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Committee on Oversight and Government Reform
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Oversight Status Report:
Creating Accountability and Transparency Under
One-Party Rule

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Introduction

“My Administration is committed to creating an unprecedented level of openness in government. We will work together to ensure the public trust and establish a system of transparency, public participation, and collaboration. Openness will strengthen our democracy and promote efficiency and effectiveness in Government.”

– President Barack Obama

The Committee on Oversight and Government Reform, the U.S. House of Representative’s chief watchdog committee with jurisdiction to investigate federal programs and any matter with federal policy implications, has been at the center of many of the nation’s most pressing debates in the first nine months of 2009. The unparalleled expansion of the federal government’s role in the private sector and the lives of individual Americans that began in the latter days of the Bush Administration and continues in the Obama Administration has led to fears of an oncoming tsunami of opacity, waste, fraud, and abuse.

While Committee Republicans have been successful in partnering with our majority counterparts on some important investigations and reform efforts, with one-party control of the Administration and both chambers of Congress, many voices outside of Congress have rightly expressed concern that President Barack Obama’s Congressional allies would be unwilling to undertake important oversight and investigative efforts. Recognizing the importance of having a minority that undertakes important investigations and asks questions when the majority will not, Committee Republicans have been at the forefront of investigating waste, mismanagement, and wrongdoing affecting Federal Government operations.

Despite President Barack Obama’s commitment to transparency, as well as the promises of countless Administration officials, the growth of the federal government through such programs as the American Recovery and Reinvestment Act and the Troubled Assets Relief Program has led to an even greater need than usual for the Committee’s oversight activities. The Committee Minority has stepped up to the plate to hold the Administration accountable for the implementation of its expansive new programs. The Minority repeatedly has asked the difficult questions of, and demanded full answers from, Administration officials during Committee hearings, while at the same time introducing Minority witnesses with the ability to both shed increased light on Administration policy implications and offer constructive, effective solutions. Committee Republicans have initiated several broad investigations that have exposed new facts about issues ranging from the causes of the current financial crisis to troubling instances of government waste and punitive actions taken against those who tried to stop it (see Appendix for a list of Minority staff reports). The Minority has been tireless in seeking explanations for issues of waste, fraud, and abuse from agencies across the government to give taxpayers a better return on the money they send to Washington.

Unfortunately, Committee Republicans have been largely disappointed in the early performance of the new Administration in “creating an unprecedented level of

openness in government.” The Minority has sent 215 letters in support of its oversight and investigative duties in 2009, 79 of which were to White House or executive branch agency officials, excluding Inspectors General. Of those 79 letters sent to Administration officials asking questions about actions and programs that are of public concern, the Administration has sent responses that were fully responsive, complete, and helpful in only 34 cases.

The following report summarizes many of the major issues addressed by the Committee’s Minority in the first nine months of 2009. Each issue area includes a brief informational background section followed by specific related actions taken by Committee Republicans to ensure the kind of open and accountable government that the American taxpayers deserve. As Congress moves into the remainder of the year, the Minority will continue to demand increased transparency, commission reports, and pursue investigations of potential waste, fraud and abuse. Regardless of whether or not President Obama is successful in moving his political appointees and a non-partisan bureaucracy that is resistant to change to embrace his calls for transparent and open government, Committee Republicans will continue to ask questions and pursue investigations into wrongdoing and mismanagement that hinders efforts to give the American taxpayers a government that delivers measurable results, accountability, and transparency.

Issue 1: Committee Republican Oversight of Financial Recovery Efforts – American Recovery and Reinvestment Act

Background: The President’s Council on Economic Advisors promised the American people that the Administration’s first legislative priority – the \$787 billion economic stimulus package known as the American Recovery and Reinvestment Act (ARRA) – would “save or create” 3.5 million jobs and hold U.S. unemployment below 8 percent.¹ Time has proven those predictions incorrect. The American workforce has actually lost 3.1 million jobs since the President took office, and unemployment rose to 9.7% in August, the highest rate in the last quarter century.² When asked to explain the discrepancy between the Administration’s job promises and the harsh reality, Vice President Joseph Biden acknowledged that the Administration “misread how bad the economy was.”³

President Obama stood before Congress and promised the American people a new era of transparency and accountability for this \$787 billion of government spending. However, the Administration’s transparency efforts thus far have not fulfilled that promise. Issues such as inadequate reporting requirements in initial ARRA implementation guidance from OMB, the Administration’s decision to not require

¹ See Christina Romer and Jared Bernstein, “The Job Impact of the American Recovery and Reinvestment Plan,” (January 9, 2009), available at http://otrans.3cdn.net/ee40602f9a7d8172b8_ozm6bt5oi.pdf.

² See U.S. Bureau of Labor Statistics, *Employment Situation Summary*, (August 2009), available at <http://www.bls.gov/news.release/empsit.nr0.htm>.

³ See Deborah Solomon, “Calls Grow to Increase Stimulus Spending,” *The Wall Street Journal*, (July 6, 2009).

utilization of the latest technologies available to ensure uniform and accessible information, and ineffective websites such as <www.recovery.gov> have hampered the ability of the public to understand fully how this unprecedented amount of funding is being spent.

