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**BEFORE THE HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENTAL REFORM  
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY, INTERGOVERNMENTAL  
RELATIONS AND PROCUREMENT REFORM**

**“Transparency and Federal Management IT Systems”  
July 14, 2011**

Good afternoon, Chairman Lankford, Ranking Member Connolly, and members of the Subcommittee. Thank you for the opportunity to testify on ongoing efforts to improve transparency through information technology.

Since day one, the Administration has been committed to open government and increased transparency. As President Obama stated in his Inaugural Address, we must “spend wisely, reform bad habits, and do our business in the light of day, because only then can we restore the vital trust between a people and their government.” Transparency strengthens our democracy and promotes efficiency and effectiveness in Government.

Open Government platforms have helped the Federal government crack down on wasteful technology spending, attack fraud and abuse, and spur innovation by democratizing data.

As we scale these practices we undoubtedly will face obstacles on many fronts. Yet, our efforts to date have revealed key principles that will guide us as we move forward.

**Cracking Down on Wasteful Technology Spending**

We launched the IT Dashboard and transformed the way we look at Federal IT investments. Information on the performance of IT projects – such as budgets and schedules – that was once stored within agency walls on reams of paper and seldom updated is now publicly available online and refreshed every month.

Using the Dashboard, anyone from agency officials to the American people can now identify and monitor the performance of IT projects, on their laptops and mobile phones, just as easily as they can monitor the stock market or baseball scores. If a project is behind schedule or over budget, the Dashboard tells you that.

The Dashboard ends the days of faceless accountability. It provides the name of the agency official responsible for the project, shows you their picture and lets you contact them directly to provide feedback on the project's performance.

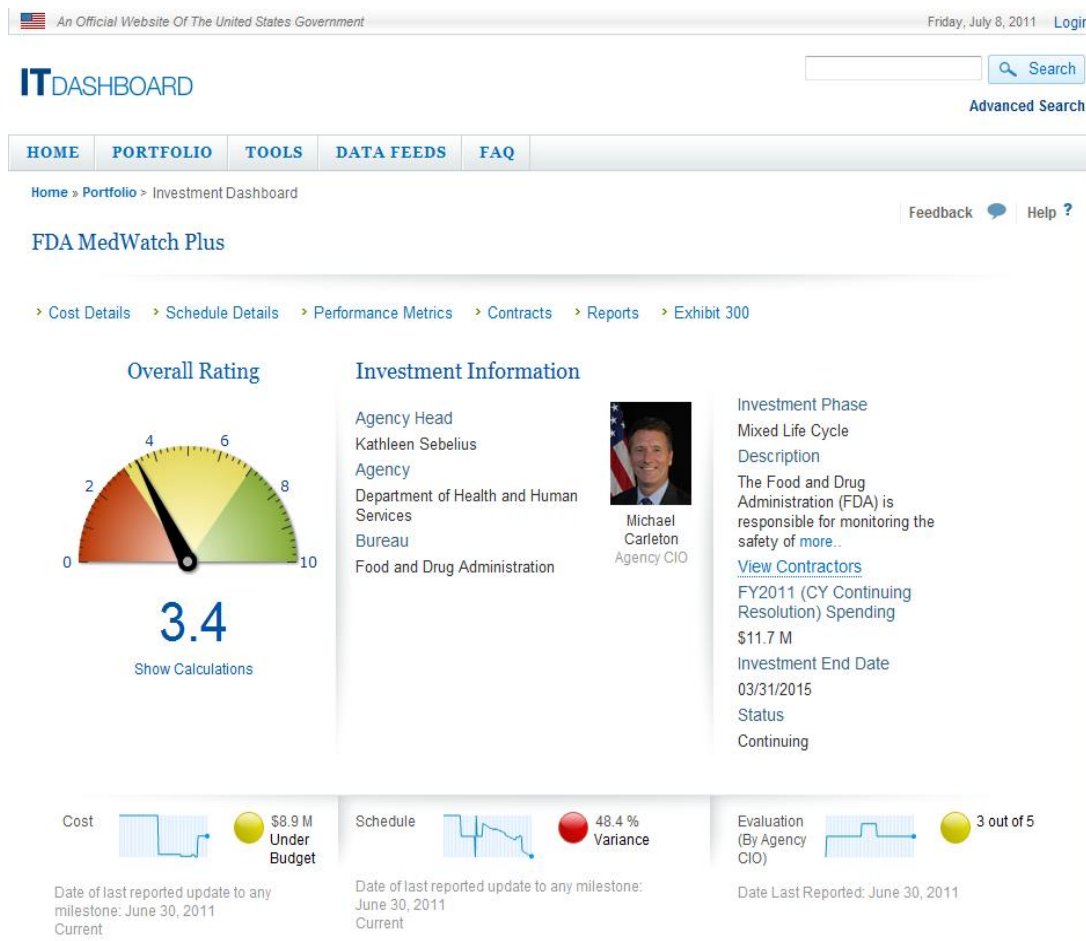


Figure 1

The release of this information was a massive change in the way we had traditionally managed Federal IT. Vendors, project managers, and agency Chief Information Officers are now executing their projects in the light of day.

