

Oversight Plan
Committee on Oversight and Government Reform
U.S. House of Representatives
113th Congress

Rule X, Clause 2(d) of the Rules of the House requires each standing committee of the House to adopt and submit a two-year oversight plan to the Committee on Oversight and Government Reform and the Committee on House Administration by February 15 of the first session of each Congress.

The following is the oversight plan for the Committee on Oversight and Government Reform for the 113th Congress and its subcommittees. It details subjects designated for investigation, evaluation, and review by the Committee on Oversight and Government Reform, but does not preclude oversight or investigation of other matters as the need arises.

Below are descriptions of some of the issues the Committee intends to investigate during the 113th Congress. The list is not exhaustive, but highlights significant areas for Committee oversight. The Committee will retain the flexibility to investigate emerging abuses and other issues as appropriate.

Waste, Fraud, Abuse and Mismanagement

The Committee intends to redouble its efforts concerning its oversight of waste, fraud, abuse and mismanagement of federal government spending. For too many years the Washington establishment has turned a blind eye to repeated waste and mismanagement in federal spending. Although the GAO, agency IG's, and whistleblowers alike continue to sound alarms concerning massive waste in federal spending, Administrations and Congresses often fail to address the issue head on. The Committee's oversight will cover all federal government departments, agencies and programs with an eye toward solutions to eliminate wasteful spending. Many of the following sections address specific areas where the Committee has an opportunity to make an immediate difference by addressing problematic agencies and programs. Furthermore, the Committee plans to offer legislative proposals that go at the heart of this issue by positively addressing the issue of waste, fraud, abuse and mismanagement.

Financial Sector

The Committee will continue oversight of the financial sector, focusing on those regulatory agencies whose failures were implicated in the financial crisis and those agencies that were created, or saw their powers expanded, by the Dodd-Frank Act of

2010. The Committee will monitor financial regulators' management, technological initiatives and rulemaking, with a view towards promoting capital formation, predictable and efficient markets, and investor protection.

The Committee will monitor the work of the Financial Stability Oversight Council (FSOC) and the Office of Financial Research (OFR).

Key topics for oversight include the need for technology-driven transparency in financial regulatory filings so that markets can quickly digest crucial information, management and communications challenges at key agencies, including the Securities and Exchange Commission (SEC), and the implementation of the Dodd-Frank Act.

The Committee will continue to review the administration of the Troubled Asset Relief Program (TARP), including the implementation of recommendations made by the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). The Committee will also monitor the Home Affordable Modification Program (HAMP) and other loss mitigation programs.

The Committee will conduct oversight of Fannie Mae, Freddie Mac and their regulator, the Federal Housing Finance Agency. The Committee will further explore the risks to taxpayers associated with the role of Fannie Mae, Freddie Mac, and government housing policies and will work to ensure that additional taxpayer money is spent efficiently and effectively.

The Committee will conduct oversight of the Federal Reserve, including its use of non-traditional quantitative easing techniques and the financial risks associated with its growing portfolio of assets.

The Committee will continue to monitor the SEC's implementation of the JOBS Act.

The Committee will continue to conduct oversight of the Consumer Financial Protection Bureau, focusing on the Bureau's management, budget, operations, rulemakings, and enforcement actions.

Consumer Protection

The Committee will continue to oversee consumer protection efforts across the federal government. As a part of this oversight, the Committee will examine the regulatory and enforcement actions of the Federal Trade Commission, the Consumer Financial Protection Bureau, and the Consumer Product Safety Commission.

The Committee will also examine the national foreclosure crisis, including allegations of wrongful foreclosure and other abuses by mortgage servicing companies. The Committee will continue to monitor the work of several federal agencies – including the Department of Justice, the Department of Housing and Urban Development, the Federal Reserve Board, and the Office of the Comptroller of the Currency – in addressing and responding to allegations of foreclosure abuse.

The Government Accountability Office

In February 2013, the Government Accountability Office (GAO) will issue its biannual High Risk report, which identifies government programs that are particularly vulnerable to waste, fraud and abuse. The Committee will provide ongoing oversight of agencies and programs included on the High Risk list by holding hearings, meeting with agency officials responsible for included programs, and monitoring agencies' corrective plans and actions.

