

ONE HUNDRED ELEVENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
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**Opening Statement**  
**Ranking Member Darrell E. Issa**  
**April 21, 2009**

Mr. Chairman, thank you for holding this hearing. It is a pleasure to be here in Brooklyn.

In response to the financial crisis we now face, Congress and the Administration have proposed trillions of dollars in bailouts, rescue packages, guarantees, and other efforts to pump more taxpayer dollars into the economy. Part of this spending binge is the President's stimulus package, which is borrowing \$787 billion, before interest payments, in an attempt to jump-start the economy. The Administration claims this spending will create or save 3.5 million jobs. Whether this plan succeeds or not, the unprecedented sum of money being spent with such haste makes it crucial that this Committee ensure that the American people's money does not fly out of the federal coffers without full transparency and accountability. If we don't get this right, hundreds of billions of dollars could vanish in the blink of an eye, without the Administration, Congress, or the American people having any chance of knowing where the money went, who received it, and whether it actually created or saved jobs.

President Obama recently stood before Congress and promised the American people a new era of transparency and accountability for this \$787 billion of government spending. He pledged that those entrusted with this money would be held accountable by him and by the American people "for every dollar they spend." I applaud the President for his commitment to Americans' right to know how the government is spending their money. Unfortunately, the Administration's plans for fulfilling the President's promise to America remain woefully incomplete.

President Obama signed the stimulus into law in February. Money is already flowing out the door, though how much has already been spent, and on what, is largely unknown. The Congressional Budget Office says that by the end of this fiscal year, \$120 billion will have already been spent. This Committee has a responsibility to the American people to ensure that all appropriate steps are taken to provide complete transparency and accountability now.

At our last hearing on the stimulus in Washington, we heard from Earl Devaney, Chairman of the Recovery Accountability and Transparency Board and the President's point man for combating waste, fraud and abuse of stimulus dollars. Mr. Devaney suggested that if history is a guide, \$55 billion of the stimulus funds will be wasted. We cannot let this happen. This Committee has an obligation to ensure that there is sufficient transparency and accountability in the stimulus spending so that we minimize the amount of taxpayer money that is lost to waste and fraud.

I have been disturbed by the guidance that the Administration is giving to federal agencies, which tells them they only have to follow the money they dole out as far as the state and municipal level. After that, the money trail runs cold. Under the Administration's guidance so far, there will be ZERO accountability for any contractors, lobbyists or special interests that get taxpayer money.

While the Administration has made some progress in requiring disclosure of contractor data from recipients of direct federal funding, the Administration remains unwilling to require disclosure of contractor and subcontractor data when stimulus money is funneled through states and localities. Let's be clear about what this means: the state of New York could receive a lump payment of billions of dollars, and then pass on some portion of that money to the city of Albany. Under the Administration's guidance so far, that's all any of us would ever know. We won't know if the city leaders in Albany choose to award the money to reputable companies or politically-connected special interests. We won't know if the contracts are awarded in fair competitions or through sweetheart deals. And we won't know what is actually accomplished, at the ground level with the taxpayer dollars. This certainly doesn't fulfill the President's promise to follow "every dollar." The American people deserve better.

Fortunately, the revolution in information technology now provides the ability to bridge the gap between what President Obama has promised and what his Administration's plans envision. By implementing a standardized and universal system of reporting, we can allow every interested American to contribute his or her own ingenuity and superior knowledge of local projects to the critical job of watching this money. Ordinary Americans can become citizen-regulators, greatly enhancing our efforts to bring transparency and accountability to government spending. All that's required is for the Administration to show the political will and leadership to provide all of the stimulus data in a centralized, uniform, and structured format.

To that end, I look forward to hearing today from David Robinson, a noted e-transparency expert from Princeton University. I hope to hear Mr. Robinson's views on how technology can facilitate real transparency and accountability for stimulus spending.

I also look forward to hearing from our other witnesses as well. It is very important for this Committee to hear how states, townships, and local communities are planning on both spending stimulus money as well as ensuring that the money is spent wisely and without waste and fraud. It is also important to understand what our state and local officials need from the federal government. I believe that clear and consistent guidance from the federal government is necessary to enable state and local officials to do their jobs and ensure proper oversight of stimulus spending.

I want to tell all of the witnesses today that I intend to ask tough questions. That's my job, and that's the job of our Committee. I'm going to ask tough questions about oversight of stimulus spending whether I'm in Washington, New York, California, or any other place across our great country. We must work hard to ensure that the appropriate guidance and processes are in place so that we do not waste our taxpayers' hard earned money.

Mr. Chairman, as I said, we have our work cut out for us. It is our responsibility to this Congress and to the American people to ensure that the Administration lives up to its promise that this massive amount of funding is fully transparent and that as little taxpayer money as possible is lost to waste and fraud.

Thank you, Mr. Chairman.