could be done. What it has done though is generate more performance goals and measures than existed at the time the Act was passed in 1993, but they are not being used to their full potential.

I think there needs to be more discussion with the Congress in agreeing on some of the goals, having more oversight, and reviewing whether or not the goals have been achieved over a period of time.

The same thing is true for the leadership in the departments and the agencies. Particularly when you have changes in the top leadership in the departments, there is not always continuity over time. The average tenure of a political appointee is still roughly around 2 years, and so you need continuity over time to measure performance and to take action on it. Congress can play an important role.

Also, the other aspect of the Government Performance and Results Act that has never really been implemented fully is the governmentwide performance plan. There are more and more problems now that require multiple agencies to put forth efforts to be able to achieve improvements, and I would encourage the Congress to push to have at least a set of cross-cutting objectives and perform-

ance measures that could be used to help address that statutory requirement that is yet unfulfilled.

Senator AKAKA. Mr. Dodaro, I want to congratulate GAO and the GAO Employees Organization for working together to reach a tentative agreement on a master collective bargaining agreement, and I am pleased you are looking forward to signing it. If confirmed, what specific actions would you take to sustain the productive relationship of mutual trust with your employees and their representatives?

Mr. DODARO. It is very important for me to have mutual respect and trust with the GAO workforce. I meet periodically with the union leaders in what we call "pulse check meetings" to make sure we are staying on track. I have met with the national leaders as well as the leaders of the GAO union.

I have reestablished employee groups for people not in the bargaining unit to provide advice to me.

We also have created a diversity advisory council to provide advice. We have created workforce diversity plans and training.

The GAO people are a great workforce. Everybody is committed to the mission of the GAO and to continue to make improvements, and the challenge is to make sure that we are always open for feedback from our workforce to be able to continuously make improvements. And my philosophy is as long as there is good faith on all parties, we will continue to make a great organization even better.

Senator AKAKA. Mr. Dodaro, I want to commend GAO again for achieving the second highest ranking in the recent Best Places to Work Survey. Why do you believe GAO is considered one of the best places to work, and are there specific policies, such as telework, that have had a positive impact on performance and on morale?

Mr. DODARO. Definitely, Senator. First, I would say one of the underlying reasons, basic reasons, is the mission of the organization—to make a difference and improve government. People come to GAO and they stay because they can make a difference, but you need to have a good working environment.

We have flexible working arrangements with telework. We have a daycare facility in the GAO. We provide support for student loan repayments. We provide a good education program. People like to continuously learn and improve their skills. So we try to achieve the best work-life balance, family balance, that we can in the environment. So I am always looking for ways to hear from our workforce about how to improve it.

Telework has great potential. When the Congress had to leave the buildings during the anthrax attacks, which is the first time that the Capitol was evacuated since the War of 1812, the House of Representatives came to the GAO to conduct their business for 2 weeks, and we allowed a great deal of our workforce to telework during that period of time.

And during this latest snowstorm that we had this past year, we were able to still issue reports during that period of time. So I am a big fan of telework. I think it is a terrific tool for the organization, and people respond.

Senator AKAKA. Mr. Dodaro, the Federal Government must deal with problems that cut across agencies, yet too often agencies do

not work together to solve these complex problems. This Committee approved legislation that would require the Director of OMB to work with agencies to develop and implement plans that address long-term Federal Government priority goals that cut across agencies. Do you believe there is a need for legislative emphasis on issues that involve multiple agencies?

Mr. DODARO. Yes, I do, Senator. Things have changed in terms of the complexities of problems, and you need to have more agencies working collaboratively together. Whether you are talking about preparing for a pandemic or you are talking about Homeland Security issues, food safety, or modernizing disability programs, multiple agencies are involved, and there are not really always very good, well-functioning mechanisms to do that.

Legislative initiatives to further those goals are important. I think, longer term, there needs to be some additional discussion about how best to organize government to take on some of these challenges. But in the short term, legislation from the Congress would be very important to help spur that on.

Senator AKAKA. Thank you very much for your responses.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Akaka.

I just have one or two more questions. This one is a general question which will perhaps take you into an area that we normally rely on the Congressional Budget Office (CBO) for, but I wanted to get your reaction to it, which is whether GAO, in its policy reviews and audits, should take on the responsibility of informing Congress when you and your staff conclude that a legislative mandate that we put on an agency is either very difficult to achieve or too costly, perhaps even prohibitively costly.

We are in a time when we are looking for every possible way we can begin to fulfill our responsibilities to the public, but do it in a more efficient way or with the aim of trying to eliminate the Federal debt. So what would you think about that added GAO responsibility?

Mr. DODARO. Senator, I have been involved in a number of discussions over time about a GAO role in assessing the programmatic and managerial challenges and feasibility of proposed legislation, and in regulatory issues as well. My view is GAO has a lot of potential to add in a lot of different areas, but unless it comes with additional resources, all we are going to do is exacerbate the already existing problem that Senator Collins pointed out, which is that we cannot do more work unless we have more resources without sacrificing the quality of what we do.

I will never sacrifice the quality of GAO work, either for expediency or for other purposes. It does not serve the Congress well, it does not serve the American people well, and it does not reflect well on GAO. So quality is very important. We have our reputation that we built up over a period of time. That could be lost very quickly without a commitment to quality.

But going back to your point, I certainly think we could do more, but we need more resources to be able to do that.

Chairman LIEBERMAN. Let us continue that conversation because I think since you are into the agency so often on audits—I under-

stand it takes more work—it could be a real value added for Congress and for the taxpayers.

The final question is a personnel-related matter. It is interesting that GAO has implemented performance-based compensation. And I wonder if you could describe it a bit, how it is working, and whether it is going to be permanent or whether it is a model for other parts of the Federal Government.

Mr. DODARO. Well, in the personnel performance-based compensation area, I would say, like a lot of organizations, we have had our ups and downs with it, and actually dissatisfaction with some of our approaches led to the formation of our union. So one of the things I did as Acting Comptroller General is work with the Congress to get legislation to provide a floor guarantee for our organization.

I think the most difficult part of this in the Federal Government, Mr. Chairman, is to have a system that not only rewards individual people for what they do, but promotes teamwork. And it promotes organizational goals as well, so people work together and feel like they are rewarded properly, and you have the right type of incentives, and there is a fairness and equity.

Now I have commissioned a top-to-bottom study of our performance management system. People in GAO are not satisfied with it. And we just hired a contractor. We are working with the union, working with the employee groups, and we are going to come up with a new system.

And I am pledging that we are going to work cooperatively. It is going to be something that we gain as much consensus as possible from our employees because unless they believe in it, they will not believe it is adequate and fair.

And we are also going to focus on it in the context of trying to improve performance and improve people in a constructive way and not have just sort of a one-time kind of an assessment.

I will report back to you. My goal is to come up with something that is a model, that could be done in a collective bargaining agreement and could be useful to others. Right now, we are not there yet.

Chairman LIEBERMAN. Interesting. So you are committed to the principle or the policy of performance-based compensation, but you are trying now to work with the consultant and the new union to see if you can do it in a way that the employees will accept.

Mr. DODARO. Yes, I think it is pivotal to have the underlying mechanism that you use to make decisions to pay people based on performance to have credibility. Then you can do more with it if you have that buy-in and commitment.

Chairman LIEBERMAN. Just briefly, what were the one or two top gripes or, to be more senatorial, sources of dissatisfaction of the employees? [Laughter.]

Mr. DODARO. Too complex. Not equitably administered across a period of time. Not enough transparency.

So our goal is greater simplicity, greater focus on improvement in a constructive fashion, and a system that has more transparency and equity.

Chairman LIEBERMAN. Good. Keep us posted on that. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Just to follow up on that issue, I am a little concerned as I have listened to your approach. Certainly in order to have an effective pay-for-performance program, you do need to have credibility, and you also need to have very good training so that managers apply it fairly.

But I hope you are not saying that you are backing away from the principle of pay for performance. I think we need to extend that principle throughout the Federal Government, and I hope that your reaction to the employees' dissatisfaction and decision to recognize a union is not to back away from a merit-based system.

Mr. DODARO. By no means, Senator Collins. By no means, but I want one that everybody agrees with.

Senator COLLINS. But that is unlikely to ever happen in a merit-based system.

Mr. DODARO. Right, but you need to have a core of consensus to be able to do it, and I may not be able to achieve it.

I am an optimistic person by nature, and I am committed and dedicated to try to do that, but by no means am I backing away from pay for performance. Our people want it. They expect it. And I want to do it in a manner where it is not only a good system, but we have the proper training and the proper safeguards in place where everybody feels equitably treated.

Senator COLLINS. Let me switch to a different role that GAO plays that I think a lot of the public is not aware of, and that is the bid protest process where GAO provides a vital forum for resolving government contracting disputes and ensuring that the applicable laws and regulations are followed.

In the National Defense Authorization Act for Fiscal Year 2008, there were provisions expanding the protest rights for the award of task and delivery orders valued at more than \$10 million. Our concern was we were seeing more and more of these indefinite quantity, indefinite time contracts under which there were task and delivery orders that end up being valued at a lot of money. So that provision expanding those protest rights expires in May of next year. Do you support extending the sunset date for that provision so that GAO could continue to hear cases involving bid protests of task and delivery orders?

Mr. DODARO. We are in the process of reassessing that issue. I think it makes sense to extend the provision.

What I am concerned about is, again, the resources. We absorbed that responsibility within the existing resources, and I will provide input to this Committee and other committees on what our needs may be if that is extended going forward, but we certainly think that it has proven to be a valuable addition.

Senator COLLINS. Let me just ask one final question. I may have a few more for the record, but I know, as you pointed out, you have probably answered hundreds already.

But that has to do with information technology. It is really disturbing to look across the Federal Government and see billions of dollars that have been wasted on failed information technology (IT) projects, whether it is at the Federal Bureau of Investigation or the Census Bureau, almost anywhere that you look.

GAO has provided guidance to improve the Administration's Office of E-Government as it developed new initiatives such as the IT Dashboard and TechStat sessions. This consultative role is unique for GAO, as it is outside the traditional audit or investigative role. How has that worked from GAO's perspective?

Mr. DODARO. Well, we value and always preserve our independence, but there is a great degree of room there for us to provide that type of assistance. And actually that is one of the things that I have been involved with for a long period of time. During the Year 2000 (Y2K) scenario, we provided guidance, which then got adopted by the Executive Branch in order to prepare properly. We did best practices research that led to the establishment of Clinger-Cohen legislation. We have just put out a cost estimating—

Senator COLLINS. Cohen-Clinger, in Maine. [Laughter.]

Mr. DODARO. Oh, I am sorry. Excuse me, Senator.

Senator COLLINS. That is all right. I will let it go.

Mr. DODARO. Actually, we worked closely with Senator William Cohen on that. In fact, he hosted a 10-year celebration of the passage of that legislation, which I attended.

But to go back to the issue, we have just developed a cost estimating guide with input from people across government on experts, and now it is posted, and I am trying to get the Executive Branch to implement it on a consistent basis. We are going to develop one on scheduling.

So GAO can, must, and will provide additional guidance, support, encouragement, and consultation to improve programs and address problems. That is part of the philosophy I have on trying to address these high-risk problems as well.

Senator COLLINS. Thank you. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you very much, Senator Collins. Senator Akaka.

Senator AKAKA. Thank you, Mr. Chairman.

I have just one final question to ask, and that comes after the Chairman raised the question of financial literacy. It made me curious about what you are doing with it. I am pleased that you plan to make promoting financial literacy in the United States a priority as Comptroller General. I would like you to discuss why you believe that this issue is important enough to warrant the attention of the Comptroller General and GAO?

Mr. DODARO. I think, Senator, that there is increased complexity of financial products going forward that the people have to be prepared to address, whether we are talking about the mortgages or investment strategies. In the retirement area, in the move from defined benefit to defined contribution plans, people are having to manage their retirement accounts more on their own. There is increased complexity in terms of the available investment decisions to do that. Disclosures are not always clear.

I think that it is an important role as the government provides advice and assistance to help empower people to make good decisions, whether it be on health care, education, etc., and that financial literacy is a very important part of that responsibility. As I mentioned earlier, we will be evaluating many of the Federal Government's efforts to be able to do that.

But I also think GAO has an important advantage with the 15-year term of the Comptroller General to be able to do something that is going to span a period of time to increase the capacity. We have the convening power to work with the private sector, to work with State and local governments, and to work with educational organizations to help support the government's efforts and objectives, which are stated objectives of the Federal Government.

So I feel very strongly about this. I will always consult with the Congress on how we are going to do this approach, and I look forward to your support. I know you are a big supporter of this, and other support from the Congress would help us in our endeavors to help others.

Senator AKAKA. Thank you very much for your response.

Chairman LIEBERMAN. Thank you, Senator Akaka. Senator Carper, welcome. Glad you are here.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thank you, Mr. Chairman. I am happy to be here. It is nice to see you and our colleagues.

Mr. Dodaro, welcome.

I am going to ask a couple of questions. I think at least one has already been asked, but I just want to ask it again for the record. Why is it when you speak or provide testimony you never use notes? [Laughter.]

Mr. DODARO. I believe it is important to talk directly to the Members of Congress and engage in a conversation and a dialogue, Senator.

Senator CARPER. Why is it when you answer our questions, you never use notes? [Laughter.]

Mr. DODARO. For the same reason, Senator. I also always remember your comment about Winston Churchill, and I am not there yet either.

Senator CARPER. You had a lot of comments in your repertoire— [Laughter.]

Why is it there is usually somebody either over your left or your right shoulder that whenever you speak I can see their lips move? [Laughter.]

Mr. DODARO. Today, it is my 2-year-old grandson, and he is providing my—

Senator CARPER. He is good.

We are glad you are here. I understand your wife—is it Joan?

Mr. DODARO. Yes, Joan.

Senator CARPER. Over your left shoulder. Joan, how are you?

Thank you for sharing this guy with us and letting him go through this job interview with all of us.

I have a more serious question if I could. I think it is this year, maybe early next year, that we mark an anniversary that most people have no idea is coming, or has come, and that is the 20th anniversary of the creation of the Chief Financial Officers Act. And I just want you to talk to us a little bit today about the potential that was maybe envisioned when that legislation was adopted 20 years ago and where you think that potential has been realized and maybe where it has not.

Mr. DODARO. Yes, I would be happy to. I have been involved in that for a number of years.

Senator CARPER. Have a lot of other people already asked that question?

Mr. DODARO. No.

Senator CARPER. I am surprised.

Mr. DODARO. But I am ready for it. [Laughter.]

That legislation was a big priority for Comptroller General Charles Bowsher at the time, and it took us almost a decade to convince Congress to pass that legislation, which was then expanded in 1994 to create financial statements and audits across the Federal Government. It was important to establish chief financial officers and deputy chief financial officers with set qualifications in the statute to provide the necessary leadership in those areas.

The Federal Government was the last sector of our economy to use and prepare financial statements and have them audited even though they required them of State and local governments, as you know as a former governor, in order to receive revenue-sharing money. And we have had financial audits of publically traded companies for a long time. It was to provide more reliable cost information.

We went from a situation where in 1994, 6 out of the 24 largest departments and agencies were able to get a clean audit opinion. Now it is 20 out of 24.

Senator CARPER. Who are the outliers? Can you help us with that?

Mr. DODARO. Sure.

Senator CARPER. The Department of Defense (DOD)?

Mr. DODARO. DOD, the Department of Homeland Security, the State Department, and the National Aeronautics and Space Administration (NASA), I think, are the ones that I remember off-hand. I am not sure of the last two; I will correct the record if I need to on that.

Senator CARPER. Thanks.

Mr. DODARO. And it was to lead to more reliable information for day-to-day decisionmaking and to provide better cost information.

So there has been a lot of progress in that area, but it has not reached its full potential yet. I think that more now than ever we need to have more reliable data to manage the cost of the government and to be able to assess programs and policies. A lot of times we focus on the outcomes, but we do not focus on what it costs to achieve the level of an outcome, and that is because we rarely have very good information to be able to do that.

So I think the Chief Financial Officers Act, the Cohen-Clinger Act, and Chief Information Officers—

Senator CARPER. You said Cohen-Collins? [Laughter.]

Mr. DODARO. I was attempting to get the right order in the Senate this time with Cohen-Clinger.

But those were all very important—the Government Performance and Results Act—were all good management tools that were put in place in the 1990s. I do not think any of them have reached their full potential yet.

Senator CARPER. Let me just interrupt you. Any ideas as to what we can do in the Legislative Branch here to better ensure that we reach the potential that was envisioned?

Mr. DODARO. I think there is no substitute for regular congressional oversight and sustained attention to problems, starting with the high-risk areas. Congress has an important role to play and needs to play that role. So I would encourage you to have as much oversight on these issues as possible, and I will support you and others on that.

Senator CARPER. I do not know if the questions were any good, but I think those are really good answers, and I think the answers are very helpful, certainly to me, and I hope to our colleagues.

I do have one more question if I could, Mr. Chairman.

As you know, I am privileged to chair a subcommittee. It may have the longest name of any subcommittee in the Senate. When I describe it at home, I say it is a subcommittee that enables us to look in a lot of different corners in the government and to try to make sure we are spending money in a cost-effective way.

Having a little subcommittee with eight or nine members, it is hard to really do any kind of realistic job in overseeing Federal spending. It is hard to do with the full committee, even with all the staff and good people we have on the Committee. But one of the things we have sought to do is to partner with others who have a similar goal—that is, cost-effective spending of the taxpayers' money.

I have never seen this happen before. [Laughter.]

Mr. DODARO. They are enabling me to correct the record in real time on the four outliers. In 2009—actually, I was correct—DOD, DHS, NASA, and State. In 2010, it is DOD, DHS, Department of Labor, and NASA having a qualified opinion.

Senator CARPER. Thanks a lot.

We have our Committee. We have GAO who has primary responsibility to make sure we spend money cost effectively. OMB has an interest in that, and all the inspectors general from all the different agencies. There is great interest in doing this. CBO probably has a real interest in doing this. There are a bunch of nonprofit organizations that are interested in reducing waste.

For us, in terms of leveraging the effectiveness of a committee or a subcommittee, I think a good idea is to partner with all of these agencies. And we have been partnering so well that we brought the deficit down I think for the last fiscal year to just under \$1.3 trillion and the year before that, \$1.4 trillion, which suggests that we can do better.

How do you think we could do better to improve on this partnership with an eye toward results?

That is my last question, Mr. Chairman.

Mr. DODARO. I mentioned earlier, Senator Carper, I think that the high-risk list that we have created really highlights appropriate areas to focus on. I want to make that a priority for me during my tenure. I think partnerships would be good to be able to address those problems, to get more specific, and to really work collaboratively.

You know the inspectors general, by statute, have to list management challenges in their departments and agencies. They overlap

with some of the high-risk areas. They have insights. Some of them, like the Medicaid program, involve State and local auditors. I have tried to partner with them as well. So I think there is a lot of room for partnerships in that area that have already demonstrated big problems that would have big payoffs.

Senator CARPER. Thanks so much.

Mr. DODARO. Sure.

Senator CARPER. And thank you for your willingness to do this. Thank you for your stewardship.

And for those who support you, including your wife, our thanks to you.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Carper.

Before we close the hearing, I wanted to thank you for Monica Anatalio, who is a GAO detailee to our Committee in the area of oversight of government contracting. Our normal person on that is off on maternity leave. And it is a really important function we have, and she has done excellent work in helping us. So I appreciate that.

I want to thank you for your appearance before the Committee today and for all that you have done in GAO over the years. You are the perfect person for this position right now. We are going to try to move you through as quickly as we can and obviously hope to get you confirmed before this so-called lame-duck session ends.

Senator COLLINS.

Senator COLLINS. Thank you, Mr. Chairman.

Usually at this point in the hearing, Mr. Chairman, I announce whether I am inclined to support the nominee or not. In this case, since both you and I recommended the nominee, it kind of takes the suspense out of these final moments. [Laughter.]

So let me just conclude by saying that I look forward to working with the nominee as we go forward. Thank you.

Chairman LIEBERMAN. Thank you, Senator Collins.

Without objection, the record will be kept open until noon tomorrow for the submission of any written questions or statements for the record.

Mr. Dodaro, would you like to say anything in closing?

Mr. DODARO. I would just like to thank you and Senator Collins for your support all along. I look forward to working with you. I am committed to fulfilling our responsibilities as a watchdog, protecting the taxpayers' interests, and improving government. I will do everything in my power to lead this organization successfully.

Chairman LIEBERMAN. I know you will. Thank you.

The hearing is adjourned.

[Whereupon, at 4:23 p.m., the Committee was adjourned.]

APPENDIX

Opening Statement of Chairman Joseph I. Lieberman

Nomination Hearing for Eugene Dodaro to be Comptroller General of the United States Homeland Security and Governmental Affairs Committee

November 18, 2010

The hearing will come to order. Our hearing today is on the nomination of Eugene Dodaro to be Comptroller General of the United States and to thereby lead the Government Accountability Office, which we call GAO.

It is an understatement to say Mr. Dodaro is not a newcomer to government, or the GAO. Gene joined GAO right out of college in 1973 as an entry-level auditor and in less than 10 years was elevated to the rank of senior executive. He served as Assistant Comptroller General of the Accounting and Information Management Division from 1993 to 1999 and Chief Operating Officer - the number two position at the agency - for eight years after that. For the past two and a half years he has ably led GAO as Acting Comptroller General.

I must say in the selection process that led to this nomination, there was a lot of pushing and pulling about politics. But in the end, the President really did select the best possible person for this job. I say that with such confidence because we know you and we work so closely with you and yours is clearly a merit selection, by no means influenced by politics. That is exactly what this position is all about.

In a lot of ways, we in Congress, and more generally the American people—although very few of them know your name--owe you a debt of gratitude for the work you've done for almost 40 years to improve the performance and capacity of their government. This has risen to a crescendo of demand from the public, but you've been out there doing that all along.

GAO is one of those federal agencies that flies under the radar of most Americans. As an arm of the legislative branch of government, GAO provides information and analysis to Congress and the Executive Branch, and I consider it to be a non-partisan advocate for taxpayers and how their money is being spent.

GAO does not offer policy proposals to solve the challenges upon which it reports. That is the job of the President and Congress. Instead we rely on a clear-eyed presentation of solid facts and constructive recommendations to help our government operate efficiently. Gene, that's exactly what you and those you have worked with--and now, I hope, supervise--have done for many, many years.

I'm delighted to preside over his hearing on your nomination and also pleased now to call on Senator Collins.

**Statement of Ranking Member
Senator Susan M. Collins**

**Nomination Hearing for Gene Dodaro to be
Comptroller General of the Government Accountability Office**

November 18, 2010

Today we consider the nomination of Gene Dodaro to head the Government Accountability Office as Comptroller General.

As Congress's primary watchdog, the GAO has a critical role to play in the efficiency and effectiveness of government. Its independent audits and non-partisan investigations help to identify wasteful and ineffective spending and to promote transparency and accountability.

The GAO dates to 1921 when the federal government's financial management was in disarray. The country was awash in debt, saddled with the enormous costs of World War I. As the debt mounted, lawmakers faced a dearth of reliable information and lax controls over government expenditures. Many observers would say that we face similar tests today, and GAO has never been more critical as we work to overcome these challenges.

GAO has a broad oversight mandate to investigate federal programs on behalf of the Congress. To bolster its independence, the Comptroller General serves a single, 15-year term, giving the GAO's leader an autonomy that transcends election cycles.

Given the length of the term and the importance of the GAO mission, the Comptroller General must provide strong leadership and chart a visionary future for the agency.

