U.S. House of Representatives Committee on Oversight and Government Reform Darrell Issa (CA-49), Chairman



Restoring Government Oversight and Accountability in the 112th Congress

Staff Report Committee on Oversight and Government Reform 112th Congress

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EXECUTIVE SUMMARY

The Oversight Committee exists to be an honest broker in Congress with a special mandate to conduct independent oversight at all levels of government. Although the Democratled Committee conducted vigorous oversight in the last two years of the Bush Administration, its oversight in the first two years of the Obama Administration was sorely deficient. In the 112th Congress, the Oversight Committee rededicated itself to robust agency and program oversight, holding the federal government accountable to the American taxpayers.

From 2007 to 2009, then-Chairman Henry Waxman conducted relentless oversight of the activities of the Bush Administration. Called the "Eliot Ness of the Democrats," Chairman Waxman unapologetically exercised the Committee's constitutional duty of oversight. After President Barack Obama took office, however, this obligation waned under one-party Democratic rule. In the first two years of the Obama Administration, the Oversight Committee was blithely tolerant of wasteful spending, bureaucratic mismanagement, and regulatory overreach. In the 112th Congress, Chairman Issa has restored the obligation for robust oversight, leading the Committee in various agency and federal program oversight including investigating the deadly ATF program known as Operation Fast and Furious, and the attack on the American consulate in Libya that took the lives of four Americans, including Ambassador J. Christopher Stevens to name only a few.

The Committee's work in uncovering waste, fraud, and abuse in government has been significant, even with an uncooperative Administration and Democratic minority. Persistent scrutiny of the Obama Administration, in cooperation with the work of citizen whistleblowers, has brought to light egregious spending across the government – from the General Services Administration's lavish \$820,000 Las Vegas conference to the millions of taxpayer dollars spent on lavish bonuses for Fannie Mae and Freddie Mac executives. The Committee's work has also exposed how the Department of Energy's 1705 Loan Guarantee program, created by President Obama's stimulus bill, made billions in bad loans for renewable energy projects, including a \$14 billion taxpayer loss from Solyndra.

The Committee has also uncovered how the Obama Administration's executive overreach – in the form of excessive and burdensome regulations – have created incredible economic uncertainty in the private sector. Small businesses have been hit hardest, causing delays in hiring and forcing increases in job layoffs. The Committee heard from hundreds of job creators about the negative effects of these regulations through hearings conducted in Washington and throughout the United States as well as through the website JobCreators.com, where these companies and entrepreneurs told the Committee that "overly-burdensome federal regulations" held back their businesses from expanding and creating jobs.

During the 112th Congress, the Oversight Committee has initiated several investigations and oversight actions that have had real impacts for the federal government and American taxpayers. The Committee's unique position to oversee all federal government agencies and functions, as well as its role in crafting federal workforce and government management legislation, affords a unique opportunity to promote private sector economic growth by reducing waste, fraud, mismanagement and abuse in government spending and by improving government

performance. In the 113th Congress, the Committee will continue the pursuit of vigorous, independent oversight to bring real reform to the federal bureaucracy and to make government work better for the American taxpayers.

MISSION STATEMENT

We exist to secure two fundamental principles. First, Americans have a right to know that the money Washington takes from them is well spent. And second, Americans deserve an efficient, effective government that works for them. Our duty on the Oversight and Government Reform Committee is to protect these rights.

Our solemn responsibility is to hold government accountable to taxpayers, because taxpayers have a right to know what they get from their government. We will work tirelessly, in partnership with citizen-watchdogs, to deliver the facts to the American people and bring genuine reform to the federal bureaucracy.

This is the mission of the Oversight and Government Reform Committee.

AN OBLIGATION FOR OVERSIGHT

Congressional oversight is an integral component of good government. The need for legislative oversight stems from the very concept of representative democracy. As John Stuart Mill wrote, "the proper office of a representative assembly is to watch and control the government; to throw the light of publicity on its acts; to compel a full exposition and justification of all of them which any one considers questionable." Today, with the everincreasing scope of the modern bureaucracy, robust congressional oversight is even more important to ensure that the federal government remains accountable, transparent, and effective.

The U.S. Constitution delegates to the Congress certain enumerated powers, such as the authority to tax, to appropriate funds, to declare war, and to regulate commerce. Implicit in this delegation is the implied power of inquiry to gather facts and to ensure that Congress's laws are faithfully executed. According to the Supreme Court, "the power of inquiry – with process to enforce it – is an essential and appropriate auxiliary to the legislative function. . . . A legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change." Chief Justice Earl Warren articulated the expansive scope of this oversight authority:

The power of Congress to conduct investigations is inherent in the legislative process. That power is broad. It encompasses inquiries concerning the administration of existing laws, as well as proposed or possibly needed statutes. It includes surveys of defects in our social, economy, or political system for the purpose of enabling Congress to remedy them. It comprehends probes into departments of the Federal Government to expose corruption, inefficiency or waste. 4

Congress has exercised its investigative power since the earliest days of the nation. In 1792, the House of Representatives established a committee "to call for such persons, papers, and records" to examine the defeat of an army unit in the Battle of the Wabash.⁵ The Third Congress in 1793 and 1794 issued resolutions of inquiry surrounding the work of Alexander Hamilton as Secretary of the Treasury and his management of the public debt.⁶ During the nineteenth century, the House exercised its oversight power to examine the efficiency of the Jefferson Administration, the spending of the Jackson Administration, and the waste in government contracts following the Civil War.⁷ In the twentieth century, Congress similarly convened inquiries relating to the 1923 Teapot Dome scandal, labor-management relations in the 1950s, and the Watergate cover-up of the early 1970s.⁸

³ McGrain v. Daugherty, 273 U.S. 135, 175 (1927).

¹ John Stuart Mill, Considerations on Representative Government 104 (1861).

² U.S. Const. art. I, § 8.

⁴ Watkins v. United States, 354 U.S. 178, 187 (1957).

⁵ 3 Annals of Congress 490-93 (1792).

⁶ H. Comm. on H. Administration, History of the United States House of Representatives 162 (1965).

⁷ *Id.* at 162-65

⁸ See Todd Garvey, Alissa M. Dolan, L. Elaine Halchin, & Walter J. Oleszek, Cong. Research Serv., Congressional Oversight Manual 23 (2011); Robert F. Kennedy, The Enemy Within (1960).

