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**Dan Lips, VP for National Security and Government Oversight, Lincoln Network
Written Testimony for U.S. House of Representatives, Legislative Branch Appropriations**

Chairman Ryan, Ranking Member Herrera Beutler, and Members of the Subcommittee:

My name is Dan Lips. I am the Director of National Security and Government Oversight with the Lincoln Network. I respectfully urge the subcommittee to fully fund the Comptroller General's FY2020 budget request of \$744.3 million for the Government Accountability Office (GAO), an increase of \$83.2 million over FY2021 enacted levels.¹ Further, I urge the subcommittee and Congress to encourage GAO to continue to expand the Science, Technology Assessment, and Analytics (STAA) team and to encourage the Comptroller General to establish timelines for agencies to answer GAO's recommendations to increase GAO's return-on-investment for Congress.

To summarize, GAO is one of the best investments Congress makes on behalf of American taxpayers, and the Comptroller General's new STAA team has the potential to dramatically increase the value that GAO provides Congress and the nation. In 2020, I analyzed GAO's annual Performance and Accountability reports between FY1999 and 2019.² My analysis found that GAO's work has resulted in more than \$1.1 trillion in taxpayer savings and more than 25,000 other improvements during that period. (*See Table 1.*) In constant 2019 dollars, this total savings amount is more than \$1.3 trillion. Since 2012, the Office's estimated return-on-investment (ROI) has met or exceeded \$100 to \$1 each year.

Analyzing examples of savings included in GAO's annual reports between 1999 and 2019 revealed that work related to the Department of Defense (DOD) and Department of Health and Human Services (HHS) yielded the most financial benefits (\$275 billion and \$128 billion, respectively). Since 2011, GAO's congressionally mandated annual reports examining duplication across federal programs have yielded a total of \$429 billion in savings. GAO reports that the 4-year implementation rate of its recommendations was 77% as of 2019. The full cost to government of unimplemented recommendations is unknown.³

Congress could increase GAO's ROI by encouraging the Comptroller General to set deadlines and publicly track agencies' implementation, as has been recommended by Deloitte analysts. Congress can also increase GAO's ROI by leveraging the STAA's new Innovation Lab (and its data science capabilities) to curb improper payments. GAO reported that agencies made \$175 billion in improper payments in FY2019, of which \$75 billion was a monetary loss.⁴

¹ Comptroller General Gene L. Dodaro, US Government Accountability Office, GAO-21-407T, *Fiscal Year 2022 Budget Request*, (2021), <https://www.gao.gov/assets/gao-21-407t.pdf>.

² Dan Lips, "Leveraging the Government Accountability Office's Nonpartisan Oversight", *Lincoln Network*, 2020, https://lincolnpolicy.org/wp-content/uploads/2020/10/GAO_Paper_Edited2-1.pdf.

³ Ibid.

⁴ US Government Accountability office, GAO-20-344, *Federal Agencies' Estimates of FY 2019 Improper Payments*, GAO-20-344, (2020), <https://www.gao.gov/products/gao-20-344>.

Table 1. GAO Reported Savings, Government Benefits, and ROI (FY 1999–FY 2019)

Fiscal Year	Reported Savings (billions of \$)	Other Government Benefits	Estimated Annual ROI (\$)	Savings [FY 2019 dollars] (billions of \$)	GAO Staffing (FTEs)	GAO Appropriations (millions of \$)
1999	20.1	607	57	30.94	3,200	354.3
2000	23.2	788	61	34.45	3,192	377.6
2001	26.4	799	69	38.16	3,110	384
2002	37.7	906	88	53.71	3,210	421.8
2003	35.4	1,043	78	49.39	3,269	453.1
2004	44	1,197	95	59.6	3,224	457.6
2005	39.6	1,409	83	52	3,189	467.2
2006	51	1,342	105	64.3	3,194	482.4
2007	45.9	1,354	94	56.54	3,152	507.3
2008	58.1	1,398	114	67.77	3,081	501
2009	43	1,315	80	51.23	3,204	556.8
2010	49.9	1,361	87	58.73	3,347	557.8
2011	45.7	1,318	81	51.90	3,212	547.3
2012	55.8	1,440	105	62.49	2,997	511.3
2013	51.5	1,314	100	56.57	2,849	506.3
2014	54.4	1,288	100	58.58	2,891	505.4
2015	74.7	1,286	134	80.31	2,989	522
2016	63.4	1,234	112	67.60	2,983	531
2017	73.9	1,280	128	77.46	2,994	544.5
2018	75.1	1,294	124	76.46	3,015	592.9
2019	214.7	1,418	338	214.7	3,161	599.8
Totals	1,183.5	25,391		1,362.89		