Our nation needs aggressive and independent oversight of the federal government. We live in an era of historic deficits, crippling unemployment, and smaller budgets. As the government tightens its belt, the GAO, which has been labeled "the U.S. taxpayers' best friend," must remain an unabashed advocate for the public and a protective steward of federal resources.

At a time when virtually every household in America is grappling with tight finances, the objective, factual, and credible reports from GAO provide an important accounting of the federal government's operations.

These audits and investigations, aimed at uncovering waste, fraud, abuse, and mismanagement, can propel needed reforms. GAO's findings and recommendations often provide the foundation for legislation or other congressional action.

As the recent elections made clear, the public is no longer willing to accept the status quo. Americans want realistic solutions to problems and dependable leadership. As a new Congress begins in January 2011 and we look for ways to make our government more effective and accountable, the GAO and its next Comptroller General will play a critical role.

Mr. Dodaro's career at the GAO spans more than 30 years, and he has been acting Comptroller General since 2008. I look forward to discussing his vision for the GAO and specific areas where I believe additional oversight must be focused. The next Comptroller General must ensure that the "congressional watchdog" zealously safeguards the interests of the American taxpayer.

**STATEMENT OF U.S. SENATOR DANIEL K. AKAKA
HEARING ON THE NOMINATION OF EUGENE L. DODARO
TO BE COMPTROLLER GENERAL OF THE UNITED STATES
AND HEAD OF THE U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

NOVEMBER 18, 2010

I congratulate Mr. Dodaro on his nomination and welcome him to the Committee on Homeland Security and Governmental Affairs. As a strong supporter of the U.S. Government Accountability Office (GAO), I am pleased President Obama has nominated an individual with Mr. Dodaro's extensive experience and credentials to be the next Comptroller General of the United States.

Since becoming the Acting Comptroller General in March 2008, Mr. Dodaro has led GAO with integrity and dedication. I am especially grateful that Mr. Dodaro has been able to oversee the production of hundreds of high-quality reports and Congressional statements, despite the significant expansion of GAO responsibilities mandated by the Emergency Economic Stabilization Act and the American Recovery and Reinvestment Act.

Mr. Dodaro has devoted his entire career to serving at GAO, joining the agency as an entry-level auditor and progressing all the way to his current role as Acting Comptroller General. This experience has given Mr. Dodaro a unique understanding of the operations and responsibilities of the agency, in addition to an appreciation for the agency's most important asset, its dedicated staff.

I am pleased that GAO's interim human capital strategic plan continues the agency's commitment to investing in its workforce to improve performance, and I commend GAO for consistently being ranked second out of all large Federal agencies on the Partnership for Public Service's Best Places to Work survey.

I am also encouraged that Mr. Dodaro appears to have developed a positive, constructive working relationship between GAO and the GAO Employees Organization, and I congratulate all parties on reaching a tentative agreement on the agency's first-ever comprehensive master collective bargaining agreement.

As Chairman of the Subcommittee on Oversight of Government Management, I know that effective management practices are necessary to safeguarding taxpayer dollars and achieving government missions. I have worked closely with GAO to address significant management challenges of the Federal Government, notably working to reform programs on GAO's high-risk list, such as the security clearance process. I look forward to continuing this important work together as we enter the 112th Congress.

We must also continue to improve the performance of the Federal Government, as agencies seek to achieve better outcomes at lower costs. Since the enactment of the Government Performance and Results Act (GPRA) of 1993, GAO has conducted extensive examinations of its implementation. From these studies, several long-standing recommendations have emerged, including the need for better cross-cutting strategic planning, enhanced training on how to conduct rigorous program evaluations, and improved Congressional consultation to inform

funding and authorization decisions. I fully support these GAO recommendations, which is why I joined with Senators Carper, Warner, Lieberman, Collins, and Voinovich, in introducing the GPRA Modernization Act of 2010, which seeks to implement these recommendations to enhance and refine the original Results Act.

I have long been a champion of greater oversight of all critical government operations. Earlier this Congress, I introduced legislation, the Intelligence Community Audit Act, to reaffirm and clarify the Comptroller General's authority within the Intelligence Community. I was pleased that the Intelligence Authorization Act directed the Director of National Intelligence to work with the Comptroller General to issue a written directive covering GAO's access to the Intelligence Community. This is a critical step to ensuring that GAO and the Congress will be able to conduct critical oversight.

Finally, I would like to express my deep appreciation for Mr. Dodaro's commitment to promoting greater financial literacy in the United States. I strongly support initiatives that address the need to improve financial literacy efforts not only within the Federal Government, but across the entire Nation. The Comptroller General is in a unique position to increase awareness of important, cross-cutting challenges, and I am encouraged that financial literacy will be an area of focus for Mr. Dodaro, if confirmed.

The United States continues to face daunting challenges both at home and abroad. Mr. Dodaro assumed his current leadership position during an incredibly difficult time in our Nation's history. His strong performance over the past two years gives me confidence that if he is confirmed, GAO will continue to exemplify the agency's core values of accountability, integrity, and reliability.

Thank you, Mr. Chairman.

TESTIMONY OF EUGENE L. DODARO
TO BE COMPTROLLER GENERAL OF THE UNITED STATES
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. Chairman, Ranking Member Collins and Members of the Committee.

Good afternoon. I am pleased to be here today to discuss my nomination to become Comptroller General of the United States. I greatly value the trust and support provided by the ten member bi-cameral bi-partisan Congressional Commission in forwarding my name to President Obama and by the President in nominating me for this important position. I also would like to take this unique opportunity to thank the thousands of people at GAO I have worked with over the years and to recognize that without their dedicated and talented support, I would not be before you today.

If confirmed, I pledge to continue to faithfully and diligently lead GAO in accomplishing its mission to support Congress in carrying out its constitutional responsibilities and to help improve the performance and accountability of government for the benefit of the American people. At this juncture, our Nation's elected leaders face an array of complex domestic and international challenges which need to be successfully addressed to ensure the well-being of our citizens and the security and prosperity of our country. GAO can help the Congress by providing high quality, objective and timely analysis of government programs, operations and finances – information that the Congress needs to make policy choices, ensure transparency and accountability, and protect the taxpayer. In short, there are tremendous challenges ahead, and I would be honored to lead GAO during this important period in our Nation's history.

While I have already provided the Committee information on my background and views on the responsibilities of the Comptroller General as well as GAO's role and operations, there are a few points that merit emphasizing today. As a start, I want to underscore that, if confirmed, my overall approach to leading GAO would be to build on its solid foundation as a steadfast non-partisan watchdog for the American people, a trusted advisor to the Congress, and a leading force in promoting more effective and efficient management across government.

This vision for GAO includes sustaining and enhancing its core functions, while continuing to evolve GAO in ways that can better serve the Congress and the Nation in a first rate manner, now and in the future. I would work to continuously enhance GAO's capabilities to provide timely and quality service to committees throughout the Congress to address current and emerging challenges. This assistance spans the breadth of government

activities and interests, ranging from homeland and national security challenges to health care, education, and retirement concerns, natural resources, environmental and infrastructure issues, as well regulatory reforms related to financial institutions and the housing sector, including efforts to resolve the status of Fannie Mae and Freddie Mac.

Within this context of broad based assistance to the institution of the Congress, I would also provide even greater emphasis on identifying high risk issues across government and in working collaboratively with the Congress, agency leaders and OMB to resolve them. Making greater progress in solving high risk areas that are in need of broad-based transformation or are vulnerable to waste, fraud, abuse, and mismanagement would significantly contribute to ensuring a more efficient and effective government. Areas currently on the high risk list cover critical sectors of the government and the economy, such as improving weapons systems' acquisition and DOD business operations, transforming the Department of Homeland Security, providing more effective tax administration and curtailing fraud, waste and abuse in the Medicare and Medicaid programs.

Beyond the high risk areas, it is critical for GAO to provide insights into the government's financial condition and outlook and to seek ways to contribute to a more efficient and fiscally sustainable government. This includes working to help agencies identify and reduce billions of dollars in improper payments; identifying areas of duplication, overlap and fragmentation, as well as other opportunities to save money and enhance revenue; and helping promote more effective financial, information technology, acquisition, and performance management practices that can lead to eliminating wasteful approaches, provide greater efficiency, and ensure better accountability of taxpayer dollars. I would also continue to enhance GAO's forensic audit capabilities to help ferret out fraud, waste, abuse and mismanagement.

Addressing all of these goals and aspirations for GAO requires that it always have a first rate, multi-disciplinary workforce. I have, and would continue to, if confirmed, devote significant effort to ensure that GAO always has the managerial and technical skills needed to consistently produce high quality work and meet congressional interests. Currently, GAO has a highly skilled multi-disciplinary workforce, comprised of subject area and technical expertise from a range of disciplines, including public policy analysts, financial auditors, economists, attorneys, social science analysts, information technology specialists, civil engineers, statisticians and physical scientists. If confirmed, I would plan to continue to enhance GAO's workforce to meet evolving needs, especially in the areas of technology, science and engineering.

In addition to having the right skills, GAO should always have the best possible respectful, inclusive and inviting working environment. While GAO has consistently been ranked among the best places to work in the federal government, attention to continuous improvement is necessary to make a great agency even better. I am committed to maintaining constructive relationships with our union, all of GAO's employee groups, and our people. Of paramount importance to me is ensuring that GAO always has a motivated, high performing, diverse workforce where people feel represented, valued and treated fairly.

I also want to take today's opportunity to thank this Committee for its strong support of GAO, including its unwavering commitment to our high risk program. Additionally, I very much appreciate the Committee's unanimous action reporting S. 2991, the Government Accountability Office Improvement Act of 2010, out of committee. The bill, if enacted, would reaffirm GAO's authority to enforce its statutory access rights, providing a legislative remedy for the federal district court's decision in *Walker v. Cheney*, and confirm GAO's statutory access rights in several respects. While the changes made by the bill are relatively modest, they are very important in enhancing GAO's ability to achieve prompt resolutions of access problems.

It is very important that GAO obtains the information it needs to do its work. GAO generally receives good cooperation from most departments and agencies in obtaining access to information and it is fairly rare for an agency to deny GAO access to information and rarer still that an agency will not work toward an accommodation that allows GAO to do its work. However, GAO does in certain cases experience access difficulties. For example, as you know, GAO has faced challenges in obtaining access to information from agencies in the intelligence community, even when the activities under review involve basic human capital and management functions. The recent Intelligence Authorization Act for Fiscal Year 2010 requires the Director of National Intelligence (DNI), in consultation with the Comptroller General, to issue a new directive governing GAO's access to information in the possession of an element of the intelligence community, and GAO has started engaging with DNI staff on this directive.

In closing, I would greatly appreciate the opportunity to serve the Congress and our country as Comptroller General of the United States. I am committed to public service and would always lead GAO in a manner faithful to its core values of accountability, integrity and reliability. It would be my honor and distinct privilege to lead GAO's talented and dedicated workforce in providing high quality professional and objective analyses and advice to help address the many challenges facing our nation. I would always do my very best to serve the Congress and help improve government for the benefit of all.

Mr. Chairman, Ranking Member Collins, Members of the Committee, this concludes my opening remarks. Thank you all for your time and attention. I would be pleased to answer your questions.

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names used.) Gene (Eugene) Louis Dodaro
2. **Position to which nominated:** Comptroller General of the United States
3. **Date of nomination:** September 23, 2010
4. **Address:** (List current place of residence and office addresses.)
 REDACTED (Home)
 U.S. GAO, 441 G Street, NW, Washington, DC 20548 (Office)
5. **Date and place of birth:** May 7, 1951, Monongahela, Pennsylvania
6. **Marital status:** (Include maiden name of wife or husband's name.)
 Married to Joan McCabe Dodaro
7. **Names and ages of children:**
 Sara Carissa Carver, 31
 Benjamin Louis Dodaro, 30
 Samantha Rose Dodaro, 27
8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
 Lycoming College, Williamsport, Pennsylvania, 1969 – 1973,
 B.A. Accounting, May, 1973
9. **Employment record:** List all jobs held since college, and any relevant or significant jobs held prior to that time, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)
 As shown below, since 1973 I have held various positions at the GAO – ranging from entry-level auditor to the position of Acting Comptroller General. I have been a senior executive for the past 25 years, with over 11 years as the number two official or Acting Comptroller General.
 - 3/2008 to present: Acting Comptroller General
 - 1999 – 2008: Chief Operating Officer (number two official)
 - 1993 – 1999: Assistant Comptroller General for the Accounting and Information Management Division

- 1989 – 1993: Director of Operations for Accounting and Financial Management Division
- 1984 – 1989: Director, Management Reviews
- 1981 – 1984: Assistant Director, Block Grant Evaluations
- 1973 – 1981: Auditor/evaluator of wide variety of federal programs and activities

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with federal, State, or local governments, other than those listed above.

In addition to my GAO experience, I have held leadership and advisory positions with numerous organizations dealing with federal, state, local and international issues. These are listed in Attachment 1.

11. **Business relationships:** List all positions currently or formerly held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. **Memberships:** List all memberships, affiliations, or and offices currently or formerly held in professional, business, fraternal, scholarly, civic, public, charitable or other organizations.

Fellow, National Academy of Public Administration (NAPA); 2000 to Present

Member, Association of Government Accountants (AGA); 1/4/91 to Present

Certified Government Financial Manager; Member, 1/4/91 to Present

Finance Council, Holy Rosary Church, Washington, D.C.; 4/2003 to Present

American Society of Public Administration (ASPA), 1997 – 2001

Member, Kappa Delta Rho Fraternity (1970-1973), President (1972-1973)

13. **Political affiliations and activities:**

- (a) List all offices with a political party which you have held or any public office for which you have been a candidate.
- (b) List all memberships and offices held in and services rendered to any political party or election committee during the last 10 years.
- (c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more during the past 5 years.

As a senior leader in a non-partisan agency serving the Congress, I have never held or run for a political office, held memberships or offices in any political party or election committee nor have I made any political contributions. As a matter of full disclosure, my wife, Joan Dodaro, has made contributions to several of her friends running in local and state elections.

14. **Honors and awards:** List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Throughout my career I have received numerous awards from organizations outside the GAO. They are:

- Roger W. Jones Award for Executive Leadership, American University's School of Public Affairs for demonstrating superior leadership resulting in outstanding organizational achievement (2009)
- Association of Government Accountants' National President's Award for outstanding vision in leading GAO through a major transition (2008)
- Elmer B Staats Award (AGA) for improving government performance and accountability (2006)
- National Public Service Award, (ASPA/NAPA), recognizing outstanding practitioners in public service (2003)
- Distinguished Leadership Award (AGA) for sustained outstanding leadership in financial management (2001)
- Institute of Internal Auditor's Person of the Year Award for leadership in addressing the Year 2000 computing challenge (2000)
- Information Technology Top 100 Award from Federal Computer Week (1999)
- Arthur S. Fleming Award recognizing outstanding government service (1989)

I have also received GAO awards, including its highest (the Comptroller General's Award) and GAO's Excellence in Human Resources Management Award created to recognize outstanding contributions by a Senior Executive in managing and developing people. See Attachment 2.

15. **Published writings:** Provide the Committee with two copies of any books, articles, reports, or other published materials which you have written.

I have overseen the publication of thousands of GAO products, and contributed to many of GAO's institutional products over the years. Those that I have signed are listed in Attachment 3. The published materials I have written beyond GAO material are listed in Attachment 4 and copies are included (I could not locate a copy of the article dated 6/14/88).

16. **Speeches:**

- (a) Provide the Committee with two copies of any formal **speeches** you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated. **Provide copies of any testimony to Congress**, or to any other legislative or administrative body.
- (b) Provide a list of all speeches and testimony you have delivered in the past 10 years, except for those the text of which you are providing to the Committee. Please provide a short description of the speech or testimony, its date of delivery, and the audience to whom you delivered it.

My testimonies before Congress are listed in Attachment 5, 5A and 5B. Speeches given are listed in Attachment 6. Copies of speeches and testimonies given in the last five years are enclosed in electronic form. Others can be provided upon request.

17. **Selection:**

- (a) Do you know why you were chosen for this nomination by the President
- (b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I was selected by the President from names submitted to him by a bicameral bipartisan ten member Congressional Commission. I believe my experience as Acting Comptroller General of the United States for more than two years during a difficult period in our Nation's history and my over 30 years of service to the Congress and our country, eight as GAO's number two official, were contributing factors to my inclusion on the Congressional list and in my nomination by the President.

B. EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

N/A - currently employed as Acting Comptroller General at GAO.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

No.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization, or to start employment with any other entity?

No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes.

6. Have you ever been asked by an employer to leave a job or otherwise left a job on a non-voluntary basis? If so, please explain.

No.

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

2. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration or execution of law or public policy, other than while in a federal government capacity.

In my capacity as Chief Operating Officer and Acting Comptroller General, I help provide Congress information and analysis which informs and aids Congress in the exercise of its legislative and oversight authorities on a wide variety of government programs and activities. In addition to the influence our audit, evaluation and investigative work has on the legislative and oversight processes of the Congress, I have participated directly in support of legislation affecting the authorities, interests or funding of the Government Accountability Office. I have not had any involvement in this area outside of my official duties.

3. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

Yes.

D. LEGAL MATTERS

1. Have you even been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No. I have never been disciplined or cited for a breach of ethics for unprofessional conduct.

With regard to other cases where I have been named as a defendant in my official capacity or concerned matters in which I have been involved, please see response to question number 3.

2. Have you ever been investigated, arrested, charged or convicted (including pleas of guilty or nolo contendere) by any federal, State, or other law enforcement authority for violation of any federal, State, county or municipal law, other than a minor traffic offence? If so, provide details.

No.

3. Have you or any business of which you are or were an officer, director or owner ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

I have not been an officer, director or owner in any private business (see response to question 11A), and therefore could not have been involved as a party in interest in any administrative agency proceeding or civil litigation with respect to such business. I have been named as the defendant in my official capacity as the head of GAO in civil litigation and as a responsible person in petitions filed at the GAO Personnel Appeals Board. Also, a few cases filed pursuant to GAO's internal EEO process have concerned matters in which I was involved. The majority of the actions are now closed and contain no findings by the court or administrative body that GAO or its officials committed any violations of law or regulation. Moreover, in any case that GAO settled, GAO stated that the agreements should not be construed as an admission of any wrongdoing.

Specifically, I have been named as a defendant in seven cases in district court. None of these cases originally named me as the defendant but my name was later substituted in my official capacity as the acting head of the agency.

These seven cases concerned such matters as performance appraisals, pay, promotion, the Band II restructuring and discipline. In only two of these cases did I have any personal involvement in the employment decisions at issue. In two other district court cases I was not named as a defendant but did have some involvement in the matter at issue. These concerned reassignments after the closing of certain GAO field offices, and non-selection

for the Executive Candidate Development Program. Only two of the four cases in which I had personal involvement remain open; one of these cases has been dismissed but plaintiffs still have time to file a petition with the Supreme Court.

I have also been named as a responsible person along with other managers in eight Personnel Appeals Board (PAB) cases. The PAB is an independent quasi-judicial body similar to the Merit Systems Protection Board (MSPB) and Equal Employment Opportunity Commission (EEOC). I was personally involved in the matters at issue in five of the eight cases. These cases involved the Band II restructuring, setting of annual pay, the denial of an employee's reassignment request and the performance rating of an SES employee. (The case involving annual pay was consolidated from 37 named petitioners.) The three cases in which I had no involvement in the personnel decisions at issue concerned the transfer of certain employees from another agency, a 2006 Band IIB placement decision and performance appraisals. Of these eight cases, two remain open. As to the open cases, one case was dismissed and is on appeal to the full Board. GAO is attempting to settle the other case.

In addition to these cases, the PAB has investigated certain charges relating to matters in which I was involved. In one, an employee in 2004 challenged my decision to remove her from the rolls of GAO on suitability grounds. This case was settled by the agency and the employee left GAO. In the other, in 1994 an employee alleged that I was improperly elevated to Assistant Comptroller General because of the influence of my wife who was then Deputy Assistant Comptroller General for Human Resources.¹ The investigation found that other agency officials and I took appropriate steps to assure that there was no violation of the anti-nepotism law. The case was closed. The PAB is currently investigating a charge by a former employee relating to her request for a detail to another agency in which I had some involvement.

I have been involved in very few cases at GAO's Office of Opportunity & Inclusiveness (O&I). A number of employees filed EEO complaints alleging discrimination with regard to the Band II restructuring in which I was involved. This case is now closed. In addition, an applicant for employment at GAO has contacted O&I concerning my decision regarding the filling of an SES position. This matter is currently being reviewed.

I would be happy to provide additional details to the Committee upon request.

4. For responses to question 3, please identify and provide details for any proceedings or civil litigation that involve actions taken or omitted by you, or alleged to have been taken or omitted by you, while serving in your official capacity.

See response to question 3, above.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

I have no further information to offer at this time.

¹ My wife retired from GAO in December 1999.

E. FINANCIAL DATA - REDACTED

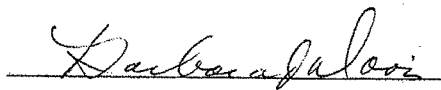
All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

AFFIDAVIT

Eugene (Gene) Louis Dodaro being duly sworn, hereby states that he/she has read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of his/her knowledge, current, accurate, and complete.



Subscribed and sworn before me this 4th day of October
20 10



Notary Public

Barbara J. Davis
Notary Public, District of Columbia
My Commission Expires 6/30/2011

GOVERNMENT EXPERIENCE**NATIONAL INTERGOVERNMENTAL AUDIT FORUM**

- Chairman, National Intergovernmental Audit Forum (March 2008 – Present)

The National Intergovernmental Audit Forum is an association of audit executives from federal, state, and local governments.

Previous Forum Positions

Co-Chair of Task Force to Develop Forum's Strategic Plan
(2003)

Executive Committee Member (1993 – 1998)

INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS

- U.S. Representative to International Organization of Supreme Audit Organizations (March 2008 – Present)
- Member of Governing Board
- Vice Chair of Finance and Administration Committee and Liaison to Capacity Building Committee
- Chairman of Three Task Forces
 - 1) Task Force on Donor Funding and Capacity Building
 - 2) Task Force to Update the Strategic Plan
 - 3) Task Force on Global Financial Crisis

JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

- Principal, Joint Financial Management Improvement Program (March 2008 – Present)

JFMIP's mission is to improve financial management practices in the government through the joint and cooperative efforts of the US Department of the Treasury, GAO, the Office of Management and Budget and the Office of Personnel Management.

Previous JFMIP Positions

Chair, Joint Financial Management Improvement Plan (3/08 – 12/09)
Steering Committee Member (1993 – 1998)

OTHER

- U.S. Representative to International Task Force to Study Cost of Enhancing the Organisation for Economic Cooperation and Development (OECD) -- Accepted appointment by U.S. Ambassador to OECD Constance Morella (2004)
- GAO Representative to President's Y2K Conversion Council chaired by John Koskinen, (1999 – 2000)
- Steering Committee for Financial Accounting Standards Advisory Board (1993 – 1998)
- GAO Advisor to the Office of the Auditor General of Canada Review of Statistics Canada (1989)
- Government Accounting Standards Advisory Council (3/08 to Present)

**IN ADDITION TO AWARDS LISTED IN RESPONSE TO QUESTION 14,
OTHER MAJOR AWARDS FOR GENE L. DODARO
2001 – 1981**

DATE	AWARD
10/2001	Exemplary Leadership in Continuing the Work of the US Congress in a time of National Emergency (*Received from U.S. Congressional Representative)
3/12/99	The Rank of Meritorious Executive in the SES for sustained superior accomplishments in management of programs of the U.S. Government and for noteworthy achievement of quality and efficiency in the public service.
4/4/95	Comptroller General's Award; In recognition of outstanding leadership championing the reform of financial and information resources management in the federal government
11/30/93	Excellence in Human Resource Management Award
6/88	Special Award for sustained excellence, dedication, energy and support in facilitating the EEO workshop and in recognition of quality contributions for ensuring an outstanding training program
3/3/88	The Rank of Meritorious Executive in the SES for sustained superior accomplishment in management of programs of the U.S. Government and for noteworthy achievement of quality and efficiency in the public service.
11/17/87	Meritorious Award; In recognition of distinguished and superior performance in exerting leadership in GAO's General Management Review and Financial Integrity Act issue areas, and in being response to the Congress through work at D.C. Government and the Census Bureau
9/26/85	Special Commendation Award for recognition of the professional contributions and assistance willingly shared with PEMD over these past years
7/27/83	Special Award for exceptional leadership in planning the implementation of GAO's review of block grants and achieving exceptional cooperation among the 3 divisions and 11 regions involved
10/21/81	Meritorious Award; In recognition of exceptional leadership and management of complex evaluations that assisted congressional deliberation of sensitive intergovernmental issues.

