STATEMENT OF

LURITA DOAN
ADMINISTRATOR

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

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Mr. Chairman, Ranking Member Davis, and Members of the Committee, I appreciate the invitation to appear before you today to address the matters raised in your March 6, 2007 invitation. This is my first opportunity to testify since being confirmed as Administrator. I am quite proud of the progress we have made at the General Services Administration (GSA) over the past ten (10) months. We have worked very hard. We now have a balanced budget. The Federal Acquisition Service Reorganization is successfully underway. GSA is one of the top ten Federal agencies to work for, as determined by our employees. And, GSA has turned around and created a positive relationship with the Judiciary and the Department of Defense. With so much good news, in so many areas, I welcome this opportunity to set the record straight.

Based on your March 6th letter, as well as your January 19th letter, I understand that the Committee invitation sets out five areas of concern: First, my involvement in trying to get a low cost and quickly assembled report detailing GSA's work with minority and disadvantaged small businesses; second, the nature of a regularly scheduled team-building "brown bag" lunch with non-career employees on January 26, 2007; third, the successful contract extension negotiations between contract experts in our Federal Acquisition Service and Sun Microsystems; fourth, the request for a briefing about GSA actions affecting the accounting industry; and fifth, my continued insistence that the GSA Office of the Inspector General work with me to ensure that GSA avoids a hostile work environment and sustains a supportive and productive work environment. In this statement, I will address each of these matters.

With regard to the successful extension of the Sun Microsystems' contract, the Committee was provided with copies of documents related to the Federal Acquisition Service's work on this contract. Much of that documentation is proprietary and protected

by the Trade Secrets Act, and a statement was enclosed with the document submission stating this restriction. Other documents involve personnel files and actions that are protected under the Privacy Act. We ask that the Committee continue to treat these documents as confidential and that they not be made a part of the public hearing record.

There are two basic issues that have brought me here today: money – 1) the way federal funding is being spent and 2) the importance of proper oversight over this spending. I hope to provide a full and complete record on both of these issues and to provide the members of this Committee with information that you require in your efforts to provide the proper level of oversight into governmental affairs that taxpayers demand.

Within days of my confirmation as the Administrator of General Services in June 2006, I began efforts to restore fiscal discipline to GSA. Toward that goal, I directed that each GSA division take immediate steps to identify sources of wasteful spending. Non performing programs were cut, moribund projects that had lived beyond their useful life were terminated, and each GSA division carefully reviewed its own operations with the goal of finding sources of wasteful spending. I knew that every division within GSA could find ways to improve, and I was keenly interested in developing a culture of continuous improvement by igniting the entrepreneurial energies throughout the entire organization.

These efforts have been successful. During the past ten months, we have tightened all financial controls, instituted sound financial management, and inspired Federal employees to find better and more innovative ways to improve all of our operations. These efforts over the past ten months have resulted in a restoration of a clean audit, a balanced budget, and the identification of approximately $1 billion of wasteful or unneeded spending. Equally important, at GSA, new ideas are being implemented, entrepreneurial energies are starting to emerge and GSA was recently judged to be one of the ten best places to work in the Federal Government.

The only division within GSA that has not participated in this process is the Office of the Inspector General (OIG).

The OIG was not comfortable with this first serious review of their internal spending decisions and budget review, a review that is common to all other Federal agencies and divisions. In particular, the OIG seemed to resist the notion that every division within GSA –including their own --- could find ways to improve operations and find sources of wasteful spending. Here it is important to note that my goal was not to intrude on the IG's authority and statutory independence to conduct investigations and oversight, which I fully support, rather, the IG was resistant to any notion that the IG's management of a $47 million budget could be improved. This was about management of the office, not about oversight or the independence of the office. In fact, it can be said that an efficiently managed IG office would have more resources to devote to their important goals of investigation and oversight and to helping to promote economy, efficiency and effectiveness in the Agency's programs and operations.

When I learned that another GSA division, one which was in failing financial condition, was required to supplement the OIG with an additional $5 million above and beyond the budget that Congress had approved and appropriated, I quickly moved to address this imbalance. The IG fiercely resisted this effort and many of the visits, information and reports that have been provided to you and other members of Congress over the past several months stem from this disagreement. This disagreement would continue to grow and fester as I attempted to bring a little sunshine to all GSA spending decisions. Moreover, it was my desire to strengthen the internal oversight of **all** spending in an effort to make sure all decisions were cost efficient and duplicative operations were eliminated.