In addition to a lack of transparency, ARRA implementation suffers from a pattern of wasteful and questionable allocation of taxpayer money. Wasteful stimulus projects have been well-documented in both the press and Congressional reports.⁴ Among the more egregious examples is the Federal Aviation Administration's reported allocation of \$800,000 in stimulus monies to repave a backup runway at John Murtha Johnstown-Cambria County Airport, a "virtually deserted" airport in rural Pennsylvania used by only twenty passengers a day.⁵

Regarding the allocation of ARRA funds, according to an analysis by *The Wall Street Journal*, many of the states hit hardest by the recession are getting far less stimulus money per person than better-off states. For example, Nevada, with an unemployment rate of about 10% when the stimulus was passed in February, is getting \$541 per resident while Wyoming, with the lowest unemployment rate in the country in February at 3.9% is getting \$1,074 per person. The analysis shows that Florida, North Carolina, and Oregon are also getting relatively small amounts of stimulus money despite having double-digit unemployment rates.⁶

Committee Republican Actions: Through the first eight months of 2009, Committee Republicans have led Congress' efforts to ensure that the unprecedented level of taxpayer money the Administration is expending through ARRA is subject to the highest possible degree of transparency and the lowest possible levels of waste, fraud, and abuse. The Committee has held four hearings on stimulus oversight (three in Washington, one in New York City). At each hearing, Republican Members demanded accountability from government officials and invited expert witnesses to propose solutions to the myriad issues surrounding ARRA implementation. In response to the Democrat Majority's stated intention to hold additional stimulus oversight hearings, Committee Republicans have provided Chairman Edolphus Towns with evidence of government agencies wasting stimulus funds on projects of dubious merit that are ripe for oversight. For example, Ranking member Issa requested in a letter to Chairman Towns that the Committee hold a hearing to scrutinize wasteful projects funded by the National Endowment for the Arts through ARRA. The Minority has not yet received a reply from the Chairman.

⁴ See e.g. "100 Stimulus Projects: A Second Opinion," United States Senate, 111th Congress, Senator Tom Coburn, (June 2009), available at http://coburn.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=59af3ebd-7bf9-4933-8279-8091b533464f.

⁵ See Jonathan Karl, "Welcome to the Airport for Nobody," *ABC News*, (April 23, 2009), available at <http://abcnews.go.com/Business/Politics/story?id=7412160&page=1>.

⁶ See Louise Radnofsky, "Some Hard-Hit States Get Less Stimulus," *The Wall Street Journal*, (July 1, 2009).

On behalf of the Committee, the Ranking Member and other Committee Republicans have sent 38 letters to the Administration and executive branch agency officials on the following ARRA-related issues:

- To President Obama, on Administration claims of ARRA-related jobs created or saved and the methodology used to derive figures;
- To Vice President Biden, on his plans as “stimulus czar” to oversee implementation of ARRA funding;
- To Rahm Emmanuel, White House Chief of Staff, on Administration political pressure tactics used against Congressional opponents of ARRA;
- To Charlene Fizzera, Acting Administrator, Centers for Medicare and Medicaid Services, on reports of states’ diversion of ARRA-funded Medicaid matching funds;
- To Earl Devaney, Chairman, Recovery Act Transparency and Accountability Board, on the need for greater transparency in data on ARRA funding;
- To Peter Orszag, Director, Office of Management and Budget, on data collection requirements for ARRA-funded projects;
- To Lynne Osmus, Acting Administrator, Federal Aviation Administration, on FAA approval of \$800,000 in wasteful stimulus spending on the John Murtha Johnstown-Cambria County Airport;
- To Sheila Conley, Deputy Assistant Secretary, U.S. Department of Health and Human Services, on problems with www.grants.gov as a result of ARRA-induced increases in federal grant application searching and submission;
- To Ray LaHood, Secretary, U.S. Department of Transportation, on issues related to DOT improper payments and ARRA funding;
- To Janet Napolitano, Secretary, U.S. Department of Homeland Security, on ARRA-related funding discrepancies involving U.S. Customs and Border Patrol modernization projects;
- To Inspectors General of 28 federal agencies receiving funding through ARRA on measures they are taking to ensure proper oversight of rapid infusion of ARRA funding.

Issue 2: Committee Republican Investigations into Underlying Causes of the Financial Crisis

Affordable Housing Policy, Fannie Mae and Freddie Mac

Background: The financial crisis of 2008 had its roots largely in ill-conceived government policies. Primary among these were the federal government “affordable housing” policies which provided incentives for the government-sponsored enterprises (GSE), Fannie Mae and Freddie Mac, to support a boom in risky and unsustainable mortgage lending. These government policies encouraged lower down payments, looser underwriting standards and higher leverage, and created a nexus of vested interests – politicians, lenders and lobbyists – that profited either financially or politically from this

arrangement and acted to kill reforms. In the short run, this government intervention was successful in its stated goal – raising the national homeownership rate. However, the ultimate effect was to create an environment that devastated the American economy.

The government experiment in affordable mortgage lending based on low down payments and “flexible” credit criteria has sucked the equity out of the U.S. housing market, trapped millions of Americans under crushing debt, and seriously damaged global financial markets. In 2006, the value of U.S. housing was estimated at \$22 trillion. By October 31, 2008 this had fallen to \$18.5 trillion. As of the end of 2008, there was about \$12 trillion in mortgage debt, of which 42 percent consisted of default-prone loans, with 70 percent of all mortgage debt guaranteed by the federal government. The consequences of these policies brought the entire global financial system to the brink of collapse, destroying trillions in equity and untold numbers of lives.

Committee Republican Actions: Committee Republicans repeatedly drew attention to the central role of government housing policies, Fannie Mae and Freddie Mac during Committee hearings on the financial crisis, bringing economic experts and new information into the discussion. Committee Republicans also published an investigative report on the role of affordable housing policy, Fannie Mae and Freddie Mac in causing the financial crisis.

Countrywide VIP Loan Program

Background: Committee Republicans began an investigation into Countrywide Financial Corporation’s “Friends of Angelo” program, which provided sweetheart mortgages to so-called “VIPs” as part of its larger investigation of influence peddling by Fannie Mae, Freddie Mac and other companies involved in affordable mortgage lending. Accounts and documents have shown that Countrywide Financial attempted to purchase influence, through preferential treatment on mortgage loans, among officials who should have been concerned about irresponsible lending practices and the risks they posed to the economy. Countrywide was a key business partner with Fannie Mae and part of the vested interest that profited from deeply flawed mortgage laws and regulations.