In 2010, Congress required GAO to begin conducting "routine investigations to identify programs, agencies, offices, and initiatives with duplicative goals and activities within Departments and government-wide and report annually to Congress on the findings." In the 112th Congress, the GAO issued its first two reports under this provision in February 2011 and February 2012. The Committee held hearings on both of the reports and will continue to monitor GAO's findings to determine areas of federal activity that are duplicative and inefficient.

Inspectors General

During 2011, the Office of Inspector General (OIG) community identified potential savings in Executive Branch departments and agencies totaling almost \$93.9 billion. Based on the OIG community's aggregate FY 2011 budget of approximately \$2.7 billion, these potential savings represent approximately a \$35 return on every dollar invested in the OIGs. The Committee will continue to support the IGs' efforts to control spending in order to promote a more efficient and effective government.

Continuing its work from the 111th Congress, the Committee sent letters to 73 IGs in April 2011, and again in April 2012, requesting an update regarding thousands of open and unimplemented recommendations that have the potential to save taxpayers billions. The Committee then compiled four years' worth of data provided by the IGs based on their responses. If implemented, the IGs' recommendations would save taxpayers billions of dollars.

After working with the legislative committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), the Committee sent a letter in August 2012 to Inspectors General clarifying its expectation that they will communicate serious or flagrant instances of waste, fraud and abuse to Congress promptly. With the GSA conference spending scandal in mind, the Chairman explained that the seven-day letter should not be the only means for communicating serious or flagrant problems to Congress.

In December 2012, the Chairman and Ranking Member sent a joint letter to 73 IGs requesting both their short-term and long-term high priority recommendations for controlling spending. The Committee will review the responses received to identify improvements and reforms that can benefit a large number of federal government programs.

The Committee understands the value of an empowered community of IGs and is committed to protecting IGs who aggressively root out waste, fraud, and abuse through audits and investigations. Recognizing the importance of the role of the IG at each agency, in November 2012, the Committee began an inquiry into possible IG interference at the U.S. Agency for International Development (USAID). The Committee will continue to conduct oversight to ensure the independence and effectiveness of the IG community.

Federal Financial Management

The Committee will examine federal financial management. This review will include compliance with financial management and accounting laws, as well as the security and reliability of federal financial systems. The Committee will also focus on agency efforts to reduce improper payments and achieve a clean government-wide audit.

The Department of Defense (DoD) is the only federal agency that did not undergo an audit in FY 2011. Because the size of DoD's budget makes it a material part of the Federal Government's total spending, the United States has never passed an audit of its financial statements. The Committee will focus on overseeing DoD's financial management processes and its steps to become fully auditable.

The Federal Government's statements of social insurance (SOSI) also did not pass an audit in FY 2012 or FY 2011. According to the SOSI for FY 2012, the Federal Government will owe \$38.6 trillion in excess of future revenues for Medicare, Social Security Insurance, and Railroad Retirement over the next 75 years. Actual cost may be higher because of GAO's disclaimer of opinion on the SOSI. The disclaimer was because the Department of Health and Human Services' (HHS) estimate of Medicare spending may be misrepresented due to certain potential savings in the program that have not been realized. The Committee will review spending for social insurance and HHS's methodology for calculating future payments.

This Committee will further investigate improper payments distributed by federal agencies. Under the 2002 Improper Payments Information Act (IPIA), federal agencies are required to annually review all programs and activities to identify those entities susceptible to significant improper payments. For FY 2011, improper payments totaled \$108 billion.

Federal Real Property Disposal

Since 2003, federal real property management has been on the GAO High Risk list. The Government holds thousands of unneeded properties and spends hundreds of millions on upkeep and maintenance of those properties. A June 2010 Presidential Memorandum on property disposal directed OMB to develop guidance that would include agency-specific targets to achieve \$3 billion in cost savings. The Committee intends to examine what progress has been made toward this goal, and to consider changes that could be made to the Federal Real Property and Administrative Services Act that would expedite real property disposal.