As our process moved forward, I learned that the OIG had made spending decisions that seemed hard to justify, and in my view constituted a complete breakdown in any oversight or review. Regrettably, since there is little or no provision for oversight into

spending decisions made by the OIG, I still do not have an accurate accounting and a complete record. However, what I did discover caused me deep concern.

- Over the past several years, OIG spending on an information technology program to support approximately 300 employees seems excessive in comparison to GSA overall. Worse yet, OIG technology upgrades and improvements do not go through the normal oversight and scrutiny review that govern all other GSA technology programs, such as the Enterprise Architecture review or the System Life Cycle Development Review, as does every other division at GSA.

- The OIG maintains an unchecked and unaccountable human resource process responsible for promotions and the awarding of bonuses for SES employees. I am concerned that there is a perception of self-dealing rather than participating in the transparent process overseen by the GSA Performance Review Board. Free of any oversight or normal fiscal discipline, the OIG senior management authorized cash bonuses that appear both questionable and excessive.

It is my belief that all of the OIG's efforts, numerous reports to the media, and mischaracterization of the facts, stem from this fundamental resistance to any effective oversight or prudent review of spending decisions that seem hard to justify and that potentially cost taxpayers millions of dollars a year.

Let me now address each of the most recent accusations outlined in the Committee's letter of January 19th and in the Committee's March 6th invitation to testify.

Providing Minority and Disadvantaged Small Businesses Opportunities

During my first days at GSA I began championing the cause of minority and small businesses. This is a personal and professional passion for me, and I will continue the effort to help minorities start their own successful businesses in their communities. There are enough obstacles in the world for minorities, working with the Federal

Government should not be one of them. This is why I wanted the study. GSA needed to discover what it was doing well and what it was doing poorly so that it could do more of the one and less of the other.

Within days of my arrival at GSA, I was advised that, despite tremendous opportunities for small and disadvantaged businesses at GSA, the Agency was not meeting its goal of opening doors to minority and small business, and was getting an "F" from the Small Business Administration. My nature, and I believe one of the strengths supporting my appointment by the President to this position, is that I am a woman of action.

In my experience as a successful woman and minority entrepreneur, nobody knows better how to reach out to small minority and disadvantaged businesses than Diversity Best Practices, a company that I, and many Fortune 500 companies, have turned to in this area. Diversity Best Practices is a well known and respected leader in working with large organizations to improve the organization's ability to better employ the talents of small, minority and woman owned companies. We began discussions with this company to see if the industry-leading consulting firm could generate a low cost report quickly.

Ms. Fraser, President of Diversity Best Practices, and I have been business associates and professional friends for the past five years. I believe I met her in 2002 through a group comprised of some of the top women leaders in business. Her expertise was, and is, helping many of the Fortune 500 companies effectively deal with diversity issues. In the private sector, Diversity Best Practices is regarded as one of unparalleled success in this area.

I wanted to move quickly for it was, and is, a particular embarrassment to me, professionally and personally, to lead an organization with a failed grade in the utilization of small, disadvantaged, and woman-owned and service disabled veterans companies.

The Office of Small and Disadvantaged Businesses discussed their issues with Diversity Best Practices over the next few weeks, and arrived at a recommendation to develop a study on what GSA currently was doing to help disadvantaged and minority businesses and what GSA could do to improve its performance in this area.
I approved this proposal, which was in the form of a "Confirmation of Service Order" drafted by Diversity Best Practices, on July 25, 2006 and sent it into GSA's contracting process to develop a government contract.

Three business days later, on or around July 31, 2006, my Chief of Staff was informed that more work would have to be done to issue a contract for this work and that the circulated "Confirmation of Service Order," which I viewed as a draft outline of the work to be performed, would not be able to go forward as drafted. While I was on travel, the GSA contracting staff determined that the sole source award was not possible. So on August 3, 2006, the GSA General Counsel recommended to the Chief of Staff that GSA issue a termination notice as a clear indication to all that the Confirmation Order and the Diversity Best Practices' quote would not go further. The Chief of Staff agreed, and this notice was sent out the next day, on August 4, 2006, by the Contracting Officer assigned to develop the contract. The entire matter of the sole source award was begun and ended within ten calendar days. That was the end of my attempt to quickly sole source a diversity study; I continued to aggressively pursue GSA's assistance in helping small women and minority-owned businesses.