The inherent oversight powers of Congress have been repeatedly codified by statute. In 1946, Congress passed the Legislative Reorganization Act, which required committees of the House of Representatives and the Senate to exert "continuous watchfulness" over the Executive Branch's administration of the law. Subsequently, in 1970, Congress passed a second Legislative Reorganization Act, which clarified each committee's obligation to "review and study, on a continuing basis, the application, administration, and execution" of the laws within its jurisdiction. 10 The Rules of the House of Representatives also expressly mandate legislative oversight on a continuing basis by most standing committees. 11

THE UNIQUE INVESTIGATIVE ROLE OF THE OVERSIGHT COMMITTEE

Separate from other standing committees of the House, the Committee on Oversight and Government Reform ("Oversight Committee") has a special mandate to conduct comprehensive oversight at all levels of government. As the chief investigative body of the House, the Oversight Committee may investigate "any matter" at "any time" pursuant to House Rule X. 12 Unlike other standing committees, which authorize and oversee the bureaucratic agencies within in their legislative jurisdictions, the Oversight Committee conducts oversight with an independent eye. ¹³ As the liberal website *Daily Kos* explained in 2009 when justifying the mission of the Oversight Committee, "there are no guarantees that a particular committee with [legislative] jurisdiction will vigorously investigate (or investigate at all, for that matter) any given issue." The Oversight Committee therefore exists to be an honest broker in Congress and to conduct independent oversight free from any preexisting relationships or preconceived conclusions.

The precedent underlying this authority spans nearly two-hundred years of congressional history. The Oversight Committee has existed in some form since 1816. 15 In 1952, the House established the Committee on Government Operations – the immediate predecessor of the Oversight Committee – with the mandate to study the "operation of Government activities at all levels with a view of determining their economy and efficiency." ¹⁶ After the 1994 midterm elections, the new Republican majority reconstituted the Committee as the Committee on Government Reform and Oversight. 17 With an expanded legislative jurisdiction, the Committee maintained its traditional role as the chief investigative committee of the House. ¹⁸ In 2007, the

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⁹ Pub. L. 79-601, § 136, 60 Stat. 812, 832 (1946).

¹⁰ Pub. L. 91-510, § 118, 84 Stat. 1140, 1156 (1970).

¹¹ Rules of the House of Representatives, Rule X, cl. 2.

¹² Rules of the House of Representatives, Rule X, cl. 4(c)(2).

¹³ Activities of the House Committee on Government Reform and Oversight, H. Rept. 104-874, 104th Cong. at 12 (1997).

¹⁴ Considered Forthwith: House Oversight Committee, Daily Kos (Sept. 6, 2009), http://www.dailykos.com/ story/2009/09/06/778013/-Considered-Forthwith-House-Oversight-Committee#.

¹⁵ See Activities of the House Committee on Government Reform and Oversight, H. Rept. 104-874, 104th Cong. at 9 (1997).

¹⁶ H. Comm. on H. Admin., History of the United States House of Representatives 170 (1965); Activities of the House Committee on Government Reform and Oversight, H. Rept. 104-874, 104th Cong. at 9-12 (1997).

¹⁷ Activities of the House Committee on Government Reform and Oversight, H. Rept. 104-874, 104th Cong. at 12 (1997). ¹⁸ *Id*.

Democratic majority in the House gave the Committee its current name and reemphasized its core oversight responsibilities. 19

Relentless Democratic Oversight of the Bush Administration

Swept in by a landslide election that placed Democrats in the House majority for the first time since 1995, from 2007 to early 2009 – the final years of the Bush Administration – the Oversight Committee forcefully exercised its constitutional duty of oversight. Chairman Henry Waxman, proudly called the "Eliot Ness of the Democrats" by the left-wing magazine *The Nation*, ²⁰ relentlessly investigated a wide array of issues in the Bush Administration, from the State Department's role in the Iraq War to the presence of formaldehyde in Federal Emergency Management Agency trailers. 21 In February 2007, Chairman Waxman unapologetically defended his unvielding investigative tactics to the New York Times: "There has been no cop on the beat. And when there is no cop on the beat, criminals are more willing to engage in crimes."22 Speaker Nancy Pelosi likewise defended the use of congressional oversight as a tool for shedding light on failures and for creating accountability:

[The Bush Administration] has been going for six and a half years with no oversight, just absolutely zero accountability. And when people talk about [the 110th] Congress, they have to recognize that there's a big distinction between this Congress and previous Congresses in terms of shedding light of oversight and accountability on this administration.²³

During his tenure leading the Oversight Committee, Chairman Waxman held 203 full committee or subcommittee hearings. ²⁴ Chairman Waxman sent over 450 letters seeking information or requesting a witness's presence at a committee hearing in his first year alone. ²⁵ Over his two years as chairman, Chairman Waxman issued over 45 subpoenas relating to his oversight of the Bush Administration and related activities.

Yet Chairman Waxman's oversight efforts were not without criticism. Before he assumed the chairmanship, one writer in the Washington Post predicted that Chairman Waxman would adopt an aggressive style, writing: "He has dreamed of subpoenas - issuing them, and placing witnesses under oath – for 12 years."²⁶ Duke University political scientist David Rohde commented that as Chairman Waxman ratcheted up congressional oversight, clearly "a degree of it [was] for show."²⁷ Columnist Robert Novak bluntly called Chairman Waxman's oversight

¹⁹ H. Res. 6 § 215, 110th Cong. (2007).

²⁰ David Corn, Waxman: Democrats' Eliot Ness, The Nation, Feb. 14, 2005.

²¹ See Jonathan Weisman, White House Feels Waxman's Oversight Gaze, Wash. Post, Oct. 25, 2007.

²² Philip Shenon, As New 'Cop on the Beat,' Congressman Starts Patrol, N.Y. Times, Feb. 6, 2007.

²³ Bob Geiger, Pelosi on Bush Lawlessness: 'The American People Really Don't Even Know the Half of It,' Huffington Post, June 29, 2007.

²⁴ Activities of the House Committee on Oversight and Government Reform, H. Rept. 110-930, 110th Cong. at 1 (2008).

²⁵ See H. Comm. on Oversight and Gov't Reform, A Constitutional Obligation: Congressional Oversight of the Executive Branch 8 (Minority Staff Report 2010).

²⁶ Ron Suskind, Send in the Subpoenas, Wash. Post, Nov. 19, 2006.