Government Contracting

Controlling federal government contract spending is critically important. The cost of contracting has more than doubled in the last decade, increasing from \$223 billion to \$534.9 billion between FY 2001 to FY 2010. These amounts reflect exorbitant expenditures on management support services, information technology systems development, program management, and engineering. In the last two years, the Administration has taken steps to reduce waste in contracting. The Committee will seek to ensure that controlling spending does not have a negative impact on contract oversight and administration. To that end, the Committee will continue to investigate waste, fraud, and abuse in federal contracting.

The Committee will continue to monitor the Administration's use of civil and criminal remedies to address instances of wrongdoing. Transparency at the point of contract award and throughout the life cycle of the federal contract can go far to prevent waste, fraud, and abuse. Additionally, the Committee will focus special attention on transparency relating to past performance and contract oversight concerns. The Committee will review federal contractor ethics and disclosure requirements, as well as the proper role of contracting for preferences and set-aside programs for small and disadvantaged businesses.

The Committee will continue to conduct oversight of contracting issues associated with the transition of responsibilities from the Defense Department to the State Department in Iraq, as well as oversight of contracting in Afghanistan to prevent corruption.

Grant Reform

The Committee intends to examine the efficiency, fairness, and transparency of agency grant-making processes. The Committee will examine federal efforts to reform and streamline the grant process across multiple federal agencies. The Committee will investigate allegations of waste, fraud, and abuse in the grants process within specific federal agencies and examine efforts to adopt consistent government-wide policies for grants applications and reporting.

Suspension and Debarment

The federal government spends over \$1.1 trillion on contracts and grants annually. Despite Congressional oversight efforts, GAO has determined that there are serious weaknesses in the suspension & debarment (S&D) programs of numerous agencies. This has resulted in the awarding of federal funds to companies, organizations and individuals which should have been prevented from receiving such funds, including those with criminal convictions, federal tax liabilities, or terrorist ties. The Committee will continue to conduct oversight to promote efficiency, transparency, and accountability of the S&D activities, including the effective management of the government-wide S&D database.

Open Government and Transparency

The Committee will continue to advocate technological solutions to achieve government transparency. Broadly speaking, the Committee will seek to ensure that the federal government's information – with a few well-defined exceptions, such as national security – is made available online and that it is formatted in ways that facilitate easy access and analysis. The Committee will evaluate possible legislation to set policy goals for technology-driven transparency for federal spending, program performance, regulatory materials, and legislative documents. The Committee will also examine public access to information through the Freedom of Information Act (FOIA), examine the implementation of other open government laws, such as the Presidential Records Act and the Federal Advisory Committees Act, and consider whether any statutory mandates may impede public access to information.

The Committee will continue to investigate the persistent challenges and failures associated with the preservation of presidential and federal records, as required by law. Dating back to the Clinton Administration, changes in technology have challenged each subsequent administration's ability to capture, manage, and preserve the growing and diverse volume of electronic records. Despite new policies intended to improve transparency, concerns that problems remain have been raised. The Committee intends to examine the challenges created by the use of personal email and new, innovative forms of communication such as social media.

The Committee will focus on compliance with FOIA. The Committee will monitor implementation of the memorandum issued by the President on January 21, 2009, reinstating the presumption of disclosure. The Committee will also examine implementation of the OPEN Government Act of 2007 and the Electronic FOIA Amendments of 1996.

Technology Policy

Federal agencies spent \$74 billion in fiscal year 2012 buying, operating and maintaining information technology products, services, and systems. Many of these systems fail to provide the productivity gains expected, or worse, simply fail. The Committee will review the federal government's information technology procurement and management policies to ensure that taxpayers are getting the maximum return for their money. The Committee will closely monitor the executive branch's efforts to stop IT projects that are not on target and streamline those that are wasteful.

The Committee will also review the impact of federal IT mandates under laws such as the Federal Information Security Management Act (FISMA), the E-Government Act of 2002 and the Clinger-Cohen Act. The Committee will seek input from the front lines of procurement and implementation to determine whether these mandates have improved data security, public access, and IT enterprise planning – and at what cost.

