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House of Representatives

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Opening Statement

Ranking Member Gerald E. Connolly

Hearing on “General Services Administration—Acquisition Oversight and Reform”

2:00 PM, Wednesday, July 12, 2017

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Mr. Chairman, thank you for calling today’s hearing on the General Service Administration’s (GSA’s) recent reorganization.

GSA’s Federal Acquisition Service (FAS) plays an important role in Federal procurement policy, procuring government-wide solutions to products such as telecommunications, goods and services, and technology. In past administrations – both Republican and Democratic administrations – the Federal Acquisition Service has been led by a career civil servant to ensure that political considerations were not involved in the Federal acquisition process. It is important that taxpayers know that when the Federal government spends money on things from office supplies to information technology, the contract is negotiated in the best interest of the taxpayer.

GSA also plays in an important role in implementing the Federal Risk and Authorization Management Program, (FedRAMP) which standardizes the way the government conducts security authorization for cloud products and services. Over the past year and a half, I have convened FedRAMP stakeholders to discuss FedRAMP’s shortcomings, including costly and delayed certifications. Fortunately, these efforts along with the work of the Program Management Office (PMO) have resulted in significant progress over the past year and a half. FedRAMP Ready, FedRAMP Connect, and FedRAMP Accelerated are helping streamline and speed up the certification process. The Authorization to Operate process timeline has been reduced from 18-24 months down to an average of four months. Despite this progress, we can

still make improvements to the FedRAMP process, and should continue discussions to codify this important information security program.

GSA recently announced a reorganization effort that included changing the Commissioner of the Federal Acquisition Service from a career position to a political appointment for the first time in the history of that position. GSA told Committee staff in a bipartisan briefing that this change was directed by the White House.

This would raise concerns in any administration. It is downright frightening under this administration. President Trump has the ability to fire the FAS Commissioner at the same time that he has pending business at GSA, existing contracts with other agencies, and receives subsidies from other government programs. This is a recipe for abuse of power, especially under a President who has no qualms firing the lead law enforcement officer investigating his campaign and senior White House officials.

Mr. Thomas, I want to be clear that I am in no way questioning your integrity. This is not about you personally. This is about ensuring that you, and any Commissioner who follows you, is protected from inappropriate political pressures.

The GSA reorganization also consolidated the Technology Transformation Service (TTS) into the Federal Acquisition Service. GSA told Committee staff that the rationale for this change was to make it easier to fund GSA's 18F program using the Acquisition Service Fund. It was precisely GSA's use of this revolving fund that the Office of Special Counsel just notified President Trump resulted in "gross mismanagement." OSC's notification followed disclosures from former Commissioner of FAS Tom Sharpe to GSA's Inspector General and OSC regarding mismanagement and violations of law related to the funding of 18F.

However, moving TTS into the Federal Acquisition Service does very little to address the management challenges facing the Technology Transformation Service and 18F that have been identified by the GSA Office of Inspector General. These issues range from disregarding GSA IT security policies for operating and obtaining information technology to 18F's mounting financial losses.

Acting Special Counsel Adam Miles wrote in a July 5, 2017 letter to President Trump, “without additional details on improved management controls, the realignment does not address Mr. Sharpe’s broader, substantiated concerns about mismanagement, and his related questions about whether the taxpayers are receiving a solid benefit from this program.”

Unfortunately, my confidence in GSA has eroded. A series of actions have called the agency’s judgement and independence into question.

GSA has resisted oversight and stonewalled Members of this Committee and other committees in Congress. I am disappointed that GSA has still not responded to inquiries from Members of this Committee regarding its position on President Trump’s lease of the Old Post Office building. Prior to President Trump taking office, GSA expressed concern about whether his ownership interests would violate a clause in the lease that prohibits an elected official from holding an interest in the lease. GSA urged the President to fully divest his financial interests in the Old Post Office lease. After the election, GSA made a complete about face and decided that the President was not in violation of the lease and provided no rationale for this decision. I am disappointed that GSA has refused to take appropriate actions to protect against conflicts of interest from President Trump serving as both landlord and tenant for his lease of the Old Post Office building.

Additionally, just yesterday, GSA decided to pull the plug on a ten-year plan to consolidate FBI headquarters at a new location. This decision is a devastating blow to the hardworking men and women of the FBI who fight every day to keep our country safe. As reported by the Government Accountability Office and numerous press accounts, the FBI headquarters is in disrepair and the building is literally crumbling around its employees. This is not only devastating for the FBI, but it damages GSA’s credibility with the private sector. A number of private sector entities as well as local jurisdictions put millions of dollars into the redevelopment and planning for this project, and without any notice and without any plans on to renovate or replace the FBI headquarters, GSA cancelled the project. This failed procurement harms GSA’s credibility, which the American taxpayer will pay for in future bids.

Political leadership at GSA has used the agency as a political weapon before, and it is important that the moves made by the Trump Administration do not send GSA down this road again. It was not even ten years ago that former GSA Administrator Lurita Doan was forced to resign. During her tenure Ms. Doan sought to use GSA to help Republican lawmakers win re-election and also approved a \$20,000 no-bid procurement order to a firm run by a friend who had served as her public relations consultant in the private sector. These are the misdeeds that can occur when those at GSA seek to curry political favor instead of working in the best interest of taxpayers. The Committee must conduct thorough oversight of GSA to ensure that it not happen again.

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