



**Testimony of Dylan Hedtler-Gaudette, Director of Government Affairs
Project On Government Oversight
Before the House Committee on Oversight and Government Reform
Subcommittee on Delivering on Government Efficiency
On “The War on Waste: Stamping Out the Scourge of Improper Payments and Fraud”
February 12, 2025**

Chairwoman Greene, Ranking Member Stansbury, and Members of the Committee, thank you for the opportunity to testify today on improper payments, waste, and fraud. I am Dylan Hedtler-Gaudette, director of Government Affairs at the Project On Government Oversight (POGO).

POGO is a nonpartisan, independent watchdog that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing. We champion reforms to achieve a more effective, ethical, and accountable federal government that safeguards constitutional principles.

For more than 40 years, POGO has advocated for more transparent and accountable spending. From exposing the \$435 hammer purchased by the Pentagon in the 1980s to documenting hundreds of millions of dollars in potentially improper payments in the COVID-era Paycheck Protection Program, we have been at the forefront of identifying waste and fraud, and we work closely with members of Congress from both parties to implement solutions.¹

Whether we’re focusing on the vital role of independent inspectors general, protecting whistleblowers from retaliation for exposing wrongdoing, proposing reforms to federal spending systems, or fighting to strengthen ethical requirements for government officials, we take a comprehensive view of the work of promoting a more accountable and transparent federal government.

Each of these discrete pieces, and numerous others, must work in concert if we are to achieve the kind of government the American people deserve. Namely, one that is responsive to the needs of the people while also being responsible with finite and precious public resources.

Since the topics of this hearing are waste and improper payments, it is imperative to address both while also broadening the lens to situate these issues in the current context. Much has been made of an effort to address government waste and inefficiency through the Department of Government Efficiency (DOGE). However, DOGE is not a government agency or department at

¹ James Barron, “High Cost of Military Parts,” *New York Times*, September 1, 1983, <https://www.nytimes.com/1983/09/01/business/high-cost-of-military-parts.html>; Nick Schwellenbach and Ryan Summers, “Red Flags: The First Year of COVID-19 Loan Fraud Cases,” Project On Government Oversight, April 15, 2021, <https://www.pogo.org/investigations/red-flags-the-first-year-of-covid-19-loan-fraud-cases>.

all, but rather a temporary organization created by an executive order.² Moreover, DOGE is being led by an individual with myriad conflicts of interest and a questionable level of direct experience or expertise to lead such an effort.³ These facts, as well as already-emergent legal challenges, make it unlikely that DOGE will provide the check against waste, fraud, and abuse that its proponents hope for.⁴

All of this said, there are concrete and actionable solutions to the problem of government inefficiency, including waste, fraud, abuse, and corruption facilitated by conflicts of interest and ethical misconduct. My testimony will focus not only on improper payments but on the overlapping and exacerbating mechanisms and policy gaps that worsen both real and perceived failures in federal government accountability and transparency.

There are several steps Congress can take today if it's really serious about solving these problems.

Recommendations

1. Improve congressional oversight of defense spending. Any serious attempt to address waste in the federal government must include a review of Pentagon spending. POGO is ready to work with Congress starting today to improve contracting processes, increase transparency around spending, and build better oversight and accountability around weapons procurement.⁵
2. Improve federal spending tracking and analysis. Congress should work to improve the ways we track improper payments. It should also undertake a comprehensive overhaul of key federal funding systems' statutes, such as the Federal Funding Accountability and Transparency Act and the DATA Act. USASpending.gov is in need of substantial reforms to both broaden the pool of data and information collected and fed into that database as well as clean up and modernize data quality standards. These kinds of reforms will help Congress and the public track federal funding dollars from end-to-end, making it easier to identify improper payments or fraud.⁶
3. Strengthen the independence and efficacy of inspectors general. Inspectors general are vital to identifying and eradicating waste, fraud, and abuse in the federal government. Congress should further solidify inspector general independence by providing for-cause

² Exec. Order No. 14158, 90 Fed. Reg. 8441 (January 29, 2025), <https://www.federalregister.gov/documents/2025/01/29/2025-02005/establishing-and-implementing-the-presidents-department-of-government-efficiency>.

³ Eleanor Pringle, "The Person Ruling on Elon Musk's DOGE Conflicts of Interest Is ... Elon Musk," *Fortune*, February 6, 2025, <https://fortune.com/2025/02/06/elon-musk-conflicts-interest-doge-tesla-spacex/>.