²⁷ Peter Grier, Democrats Unrelenting in Oversight of Bush Administration, Christian Science Monitor, Aug. 5, 2008.

efforts "an all-out war against [President] Bush" and "payback time for Democrats" after twelveyears in the House minority.²⁸ Other commentators called Chairman Waxman's investigation of Roger Clemens's use of steroids "a witch hunt," ²⁹ and his hearing on misinformation in Afghan and Iraqi military operations a "political fishing expedition." ³⁰

For two years, House Democrats zealously used the constitutional authority of the Oversight Committee to thoroughly investigate the Bush Administration. The use of this authority was widely applauded by liberal commentators as the proper function of Congress and a hallmark of good government. Although Chairman Waxman also faced significant criticism that his work was partisan and biased, he remained steadfast in his commitment to robust congressional oversight, saying that "[o]versight is just as important, if not more important, than legislation."³¹

Lax Democratic Oversight of the Obama Administration

When President Barack Obama was elected in November 2008, however, the Democrats' emphasis on robust congressional oversight suddenly disappeared. Even before President Obama was sworn in, an Associated Press report suggested that the Democrats in the 111th Congress would "go soft" on the new Administration. "When Congress and the White House are controlled by different parties," the reported explained, "it's a formula for vigorous and adversarial oversight by congressional committees. But when the same party rules both branches of government, it's far more likely that the president will get a free pass."33 A few months into the Obama Administration, the liberal *Mother Jones* magazine confirmed the Democrats' acquiescence to the new Administration, noting how "the oversight committee seems to be willing to give the White House more leeway" than it did during the Bush Administration. 34

The choices made by House leadership at the beginning of the 111th Congress showed that congressional oversight was no longer a Democratic priority. Chairman Waxman, the Democrats' unrelenting investigator of the Bush Administration, left his post on the Oversight Committee to shepherd policy objectives for the Obama Administration as chairman of the Energy and Commerce Committee. At the beginning of the 111th Congress, Speaker Pelosi, excited about the legislative prospects of one-party rule, increased funding for almost all House committees by an average of nine percent.³⁵ Yet she gave the Oversight Committee – the sole committee charged with conducting broad oversight of the Obama Administration – a minimal 3.43 percent increase that was closer to the rate of inflation.³⁶

²⁸ Robert D. Novak, *Henry Waxman's War*, Wash. Post, July 26, 2007.

²⁹ Mitch Albom, *The Clemens Verdict: Both Can't Be Right*, Detroit Free Press, Feb. 14, 2008.

³⁰ Margaret Talev, Democrats Probe Distorted Accounts of Combat Heroics, Sacramento Bee, Apr. 11, 2007 (quote of Robert Duval, political science professor at West Virginia University).

³¹ Elizabeth Williamson, Revival of Oversight Role Sought, Wash. Post, Apr. 25, 2007.

³² See, e.g., Larry Margasak, Will Congressional Democrats Go Soft on Obama?, Assoc. Press, Dec. 18, 2008.

³⁴ Nick Baumann, *Dems Tread Lightly on Obama Oversight*, Mother Jones, Mar. 19, 2009.

³⁵ H. Res. 279, 110th Cong. (2009).

³⁶ See Jackie Kucinich, Oversight Panel Wants a Raise, Roll Call, Mar. 30, 2009.

The new Oversight Chairman, Edolphus Towns, promised to conduct vigorous oversight of the Obama Administration; however, the Committee's actions never matched the Chairman's rhetoric. Under Chairman Towns, the Oversight Committee held only 164 full committee or subcommittee hearings. Whereas Chairman Waxman sent 450 letters in a single year during the Bush Administration, Chairman Towns only sent approximately 420 letters during the entirety of his two-year chairmanship during the Obama Administration – many had nothing to do with waste and abuse in government. In addition, while Chairman Waxman issued over 45 subpoenas, Chairman Towns served only 7 subpoenas during his entire tenure leading the Committee.

Despite multiple requests from the Republican minority for hearings and joint investigations, the Democrat-led Oversight Committee essentially gave the Obama Administration a free hand to implement its agenda with little pressure to increase transparency and virtually no accountability. The Democratic majority rejected Republican requests to examine, for example, wasteful stimulus spending and abuses at the Mineral Management Service. Inaction by the Democratic majority forced the Republican minority to independently investigate the causes of the housing crisis, abuses by the government-funded Association of Community Organizations for Reform Now (ACORN), and many other pressing national issues. Underscoring an unwillingness to conduct oversight of a politically allied organization, the Democratic majority never held a hearing on abuses by ACORN, but when confronted with the issue on the House floor Democrats joined Republicans in voting to defund the group. 40

The first two years of the Obama Administration were marked by lax oversight. At the end of the 111th Congress, Chairman Towns stepped down as the senior Democrat on the Oversight Committee, writing to Speaker Pelosi: "I decided to withdraw my candidacy following a conversation with you when you made it clear that I did not have your support." It was not made clear whether Towns' loss of support was due to his ineffective oversight of the Obama Administration or his willingness to tolerate independent investigations undertaken by the then Republican minority led by Ranking Member Darrell Issa. Either way, under the Democrats' one-party rule, the American people suffered as government spending continued to climb and allegations of waste, fraud, and abuse went unexamined.

A RENEWED COMMITMENT TO EFFECTIVE OVERSIGHT

When the 112th Congress convened in January 2011, the new Republican majority rededicated the House to comprehensive and robust congressional oversight. In accepting the gavel as Speaker, John Boehner pledged to promote a "government that's honest, accountable, and responsive to [the citizens'] needs, a government that respects individual liberty, honors our

³⁷ Activities of the House Committee on Oversight and Government Reform, H. Rept. 111-705, 111th Cong. at 1 (2010).

³⁸ See H. Comm. on Oversight and Gov't Reform, A Constitutional Obligation: Congressional Oversight of the Executive Branch 8 (Minority Staff Report 2010).

³⁹ Activities of the House Committee on Oversight and Government Reform, H. Rept. 111-705, 111th Cong. at 13 (2010).

⁴⁰ See Molly K. Hooper & Walter Alarkon, *House Votes to De-Fund ACORN*, The Hill, Sept. 17, 2009.

⁴¹ Susan Crabtree, Rep. Towns Says Pelosi 'Made it Clear' He Did Not Have Her Support, The Hill, Dec. 16, 2010.

heritage, and bows before the public that it serves."⁴² For its part, the Oversight Committee has carried out the Speaker's pledge by identifying waste in the federal government and by striving to ensure that American taxpayers have a government that works for them.

Chairman Darrell Issa assumed the chairmanship of the Oversight Committee with a commitment to target government inefficiency, reduce Washington spending, and reform the federal bureaucracy. Chairman Issa dedicated the Oversight Committee to be "the committee of stopping government from taking away your liberties, government from exceeding its authority, government from keeping your business from expanding and growing, government from spending your money less efficiently than you would spend it yourself." To help accomplish the Committee's mission, Chairman Issa implemented new rules to increase openness and transparency.

In the 112th Congress, the Oversight Committee has exercised a renewed commitment to effective congressional oversight, restoring the Committee to a workload more comparable to times before one-party rule during the first two years of the Obama Administration. Chairman Issa and Oversight Committee members have sent over 760 letters in furtherance of the Committee's oversight obligations. The Committee has held 199 full committee and subcommittee hearings on a number of important topics, ranging from the Department of Justice's failed Operation Fast and Furious to the high number of inspector general vacancies at federal agencies. Additionally, the Committee has issued 32 staff reports – each extensively sourced and based in fact – highlighting and explaining significant failures in all segments of the federal government. 46

The Committee's accomplishments in the 112th Congress have come in the face of considerable hindrance by the Democratic minority. In several major investigations initiated by the Committee, the Democratic minority has blindly defended the Obama Administration rather than work with the Republican majority to bring reform to the federal government. In siding time and again with the Administration, the Democratic minority has favored allowing Executive Branch power to go unchecked by Legislative Branch oversight. This position stands in stark contrast to the system of checks and balances created by the Founding Fathers and to the legislative oversight obligations inherent in the Constitution.