The Committee will monitor and conduct oversight of federal agency information security practices that are required under FISMA and OMB guidelines in this area. The

Committee will examine and evaluate privacy and security practices used by agencies to ensure privacy of confidential data.

Federal Regulation and the Regulatory Process

While federal regulations are necessary to effectively implement the laws that Congress passes to protect human health, consumers, and the environment, federal regulations can also impose significant burdens on job creators. The Committee will place special emphasis on oversight of federal regulations to ensure that regulations minimize unnecessary burdens on small businesses, job creation, economic growth, and competitiveness.

The Committee will also evaluate agency rulemakings to ensure that agencies do not exceed their regulatory authority and adhere to the requirements embodied in executive order and statute when developing a regulation. This includes evaluating whether a rule is developed in an open and transparent manner, allowing adequate time for the public to participate in a meaningful way. It also includes scrutinizing practices that avoid typical rulemaking requirements, such as the issuance of guidance, interim final rulemakings, and settlement agreements. In addition, the Committee will focus on the role of the Office of Information and Regulatory Affairs (OIRA) in agency rulemakings to ensure that it carries out its regulatory duties in a timely manner.

Finally, the Committee will examine the impact of unfunded mandates on state and local governments, and private entities, and explore ways to potentially enhance the effectiveness of the Unfunded Mandates Reform Act of 1995.

Energy

The Committee will examine the state of U.S. energy transportation infrastructure, particularly oil and gas pipelines. Inadequate capacity has created major bottlenecks and forced producers to transport domestic oil and gas via such inefficient means as rail and truck. The convoluted system of pipeline permitting and regulation – involving agencies as varied as the U.S. Army Corps of Engineers, the Department of State, and the Federal Energy Regulatory Commission – is a contributing factor to network incapacity.

The Committee will review the Department of Energy’s decisions to issue or withhold permits for the exportation of liquefied natural gas (LNG). The Natural Gas Act of 1938 compels DOE to approve an export terminal if it is “consistent with the public interest.” The Committee will work to ensure that DOE takes a full accounting of the economic impacts of LNG exportation.

The Committee will conduct oversight of the Administration’s efforts to regulate the practice of hydraulic fracturing, which has been regulated by the States for decades. The Committee will also conduct oversight of EPA’s ongoing study of the relationship between hydraulic fracturing and drinking water.

The Committee will review the Administration's decision to fast track certain renewable energy projects, such as the Bureau of Land Management's list of "Active Priority Renewable Energy Projects."

The "fiscal cliff" deal extended the wind energy Production Tax Credit (PTC) for one year. The Committee will assess the costs and benefits of this tax credit focusing on the appropriateness of the PTC in light of record federal deficits, and the full costs of wind energy production. The Committee will also examine the tax treatment of other forms of energy production.

The Committee will examine the Administration's policies toward energy production on federal lands and waters. The Committee will also examine the impacts of the National Environmental Policy Act (NEPA) review process.

The Committee will continue its broad investigation of the Department of Energy's loan guarantee programs.

Environment

The Committee will continue to take an active role in overseeing the Environmental Protection Agency's (EPA) implementation of the Clean Air Act and Clean Water Act. As in the previous Congress, the Committee will conduct oversight of these matters with a focus on agency process, adequate economic analysis of proposed rules, and cumulative impact analysis. Further, the Committee will determine the impacts these rules have on the health, safety and economic well being of American families, job creation, and electricity generation.

Health Care and Entitlements

The Committee will continue to conduct oversight of waste, fraud, abuse, and mismanagement in government entitlement programs, with special attention to Medicaid and Medicare. The Committee will continue to focus on problems at the Centers for Medicare and Medicaid Services, seeking to minimize the amount of taxpayer money misspent through Medicare and Medicaid.

The Committee will continue to conduct oversight related to the budgetary and economic impact of America's entitlement programs as well as options that would increase choice in health care markets and lower the health care cost curve. The Committee will also conduct oversight related to the increase in federal entitlement programs, with a focus on waste, fraud, abuse, and mismanagement within those programs.