⁴ Ray Sanchez, "Federal Judge Blocks Elon Musk's DOGE Access to Critical Treasury Payment System," CNN, February 8, 2025, <https://www.cnn.com/2025/02/08/politics/elon-musk-doge-treasury-payment-system/index.html>.

⁵ Greg Williams, "Fact Sheet: How Congress Can Improve Oversight of Weapons Programs Acquisition," Project On Government Oversight, January 20, 2025, <https://www.pogo.org/fact-sheets/fact-sheet-how-congress-can-improve-oversight-of-weapons-programs-acquisition>.

⁶ Faith Williams, "Fact Sheet: Increase Federal Spending Transparency," Project On Government Oversight, January 20, 2025, <https://www.pogo.org/fact-sheets/fact-sheet-increase-federal-spending-transparency>.

removal protections. This will further insulate inspectors general from political pressure and enhance their ability to fulfill their independent watchdog function.⁷

4. Protect federal government whistleblowers who sound the alarm on waste, fraud, and abuse. Whistleblowers are and always have been key to exposing wrongdoing within the federal government, including the kinds of malfeasance or incompetence that produce budgetary problems such as improper payments. Congress should enact further protections for whistleblowers and provide safer, more secure routes for conveying sensitive disclosures so as to remove fear of retaliation.⁸
5. Enhance government ethics and conflict of interest standards. A key component in any effort to root out waste, fraud, abuse, and corruption in the federal government is the existence and enforcement of strong ethics rules, especially those relating to conflicts of interest. It should never be the case, as we now see, that an individual who has amassed billions of dollars in federal contracts over the last decade should be allowed to hold a position in the federal government in which they can influence policies and processes that will bear directly on their own private business fortunes.⁹

On Waste and Where to Find It

Waste in the federal budget is, to paraphrase an old adage, as certain as death and taxes. In the context of an annual budget that now eclipses \$6 trillion, there is bound to be waste, as well as fraud and abuse.¹⁰ The Government Accountability Office (GAO) helpfully defines waste as “when individuals or organizations spend government resources carelessly, extravagantly, or without purpose.”¹¹ While we can all likely agree that waste is bad, it is important to acknowledge that waste can often be difficult to pin down and suffers from an “eye of the beholder” problem. In other words, one person’s wasteful government program can be another person’s vital investment in a critical public good.

As he does every year, Senator Rand Paul (R-KY) released his “Festivus” report on government waste in December 2024, in which he purports to have identified more than \$1 trillion in wasteful government spending.¹² Setting aside any individual program, project, or activity

⁷ “Organizations Call on Congress to Urgently Pass Inspector General Removal Protections,” Project On Government Oversight, April 10, 2020, <https://www.pogo.org/policy-letters/organizations-call-on-congress-to-urgently-pass-inspector-general-removal-protections>.

⁸ Liz Hempowicz, “The State of Whistleblower Protections and Ideas for Reform,” Project On Government Oversight, January 28, 2020, <https://www.pogo.org/testimonies/the-state-of-whistleblower-protections-and-ideas-for-reform>.

⁹ Liz Hempowicz, “Baker’s Dozen: 13 Crucial Issues Policymakers Can Act on Now,” Project On Government Oversight, February 2, 2023, <https://www.pogo.org/reports/bakers-dozen-thirteen-crucial-issues-policymakers-can-act-on-now>.

¹⁰ “How Much Has the U.S. Government Spent This Year?” Fiscal Data, U.S. Treasury, accessed February 10, 2025, <https://fiscaldata.treasury.gov/americas-finance-guide/federal-spending/>.

¹¹ “GAO Overview: Understanding Waste in Federal Programs,” Government Accountability Office, May 9, 2024, <https://www.gao.gov/products/gao-24-107198>.

¹² United States Senate Committee on Homeland Security and Governmental Affairs, “Dr. Paul Releases 2024 ‘Festivus’ Report on Government Waste,” Press Release, December 23, 2024, <https://www.hsgac.senate.gov/media/rep/dr-paul-releases-2024-festivus-report-on-government-waste/>.

identified in the Senator's report, the fact that he puts out such a report annually demonstrates that there are members of Congress who take the issue of government waste seriously.

