

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
115TH CONGRESS**

**HEARING CONCERNING
\$125 BILLION IN SAVING IGNORED: REVIEW OF DOD'S EFFICIENCY STUDY**

WRITTEN TESTIMONY OF ROBERT STEIN:

Chairman Chaffetz, Ranking Member Cummings, and members of the Committee, thank you for inviting me to provide testimony today.

My name is Robert ("Bobby") Stein, and I am here to discuss the Department of Defense (DoD) efficiency study commissioned by Secretary Hagel and created under my leadership as former Chairman of the DoD Defense Business Board (DBB).

As you know the DBB is an advisory panel comprised of a select group of our nation's business leaders. The DBB was established to provide the Secretary and Deputy Secretary of Defense, and other senior leaders, with independent advice rooted in private sector perspective for application to the agency.

I was honored serve as a member of the DBB between 2010 and 2014 and Chairman from 2014 to 2015, and I brought a strong business background to the job. Throughout my career I have founded the successful investment and growth of many businesses in a variety of sectors, including real estate, oil and gas, technology, and healthcare.

The DBB efficiency study was one of many reports undertaken by the DBB under my leadership. The purpose and ultimate goal of the efficiency study was to help grow and protect the landscape of our nation. This study was the first effort ever in DoD history to comprehensively evaluate labor cost data and create a picture how much money is being spent on non-combat operations at the agency.

The efficiency study was commissioned at the request of then Secretary Hagel and carried out with the support of both military and civilian leadership. DBB member

Kenny Klepper led the project along with other DBB members, and was supported by some of the best business minds in the country. To conduct this study, the DBB set about to identify areas of productivity and measure accountability, no small feat. It is important to note that there are not many people in this country capable of effective transformational change of business processes, and we were very fortunate to have had Kenny Klepper on board who has successfully undertaken similar tasks at Fortune 500 companies.

After twelve months and many hours of commitment, research, data analysis, interviews, and briefings the efficiency study was completed in early 2015. The study was presented to the full DBB at a public hearing in January 2015 and won unanimous approval for its findings and recommendations. The Government Accountability Office also reviewed the study and found the methodology and analysis adequate to confirm its conclusions.

After the completion of the study, I along with other members of the DBB were ready to move forward to assist the DoD in reviewing the study's findings and recommendations and begin the process of applying them to the agency's systems. I believe that the DBB efficiency study represents a quality analysis of costs and inefficiencies at DoD, and could be useful to the agency's efforts to streamline operations. In 2017, I met with current Defense Secretary Mattis to discuss the efficiency study, and hope that its findings and recommendations can be used to support the DoD in the future.

It was an honor to lead the DBB during the creation of the efficiency study, and I am proud of the work achieved in support of a strong national defense. Thank you for your time, and I am pleased to answer any questions the Committee may have.



**Robert (Bobby) L. Stein, Chairman
President of the Regency Group**

As President of The Regency Group, a family holding company located in Jacksonville, Florida, Bobby Stein has founded the successful investment and growth of many businesses in a wide variety of industry sectors including water, sewer and waste management, real estate, oil and gas, mortgage services, highway safety, technology, food services and healthcare. Bobby is also a partner with Chartwell Capital, a private equity investment company, located in Jacksonville, Florida, which invests in mid-size companies throughout the United States.

Bobby is a long standing member of the Board of Directors of St. John's Utilities, Kerrco Inc. (Houston based oil and gas company), SDS (large Pizza Hut franchisee), Acme (highway safety business) and TL Canon (large Applebee's franchisee). More recently Bobby joined the Boards of ReactiveCore (large scale business automation and advanced analytics), GSMD Holdings, LLC (medical coding and billing company) and White Coats Wellness (healthcare solutions provider). He is also a General Partner of several commercial real estate properties throughout the country.

Bobby has served as a member of the President's Intelligence Advisory Board. He was formerly Chairman of the Defense Business Board, and an ex official member of the Defense Policy Board and the Defense Science Board. He also served as a member of the United States Naval Academy Board of Visitors.

Bobby is a current member of the Florida Council of 100. The Council was the first of its kind in the United States and works in close harmony with the Governor, the Chief Justice, and the Legislature, as well as with private organizations, to achieve quality of life improvements for the citizens of Florida. This group represents the top business leaders in Florida.

Bobby is a board member of The Better Angels Society (preserving American history featuring documentaries by Ken Burns). He also serves on the Board of The Guardian of Dreams (inner city Catholic schools), the University of South Carolina Business School Foundation, the Board of Visitors of the University of Georgia School of Public and International Affairs and CRUSA (The Costa Rica United States Foundation for Cooperation).

Bobby is also a former member of the Young Presidents' Organization and Leadership Florida. In the past, he served as a board member of the Jacksonville Port Authority and a board member and Chairman of the Jacksonville Electric Authority (one of the largest municipal electric, water and sewer companies in the country).

Bobby holds a Bachelor of Arts degree in business administration from the University of South Carolina.

**Committee on Oversight and Government Reform
Witness Disclosure Requirement — “Truth in Testimony”**

Pursuant to House Rule XI, clause 2(g)(5) and Committee Rule 16(a), non-governmental witnesses are required to provide the Committee with the information requested below in advance of testifying before the Committee. You may attach additional sheets if you need more space.

Name: **Robert Stein**

1. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.					
Name of Entity					
None					
Mr. Stein is testifying in his personal capacity.					
<small>Mr. Stein is a Board Member with an equity interest in the entities listed below and is therefore making the following disclosures. No federal grants/contracts have been personally awarded to Mr. Stein.</small>					
2. Please list any federal grants or contracts (including subgrants or subcontracts) you or the entity or entities listed above have received since January 1, 2015, that are related to the subject of the hearing.					
Recipient of the grant or contact (you or entity above)	Grant or Contract Name	Agency	Program	Source	Amount
ReactiveCore LLC	HQ003417C0023	Department of Defense	8(A)	Washington Headquarters Service	\$1,845,000
Jacksonville Jetport LLC	SPE600-17-R-0204	Defense Logistics Agency - Energy	Domestic-into-plane Program 2,3 East	-	<small>Based on flex based on volume of gallons used</small>
3. Please list any payments or contracts (including subcontracts) you or the entity or entities listed above have received since January 1, 2015 from a foreign government, that are related to the subject of the hearing.					
Recipient of the grant or contact (you or entity above)	Grant or Contract Name	Agency	Program	Source	Amount

I certify that the information above and attached is true and correct to the best of my knowledge.

Signature  _____

Date: **3/16/17** _____