ATTACHMENT 3

GAO Products Signed by Gene L. Dodaro Between January 1, 1985 and September 23, 2010 1 of 6

Product Number	Title	Date
GAO-10-999	Recovery Act: Opportunities to Improve Management and Strengthen Accountability over States' and Localities' Uses of Funds	09/20/10
GAO-10-719	Financial Assistance: Ongoing Challenges and Guiding Principles Related to Government Assistance For Private Sector Companies	08/03/10
GAO-10-811SP	GAO Human Capital Act of 2004: Final Report on GAO's Use of Provisions in the GAO Human Capital Reform Act of 2004	07/06/10
GAO-10-559SP	U.S. Government Accountability Office: Strategic Plan 2010-2015	07/01/10
GAO-10-531	Troubled Asset Relief Program: Treasury's Framework for Deciding to Extend TARP Was Sufficient, but Could be Strengthened for Future Decisions	06/30/10
GAO-10-588SP	Department of Homeland Security: Assessments of Complex Acquisitions	06/30/10
GAO-10-634	Troubled Asset Relief Program: Further Actions Needed to Fully and Equitably Implement Foreclosure Mitigation Programs	06/24/10
GAO-10-581	Recovery Act: Increasing the Public's Understanding of What Funds Are Being Spent on and What Outcomes Are Expected	05/27/10
GAO-10-604	Recovery Act: States' and Localities' Uses of Funds and Actions Needed to Address Implementation Challenges and Bolster Accountability	05/26/10
GAO-10-598SP	United States Government Accountability Office Fiscal Year 2011 Performance Budget	05/21/10
GAO-10-475	Troubled Asset Relief Program: Update of Government Assistance Provided to AIG	04/27/10
GAO-10-492	Troubled Asset Relief Program: Automaker Pension Funding and Multiple Federal Roles Pose Challenges for the Future	04/06/10
GAO-10-388SP	Defense Acquisitions: Assessments of Selected Weapon Programs	03/30/10
GAO-10-437	Recovery Act: One Year Later, States' and Localities' Uses of Funds and Opportunities to Strengthen Accountability	03/03/10
GAO-10-25	Troubled Asset Relief Program: Treasury Needs to Strengthen its Decision-Making Process on the Term Asset-Backed Securities Loan Facility	02/05/10
GAO-10-227SP	NASA: Assessments of Selected Large-Scale Projects	02/01/10
GAO-10-235SP	Summary of GAO's Performance and Financial Information Fiscal Year 2009	01/21/10
GAO-10-231	Recovery Act: Status of States' and Localities' Use of Funds and Efforts to Ensure Accountability	12/10/09
GAO-10-216R	Recovery Act: Contract Oversight Activities of the Recovery Accountability and Transparency Board and Observations on Contract Spending in Selected States	11/30/09
GAO-10-247	Recovery Act: Planned Efforts and Challenges in Evaluating Compliance with Maintenance of Effort and Similar Provisions	11/30/09
GAO-10-223	Recovery Act: Recipient Reported Jobs Data Provide Some Insight into Use of Recovery Act Funding, but Data Quality and Reporting Issues Need Attention	11/19/09
GAO-10-234SP	U.S. Government Accountability Office: Performance and Accountability Report Fiscal Year 2009	11/13/09
GAO-10-151	Troubled Asset Relief Program: Continued Stewardship Needed as Treasury Develops Strategies for Monitoring and Divesting Financial Interests in Chrysler and GM	11/02/09
GAO-10-16	Troubled Asset Relief Program: One Year Later, Actions Are Needed to Address Remaining Transparency and Accountability Challenges	10/08/09

*Note: Restricted/Sensitive but unclassified.

GAO Products Signed by Gene L. Dodaro Between January 1, 1985 and September 23, 2010 2 of 6

Product Number	Title	Date
GAO-10-269SP	Human Capital Interim Strategic Plan: Fiscal Years 2010-2012	09/28/09
GAO-09-1016	Recovery Act: Funds Continue to Provide Fiscal Relief to States and Localities, While Accountability and Reporting Challenges Need to Be Fully Addressed	09/23/09
GAO-09-975	Troubled Asset Relief Program: Status of Government Assistance Provided to AIG	09/21/09
GAO-09-782	Fannie Mae and Freddie Mac: Analysis of Options for Revising the Housing Enterprises' Long-term Structures	09/10/09
GAO-09-837	Troubled Asset Relief Program: Treasury Actions Needed to Make the Home Affordable Modification Program More Transparent and Accountable	07/23/09
GAO-09-829	Recovery Act: States' and Localities' Current and Planned Uses of Funds While Facing Fiscal Stresses	07/08/09
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GAO-09-658	Troubled Asset Relief Program: June 2009 Status of Efforts to Address Transparency and Accountability Issues	06/17/09
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GAO-09-553	Auto Industry: Summary of Government Efforts and Automakers' Restructuring to Date	04/23/09
GAO-09-580	Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues Is Essential	04/23/09
GAO-09-473SP	Afghanistan: Key Issues for Congressional Oversight	04/21/09
GAO-09-304SP	United States Government Accountability Office Fiscal Year 2010 Performance Plan	04/13/09
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GAO-09-263SP	Securing, Stabilizing, and Developing Pakistan's Border Area with Afghanistan: Key Issues for Congressional Oversight	02/23/09
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GAO-09-296	Troubled Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues	01/30/09
GAO-09-271	High-Risk Series: An Update	01/22/09
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GAO-09-216	Financial Regulation: A Framework for Crafting and Assessing Proposals to Modernize the Outdated U.S. Financial Regulatory System	01/08/09
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GAO-09-18SP	Highlights of a Forum: Ensuring Opportunities for Disadvantaged Children and Families	11/13/08
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GAO-08-837	Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed	06/23/08
GAO-08-447SP	Highlights of a Forum Convened by the Comptroller General of the United States: Improving the Federal Government's Financial Management Systems	04/16/08
GAO-08-627SP	Highlights of a Forum Convened by the Comptroller General of the United States: Strengthening the Use of Risk Management Principles in Homeland Security	04/15/08
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	Cobell, et. V. Babbitt, et al., Civil Action No. 1:96 CV 01285	08/27/99
AIMD-99-21.3.1	Standards for Internal Control in the Federal Government (Exposure Draft)	05/01/99
AIMD-99-21.2.9	System Requirements for Managerial Cost Accounting Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996	01/01/99
AIMD-99-32	Executive Guide: Leading Practices in Capital Decision-Making	12/01/98
AIMD-99-10	Financial Management Service: Areas for Improvement in Computer Controls	10/20/98
AIMD-99-3	Financial Audit: Issues Regarding Reconciliations of Fund Balances With Treasury Accounts	10/14/98
AIMD-99-5*	Federal Reserve Banks: Areas for Improvement in Computer Controls	10/14/98
AIMD-99-6	Federal Reserve Banks: Areas for Improvement in Computer Controls	10/14/98
AIMD-98-92	Information Security: Serious Weaknesses Place Critical Federal Operations and Assets at Risk	09/23/98
NSIAD/AIMD-98-257	Defense Information Superiority: Progress Made, but Significant Challenges Remain	08/31/98
IAP-98-26	Improving Financial Management and Accountability in the Federal Government Issue Area Plan: Fiscal Years 1999-2001	08/01/98
AIMD-98-183*	Financial Management Service: Areas for Improvement in Computer Controls	07/31/98
GAGAS-ED-2	Government Auditing Standards: Auditor Communication (Exposure Draft)	07/08/98
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IAP-98-17	Managing the Challenges of the Information Age Issue Area Plan: Fiscal Years 1998-2000	07/01/98
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AIMD-98-85	Year 2000 Computing Crisis: Potential for Widespread Disruption Calls for Strong Leadership and Partnerships	04/30/98
GAGAS-ED-1	Government Auditing Standards: Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles' in Reports on Financial Statements of the Federal Government and Its Component Entities	04/30/98
AIMD-98-110	Executive Guide: Leading Practices in Capital Decision-Making	04/01/98
AIMD-98-89	Executive Guide: Measuring Performance and Demonstrating Results of Information Technology Investments	03/01/98
AIMD-98-77	Financial Audit: Examination of IRS' Fiscal Year 1997 Custodial Financial Statements	02/26/98
AIMD/GGD-98-54	Tax Systems Modernization: Blueprint Is a Good Start But Not Yet Sufficiently Complete to Build or Acquire Systems	02/24/98
AIMD-98-21.2.1	Framework for Federal Financial Management System Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996 (Exposure Draft)	12/01/97
AIMD-98-21.2.2	Core Financial System Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996 (Exposure Draft)	12/01/97
AIMD-98-21.2.3	Personnel-Payroll System Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996 (Exposure Draft)	12/01/97
AIMD-98-21.2.4	Inventory System Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996 (Exposure Draft)	12/01/97
AIMD-98-21.2.5	Seized/Forfeited Asset System Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996 (Exposure Draft)	12/01/97
AIMD-98-21.2.6	Direct Loan System Checklist: Systems Reviewed Under the Federal Financial Management Improvement Act of 1996 (Exposure Draft)	12/01/97
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AIMD-98-21.3.1	Standards for Internal Control in the Federal Government (Exposure Draft)	12/01/97
AIMD-98-21	Executive Guide: Information Security Management: Learning From Leading Organizations (Exposure Draft)	11/01/97
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AIMD-97-163	Executive Guide: Measuring Performance and Demonstrating Results of Information Technology Investments (Exposure Draft)	09/01/97
AIMD-97-155R	Financial Audit: Auditing Use of OMB's Credit Subsidy Model	08/29/97
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AIMD-97-108R	Financial Management: Comments on DFAS' Draft Federal Accounting Standards and Requirements	06/16/97
HR-97-30	High-Risk Program: Information on Selected High-Risk Areas	05/16/97

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AIMD-10.1.12	The System Assessment Framework, Version 1.1: A Guide for Reviewing Information Management and Technology Issues in the Federal Government	05/01/97
AIMD-10.1.15	Business Process Reengineering Assessment Guide--Version 3	04/01/97
AIMD-10.1.13	Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-making	02/03/97
158699	Reliable Financial Information: A Key to Effective Program Management and Accountability	01/01/97
AIMD-97-12	Federal Debt: Answers to Frequently Asked Questions	11/27/96
AIMD-96-144*	DOD General Computer Controls: Critical Need to Greatly Strengthen Computer Security Program	09/30/96
AIMD-96-110	Information Security: Opportunities for Improved OMB Oversight of Agency Practices	09/24/96
AIMD/GGD-96-152	Internal Revenue Service: Business Operations Need Continued Improvement	09/09/96
AIMD-96-130	Debt Ceiling: Analysis of Actions During the 1995-1996 Crisis	08/30/96
AIMD-96-90	Software Capability Evaluation: VA's Software Development Process Is Immature	06/19/96
AIMD-96-106	Tax Systems Modernization: Actions Underway But IRS Has Not Yet Corrected Management and Technical Weaknesses	06/07/96
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AIMD-96-7	CFO Act Financial Audits: Increased Attention Must Be Given to Preparing Navy's Financial Reports	03/27/96
AIMD-96-4	Financial Management: Implementation of the Cash Management Improvement Act	01/08/96
AIMD/RCED-95-134	Tennessee Valley Authority: Financial Problems Raise Questions About Long-Term Viability	08/17/95
AIMD-95-156	Tax Systems Modernization: Management and Technical Weaknesses Must Be Corrected If Modernization Is to Succeed	07/26/95
AIMD-12.19.5B	Financial Reporting: Checklist for Reports Prepared Under the CFO Act	07/01/95
AIMD-95-171R	Employees' Travel Claims (DOD)	06/26/95
AIMD-95-117	Federal Family Education Loan Information System: Weak Computer Controls Increase Risk of Unauthorized Access to Sensitive Data	06/12/95
AIMD/OCE-95-119	The Deficit and the Economy: An Update of Long-Term Simulations	04/26/95
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AIMD/NSIAD-94-101	Defense Management: Stronger Support Needed for Corporate Information Management Initiative to Succeed	04/12/94
AIMD-94-84R	DOD 'M' Accounts	02/24/94
AIMD-94-70R	Electronic Signature Prototype System	02/08/94
HEHS/AIMD-94-79	Medicare: New Claims Processing System Benefits and Acquisition Risks	01/25/94
PEMD-90-18, PEMD-90-18S	Diversifying and Expanding Technical Skills at GAO	04/01/90
GGD-89-74	1990 Census: Delays in Completing the Address List for Suburban and Rural Areas	07/10/89
GGD-89-77BR	1990 Census: Overview of Key Issues	07/03/89
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GGD-89-6	Federal Productivity: DOD's Experience in Contracting Out Commercially Available Activities	11/28/88
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GGD-87-98FS	Decennial Census: 1980 Post Census Day Improvement Programs	07/09/87
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GGD-87-76FS	Decennial Census: A Comparison of the 1980 and 1990 Census Questionnaire Contents	05/11/87
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GGD-86-85BR	Height Limitations: D.C. Government's Authority To Amend Building Height Limitations	09/19/86
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**LIST OF PUBLISHED ARTICLES/WRITINGS FOR GENE L. DODARO
2010-2000**

Date	NAME OF PUBLICATION/ARTICLE	TOPIC
9/29/08	Roll Call	Transition Will be Anything But Ordinary in '09
7/17/08	The Hill	Lawmakers Must Act to Avert Crisis of Escalating Costs
Winter 1997	The Government Accountants Journal	Gearing Up for Downsizing: Lessons Learned While Reshaping the General Accounting Office
6/14/88	Institute of Public Finance and Accountancy, Brighton England, (published by the University of Ulster, Ireland)	General Management Reviews: Building Government's Institutional Capacity (paper presented before the Institute of Public Finance and Accountancy)
Fall 1988	The GAO Journal	Focusing on Fundamentals: GAO's General Management Reviews
Fall 1985	GAO Review	Teamwork Counts: GAO Reviews Block Grants (co-author)

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GUEST OBSERVER

By Gene L. Dodaro

Transition Will Be Anything but Ordinary in '09

The upheaval in the financial and housing markets adds yet another unique and critical dimension to the nation's transition to the next president and the next Congress.

But that is not the only reason this will be no ordinary transition. Not since Lyndon Johnson handed the reins of power to Richard Nixon in 1969 has the nation faced a presidential transition in a time of war. In addition, this will be the first post-9/11 transition, with a relatively new Department of Homeland Security undergoing its first presidential transition while grappling with the threats we face here at home. The White House will need to fill thousands of political and appointive positions across government. And on Capitol Hill, with 26 House Members and five Senators deciding not to seek reelection, there are sure to be many Congressional newcomers as well.

While the Government Accountability Office, as a legislative branch agency, has extensive experience helping each new Congress, amendments in 2000 to the Presidential

Transition Act included the GAO as a resource to the incoming administrations as well. The act specifically identified the GAO to serve as a source for key management challenges and risks to help presidential appointees make the leap from campaigning to governing.

We take this role very seriously, and our planning to effectively perform this role is well under way. I have recently testified at two Congressional hearings on this matter held before the Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia and the House Oversight and Government Reform Subcommittee on Government Management, Organization and Procurement.

For this transition, the GAO will highlight urgent issues that the new president and his appointees will confront from Day One. These include immediate challenges ranging from national and homeland security to oversight of financial institutions and markets, as well as food and drug safety. The GAO will synthesize the hundreds of reports and testimonies we issue every year so that new policymakers can quickly zero in on critical issues during the first days of the new ad-

ministration. Our analysis, incorporating the GAO's institutional memory across numerous administrations, will be ready by the time the election results are in and transition teams begin to move out.

Although issues such as energy dependence, the economy and Iraq are, understandably, at the forefront of this year's political debate, the truth is that significant problems plague a range of less-visible government programs and fiscal policies that directly affect the well-being of nearly every American. At many federal agencies, key missions and initiatives get low marks on efficiency and effectiveness. At the same time, current security and economic commitments will be competing with other worthy areas for resources.

To help prioritize issues, incoming officials are going to need solid facts on government performance and capacity. Navigating the federal government can be a daunting task with its multitrillion-dollar budget, millions of employees, myriad missions and infrastructure that spans not just our own borders but the entire globe.

Consequently, the GAO's 2008 transition work will highlight key issues at major agencies as well as the need to modernize the machinery of government through better

application of technology, financial data, human capital and contracting practices. Importantly, the GAO also will underscore the need to develop strategies for addressing the government's serious long-term fiscal sustainability challenges, driven primarily by health care costs and changing demographics. Our goal is to provide Congressional and executive branch policymakers with a comprehensive snapshot of how things are working across government and the need to update some federal activities to better align them with 21st-century realities and bring about government transformation.

In keeping with the GAO's role, we will not be making policy choices but will be providing Congress and the executive branch with clear facts and good, constructive options and suggestions that our elected officials can use in this pivotal transition year. My hope and belief is that the new and returning leaders will be able to use such information to help meet both the nation's urgent issues and long-term challenges so that the U.S. stays strong and secure now and for the next generation.

Gene L. Dodaro is acting Comptroller General of the United States.

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SPECIAL REPORT: HEALTHCARE

Lawmakers must act to avert crisis of escalating costs

By Gene L. Dodaro

The Government Accountability Office is known for its reviews of day-to-day government operations, which often focus on whether current programs and policies are meeting their objectives and delivering good value for dollars spent. But GAO also strives to provide policymakers with foresight about emerging trends that present serious long-term implications. One such trend faces us now: the nation's very expensive, and often inefficient, healthcare system.

Long-term simulations from GAO, the Congressional Budget Office and others show that, while federal deficits have declined in the last few years, our government faces structural deficits of staggering proportions in the coming decades. Although this long-term fiscal imbalance is being driven by several factors, including changing demographics, the principal cause is the escalating cost of healthcare.

In recent testimony before the Senate Finance Committee, I emphasized that this is a problem that confronts both the government and the private sector. At the federal level, Medicare and Medicaid spending are growing rapidly. State and local governments are also being squeezed, both by Medicaid costs as well as health insurance for their employees and retirees. Soaring health insurance premiums mean that fewer American businesses may cover their workers and those that do may find themselves less competitive in the global marketplace.

Healthcare spending is on the rise for several reasons, including increased utilization of services for new and existing medical technology; a lack of reliable comparative information on medical outcomes, quality of care and cost; and increased prevalence of risk factors such as obesity that can lead to expensive chronic conditions.

Demographics are another factor. Since the early 1900s, life expectancy has been rising, and with the aging of the baby boomers we are poised to see an explosion in our elderly population — individuals who, over time, generally require more, not less, medical attention.

Importantly, our current healthcare system needs to provide incentives to help contain costs and greater transparency about the actual value and costs of various healthcare options. The reality is that health insurance, including Medicare, tends to insulate consumers from the financial consequences of their healthcare choices.

Healthcare spending is outpacing U.S. economic growth. From 1976 through 2006, spending on healthcare grew from about 8 percent to 16 percent of GDP; it is projected to reach 20 percent of GDP by 2016. In 2005, we spent about \$6,400 per person, nearly twice that of France, Canada and Germany.

High-priced medicine, however, is no guarantee of quality care. Despite dramatic advances in treating cancer and other diseases, the United States actually lags behind many other nations on life expectancy and other key health indicators. We also have high medical error rates.

At the same time, more than 40 million Americans have gone without health insurance in recent years; even

the future, there is a compelling need to examine how to better define, deliver, and finance healthcare in this country — both in the public and private sectors. We also must reevaluate how responsibility for health insurance should be divided among employers, individuals and government.

Facing up to the reality of rising healthcare spending and demographic change — and their interaction — is essential. Some of the oldest members of the baby boom generation are already drawing Social Security benefits, and they become eligible for Medicare in less than three years.

The challenge for policymakers is to act soon, before a crisis hits. The longer healthcare reform is delayed, the more painful options become. Fortunately, there is a window of opportunity to act and phase in meaningful changes that will allow providers and the public time to adjust — but that window is shrinking.

Beyond addressing the problems plaguing our healthcare system, returning America to a sustainable fiscal path will require a multi-pronged approach that addresses a broad range of current spending and tax policies. Across the board, our government needs to revisit what it does and how it does business. A complete review of all federal activities to ensure their relevance for the 21st century is long overdue. This will require priority setting and a willingness to hold agencies and programs accountable for delivering results.

GAO will continue to encourage a more strategic, future-oriented approach to policymaking. We look forward to continuing to work with Congress to provide members with the best available information, as well as constructive policy options, to help tackle healthcare and our other long-term challenges.

Dodaro is acting Comptroller General of the United States.

FACING UP TO THE REALITY OF RISING HEALTHCARE SPENDING AND DEMOGRAPHIC CHANGE — AND THEIR INTERACTION — IS ESSENTIAL.

many working adults and their families lack coverage. For those with insurance, policies increasingly have higher cost-sharing requirements and benefit limitations.

To provide the American people with an acceptable level of healthcare in

GEARING UP



DOWNSIZING

By Gene L. Dotaro, CGFM

Lessons Learned In Reshaping GAO

Smaller government has been a resounding theme throughout the United States, and indeed many countries, for the past several years. This trend has been fueled by concerns over growing levels of government debt, rapidly increasing costs of health care and other essential public services, as well as the prospects of even greater demands to serve aging populations. Such pressure has prompted wide-ranging debates over what is the appropriate level of resources to commit to the many government activities.

The United States General Accounting Office (GAO) has been no exception. Prompted by the need to control the growth of federal legislative branch appropriations, Congress in 1995 directed a 25 percent reduction in GAO's funding—15 percent to be accomplished in fiscal year 1996 and an additional 10 percent in fiscal year 1997. To an agency that spends about 80 percent of its total budget on personnel, such a reduction resulted in a dramatic change in size. As fiscal year 1997 began in October, GAO employed one-third fewer staff than it did five years earlier and the current workforce is the smallest since World War II.

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Lessons Learned In Reshaping GAO (continued from page 15)

Still, by all indicators, GAO was able, during this uncertain time, to maintain a high level of productivity and exemplary service to Congress. During this period, GAO witnesses testified more than 200 times before congressional committees and produced over 1,000 reports. GAO's work also led to legislative and executive actions that have yielded financial savings and other benefits totaling billions of dollars. In fiscal year 1995 alone, the amount was \$15.8 billion—a return of more than \$35 for every dollar appropriated to GAO.¹ Although final figures are not yet in, fiscal 1996 will likely show another large return.

The transformation to a GAO that could achieve such results with fewer resources was not easy—nor was it accidental. It was the result of convincing Congress to allow the execution of a carefully orchestrated plan over a two-year period that accomplished Congress' goals for downsizing, but retained the integrity and efficacy of the agency. The GAO experience offers lessons learned, many of which could be instructive to other agencies faced with similar circumstances.