The federal agency with one of the largest annual budgets and thus the most opportunity for instances of budgetary waste is the Department of Defense (DOD), which comprised almost 16% of all federal spending in fiscal year 2025.¹³ The Pentagon has one of the largest budgets of any agency. It also carries the ignominious distinction of having been unable to pass a clean financial audit for the last seven consecutive years.¹⁴ Beyond audit woes, defense spending programs are often over-budget and behind schedule, not only wasting taxpayer dollars but also jeopardizing the wellbeing of service members and undermining national security.¹⁵

It has been POGO's bread and butter since our inception in 1981 to expose waste in defense spending, which springs from contracting loopholes, bad incentives in the acquisition and procurement process, undue industry influence stemming from lobbying and the revolving door, and a general mismanagement of resources across the board.¹⁶

Beyond calling out boondoggles and bad actors, we also have proposed and continue to propose specific and actionable solutions to the waste problem at DOD.¹⁷ These ideas include tightening up commercial product contracting processes, enhancing transparency around costs and prices paid and charged, and strengthening oversight and accountability around effectiveness targets to ensure that the military is getting the capabilities it pays for at the price it was quoted.

We most recently provided these same recommendations when we testified in the 118th Congress before the House Oversight and Accountability's subcommittee on National Security,

¹³ "Department of Defense Profile," USASpending, data reported through February 10, 2025, <https://www.usaspending.gov/agency/department-of-defense?fy=2025>.

¹⁴ Ashley Roque, "Pentagon Fails 7th Audit in a Row, Eyes Passing Grade by 2028," *Breaking Defense*, November 15, 2024, <https://breakingdefense.com/2024/11/pentagon-fails-7th-audit-in-a-row-eyes-passing-grade-by-2028/>; Omar Tabuni, "Fact Sheet: Auditing the Department of Defense," Project On Government Oversight, November 5, 2024, <https://www.pogo.org/fact-sheets/fact-sheet-auditing-the-department-of-defense>.

¹⁵ Greg Williams, "F-35 Testing Report Reveals Problems with Production Decisions," Project On Government Oversight, November 21, 2024, <https://www.pogo.org/analysis/f-35-testing-report-reveals-problems-with-production-decisions>; Tara Copp, "New Sentinel Nuclear Weapons Program is 81% Over Budget. But Pentagon Says It Must Go Forward," *Associated Press*, July 9, 2024, <https://apnews.com/article/nuclear-sentinel-weapon-icbm-cost-39c69242301b2a27311d161573f5c56>; "Navy Frigate: Unstable Design Has Stalled Construction and Compromised Delivery Schedules," Government Accountability Office, May 29, 2024, <https://www.gao.gov/products/gao-24-106546>.

¹⁶ Mandy Smithberger, "Spare Parts Contractor Profits from Broken System," Project On Government Oversight, January 12, 2022, <https://www.pogo.org/analysis/spare-parts-contractor-profits-from-broken-system>; Dylan Hedtler-Gaudette and Omar Tabuni, "Fact Sheet: The Problem with Unfunded Priorities Lists," Project On Government Oversight, May 21, 2024, <https://www.pogo.org/fact-sheets/fact-sheet-the-problem-with-unfunded-priorities-lists>; Dan Grazier, "Navy Shipbuilding Struggles Highlight Need for Alternatives," Project On Government Oversight, June 21, 2023, <https://www.pogo.org/analysis/navy-shipbuilding-struggles-highlight-need-for-alternatives>.

¹⁷ Greg Williams, "Congressional Oversight of Defense Spending," Project On Government Oversight, January 20, 2025, <https://www.pogo.org/analysis/congressional-oversight-of-defense-spending>; Greg Williams, "How Congress Can Improve Oversight of Weapons Programs Acquisitions," Project On Government Oversight, January 20, 2025, <https://www.pogo.org/fact-sheets/fact-sheet-how-congress-can-improve-oversight-of-weapons-programs-acquisition>; Scott Amey and Julia Gledhill, "Close Accountability Loopholes for Military Contractors," Project On Government Oversight, April 28, 2022, <https://www.pogo.org/fact-sheets/close-accountability-loopholes-for-military-contractors>.

the Border, and Foreign Affairs.¹⁸ Suffice to say, we are consistent and persistent in our work to combat waste, especially at the Pentagon.

Any stakeholder — Congress, the President, a civil society organization, or anyone else — that genuinely cares about attacking wasteful spending must take a hard look at and make some hard choices around defense spending. To do otherwise is to admit a lack of seriousness on the issue.