For the Dashboard to drive transparency effectively, it had to be easy to use. We sought to build a consumer-class product that opened up the operations of the Federal Government to the world – not a compliance-oriented tool that would be seldom used outside the halls of government. So we focused relentlessly on the customer from the outset. During the 60 days we took to build it, we reviewed early versions of the IT Dashboard with members of Congress, GAO, industry, and various good government groups. Their feedback was instrumental in shaping the end-product.

We also wanted to make the Dashboard as easy as possible for agencies to update. To help them learn to use the IT Dashboard and see in advance how their data would be reflected, we held a series of open houses with agency CIOs, capital planning leads, project managers, and other IT

staff. These sessions not only enabled them to become familiar with the IT Dashboard prior to launch, but also allowed us to hear directly from them how we could improve the IT Dashboard and reduce their burden in reporting on the status of IT projects.

We didn't wait until the data was perfect to launch. In fact, had we waited for perfect data, the IT Dashboard would still be awaiting launch today. Only by exposing the data and holding agencies accountable will the data quality improve. GAO is a part of the effort, holding regular audits of IT projects reported to the Dashboard, to make sure the data is timely and accurate. And several members of Congress have sent letters to agency heads to underscore the importance of the data quality effort.

In addition to capturing accurate data, we must capture meaningful data. The information sources for much of the Dashboard<sup>1</sup> had become stand-alone processes to request and justify funding rather than serving as management tools for monitoring program health. Just last week, we took an important step in increasing transparency by redesigning the exhibits to be used in budget processes. This effort will increase the relevance of IT investment data, better align budget with management processes, improve data quality, and reduce the reporting burden on agencies.

Going forward, we will continue to improve the Dashboard to provide even better insight into the performance of Federal IT investments. We continue to solicit and incorporate feedback from Federal agencies, Congress, and the American people.

But simply shining a light and hoping results follow is not enough. We must also take action. That is why in January 2010, we held the first TechStat Accountability Session. A TechStat session is a face-to-face, evidence-based review of an IT program to turnaround, halt or terminate underperforming projects. TechStat sessions yield results. To date, they have led to over \$3 billion in life-cycle cost reductions, and have reduced average time to delivery from over two years to eight months.

We have scaled this capability across the Federal government, increasing the number of programs that can be reviewed and hastening the speed at which interventions occur. So far this year, we have trained 129 agency representatives to implement the TechStat model at their respective agencies and major agencies now conduct their own TechStat sessions.

We have open-sourced the IT Dashboard code and the TechStat process, making them freely available for any organization to use of these tools. Already, 38 states and territories have expressed interest in using the platform for state government use, taking advantage of a proven system instead of building their own from scratch.

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<sup>1</sup> OMB Circular A-11. Exhibits 53 and 300.

## **Attacking Waste, Fraud and Abuse**

From day one, the President identified transparency and accountability as essential to having government programs function effectively and efficiently in serving the American people. And the Recovery Act was implemented with these priorities top of mind. Throughout the life of the Recovery Act, the Administration has worked with Congress, the Recovery Accountability and Transparency Board, recipients and other stakeholders to ensure that the funds were spent with a minimal amount of waste, fraud, or abuse. Given the speed at which the funds were allocated, we knew there would be considerable challenges. Despite that, the Recovery Act has had an unprecedented low level of fraud, with less than 0.6% of all awards experiencing any waste, fraud, or abuse.

The approach we took was to allow unprecedented visibility into how these funds were being spent. Recovery.gov to provide taxpayers with user-friendly tools to track Recovery funds – how and where they are spent – in the form of charts, graphs, and maps that provide national overviews down to specific zip codes. In doing so, we provided a powerful tool for an army of citizen inspectors general to help us root out waste, fraud and abuse. Because transparency was a fundamental component from the beginning, it deterred much fraud before it ever occurred.

There were many challenges along the way, as we developed a new system for those receiving the funds to report how they were being used. Early on, we adopted uniform identifiers and data standards wherever feasible to ease the flow of data and reduce system complexity. Still we had instances where data entry difficulties led us to lessons learned to prevent such problems in the future. For example, early analysis of Recovery.gov showed that recipients were reporting money flowing to Congressional Districts that did not exist. To prevent this from happening again, the reporting system was modified to check for errors at the point of entry and collection. This prevented these bad data from entering the system in the first place.

The Administration also has improved the type of data available on USASpending.gov. Beginning in October 2010, taxpayers have been able not only to track obligations by Federal agencies but also can track obligations made by those recipients to other entities (for example, tracking payments from a prime contractor to a sub-contractor). As of May 2011, USASpending.gov displays – for awards made beginning in 2000 – over \$25.4 trillion in prime awards, based on over 47,000 individual prime awards, and more than \$3.9 trillion total in sub-awards.