The work done by the Oversight Committee in the 112th Congress has brought real results to the American people. Over the last two years, the Committee has identified significant instances of waste, fraud, and abuse in the federal government. The Committee has also achieved measurable success in bringing genuine reform to the bloated and redundant federal bureaucracy. Consistent with its mission statement, the Committee has strived to make government programs more efficient, more transparent, and work better for American families

⁴² Speaker John Boehner, Opening Remarks as Speaker of the House (Jan. 5, 2011).

⁴³ Ken Dilanian, *Issa Vows to Hunt Down Waste in Government*, Chicago Trib., Jan. 3, 2011; *Interview with Darrell Issa*, CNN, Jan. 2, 2011.

⁴⁴ Philip Rucker, *In Power Seat, Issa Recasts Self as Washington's Whistleblower*, Wash. Post, Dec. 19, 2010.

⁴⁵ See Memorandum to Members of the Committee on Oversight and Government Reform (Jan. 21, 2011).

⁴⁶ These figures are current as of December 20, 2012.

and small businesses. These actions have helped to hold the federal government accountable to those who matter most: the American people.

OVERSIGHT MAKING AN IMPACT

For the past two years, the Oversight Committee has initiated investigations and oversight activities that have had real impacts for American taxpayers. Often, the Committee's oversight has encouraged federal government employees to come forward with their personal stories of waste, fraud, and abuse in the government. These employees have given the Committee information and documents that have proven invaluable in helping to reform the federal bureaucracy. In many ways, the fundamental work of the Committee has been to bring the experiences of these federal workers to light – to help them tell their stories and, ultimately, to deliver the facts to the American people.

Notable examples of the Oversight Committee making an impact include, but are not limited to, the following:

• Department of Justice's Operation Fast and Furious: In fall 2009, the Department of Justice and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) began what would be its largest and most complex arms trafficking investigation in history. In this operation, ATF agents engaged in a risky practice known as "gunwalking" where weapons – instead of being interdicted – were permitted to flow into the hands of Mexican drug cartels in order to build a larger case. The disastrous strategy began to come to light after December 14, 2010, when ATF agent Brian Terry was killed in Arizona; two weapons found at the scene were traced to the gunwalking program. In the 112th Congress, the Committee in partnership with the Senate Judiciary Committee Republican minority has vigorously investigated Operation Fast and Furious and the chain of events that culminated in Agent Terry's death.

Impact: The Committee's comprehensive investigation has moved the Department of Justice from denying that any wrongdoing occurred to confirming serious management and operational failures in the Department of Justice. Attorney General Eric Holder acknowledged the Operation was "wholly unacceptable" and "must never happen again." Several officials cited for failures in Committee reports and a parallel investigation by the Department's Inspector General have already left the Department.

• Security Failures in Benghazi: On September 11, 2012, four American public servants – including Ambassador J. Christopher Stevens – were murdered by terrorists in Benghazi, Libya. In the immediate aftermath of the tragedy, officials in the Obama Administration cast the attack as a spontaneous outgrowth of a protest against an anti-Muslim film and that little could have been done to change the tragic outcome. After the Committee obtained information about unheeded warnings and poor security conditions at the compound, it launched an investigation that led to a hearing in October 2012 to carefully examine the incident.

Impact: The Committee's work presented the American people with a different side of the Benghazi tragedy. The hearing cast light on the idea of "normalization" – reducing needed security as part of a predetermined process to project success in Libya despite real and continuing safety concerns. The Wall Street Journal wrote, "The Congressional investigation has in a few hours brought greater clarity about what happened before, during and after the events of 9/11/12 than the Obama Administration has provided in a month. . . . Oversight and Government Reform Chairman Darrell Issa has forced the Administration to start to answer for this stunning and deadly assault on U.S. sovereign soil in Libya, but a lot of questions demand further investigation." The Washington Post similarly wrote, "GOP House investigators have helped make clear that the Benghazi attack should have come as no surprise to the U.S. mission — and that it was preceded by terrible decisions about security. Though extremist militants were known to be operating in the Benghazi area, only a tiny force protected the U.S. compound; the State Department denied a request by the regional security officer to extend the term of a 16-member military squad that had been protecting the embassy in Tripoli." The findings of the Accountability Review Board's report on the Benghazi tragedy confirmed the accounts of U.S. security officials based in Libya who testified before the Committee and contradicted the statements of senior Washington officials. In wake of the report, three State Department officials – including Deputy Assistant Secretary Charlene Lamb, who testified in October – resigned their positions.

• General Services Administration Conference Spending: In April 2012, the Committee held a hearing and conducted oversight on wasteful spending by the General Services Administration (GSA) following a report by the agency's Inspector General. According to the GSA Inspector General, a 2010 Las Vegas conference cost taxpayers \$820,000, including \$31,000 for a "networking reception," \$8,130 for souvenir yearbooks, and \$6,325 for commemorative coins in velvet-lined boxes.

Impact: With attention on the abusive spending, GSA Administrator Martha Johnson resigned and Regional Commissioner Jeff Neely left the agency. The new Acting Administrator, Dan Tangherlini, vowed to "take whatever steps are necessary to hold responsible parties accountable and to make sure that this never happens again." Agencies across government have been reviewing their conference spending practices in wake of the GSA wasteful spending.

Regulatory Commission (NRC) to be a non-partisan agency dedicated to the safe use of radioactive materials for civilian purposes. In October 2011, four NRC Commissioners sent a letter to President Obama outlining concerns about the leadership of NRC Chairman Gregory Jaczko. The Commissioners wrote that Chairman Jaczko intimidated senior career staff, ordered staff to modify information sent to Congress, ignored the will of the other commissioners, and disrespected his colleagues at the NRC. During a year-long investigation, the Committee confirmed these allegations, finding in a December 2011 staff report that Chairman Jaczko utilized political considerations to influence other commissioners, used his position to bully and berate staff, and strategically withheld information from his colleagues.

Impact: The Committee's oversight of the NRC has helped to draw attention to the mismanagement and dysfunction of the federal agency charged with the important task of regulating radioactive materials for civilian purposes. With increased scrutiny partly as a result of the Committee's work, Chairman Jaczko resigned in May 2012.

• Fannie Mae and Freddie Mac Executive Compensation: In November 2011, the Committee held a hearing and issued a staff report concerning the lavish payment packages made to executives at the government-sponsored entities, Fannie Mae and Freddie Mac. While Fannie and Freddie were in a taxpayer-funded conservatorship, living off of \$169 billion in Treasury payments, their executives continued to receive millions in compensation.