On Improper Payments

Improper payments are a persistent and costly issue for the federal government. The category of “improper payments” can include overpayments, payments made to ineligible recipients, fraud, and underpayments. These are — as POGO likes to say — payments in the wrong amount, to the wrong entity, or for the wrong reason.¹⁹

In March of 2024, the U.S. Government Accountability Office reported that in fiscal year 2023, federal agencies made \$236 billion in improper payments. Their estimate is that since fiscal year 2003, the total is around \$2.7 trillion in total improper payments.²⁰ Notably, despite these startling numbers, there was actually a reduction in the *rate* of improper payments across the federal government in fiscal year 2023.²¹

What the sticker shock topline total of all improper payments and the supposedly encouraging lower rate of such payments across government illustrates is an important caveat on methodology and context. As our partners at the Program Integrity Alliance (PIA) have pointed out, the way we currently think about, calculate, and publicly discuss improper payments is flawed at best.²² Current improper payments calculations are often skewed by the overall rate of spending fluctuations, so they do not necessarily reflect agencies’ improvements or backsliding on actual proper or improper payments.²³ Of particular importance is the fact that an underpayment is treated the same as an overpayment or a payment made to an ineligible

¹⁸ Wasteful Spending and Inefficiencies: Examining DoD Platform Performance and Costs: Hearing Before the House Committee on Oversight and Accountability, subcommittee on National Security, the Border, and Foreign Affairs, 118th Cong., (July 24, 2024) (Testimony of Dylan Hedtler-Gaudette, Director of Government Affairs, Project On Government Oversight) <https://www.pogo.org/testimonies/pogos-testimony-on-wasteful-inefficient-pentagon-spending>.

¹⁹ Nicholas Pacifico, *Improper Payments: Federal Improper Payments are Significant, Costing Taxpayers Billions*, Project On Government Oversight, (July 12, 2016), https://docs.pogo.org/resource/2018/intro_to_improper_payments_july_2016.pdf?_ga=2.98394908.282287276.1738851789-1092313967.1700663361.

²⁰ Government Accountability Office, *Improper Payments: Information on Agencies’ Fiscal Year 2023 Estimates*, GAO 24-106927, March 26, 2024, <https://www.gao.gov/products/gao-24-106927>.

²¹ Natalie Alms, “Agencies See Record Reduction in Improper Payments in Fiscal 2024,” *NextGov/FCW*, December 2, 2024, <https://www.nextgov.com/digital-government/2024/12/agencies-see-record-reduction-improper-payments-fiscal-2024/401372/>.

²² Linda Miller and Gavin Ugale, “Our Approach to Improper Payments is Failing; the 2024 Numbers Explain Why,” *NextGov/FCW*, December 23, 2024, <https://www.nextgov.com/ideas/2024/12/our-approach-improper-payments-failing-2024-numbers-explain-why/401672/>.

²³ Linda Miller and Gavin Ugale, “Our Approach to Improper Payments is Failing; the 2024 Numbers Explain Why,” *NextGov/FCW*, December 23, 2024, <https://www.nextgov.com/ideas/2024/12/our-approach-improper-payments-failing-2024-numbers-explain-why/401672/>.

recipient, which makes it difficult to track the relationship between improper payments and wasteful spending.

POGO has gladly supported multiple bipartisan efforts to address improper payments over the years, including the Preventing Improper Payments Act and the Stopping Improper Payments to Deceased People Act.²⁴

On Reforms for Federal Spending Transparency

It's a reality of the world that we cannot change or assess what we cannot measure. When it comes to federal spending, we face widespread, pervasive challenges in our ability to measure the outcomes and impact of trillions of dollars annually.²⁵ We consistently face difficulty in tracking and monitoring funding dollars from end-to-end, making it next to impossible to definitively assess whether a given program, project, or activity funded by our federal government was a good use of resources, and whether it achieved its intended purpose.²⁶

POGO has been raising the alarm on these issues for years, and we have offered actionable solutions.²⁷ The COVID-19 pandemic and the massive increase in associated relief spending provided a perfect microcosm of these problems. Spending was fast and furious, but real-time oversight mechanisms were not commensurately enhanced, leading to large amounts of fraud and waste.²⁸ While reasonable people can disagree on whether the scale and scope of COVID relief spending was appropriate, we should all be able to agree that we needed to do a better job in terms of building in safeguards to prevent fraud and waste while also ensuring maximum impact of our tax dollars.