The process, and the document issued by Diversity Best Practices, that I signed in error, was nullified with my complete support. While I made a procedural mistake in my zealous efforts to promote small and disadvantaged businesses, let me be clear, the "Confirmation of Service Order" was terminated and not a penny of taxpayer dollars was spent. Regardless of this, and to be certain there were no misunderstandings, the General Counsel felt a written notice to terminate was necessary. So, no Government purchase orders were issued. No work was performed on the report and no Federal funds were spent.

To suggest there was any wrongdoing is inaccurate and misleading. Certainly, I made a mistake in my eagerness to move quickly to begin to solve an urgent problem of creating more opportunities for minority and small business owners. But there was no intentional wrongdoing.

In the Committee's March 6, 2006 invitation, you note that the Committee staff interviewed the GSA General Counsel, Alan Swendiman. The Committee staff has apparently concluded that Mr. Swendiman stated that he "had serious concerns about (the contract's) propriety and legality". Furthermore you note that "Mr. Swendiman immediately and repeatedly advised (me) to terminate the contract but was unable to convince (me) to do so."

This is completely untrue. Mr. Swendiman never expressed to me "serious concerns", at any time prior to the termination, and his memorandum dated August 3, 2006, to the Chief of Staff supports this.

Further, I completely and emphatically reject the suggestion that I attempted and continued efforts to use my position to direct a contract to a professional friend. I continue to believe that GSA must take a leadership role in promoting opportunities for small, women, minority and service disabled veteran owned businesses and I asked that we start from scratch on a competitively-awarded procurement for a report to help small minority and disadvantaged businesses. It is true that GSA still needs a review of best practices within GSA by an established expert, to find out what we do well and what we don't, so that we can do more of the one and less of the other. It is true that GSA must make a greater effort to fundamentally improve our ability to open doors to the small, minority and women-owned business community. It is not true, however, that I pressured staff behind the scenes.

There appears to be an unarticulated allegation that there was ulterior motivation in my recommendation of Diversity Best Practices. Ms. Fraser has a special passion for championing small minority and woman owned businesses, and it was this shared

passion which first brought us together a few years ago, prior to my arrival at GSA. Most people working on promoting small and minority businesses would call Ms. Fraser a friend and I am proud to do so as well.

I did appear at an event on July 12, 2006, organized by Diversity Best Practices, and held at the Russell Senate Office Building. Once more, I freely admit that I was pleased to attend. This was an occasion to promote the accomplishments of women, and in particular, women owned and minority businesses. This event was attended by a few hundred women, gathered to listen to Senators Clinton, Feinstein, Landrieu, Lincoln, Obama, Stabenow, Stevens, me and other association officials speak in support of the important role that women play in the United States.

The most outrageous claim, in the March 6, 2007 letter, has been a statement by Committee staff bringing my then 14 year old daughter into this hearing by accusing her of improperly obtaining an internship. Over three years ago, as a high school junior, my daughter participated in a mandatory, school sponsored community service program. School counselors worked directly with members of the House and Senate to arrange for entry level, non-paying positions. My innocent daughter was assigned to the staff of Senator Debbie Stabenow and participated for one day per week for six months in this mandatory, school program. To suggest otherwise and to imply impropriety is despicable. I would urge the Committee to leave my children out of this.

It seems rather obvious to me that my effort with Diversity Best Practices and Ms. Fraser is now being used to mischaracterize our relationship. In particular, I flatly deny the suggestion in the Committee's letter that implies that there is an ongoing business relationship between Diversity Best Practices, Ms. Fraser and me. There is none. None.

The sad, but true, irony of the "no bid contract" that never was, is that 10 months into my tenure, GSA still has no diversity report to show. It is my hope that we can put these inquiries behind us and move forward with the effort to enhance GSA's ability to reach

out to small business. GSA did not achieve all of its set aside goals, and recently received another "F" from the Small Business Administration for shortcomings in advancing small, women, minority, HubZone and service disabled veteran owned businesses. No one takes issue that we could be doing more to reach these small businesses, and I can only hope that some day soon we can contract for an objective and informed study on how we can best accomplish that goal.

Sadly, I believe that the real losers here are the small, women and minority business community. Small, minority and woman owned firms already face a daunting task to compete fairly for Federal business, and I think GSA has to do what it can to help.

January 26th Brown-Bag Lunch

The January 26, 2007 Agency-wide brown-bag lunch, involving the Agency's non-career employees, was one of a series of monthly meetings hosted by a member of my staff. These monthly meetings grew out of a recognized need to do some team-building with GSA's non-career employees. Typically, new employees are introduced, birthdays and special recognitions are announced, and a short presentation of interest from someone outside GSA is given. Further, I do not set or review the agendas for these meetings. I attend whenever I am able but these meetings go on in my absence.