Anticipate Change

By the early 1990s, it was becoming clear that budgetary restraint was necessary. Based on our work with the federal budget deficit and debt burden, we were well aware of the need to reduce the size and cost of government. The initiatives brought forth by Congress and the Clinton Administration to curtail government spending came as no surprise. After discussions with our appropriations committees, we took steps to prepare the agency for an uncertain future.

- In February 1992, we imposed a hiring freeze, reducing our personnel strength through normal attrition and minimizing the adverse affect on current employees.

- In late 1993, we received the authority to offer "buyouts" of up to \$25,000 to employees willing to leave the agency voluntarily. About 400 employees departed the agency by this means, significantly reducing future personnel costs.

- In November 1993, we completed a congressionally mandated study of our field office structure and announced the closure of eight field locations. While all employees in the affected locations were offered job assignments at other GAO units, about half of them chose to leave the agency rather than move.

- We accelerated the use of technology to help reduce costs. Video conferencing was introduced agency-wide starting in 1992; in the following years, all GAO offices were connected to an agency-wide computer network and voice messaging telephone system, adding to workplace efficiencies.

- In early 1995, the Comptroller General announced a major initiative to reengineer the basic processes used by GAO to conduct audits and evaluations. The goal was a more efficient process that would better meet our customers' needs.

All of these steps were taken or underway before it became clear in May of 1995 that Congress would direct the 25 percent reduction in GAO's budget, to be absorbed in fiscal years 1996 and 1997. Had these early steps not been taken, GAO's position during the next downsizing phase would

have been much more difficult.

Move Quickly and Decisively

In June 1995, a team of senior-level managers was appointed to assess the impact of the expected 25 percent reduction in funding. The Comptroller General set a short deadline, asking the team to report back by the end of July with recommendations for downsizing the agency. In early August, he accepted the team's recommendations, which emphasized the following principles and assumptions:

- GAO's basic mission would not change;
- Recommendations should not impair the effectiveness of the organization;
- GAO must balance its obligation to its staff with its responsibility to use taxpayers' resources efficiently; and
- The downsizing plan should be implemented in a way that would minimize the impact of staff reductions on ongoing work and service to Congress.

The team concluded that its overriding goal was to ensure that the agency remained an effective organization, reasoning that GAO "must avoid budgetary free-fall, where we are unable to meet our customer's needs in a high-quality manner, and thus suffer additional budget cuts year after year."

The recommendations were sobering. They included closing three additional regional offices and involuntarily separating the staff; implementing a reduction-in-force (RIF) in the administrative and support staff throughout the agency; and studying the contracting of selected administrative and support activities. While every effort would be made to maximize voluntary separations through a renewed "buy-out" program and "early-outs," it was clear that RIFs would be needed to achieve such large reductions within a relatively short period of time.

The Comptroller General's August 1995 announcement established time periods for each activity and assigned responsibility for carrying out the recommended tasks. Throughout late 1995 and all of 1996, this timetable was adhered to scrupulously. Management determination was an important ingredient in effectively implementing a painful set of decisions.

Ensure Constant, Effective Communication

In the year leading up to the major downsizing announcement, GAO had attempted to keep employees apprised of events in Congress that could affect the agency. The normal means were used: staff meetings, memoranda and video conferences. Unfortunately, in the midst of congressional deliberations and before a final decision had been rendered, misinformation and rumors very often outnumbered facts.

Once the downsizing plan was announced, an extensive agency-wide communications strategy was established to communicate the truth. Initially, the communication focus was on the recommendations of the downsizing team, especially to those in the most adversely affected units. The Senior Executive Service corps was educated on the plan as preparation to effectively addressing staff concerns. And nu-

merous meetings were held so that all staff could learn about the downsizing firsthand and ask questions as it moved forward.

Technology was a big asset in quickly getting the word out to all personnel. Important information was posted on the agency-wide computer network, making it immediately available, unfiltered to everyone. Similarly, telephone voice mail served us well in communicating efficiently.

Provide Assistance to Affected Staff

The most difficult aspect of downsizing was the traumatic effect it had on many individuals who had served GAO well over the years. The agency took steps to provide a full range of counseling, skill building, out placement and other services to staff affected by the downsizing decisions. The services started shortly after the announcement was made and remained in force for about three months after all involuntarily separated staff had left the agency. Most staff took advantage of the services. Information available to us indicates that the services have helped many former staff make successful transitions to other employment.

Providing such services is obviously important for the people whose lives have been disrupted by job loss. It is also important to those who remain to know that their colleagues are receiving assistance.

Plan for the Future

Even while we were in the midst of a painful transition, everyone knew that Congress still expected a vibrant and valuable GAO to continue providing them with essential assistance. In the Accounting and Information Management Division we set about fulfilling this expectation in many ways.

First, we created a new set of strategic plans for the division's three main lines of business. The plans included:

- Planning in the financial management area to improve accountability in the federal government. This effort focuses on analyzing the financial condition and results of operations for our federal government and helping to ensure effective implementation of the Chief Financial Officers (CFO) Act;
- Planning for improving federal performance in the information age, centering around (1) promoting the goals of the Clinger-Cohen Act of 1996, which calls for modern management practices for information technology throughout government; and (2) dealing with high-risk, major modernization efforts; serious computer security problems; and the impending software conversions needed to address the critical year 2000 problem;
- Planning for budget issues that focus on the federal deficit, the effects of the budget and budget process on a policymaker's ability to make choices; and the impact of the budget on the operations of the government.

Second, we created new job series for critical infor-

mation technology skills. These included ADP/Telecommunications Specialists, Information Systems Analysts and Business Process Analysts. These new job series have greatly enhanced our ability to serve Congress through training and the adoption of many new methodologies, such as the criteria used by the Software Engineering Institute at Carnegie Mellon University to assess an organization's software development capabilities.

The recommendations were sobering.

We also have built partnerships with the Inspectors General and Chief Financial Officers throughout government, along with the Office of Management and Budget and the Department of the Treasury, to meet new mandates that call for the preparation and audit of financial statements across the executive branch. These efforts are essential to achieving the goals of the CFO Act and are instrumental in helping GAO perform the first-ever audit of the U.S. government's financial statements.

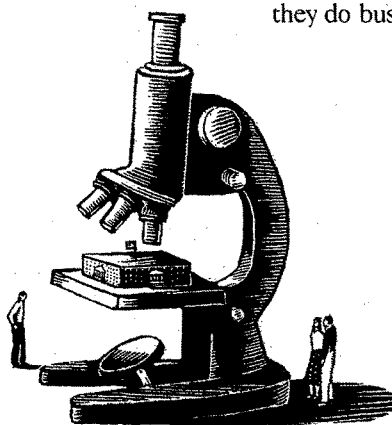
These actions and many others taken throughout GAO in the last two years serve as recent testimony to the agency's long history of adapting to change. Whether it be moving from the Treasury Department to the legislative branch in 1921, shifting in the 1950s from auditing virtually every government voucher to auditing entire departments' and agencies' financial operations or initiating program evaluations in the 1970s, GAO has adapted and continued to serve Congress and the American public with excellence and dedication. And, as GAO celebrates its 75th anniversary, it stands ready and able to carry this tradition of meeting the challenges facing our nation into the 21st century.

End Note

¹ The General Accounting Office Comptroller General's 1995 Annual Report, pp. 2, 53.

FOCUSING ON FUNDAMENTALS: GAO'S GENERAL MANAGEMENT REVIEWS

A look at how GAO helps federal agencies focus on long-range improvements in the way they do business.



General management reviews have been the subject of some debate both within and outside GAO. Recently eight GAO managers who have been involved in management reviews gathered to discuss the program and prepare this introduction. They are: Gene L. Dodaro, Associate Director in the General Government Division (GGD); J. William Gadsby, Associate Director in the Human Resources Division (HRD); Sarah F. Jagger, Deputy Director for Operations, HRD; Suzanne J. McCrory, Project Director, HRD; Flora H. Milans, Associate Director in the Resources, Community, and Economic Development Division; Bernard L. Ungar, Associate Director, GGD; Earl F. Walter, Project Director, GGD; and David R. Warren, Project Director, National Security and International Affairs Division.

WHEN FEDERAL PROGRAMS don't work the way they should — when tax returns are not processed accurately, when procurement problems lead to faulty weapon systems, when retirees can't make sense of notices informing them of changes in their Social Security checks — only then is there a concerted focus on agencies' management. Rarely, however, are villains to be found. Instead, the source of trouble is usually traced to basic management weaknesses. Federal agencies may differ enormously in size, mission, and the scope and complexity of their programs, but when they ignore the fundamentals — the systems, people, processes, and structures required to manage — they are all sooner or later vulnerable to breakdown.

A few years ago, GAO began to complement its customary evaluations of individual programs with a new line of business: reviews of the overall management of agencies. The major goal of these general management reviews (GMRs) was to impress upon the leaders of executive branch agencies the importance of improving their management practices. Regardless of the legislative and political agenda the leadership is charged with advancing, getting it accomplished depends largely on how effectively the agency is run.

There were two other goals. One was to help the Congress oversee federal operations. The other was to improve GAO's own performance. We at GAO hoped that by looking at agencywide operations, we could broaden our knowledge and perspective in order to do more effective audits and evaluations in the future.

Unlike our usual audits and evaluations, which typically are performed at the request of the Congress, management reviews are initiated by GAO and depend very much on the cooperation and sup-

port of the agency heads. Getting action on recommendations that often call for fundamental changes in how an agency operates requires a commitment from the top down. (See the accompanying article, "GMRs: Three Managers' Perspectives".)

Management reviews fall into two categories: line agency reviews, which examine the management practices of individual agencies; and central management agency reviews, which examine the role and the performance of three agencies that are responsible for providing governmentwide leadership — the Office of Management and Budget, the Office of Personnel Management, and the General Services Administration.

Line agency reviews are the cornerstone of the effort. In determining the order and timing of line agency GMRs, we apply criteria that include the size of the agencies, their visibility to and impact on the public, the potential receptivity of agency management, the significance of the issues the agencies are facing, and the degree of congressional interest.

We began with a pilot study at the Department of Housing and Urban Development and moved on to the Departments of Labor, Justice, and Transportation and the Defense Logistics Agency. More management reviews have followed and others are in progress. (See box, page 20.)

When we began, our approach required that in every case we look into a set of functional areas, such as personnel management, policy, budget, and procurement. This approach, however, proved to be time-consuming and hard to relate to agencies' missions and programs. Today, line agency reviews are designed to determine how well an agency's management policies, procedures, and systems contribute to accomplishing its mission. The case-study approach we now take lets us focus on the policy, program, or operational issues of particular importance to the agency head, and has cut the cost of each review in half.

Not surprisingly, the most common recommendations emerging from our line agency reviews reinforce management basics, such as developing strategic planning systems to prepare the agency for future challenges; dealing with leadership weaknesses that result from a high rate of turnover and lack of accountability; addressing long-standing problems involving information resources management, financial management, and internal controls; and focusing more on how managers and workers are recruited and trained.

The response from the agencies has been encouraging. At Labor, for example, the Secretary took action to implement 47 of 49 GMR recommendations. Central to many of the improvements was the creation of the Secretary's Management System, which was designed to implement policy and program goals. At the Internal Revenue Service, officials are in the process of implementing over 40 recommendations, including a major organizational realignment that will change the operational culture of the agency and improve the quality of its service to the public. At the Social Security Administration, the Commissioner initiated actions to address all 50 recommendations. One key action was the development of a strategic plan to guide the agency's service-delivery approach into the next century. In responding to numerous GAO recommendations, the Environmental Protection Agency agreed to take a variety of actions, including steps to more clearly communicate its goals and direction, and more effectively measure its efforts to clean up the nation's environment.

These are a few of the important actions taken to date. Only in time, however, will we learn whether management reviews can accomplish what they set out to do. In the past two decades GAO has moved beyond financial auditing into program evaluation. Now, management reviews have been introduced, and to refine this new line of GAO business and assess the results will take time. Also, the effort has raised a fundamental question about the role of GAO: Can we develop the cooperative relationships with executive branch agencies that management reviews require and still maintain the independence and objectivity so important to our work?

Undoubtedly, our response to the question is that we have maintained and will continue to maintain our independence and objectivity. Some observers have seen management reviews as an attempt by GAO to assume the "management consultant" role. But while we may address many of the same issues that management consultants do, we have made it a point to maintain our objectivity — emphasizing that the agencies' operations are the public's business, and that GAO's responsibility is to report its findings to the Congress.

It is, at the very least, an interesting proposition we pose to agency leaders: Trust us to help you better understand the functioning of your agencies. Share information with us. Convince your staffs of the value of cooperating with the management

GAO'S MANAGEMENT REVIEW REPORTS

<i>Increasing the Department of Housing and Urban Development's Effectiveness Through Improved Management</i>	GAO/RCED-84-9, Jan. 10, 1984	<i>Social Security Administration: Stable Leadership and Better Management Needed to Improve Effectiveness</i>	GAO/HRD-87-39, Mar. 18, 1987
<i>Strong Leadership Needed to Improve Management at the Department of Labor</i>	GAO/HRD-86-12, Oct. 21, 1985	<i>Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management</i>	GAO/RCED-87-3 and RCED-87-35, Apr. 13, 1987
<i>Improved Management Processes Would Enhance Justice's Operations</i>	GAO/GGD-86-12, Mar. 14, 1986	<i>Followup on the Management Review of the Defense Logistics Agency</i>	GAO/ NSIAD-88-107, Mar. 28, 1988
<i>Progress and Challenges at the Defense Logistics Agency</i>	GAO/ NSIAD-86-64, Apr. 7, 1986	<i>Environmental Protection Agency: Protecting Human Health and the Environment Through Improved Management</i>	GAO/ RCED-88-101, Aug. 16, 1988
<i>Department of Labor: Assessment of Management Improvement Effort</i>	GAO/HRD-87-27, Dec. 31, 1986		

MANAGEMENT REVIEWS IN PROGRESS

Internal Revenue Service	Office of Personnel Management
Reserves and National Guard	General Services Administration
Office of the Secretary of Health and Human Services	Office of Management and Budget
Defense Acquisition Management	Department of Agriculture

review teams. But recognize that while the teams are at work in your agencies, other GAO personnel will continue to pursue the usual audits and evaluations of your programs.

Although openness — the public disclosure of problems — has its risks, there are benefits to be gained. Management reviews offer leaders the opportunity to make clearer to many people the context within which agencies have to function. A broader understanding of that context can help leaders improve their chances for successfully implementing their initiatives.

Another potential gain is that the broader understanding may rub off on GAO as well. We are sometimes told that our recommendations don't display a sophisticated understanding of the environment in which agencies operate and the constraints that agency managers face. If that is true, then it can't hurt to develop a body of GAO staff that better understands how and why agencies do what they do. Therefore, we give much thought to the backgrounds of the GAO personnel who get involved in management reviews, and to the assignments they will have after the reviews are finished. The goal is to incorporate our new insights into GAO's institutional memory and to position ourselves to better serve the Congress and the public in the future.

We are convinced management reviews will

improve government. The key contribution is to provide a long-term framework for improving agency operations — something of real value to the executive branch, where the tenure of political appointees averages less than 2 years, and to the Congress, where the long-range, nuts-and-bolts issues of government operations are often obscured in the rush of political and legislative matters.

In a much broader sense, management reviews eventually may help the Congress and the executive branch better understand each other. While the job of the legislative branch is to design federal programs, fund them, and oversee their operations, many executive branch managers complain of congressional micromanagement, legislatively mandated constraints, regulatory structures, and government-wide systems that tie their hands. Management reviews may help, not only to spotlight these issues, but to allow policymakers the opportunity to think them through again — to decide which constraints on managers may be helpful to the operation of government and which may not. Given the growing needs of the nation, coupled with the difficult choices forced on it by resource constraints, a broader examination of government operations — of the connection between the goals of public programs and the government's ability to deliver on its promises — will clearly be in the public interest. ■



Gene L. Dodaro



J. William Gadsby

Mr. Dodaro, an associate director for management studies and Financial Integrity Act work in the General Government Division, joined GAO in 1973. Most recently, he has been codirector of GAO's work on block-grant programs. Mr. Gadsby, an associate director for management studies, financial integrity, and intergovernmental relations in the Human Resources Division, joined GAO in 1963. From 1962 to 1984 he served as codirector of GAO's office-wide study on block-grant implementation. See "GAO Staff Changes" on p. 39 for more complete biographies of the authors.

Teamwork Counts: GAO Reviews Block Grants

Few domestic program changes have been watched with as much interest as have those that changed the structure of the funding mechanism for billions of dollars in federal spending from categorical to broad-based block grants. The Omnibus Budget Reconciliation Act of 1981 began an era of new relationships between the federal and state governments by changing from many narrowly focused grants to nine block grants in social services; low-income home energy assistance; alcohol, drug abuse, and mental health services; community services; maternal and child health services; preventive health and health services; and education. With the change, much of the control and accountability shifted from federal to state governments.

To help the Congress evaluate the progress and impact of these shifts, GAO undertook one of the largest reviews in its history. Between October 1982 and April 1985, GAO assessed the implementation of eight of the block grants created by the 1981 act. GAO's block-grant study clearly helped the Congress assess the first few years in this new era of domestic assistance. In the process, GAO gained recognition as a leading source of information on block-grant issues. GAO can be expected to be a key participant in future congressional debates on block grants as well as other federalism initiatives. This article describes the innovative assignment-management practices used during this review and provides insights into the effects of the act.

An Exercise in Group Dynamics

From its inception, the block-grant project was the work of many hands. An interdivisional working group with representatives from the Human Resources Division (HRD); the General Government Division (GGD); the Resources, Community, and Economic Development Division (RCED); the Program Evaluation and Methodology Division (PEMD); the Accounting and Financial Management Division (AFMD); and the Office of the General Counsel (OGC) developed a strategy to

consolidate 19 assignments and respond to several congressional requests. This strategy outlined the key questions and issues to be addressed, the approach to be used, and the organizational structure to manage the project.

A matrix organizational scheme was used in which eight "block-grant leaders" and seven "issue leaders" were responsible for each program and certain cross-cutting topics, respectively. The issue leaders were selected from HRD, GGD, PEMD, and AFMD to take advantage of their functional expertise while block leaders came from RCED and HRD because of their program knowledge. In addition to creating the right mix of skills, this matrix structure enabled us to report on each program as well as on certain key issues that applied to all the block grants.

Two other aspects of our organizational arrangement were equally critical to the success of the effort: the design team and the regional structure. A team of PEMD design experts worked as an integral part of the project to help develop the methodology and a variety of data collection instruments. This arrangement was crucial because of the complex methodology required by the project's large size and unique reporting strategy.

The 12 regions applied an innovative project management structure. Each selected a senior staff member as the focal point for communicating with the project directors during various conferences and weekly conference calls. They also managed the work of the teams sent to each state to cover all the block-grant programs. This led to the timely and effective completion of several months' field work and created an atmosphere in which the focal points and regional teams made invaluable contributions to the overall planning and managing of the project.

States Adapt to New Role

The first 2 years of block-grant implementation proceeded relatively

smoothly because of the 13 states' prior experience with many of the categorical programs. This involvement provided an administrative framework for absorbing the states' new responsibilities with little organizational change. Although reduced federal funding generally accompanied the block grants, the continuing availability of categorical funds, the supplemental monies from the federal emergency jobs legislation, and the ability to transfer funds among certain blocks helped promote fiscal stability in most programs. States also used their own funds to help offset certain federal funding cuts.

As the 13 states considered how to spend block-grant funds, they used the federally mandated legislative hearings and comment process to obtain public input. They often initiated executive branch hearings and set up advisory committees, relying heavily on the latter for decision-making purposes. States' efforts to obtain public input were extensive; however, interest groups had mixed views about these efforts. Also, in making their initial program decisions, states generally emphasized program continuity, although funding patterns did begin to change as states established their own priorities and sought to cope with funding limitations. The program changes varied widely among block grants, affecting both funding levels and service-provider operations.

As block-grant implementation proceeded, the 13 states reported widespread management improvements. These improvements involved reduced time and effort to prepare applications and reports and simplified or standardized administrative procedures.

Greater reliance was placed on state procedures than on federal efforts to oversee block-grant expenditures. However, interest groups held mixed views regarding states' procedures and program decisions, and federal efforts have not looked at the adequacy of state systems and procedures. Therefore, it will be necessary to periodically assess how well states are ensuring program accountability.

GAO's Role During Reauthorization Proceedings

GAO's work enabled it to be the key source of information on block-grant implementation and a major participant in the legislative reauthorization process. In addition to providing authorizing committees with our

Block Grants, Cont'd from pg. 11

ing and auditing processes; (3) research alternative national funding formulas; (4) explore options for obtaining consistent national information; and (5) track state funding in block-grant program areas.

The large scope, unique goals, and compressed time frame of the block-grant project necessitated the creation

reports, GAO testified at four hearings for each of the three block grants scheduled for reauthorization in 1984: Preventive Health and Health Services (PHHS); Alcohol, Drug Abuse, and Mental Health (ADAMH); and Low-Income Home Energy Assistance (LIHEA). In addition, although the Maternal and Child Health (MCH) block grant was not slated for reauthorization in 1984, GAO's report prompted the Senate Committee on Finance, Subcommittee on Health, to hold a hearing on block-grant implementation on June 20, 1984. GAO testified as lead witness, and other participants included representatives from the Department of Health and Human Services, the Children's Defense Fund, the Urban Institute, the American Academy of Pediatrics, and various state and local health departments and organizations.

In addition to testifying, GAO conducted numerous briefings for staffs of various committees and individual members. These briefings provided timely information that was useful in considering pending legislation. We also provided comments on several pieces of legislation concerning suggested language for audits of block grants.



Work Influenced Congressional Actions

GAO's block-grant work was often cited as having been instrumental in congressional decisionmaking and legislative actions. The following examples highlight GAO's impact:

- The Senate Committee report

(98-393) on legislation to reauthorize the Preventive Health and Health Services block grant contained numerous references to GAO's work and discussed several proposed changes based on our findings, including repeal of the requirement for states to fund hypertension services at specified levels. The Committee said that GAO's work was most important because it provided the only comprehensive picture available. The Committee staff also said that GAO's work led to its decisions to propose eliminating the prohibition on using funds for purchasing emergency medical services equipment and to strengthen data collection requirements.

- GAO's ADAMH work helped ensure that the block-grant concept was continued, and it influenced congressional decisions regarding the need for legislative provisions to protect certain programs and groups.
- GAO's work on LIHEA was of considerable value in developing legislative proposals to change the program's eligibility criteria and carry-over/transfer authority as well as to require funding reserves for crisis assistance.
- GAO's Community Services and Education block-grant reports were used in deliberations on various amendments to change states' funding authority and flexibility.
- GAO's reports were also cited in debates concerning whether or not to create several new categorical preventive health programs covered by the PHHS and MCH block grants.

Also, at a hearing held on February 21, 1985, the Chairman of the Senate Budget Committee made the following statement when opening a hearing on proposed budget cuts to state and local governments:

A series of GAO studies found that the block grants created by the Omnibus Reconciliation Act of 1981 have accomplished what the Congress intended. States are able to spend less time and effort preparing applications and reports while having greater control over program priorities and the use of funds. Again, those who predicted disaster were wrong.

Future Work Plans

As block grants continue to evolve, GAO intends to regularly (1) assess the effects of some block grants on people served; (2) review state mechanisms for accountability, including monitor-

See Block Grants, pg. 57

work of the many people involved in GAO. While the block-grant project will be remembered for its coverage of many major issues in 13 states across the nation, it should also be remembered as a project in which GAO effectively marshalled interdisciplinary teams and a vast regional structure to undertake the evaluation of a major national policy initiative.