The primary interface through which many Americans, including some in Congress, are supposed to be able to access and keep tabs on federal funding is USASpending.gov.²⁹ While this database is an unquestionable improvement over what came before it, there are many gaps and flaws in it that require fixing. As one example, there are no standards or requirements for what information must be included in award descriptions on USASpending.gov, thereby rendering many discrete funding line items unintelligible.³⁰ There is also a large disparity between the

²⁴ Office of Representative Blake Moore, "Moore, Spanberger Reintroduce Bipartisan Bill to Prevent Wasteful Government Spending, Reduce Improper Payments," Press Release, February 8, 2023, <https://blakemoore.house.gov/media/press-releases/moore-spanberger-reintroduce-bipartisan-bill-prevent-wasteful-government>; Peter Tyler, "POGO Supports the Stopping Improper Payments to Deceased People Act," Project On Government Oversight, February 5, 2018, <https://www.pogo.org/policy-letters/pogo-supports-the-stopping-improper-payments-to-deceased-people-act>.

²⁵ Faith Williams, "Fact Sheet: Increase Federal Spending Transparency," Project On Government Oversight, January 20, 2025, <https://www.pogo.org/fact-sheets/fact-sheet-increase-federal-spending-transparency>.

²⁶ Sean Moulton and Aisha Shafi, "Fact Sheet: Reporting Reforms for Federal Spending," Project On Government Oversight, September 11, 2023, <https://www.pogo.org/fact-sheets/fact-sheet-reporting-reforms-for-federal-spending>.

²⁷ Sean Moulton, "Blueprint to Fix Reporting of Federal Spending," Project On Government Oversight, August 2, 2021, <https://www.pogo.org/analysis/blueprint-to-fix-reporting-of-federal-spending>.

²⁸ Nick Schwellenbach, et al., "The Great Pandemic Swindle: Feds Botch Review of Billions in Suspect PPP Loans," Project On Government Oversight, October 6, 2022, <https://www.pogo.org/investigations/the-great-pandemic-swindle-feds-botched-review-of-billions-in-suspect-ppp-loans>.

²⁹ "USASpending," USASpending.gov, <https://www.usaspending.gov>, accessed February 9, 2025.

³⁰ Sean Moulton, "Blueprint to Fix Reporting of Federal Spending," Project On Government Oversight, August 2, 2021, <https://www.pogo.org/analysis/blueprint-to-fix-reporting-of-federal-spending>.

number of data fields required for spending facilitated through contract awards and other kinds of spending, such as grants and loans.³¹ Requiring actually useful and informative award descriptions and harmonizing the amount and specific types of data collected across all spending categories is one way to help fill the spending data void.

Another persistent problem with tracking federal spending is the challenge of subaward reporting. Once federal agencies receive their appropriated funds from Congress, they set about parceling those billions of dollars out to subrecipients. In turn, those initial subrecipients (often state agencies) will again subaward or subcontract that money out numerous times to all kinds of different subrecipients. This process plays itself out over and over again before funding arrives with those doing the work. The problem is that we lose any meaningful visibility into where federal money has gone after that first level of subaward, rendering it almost impossible to consistently know where our money went and who, if anyone, eventually benefited from that funding. Congressman Nick Langworthy (R-NY), a member of the House Oversight and Government Reform Committee, has taken it upon himself to lead a bipartisan bill aimed at addressing the subaward component of this broader issue and POGO has enthusiastically supported the Congressman in this effort.³²

These are just a sampling of the specific, technocratic reforms that are needed to shore up the system for tracking and analyzing federal spending. Without these kinds of changes to the architecture and processes that undergird federal spending, tackling spending chain leakages and disruptions like fraud and improper payments will remain more challenging than they need to be.

On Inspectors General and Whistleblowers

There are two internal sources of sunlight and information that have historically been crucial to identifying and rooting out waste, fraud, abuse, and corruption in the federal government: independent inspectors general (IGs) and federal government whistleblowers.

Inspectors general serve as a sort of cop on the beat within federal agencies and are statutorily tasked with monitoring potential violations and misdeeds within their respective agencies, investigating wrongdoing, and reporting to Congress. Key to performing this vital function is their ability to remain independent from political and other kinds of pressure — and that independence requires some level of protection against dismissal for political reasons.