We have provided the Committee's staff with a complete list of those persons invited to the January 26th meeting and those that participated. We have also tried to provide copies of all documents from all the participants at the meeting that might relate to that meeting.

I do not recall asking any participants to engage in any partisan activities at this January brown-bag lunch session. Contrary to the assertion in the Committee's letter requesting me to testify, I did not convene this gathering. Nor was I aware of any discussions of excluding Speaker Pelosi from any GSA event. In fact, GSA's regional office in San Francisco has been actively working to include Speaker Pelosi in a public opening of the most environmentally friendly Federal building ever built. We have been diligently

working with Speaker Pelosi's district office, including exploring many possible dates for the event, so that the Speaker can attend.

As the members of this Committee know, it has been GSA's traditional practice to alert or invite the members of a State's Congressional delegation, regardless of party affiliation, to a particular public GSA event or of a major contract award that would be occurring within their state or districts. As a Federal Agency, we are delighted when a member of Congress of Speaker Pelosi's status agrees to participate in one of our building dedications or other public events.

Curiously, and perhaps reflective of the inaccuracy of the Committee's source information, the Committee invitation mentions "an environmentally efficient 'green' courthouse in San Francisco" that does not exist. The building to which the Committee refers houses offices of the Departments of Homeland Security, Defense, Labor, Health and Human Services, and Agriculture.

There is also an allegation that I stated an effort should be made to get Senator Martinez to attend a building opening in Florida because former President Clinton expressed an interest in attending. As I stated earlier, GSA's custom is to invite all members of a State's Congressional delegation. As clearly shown in the documents submitted to the Committee, both Senator Martinez and Senator Nelson were invited, along with many other Congressmen and Federal, state and local dignitaries.

In fact, I would like to invite all the members of the Committee, not only to the dedication of our Federal building in San Francisco, but to all of our public events. Each of these events is an opportunity to show the American people that its Government is capable of creating environmentally clean and extraordinarily efficient, public buildings. And in the case of Federal courthouses, we demonstrate that all three branches of Government can work together to produce tangible benefits to its citizens, sometimes in breathtaking fashion.

I cannot be certain what statements may have been made by all of the persons that participate in these monthly brown-bag teleconferences. Nevertheless, as this Committee knows, the U.S. Office of Special Counsel (OSC) is looking into this matter and GSA is cooperating fully. While I do not know the status or focus of the OSC inquiry, at the time of this written submission, please be assured that we will keep this Committee informed of the outcome.

Successful Contract Extension Negotiations with Sun Microsystems

A third issue raised by the Committee surrounds my negligible role in the successful negotiations for the option to extend a contract between GSA and Sun Microsystems.

First, and foremost, let me say how immensely proud I am of our GSA team on the successful Sun Microsystems contract extension. The acquisition experts who worked incredibly long hours to negotiate a good deal for the American taxpayers should be given the credit they are due. While I had no involvement in the negotiation with Sun Microsystems, I have come to learn, in preparing for this hearing, of the truly remarkable persistence and expertise of our acquisition team.

I understand that the GSA Contracting Officer who completed the contract negotiations did a great job and negotiated a great deal for American taxpayers. Contrary to suggestions that her move to Denver was somehow connected to the Sun Microsystems contract, I am advised that her transfer request was denied after the completion of the Sun negotiations. Then, she later competed and was selected for a position in GSA's office there, for an advertised position vacancy for which she was qualified and for which she was eventually hired. Further, I had absolutely no knowledge regarding the matter of bonuses or other personnel actions for the Contracting Officers involved in the Sun Microsystems negotiations, other than that which I learned in preparing for this hearing.

If you require details on the Sun Microsystems negotiation, Commissioner Jim Williams is available and has been available for you to query. Commissioner Williams has

assured me that the Contracting Officers met their duty in negotiating a good deal for the taxpayers by receiving fair and reasonable pricing for Sun Microsystems products and services, and he, too, is proud of this accomplishment. Any assertion that this agreement between Sun and GSA has resulted in additional costs to taxpayers is wrong. Moreover, it is insulting to the capable people that worked hard to achieve a mutually beneficial agreement.