According to these estimates, GAO's work over the course of these 21 years has resulted in more than \$1.1 trillion in financial benefits to the federal government and more than 25,000 other improvements.⁵ The lowest annual ROI during this span of time was \$57 in financial benefits for each dollar in funding for GAO. Since 2012, the Office's estimated ROI has met or exceeded \$100 to \$1 each year. These accomplishments occurred during a period when GAO's staffing levels were roughly two-thirds their prior size. At the beginning of the 1990s, before Rep. Newt Gingrich led the successful drive to slash spending on the legislative branch, the Office had more than 5,000 employees.⁶

GAO does not document the source of all estimated financial benefits achieved in its annual reports; however, the Office does include examples of work that yielded major financial benefits in each report. My analysis of Performance and Accountability reports from 1999 to 2019 found that GAO publicly detailed approximately \$640 billion of the more than \$1.1 trillion saved during the period. Analyzing examples of savings included in the Performance and Accountability reports shows that work related to the Department of Defense (DOD) and Department of Health and Human Services (HHS) yielded the most financial benefits (\$275 billion and \$128 billion, respectively).

One reason for the increased financial benefits and higher ROI over the past decade has been GAO's increasing focus on auditing and reporting on duplication and fragmentation across government programs. In 2010, former Oklahoma Senator Tom Coburn⁷ passed an amendment to the debt-limit increase to require GAO's annual duplication reports. As of May 2020, GAO estimated that its annual reports on government duplication have yielded \$429 billion in savings since 2011.⁸ This shows how Congress's strategic direction can leverage GAO's impact through legislatively mandated work over time.

Congress Should Encourage GAO to Set Deadlines on Recommendations to Improve the Timeliness of Agencies' Implementation Rates

In 2019, GAO reported that its four-year implementation rate was 77% for its 2015 recommendations, which is similar to prior years. Further, GAO reported that its cumulative implementation rate for FY 2015 recommendations was 21% after year one, 40% after year two, 56% after year three, and 77% by year four.⁹ This four-year implementation rate is significant because GAO reports that "our experience indicates that recommendations remaining open after a four-year period are generally not implemented in subsequent years." For 2019, GAO had set a

⁵ This amounts to more than \$1.3 trillion in savings in constant 2019 dollars and average annual savings totaling approximately \$65 billion after adjusting for inflation. Based on the U.S. Bureau of Labor Statistics, CPI Inflation Calculator (accessed July 17, 2020), https://www.bls.gov/data/inflation_calculator.htm.

⁶ Historical data on congressional capacity and GAO staffing from the Brookings Institution's *Vital Statistics on Congress*, "Chapter 5: Congressional staff and operating expenses" (last updated March 2019), p. 18, <https://www.brookings.edu/wp-content/uploads/2019/03/Chpt-5.pdf>.

⁷ Full disclosure: the author worked for former Senator Tom Coburn from 2011 to 2015.

⁸ U.S. Government Accountability Office, GAO-20-440SP, *2020 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits* (2020), <https://www.gao.gov/products/GAO-20-440SP>.

⁹ GAO-20-1SP, *Performance and Accountability Report* (FY 2019), op. cit., <https://www.gao.gov/assets/710/702715.pdf>.

goal of an 80% implementation rate,¹⁰ which suggests that Congress and the Comptroller General should be considering ways to improve agencies' responsiveness.