Building on the lessons learned from the implementation of the Recovery Act, the President signed an Executive Order on June 13<sup>th</sup> establishing the Government Accountability and Transparency (GAT) Board. The GAT Board will provide strategic direction for enhancing the transparency of Federal spending and advance efforts to detect and remediate waste, fraud and abuse in government programs.



Figure 2

### Spurring Innovation by Democratizing Data

The idea behind Data.gov was simple: to release as much government data in its raw, machine-readable format to the web, without compromising national security or individual privacy, and to spur public development of new data-driven, innovative business ideas.

On May 21, 2009 after six weeks of development, Data.gov launched, enabling the public to easily find, access, understand, and use data generated by the Federal government. Rather than creating a huge, complex system, which would have taken years, we took the approach of a lean start-up and launched a minimum viable product with just 47 datasets. Today, there are more than 390,000 datasets available.

Beyond that, Data.gov has democratized data and tapped the ingenuity of the public, inspiring scores of citizen-created applications that turn raw data into services to help the American people. Just as the Defense Department’s release of GPS data created a new industry, Data.gov has unleashed an “app economy” with over 300 high-value tools and apps developed to date. Innovators from across the country have been busy putting these datasets to work because the

data is accessible, useable, machine-readable, from authoritative sources, in an open platform, and incorporates user feedback. Citizen-created apps now help parents keep their children safe, assisting travelers find the fastest route to their destinations, and informing home buyers about the safety of their new neighborhood.

Data.gov is at the vanguard of a global movement. 29 U.S. states, 11 U.S. cities, one tribe, and 19 countries have followed in Data.gov's footsteps in implementing open data platforms.



Figure 3

## Scaling Transparency

Moving forward, we must expand our efforts to shine light on the entire \$3.7 trillion in the Federal Budget<sup>2</sup>, including entitlements, insurance, loans, operational costs, payroll, and tax expenditures.

Tackling this challenge will force us to confront obstacles on many fronts. For example, on the technical front, there are currently more than 12,000 systems, composed of hundreds of thousands of subsystems and countless databases.

The way we fund IT, agency-by-agency, bureau-by-bureau, creates additional obstacles, leads to duplication, and hinders our ability to share services government-wide. This has resulted in a multitude of separate Federal data collection and display websites.

Leveraging the lessons learned from the Administration's transparency efforts, we have distilled the following key principles to guide us as we shine light on the \$3.7 trillion in all Federal spending.

- 1. Build end-to-end digital processes** – Automate transfer of data between systems to increase productivity, protect data integrity, and speed data dissemination. Capitalize on game-changing technologies to increase transparency.
- 2. Build once, use often** – Architect systems for reuse and share platforms to reduce costs, streamline systems and processes, reduce errors, and foster collaboration.
- 3. Tap into golden sources of data** – Pull data directly from authoritative sources to improve data quality, shorten processes and protect data integrity.
- 4. Release machine-readable data and encourage 3<sup>rd</sup> party applications** – Make data machine-readable to allow the public to easily analyze, visualize and use government information.
- 5. Use common data standards** – Develop and use uniform, unique identifiers and data standards to ease the flow of data and reduce system complexity.
- 6. Validate data up front** – Correct errors during collection and at the point of entry to block bad data from ever entering the system.
- 7. Release data in real time and preserve for future use** – Release data as quickly as feasible to enhance its relevance and utility while maintaining future accessibility.
- 8. Reduce burden** – Collect data once and use it repeatedly. Pull from existing data sets to reduce costs and burden and to increase productivity and uniformity.
- 9. Protect privacy and security** – Safeguard the release of information to increase public trust, participation, preserve privacy, and protect national security. Open Government doesn't mean vulnerable government.
- 10. Provide equal access and incorporate user feedback** – Provide a common view of data to all stakeholders to foster collaboration. Incorporate user feedback to help identify high-

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<sup>2</sup> Fiscal Year 12 President's Budget Request.

value, meaningful data sets, set priorities, to continuously drive and improve future planning and processes.

### **Conclusion**

As I reflect on the last two and a half years, the benefits of an open and transparent government are now clearer than ever before. We have saved \$3 billion by shining light on Federal IT spending so far. We have seen an unprecedented low fraud rate in the implementation of the Recovery Act by taking a transparent approach from the outset. We sparked a new “app economy” by releasing government data through Data.gov.

This Committee has long recognized the importance of an open and transparent government and I appreciate its ongoing support of our efforts and its help in securing funding for the government’s transparency efforts.

Going forward, it will take all of us – Congress, Executive branch agencies, and recipients of Federal funds – working together to ensure accuracy and transparency of government data. Thank you again for your interest and I am happy to answer your questions.