**RECORD OF TESTIMONIES FOR GENE L. DODARO
AS PRINCIPAL GAO WITNESS
2010-2000**

Date	Committee/Subcommittee	Testimony Topic
4/15/10	Senate Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2011 Budget Request: U.S. Government Accountability Office
4/14/10	House Committee on Oversight and Government Reform; Government Management, Organization, and Procurement Subcommittee	U.S. Government Financial Statements: Fiscal Year 2009 Audit Highlights Financial Management Challenges and Unsustainable Long-Term Fiscal Path
3/25/10	House Committee on Oversight and Government Reform	Troubled Asset Relief Program: Home Affordable Modification Program Continues to Face Implementation Challenges
3/17/10	House Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2011 Budget Request: U.S. Government Accountability Office
11/19/09	House Committee on Oversight and Government Reform	Recovery Act: Recipient Reported Jobs Data Provide Some Insight into Use of Recovery Act Funding, but Data Quality and Reporting Issues Need Attention
9/24/09	Senate Committee on Banking, Housing and Urban Affairs	Troubled Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues
7/8/09	House Committee on Oversight and Government Reform	Recovery Act: States' and Localities Current and Planned Uses of Funds While Facing Fiscal Stresses

Attachment 5

7/8/09	House Committee on Oversight and Government Reform: Government Management, Organization, and Procurement Subcommittee	Fiscal Year 2008 U.S. Government Financial Statements: Federal Government Faces New and Continuing Financial Management and Fiscal Challenges
5/5/09	House Committee on Science and Technology: Investigations and Oversight Subcommittee	Recovery Act: GAO's Efforts to Work with the Accountability Community to Help Ensure Effective and Efficient Oversight
4/28/09	House Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2010 Budget Request: U.S. Government Accountability Office
4/23/09	Senate Committee on Homeland Security and Governmental Affairs	Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues Is Essential
3/31/09	Senate Committee on Finance	Troubled Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues
3/19/09	House Committee on Ways and Means; Oversight Subcommittee	Trouble Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues
3/12/09	House Committee on Armed Services	DOD's High Risk Areas: Actions Needed to Reduce Vulnerabilities and Improve Business Outcomes
3/5/09	Senate Committee on Homeland Security and Governmental Affairs	American Recovery and Reinvestment Act: GAO's Role In Helping to Ensure Accountability and Transparency

Attachment 5

2/24/09	House Financial Services: Oversight and Investigations Subcommittee	Troubled Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues
2/11/09	House Appropriations: Defense Subcommittee	Defense Management: Actions Needed to Overcome Long-Standing Challenges with Weapon Systems Acquisition and Service Contract Management
2/5/09	Senate Committee on Banking, Housing and Urban Affairs	Troubled Asset Relief Program: Status of Efforts to Address Transparency and Accountability Issues
2/4/09	Senate Committee on Banking, Housing and Urban Affairs	Financial Regulation: A Framework for Crafting and Assessing Proposals to Modernize the Outdated U.S. Financial Regulatory System
1/21/09	Senate Committee on Homeland Security and Governmental Affairs	Financial Regulation: A Framework for Crafting and Assessing Proposals to Modernize the Outdated U.S. Financial Regulatory System
1/14/09	Congressional Oversight Panel for the Troubled Asset Relief Program	Financial Regulation: A Framework for Crafting and Assessing Proposals to Modernize the Outdated U.S. Financial Regulatory System
12/10/08	Committee on Financial Services, House of Representatives	Troubled Asset Relief Program: Additional Actions Needed to Better Ensure Integrity, Accountability and Transparency
12/5/08	Committee on Financial Services, House of Representatives	Auto Industry: A Framework for Considering Federal Financial Assistance

Attachment 5

12/4/08	Senate Committee on Banking, Housing and Urban Affairs, United States Senate	Auto Industry: A Framework for Considering Federal Financial Assistance
9/24/08	Subcommittee on Government Management, Organization, and Procurement, Committee on Oversight and Government Reform, House of Representatives	The Upcoming Transition: GAO's Efforts to Assist the 111 th Congress and the Next Administration
9/10/08	Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, the Committee on Homeland Security and Governmental Affairs, United States Senate	The Upcoming Transition: GAO's Efforts to Assist the 111 th Congress and the Next Administration
7/23/08	Committee on Armed Services, House of Representatives	Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed
6/26/08	Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, United States Senate	Fiscal Year 2007 U.S. Government Financial Statements: Sustained Improvement in Financial Management is Crucial to Improving Accountability and Addressing the Long-Term Fiscal Challenge
6/17/08	Committee on Finance, United States Senate	Long-Term Fiscal Outlook: Long-Term Federal Fiscal Challenge Driven Primarily by Health Care
6/5/08	Subcommittee on Government Management, Organization, and Procurement, Committee on Oversight and Government Reform, House of Representatives	Fiscal Year 2007 U.S. Government Financial Statements: Sustained Improvement in Financial Management is Crucial to Improving Accountability and Addressing the Long-Term Fiscal Challenge

Attachment 5

5/20/08	Subcommittee on Near Eastern and South and Central Asian Affairs, Committee on Foreign Relations, United States Senate	Combating Terrorism: U.S. Efforts to Address the Terrorist Threat in Pakistan's Federally Administered Tribal Areas Require a Comprehensive Plan and Continued Oversight
4/10/08	Subcommittee on Legislative Branch, Committee on Appropriations, House of Representatives	Fiscal Year 2009 Budget Request: U.S. Government Accountability Office
3/13/08	Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, Committee on Oversight and Government Reform, House of Representatives	U.S. Government Accountability Office: Human Capital Initiatives and Additional Legislative Authorities

NOTE:

I also was an accompanying witness from June 1999 to March 2008 when I was the Chief Operating Officer. This is listed in Attachment 5A.

From 1985 – 1999, my testimonies before Congress as a principal GAO witness are listed in Attachment 5B.

**RECORD OF TESTIMONIES FOR GENE L. DODARO
AS ACCOMPANYING WITNESS
2010-2000**

Date	Committee/Subcommittee	Testimony Topic
4/19/07	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2008 Budget Request: U.S. Government Accountability Office
3/16/07	Senate Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2008 Budget Request: U.S. Government Accountability Office
4/26/06	Senate Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2007 Budget Request: U.S. Government Accountability Office
3/10/06	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2007 Budget Request: U.S. Government Accountability Office
5/23/05	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2006 Budget Request: U.S. Government Accountability Office
4/19/05	Senate Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2006 Budget Request: U.S. Government Accountability Office
4/22/04	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2005 Budget Request: U.S. Government Accountability Office
3/4/04	Senate Committee on Appropriations; Legislative Branch Subcommittee	Fiscal Year 2005 Budget Request: U.S. Government Accountability Office

Attachment 5A

9/16/03	Senate Committee on Governmental Affairs	GAO: Transformation Challenges, and Opportunities
4/9/03	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2004 Budget Request: U.S. General Accounting Office
3/27/03	Senate Committee on Appropriations: Legislative Branch Subcommittee	Fiscal Year 2004 Budget Request: U.S. General Accounting Office
5/8/02	Senate Committee on Appropriations: Legislative Branch Subcommittee	Fiscal Year 2003 Budget Request: U.S. General Accounting Office
4/24/02	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2003 Budget Request: U.S. General Accounting Office
6/26/01	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2002 Budget Request: U.S. General Accounting Office
5/10/01	Senate Committee on Appropriations: Legislative Branch Subcommittee	Fiscal Year 2002 Budget Request: U.S. General Accounting Office
7/18/00	Before the Subcommittee on Government Management, Information and Technology, Committee on Government Reform, House of Representatives	GAO: Supporting Congress for the 21 st Century
3/29/00	Before the Committee on Governmental Affairs, U.S. Senate	Managing in the New Millennium: Shaping a More Efficient and Effective Government for the 21 st Century
2/29/00	Senate Committee on Appropriations: Legislative Branch Subcommittee	Fiscal Year 2001 Budget Request: U.S. General Accounting Office
2/1/00	House Committee on Appropriations; Legislative Subcommittee	Fiscal Year 2001 Budget Request: U.S. General Accounting Office

**RECORD OF TESTIMONIES FOR GENE L. DODARO
AS PRINCIPAL GAO WITNESS
1999-1985**

Date	Committee/Subcommittee	Testimony Topic
5/4/99	Subcommittee on Government Management, Information and technology, Committee on Government Reform, House of Representatives	Department of Defense: Status of Financial Management Weaknesses and Actions Needed to Correct Continuing Challenges
4/14/99	Subcommittee on Readiness and Management Support, Committee on Armed Services, United States Senate	DOD Financial Management: More Reliable Information Key to Assuring Accountability and Managing Defense Operations More Efficiently
4/14/99	Special Committee on the Year 2000 Technology Problem, United States Senate	Year 2000 Computing Challenge: Federal Government Making Progress But Critical Issues Must Still Be Addressed to Minimize Disruptions
9/23/98	Committee on Governmental Affairs, United States Senate	Information Security: Strengthened Management Needed to Protect Critical Federal Operations and Assets
6/18/98	Subcommittee on Government Management Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Financial Management: Fostering the Effective Implementation of Legislative Goals
5/19/98	Committee on Governmental Affairs, United States Senate	Information Security: Serious Weaknesses Put State Department and FAA Operations at Risk

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4/16/98	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Department of Defense: Financial Audits Highlights Continuing Challenges to Correct Serious Financial Management Problems
4/15/98	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Internal Revenue Service: Remaining Challenges to Achieve Lasting Financial Management Improvements
4/1/98	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	U.S. Government Financial Statements: Results of GAO's Fiscal Year 1997 Audit
3/18/98	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, and the Subcommittee on Technology, Committee on Science, House of Representatives	Year 2000 Computing Crisis: Strong Leadership and Effective Public/Private Cooperating Needed to Avoid Major Disruptions
10/27/97	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Chief Information Officers: Ensuring Strong Leadership and an Effective Council
3/5/97	Committee on Governmental Affairs, United States Senate	High-Risk Areas: Actions Needed to Solve Pressing Management Problems
3/4/97	Subcommittee on Oversight, Committee on Ways and Means, House of Representatives	High-Risk Areas: Benefits to be Gained by Continued Emphasis on Addressing High-Risk Areas
2/13/97	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	High-Risk Areas: Update on Progress and Remaining Challenges

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9/19/96	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	IRS Financial Audits: Status of Efforts to Resolve Financial Management Weaknesses
9/10/96	Committee on Governmental Affairs, United States Senate	IRS Operations: Critical Need to Continue Improving Core Business Practices
6/19/96	Subcommittee on Compensation, Pension, Insurance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives	Veterans Benefits Modernization: Management and Technical Weaknesses Must Be Overcome If Modernization Is To Succeed
3/29/96	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Single Audit: Refinements Can Improve Usefulness
3/26/96	Committee on Governmental Affairs, United States Senate	Tax Systems Modernization: Management and Technical Weaknesses Must Be Overcome To Achieve Success
3/6/96	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	IRS Operations: Significant Challenges in Financial Management and Systems Modernization
11/14/95	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Financial Management: Challenges Facing DOD in Meeting the Goals of the Chief Financial Officers Act
7/25/95	Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, United States Senate	Government Reform: Legislation Would Strengthen Federal Management of Information and Technology
7/11/95	Subcommittee on Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Managing for Results: Strengthening Financial and Budgetary Reporting

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5/9/95	Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives	Managing for Results: Steps for Strengthening Federal Management
2/7/95	Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, Committee on Government Reform and Oversight, House of Representatives	Paperwork Reduction Act: Reauthorization Can Strengthen Government's Management of Information and Technology
7/28/94	Committee on Governmental Affairs, United States Senate	Financial Audits: CFO Implementation at IRS and Customs
5/19/94	Committee on Governmental Affairs, United States Senate	Paperwork Reduction Act: Opportunity to Strengthen Government's Management of Information and Technology
5/23/89	Subcommittee on Census and Population committee on Post Office and Civil Service, House of Representatives	Expanding the Decennial Census Applicant Pool
5/5/89	Subcommittee on Government Information and Regulation, Committee on Governmental Affairs, United States Senate	Status of Plans for the 1990 Decennial Census
4/24/89	Subcommittee on Crime, Committee on the Judiciary, House of Representatives	Asset Forfeiture: An Update
3/23/89	Subcommittee on Census and Population, Committee on Post office and Civil Service, House of Representatives	Status of Plans for the 1990 Decennial Census: An Update
2/22/89	Subcommittee on Private Retirement Plans and Oversight of the Internal Revenue Service, Committee on Finance, United States Senate	Managing IRS: Actions Needed to Assure Quality Service in the Future
9/27/88	Committee on Post Office and Civil Service: Census and Population Subcommittee, House of Representatives	Status of the 1990 Decennial Census
6/23/88	Committee on Governmental Affairs: Federal Spending, Budget and Accounting Subcommittee, United States Senate	Asset Forfeiture Programs: Progress and Problems
3/4/88	Committee on the Judiciary: Crime Subcommittee, House of Representatives	Asset Forfeiture Programs: Corrective Actions Underway But Additional Improvements Needed

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9/25/87	Committee on Governmental Affairs: Federal Spending, Budget and Accounting Subcommittee, United States Senate	Asset Forfeiture Funds: Changes Needed to Enhance Congressional Oversight
3/13/87	Committee on Governmental Affairs: Federal Spending, Budget and Accounting Subcommittee, United States Senate	Millions of Dollars in Seized Cash Can Be Deposited Faster
3/12/87	Committee on Post Office and Civil Service: Census and Population Subcommittee, House of Representatives	Status of Census Bureau Plans and Preparations for the 1990 Census
6/20/86	Committee on District of Columbia: Fiscal Affairs and Health Subcommittee, House of Representatives	Efforts to Comply with Public Law 94-142 and Selected Youth Services Administration Management Functions
5/14/86	Committee on Post Office and Civil Service: Census and Population Subcommittee, House of Representatives	The Census Bureau's Preparations for the 1990 Decennial Census
3/13/86	Committee on Post Office and Civil Service: Census and Population Subcommittee, House of Representatives	The Census Bureau's 1984 Address List Compilation Test
9/10/85	Committee on District of Columbia: Fiscal Affairs and Health Subcommittee, House of Representatives	Implementation of Public Law 94-142 as It Relates to Handicapped Delinquents in the District of Columbia
7/25/85	Committee on Post Office and Civil Service: Census and Population Subcommittee, House of Representatives	The Census Bureau's Preparations for the 1990 Decennial Census

LIST OF SPEECHES FOR GENE L. DODARO
2010-2000

Date	Organization Name	Topic of Speech
8/23/10	2010 Annual NASPO (National Association of State Procurement Officials) Conference, Washington, DC	Fiscal Challenges, Government Contracting, and the Recovery Act Experience
8/16/10	AICPA National Governmental Accounting and Auditing Conference, Washington, DC	Anticipating and Meeting Accountability Challenges in a Dynamic Environment
8/10/10	National Association of State Auditors (NASACT) Annual Conference, Charleston, WV	Anticipating and Meeting Accountability Challenges in a Dynamic Environment
7/12/10	Association of Government Accountants (AGA) 59 th Professional Development Conference, Orlando, FL	Anticipating and Meeting Accountability Challenges in a Dynamic Environment
6/16/10	National State Auditors Association (NSAA) Annual Conference in Phoenix, AZ	Anticipating and Meeting Accountability Challenges in a Dynamic Environment
5/19/10	18 th Biennial Forum of Government Auditors, San Antonio, TX	Anticipating and Meeting Accountability Challenges in a Dynamic Environment
5/18/10	Association of Local Government Auditors (ALGA) Annual Conference, San Antonio, Texas	Key Trends and Challenges for the Audit Community
5/5/10	Council of Inspectors General on Integrity & Efficiency (CIGIE) Lancaster, PA	Anticipating and Meeting Accountability Challenges in a Dynamic Environment
4/30/10	National Association of State Chief Information Officers Mid-Year Conference, Baltimore, MD	Key IT Challenges Facing the Federal Government
4/23/10	Association of Government Accountants, Dallas, TX	Oversight and Accountability in Time of Fiscal Stress
4/19/10	Association of Government Accountants, Washington, DC	Leadership Challenges Given Today's Fiscal Realities

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1/6/10	National Defense University, Ft. Belvoir, Washington, DC	Maximizing DOD's Potential to Face New Fiscal Challenges and Strengthen Interagency Partnerships
10/14/09	Department of Defense Performance Breakthrough Convention in Lansdowne, Virginia	Maximizing DOD's Untapped Potential to Improve Business Performance
10/2/09	House Democracy Partnership, Members of Parliament from Georgia, Kosovo, Macedonia, and Mongolia, Washington, DC	The Role of the U.S. Government Accountability Office
10/1/09	2009 FDIC Accounting & Auditing Conference, Arlington, VA	Troubled Asset Relief Program: GAO's Oversight Role
8/17/09	National Association of State Auditors (NASACT), Dearborn, MI	Ensuring Accountability In a Time of Financial and Fiscal Stress
8/10/09	American Institute of CPAs (AICPA), Washington, DC	Ensuring Accountability In a Time of Financial and Fiscal Stress
6/23/09	Association of Government Accountants (AGA) Professional Development Conference, New Orleans, LA	Ensuring Accountability In a Time of Financial and Fiscal Stress
6/17/09	National Association of State Auditors (NASACT/NSAA) Annual Conference, Savannah, GA	The Recovery Act and TARP
4/21/09	Interagency Resources Management Conference in Cambridge, MD	Key Challenges Facing Government Managers
4/8/09	Association of Government Auditors, Washington, DC	ARRA 2009 as it relates to GAO
4/6/09	Women's Philanthropy Board 7 th Annual Spring Symposium at Auburn University, Auburn, AL	GAO: Promoting Accountability and Transparency in Government
4/2/09	2009 Association of Government Accountants (AGA) Southeast Region Professional Development Conference, Nashville, TN	Key Fiscal Challenges Facing The Accountability Community

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3/23/09	Lycoming College James Harding Executive Speaker, Williamsport, PA	GAO: Promoting Accountability and Transparency in Government
3/12/09	Federal Financial Management Conference, Washington, DC	Challenges Facing the New Administration and the 111 th Congress
2/19/09	Association of Government Accountants (AGA) 2009 Leadership Conference, Washington, DC	Challenges Facing the New Administration and the 111 th Congress
2/6/09	Arizona Society of CPAs, Phoenix, AZ	GAO's Work on Today's High Risk Issues and Long-Term Challenges
11/21/08	Human Capital Management: Federal 2008 Conference, Washington, DC	Ensuring a Continuing Focus on Implementing Effective Human Capital Strategies
10/29/08	Enterprise Risk Management Conference, Crystal City, VA	Why Risk Management is Important
10/27/08	Defense Finance 2008, Washington, DC	Transforming DOD Business Operations
10/23/08	City College of New York at the Charles B. Rangel Center for Public Service, New York, NY	The Upcoming Transition: GAO's Efforts to Assist the 111 th Congress and the Next Administration
10/21/08	INPUT Fed Focus, Washington, DC	Upcoming Transition Includes Key Information Technology Challenges
9/18/08	House Democracy Assistance Commission Members of Parliament from Afghanistan, Liberia, and Timor-Leste, Washington, DC	The Role of the U.S. Government Accountability Office
7/31/08	House Democracy Assistance Commission Members of Parliament from Indonesia, Kenya, Macedonia and Ukraine, Washington, DC	The Role of the U.S. Government Accountability Office
7/8/08	Institute of Internal Auditors' 2008 International Conference in San Francisco, CA	Preparing the Accountability Profession for 21 st Century Challenges
5/21/08	17 th Biennial Forum of Government Auditors in Philadelphia, PA	Auditing and Advising in a Time of Transition

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4/18/08	2008 Maryland Association of CPAs' Government and Not-for Profit Conference in College Park, MD	Working to Improve Accountability in an Evolving Environment
2/21/08	AGA National Leadership Conference, Washington, DC	Creating Momentum in a Time of Transition
2/13/07	AGA National Leadership Conference, Washington, DC	GAO's High Risk Program and 21 st Century Challenges
11/15/06	XVII World Congress of Accountants, Istanbul, Turkey	The Impact of Consolidation of Accounting Forms; The Sarbanes-Oxley Act of 2002 Mandated GAO Study
10/30/06	Association of Inspectors General 10 th Anniversary Conference, Philadelphia, PA	21 st Century Accountability Challenges
10/9/06	European Parliament Committee on Budgetary Control, Brussels, Belgium	Approaches Used in the US for Management Assurance and Financial Audits Involving Multiple Government Entities
10/5/06	Professional Services Council, Washington, DC	Clinger-Cohen Act
9/18/06	Texas Society of CPA's Single Audits and Governmental Accounting Conference, Austin, TX	21 st Century Accountability Challenges
6/26/06	USDA-OIG National Training Conference, St. Louis, Missouri	21 st Century Accountability Challenges
5/8/06	International Consortium on Government Financial Management, Miami, FL	Continuing the Transformation of Financial Management for the 21 st Century
2/13/06	Southwest Intergovernmental Audit Forum, Sante Fe, New Mexico	Challenges in Auditing; Preparedness, Response and Recovery Issues
2/10/06	Arizona Society of CPA's, Phoenix, AZ	21 st Century Challenges; The Need for Transparency, Integrity and Stewardship
8/24/05	AGA Pacific Emerging Issues Conference, Waikiki, Hawaii	Transformation and the Accountability Profession: Meeting the Challenge
8/15/05	NASACT Annual Conference, Portland, OR	The Federal Government; Long Term Fiscal Challenge

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5/10/05	PCIE/ECIE Leadership and Training Conference, Philadelphia, PA	GAO & The IGs; Meeting Key Accountability Challenges
4/27/05	Government Performance Summit, Washington, DC	Performance Based Transformation: GAO's Experience
8/24/04	American Institute of CPA's (AICPA) National Governmental Accounting & Auditing Audit Conference	Transparency & Foresight in Federal Accountability
10/30/03	Foundation for Accounting Education (FAE) Auditing Conference, New York	Could not locate title
10/29/03	Joint Intergovernmental Audit Forum, Atlantic City, NJ	The Evolving Role of Auditors in A Challenging Fiscal Environment
8/26/03	American Institute of CPA's (AICPA) National Governmental Accounting and Auditing Update Conference, DC	GAO's High Risk and Performance and Accountability Series
5/12/03	Ninth Annual Intelligence Community Audit Conference, DC	Auditor Independence in the 21 st Century
9/19/02	Southeastern Intergovernmental Audit Forum, Nashville, TN	The Evolving Role of Government
6/24/02	The Institute of Internal Auditors International Conference 2002, DC	The Challenge of Auditing in the Global Public Sector Environment
5/2/02	Mid-America Intergovernmental Forum Meeting, Kansas City, MO	The Evolving Role of Government Auditors
4/8/02	International Consortium of Government Financial Managers, Miami, FL	Evolving Challenges for Financial Managers in an Uncertain and Dynamic Environment
9/6/01	National State Auditors Association (NSAA) IT Middle Management Conference, Nashville, TN	Accountability in the Age of e-gov
3/07/01	International Consortium on Governmental Financial Management, Washington, DC	Government in Transition: Challenges and Opportunities

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2/20/01	Institute of Internal Auditors 21 st Annual Internal Auditing in Government Conference, Washington, DC	Maximizing the Power of Information Technology and Human Capital
2/1/01	Price Waterhouse Coopers Employees, Washington, DC	History and Current Status of GAO's High Risk Program
10/27/00	Midwestern Intergovernmental Audit Forum, Chicago, IL	Improving Program Integrity Across The Federal Government
9/18/00	American Institute of CPA's (AICPA) Conference, Tempe, AZ	Maximizing Human Capital in the Government
3/14/00	National Intergovernmental Audit Forum, Washington, DC	Strategic Planning

**U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing questionnaire for the nomination of
Eugene Dodaro to be
Comptroller General of the United States**

I. Nomination Process and Conflicts of Interest

1. Why do you believe the President nominated you to serve as Comptroller General of the United States?

Response: I was selected by the President from names submitted to him by a bicameral bipartisan ten member Congressional Commission. I believe my experience as Acting Comptroller General of the United States for more than two years during a difficult period in our Nation's history and my over 35 years of service to the Congress and our country, including over eight years as GAO's number two official, were contributing factors to my inclusion on the Congressional list and in my nomination by the President.