Impact: Following the Committee's focus on this wasteful spending, the Federal Housing Finance Agency (FHFA) – Fannie and Freddie's conservator – announced new performance standards and tight salary limits. A recent FHFA Inspector General report confirmed that Fannie and Freddie have made progress in improving compensation levels as a result of the Committee's oversight, but that additional work remains.

• Possible Administration Violations of Federal Records Laws: In the 112th Congress, the Committee has become aware of instances in which officials in the Obama Administration may have violated federal law by using personal email accounts for official purposes. The issue gained additional importance in June 2011, after reports that Chinese hackers had targeted the personal emails of some White House officials, believing the officials were conducting official business on these private accounts. In a different investigation, the Committee became aware that employees at the Department of Energy (DOE) had been using private email accounts to conduct official business, with one official even telling his colleagues "don't ever send an email on doe email with a personal email addresses. [sic] That makes them subpoenable."

Impact: The Committee's actions have spotlighted the Administration's flagrant – and potentially dangerous – use of personal email accounts for official business. These actions may have been in violation of federal laws that require the recording and retention of federal records. One DOE official told the Committee that as a result of the Committee's investigation "we have used this as a teachable moment, and we have created special emphasis in our ethics briefings about keeping . . . agency business to your work email and your personal business to your personal."

• Mismanagement in the Medicaid Program: Throughout the 112th Congress, the Committee and the Health Care Subcommittee held a series of hearings on waste, fraud, and abuse within the Medicaid program. In April 2012, the Committee released a staff report that described major instances of waste in the program and the ongoing failure of the Centers for Medicare and Medicaid Services (CMS) to adequately protect taxpayer dollars spent through the program. The Committee publicized how CMS allowed the state of Minnesota to use an accounting trick to essentially fleece millions of taxpayer dollars from the Medicaid managed care program. The Committee also highlighted CMS overpayments to New York State-operated developmental centers.

Impact: Due in part to the Committee's actions in drawing attention to waste in the Medicaid program, the state of Minnesota returned \$15 million to the federal government. In addition, as a result of the Committee's oversight, CMS agreed to reduce its reimbursement rate to New York by eighty percent, saving taxpayers about \$800 million per year.

• Repeal of the CLASS Program: President Obama's signature Obamacare legislation created a new long-term entitlement known as the Community Living Assistance Services and Supports (CLASS) program. In September 2011, Chairman Issa and Chairman Gowdy became members of the Repeal CLASS Working Group to urge the Administration to cancel the fiscally irresponsible and unsustainable program. Along with other working group members, Chairman Issa and Chairman Gowdy sent two letters to Health and Human Services (HHS) Secretary Sebelius with questions about the sustainability of the CLASS Program as well as HHS's plans to implement the program.

Impact: Due in part to the questions raised by the Committee's oversight, the Obama Administration stopped implementation of the CLASS program and the House ultimately voted to repeal the program.

• Severstal North America Loan Agreement: In October 2011, Chairman Issa sent a letter to Energy Secretary Chu about a \$730 million conditional loan agreement given to Severstal North America, a Michigan steel company, under the Advanced Technology Vehicles Manufacturing (ATVM) program. Chairman Issa raised questions about the necessity for the loan given the nature of Severstal's Russian parent company and the eligibility of its steel as a "component part" covered by the AVTM program.

Impact: As a result of the Committee's oversight efforts and similar inquiries by the Department's Inspector General, DOE ultimately decided to cancel its loan agreement, citing risk concerns. This action effectively saved American taxpayers from risking \$730 million.

• Righting the Federal Employee Pension System: In the 112th Congress, the Committee explored ways to reform the federal workforce pension system to bring it more in line with the private-sector pensions. With over \$680 billion in unfunded liabilities and counting, the Committee addressed head-on the health of the federal employee pension system. The resulting reform legislation, as passed by the Committee, was the largest cost-saving reform to federal employee pensions in almost thirty years. In addition, to achieve savings in tough economic times, the Committee considered reconciliation language to lower the federal deficit by asking federal employees to contribute a bit more to their defined benefit pension plans over five years.

Impact: The Committee directly tackled difficult proposals to build a competitive and more sustainable federal workforce pension system. The Committee's work was incorporated into the Middle Class Tax Relief and Job Creation Act of 2011, which increased the employee contribution for new federal employees entering service after December 31, 2012, who have less than five years of civilian service. According to the Senate Finance Committee, this provision will save the government \$15 billion over the next eleven years.

• *Hatch Act Violations*: During an official speech in North Carolina in February 2012, HHS Secretary Sebelius remarked that Lieutenant Governor Walter Dalton "needs to be the next governor of North Carolina." She continued to say: "[W]e not only come together here in Charlotte to present the nomination to the president, but we make sure that in November he continues to be president for another four years." After these comments, in March 2012, Chairman Issa asked the Office of the Special Counsel to determine whether Secretary Sebelius had violated the Hatch Act, which prohibits partisan political activity by certain federal employees.

Impact: The Chairman's letter to the Special Counsel resulted in a citation against Secretary Sebelius that she had indeed made improper political comments at an official event. According to the Office of Special Counsel, "OSC concluded that Secretary Sebelius violated the Hatch Act by making extemporaneous political remarks." Secretary Sebelius admitted her endorsements were a "mistake."

• Reforming the Burdensome Regulatory Environment: In the 112th Congress, the Committee has examined the current state of federal regulations. Businesses of all sizes have told the Committee that excessive government regulation hinders job creation and economic growth. Among others, the Committee has examined excessive regulations by the Department of Transportation that could lead to higher consumer prices; the Fish and Wildlife Service that could destroy a niche industry; and the Environmental Protection Agency (EPA) that could harm American jobs and energy independence.

Impact: The Obama Administration has approved of the Committee's regulatory oversight, calling it "constructive" and "important," and acknowledging that environmental regulations may have had a negative impact on domestic growth. The Administration issued three executive orders in an attempt to improve regulations. Federal agencies have likewise reformed some of their proposed regulations to ease the burden on businesses and the economy.

• Securities and Exchange Commission Cost-Benefit Analyses: In September 2011, Chairman Issa wrote to Securities and Exchange Commission (SEC) Chairman Mary Schapiro to urge the Commission to adopt more robust cost-benefit analysis procedures. The SEC's cost-benefit analyses had been called into question by the SEC Inspector General and a federal court, which found that the Commission "consistently and opportunistically framed the costs and benefits of the rule" and failed to adequately explain its work. In April 2012, the TARP Subcommittee held a hearing on the SEC's cost-benefit analyses, featuring testimony from Chairman Schapiro and former SEC Inspector General H. David Kotz.