Committee Republican Actions: Committee Republican staff released a report in March 2009 showing how Countrywide tossed aside its own policies to accommodate loans for people it deemed influential. Some of these influential people – Democrats and Republicans – including influential Members of Congress and current and former Cabinet officials were recruited into the program personally by high-ranking company officials including former CEO Angelo Mozilo.

The relaxed underwriting standards of Government-Sponsored Enterprises (GSEs) such as Fannie Mae and Freddie Mac allowed subprime mortgage giants such as Countrywide to grow dramatically in a short period of time. The alliance of the subprime giants such as Countrywide with the GSEs created distortions in the market for mortgage-backed securities as well as a powerful special interest group in Washington.

Committee Republicans continue to work to fully expose the extent of Countrywide's attempts to buy influence and to obtain relevant Countrywide documents. Bank of America, which bought Countrywide last year, has signaled their willingness to cooperate with the Committee's investigation if subpoenaed. Committee Republicans continue to press Chairman Towns to issue a subpoena.

Issue 3: Committee Republican Oversight of Financial Recovery Efforts – Troubled Asset Relief Program

Background: In response to severely contracted liquidity in global credit markets and insolvency threats to investment banks and other institutions, as well as catastrophic predictions and warnings by the Bush Administration, Congress passed the Emergency Economic Stabilization Act (EESA) on October 3, 2008. Pursuant to EESA, the Treasury Department created the Troubled Asset Relief Program (TARP), originally promoted to Congress by then-Treasury Secretary Henry Paulson as a method of buying up to \$700 billion of "troubled" assets, defined generally as illiquid mortgage-backed securities.

Within days of EESA's passage, however, Mr. Paulson abruptly changed course, marginalizing the purchase of toxic assets in favor of capital injections into banks and other financial institutions using TARP funds. In return, Treasury received equity stakes in the bailed-out institutions, thus beginning the partial nationalization of the U.S. financial system. On October 13, 2008, ten days after Congress passed EESA, Mr. Paulson convened a meeting in Washington with nine major bank CEOs in which he gave the "banks no choice but to allow the government to take equity stakes in them."⁷ At that meeting Mr. Paulson, as well as current Treasury Secretary Timothy Geithner, Federal Deposit Insurance Corporation (FDIC) Chairwoman Sheila Bair and Federal Reserve Chairman Ben Bernanke, forced these banks to sign "Major Financial Institution Participation Commitments," in which the CEOs sold the U.S. Government preferred shares and warrants in exchange for \$125 billion in TARP funds.⁸ As of June 12, 2009, the Bush and Obama Administrations had used TARP funds to partially nationalize 623 financial institutions through the purchase of nearly \$200 billion in preferred shares and subordinated debt, in amounts ranging from \$301,000 to \$25 billion per institution.⁹

TARP funds are not being used only for the partial nationalization of the financial sector, however. As the Special Inspector General for TARP (SIGTARP) Neil Barofsky has written, "TARP funds are being used, or have been announced to be used, in connection with 12 separate programs that ... involve a total (including TARP funds, loans and guarantees from other agencies, and private money) that could reach nearly \$3

⁷ See JoAnne Allen, "Paulson gave banks no choice on government stakes: memos." *Reuters*, May 14, 2009), available at <http://www.reuters.com/article/newsOne/idUSTRE54D0NH20090514>.

⁸ See <http://www.judicialwatch.org/news/2009/may/judicial-watch-forces-release-bank-bailout-documents>

⁹ See U.S. Government Accountability Office, *Troubled Asset Relief Program, June 2009 Status of Efforts to Address Transparency and Accountability Issues*, GAO-09-658, June 2009, at 15.

trillion.”¹⁰ Total potential federal government support, across all programs, could reach 23.7 trillion.¹¹

While it has proceeded with spending unparalleled amounts of taxpayer money, the Treasury Department has developed a pattern of providing little or no transparency with regard to that spending, and continues to be unwilling to address transparency concerns raised by SIGTARP and COGR Members. According to the SIGTARP:

Although Treasury has taken some steps towards improving transparency in TARP programs, it has repeatedly failed to adopt recommendations that SIGTARP believes are essential to providing basic transparency and fulfill Treasury’s stated commitment to implement TARP “with the highest degree of accountability and transparency possible.”¹²

SIGTARP pointedly summarizes the implications of Treasury’s lack of transparency:

Unfortunately, in rejecting SIGTARP’s basic transparency recommendations, TARP has become a program in which taxpayers (i) are not being told what most of the TARP recipients are doing with their money, (ii) have still not been told how much their substantial investments are worth, and (iii) will not be told the full details of how their money is being invested. In SIGTARP’s view, the very credibility of TARP (and thus in large measure its chance of success) depends on whether Treasury will commit, indeed [sic] as in word, to operate TARP with the highest degree of transparency possible.¹³

Committee Republican Actions: Committee Republicans have continually stressed in hearings, statements, and letters during the first eight months of 2009 that, given the unprecedented amount of taxpayer funding involved, the American public deserves nothing less than the greatest level of transparency. Treasury’s continued unwillingness to provide basic transparency is unacceptable.

To make financial information disclosure more transparent and more accessible to regulators, investors, and the general public, Committee Democrats and Republicans joined together to report out of the Committee H.R. 2392, the Government Information Transparency Act, which standardizes the collection, analysis, and dissemination of business information by federal agencies. It mandates the use of 21st century information technology under a single data standard known as eXtensible Business Reporting Language (XBRL) and requires that collected information be made readily available for public access.