The Committee will continue to conduct oversight of the implementation of the Patient Protection and Affordable Care Act (PPACA). Specifically, the Committee will focus on bringing transparency to the federal government's increased role in health care markets and in particular whether policies reduce consumer choice and increase insurance premiums. The Committee will continue to closely examine regulations promulgated

through authority given to the Secretary of HHS in PPACA and executive branch actions to ensure that they are consistent with the law.

The Committee will continue to conduct oversight of the Food and Drug Administration (FDA), including the balance that FDA places between the availability and safety of drugs and medical devices. The Committee will examine the causes and effects of shortages in critical pharmaceutical drugs.

District of Columbia

The Committee will continue to review the District's use of federal education funds authorized under the Department of Defense and Full-Year Continuing Appropriations Act. As part of a three-sector approach to education reform in D.C., this law authorizes funding to the city for education improvement measures for its traditional and charter public schools, as well as providing scholarships to low-income students so they can attend a private school of their choice. The Committee will continue to exercise oversight of its implementation. In addition, the Committee will make certain there is a robust and comprehensive evaluation conducted to ensure the law is fulfilling its mandated purpose.

The Committee will continue to review the Washington Metropolitan Area Transit Authority (WMATA). WMATA has experienced numerous problems relating to customer safety and Metrorail accidents over the past several years. While WMATA has publicly committed itself to taking the necessary steps to address operational and safety deficiencies, routine and rigorous oversight of the agency remains warranted.

The Committee will review the 1910 "Building Heights Act," which regulates the height of structures in the city. New technology, city planning, and economic development proposals are all factors that may lead to easing this century old law.

Census

The Committee will begin to review the process by which the 2020 Decennial Census will be conducted, its level of accuracy, and the appropriateness of the level of expenditures that are expected to be incurred. The successful planning of the 2020 Decennial Census will determine the level of funding in 2018, 2019, and 2020, the years which consume the most funding for the Census Bureau. The Committee will also review the non-decennial operations of the Census Bureau to determine if there can be savings through better efficiencies. The Committee will also seek to determine if the Bureau's data collection activities are overly broad and still serve the people in the appropriate manner.

National Archives and Federal Records

In October 2010, GAO released two reports highlighting failures at the National Archives and Records Administration (NARA). The Committee will conduct oversight of NARA's

management of government records and the procedures NARA is putting in place to handle and archive records generated by new technologies, including social media.

The Committee will examine the Presidential Library system, specifically looking at the governance of the Presidential Libraries, how the foundations interact with NARA, and how the foundations and NARA coordinate and cooperate to fulfill the mission of the Presidential Library system.

Government Management and the Federal Workforce

Current challenges facing the executive branch, coupled with the deficit, require a new approach to government. The Committee will examine the major structural and organizational issues that have failed to alleviate, or have caused or exacerbated, government waste and redundancy. The Committee will continue its work to bring more balance to the federal personnel system, and better align worker compensation with the private sector. Performance management will be part of the Committee's review. The Committee will also look to ensure the size and composition of the federal workforce are driven by critical needs.

United States Postal Service

The United States Postal Service (USPS) lost \$15.9 billion in FY 2012 and may face insolvency if significant reforms are not implemented. USPS has also already defaulted on \$11.1 billion in payments to the U.S. Treasury to fund the costs of retiree health care.

GAO added USPS's financial condition to its high-risk list in 2009 and since then has been a major proponent of reform. To that end, GAO has stated: "we continue to believe that major restructuring is necessary and not doing so will increase the risk that taxpayers and the U.S. Treasury will have to provide financial relief."

Since FY 2006, USPS mail volume has declined by more than 25 percent, with the greatest decline in its most profitable product, First-Class Mail. Persistent, ongoing declines in mail volume are now projected for the foreseeable future as electronic communication increasingly supplants paper based communication. As a result of these mail volume declines, USPS has seen its annual revenue decline by \$10 billion from its peak in FY 2008 and USPS is now losing \$25 million per day. Additionally, for the first time in its history, USPS reached its statutory debt limit in September 2012 and expects to have less than 4 days worth of liquidity by the end of FY 2013.