While the implication is not entirely clear in the Committee invitation, I wanted to clarify my position regarding the actions by the GSA Office of Inspector General relating to the Sun Microsystems contract. My concerns do not involve the IG's involvement in the Sun Microsystems contract extension *per se*. Rather, my concerns relate to the IG's referral of Sun Microsystems to the Justice Department for alleged, defective, pricing practices, without advising me, as the Administrator, of any aspect of this significant matter, as required by the Inspector General Act.

As this Committee knows, the Agency IG and I have been discussing other concerns that I have about the operation and tactics of the OIG. Unfortunately, some of these concerns have been leaked to, or mischaracterized in, the press. As I have stated previously, while I strongly support the role of all Inspectors General to ferret out waste, fraud and abuse in Government programs. I would hope that our IG and I can work more productively in the future. This, unfortunately, has been part of a larger, systemic pattern involving the failure of the GSA IG to keep me and key staff informed of significant Agency activities. In January 2007, I directed that the IG provide a written monthly report to me of significant activities, consistent with the IG Act. I have yet to receive a report.

My Role In Suspension And Debarment Decisions

It has also been implied in the letter dated January 19, 2007, that I improperly intervened in suspension and debarment proceedings involving the nation's leading accounting firms. I did not improperly intervene and any suggestion otherwise is incorrect. Instead, I was concerned that a very important decision had been reached

and was about to be made public without any previous attempt to alert or inform GSA's senior management. As has been explained to the Committee, I did not intervene or interfere in the suspension and debarment process. Rather I sought and received the necessary briefings, in an effort to provide administrative oversight and to understand what actions were being contemplated. Here are the details relating to this event:

On Sunday morning on September 10, 2006, I read an alarming email that my Chief of Staff forwarded to me from the Suspension and Debarment Official concerning a suspension referral by the OIG. The email declared: "GSA has initiated suspension actions against the entire accounting industry."

In fact, what the Suspension and Debarment Official was contemplating was the issuance of "Show Cause Letters" to the accounting firms that were affected (KPMG, Ernst and Young, Price Waterhouse, Booze Allen and Bearing Point). These firms were indeed among some of the largest and most experienced accounting firms in the nation and it was rather disturbing to learn on a Sunday that a decision may have been made to initiate suspension proceedings which could potentially prohibit these firms from competing on Government contracts.

To me, this decision represented a wider set of concerns, specifically: that a decision may have been made without proper notification of top Agency management; that there might have been some adverse impact on the Government's ability to complete its year-end accounting requirements; and that some type of punitive action may have been proposed against a significant part of a major Government industry. However, as the Agency's Suspension and Debarment Official has subsequently informed the Committee, there was never a final decision to suspend these contractors. Instead, and in accordance with established procedures, these firms received a Show Cause Letter asking that they appear before the Agency and explain why they should not be suspended or debarred. I understand that each of the firms appeared or responded in writing, presented their case, and suspension and debarment was avoided. I was not involved in these discussions or decisions which were handled by the Agency

Suspension and Debarment Official. As a result of my initial inquiry, the Suspension and Debarment Official, a career senior executive, briefed the Agency General Counsel and the issue was resolved.

The Committee's letter implies that the OIG has alleged that I interfered inappropriately in the decision cycle. I beg to differ. I believe, quite to the contrary, that my oversight, views and experience were properly engaged. More to the point, I believe I have a statutory responsibility to the President, and the nation, to provide this kind of oversight. While I did seek additional information on this important subject, it is a distortion to equate a desire to be informed promptly, when such important decisions are pending, with ***interference*** in this process. My efforts to seek a wider understanding and to ask directed questions before a final decision was announced were exactly what the Administrator is required to do. Moreover, the senior career official who handled this case has provided the Committee with a statement confirming that there was no interference.

The IG's Role In Creating A Hostile Work Place At GSA

I provided a full description to you earlier regarding my concerns that the OIG was contributing to a hostile work environment. I stand by those earlier statements. As I stated in my letter to you on February 13th, I did not compare IG employees to terrorist in an August 18th meeting, or any other meeting with the IG. I did address, and will continue to discuss, the challenges we face at GSA and the perception that the OIG fosters a hostile work environment. I will continue to insist that the IG ensure that OIG employees are not intimidating other GSA employees.

As I explained in response to questions from Senator Grassley, in my discussions with the IG, I had expressed our mutual responsibility to ensure that employees within GSA were not "terrorized." That statement, I believe, was taken out of context. Frankly, the entire debate over what form of the word I used misses the point, which is that we both have a responsibility to ensure that our employees are not abused or unfairly intimidated in the process.