¹⁰ See Statement of Neil Barofsky, Special Inspector General Troubled Asset Relief Program Before the House Committee on Oversight and Government Reform, July 21, 2009.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

On behalf of the Committee, the Ranking Member and other Committee Republicans have sent letters to Administration and executive branch agency officials on the following TARP-related issues:

- To Neel Kashkari, Interim Assistant Secretary of the Treasury for Financial Stability, U.S. Department of Treasury, on overall TARP funding strategy, contractors and consultants engage by Treasury for TARP programs, and communications from Members of Congress and state elected officials regarding the allocation of TARP funds;
- To Neel Kashkari, Interim Assistant Secretary of the Treasury for Financial Stability, U.S. Department of Treasury, on requiring recipients of TARP funds to report to the federal government in a standardized and machine-readable format to allow for greater transparency;
- To Timothy Geithner, Secretary, U.S. Department of the Treasury, on transparency issues related to TARP disbursements;
- To Lawrence Summers, Director, National Economic Council, and Timothy Geithner, Secretary, U.S. Department of the Treasury, on Public Private Investment Program participation restrictions;
- To Neil Barofsky, Special Inspector General for the Troubled Asset Relief Program, on records related to external influences on TARP funding decision making.

Issue 4: Committee Republican Investigations into Inappropriate Tactics Related to Private Industry

Background: Following the October 13, 2008, meeting convened in Washington by then-Secretary Paulson, where nine major banking CEOs were given no choice but to accept TARP funds in exchange for preferred shares and warrants in their companies, the Executive Branch has extended the use of such tactics, as the two examples below illustrate.

Bank of America and Merrill Lynch

In September 2008, Bank of America announced its intention to purchase Merrill Lynch. Merrill's condition deteriorated rapidly as the financial crisis deepened, prompting Bank of America CEO Ken Lewis, in late 2008, to consider exercising a Material Adverse Change clause (MAC) in the contract to get out of the deal.¹⁴ Then-Secretary Paulson admitted to the Oversight Committee that he threatened to remove the management of Bank of America if Mr. Lewis tried to back out of the merger with

¹⁴ See document, *Analysis of Bank of America & Merrill Lynch Merger*, (December 21, 2008), Bates BOG-BAC-ML-COGR-00036 to BOG-BAC-ML-COGR-00076.

Merrill Lynch and did so based on what he believed “was the strong opinion of the Federal Reserve.”¹⁵

Chrysler and General Motors

The Obama Administration has accelerated a government take-over of Chrysler and General Motors (GM) by injecting an additional \$47 billion of taxpayer money into the companies (on top of the \$20 billion spent by the Bush Administration), by establishing a largely unaccountable Auto Task Force and by engineering the sale of Chrysler to Fiat outside normal bankruptcy procedures. Politics has also begun to influence these companies’ business decisions. For example, GM’s decision to locate production of its new small car in Michigan rather than Tennessee was made on the basis of “carbon footprint” and “community impact.”¹⁶ Even a member of Michigan’s own Economic Development Corporation, who is also a top automotive analyst, acknowledged that the Michigan location was not the best business choice for GM.¹⁷

Committee Republican Actions: Committee Republicans have expressed repeatedly at hearings and through letters and statements that the federal government is overstepping its bounds in relation to private industry. The Minority has brought to light the activities of officials at the Federal Reserve and the Department of the Treasury who are dictating government directives through threats and intimidation to private companies even when such directives may pose significant risks or harm to private investors, taxpayers, and our economy.

On behalf of the Committee, the Ranking Member and other Committee Republicans have sent letters to Administration and executive branch agency officials on the following related issues:

- To President Obama, on the Administration’s involvement in Chrysler’s bankruptcy;
- To President Obama, on additional concerns regarding Chrysler’s bankruptcy;
- To Steven Rattner, Counselor to the Secretary of the Treasury, on transparency of Chrysler dealership closings;
- To Timothy Geithner, Secretary, U.S. Department of Treasury, on October 13, 2008 TARP meeting and Bank of America/Merrill Lynch merger documents;

¹⁵ See Henry M. Paulson, testimony before the Oversight and Government Reform Committee, (July 16, 2009).

¹⁶ See Neil King, Jr. and John D. Stoll, “Economics Wasn’t GM’s Only Criteria for New Plant,” *The Wall Street Journal* (July 6, 2009).

¹⁷ See Rick Haglund, “GM’s decision about new small car plant more than financial,” *The Muskegon Chronicle*, (June 25, 2009), available at http://www.mlive.com/news/muskegon/index.ssf/2009/06/gms_decision_about_new_small_c.html.

- To Fritz Henderson, CEO, General Motors, on the politicization of the company's business operations after receiving a taxpayer-funded bailout.

Issue 5: Committee Republican Oversight of Administration Email and Archiving Issues

Loss of Sensitive Data from the National Archives' College Park Facility

Background: At some time between October 2008 and March 2009, a hard drive containing national security information went missing from the National Archives and Records Administration (NARA) College Park facility. The drive contains one terabyte of data derived from records from the Clinton presidency. Data on the drive includes more than 100,000 social security numbers (including that of former Vice President Al Gore's daughter), contact information (including addresses) for various Clinton administration officials, Secret Service and White House operating procedures, event logs, social gathering logs, political records and other highly-sensitive information. The full extent of the contents of the drive is still being investigated.

The hard drive was moved from a "secure" storage area to a workspace while it was in use as part of a process to convert the Clinton Administration records to digital files. The drive was left unsecured on a shelf above a workstation. At least 100 "badge-holders" had access to the area where the server was left unsecured. NARA's IG told Committee staff that in addition to those with official access to sensitive material, janitors, visitors, interns and others passed through the area where the drive was being kept. The IG described the workspace as an area that Archives employees pass through on their way to the bathroom. The door is often left open for ventilation.