As an example of how effective IGs are at being the eyes and ears of American taxpayers, consider that they identified taxpayer savings of approximately \$93 billion in fiscal year 2023 alone.³³ In terms of return on investment, for every \$1 invested in resourcing IGs in order to facilitate performance of their duties, the return to the public in terms of dollars saved by

³¹ Sean Moulton, “Blueprint to Fix Reporting of Federal Spending,” Project On Government Oversight, August 2, 2021, <https://www.pogo.org/analysis/blueprint-to-fix-reporting-of-federal-spending>.

³² Janice Luong, “Fact Sheet: POGO Supports Modernizing Subaward Reporting System,” Project On Government Oversight, April 8, 2024, <https://www.pogo.org/fact-sheets/fact-sheet-pogo-supports-modernizing-subaward-reporting-system>.

³³ Council of the Inspectors General on Integrity and Efficiency, *Annual Report to the President and Congress, Fiscal Year 2023*, https://www.ignet.gov/sites/default/files/files/CIGIEAnnualReporttothePresidentFY2023_FINAL.pdf, accessed February 9, 2025.

preventing or recouping fraud and waste is \$26.³⁴ A 26:1 return is astronomical and would be unheard of on Wall Street.

In a similar vein, whistleblowers play a vital role in exposing all manner of misconduct, malfeasance, and mismanagement in the federal government. Whistleblower exposures carry with them real, quantifiable results in terms of taxpayer dollars saved or recouped. In just one recent example, the Internal Revenue Service (IRS) has a whistleblower program focused on finding tax cheats. Since 2007, the IRS has recouped more than \$7 billion in tax dollars, all stemming from its whistleblower program.³⁵ In the context of False Claims Act cases, whistleblowers contributed to the Department of Justice securing almost \$3 billion in fiscal year 2024 alone.³⁶

Since IGs and whistleblowers are such valuable resources in protecting the integrity of federal programs and saving taxpayer dollars, enhancing protections and adequately resourcing both should be a top priority for any administration and any Congress interested in addressing the scourge of waste and impropriety in the federal government.

In a hearing on waste and improper payments, it also must be stated: The value that IGs and whistleblowers provide makes the mass overnight firing of 18 inspectors general by President Trump, in violation of both the law and common sense, especially perplexing.³⁷ As a result, POGO has joined the bipartisan call for action in the face of this unlawful and unwise purge of the very internal watchdogs who are tasked with addressing waste, fraud, abuse, and corruption in the federal government.³⁸

On DOGE

When it was first reported that Elon Musk, the richest individual in the world, would be spearheading an initiative called the Department of Government Efficiency (DOGE), there were immediate follow-on questions: What about the reported more than \$15 billion in federal

³⁴ Council of the Inspectors General on Integrity and Efficiency, *Annual Report to the President and Congress, Fiscal Year 2020*, https://www.ignet.gov/sites/default/files/417329-FY20_Annual_Report-President%26Congress-WEB.pdf, accessed February 9, 2025.

³⁵ “IRS Whistleblower Office Celebrates National Whistleblower Day; Over \$7 billion in Collected Proceeds Thanks to Whistleblowers,” Internal Revenue Service, July 29, 2024, <https://www.irs.gov/newsroom/irs-whistleblower-office-celebrates-national-whistleblower-day-over-7-billion-in-collected-proceeds-thanks-to-whistleblowers>.

³⁶ Department of Justice Office of Public Affairs, “False Claims Act Settlements and Judgements Exceed \$2.9B in Fiscal Year 2024,” Press Release, January 15, 2025, <https://www.justice.gov/archives/opa/pr/false-claims-act-settlements-and-judgments-exceed-29b-fiscal-year-2024>.

³⁷ U. S. Senate Committee on the Judiciary, “Grassley, Durbin Seek Presidential Explanation for IG Dismissals,” Press Release, January 28, 2025, <https://www.judiciary.senate.gov/press/rep/releases/grassley-durbin-seek-presidential-explanation-for-ig-dismissals>.