Impact: As a result the Committee's oversight, Chairman Schapiro announced new mandatory guidance to ensure that the SEC's rulemakings were fully informed by economic analysis. This new guidance requires the SEC's chief economist to concur in the economic analysis in every proposed rule.

• *Bias at the National Labor Relations Board*: In April 2011, the National Labor Relations Board (NLRB) Acting General Counsel issued a complaint against Boeing alleging that the

company had committed an unfair labor practice in deciding to build a new airplane production line at a non-union South Carolina plant instead of a union plant in Washington State. Although the complaint stemmed from a charge by the International Association of Machinists and Aerospace Workers (IAM) union, it was widely criticized because Boeing's business decision resulted in no union employees in Washington State being adversely affected by the new production line. The Committee held a field hearing in South Carolina to examine the NLRB complaint and its effect on the South Carolina economy. The Committee also published a staff report highlighting the pro-union bias of the NLRB.

Impact: The Committee's robust oversight helped to expose the union bias at the NLRB and its questionable actions in the *Boeing* litigation. After a subsequent agreement between the IAM and Boeing, NLRB dropped its complaint.

• Administration's "Sue and Settle" Tactics: In July 2012, the Technology Subcommittee held a hearing to examine the Obama Administration's use of "sue and settle" tactics, which are legally binding settlement agreements with special interest groups used to effectuate major policy shifts. These agreements are often the product of closed-door negotiations between the EPA and environmental groups. States, industry, stakeholders, and the public have no voice in the settlement process. The hearing highlighted two particularly troubling examples of sue-and-settle tactics: the EPA's New Source Performance Standards for coal-fired power plants, and the EPA's Regional Haze program.

Impact: Partly as a result of the Committee's attention to sue-and-settle tactics, the House passed H.R. 4078, the Red Tape Reduction and Small Business Job Creation Act. This bill would open the settlement process to public comment and increase transparency requirements.

• Abuses at Afghanistan's Dawood National Military Hospital: Established to treat wounded Afghan soldiers, the Dawood National Military Hospital in Afghanistan is funded largely by the United States and is known as the "crown jewel" of the Afghan medical system. In the summer of 2010, allegations arose of widespread theft, mismanagement, and patient neglect at Dawood. Despite the allegations, the federal government continued to send supplies to the hospital without proper controls in place. At a National Security Subcommittee hearing in July 2012, former military advisors described the atrocities at the hospital and explained how military commanders resisted an inspector general investigation.

Impact: The Committee's oversight helped to expose the tragedies at Dawood and ensure improvements are made. The Committee's work also highlighted the mismanagement and obstruction in responding to the atrocities. Military leaders have pledged to address the abuses and the conduct of officials who may have attempted to block an investigation is under review.

• **Department of Labor "Green" Jobs:** The Green Jobs Act of 2007 ordered the Department of Labor's Bureau of Labor Statistic (BLS) to begin counting so-called "green" jobs. In March 2012, the BLS released its first estimate of the total number of green jobs, finding that there were over 3.4 million in the United States in various sectors. The Committee has

explored the issue of green jobs in a staff report and several subsequent hearings, including two with current and former BLS directors.

Impact: At a Committee hearing on green jobs, the Acting BLS Commissioner admitted that the definition of a "green" job was so vague that an oil lobbyist, a used record store employee, and a bus driver all qualify as employees of the "green" economy. The Committee's oversight work has exposed the fact that the BLS's attempts to count green jobs are merely a political construct designed to create the illusion that the Obama Administration's green agenda has been successful.

Political Influence in DHS's FOIA Process: The Committee conducted an eight-month investigation into allegations that the Department of Homeland Security (DHS) had abused its Freedom of Information Act (FOIA) procedures. The Committee learned that between September 2009 and spring 2010, career staff in the DHS FOIA office had to wait for clearance from political appointees in the DHS front office before they could release responses to "significant" FOIA requests. Career FOIA officers were not authorized to release significant responses until after they had received an affirmative clearance from the front office.

Impact: The Committee held a hearing and issued a staff report documenting the improper political influence in DHS's FOIA process. At the hearing, the DHS chief privacy officer acknowledged that delays in the Department's FOIA process "did not meet [her] standards." Another witness, a senior counsel with the Electronic Privacy Information Center, warned of the danger of DHS's FOIA procedures: "We are not aware of any other program that has singled out FOIA requests based on politically sensitive content or the identity of the requester. In our experience this program is unique, and it is uniquely harmful."

• OSHA's Nationally Recognized Testing Laboratory Program: In January 2012, Chairman Issa asked the Government Accountability Office (GAO) to audit the Nationally Recognized Testing Laboratory (NRTL) program within the Occupational Safety and Health Administration (OSHA). The NRTL program certifies private labs to perform testing and compliance exams on workplace products. The GAO report requested by Chairman Issa showed an excessively lengthy accreditation process for NRTL-approved labs stemming from misaligned OSHA staffing levels and program requirements. The report recommended that OSHA restructure its NRTL program to better serve the private labs and the American workforce.

Impact: The Committee's oversight on OSHA's NRTL program has highlighted the inefficiencies of an overlooked government agency and the corresponding harm they could have on affected industries. As a result of the Committee's work and the GAO report, OSHA has agreed to implement reforms to the NRTL program to ensure it functions better and is more reliable.

• Vacancies at Inspector General Positions: Inspectors General are the ever-present watchdogs of the federal bureaucracy, insulated from the agencies they oversee and charged with making the agencies efficient and accountable. Despite their important mission, the

Obama Administration has allowed multiple inspector general positions to remain vacant for months, even years. The State Department, for example, has been without an inspector general since 2007. The Committee held a hearing in May 2012 to examine the consequences of these vacancies.

Impact: The Committee succeeded in drawing attention to the large number of inspector general vacancies. Although the White House has acknowledged the importance of inspectors general, the President still has not fully staffed all the positions. The Committee will continue to oversee this issue to ensure the pending vacancies do not unnecessarily expose taxpayer dollars to waste, fraud, and abuse.

• *Barriers to Capital Formation*: The Obama Administration's regulatory expansion has increased uncertainty in the financial services industry and inhibited the growth of private companies. In the 112th Congress, the Committee examined the burdens on private capital formation imposed by the Treasury Department, the SEC, and other federal regulators. The Committee and the TARP Financial Services Subcommittee found that current financial regulations impede capital from its most productive uses.

Impact: The Committee's work contributed to the JOBS Act, which allows ordinary investors to aggregate equity capital – known as "crowdfunding" – and, separately, allows a larger number of accredited investors to own shares of private firms while also allowing those private firms to generally advertise to all potential investors. Once the JOBS Act is fully implemented, these common-sense reforms will enable both ordinary and accredited investors to provide capital to start-up businesses and private companies.