I outlined my concerns about a hostile work force and specifically stated that I would not allow people in positions of authority and power to intimidate other GSA employees. Any contrary assertion is untrue.

There are actually two very distinct issues here that I believe need to be fully understood. First, my discussion on the hostile work environment was made in private and was the direct result of a specific incident that had just been reported. It is my firm belief that all Government employees deserve to work in a supportive and nurturing environment. The work that they do is important and, as it becomes harder and harder to attract the next generation into public service, we must strive to retain the employees we currently have.

Second, there is a much broader problem that deals with a hostile environment and undue intimidation that effectively impedes the work of GSA employees throughout the Agency. Let me explain: Federal Contract Officers have been reporting, for some time, that despite their efforts to "Get it Right," they believe they are increasingly working in a "gotcha" environment that is fundamentally eroding the ability of Federal Contracting Officers to operate effectively.

During my early discussions with a large number of GSA stakeholders (employees, Contracting Officers, other Federal agencies, Federal contractors, potential hires, etc.) I learned that there is widespread concern that OIG tactics were becoming so excessive and intrusive that it was inhibiting GSA from performing its mission. Various stakeholders urged me to find a way to restore a better balance between appropriate oversight and the ability of the organization to execute its mission.

Federal Contracting Officers are leaving the Federal service in unsustainable numbers. One of the primary reasons contributing to the early departure of some of the most experienced Federal Contracting Officers is the growing disconnect between the acquisition community and the oversight community.

My extensive discussions with GSA employees, and different stakeholders, have convinced me that, perhaps unknowingly, the OIG has created an acute problem at GSA with many long term negative consequences. Other industry experts agree.

- "Not only are we losing experienced Federal Contracting Officers in large numbers, but we are having considerable difficulty replacing them. I worry that in the current contracting environment it will be difficult to retain young employees in public service. I heard a torrent of complaints about workplace atmosphere and the unproductive workload created by Agency Inspector Generals." Steve Kelman. February 26, 2007 *Federal Computer Week*

The Inspector General Act has, as the third directive of the OIG, the requirement to propose and to be a part of the solution to any problem that they identify. I believe the OIG should do more to promote economy and efficiency in the administration of GSA programs. Ideally, even these audit and investigative functions should be crafted so as to help the Agency better perform, and not to create a "gotcha" mentality.

I am especially concerned that the OIG has created another profound problem because of an inability to properly safeguard confidential information, and about the impact the OIG's actions is now having on GSA's ability to properly administer and host the various hot lines for reporting waste, fraud and abuse. Hence, the confidence that our employees must have in this system has broken down, and it will take a concerted effort to repair. I have asked the IG to work with me to restore this confidence.

Conclusion

Mr. Chairman, Ranking Member Davis and Members of the Committee, I hope my appearance here today will answer any questions you might have and will set the record straight. GSA and this Committee have a long history of cooperation, and productivity. In the spirit of this cooperation, and as requested by the Committee, we have flown, at taxpayers expense, employees from around the country to Washington, DC and made

them freely available to the Committee staff for questioning, and have provided copies of all the documents that were requested. We intend to continue to cooperate to the fullest because we believe a full airing of the issues will help set the record straight.

I believe that our efforts at GSA over the past 10 months have been consistent with the goals of this Committee. This Committee has long championed efforts to expose and prevent wasteful spending and mismanagement in the federal government. As I hope you have now discovered, we have a wonderful and committed team at GSA that has been working very hard to do just that. We found areas of wasteful spending and made cuts. We found areas of mismanagement that had escaped proper oversight and confronted those problems as well. These were not easy actions, nor were they always popular, but they needed to be done, and I am quite proud of that fact that GSA is confronting these issues with skill and courage.

I hope the Committee also appreciates and is more fully aware of the fundamental changes that are now taking place at GSA. We are committed to lasting and fundamental reform of broken and inefficient processes. Moreover, I am quite proud of the transformation that has already taken place at GSA and the speed of our reforms and efforts to improve all areas of operation. We have already made great progress and I am supremely confident that thanks to a team of very talented and dedicated people, GSA is poised for even bigger success in the future.

It will be my firm intent to continue to push: to ask questions, to encourage new thinking and to urge continued fiscal discipline. Great progress has already been made to streamline processes and improve efficiencies of all GSA operations and American taxpayers have reaped the rewards.

Thank you and I look forward to working with this Committee to further enhance the services and products that GSA provides to the taxpayers. I look forward to answering any questions you might have.