In 2015, Deloitte researchers analyzed 26 years of GAO reports and recommendations, including agencies' responsiveness. They offered recommendations to encourage faster implementation:

“GAO could address this issue by setting target completion dates for implementing each recommendation and then making real-time data available to the public showing how long it is taking each agency to implement GAO recommendations. This could motivate agencies to more quickly address GAO recommendations and realize the benefits they deliver to the public.”¹¹

As of September 2020, GAO had 4,958 open recommendations, including 422 priority recommendations. According to GAO's 2019 report on duplication, “billions of additional dollars could be saved” if Congress and executive agencies implement open recommendations identified within that report alone.¹²

Congress Should Encourage the GAO to Use the STAA's Innovation Lab to Conduct Continuous Oversight and Use Data Analytics to Curb Improper Payments

In his recent testimony, Comptroller General Dodaro described how the STAA's Innovation Lab was modernizing oversight and applying data analytics to address federal improper payments:

“Another core area of STAA is the Innovation Lab, which aims to explore, pilot, and deploy new advanced analytic capabilities to enhance audit products. In 2020, the Lab initiated a first-of-its-kind collaborative effort across key agencies to enhance payment integrity.”¹³

Last year, GAO found that federal agencies made \$175 billion in improper payments in FY2019.¹⁴ Of that amount, \$75 billion was a monetary loss or “an amount that should not have been paid.”¹⁵ GAO estimates that this kind of misspending cost taxpayers \$1.7 trillion between 2003 and 2017. But the problem may even be much worse than what's being reported. GAO warns that the federal government doesn't understand the full scope of the problem and agencies may be under reporting their estimates of misspending.

Potential savings from using data analytics and continuous oversight to monitor and prevent improper payments could exceed tens of billions of dollars per year. In its report, the

¹⁰ Ibid.

¹¹ Daniel Byler, Steve Berman, Vishwa Kolla, and William D. Eggers, “Accountability Quantified: What 26 Years of GAO Reports Can Teach Us about Government Management,” *Deloitte Insights*, February 18, 2015, <https://www2.deloitte.com/global/en/insights/topics/analytics/text-analytics-and-gao-reports.html>.

¹² GAO-19-285SP, *Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits* (2019), op. cit., <https://www.gao.gov/products/GAO-19-285SP>.

¹³ GAO-21-407T, *Fiscal Year 2022 Budget Request* (2021), op. cit., <https://www.gao.gov/assets/gao-21-407t.pdf>.

¹⁴ US Government Accountability Office, GAO-20-344, *Payment Integrity: Federal Agencies' Estimates of FY 2019 Improper Payments* (2020), <https://www.gao.gov/assets/710/705016.pdf>.

¹⁵ Ibid.

Committee should encourage the Comptroller General to use additional resources to grow the STAA and support the Innovation Lab's promising work to improve payment integrity across federal agencies.

Conclusion

Recent history shows that Congressional funding for GAO results in a greater than \$100 to \$1 return-on-investment in terms of financial benefits to the government. Assuming that this trend continues and additional marginal investments yield a proportional ROI, Congress should expect the Comptroller General's proposed budget increase of \$83.2 million dollars for FY2022 to result in at least \$8 billion in taxpayer savings. For this reason, Congress should fully fund the Comptroller General's budget request for the Government Accountability Office.

Moreover, Congress should leverage's GAO's nonpartisan oversight and increase its ROI by encouraging the Comptroller General to set deadlines and track agencies implementation of GAO's recommendations to improve timeliness to achieve additional savings and government improvements. In addition, Congress should encourage the Comptroller General to use new resources to support the STAA Innovation Lab's promising work to curb improper payments by using data analytics. This initiative has the potential to improve program integrity and address a \$175 billion problem, which could deliver tens of billions in additional taxpayer savings.

About Dan Lips

Dan Lips is the Vice President for National Security and Government Oversight with Lincoln Network. From 2011 to 2019, he worked on the staff of the Senate Homeland Security and Governmental Affairs Committee. He previously served with the Federal Bureau of Investigation. He earned his BA from Princeton University and his MA from the Institute of World Politics in Washington, DC.