2. Were any conditions, express or implied, attached to your nomination? If so, please explain.

Response: No.

3. Have you made any commitments with respect to the policies and principles you will attempt to implement as Comptroller General? If so, what are they and to whom have the commitments been made?

Response: No.

4. If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain what procedures you will use to carry out such a recusal or disqualification.

Response: No.

II. Background of the Nominee

5. What specific background and experience affirmatively qualifies you to be Comptroller General?

Response: For over the past two and one-half years, I have successfully led GAO as Acting Comptroller General. During this period, GAO continued to produce hundreds of high quality reports and testimonies and respond to well over one thousand requests for assistance from the Congress, while also taking on additional new responsibilities, such as those related to the American Recovery and Reinvestment Act of 2009 and the Troubled Asset Relief Program created in 2008. As Acting Comptroller General, I have testified over 30 times before Congress on a wide range of GAO work including the Recovery Act, TARP, assistance requests from domestic automakers, the need to modernize the financial regulatory system, and the U.S. government's financial condition.

My experiences during a 37 year career with GAO have afforded me unique in-depth knowledge of the full range of GAO's responsibilities as well as an appreciation for the skills and dedication of its people. GAO is a large complex organization, comprised of over 3,000 people with a wide variety of professional disciplines and a scope of responsibilities that transcend the full breadth of the federal government's vast operations and reach. I believe I have successfully demonstrated the necessary leadership and managerial skills to ensure that GAO continues to produce top quality work to meet the needs of the Congress and Nation. Just as importantly, I have solid understanding of the aspirations and interests of GAO employees and managers and have fostered a constructive, respectful work environment, worked cooperatively with our union and employee groups and demonstrated a commitment to diversity and equity in the workplace.

Prior to becoming Acting Comptroller General, for almost nine years I was GAO's Chief Operating Officer (COO), which is the number two position at the agency. I was responsible for day-to-day management at GAO to ensure that it met congressional needs for reliable, timely and relevant information on government operations. I helped create GAO's current system for quality assurance, led the development of GAO's strategic plans for serving the Congress, directed GAO's High Risk Program and devoted significant attention to succession planning efforts to replace over half of GAO's senior executives and more than half of its entire analyst and auditor workforce. During the over eleven year period that I was COO or Acting Comptroller General, GAO produced thousands of reports to the Congress, testified at hundreds of congressional hearings, generated billions of dollars in financial benefits and thousands of other documented improvements in government operations.

I also have worked with the Congress and administrations of both parties over the past three decades to help enact major government management reform legislation and

improve financial management and information technology practices within the federal government. These include the Government Management Reform Act of 1994, which expanded the 1990 Chief Financial Officers Act; 1995 Amendments to Paperwork Reduction Act and the Clinger-Cohen Act of 1996, which require agencies to implement modern management practices for information technology management; and the 1996 refinements to the Single Audit Act, which outline requirements for audits of federal assistance to state and local governments. Also, during my career I have testified at close to 100 hearings before Congress on a wide range of issues.

Other prominent examples of my experience include directing the first audit of comprehensive financial statements for the U.S. Government covering all federal departments and agencies in 1997; guiding GAO's strategy for improving computer security throughout government; updating standards for internal controls in the federal government; and providing leadership to help government confront the Year 2000 computing challenge. I also have considerable knowledge about state and local government interactions with the federal government, as well international auditing and evaluation issues.

In summary, I have unique in-depth knowledge of GAO and its people, extensive knowledge of government, and a demonstrated record of providing independent analysis and advice to the Congress and working with the Congress, executive departments and agencies, state and local officials and others to achieve positive change. This broad-based experience and well-demonstrated commitment to public service will position me to maximize the value and contributions that GAO can make to assist the Congress and our Nation.

6. Why are you interested in serving as Comptroller General, and, should you be confirmed, what would you hope to accomplish during your time in the post?

Response: I am interested in serving as Comptroller General because of my long-standing and unwavering commitment to GAO's mission to help the Congress address issues critical to our Nation's future and to improve the performance, accountability and transparency of government. At this juncture, our Nation's elected leaders face an array of complex and difficult domestic and international challenges which need to be successfully addressed to ensure the economic and social well-being of our citizens and the security and prosperity of our country. GAO can help the Congress by providing high quality, objective and timely analysis of government programs, operations and finances – information that the Congress needs to make policy choices, ensure accountability, and protect the taxpayer. In short, GAO has a tremendous task ahead and I would be honored to lead it during this important period in our history.

If confirmed, I would hope to accomplish the following:

- **Provide a greater emphasis on identifying and resolving high risk issues across government that are in need of broad-based transformation and/or vulnerable to waste, fraud, abuse and mismanagement.** Greater progress can be made by elevating sustained attention to the highest levels within federal departments and agencies and ensuring ongoing detailed dialogue among GAO, OMB, entities in high risk status and the Congress. Oversight by the Congress has been and will continue to be a paramount ingredient for success, as will formulating legislative remedies where needed.
- **Identify ways to contribute to a more efficient and fiscally prudent government.** This would include working to help agencies reduce over \$100 billion a year in improper payments; closing an estimated \$290 billion tax gap; identifying opportunities to save money and enhance revenues; helping implement more effective financial, information technology, acquisition, and performance management practices that can lead to eliminating wasteful approaches, provide greater efficiency while maintaining services, and ensure better accountability of taxpayer dollars; and continue and enhance forensic audits and other efforts to ferret out fraud, waste, abuse and mismanagement.
- **Ensure that GAO is always an institution that can serve the Congress and the Nation in a first rate manner, now and in the future.** My objective would be: to continuously enhance our strategic planning and workforce capabilities to provide timely and quality service to committees throughout the Congress to address current and emerging challenges affecting the well being and security of the American people; to respond to changing security threats and challenges of global interdependence; and to ensure the accountability of government and enhance its performance. This assistance would span the breadth of government activities and interests, ranging from homeland and national security challenges to health care, education, and retirement concerns, natural resources, environmental and infrastructure issues, as well reforms of financial institutions and markets and the housing sector, including efforts to resolve the status of Fannie Mae and Freddie Mac.
- **Promote greater financial literacy in the United States.** Using the unique position of the Comptroller General, elevate the attention paid to financial literacy in this country, through reviewing related government efforts and consumer protections and enhancing its emphasis throughout our education system.

III. Role and Responsibilities of the United States Comptroller General

7. How would you describe the mission of the Government Accountability Office (GAO) and the role of the Comptroller General?
8. What do you believe are the most important functions of Comptroller General?

Response to questions 7 & 8: Simply put, GAO's mission is to support Congress and help improve the performance, accountability and transparency of government. This entails (1) supporting the Congress in carrying out its legislative, appropriations, oversight and other constitutional responsibilities, (2) helping to improve the performance of government by recommending actions to enhance the effectiveness and efficiency of federal programs and operations, (3) bolstering the accountability and transparency of government for the benefit of the American people through a full range of financial and performance audits across government, and (4) providing foresight about emerging major issues needing policy-makers' attention. Other important dimensions of GAO's mission include ferreting out and investigating potential fraud, waste and abuse; providing legal opinions, especially on appropriation law matters; and deciding on hundreds of protests each year regarding the awarding of government contracts.

While providing strategic direction and leadership to the GAO, the Comptroller General's other important roles and functions include:

- Being a trusted advisor to the Congress to help it identify and address critical current and emerging national issues;
- Serving as a strong guardian of the public purse, ensuring accountability over taxpayer funds and promoting economy, efficiency and effectiveness in federal programs and operations;
- Helping to transform government operations and instill modern, integrated technology applications and management practices across federal departments and agencies;
- Providing expert analysis and counsel on the government's financial condition and on the implications of broad trends such as globalization and technological developments for federal decision-making;
- Ensuring strong leadership of the accountability community both domestically and internationally through promoting up-to-date auditing, accounting, internal control standards and other financial management best practices; and
- Working continuously to manage the GAO effectively and efficiently and building GAO's institutional knowledge, expertise and capacity to provide first rate service to the Congress and our nation – now and in the future.

9. What challenges currently face GAO and how would you, as Comptroller General, address these challenges?

Response: GAO's talented and dedicated people are its greatest asset. A high performing motivated workforce is essential to GAO's ability to carry out its mission. Thus, maintaining the quality of this workforce in a tight budget environment, and where necessary enhancing its capabilities to meet future demands, has been and will remain the top internal management priority at GAO. Like most, if not all, organizations today, GAO faces an array of challenges when it comes to recruiting and retaining a first rate workforce: intense competition for highly skilled people, a constrained fiscal environment, retirements of many highly skilled employees, and changing employee expectations. GAO also faces increasing workload demands that, if not carefully managed, could overwhelm or burn out staff. As Comptroller General, I would continue to take the following steps to address these concerns:

- Ensure that our workforce and budget planning results in the proper mix of skills to carry out our strategic plan for serving the Congress;
- Focus on succession planning to meet our managerial and technical needs;
- Work with our union and other employee groups to continuously improve our working environment;
- Revamp our performance management system and improve our administrative and audit support services;
- Refine our recruiting efforts to ensure a diverse and highly skilled workforce and reassess our incentives to ensure they are sufficient to retain the top talent we need; and
- Strengthen our learning and development programs to continuously improve our capabilities.

GAO also faces challenges in the areas of physical and information security. Given today's evolving security environment, it is imperative that we protect our people and assets. Regarding physical security, we are working to complete and test comprehensive emergency preparedness plans, are implementing proper access security procedures, and have acquired necessary support equipment. On the information security front, we are continuously assessing threats and implementing information security programs to protect our data systems and our network, as well as the sensitive information we collect from federal departments and agencies.

10. During your tenure at GAO you have worked under several Comptrollers General. If confirmed, what is your vision for GAO and how does that compare to past Comptrollers General?

Response: I have had the opportunity to serve three Comptrollers General, each of whom had contemporary goals for GAO. Comptroller General Elmer Staats (1965 – 1981) greatly broadened GAO's capabilities to evaluate programs in addition to financial auditing and promoted auditing standards in state, local and international communities.

Comptroller General Chuck Bowsher (1981 – 1996) pushed for fundamental reforms of the federal government's financial management practices and created GAO's high risk initiative. Comptroller General David Walker's (1998 – 2008) priorities included focusing greater attention on the federal government's long range financial imbalance and the need to transform government practices to meet 21st century challenges.

My vision for GAO builds on its strong foundation and embodies my view of GAO as a steadfast fiscal guardian for the American people, a trusted advisor to the Congress, and a leading force in promoting modern, efficient, cost effective management across government. Within this context, my vision entails GAO making greater contributions to help (1) solve high risk problems that are in need of broad-based transformation or vulnerable to fraud, waste, abuse or mismanagement, and (2) address critical technology, science and engineering issues.

Making greater progress in solving high risk problems would significantly contribute to ensuring a more efficient, effective, responsive government. Areas currently on the high risk list cover critical sectors of the government and the economy, such as modernizing the outdated U.S. financial regulatory system, funding the nation's transportation infrastructure, revamping federal oversight of food safety and toxic chemicals, improving weapons systems' acquisition and DOD business operations, transforming the Department of Homeland Security, and curtailing fraud, waste and abuse in the Medicare and Medicaid programs.

It is important for GAO to increase its capacity and expertise in technology, science and engineering areas to:

- Effectively respond to the increasing numbers of requests from the Congress that include highly technical dimensions.
- Enhance our ability to recommend better and more successful applications of technology which are at the heart of fixing many of the government's high risk problems and management challenges as well as improving services to the public and the quality of government information.
- Help Congress address a range of issues critical to U.S. competitiveness, national and homeland security, and energy and environmental solutions.

In summary, my vision for GAO includes sustaining and enhancing its core functions, while continuing to evolve GAO in ways that can better serve the Congress and the Nation in a first class manner, now and in the future. To this end, we have recently updated GAO's strategic plan for serving the Congress through 2015. This document addresses the broad range of issues and activities central to the well being and security of the American people. If confirmed, I am committed to working with the Congress to ensure that GAO meets current and future needs of the Congress, and that our dedicated workforce possesses the necessary talent and skills.

11. If confirmed, what will be your top priorities for improving the agency and for serving Congress?

Response: If confirmed, my immediate priorities as Comptroller General would be to:

- Prepare to assist and work with the new Congress by updating GAO's high risk series within the next few months, outreaching to Members across the Congress, and ensuring that our work plans meet their needs.
- Successfully implementing statutory responsibilities given to GAO under recent financial regulatory reform legislation including expanded authorities to audit Federal Reserve activities and over 40 mandated audits and studies, 17 of which are required to be completed by next summer.
- Complete preparations for our upcoming report on duplication and overlap in the federal government.

Over the course of my term, as also discussed in my responses to questions 6 and 10, my top priorities as Comptroller General would be to:

- Provide even greater emphasis on identifying high risk issues across government that are in need of broad-based transformation or are vulnerable to waste, fraud, abuse, and mismanagement, and in working collaboratively with the Congress and agency heads to resolve them.
- Identify concrete solutions and provide analytical help to the Congress to promote a more efficient and fiscally prudent government.
- Enhance GAO's capabilities to help Congress address a range of technology, science and engineering issues.
- Ensure that GAO is always an institution that can serve the Congress and the Nation in a first rate manner now and in the future by providing timely and quality service to committees throughout the Congress on the full range of critical issues confronting our country.
- Use the unique position of the Comptroller General to promote greater financial literacy in the United States.

12. GAO's reputation for integrity through the years has depended upon its objectivity, independence, and non-partisanship. How will you carry on this tradition, and what specifically in your background demonstrates your ability to do so?

Response: GAO's most important organizational asset is its reputation for objectivity, independence and non-partisanship. It is essential that GAO's reputation for these attributes and its high quality of professional work be protected, nurtured and enhanced at every opportunity. Steadfast adherence to these principles would be a hallmark of my tenure if I am confirmed to lead GAO as Comptroller General.

I would carry on this tradition by continuing to set the right tone at the top by demonstrating my personal commitment every day to GAO's reputation for objectivity, independence, non-partisanship and high quality professional work. There are several features of my background that demonstrate my ability to do so, including my leadership in (1) developing the quality assurance framework which governs how GAO does all of its work, (2) helping craft and implement the professional audit standards and core values of accountability, integrity and reliability that guide GAO's work and (3) providing training and development on these issues to hundreds of GAO personnel. Importantly, my dedicated and unwavering commitment to these important principles has been demonstrated time and again over decades of service at the highest levels of GAO.

13. Having previously served as GAO's Chief Operating Officer for nearly a decade and as Acting Comptroller General since March 2008, you have an intimate and extensive knowledge of the inner-workings of GAO.

- a. Where do you see the greatest need for improvement with respect to GAO's organization and operations?

Response: I am a strong believer in continuous improvement and am always open to finding ways to strengthen our organization and operations. In answers to several previous questions, I have discussed my strong sense that GAO needs to bolster its technology, science and engineering capabilities to meet increasingly technical requests for assistance from the Congress; and to enhance the agency's capacity to address physical and information security challenges. Other areas needing careful attention are:

- Maintaining the high quality of GAO's work in face of increasing demand for our services, given practical budget limitations. While requesting targeted additional resources to strengthen GAO's capacity is part of the solution, GAO must continue to take steps to improve its work methods and administrative support, including streamlining work processes without compromising quality.
- Making greater use of technology to increase productivity.
- Working with executive branch officials to expedite the receipt of data and agency comments on draft GAO reports as well as to improve data quality.
- Strengthening subject matter and technical expertise through appropriate investments in staff development.

Within GAO, there is widespread agreement that GAO's performance management system needs to be updated and revamped. Since becoming Acting Comptroller General, I made short-term initial adjustments and launched a comprehensive assessment with extensive staff involvement. Efforts are now underway to fundamentally change our approach. Improving our performance management system will help ensure that every employee in GAO's diverse workforce feels respected, valued, and treated fairly.

b. Do you have any plans to change GAO's current organizational structure?

Response: I have no plans to change the current organizational structure. As a prudent management practice I would revisit this issue in the future as GAO evolves.

14. Some analysts have suggested that the next Comptroller General needs to be well-versed in business management practices and information technology. Others maintain that the position demands a thorough background in auditing and accounting. What are your views and how does your background position you to effectively serve as the Comptroller General?

Response: Ideally, the Comptroller General should have experience managing a large multi-disciplinary workforce and possess a good understanding of key management practices, information technology, auditing and accounting.

Most importantly, the person leading GAO's multi-disciplinary workforce needs to have a full appreciation for the range of disciplines and skills necessary to produce high quality work and meet a wide range of congressional interests. GAO's oversight role reflects the full scope of the federal government activities and interests and the breadth and depth of GAO's work is extensive. Consequently, the GAO has a highly skilled multidisciplinary workforce comprised of public policy analysts, accountants and financial auditors, economists, attorneys, social science analysts, information technology specialists, civil engineers, statisticians and physical scientists. GAO also has a wide array of internal subject matter experts and contracts with the National Academy of Sciences and other organizations for other expertise needed to address the increasingly technical needs of the Congress.

My background as described more fully in my answer to question five well positions me to effectively serve as Comptroller General. My over two and one-half years as Acting Comptroller General and over eight years as Chief Operating Officer have given me unique knowledge of GAO's full range of responsibilities and extensive experience, leading a large multi-disciplinary workforce and my over 35 years of auditing experience including leadership of GAO Accounting and Information Management Division, provides me a solid foundation for GAO's role in financial management, information technology and other management and evaluation disciplines.

15. If confirmed, do you expect to complete the 15-year term?

Response: Yes.

Are there any circumstances you foresee under which you would not complete the 15-year term?

Response: No.

IV. Policy Questions

16. What do you believe are the most important accomplishments of GAO in the recent past from an organizational and operational perspective?

Response: Several accomplishments stand out. First, being consistently ranked second as one of the best places to work among all large federal departments and agencies. Secondly, a sustained succession planning effort to replace over half of GAO's senior executives and over half of its entire analyst and auditor workforce due to changing demographics. Carrying out this transformation while maintaining and enhancing the quality of GAO's work and taking on new significant responsibilities was an important task.

Other key accomplishments include building and maintaining constructive relationships with our new union. We quickly reached agreement on an interim bargaining agreement and are nearing completion on the first master collective bargaining agreement. We also have reconstituted an employee advisory group for non-bargaining unit employees and created a Diversity Advisory Council and Workforce Diversity Plans to help ensure an equitable and inclusive work environment.

GAO's Oversight Role, Authority, and Access

17. How do you envision the relationship and responsibilities of GAO to Congress, the President, and executive branch agencies?

Response: GAO's primary focus is assisting the Congress. GAO must thoroughly understand the Congress' needs and plan its work to provide high value support to the Congress and reflect this understanding in its strategic plans. Maintaining professional, objective and non-partisan relationships with Members and staff would be a top priority for me and for all GAO staff as well. GAO receives requests for work from leaders in both chambers as well as the leadership (chairs and ranking minority members) of virtually all standing committees of the Congress and the vast majority of its subcommittees. Thus, it is critically important for GAO to have the trust and respect of both sides of the aisle in both chambers of the Congress. To this end, I would seek to continuously improve GAO's working relationships with the Congress.

GAO also has a role under the Presidential Transition Act to be a resource to the President-elect, transition teams and incoming administration officials to help them focus on key management issues, challenges and risks. I led GAO's recent initiative to provide input to then President-elect Obama's transition efforts through a web site which was launched two days after the November 2008 election. This web site highlighted actions needed on urgent issues and top challenges, made recommendations for the 28 largest departments and agencies, and provided information on how to work with GAO.

Because the vast majority of GAO's work involves auditing and evaluating executive branch departments and agencies, it is important to have open, constructive and professional relationships with these organizations across government. GAO's work needs to be viewed as professional, high quality, balanced and fair if government officials are to act timely on our recommendations to improve accountability and government performance. Thus, a premium should be placed on making executive branch officials aware of GAO's key findings and providing specific, practical recommendations and suggestions for addressing shortcomings and improving government programs and operations. A key relationship for GAO in the Executive Office of the President is with the leadership of the Office of Management and Budget because it has many statutory responsibilities for government-wide management areas and has traditionally led Presidential management initiatives in addition to formulating the Administration's budget proposals.

If confirmed as Comptroller General, I would continue my current approach of outreaching to heads of government departments and agencies to discuss GAO's role, our protocols for interacting with their organizations, and key issues needing attention based on our work. Government officials need to have confidence that GAO's work is fact-based, thorough and fair and that they always will have their views considered in finalizing our reports.

18. How do you see GAO's role as distinct from that of Inspectors General? What steps does GAO take to coordinate with agency Inspectors General and to avoid duplication of efforts?

Response: GAO's role is distinct from that of the Inspectors' General in several ways. For example, GAO's scope of authorities and responsibilities spans the entire breadth of the federal government, where the Inspectors General focus is on their respective individual executive branch department or agency. GAO's oversight activities often take a broad approach to reviewing high risk issues across government, such as computer security, or when evaluating several departments and agencies that are involved in carrying out related activities such as overseeing food safety or monitoring export controls. Additionally, in keeping with their mandates Inspectors General carry out many more specific targeted investigations and inspections than GAO, and consequently we often refer specific allegations received through our fraud hotline to them. GAO is also looked to for advice on appropriations law matters. Also, the Comptroller General is responsible for setting auditing standards that the Inspectors General and others must follow in performing financial and performance audits on entities receiving federal funds.

GAO takes a number of steps to coordinate with the Inspectors General. GAO and IG teams frequently meet to coordinate individual work plans, and we sponsor an annual coordination meeting between all the Inspectors General and GAO. I also maintain contact with the Chair of the Council of Inspectors General on Integrity and Efficiency and participate in their annual conference. Also, GAO and the IGs work on joint audit methodologies for financial audits and information systems controls and have closely

coordinated on Recovery Act work. The IG community also participates in the Advisory Group established to provide advice to the Comptroller General on setting generally accepted auditing standards for the federal government. The Inspectors General also have representation in the National Intergovernmental Audit Forum which is chaired by the Comptroller General and helps build networks between federal, state and local auditors.

I place a high priority on effective coordination with the Inspector General community as well as with state and local auditors.

19. What do you think GAO's role should be in overseeing the work of federal contractors?

Response: The role of overseeing the work of federal contractors is inherently a management responsibility that rests with the federal department or agency managing and funding the contract. GAO's role is to evaluate how well federal departments and agencies are carrying out their contract management and oversight responsibilities. This includes assessing the capacity and processes of federal departments and agencies to carry out their responsibilities as well as reviewing the type of contracts used and the management of the related risks to the government. In this regard, several contracting issues are on GAO's high risk list. These include issues related to DOD, DOE, NASA and DHS contract management, as well as inter-agency contracting issues. Evaluating contract management, weapons systems acquisitions, and the acquisition workforce are high priority areas at GAO. GAO has the necessary authority and reviews contract files as necessary to carry out our work.