The Committee will examine actions and plans USPS is taking to preserve universal service, avoid insolvency, and prevent a taxpayer bailout. The Committee will also pursue the enactment of substantive postal reform legislation, building on the proposals found in the reform bill the Committee reported during the 112th Congress, H.R. 2309. To assist in its efforts, the Committee will continue to work with USPS, the Government Accountability Office, and other experts on the Postal Service.

National Security and Foreign Operations

The Committee's unique interagency jurisdiction allows the examination of the effectiveness, efficiency and cooperation of all U.S. Government agencies and departments involved in national security and foreign operations issues.

The Committee will conduct oversight of policies affecting the safety and security of U.S. government personnel and facilities abroad. The Committee's oversight will include, but not be limited to, U.S. Department of State and U.S. Department of Defense policies.

The Committee's oversight of U.S. diplomatic, military, and development efforts in the CENTCOM area of responsibility will also include, but not be limited to: investigations of the training and equipping of the Afghan National Security Forces; the efficiency, accountability and efficacy of a variety of development and reconstruction efforts, including the use of private contractors; the capacity of various U.S. Government agencies and departments to carry on needed activities in Afghanistan; and the State Department's diplomatic mission in Iraq and Afghanistan.

The Committee will evaluate the need for interagency reform and elimination of waste, fraud, and abuse among the various U.S. national security agencies, departments, and foreign aid organizations. The Committee's oversight will include, but not be limited to review of U.S. military combatant commands, especially AFRICOM, SOUTHCOM, U.S. Agency for International Development, and U.S. Institute of Peace, State Department.

The Committee will conduct oversight of U.S. diplomatic, military, and development efforts to address the issue of global terrorism both in the short-term and long-term. The oversight will include whether the United States is maximizing the use of all elements of the national security power and how anti-terror efforts, such as the detention and trial of unlawful enemy combatants, are coordinated with other important U.S. national security interests and the rule of law. The Committee's review will include the international standing of the United States, humanitarian assistance, development programs and public diplomacy efforts.

The Committee will evaluate U.S. vulnerability to global energy supply disruptions. The oversight will also include the extent to which supply diversification through the production of domestic renewable and non-renewable resources is an adequate and cost-effective solution for the Defense Department's national security objectives.

The Committee will continue oversight of the U.S. Department of Veterans Affairs' care and management of veterans' needs. The Committee will examine the large backlog of veterans' benefit claims and efforts to streamline the claims process as well as veteran transitional issues.

Homeland Security

The creation of the Department of Homeland Security (DHS) required one of the largest consolidations of federal agencies in history. The Department was ultimately formed by bringing together 22 different parts of government. Though the Department has made progress in integrating these various agencies, incidents such as the response to Hurricane Katrina reveal that there is still room to improve efficiency and responsiveness. The Committee will review the operations, management and decision-making at DHS.

The Committee will evaluate efficiency and effectiveness of homeland security strategy, laws, initiatives, and technology. In particular, the Committee will focus on aviation, rail and transit, chemical, nuclear, port, our northern and southwestern borders, and other facilities or critical infrastructure at risk, federal funding interaction with local responders and efforts to strengthen the U.S. public health system.

The Committee will also review visas, passports and other border control and security identification issues, as well as border and immigration policies and the operations of U.S. consulates.

The Committee will conduct oversight of the federal government's emergency management capabilities to ensure that lessons learned from previous disasters, such as the need for improved planning and execution, communications operability, and coordination between all levels of government and within the federal government, are part of federal agency reform efforts.

The Committee will closely examine laws, regulations, and policies governing the Transportation Security Administration (TSA). The Committee's oversight efforts will focus on maximizing the effectiveness and efficiency of airport security, including technology, checkpoint screening, perimeter security, workforce requirements for screening agents, information sharing and private sector solutions for increasing airport security.

Drug Policy and Safety

The Committee will examine specific pressing federal drug policy issues and the federal agencies that play a role in enforcing and overseeing federal drug policy. The Committee's drug policy efforts will be aimed at reducing the volume of illegal drugs available for domestic use, reducing the volume of improper access to and use of otherwise legal drugs, and evaluating the agencies and offices that are tasked with handling crucial drug missions and, where necessary, recommending changes.