

Administration of Barack H. Obama, 2010

Remarks on Signing the Improper Payments Elimination and Recovery Act of 2010

July 22, 2010

Morning, everybody. Thank you. Thank you. Everybody, please have a seat. Welcome to the White House. I am pleased that you could all join us today as I sign this bill, the Improper Payments Elimination and Recovery Act, which, translated into English, means cutting down on waste, fraud, and abuse and ensuring that our Government serves as a responsible steward for the tax dollars of the American people.

Now, this is a responsibility we've been working to fulfill from the very beginning of this administration. Back when I first started campaigning for office, I said I wanted to change the way Washington works so that it works for the American people. I meant making Government more open and more transparent and more responsive to the needs of the people. I meant getting rid of the waste and inefficiencies that squander the people's hard-earned money. And I meant finally revamping the systems that undermine our efficiency and threaten our security and fail to serve the interests of the American people.

Now, there are outstanding public servants doing essential work throughout our Government. But too often, their best efforts are thwarted by outdated technologies and outmoded ways of doing business. That needs to change. We have to challenge a status quo that accepts billions of dollars in waste as the cost of doing business and enables obsolete or underperforming programs to survive year after year simply because that's the way things have always been done.

This isn't just about lines on a spreadsheet or numbers in a budget, because when we fail to spend people's tax dollars wisely, that's money that we're not investing in better schools for our kids or tax relief for families or innovation to create new industries and new jobs. When Government doesn't work like it should, it has a real effect on people's lives, on small-business owners who need loans, on young people who want to go to college, on the men and women who've served this country and are trying to get the benefits that they've earned. And when we continue to spend as if deficits don't matter, that means our kids and our grandkids may wind up saddled with debts that they'll never be able to repay.

And the reality is that right now, in these difficult economic times, families across this country are cutting every frill and stretching every dollar as far as they can. And they should expect no less from their Government.

If folks can book a flight or buy a pair of shoes online with the click of a button, there's no reason they should have to fill out duplicative forms or endure endless redtape and delays when they deal with their Government. So that's why one of the first things we did when we arrived in Washington was to undertake an accountable Government initiative, an effort that spans every agency, department, and office in our Government.

We named our first ever Chief Performance Officer, Jeffrey Zients, and we're bringing to bear every tool at our disposal, a combination of 21st-century technology and old-fashioned common sense to ensure that our Government operates as efficiently as possible and provides the highest quality of service to its customers, the American people.

We began by combining—by going through the budget line by line and proposing \$20 billion worth of cuts each year by targeting programs that are wasteful, duplicative, or, in some cases, just plain ridiculous, like the \$35 million we're spending for a radio navigation system for ships. Since we now have this thing called GPS, we don't need it. Or the \$3 million that was spent on consultants to create seals and logos for the Department of Homeland Security—their logos and seals are fine. *[Laughter]* Or the billions of dollars slated to be spent on a fancy, new Presidential helicopter fleet that I didn't want and didn't need because Marine One is also fine.

We've drafted a budget for next year that freezes all discretionary Government spending outside of national security for 3 years, a budget, by the way, that would reduce this spending—nondefense discretionary spending—to its lowest level as a share of the economy in 50 years. This isn't talked about a lot so I'm going to repeat it. Our budget would take nonsecurity defense—or nondefense spending to its lowest level since JFK—lowest level as a percentage of the economy since JFK.

We've gone after wasteful Government contracting with a vengeance, working to put an end to unnecessary no-bid contracts and dramatically reinforcing the way Government contracts are awarded. And we're now on track to reach our goal of saving \$40 billion by the end of next—the next fiscal year. We're working to sell or lease out thousands of Federal buildings which we no longer need and aren't using, saving another \$8 billion. We froze salaries for senior White House staff—hence the glum faces. *[Laughter]*

And we've asked Congress for additional authority so that working together, we can move quickly to cut wasteful spending proposals before the money goes out the door. We've streamlined those college loan forms, eliminating nearly two dozen unnecessary questions. We're creating a single electronic medical record for our men and women in uniform that will follow them from the day they enlist until the day that they are laid to rest. We're revamping our Social Security and citizenship processes so that folks can book appointments and check the status of their applications online. We've created mobile apps that provide everything from disaster assistance to product safety information to the latest wait times for security lines at your local airport.