20. In 2002, the U.S. District Court for the District of Columbia granted a motion to dismiss the suit former Comptroller General David Walker brought against then-Vice President Chaney, indicating that GAO did not have standing to bring a civil action in district court to enforce GAO's right to access information. What effect, if any, has this decision had on GAO's ability to access agency records and employees?

Response: I do not believe that this decision in and of itself had significant repercussions on GAO gaining access to the information we need, nor does it preclude us from taking enforcement actions. However, it would be very helpful to have this authority reconfirmed by the Congress. The Government Accountability Office Improvement Act of 2010 (S.2991) reaffirms GAO's right to file a civil action. If enacted it will help to ensure that GAO retains the leverage it needs to achieve prompt and informal resolutions of access problems.

21. In recent years there have been several bills introduced which would make changes to GAO's statutory authority. Legislative initiatives include S. 2991, the GAO Improvement Act of 2010, which was ordered reported out of this Committee in July. What, if any, statutory modifications to GAO's authority do you think Congress should consider at this time?

Response: I would first point out that GAO strongly supports the Government Accountability Office Improvement Act of 2010 (S. 2991). I very much appreciate the Committee's efforts on the bill and its unanimous action reporting the bill out of committee. This bill, if enacted, will significantly improve GAO's access to information, enhancing its ability to provide Congress with critical and timely information needed to conduct meaningful oversight of federal programs and activities. We are not seeking any additional statutory modifications to GAO's authority beyond those contained in S. 2991 at this time.

22. At times in the past, GAO has faced challenges in accessing executive branch agencies' documents and employees in order to conduct its oversight responsibilities. While some improvement has been made there are still areas where GAO continues to encounter access issues.

- a. What challenges is GAO currently facing in accessing agency information?

Response: GAO generally receives good cooperation from most departments and agencies in obtaining access to information. GAO has a broad right of access to agency records under 31 U.S.C. § 716, and it has established constructive working relationships with executive branch officials that enable GAO to obtain the information it needs to assist Congress in its oversight responsibilities. It is fairly rare for an agency to deny GAO access to information and rarer still that an agency will not work toward an accommodation that allows GAO to do its work. However, GAO does in certain cases experience access difficulties. In some cases, for example, agencies have misinterpreted GAO's access authorities, restricting the information GAO receives. The Government Accountability Office Improvement Act of 2010, S.2991, would address these agency misinterpretations and clarify other key access issues. Also, GAO has experienced difficulties obtaining access to information in certain reviews of the FBI and other entities within the national intelligence community. The recent Intelligence Authorization Act for Fiscal Year 2010 requires the Director of National Intelligence, in consultation with the Comptroller General, to issue a new directive governing GAO access to information in the possession of an element of the intelligence community. GAO has started engaging with DNI staff on this directive, which must be submitted to Congress no later than May 1, 2011.

- b. What role, if any, do you believe Congress needs to play in helping GAO overcome these challenges?

Response: Because GAO's work is done primarily pursuant to statutory authorities or congressional request, we keep our congressional requesters informed of access issues experienced during the course of our work, especially when the issues have the potential to impact the timing or scope of our work. GAO also elevates these issues to the highest levels of the agency involved, as necessary. In certain circumstances, direct outreach to the department or the agency, expressing the importance of GAO gaining the requested information, can be helpful. On a broader level, as noted above,

passage of the Government Accountability Office Act of 2010, S. 2991, would improve GAO's authorities in a number of ways.

- c. In June 2010, Secretary Napolitano issued a directive setting forth a new policy on DHS cooperation with GAO. Are you satisfied with this directive and how it has been implemented? Are there further measures that you believe DHS should adopt?

Response: We are satisfied with the new policy but it is still in the early stages of implementation. When fully implemented, it should produce key systemic improvements in GAO's access to records and knowledgeable program officials at DHS. Because DHS is in the early stages of implementation, it is too early to judge what additional measures should be adopted.

GAO leadership worked closely with DHS leadership to develop the new Departmental directive and the implementing instruction. Secretary Napolitano's signing of the DHS Management Directive on GAO Relations, as well as finalizing of the implementing instruction, were milestones on the road towards improving the working relationship between GAO and DHS. Among other things, the revised directive and instruction provide for GAO to have direct access to designated program officials to request information and interviews, and require DHS components to streamline their internal review processes to provide GAO with more timely information. Although DHS is still in the early stages of implementing the revised directive and instruction, we believe that these new protocols will help improve our access to information at DHS and our overall relations with the Department. Given that the protocols are a substantial change from the old processes, both DHS and GAO will continue to monitor the implementation to ensure that any access issues are resolved expeditiously and successfully.

- d. How does DHS's directive compare with the policies in place at other agencies? Are there consistent standards or guidelines for GAO access to documents and employees across the federal government? If not, do you think there should be?

Response: The new directive, when fully implemented, should place DHS more in line with other agencies in terms of responding to information requests from GAO.

It is not necessary for the executive branch to have a uniform set of procedures for dealing with GAO. GAO's access statute (31 U.S.C. § 716) establishes the requirement that agencies provide GAO with the information it needs to conduct audits and evaluations and agencies generally comply with this requirement. Also, GAO has a consistent set of procedures that it follows in its audits and evaluations, referred to as "GAO's Agency Protocols." When these protocols were being put in place, OMB and other federal agencies had the opportunity to provide input. These protocols clearly identify what agencies can expect of GAO and what GAO expects of agencies, and they cover most situations that arise in the course of GAO's work. I have personally met with the leadership of numerous departments and agencies to

emphasize the importance of constructive working relationships with GAO and the need for GAO to have timely access to information.

- e. The Committee has been informed that GAO is planning a pilot project with the Department of Justice to explore ways to obtain information in a timelier manner. What do you expect the outcome of the pilot project to be? What effect do you expect this pilot project to have on GAO's access to information at the Department of Justice?

Response: DOJ and GAO have established a senior-level working group to review DOJ's processes for interacting with GAO. DOJ has agreed to seek our input as the Department makes changes to its processes, and these changes are crucial to improving GAO's access at DOJ. In consultation with GAO, DOJ has agreed to initiate a six month trial program with target time frames for DOJ production of documents and information and for the scheduling of interviews, as well as tracking of data on the Department's responsiveness to GAO's requests. The trial program will also include new escalation processes for the resolution of access issues between DOJ and GAO. The GAO/DOJ senior level working group will need to evaluate the results of the trial program to inform permanent changes in DOJ's protocols for working with GAO to facilitate timely access to information and employees.

- 23. The American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act) gave GAO a significant role to play in oversight of expenditure of stimulus funds and their effect on the economy. Specifically, the Recovery Act tasked GAO with conducting bi-monthly reviews and preparing reports on the use of the funds by selected state and localities and required GAO to comment on the jobs estimated in recipient reports, among other requirements.

- a. To conduct proper oversight of Recovery Act funds, GAO coordinates with other oversight entities, including agency Inspectors General and the Recovery Act Board that is charged with coordinating and conducting oversight of Recovery Act funds in order to prevent fraud, waste, and abuse. How does GAO manage this coordination? Do you believe that this coordinated effort changed the way oversight may be approached in the future? Are there any lessons-learned from this endeavor that might guide future oversight initiatives?

Response: GAO has managed coordination with other oversight entities by outreaching early after the Recovery Act was passed, building on established relationships and networks that have been cultivated over time and creating regular forums to ensure continuing communication. For example, in March, 2009, soon after the Act was enacted:

- GAO reached out to the federal IG community and, with the Chair of the Council of Inspectors General on Integrity and Efficiency (CIGIE), hosted an early meeting with IGs or their representatives from 17 agencies in which coordination

approaches for moving forward were outlined. Likewise, soon after the President appointed him as Chair of the Recovery Accountability and Transparency Board I contacted Mr. Earl Devaney to begin coordination of our efforts.

- GAO also reached out to the state and local audit community to establish coordination approaches and arranged a conference call through the National Association of State Auditors, Comptrollers and Treasurers (NASACT) with state auditors or their representatives from 46 states and the District of Columbia, and the next day we held a similar discussion with local auditors from many localities throughout the country.

NASACT also has coordinated a weekly teleconference to discuss implementation issues. Participants included representatives from OMB, the Board, GAO, the National Governors Association, the National Association of State Budget Officers and state stimulus czars. These teleconferences afforded the opportunity for information sharing and problem solving. Also, routine sharing occurred among federal, state and local auditors and GAO teams conducting work in the 16 selected states and the District also routinely coordinated with the State Auditors as part of their work during each bimonthly review.

These communication and coordination approaches can help inform future oversight efforts that involve intergovernmental dimensions. The lessons learned also include the importance of early attention to internal controls and use of risk based approaches to grants and contracts.

- b. The Recovery Act provided \$25 million for GAO to conduct its required oversight of the stimulus funds in a timely and effective manner. How did GAO use those funds to meet the significant reporting requirements in the short-timeframes provided in the legislation? Is this a method of oversight GAO may consider using in the future?

Response: GAO used these funds for staffing, travel and other support costs for our Recovery Act audit teams including state level teams sent to 16 states across the country that were slated to receive about two-thirds of Recovery Act funds provided to state and local governments. Our staffing strategy included hiring retired GAO people, some of whom lived in the states selected, and term employees in addition to deploying already existing staff. This approach along with hard work of dedicated and talented people enabled us to meet the short timeframes and significant reporting requirements. Hiring retired former employees and term employees along with assigning senior GAO executives to lead the state teams worked well, and I would consider using these approaches again under the right circumstances.

- c. Now that GAO's funding for Recovery Act oversight has ended, what plans does GAO have to continue to meet its reoccurring mandates?

Response: GAO issued its latest bimonthly review of the uses of Recovery Act funds by selected states and localities on September 20, 2010. Like the previous reports, it covered multiple programs (e.g., Medicaid, education, transportation) and discussed the uses of funds in 16 selected states, localities within those states, and the District of Columbia. This approach was appropriate because the major issues during the first stages of Recovery Act implementation were the overall flow of funds from the federal government to states and localities, the program infrastructure that OMB and agencies had established to manage and oversee the Recovery Act, and the state and federal accountability mechanisms that were being put in place to ensure the effective and proper use of funds. These reports contributed to numerous improvements in the implementation of the Recovery Act at the federal, state, and local levels.

GAO's reporting strategy will now be focused on a major program or program area in depth, rather than covering a wide range of programs. For example, the December report will focus on the Head Start program and future reports will in turn focus on other programs receiving Recovery Act funds. The program-specific focus will provide national pictures of how the Recovery Act is going for programs rather than being centered on the 16 states and the District. Our reports will also continue to comment on the recipient reported jobs estimates by doing statistical analysis of recipient reports as we have done in the past and will assess how the agency or program under review is working with its recipients to ensure complete and accurate data, and how the agency is using the data in its own decision making.

24. GAO's role has shifted and expanded over the years, moving away from traditional financial audits and focusing more on general program evaluation and, increasingly, on management assessment and evaluation.
- a. As the nature of the agency's work has evolved, has the makeup of the agency's workforce evolved to keep up with these changes? What do you envision as the appropriate mix of employee skill sets GAO needs in order to perform its work?

Response: Yes, GAO's workforce has evolved over the years to accommodate the changing nature of our work. GAO needs a multidisciplinary workforce to effectively carry out its mission. The mix of the current workforce includes analysts of various backgrounds such as public administration and public policy, financial auditors, economists, attorneys, information technology specialists, statisticians, operations research and social science analysts, computer and physical science analysts and criminal investigators. I believe that the current mix is appropriate. This will be an area under continuing review as part of our planning and hiring processes.

- b. Is it important for a certain portion of the professional staff at GAO to have management experience, either in the federal executive branch, state or local government, or in the private or nonprofit sectors? If so, do you think that GAO currently has enough professional staff with such experience in its ranks?

Response: Yes, it is helpful to have a portion of GAO staff that also have experience working in the federal executive branch, state or local government, or in the private or nonprofit sectors. For example, currently, about 40 percent of our senior executives have such experience. All of our most senior experts in accounting, actuarial science, economics, physical science, statistics and technology have such experience. I am satisfied with the current situation and this will be reviewed as part of our ongoing workforce planning to meet our future needs.

- c. Are there areas of expertise or particular skills that you believe should be better represented at GAO? If confirmed, what steps would you take to ensure that GAO has a workforce with the experience, background and skills to meet current and future challenges?

Response: As discussed in responses to earlier questions, additional expertise in technology, science and engineering would be important. The steps I would take to ensure GAO has the proper workforce were outlined in my answers to question nine.

GAO Operations and Management

25. What performance metrics does GAO use to evaluate the agency's own performance? What performance metrics does GAO use to evaluate its staff, including Directors and senior managers? Do you think these metrics are adequate? If not, what would you do to improve performance evaluation?

Response: GAO has a balanced set of quantitative and qualitative measures to gauge its organization performance, focusing on four key areas – **results, client service, people, and internal operations**.

- **Results** measures cover the outcomes of our work in producing financial benefits, such as costs avoided or increased revenues, as well as other benefits such as improved legislation, better service to the public, and improved management of government programs or operations. We also measure the percentage of our recommendations that are adopted and the percentage of our products that include recommendations.
- **Client Service** measures include the number of times we provide expert testimony at congressional hearings and the results of client survey feedback on the timeliness and quality of our work and our interactions with Members and staff.
- **People** measures include the results of our annual survey of employees regarding their perspectives on organizational climate, staff development, staff utilization, and effective leadership by immediate supervisors, as well as indicators showing recruitment and retention of our people.
- **Internal Operations** measures portray employee and management satisfaction with a wide range of services such as computer support, facilities management, and personnel benefits, as well as staff perceptions of work life quality.

These same measures and other organizational goals are used to help evaluate our Senior Executives. As appropriate, the performance of senior executives is evaluated in six categories: (1) managing for results, (2) serving clients, (3) developing people, (4) promoting quality and managing risk and costs, (5) demonstrating institutional leadership, and (6) managing change. The standards for evaluating GAO staff have similar characteristics and are being reviewed as part of our ongoing comprehensive revamping of our performance management system.

I am satisfied with our organizational performance metrics for now.

26. In 2010, in employee surveys conducted by the Partnership for Public Service, GAO was rated as the second best place to work in the federal government. If confirmed, how would you maintain and enhance GAO's reputation in this area and continue to attract and retain a competent and highly motivated work force?

Response: If confirmed, I would continue to look for every opportunity to seek and act upon employee feedback. GAO people are committed to seeing the agency succeed in accomplishing its mission; engaging them in meaningful dialogue and working continuously to improve the agency will remain the key to being one of the best places to work. With regard to recruiting and retention, GAO has solid processes and successful incentives in place. I would maintain these and, where possible, I would seek to enhance them in order to have the best possible workforce to serve the Congress.

27. Several years ago a union was formed at GAO. Please describe your approach to working with GAO's union during your tenure as Acting Comptroller General, and how, as Comptroller General, you would work with the union in the future.

Response: Since becoming Acting Comptroller General, one of my top priorities has been to establish and maintain effective constructive relationships with GAO's new union. This tone has resulted in satisfactory resolution of past pay issues through passage of the GAO Act of 2008, an interim collective bargaining agreement, and recent tentative agreement on GAO's first Master Collective Bargaining Unit Agreement. This constructive open management philosophy extends to all GAO employees beyond those in the bargaining unit. As a result, additional groups such as the Employee Advisory Group for non-unionized employees and an office-wide Diversity Advisory Council have been reenergized or created to help foster a cooperative spirit to continuously improve GAO's operations and working environment.

If confirmed as Comptroller General, I plan to continue to work constructively with GAO's union and other employee groups and build on the current positive environment of mutual trust and respect.

28. In 2005, the GAO merged its Office of Special Investigations (OSI) with forensic auditors to create the Forensic Audit and Special Investigations Unit (FSI), a unit using expertise in financial and forensic audits and investigations and financial analysis to

support Congressional oversight by exposing fraudulent, wasteful, and abusive activities across the government. The goal of the unit was to develop a dedicated interdisciplinary staff capable of conducting reviews of any government program, particularly where there is alleged waste, fraud, or abuse. Since its creation, FSI has been involved in a number of high-profile investigations – uncovering large amounts of fraud, waste and abuse of taxpayer dollars in the aftermath of Hurricane Katrina, exposing the high risk for fraud and abuse in the Energy Star program, detecting possible gaps in aviation security, and revealing security flaws in areas such as the transport of Department of Defense weapons and nuclear material.

a. What are your plans for the future of the FSI unit and its work?

Response: GAO's FSI work is valuable in assisting Congressional oversight and highlighting critical weaknesses that need addressed. I plan to continue to look for ways to enhance FSI's capabilities and its future work, especially with regard to ferreting out and curtailing fraud and abuse in federal programs and in highlighting consumer fraud issues.

FSI is unique in the federal government with an integrated team of criminal investigators, auditors, analysts, and data experts. The primary reason FSI was created was to provide an integrated team of experts able to perform forensic audits and special investigations primarily related to matters of fraud, waste and abuse in programs across the government.

I see the future of FSI focused primarily on continuing to expose vulnerabilities in government programs to fraud, waste and abuse. FSI has ongoing fraud investigations for several committees in areas such as health care and social security disability. In addition, over the last several years there has been a demand for FSI to look into issues related to consumer and other fraud and abuse. For example, a recent undercover investigation by FSI revealed substantial fraud and abuse related to debt settlement companies and the sales of dietary supplements. Continued work by FSI will help Congress identify and address consumer and other fraud and abuse that impacts millions of Americans.

FSI also manages our Fraudnet hotline, where individuals can provide us with tips on allegations related to fraud and mismanagement. For example, a tip to our Fraudnet hotline was the beginning of the investigation that exposed significant problems with audit quality and management at the Defense Contract Audit Agency. I expect we will continue to identify leads from Fraudnet that identify issues that FSI will investigate. Although a small part of FSI's work, I also anticipate FSI performing some security related work either on its own or working with other GAO teams.

- b. To what extent is FSI's work now integrated with the work of GAO's general audit teams? Do you believe these current arrangements work well? Do you believe the degree of such integration should be increased? Decreased?

FSI work is being integrated with the work of GAO's program teams where appropriate. For example, FSI's DCAA work was a joint effort between it and our Financial Management and Assurance Team. In addition, FSI played a key role in our recent work related to the Federal Protective Service (GAO-09-859T), performing proactive testing as part of a broader review of FPS.

FSI has also performed parallel investigations of programs that other GAO teams are auditing. Examples of this work include FSI's investigations of fraud and abuse in the HUBZone (GAO-10-920T and GAO-09-440) and 8a small business set-aside contracting programs (GAO-10-425). These current approaches have resulted in FSI utilizing its unique capabilities to serve numerous committees and subcommittees while working in collaboration with other GAO audit teams on a targeted basis. We will continue to look for more opportunities at integration and collaboration in the future.

29. GAO has the authority to initiate work without a Congressional request. GAO has used this authority in the past to identify concerns in a variety of areas, including exposing issues related to savings and loan scandals, the Y2K problem, nuclear safety, and airline safety. What do you think is the greatest value of self-initiated work? What is the current percentage of GAO work that is self-initiated? Are there any areas where you plan to initiate a review using GAO's own authority?

Response: The greatest value of self-initiated work is that it enables GAO to focus on current and emerging risk areas that need to be brought to the attention of the Congress and agency managers. Since becoming the Acting Comptroller General, I have used this authority to, for example:

- complete work on a framework to help modernize the fragmented and outdated financial regulatory system.
- identify key issues and develop options for the Congress to consider in deciding how to resolve the ultimate state of Fannie Mae and Freddie Mac when they emerge from conservatorship.

In fiscal year 2010, about four percent of GAO's resources were used for self-initiated work. Currently, we are evaluating challenges to the Department of Treasury in financing the significant level of federal debt, and efforts to implement new consumer protections introduced by the Consumer Product Safety Improvement Act designed to strengthen the safety requirements for imported consumer products. Given the recent housing downturn and credit crisis we also have an engagement underway examining the challenges faced by Ginnie Mae in managing an increasing volume of mortgage loan guarantees and the potential financial exposure of these loan guarantees to the federal

government. We also plan to undertake self-initiated examinations of the activities of the new Financial Stability Oversight Council and the Bureau of Consumer Financial Protection.

Timing, Quality, and Substance of GAO Reports

30. One suggestion for additional GAO products includes reports that are more limited in scope than traditional GAO reports, but that can be turned around in a quicker time frame. Do you have ideas on additional products GAO can produce that would improve its usefulness and effectiveness in serving Congress in a timely manner?

Response: I believe we need to continuously look for more useful and effective ways to produce products to serve the Congress. In that spirit, we have established a working group to explore short term and longer term options. For example, we just began piloting a web-based E-report to make it easier and faster for people to find and focus on aspects of GAO reports they are more interested in and to improve options for interactive graphics and other communication methods. We also recently made our website more accessible to mobile devices and began using short audio podcasts and video clips to explain our work. In addition, we have been using a new briefing report format patterned after our one page highlights approach.

Our continuing focus on new products along with planned technology enhancements for content management of our work should yield more future innovations. We also are open to working with our congressional requestors to discuss and try additional new approaches based on their needs.

31. Over the years there has been a marked increase in the demands that are being placed on GAO and the Comptroller General. Given the increasing demand for its services, do you envision changing the manner in which GAO handles work requests?

Response: I am always open to new ideas and approaches for handling work requests. I do not have any immediate plans to change the current approach which was developed in close consultation with the Congress. This approach entails GAO initiating work according to the following priorities:

1. Congressional mandates.
2. Senior congressional leader and committee leader requests.
3. Individual Member requests, with additional consideration given to requests from Members who are on a committee of jurisdiction.

Congressional mandates include requirements directed by statutes, congressional resolutions, conference reports, and committee reports. Senior congressional leaders include the President Pro Tempore, Senate Majority Leader, Senate Minority Leader, Speaker of the House, House Majority Leader and House Minority Leader. Committee

leaders include the Chair and Ranking Minority Member of a committee or subcommittee with jurisdiction over a program or activity.

GAO reserves a limited portion of its resources for work initiated under the Comptroller General's authority to: (1) invest in significant current or emerging issues that may affect the nation's future and (2) address issues of broad interest to the Congress, with an emphasis on longer-range, crosscutting, and transformational issues.

To implement this approach, GAO regularly consults with the appropriate committees and offices across the Congress to help ensure that its work is prioritized according to congressional needs.

32. One complaint frequently expressed about GAO is the length of time it takes to complete a traditional report. In some instances, it can take 18 months to two years from the time of a request until the completion of a GAO report. In such cases, there is the potential for the report to become stale or to become less relevant to a Committee's oversight efforts.

- a. What is the range of the length of time from request to the issuance of GAO reports?

Response: First and foremost, GAO always attempts to meet the needs of the Congress. There can be instances where Congress needs information quickly and GAO can do a quick overview and provide a briefing that addresses the topic. Other times, when Congress wants a broader scope that examines detailed questions, our reports can take much more time. So in discussing this subject one must keep in mind the enormous variation in the nature, scope, and complexity of the steady stream of hundreds of mandates and requests GAO receives covering the breadth of the federal government's activities and congressional interests. That variation ranges from quick updates of prior work to in-depth evaluations of programs of national scope which require innovative methodologies and intensive data collection and analyses efforts. Moreover, many requests now entail work at multiple agencies, are government wide in scope, or involve obtaining information from state and local governments, nonprofit institutions, private sector entities, and foreign governments. In all cases, GAO tries to meet early on with congressional requestors to discuss their needs and timing issues, including options for reprioritizing GAO's portfolio of requests from them and any constraints on when we can start the work given prior commitments to the Congress.