• Countrywide VIP Program: While in the minority, Republicans on the Oversight Committee began to examine Countrywide Financial's "Friends of Angelo" and "VIP Program" that issued discounted mortgages to influential Washington policy figures. After a three-year investigation, the Committee issued a staff report in July 2012 that showed that Countrywide had used its VIP Program to aid its lobbying effort and to strengthen its relationship with taxpayer-funded Fannie Mae. The Committee's investigation found that over 17,000 VIP loans were made between January 1996 and June 2008 to highly influential Washington figures. The VIP Program made 29 loans to 12 different Members of Congress and staff.

Impact: The Committee's investigation shed light on Countrywide Financial's inappropriate use of its VIP Program to curry favor with Washington powerbrokers. In wake of the abuses by Countrywide highlighted by the Committee, Congress included a provision in the STOCK Act to require Members of Congress to disclose the terms of their personal mortgages.

• *Violations of the Servicemembers Civil Relief Act*: The Servicemembers Civil Relief Act (SCRA) protects American servicemembers from civil suit while they are on active duty military service. In wake of reports that certain mortgage companies had improperly foreclosed on active duty servicemembers in violation of the SCRA, the Committee initiated an investigation in July 2011.

Impact: Partly due to the Committee's oversight work highlighting this issue, five of the largest mortgage servicing companies are reimbursing about 300 military borrowers who were subject to improper foreclosures. The companies have also instituted company-wide procedural changes and increased outreach efforts to financially distressed military homeowners to prevent these violations from ever reoccurring.

• **Department of Energy Loan Guarantee Program:** President Obama's stimulus bill created the 1705 loan guarantee program and gave the Department of Energy (DOE) the authority and the funds to provide loans and loan guarantees to renewable energy projects. After a series of bankruptcies and significant taxpayer losses – including the \$14 billion loss stemming from Solyndra – the Committee launched an investigation into the Department's loan guarantee program.

Impact: The Committee's investigation uncovered significant management problems at the Department and exposed the junk quality credit ratings of many of the projects backed by the program. The investigation also exposed how Department employees consciously avoided federal transparency laws by using private, non-official email accounts for official government business.

• *TARP and Stimulus Oversight*: The Troubled Asset Relief Program (TARP), passed at the end of the Bush Administration, authorized \$700 billion for bailouts of certain financial institutions. President Obama's massive stimulus bill, passed in 2009, used another \$800 billion in government spending in an effort to stimulate economic growth. Both measures injected tremendous potential for waste, fraud, and abuse of taxpayer dollars. In the 112th Congress, the Committee held hearings and issued a staff report to highlight this potentially wasteful spending.

Impact: The Committee's ongoing oversight of TARP and stimulus spending has continued to draw attention to the misuse of taxpayer dollars. The Committee's review of publicly available stimulus data has indicated that the stimulus has not only failed to generate economic growth but may even have prevented private sector job growth.

• Government-Wide Improper Payments: In Fiscal Year 2011, the federal government made an estimated \$115 billion in improper payments. According to the Office of Management and Budget, 94 percent of these payments were made by eleven government programs classified as "high-error." In the 112th Congress, the Committee and the Government Organization Subcommittee held two hearings to draw attention to the widespread problem of improper payments in the government.

Impact: As a result of the Committee's oversight work, more attention is being paid to this wasteful spending and federal agencies are working to stop their improper payments. The Obama Administration has committed to work with federal and state partners to reduce improper payments.

• *Identity Theft-Related Tax Fraud*: Identity theft-related tax fraud is a rapidly growing problem that impacts hundreds of thousands of taxpayers each year. Often, fraudsters steal

not only the victim's identity but also the tax refund owed to the victim. This problem also represents a significant loss to the government, with estimates that the Internal Revenue Service (IRS) could issue as much as \$21 billion in fraudulent returns over the next five years. The Committee held four hearings in the 112th Congress to highlight this growing problem.

Impact: The Committee's oversight work has helped to highlight the issue of identity theft-related tax fraud. The IRS has made identity theft-related tax fraud one of its main focuses, launching several pilot programs to combat the problem.

• Financial Management at Departments of Defense and Homeland Security: The Department of Defense (DOD) and the Department of Homeland Security (DHS) make up 35 percent of the government's total assets and 21 percent of its net cost. Yet, neither department is fully auditable as required under the Chief Financial Officers Act of 1990. In the 112th Congress, the Committee and the Government Organization Subcommittee held a series of hearings on financial management at DOD and DHS.

Impact: Due to the Committee's oversight, DOD plans to be fully auditable by 2017 and to begin producing statements of budgetary resources by 2014. In addition, as a result of Chairman Platts's inquiry about the DHS chief financial officer vacancy, President Obama appointed Peggy Sherry to the position in November 2011.

• Department of Justice Quid Pro Quo with the City of St. Paul: In September 2012, Chairman Issa and Chairman McHenry wrote to Attorney General Holder about a Department of Justice quid pro quo with the City of St. Paul, Minnesota. In the quid pro quo, the Department agreed to not intervene in two fraud lawsuits against the City in exchange for the City's agreement to withdraw a politically controversial appeal from the Supreme Court. The Department's decision to not intervene potentially cost American taxpayers as much as \$160 million.

Impact: The Committee's investigation has helped to shed light on this troublesome quid pro quo, which otherwise would have gone undetected. The investigation has highlighted how the Obama Administration has placed its partisan ideology ahead of the fair and impartial administration of justice.

• Duplicative Programs in Government: As the federal government continues to expand, the Committee has worked hard to identify federal programs, agencies, and initiatives with duplicative goals and activities. In February 2012, the Committee convened a hearing to examine a GAO report about redundant federal programs. The GAO report identified 51 areas of duplication and made 130 separate recommendations for action.

Impact: The Committee's work drawing attention to these areas of government excess will help to streamline the federal bureaucracy. Consolidation and elimination of redundant government program could potentially save billions of dollars for American taxpayers.

• Unaccountability at the Consumer Financial Protection Bureau: The Consumer Financial Protection Bureau (CFPB) obtained its full authority to regulate the nation's financial markets after the appointment of Richard Cordray in January 2012. Chairman McHenry held the first hearing with Mr. Cordray following his appointment, questioning Mr. Cordray on his administrative plans for the CFPB, his regulatory intentions over banks and non-banks, and his use of the unprecedented powers granted to his position. In the months following the hearing, the Committee urged the CFPB to carefully exercise its vast authority and to closely consider how its actions could impact credit access for American families and small businesses.

Impact: The Committee has helped to hold the CFPB accountable to the American people, despite the agency's vast unchecked authority. The Committee's oversight work was cited in a June 2012 lawsuit by a small Texas bank that has been economically hurt by the CFPB's unaccountable regulatory actions.

• *Medicare Advantage Quality Bonus Demonstration*: In May and August 2012, following a critical GAO report on the program, the Committee wrote to HHS Secretary Sebelius asking for information about the HHS Medicare Advantage Quality Bonus demonstration program. The GAO report recommended that Secretary Sebelius cancel the demonstration. On July 25, 2012, the Committee held a hearing about the program, at which GAO explained how the \$8 billion demonstration program was unlikely to produce any meaningful results and why the GAO recommended that HHS cancel the program.