Committee Republican Actions: Committee Republicans toured NARA's College Park facility and observed the area from which the drive was removed. NARA staff explained that the drive was being stored in its original packaging, which made the value of the hardware obvious. NARA staff confirmed the workspace where the drive was being stored is insecure – accessible to personnel without clearance and typically left with the doors open. Committee staff were left with the impression that a motivated criminal would be able to remove sensitive materials from the Archives with little to no resistance from the security measures in place.

On May 21, Acting Archivist Adrienne Thomas was scheduled to appear at a subcommittee hearing to discuss what the IG called "the greatest loss ever and troubling and amazing." She failed to present herself at the hearing, instead opting to attend President Obama's televised address about Guantanamo Bay delivered from the Archives. Because of Ms. Thomas's inattention to this urgent matter, Committee Republicans urged the President to name a permanent Archivist as soon as possible. Days before the subcommittee's July 30 hearing on the matter, the President nominated David Ferreiro as Archivist of the United States.

White House Electronic Health Reform Tip Box and Unsolicited Emailing

Background: On August 4, 2009, the White House asked Americans to forward to a White House email address “fishy” emails or other information about health insurance reform, posting on its blog the following request:

There is a lot of disinformation about health insurance reform out there, spanning from control of personal finances to end of life care. These rumors often travel just below the surface via chain emails or through casual conversation. Since we can’t keep track of all of them here at the White House, we’re asking for your help. If you get an email or see something on the web about health insurance reform that seems fishy, send it to flag@whitehouse.gov.¹⁸

Later in August, reports emerged that many Americans who had not signed up to receive electronic communications from the Administration were receiving White House emails regarding the Administration’s health reform efforts, including statements urging support of those efforts. The Administration at first denied that any person who had not sought information from the White House was receiving Administration emails.

Committee Republican Actions: On August 17, 2009, the Minority sent a letter to the White House expressing concern, stating that “fear has been expressed that the White House was asking neighbors to inform on neighbors in a government led data collection effort,” and that there was concern “about the possibility that political email address lists are being used for official purposes.” Later that same day, the Administration announced that they had disabled the “fishy” reporting electronic tip box.¹⁹ The Administration claimed that Americans may have been subscribed to White House email lists without their knowledge by outside political groups.²⁰ Finally, on August 22, 2009, the White House released the name of a private company that had been hired to distribute mass emails.²¹

Issue 6: Committee Republican Investigation of Administration Politicization of Science

Background: On March 9, 2009, President Obama declared that “the public must be able to trust the science and scientific process informing public policy decisions.”²² The

¹⁸ Mike Allen, “White House Disable E-tip Box,” *Politico*, Aug. 17, 2009. Available at <http://www.politico.com/news/stories/0809/26188.html>.

¹⁹ *Id.*

²⁰ Philip Elliott, “White House Says It Did Send Unwanted E-mails,” *Associated Press*, Aug. 17, 2009. Available at http://www.breitbart.com/article.php?id=D9A4VBL80&show_article=1

²¹ Major Garrett and Eric Shawn, “White House Reveals Identity of Firm That Sent Unsolicited E-Mails on Health Reform,” *Fox News*, Aug. 22, 2009. Available at <http://www.foxnews.com/politics/2009/08/22/white-house-reveals-identity-firm-sent-unsolicited-e-mails-health-reform/>

²² Memorandum from President Barack Obama to the Heads of Executive Departments and Agencies (March 9, 2009) available at http://www.whitehouse.gov/the_press_office/Memorandum-for-the-Heads-of-Executive-Departments-and-Agencies-3-9-09/.

Administrator of the Environmental Protection Agency (EPA) Lisa Jackson echoed this view when she said that “public trust in the Agency demands that we . . . fully disclose the information that forms the bases for our decisions.”²³

Actions by the Administration have not supported this philosophy. Several news reports suggest that in an effort to force a determination that carbon dioxide (CO₂) endangers human health and welfare, EPA has inappropriately limited staff contributions, suppressed dissent, and may have punished those who challenged the Administration’s environmental agenda.²⁴ Most recently, it appears that EPA may have suppressed a report raising important questions about the Technical Support Document (TSD), which provides the scientific basis for the proposed endangerment finding.

At issue is the work of Dr. Alan Carlin, an experienced climate change researcher with more than 37 years of civil service tenure at the EPA. Director Al McGartland of the EPA’s National Center for Environmental Economics (NCEE), refused to include Dr. Carlin’s work in the official record due to questions his studies raised about the science of climate change. In a series of emails, dated March 12-17, 2009, McGartland makes it clear that the Administration “decided to move forward on endangerment, and [Carlin’s] comments do not help the legal or policy case for the decision.”²⁵ In an attempt to dismiss these serious allegations, EPA claimed that “certain opinions were expressed by an individual who is not a scientist and was not part of the working group dealing with the issue.”²⁶

Committee Republican Actions: Committee Republicans have launched an investigation into EPA’s politicization of science through the suppression of Dr. Carlin and his report. To date, EPA has been unresponsive to attempts to gather information regarding this issue. In addition, the Minority has requested that Chairman Towns launch a full Committee investigation into EPA’s lack of transparency, but has not received a response from the Majority. The Minority will continue to press for further investigation of this matter.

Issue 7: Committee Republican Oversight of Inspectors General Independence

In the first eight months of 2009, two incidents involving federal inspectors general have raised significant concerns about the ability of IGs to effectively carry out their functions.

²³ Memorandum from Administrator Jackson to EPA Employees (Jan 23, 2009) available at <http://www.epa.gov/administrator/memotoemployees.html>.