³⁸ Danielle Brian, “The Inspector General Caucus Must Stand Up Against Trump’s Illegal Firings,” Project On Government Oversight, January 28, 2025, <https://www.pogo.org/analysis/the-inspector-general-caucus-must-stand-up-against-trumps-illegal-firings>.

contracts that Musk has amassed through multiple business ventures over recent years? And what about the massive conflicts of interest these financial ties present?³⁹

In the weeks since DOGE was officially created through executive order, the questions have gotten louder and ethical concerns have gotten more pressing.⁴⁰ As DOGE teams have spread across the federal government and those teams began accessing sensitive information, concerns about the vetting of staff grew. Several federal courts have already halted some of DOGE's activities, further casting doubt on what DOGE is doing and how it is doing it.⁴¹

An important consideration is the degree to which Musk and his DOGE teams possess the requisite security clearances to be allowed access to the various places and networks they have reportedly accessed. Given the private, sensitive nature of much of the data housed in various places within the federal government, there are very real and acute concerns around who can access and obtain that data and whether they are doing so illegally.⁴²

For example, a DOGE team gained access to Treasury department data that included information on payments to government contractors that compete with Musk's companies, resurfacing the original question: Why was an individual with massive and sprawling conflicts of interest and a direct financial stake in the federal government's operation allowed to obtain such a seemingly powerful position?⁴³

One step Congress can take to prevent such conflicts of interest is to enhance front-end ethics and conflicts of interest rules, including those relating to the "special government employee" category of government official.⁴⁴ Another reform worth considering is some kind of flat prohibition or otherwise robust restrictions on bringing into government individuals with large dollar amounts tied to federal contracts in their personal financial portfolios.

And as Musk and DOGE continue to take action to undermine and disrupt the functioning of federal agencies, it is also important for Congress to remember that it holds the power of the

³⁹ Bobby Allyn and Shannon Bond, "Elon Musk is Barreling into Government with DOGE, Raising Unusual Legal Questions," NPR, February 3, 2025, <https://www.npr.org/2025/02/03/nx-s1-5285539/doge-musk-usaid-trump>; Eric Lipton, et al., "U.S. Agencies Fund, and Fight With, Elon Musk. A Trump Presidency Could Give Him Power Over Them," *New York Times*, October 21, 2024, <https://www.nytimes.com/2024/10/20/us/politics/elon-musk-federal-agencies-contracts.html>

⁴⁰ Nick Schwellenbach, "Elon Musk's DOGE Teams Raise Vetting, Ethics Concerns," Project On Government Oversight, February 6, 2025, <https://www.pogo.org/investigations/elon-musks-doge-teams-raise-vetting-ethics-concerns>.

⁴¹ Hurubie Meko and Qasim Nauman, "Judge Halts DOGE Access to Treasury Payment Systems," *New York Times*, February 7, 2025, <https://www.nytimes.com/2025/02/07/nyregion/attorneys-general-trump-musk-suit.html>.

⁴² Kate Gibson, "Elon Musk's Access to Treasury's Payment Systems is Raising Alarms. Here's What to Know," *CBS News*, February 5, 2025, <https://www.cbsnews.com/news/musk-treasury-social-security-access-federal-payment-system-trump/>.

⁴³ Ed Pilkington, "Elon Musk's Doge Team Granted 'Full Access' to Federal Payment System," *The Guardian*, February 2, 2025, <https://www.theguardian.com/technology/2025/feb/02/elon-musk-doge-access-federal-payment-system>.

⁴⁴ 18 U.S.C. § 202 (2025), <https://www.law.cornell.edu/uscode/text/18/202>.

purse.⁴⁵ Any efforts by the executive branch, including DOGE, to unilaterally disband agencies or disrupt congressionally appropriated funds are usurpations of Congress's power and should be opposed on those grounds.

Whether it's reforming broad ethics rules in the federal government, tightening up the special government employee framework, or taking a hard look at security clearances and who gets them and how, the creation of DOGE and the installation of Elon Musk at its head has brought into stark clarity a number of gaps in our federal system.

Congress should act to close these gaps and the others I have outlined here today. In doing so, we may be able to actualize real progress toward combating waste, fraud, abuse, and corruption in the federal government. Taking a close look at waste in the defense budget will yield large efficiency and waste-reduction returns. Appropriately protecting and supporting IGs and whistleblowers will help ensure that there are people keeping an eye out for misconduct and mismanagement who are able to do something about it. Overhauling the way we implement and monitor spending will allow us to better assess outcomes and identify pain points, such as improper payments. Taken together, these and other pro-accountability and anti-corruption reforms are the best path forward toward an overall better and more responsive federal government.

⁴⁵ Ivan Pereira and Emily Chang, "Here Are All the Agencies that Elon Musk and Doge Have Been Trying to Dismantle," ABC News, February 10, 2025, <https://abcnews.go.com/Politics/elon-musks-government-dismantling-fight-stop/story?id=118576033>.