

United States House of Representatives



**Subcommittee on National Security,
Emerging Threats and International Relations**

Christopher Shays, Connecticut
Chairman

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****MEDIA ADVISORY****

For Immediate Release
June 2, 2005

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**Rep. Shays to Convene Hearing Entitled:
*DOD EXCESS PROPERTY: Throwing Away Millions***

(Washington, DC) -- Rep. Christopher Shays (CT-4), Chairman of the Subcommittee on National Security, Emerging Threats, and International Relations, today announced the Subcommittee will convene an oversight hearing June 7 to discuss recent findings of “substantial waste and inefficiency” in Department of Defense handling of surplus military property.

The hearing will focus on the findings of a new Government Accountability Office (GAO) report requested by Shays and Senator Susan Collins (ME), Chairman of the Senate Committee on Homeland Security and Governmental Affairs.

“Last year, we learned DOD was a bargain basement for would-be biological terrorists due to lax security screening of excess medical and lab equipment,” Shays said. “Now we find hundreds of millions of dollars are being wasted each year by the same system that sells good-as-new ‘surplus’ material at a steep discount while the Pentagon is buying the same gear for full price.”

According to GAO, DOD does not have management controls in place to assure that excess inventory is reutilized to the maximum extent possible. In FY2002 through FY 2004, the Pentagon disposed of \$33 billion in excess commodities, of which \$4 billion was reported to be in new, unused, and excellent condition. However, DOD units reutilized only \$495 million or 12 percent of those items. The remaining \$3.5 billion new, unused, and excellent condition items

were transferred and donated outside of DOD, sold for pennies on the dollar, or destroyed. At the same time DOD units continued to buy many of these same items.

Senator Collins said, “Unfortunately, the problems GAO has identified are not a surprise. The same lack of financial and management controls that has caused DoD to waste tens of millions of dollars in unused airline tickets is also evident in this latest example of egregious waste at the Department. GAO reports that improving management of DOD’s excess property could save taxpayers hundreds of millions of dollars annually. I applaud GAO for its work and call upon the Department of Defense to hear this latest report's clarion call for financial and management reform.”

The hearing will convene Tuesday, June 7, at 2:15 p.m. in room 2154 of the Rayburn House Office Building, Washington, D.C.

WITNESS LIST

PANEL ONE

Mr. Gregory D. Kutz, Managing Director
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accompanied by

Ms. Gayle L. Fischer, Assistant Director
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Mr. John J. Ryan, Assistant Director/Special Agent
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Mr. Keith Rhodes, Chief Technologist
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PANEL TWO

Mr. Alan F. Estevez
Assistant Deputy Under Secretary of Defense (Supply Chain Integration)
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