²⁴ Kimberly Strassel, The EPA Silences a Climate Skeptic, Wall Street Journal, July, 2009, available at <http://online.wsj.com/article/SB12465765235589119.html>; see also Declan McCullagh, EPA May Have Suppressed Report Skeptical of Global Warming, CBS News, June 26, 2009, available at <http://www.cbsnews.com/blogs/2009/06/26/politics/politicalhotsheet/entry5117890.shtml>.

²⁵ Email from Office Director of EPA’s NCEE to Senior Operations Research Analyst at NCEE (March 17, 2009).

²⁶ Ian Talley, *US Lawmakers Demand Probe Into Claims EPA Suppressed CO₂ Study*, DOW JONES NEWSWIRE, (July 2, 2009).

Dismissal of Corporation for National and Community Services IG

Background: On May 6, 2009, Gerald Walpin, the Inspector General (IG) for the Corporation for National and Community Service (CNCS), issued a Special Report criticizing a settlement of claims against Sacramento Mayor Kevin Johnson arising from his misuse of Americorps funds. On June 10, the White House terminated Walpin. One day later, the President wrote to Speaker Pelosi advising that he was firing the IG because he lost confidence in him.²⁷ Five days later, Special Counsel to the President Norman Eisen wrote to Chairman Towns and Ranking Member Issa that Walpin was removed for being confused and disoriented at a CNCS Board meeting.²⁸ On June 29, 2009, CNCS told staff from the Senate Committee on Homeland Security and Government Affairs that Walpin was fired because he had a difficult working relationship with CNCS senior staff and because he lacked sufficient appreciation for equal employment opportunity norms.²⁹

Committee Republican Actions: The Minority staff has been investigating the facts surrounding Walpin's ouster. Staff investigators have sought information from Members of the Corporation's Board, senior staff from the Corporation, White House officials, and Justice Department officials.³⁰ Investigators are trying to determine whether the Inspector General Reform Act of 2008 – which then-Senator Obama co-sponsored – was violated when the White House sought to remove an IG who uncovered wrongdoing and abuse by a political ally of the President.

Initially, the Majority expressed concern that the White House may have violated the IG Act, and agreed to send a joint letter with the Minority requesting witness interviews and documents.³¹ Majority and Minority staff interviewed CNCS General Counsel Frank Trinity on July 6, 2009. During the course of this interview, Trinity refused to answer any questions relating to communications with the White House citing a vague "White House prerogative." Majority staff instructed Trinity to respond to the questions posed, and advised that if he did not answer, the Committee would be required to use compulsory process to obtain all information.³² Subsequent to that meeting, however, the Majority ceased all investigative work on this matter. Committee Republican staff has continued to investigate this matter without the Majority, and expects to issue a staff report with its findings.

²⁷ Letter from the President to Speaker Nancy Pelosi (June 11, 2009).

²⁸ Letter from Special Counsel to the President Norman L. Eisen to Chairman Edolphus Towns and Ranking Member Darrell Issa, H. Comm. on Oversight and Gov't Reform (June 16, 2009).

²⁹ Ed O'Keefe, *Documents Detail Case for Walpin's Dismissal*, The Federal Eye, Washington Post.com, July 1, 2009.

³⁰ See, e.g., Letter from Ranking Member Darrell Issa to Counsel to the President Gregory B. Craig (July 1, 2009); Letter from Ranking Member Darrell Issa to Acting U.S. Atty. Lawrence Brown (June 18, 2009); Letter from Ranking Member Darrell Issa to CNCS Acting CEO Nicola Goren (June 26, 2009); Letter from Ranking Member Darrell Issa to CNCS Board member Mark Gearan (July 8, 2009).

³¹ Letter from Chairman Edolphus Towns and Ranking Member Darrell Issa, H. Comm. on Oversight and Gov't Reform to Alan Solomont, Chairman of the Board of Directors, Corporation for National and Community Service (July 2, 2009).

³² Interview of Frank Trinity, General Counsel, Corporation for National and Community Service, by H. Comm. on Oversight and Gov't Reform staff in Wash., D.C. (July 6, 2009).

Replacement of Amtrak IG with Member of Amtrak Management Team

Background: On June 18, 2009, it was announced that longtime Amtrak IG Fred E. Weiderhold, Jr., had unexpectedly retired. Weiderhold had aggressively investigated and questioned the Amtrak General Counsel's office regarding the expenditure of tens of millions of dollars on outside law firms. Amtrak chose as an interim replacement for Weiderhold a longtime Amtrak manager. Since Weiderhold's abrupt retirement and his replacement, Amtrak's management has made several policy changes regarding the independence of the IG, including restrictions on IG use of funds and IG personnel decision-making.

Committee Republican Actions: Working jointly with the Committee Majority, Committee Republicans have called for the immediate replacement of Amtrak's interim IG.

Treasury Department Seeks to Curtail SIGTARP Independence

Background: SIGTARP Barofsky notified Committee Republicans that the Treasury Department was seeking to curtail his independence and authority by asserting its jurisdiction over SIGTARP's operations.³³ SIGTARP vigorously disputed this interpretation of EESA. Treasury then formally requested that the Office of Legal Counsel (OLC) at the Department of Justice rule as to SIGTARP's independence.³⁴

Committee Republican Actions: In response to Treasury's attempt to undermine SIGTARP's independence by seeking an OLC ruling that placed SIGTARP within Treasury's jurisdiction, Committee Republicans publicly criticized Treasury's actions and made it clear that SIGTARP's continued independence was crucial in bringing needed transparency to the TARP. As a result, Treasury withdrew its request for an OLC opinion.³⁵

Issue 8: Committee Republican Investigation of ACORN

Background: The Association of Community Organizations for Reform Now (ACORN) has been the subject of controversy in recent years due to questions about its structure, non-profit status, and political activities. ACORN's voter registration activities during the 2008 Presidential election and its involvement in the 2010 Census continue to merit increased scrutiny.