And we've begun an unprecedented effort to put an end to a problem known as improper payments, which is the purpose of the bill that I'm signing into law today. Now, these are payments sent by the Government to the wrong person or for the wrong reasons or in the wrong amount: payments to a defense contractor that's been disbarred for shoddy work but somehow managed to get through the system; payments to companies that haven't paid their taxes or to folks who are incarcerated or who are dead.

Sometimes these payments are the result of innocent mistakes or reflect valid claims that were paid at the wrong time. But sometimes they result from abuses by scam artists and crooked companies. And all told, they added up to \$110 billion. I want everybody to understand—just get some perspective on that: That is more than the budgets of the Departments of Education and the Small Business Administration combined. And that's unacceptable.

So that's why earlier this year, I directed our Federal agencies to launch rigorous audits conducted by auditors who are paid based on how many abuses or errors they uncover; the more they find, the more money they make. So they are highly incentivized. We're also creating a "do not pay" list, a consolidated database of every individual and company that's ineligible for Federal payments. Before checks are mailed, agencies will be required to check

this list to make sure that the payment is to the right person, in the right amount, for the right reason.

Now, with these new tools, the challenge I'm making to my team today is to reduce improper payments by \$50 billion between now and 2012. And this goal is fully achievable due in no small part to some of the great work of the Members of Congress standing with me today, particularly Senator Tom Carper and Representative Patrick Murphy, who sponsored the bill I'm about to sign and worked with all the other Members of Congress who are here today to get it passed.

And I think, by the way, it's worth noting that this bill passed unanimously in both the House and the Senate, a powerful reminder of what we can accomplish when we put partisanship aside and do what's best for the people we serve.

So this bill will dramatically expand and intensify our efforts to end improper payments. And going forward, every agency in our Government will be required to conduct annual assessments to determine which of their programs are at risk of making improper payments. Agencies will be required to audit more of their programs and recapture more taxpayer dollars. And we now have rigorous enforcement mechanisms to hold agencies accountable for how much money they save.

So in large part thanks to the great work of the people in this room, I think we're headed in the right direction. And today I'm pleased to announce that I will be charging Jack Lew, my choice for Director of Office of Management and Budget—once Peter Orszag, the current OMB Director, departs—with building on the good work that Peter began. I'm entrusting Jack with carrying forward our accountable Government initiative in the months ahead. I will be asking him and Jeff to give me regular updates on our progress in cutting waste and making our Government more efficient and effective.

And as the only OMB Director in history to preside over a budget surplus for three consecutive years, Jack Lew knows a thing or two about making Government work. I'm confident he's up to the challenge of building the kind of Government that the American people expect and deserve, one that spends their money wisely, serves their interests well, and is fully worthy of their trust and respect.

So I want to again thank these outstanding Members of Congress who are here today who have been on the case in both Chambers for quite some time. I want to thank all the people who worked on this bill, in this room for your outstanding efforts.

Thank you. God bless you. God bless America. And let me sign this bill.

NOTE: The President spoke at 11:28 a.m. in the State Dining Room at the White House. S. 1508, approved July 22, was assigned Public Law No. 111-204.

Categories: Bill Signings and Veto : Improper Payments Elimination and Recovery Act of 2010, remarks.

Locations: Washington, DC.

Names: Carper, Thomas R.; Lew, Jacob J. "Jack"; Murphy, Patrick; Orszag, Peter R.; Zients, Jeffrey D.

Subjects: Budget, Federal : Congressional spending restraint; Budget, Federal : Deficit and national debt; Budget, Federal : Fiscal year 2011 budget; Budget, Federal : Government

programs, spending reductions; Business and industry : Small and minority businesses; Congress : Bipartisanship; Education : Postsecondary education :: Scholarship and financial aid forms, simplification of; Education : School improvement and renovation; Government organization and employees : Accountability and transparency, strengthening efforts; Government organization and employees : Federal buildings, operating costs inefficiencies, elimination efforts; Government organization and employees : Federal Government contracting policies, reform; Government organization and employees : Federal programs, improvement efforts; Government organization and employees : Improper payments in Federal programs, reduction efforts; Government organization and employees : Payment recapture audits, expansion of use; Homeland Security, Department of : Immigration and citizenship application processing, improvement efforts; Improper Payments Elimination and Recovery Act of 2010; Management and Budget, Office of : Director; Management and Budget, Office of : Director-designate; Social Security and retirement : Social Security program; Taxation : Tax relief; Veterans : Benefits; Veterans : Health and administrative records, information technology; White House Office : Assistants to the President :: Chief Performance Officer.

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