Within this context, the range of time from starting to completing our work on traditional reports (which excludes testimonies and briefings) varies widely. When the extremes at both ends of the spectrum are accounted for, the vast majority of our traditional reports completed in fiscal year 2010 ranged from just over 2 months to 17.5 months, which included time to obtain and respond to agencies' comments on our draft reports. The range of time from receipt of a request to when we were able to start the vast majority of the work last year ranged from a few days to 18 months.

Additional perspectives on the circumstances that lead to this variation from receipt of request to the start of GAO work are discussed in my answer to question 33.

Another useful way to view the timeliness of our products is through consideration of the full range of products GAO offers, including testimonies and briefings. When these products are considered along with our traditional reports, the time it takes from initiation to completion averages about 7.5 months.

Our annual client feedback survey provides additional perspective on the timeliness of GAO's products. This survey consists of questionnaires we send to a sample of requestors of our work following the issuance of reports and testimonies. The survey asks, among other questions, whether the product "was delivered on time." Using this measure, over the last 4 years respondents to this survey have consistently responded that 95% of our products were delivered on time.

Given the demand for our services, our current resource levels, the challenges presented by many requests and the high standards and expectations for our work, the timeframes for completing our work are reasonable; however, as discussed below, we will continue to seek ways to reduce these timeframes.

- b. What do you see as the major impediments to completing GAO reports more quickly?
- c. What, if anything, can and should be done to decrease the time between request and issuance of reports while still ensuring a report's accuracy and integrity?

Response b. & c.: There can be certain obstacles to producing our results quicker with our current level of resources. These include the absence or dearth of readily available reliable data, delays in agencies or others providing information and/or difficulties in scheduling meetings with key officials, prior commitment of staff with particular expertise due to an earlier agreed to congressional mandate or request, to questions about our access and authorities that take time to resolve.

As discussed in my answer to question 22 we have been and will continue to work with departments and agencies to more timely obtain information and access to their people as well as comments on our draft reports. We also have efforts underway to use technology to streamline our administrative system and work methods as well as content and document management systems that can aid in producing reports.

All of these efforts collectively should help us produce faster results without sacrificing the high quality, accuracy and integrity of GAO's work that the Congress and others have come to expect and rely upon.

- d. In instances where reviews are delayed for extended periods of time, do you have any plans in place to communicate with requesters about their on-going needs for

information requested to be sure GAO is not conducting work that is no longer needed or would be outdated?

Response: GAO provides to all Members who request work, generally within 10 business days of receipt, a letter acknowledging the receipt of the request. This letter may be augmented by a verbal communication. When a request is accepted, GAO provides the requester an estimate of when the job is likely to be staffed (e.g., immediately, within a few weeks, within several months, or at a future date to be determined). Closer to the time GAO can start the review, we contact the requester(s) to confirm that the request continues to be a priority for them.

33. Last year, the Committee was informed that there was a five-month backlog at GAO from the time of a request until the initiation of a project. Does that backlog still exist today? What are the primary causes of this backlog? What would you do as Comptroller General to shorten this delay?

Response: Yes, it takes a certain period of time for us to begin new work largely because of the need to complete already existing congressional commitments. Of all ongoing or completed engagements that GAO started during FY 2010, with the exception of mandates and testimonies, the average length of time from teams receiving the request to the initiation of the work was 4.4 months. The primary contributing factors include the following:

- at the time the request is received, GAO did not have proper staffing immediately available;
- the requestors informed GAO that other work requested by their committee was of a more immediate priority and should be started first;
- the work requested required us to wait for some event or action that was a prerequisite to doing the work, such as waiting for an agency study to be completed or implementation of a law; and
- the requested or agreed upon due date of the work was too far into the future to warrant starting work at the time of the request.

34. GAO includes recommendations in many, though not all, of its reports.
- a. Does GAO have procedures or criteria for formulating recommendations? If so, could you please briefly describe those procedures or criteria?
 - b. When GAO makes recommendations, does it endeavor to determine the costs and benefits of implementing those recommendations? If so, how does GAO communicate the costs and benefits associated with recommendations?

Response a. & b.: GAO does have agency-wide standards for formulating its recommendations. In brief, GAO makes recommendations for actions to correct identified problems and to improve programs and operations when reported findings and

conclusions logically warrant agency corrective actions or improvements.
Recommendations are to be:

- directed to those who have responsibility and authority to act on them;
 - clearly state the actions to be taken and be responsive to underlying causes of deficiencies they seek to correct;
 - feasible, taking into account legal and practical constraints that would make their implementation impossible or unlikely; and
 - cost effective.
- c. Does GAO have a formal process by which it revisits and reevaluates recommendations it has made and issues it has identified in its reports to see whether recommendations have been complied with and/or the issue otherwise has been rectified or improved? If so, please briefly describe that process.

Response: Yes, GAO does have a formal process for following up on its recommendations. In summary, GAO teams monitor the status of agency actions and using a database periodically update the status of the recommendation. When significant improvements in the operations and activities of government entities result from GAO's work, GAO teams record the results. GAO also maintains a publicly available database on open recommendations which is updated routinely.

35. Some have suggested that GAO focuses too much attention on agency's decision-making processes and that GAO should instead be more results-oriented in its analysis and recommendations.

- a. Do you believe this is a fair criticism?
- b. If confirmed, what will you do as Comptroller General to ensure that GAO's recommendations provide specific methods by which an agency or program can improve its performance and address any concerns that were raised by GAO?

Response to 35 a. & b.: To the extent that agency decision making processes are critical factors in determining the results of government programs and operation, I do not believe this characterization is accurate.

With regard to the specificity of methods that agencies should follow to address our recommendations, it is important for GAO, as an independent auditor, to be constructive and provide recommendations that clearly address problems identified but not make decisions for agency management that are its responsibilities. If confirmed, I will ensure that GAO policies, reporting standards, and audit approach is as helpful in providing specific recommendations as possible and appropriate given its role as an independent auditor.

36. One of the more valuable publications GAO produces is its biennial "High-Risk" series that brings scrutiny and focus on specific areas that are particularly vulnerable to fraud, waste, abuse and mismanagement. While progress has been made in many areas listed in the "High-Risk" program, many problems still remain.
- a. Describe what you believe to be the value of the "High-Risk" list over the years, particularly in light of the high number of programs and activities that repeatedly appear on the list?

Response: GAO's high risk list has been valuable in providing much needed attention to significant areas that are vulnerable to fraud, waste, abuse or mismanagement and those areas in need of broad based transformation. The program has consistently received bicameral bipartisan support from the Congress, and has helped focus the attention of various Administrations over the years on addressing problems impeding effective government and costing the government billions of dollars each year. It also has contributed to congressional oversight and enhancement of several government-wide management reforms.

While it is true that about half of the 14 original items placed on the high risk list remain on it today, about half has been removed from the list. More than ten others placed on the list since 1990 also have been removed. In January 2009, we reported progress has been made in most of the items that were on the list. Our next update will be in January 2011 to coincide with the beginning of the 112th Congress.

- b. What else, if anything, should GAO do to help agencies and programs remove a high-risk designation?

Response: As I indicated earlier, I believe greater progress can be made addressing these areas by elevating attention to the leadership level of the federal departments and agencies and through sustained detailed discussions among the departments and agencies, OMB, GAO and targeted congressional oversight. I plan to make addressing high risk areas a priority during my tenure if confirmed as Comptroller General. Solutions to high risk problems offer the potential to save billions of dollars, dramatically improve service to the public, strengthen confidence and trust, enhance the performance and accountability of the U.S. government, and ensure its ability to deliver on its promises.

Issue-Specific Questions

37. The federal government spends approximately \$80 billion annually on major information technology investments. More than a quarter of these projects are typically identified as behind schedule, over budget, and/or underperforming. Over the last year and a half, GAO has worked closely with the Administration to address the need to increase oversight of these investments, including conducting project reviews and consulting the

Federal Chief Information Officer on initiatives such as the IT Dashboard and TechStat sessions.

- a. What do you believe needs to be done to enhance procurement reform of major information technology investments?

Response: The keys to enhancing procurement reform in information technology investments include sustained and effective leadership and better application of disciplined processes to select and manage investments. While these concepts are embedded in legislative requirements and related guidance, their successful implementation has often been difficult to achieve as evidenced by many GAO reviews over several years. Greater transparency over the status of investments is also important to help: 1) enhance early management involvement and have that involvement sustained as necessary; 2) ensure effective risk management strategies given the complexity and maturity of technologies to be used, and 3) provide a realistic assessment of the technical and project management skills needed for success..

- b. In what areas do you believe GAO should be focusing its audits to help guide this reform?

Response: GAO will continue to take a multi-tiered approach in focusing its audits on:

- Assessing executive management and the implementation of sound investment and acquisition management practices and controls to better ensure that investments are justified on the basis of cost, benefits, and risks.
- Examining federal agencies' effectiveness in developing and implementing institutional IT management capabilities, such as enterprise architectures, information security, investment management, human capital, earned value management, and cost and schedule estimating.
- Developing and assessing key acquisition disciplines and controls on high-risk, complex, and costly IT investments; these disciplines and controls include project planning, monitoring and control, requirements development and management, risk management, testing, and independent verification and validation.
- Developing and building upon best practices and methodologies for IT planning, management, and operations; modeling and testing these methodologies to better ensure their sound use; and systematically applying the methodologies.

In addition to reviewing ongoing projects, GAO is looking at successful IT projects to help determine the important factors contributing to their success. By undertaking all these types of reviews, GAO can continue to pinpoint risks and make recommendations to improve individual IT acquisitions while also seeking to strengthen agency policies guiding IT investments and OMB's oversight of these

investments; and to highlight areas for congressional oversight which is important to bring about successful implementation of IT projects.

38. GAO is currently conducting a review at the request of the Committee to determine critical success factors that lead to the effective implementation of selected IT investments. This review is intended to help guide agency Chief Information Officers to lead successful projects. Do you believe there is an opportunity for GAO to conduct similar "best practices" reviews in other areas, such as human capital, that might provide a guide for agencies to improve underperforming initiatives?

Response: Yes, GAO has, and should continue to look for opportunities to study and update best practices and share them to advance more effective and efficient management across government. GAO has conducted "best practice" reviews in a number of management areas besides IT, including acquisition management, financial management, human capital, and strategic planning and performance measurement. These have included, for example, guides to strategic human capital management, project cost estimation, inventory management, weapons acquisition, training, and financial management.

Currently, we are pulling together an updated compendium of GAO's best practice work in each of the major management functional areas and plan to present this as a Web product. GAO maintains a page on its website of selected Best Practices work (<http://www.gao.gov/aac/bestpractices2.htm>); the updated compendium will be posted there.

39. The U.S. Postal Service is facing a financial crisis, posting a net loss of between \$6 billion and \$7 billion in fiscal year 2010 alone. GAO has conducted several reviews of the Postal Service and recommended significant changes to its business model. Although GAO removed the Postal Service from its "High Risk" list in 2007, it was returned to the list again in 2009 because of the considerable problems that the Postal Service has had reforming its operations, despite the efforts of Congress in the Postal Accountability and Enhancement Act of 2006. What role can GAO play in helping identify changes the Postal Service needs to make to improve its bottom-line?

Response: GAO can continue to play an important role in providing independent analyses and insights into actions needed to improve the Postal Services' financial condition. Our plans to carry out this role include:

- analyzing specific Postal Service proposals including moving to five day delivery, replacing its vehicle delivery fleet, expanding its use of retail alternatives, and efforts to improve delivery efficiency and modernizing postal retail and process networks;
- following up on other actions that GAO identified that the postal service could take when we placed them on the high risk list in 2009 including reducing compensation and benefit costs, consolidating its field structure and realigning services with uses of mail;

- analyzing and providing regular updates of the Postal Service's overall reform plans and the status of its financial position; and
- reviewing key initiatives that foreign postal services have implemented regarding mail delivery and retail services and providing lessons learned that could help the USPS improve its financial situation.

We believe our work will assist congressional oversight and provide recommendations to the Postal Service as it moves to address its many challenges.

40. Former Comptroller General David Walker identified personnel management as an area that needed improvement government-wide. Do you agree with Mr. Walker, and if so, how would you approach improving personnel management? What efforts should GAO take, if any, in this area?

Response: I agree that personnel management is an area that needs improvement government-wide. Strategic human capital management government-wide was placed on GAO's high risk list in 2001 and has remained on it since. Progress has been made through legislative initiatives by the Congress to provide agencies additional authorities and flexibilities. OPM has also issued guidance on the use of flexibilities, recently initiated efforts to streamline the hiring process, is developing an initiative to increase diversity and inclusion in federal agencies and is helping agencies with more strategic approaches to human capital management.

While improvements are under way, more actions are needed to address critical skills and demographic gaps in the federal workforce. For example, in many agencies shortages exist for acquisition and contract management staff, information technology specialists, computer scientists and engineers, veterinarians to assist with food safety issues, health care professionals, financial management and budget analysts, and individuals with foreign language skills. And the rate of employment of individuals with disabilities in the federal government remains low.

Greater integration of program and human capital planning is also needed. OPM and agencies need to work together to ensure that workforce plans and hiring strategies fully support the complex and highly specialized talent needs of agencies, now and in the future. To ensure that goals are being achieved, agencies and OPM need to measure the effects of key initiatives, evaluate program performance, make needed adjustments to strategies and verify progress in closing skills gaps.

GAO will continue to assess agency capacity to employ strategic planning and recruitment to close these gaps. And we will continue to review OPM's progress in providing advice and oversight of federal human capital management. As I mentioned earlier, helping to resolve high risk issues will be a top priority for me if confirmed as Comptroller General.

Miscellaneous

Senate Homeland Security and Governmental Affairs Committee

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41. In 2007, GAO entered into a contract with Thompson West to digitize GAO's legislative histories, which provide comprehensive histories of major pieces of legislation enacted from 1915-1995. It was estimated that 20,616 of these legislative histories had been compiled in paper form by GAO law librarians during that 80-year period. The contract with Thompson West was a "no cost" contract, as the Request for Proposal stated: "[i]n return for access to this unique collection, the contractor could then market and resell access to the digitized collection to cover the cost of digitization." As a result, there is no free public access to these records, and it is only provided by Thompson West as a premium service.

- a. Do you believe the ability of the public to access these records was properly considered when GAO entered into this contract?

Response: Yes, GAO considered public access through the course of its efforts to digitize its legislative history collection. GAO's legislative history collection contains over 20,000 histories of public laws dating back to 1915. With the passage of time, the older records in GAO's collection had become brittle, putting them at risk of loss. GAO explored ways to move forward with digitization on its own or with help from other governmental sources, but none of these was determined to be viable given the costs and technical complexities involved. In the end, the best solution available was a contract that enabled the contractor to market the collection in return for digitizing it and giving GAO access at no cost. It is also important to recognize that the public has the same access to our legislative history collection as it previously did – on site at GAO or by request through our public disclosure regulations. Additionally, had GAO not entered into this arrangement, there would not have been any digital availability of these legislative histories to the public.

- b. OMB Circular A-130, which establishes information resource management policy for federal agencies, states that information should be provided to the public in a manner "that achieves the best balance between the goals of maximizing the usefulness of the information and minimizing the cost to the government and the public." While this policy does not govern GAO, do you agree with the goals of this policy as it relates to government transparency and information dissemination? Do you believe that GAO's contract with Thompson West is consistent with those goals?

Response: Although GAO is not governed by OMB Circular A-130, I agree with the principle that federal agencies should maximize the usefulness of information provided to the public, while minimizing the costs to the government and the public of providing the information. I also believe that the Thompson West contract is consistent with this goal. As mentioned above, GAO's legislative history collection is, over time, a perishable resource. Had GAO not taken steps to digitize the collection, the information, in physical format, would have been lost. Given these circumstances and the costs and technical complexities of digitization, a contract to preserve the information at no cost to the government was the best balance to be

struck. The contract does not change the public's ability to access information on site at GAO or by request through our public disclosure regulations.

- c. Given that Westlaw's fee was tied to covering "the cost of digitization," at a certain point do you believe that this obligation will have been met and that these histories can be made more widely available? If confirmed, will you review this contract to determine when Thompson West has covered its "cost of digitization"?

Response: Under the contract, Thompson West has an obligation to provide GAO perpetual free access to the legislative history collection. As long as Thompson West continues to provide such free access to GAO, it is authorized to market the collection to other users. Under the current contract GAO cannot force Thompson West to take any specific action. If confirmed, I will ensure that GAO discusses with Thompson West the options that may exist.

42. The Fiscal Year 2008 National Defense Authorization Act expanded protest rights to the award of task and delivery orders valued at more than \$10 million dollars on any grounds. This ability to protest task and delivery orders expires on May 27, 2011. How has the expansion of protest rights been handled by GAO?

Response: GAO has absorbed the expanded jurisdiction within its existing resources. We are carefully monitoring the workload and will be prepared to advise Congress when it considers whether to extend the expanded jurisdiction beyond May 27, 2011.

Budget and Economic Policy

43. Does GAO currently analyze the costs and benefits of federal regulations? If not, do you believe this would be an appropriate task for GAO to take on? Why or why not?

Response: GAO reviews agencies' cost-benefit analyses in response to specific congressional requests. For example, in 2005 GAO reviewed EPA's cost-benefit analysis of mercury control options (*Clean Air Act: Observations on EPA's Cost-Benefit Analysis of Its Mercury Control Options*, GAO-05-252, February 28, 2005). GAO has more broadly reviewed agencies' implementation of regulatory analysis requirements. See, for example, *Federal Rulemaking: Improvements Needed to Monitoring and Evaluation of Rules Development as Well as to the Transparency of OMB Regulatory Reviews*, GAO-09-205, April 20, 2009, and *Reexamining Regulations: Opportunities Exist to Improve Effectiveness and Transparency of Retrospective Reviews*, GAO-07-791, July 16, 2007.

As noted below, GAO's taking on of additional responsibilities for reviewing cost-benefit analyses would require significant additional resources and may not represent the most useful role GAO can play in advising Congress on the effectiveness of agency regulatory processes.

- a. In 2006, in a letter to then-Chairman Tom Davis, then-Comptroller General David Walker wrote that any expansion of GAO's current line of business to include the independent evaluation of the costs and benefits of economically significant agency rules without additional dedicated resources would pose a significant problem for GAO.¹ Do you agree with former Comptroller General Walker that GAO should receive additional dedicated resources before Congress asks it to perform independent evaluation of the costs and benefits of economically significant agency rules?

Response: I agree with then-Comptroller General David Walker's statements in the 2006 letter. Any expansion of GAO's current lines of business without additional dedicated resources would be a serious problem for GAO and would have severe adverse consequences on our ability to provide the same level of service to Congress in connection with responding to congressional requests and mandates for our already existing services. In addition, charging GAO with the responsibility for such reviews has the potential to duplicate work already performed by OMB and the individual agencies.

- b. More generally, how do you believe GAO might best assist Congress in connection with achieving greater protection and other benefits for the American people from our regulatory programs, and in doing so with greater efficiency and lower costs?

Response: GAO has, and will continue to, serve Congress by analyzing the effectiveness of government agency rulemaking. For example, as noted above, GAO has reviewed federal agency processes in developing rules and the transparency of OMB's regulatory review process (GAO-09-205) and agencies' retrospective reviews of their existing regulations (GAO-07-791).

44. In one of your recent presentations, you described ongoing work by the GAO to analyze federal and state debt and deficit levels using long-term fiscal simulations. In your view, how can the GAO best use its long-term fiscal simulation capabilities to provide Congress with analysis of the policy options that are available to address our long-term financial challenges?

Response: GAO's long-term simulations are intended to illustrate the magnitude of the fiscal challenges facing the federal government and are a complement to GAO's role as the auditor of the U.S. government's financial statement and fiscal position. GAO's long-term simulations use CBO's 10-year projections as a starting point, and our long-term model is at a very aggregate level. Consistent with its role as official budget scorekeeper for the U.S. Congress, CBO is better equipped to analyze and estimate the budget implications of various policy options. GAO can best help by analyzing the programmatic, managerial, and administrative issues, as well as and considerations of various policy options.

¹ Letter from Comptroller General David Walker to Tom Davis, Chairman, House Committee on Government Reform, June 7, 2006 (B-302705), <http://www.gao.gov/decisions/other/302705.pdf>.

45. In 2004, GAO issued a report on "Key National Indicators" (GAO-05-01) in which it suggested the creation of a Key National Indicators system to develop basic metrics to track U.S. progress on various economic, social, cultural, and environmental measures. Do you believe a Key National Indicators system could be used to support the creation of a "strategic plan" for the federal government? What do you see as the value of such a project?

Response: Yes, I believe that a system of key national indicators could help to inform strategic planning for the federal government. Such a system can help the nation as a whole, including the federal government, to set objectives, measure progress toward selected national outcomes, assess conditions and trends, and communicate more effectively on complex issues.

Several other countries, including the UK, Australia and Canada, have such systems, as do a number of communities across the U.S. Although the U.S. has national level indicators in certain areas, such as the economy and public health, it lacks a comprehensive system that pulls together essential information on a range of economic, environmental, safety/security, social and cultural issues. Keeping citizens informed is a foundation of democratic governance, so a KNI system that provides accessible, high-quality information will help individuals, institutions and the nation as a whole make better-informed choices on complex cross-cutting issues and help build public confidence in government.

Earlier this year, GAO was asked by Chairman Carper of the Senate Homeland Security Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security to update our work on indicator systems. Subsequently, in legislation enacted last March (the Patient Protection and Affordable Care Act), the Congress directed the National Academy of Sciences to establish a key national indicator system for the U.S. To help inform the process, the Act mandated that GAO complete a study on previous work conducted by public agencies, private organizations, or foreign countries with respect to best practices for a key national indicator system. We expect to issue our report in spring 2011.

46. What role, if any, do you believe GAO should play in analyzing the long-term budgetary implications of current federal programs and regulations, current tax provisions, and new legislative proposals?

Response: As discussed in my answer to question #44, I believe CBO is better equipped to analyze and estimate the budget implications of policy options. Similarly, the Joint Committee on Taxation (JCT) is better positioned to provide estimates for revenue and tax options. GAO's role and contributions can best be made by analyzing the programmatic, managerial, and administrative issues, as well as considerations of various policy options.

V. Relations with Congress

47. Do you agree without reservation to respond to any reasonable request or summons to appear and testify before any duly constituted committee of the Congress, if confirmed?

Response: Yes.

48. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress, if confirmed?

Response: Yes.

VI. Assistance

49. Are these answers your own? Have you consulted with GAO or any other interested parties? If so, please indicate which entities.

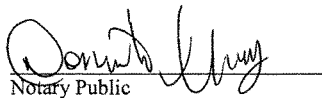
Response: Yes, the answers are my own. I did obtain input from my GAO colleagues in order to fully respond to the questions.

AFFIDAVIT

I, Eugene L. Dodaro, being duly sworn, hereby state that I have read and signed the foregoing Statement on Pre-hearing Questions and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.



Subscribed and sworn before me this 8 day of November 2010.



Notary Public

DONNIKA GRAY
Notary Public, District of Columbia
My Commission Expires June 14, 2018

SUBSCRIBED AND SWORN TO BEFORE ME
THIS 8 DAY OF Nov 2010
BY Donnika Gray
NOTARY PUBLIC



United States
Office of Government Ethics
 1201 New York Avenue, NW., Suite 500
 Washington, DC 20005-3917

OCT 13 2010

The Honorable Joseph I. Lieberman
 Chairman
 Committee on Homeland Security
 and Governmental Affairs
 United States Senate
 Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Gene L. Dodaro, who has been nominated by President Obama for the position of Comptroller General of the United States, Government Accountability Office.

We have reviewed the report and have also obtained advice from the Government Accountability Office concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Dodaro is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
 Director

Enclosure - REDACTED

○