Committee Republican Actions: The Minority staff released a report in July presenting evidence of widespread wrongdoing by ACORN. The report states that ACORN has repeatedly and deliberately engaged in systemic fraud, hiding behind a paper wall of nonprofit corporate protections to conceal a criminal conspiracy on the part of its

³³ See Neil M. Barofsky, SIGTARP, letter to Hon. Darrell E. Issa and Hon. Charles Grassley (June 19, 2009).

³⁴ See Neil M. Barofsky, SIGTARP, letter to Hon. Darrell E. Issa (September 2, 2009).

³⁵ *Id.*

directors, to launder federal money in order to pursue a partisan political agenda, and to manipulate the American electorate. Specifically, the report shows the following:

- ACORN has evaded taxes, obstructed justice, engaged in self dealing, and aided and abetted a cover-up of embezzlement;
- ACORN has committed investment fraud, deprived the public of its right to honest services, and engaged in a racketeering enterprise affecting interstate commerce;
- ACORN has committed a conspiracy to defraud the United States by using taxpayer funds for partisan political activities;
- ACORN has submitted false filings to the Internal Revenue Service (IRS) and the Department of Labor, in addition to violating the Fair Labor Standards Act (FLSA);
- ACORN falsified and concealed facts concerning an illegal transaction between related parties in violation of the Employee Retirement Income Security Act of 1974 (ERISA).

Committee Republicans have extended the investigation into ACORN in recent weeks by sending letters to the Internal Revenue Service, the Department of Housing and Urban Development, the Federal Elections Commission, the Department of Labor, and the Small Business Association requesting answers to critical questions pertaining to ACORN's political work, tax filings, and taxpayer money it receives from federal government agencies. The Minority has also forwarded its findings to the Committees on Judiciary, Ways and Means, and Education and Labor asking that they take appropriate action.

Issue 9: Committee Republican Work on Health Care Issues

Stimulus Medicaid Funding

Background: The American Recovery and Reinvestment Act included \$89.4 billion in increased federal Medicaid expenditures, with \$87 billion of that funding flowing directly to the states. However, early reports indicated that instead of using the stimulus funds to supplement state Medicaid spending to protect medical services and healthcare service jobs, some states were effectively diverting Medicaid stimulus funds for non-healthcare related purposes, without an obligation to adhere to federal transparency and accountability rules.

Committee Republican Actions: In April 2009, the minority staff issued a report on this issue entitled "De-Targeting the Stimulus: States Diverting Medicaid Funds Away from Helping Poor, Protecting Health Care Jobs." The report concluded that since the Democratic-controlled Congress and President Obama failed to place stringent

restrictions on the use of stimulus dollars, states are diverting the money from Medicaid to fill gaps in their budgets.³⁶ The Minority sent a letter to the Acting Administrator of the Centers for Medicare and Medicaid asking for clarification on how the agency would implement the distribution of stimulus funds. Chairman Towns declined to sign on to the Minority's letter. In addition, despite the fact that Medicaid spending accounts for approximately 63% of the stimulus funds flowing to states in 2009,³⁷ the Majority has declined to hold any hearings on the oversight of stimulus-related Medicaid funding in the first eight months of 2009.

Democratic Health Care Proposal

Background: Driven by President Obama's campaign promise to "fix a broken health care system,"³⁸ House Democrats have introduced a health care reform bill, the America's Affordable Health Choices Act (H.R. 3200), to implement universal health care. The legislation creates, extends, or expands 33 entitlement programs, and creates 53 additional government offices, bureaus, commissions and programs.³⁹ To achieve universal coverage, a government-run public health insurance plan will be created to compete with private insurance plans. The government-run "public option" plan mirrors in many ways another government-run health care program: Medicare.

Committee Republican Actions: The Minority released a staff report highlighting the Federal government's continuing struggle to rein in rampant Medicare fraud and warning that government-run healthcare will lead to even more egregious abuses. The report concludes that the Medicare model will open the public option to the same pitfalls as Medicare, including the rampant amounts of fraud and improper payments in Medicare. According to the Government Accountability Office (GAO), improper payments in the Medicare Fee-for-Service (FSS) and Medicare Advantage programs were estimated to be \$17.2 billion for fiscal year 2008.⁴⁰ GAO also estimates that as much as 10% of overall health care spending is lost to fraud.⁴¹ The report also shows that the proposed legislation would apply the same ineffective anti-fraud and abuse protections to the public option that the Medicare program uses, leaving the door open to the same types of waste and fraud.

³⁶ H. Comm. on Oversight and Gov't Ref. Minority Staff Report, "De-Targeting the Stimulus: States Diverting Medicaid Funds Away from Helping Poor, Protecting Health Care Jobs," Apr. 15, 2009.

³⁷ U.S. Gen. Accountability Office, Recovery Act: States' and Localities' Current & Planned Uses of the Funds While Facing Fiscal Stresses, GAO-09-829 (July 2009).

³⁸ Organizing for America, <http://www.barackobama.com/issues/>

³⁹ Press Release, House Republican Conference, Democrat Health "Reform" By the Numbers (July 20, 2009).

⁴⁰ Government Accountability Office, GAO-09-628T Improper Payments: Payments Made but Challenges Remain in Estimating and Reducing Improper Payments (Apr. 22, 2009).

⁴¹ *Criminal Prosecution as a Deterrent to Health Care Fraud: Hearing Before the Subcomm. on Crime and Drugs of the S. Comm. on the Judiciary*, 111th Cong. (2009) (statement of Lanny Breuer, Asst. Att'y Gen., Criminal Div., U.S. Dept. of Justice).