Impact: The Committee's hearing helped to publicize the findings of the GAO report and the shortcomings of the demonstration program. After HHS refused to provide information to the Committee on the program, Chairman Issa issued a subpoena for relevant information and documents.

• Food and Drug Administration's Drug Shortage Crisis: In June 2012, the Committee released a staff report detailing how actions by the Food and Drug Administration (FDA) have caused an unprecedented drug shortage in the United States. The report explained that companies producing generic injectable drugs have taken their manufacturing off-line as other generic competitors have also ceased production due to intensified FDA regulatory action. The report also explained how the Medicare Modernization Act had the unintended consequence of increasing concentration in the generic injectable drug market and reducing company incentives to invest in upgraded manufacturing capabilities.

Impact: The Committee's report has helped to explain how FDA regulatory overreach has effectively shut down thirty percent of total manufacturing capacity at four of America's largest producers of generic injectable medications. The Committee urged FDA to adopt common-sense reforms that consider the consequences of its regulatory actions.

• *Obamacare's Drag on Jobs and the Deficit*: As the Administration began to implement the massive government-run Obamacare, the Committee examined how the law would affect jobs, the economy, and the federal deficit. In several hearings, the Committee heard from multiple job creators about how the law's employer mandate and burdensome regulations

would increase costs and delay hiring. In a corresponding staff report, the Committee detailed how Obamacare's new mandates, costly taxes, and regulatory uncertainty will ultimately stifle job creation and economic expansion in the United States. The Committee also explained in another staff report how Obamacare's implementation will deepen the country's debt burden and remove more Americans from the tax rolls.

Impact: The work of the Committee in examining Obamacare's effect on the economy has helped to expose just how far-reaching and potentially devastating the law's new mandates could be to American job creators and the economy.

• The Administration's Housing Policy: In the wake of the housing bubble collapse, the Obama Administration has implemented several programs to try to jumpstart the housing markets – with little to no results. As the Committee found at a New York field hearing in March 2012, the Administration's own housing policies may be to blame for the slow recovery. The Home Affordable Modification Program (HAMP) has fallen drastically short of its goals, with a success rate of only 19 to 26 percent. The Administration's proposal to implement widespread principle reduction on Fannie Mae and Freddie Mac loans was estimated to cost taxpayers upwards of \$100 billion.

Impact: As a result of the Committee's work in exposing the cost and failures of these programs, FHFA announced in July 2012 that it would not permit principal reduction on Fannie or Freddie loans.

• The Administration's Energy Policy: The Committee has engaged in particularly vigorous oversight of the Administration's energy policy. A series of hearings and investigations has demonstrated that the Administration systematically burdens access to cheap, abundant, and domestically produced sources of energy. These policies are particularly troubling considering recent technological breakthroughs that have revolutionized domestic energy outlook and promise to make the country energy independent and deliver enormous economic benefits. The Administration policies burdening the use of natural gas, oil, and coal threaten to foreclose these benefits.

Impact: The Committee has highlighted unnecessary and overly burdensome permitting regimes on hydraulic fracturing, the EPA's reliance on dubious science and methodology, and the Administration's calculated decision to eliminate the use of coal in domestic energy production.

• Disparate Treatment of Delphi Pensions: Amid the Obama Administration's orchestrated bankruptcy and bailout of General Motors in 2009, political influence played a role in the decisions made to keep the company afloat. One such decision was the termination of pensions for retirees at Delphi Corporation, a subsidiary of General Motors (GM). Before Delphi became a part of GM in 1999, unionized Delphi employees and GM reached an agreement in which GM would "top-up" – or make whole – the pensions for unionized retirees if Delphi's pension plan were terminated and subject to cuts imposed by the Pension Benefit Guaranty Corporation. GM made no similar promise for non-unionized, salaried retirees and therefore these individuals suffered severe cuts to their pensions when the

Administration allowed the termination of pension plans to go forward. In the 112th Congress, the Committee held three hearings, including a field hearing in Dayton, Ohio, and sent multiple letters to bring light to the disparate treatment of unionized and non-unionized employees by the Obama Administration.

Impact: The Committee's oversight work has helped to draw attention to the manifest unfairness in the Administration's treatment of Delphi pensions. Along with other congressional committees, the Oversight Committee has fought for those retirees who saw their pensions cut during the Administration's bailout of GM in 2009.

• Coercion in Establishing National Fuel Economy Standards: After a thorough investigation, the Committee published a staff report in August 2012 detailing how the Obama Administration coerced and bullied private automakers to agree to highly stringent fuel economy standards. In doing so, the Administration jettisoned congressional intent in radically reshaping the regulatory process for fuel economy standards, empowering environmentalists and the state of California to set federal regulations. The Administration ignored the concerns of many automakers, cutting backroom deals and trading favors to achieve widespread acquiesce.

Impact: The Committee's investigation exposed the zero-sum politics and winner-take-all process employed by the Administration in setting national fuel economy standards. As a consequence of the Administration's machinations, American consumers will be forced to buy cars that are more costly, less safe, and highly unpopular.

CONCLUSION

The United States Congress – and especially the House Committee on Oversight and Government Reform – has a constitutional obligation to pursue healthy oversight of government agencies, program, and initiatives. With the rise of the modern bureaucratic state and the explosion of regulations and spending during the Obama Administration, vigorous legislative oversight is absolutely vital for ensuring good government and the faithful execution of the law. During the first two years of the Obama Administration, the Democrat-controlled Congress turned a blind eye to the waste, mismanagement, and misdeeds of the federal government. In the 112th Congress, the Oversight Committee reemphasized its constitutional role for robust and comprehensive congressional oversight. The Committee identified instances of waste, fraud, and abuse in the Obama Administration that had previously gone unchecked. The Committee highlighted proposals to reform the exploding federal bureaucracy, eliminate redundant programs, reduce burdensome regulations, and make government better overall.

In the 113th Congress, the Oversight Committee will build off of these achievements to make government work better for the American people. The Committee will maintain its focus on identifying waste, fraud, and abuse in the federal government to ensure taxpayer dollars are well-spent. The Committee will continue to reform the size and scope of the ever-expanding federal bureaucracy to hold the government accountable to its citizens. Over the next two years, the Oversight Committee will continue to fight job-stifling regulatory overreach by the Obama Administration that threatens small business growth and a full-fledged economic recovery. The

Committee will explore proposals to increase government transparency, accountability, and cost-effectiveness. In short, in the 113th Congress, the Committee on Oversight and Government Reform will continue to carry out its core mission of holding the government accountable to the American taxpayers and bringing real reform to the federal bureaucracy.