Secure National Food Supply Chain

Background: Throughout the first half of 2009, there were repeated incidents of food recalls due to actual or suspected contamination, including various peanut products, pistachio products and raw cookie dough.⁴² The Government Accountability Office (GAO) cited the need to retool federal oversight of food safety in its 2009 High Risk Series.⁴³

Committee Republican Actions: In February 2009, the Minority wrote Chairman Towns asking that the Committee hold a hearing on food safety in general. The Ranking Member noted that the Committee is uniquely positioned to bring all 15 agencies with regulatory responsibilities for food safety together to address systemic weaknesses. To date, the Majority has declined to hold such a hearing.

Federal Employee Health Care

Background: The Federal Employees Health Benefits Program (FEHBP) covers 8 million employees, their dependents, and retirees. The impact of the Democratic health care plan on the FEHBP has been largely missing from discussion of the legislation thus far, despite the fact that any changes to the program or its operation by the Office of Personnel Management (OPM) could have far-reaching implications.

Committee Republican Actions: Committee Republicans wrote Chairman Towns requesting two actions: 1) that he not waive Oversight and Government Reform Committee jurisdiction over H.R. 3200, the Democrat's "America's Affordable Health Choices Act," and 2) that he hold a hearing to examine the impact this bill would have on the Federal Employees Health Benefits Program (FEHBP). The Committee's Majority has not acceded to these requests.

Issue 10: Committee Republican Oversight of the 2010 Census

Background: During the first eight months of 2009, the Committee immediately dealt with multiple challenges to the independence of the Census Bureau, and thus its ability to conduct a successful 2010 Decennial, free from partisan manipulation.

⁴² Ricardo Alonso-Zaldivar, *Peanut-Related Recall Growing*, *The Washington Post*, Jan. 22, 2009; Lyndsey Layton, *Pistachio Firm Expands Recall Over Salmonella*, *The Washington Post*, Apr. 7, 2009; Nestlé Recall Leaves a Mystery in Its Wake, WASH. POST, June 21, 2009.

⁴³ U.S. Gen. Accountability Office, *High Risk Series: An Update*, GAO-09-271 (Jan. 2009).

Attempt to Consolidate Control over the Census within the White House

Early in his Administration, Congressional Quarterly and others reported that the Administration had determined that the director of the Census Bureau would report directly to the White House instead of the Secretary of Commerce⁴⁴.

Committee Republican Actions: Committee Republicans quickly condemned this move by the Administration. In a letter to President Obama, the Minority cited the federal law establishing the administration of the Census within the Commerce Department and also highlighting the risks of politicizing the Census, the results of which are used in the allocation of federal funding and the apportionment of seats in the U.S. House of Representatives. The Administration did not reply directly to the Minority's concerns, but then publicly reversed course and stated that the Census Director would report to the Commerce Secretary and not directly to the White House.⁴⁵

Statistical Adjustment of the 2010 Census

President Obama's nominee for Census Director, Dr. Robert Groves raised concern that "...Democrats were again flirting with statistical sampling."⁴⁶

Committee Republican Actions: The Committee published a Staff Report on May 11, 2009, entitled "Census History: Counting Every Person Once, Only Once and in the Right Place." The report addresses the illegality, impropriety and inaccuracy of statistically adjusted Census results. The report chronicles a history of partisan attempts at politicizing the Census Bureau and Decennials, and how those attempts have inevitably failed. The report further makes clear that the Census is a Constitutional responsibility of the Legislative, not the Executive Branch of government.

The Committee also worked to solicit on the record guarantees against the possibility of adjustment from Census Bureau officials at Committee hearings. As confirmed by the Bureau, statistical adjustment is "...not in our plans."⁴⁷ "Our goal for the 2010 census is to count everyone, no matter how difficult or challenging the task may be," said Thomas Mesenbourg, acting census director."⁴⁸

⁴⁴ Jonathan Allen, "Administration Plans to Bypass Commerce — and Gregg — on 2010 Census," *Congressional Quarterly*, Feb. 5, 2009. Available at <http://www.cqpolitics.com/wmspage.cfm?docid=news-000003024858>

⁴⁵ Keith Koffler, "Census Control Clarified," *Roll Call*, March 11, 2009. Available at http://www.rollcall.com/issues/54_100/news/33051-1.html?type=printer_friendly

⁴⁶ Eliza Krigman, "Census Games," *The National Journal*, April 11, 2009.

⁴⁷ *Census 2010: Assessing the Bureau's Strategy for Reducing the Undercount of Hard-to-Count Populations: Hearing Before the H. Comm. On Oversight and Government Reform*, 111th Cong. (2009) (statement of Thomas Mesenbourg, Acting Director, U.S. Census Bureau).

⁴⁸ "Worries about Missing Millions in Census," *Newsday*, March 24, 2009.

ACORN Involvement in the 2010 Census

As the Census Bureau began rolling out its partnership program early in 2009, it became clear that ACORN was going to be involved in the program that is charged with outreach for the 2010 Decennial. There had been numerous indictments against ACORN employees, but in early May, for the first time, the Nevada Attorney General filed criminal charges against the organization itself. Given the controversial and partisan history of ACORN, the organization's involvement in the 2010 Census became a real threat to the success of an apolitical Decennial.

Committee Republican Actions: On May 11, 2009, Committee Republicans on the Information Policy, Census and National Archives Subcommittee sent a letter to the Acting Director of the Census Bureau, Thomas Mesenbourg requesting that “[i]n light of this serious charge ... the Census Bureau reconsider its inclusion of ACORN in the Planning Partnership Program for the 2010 Census. ACORN’s involvement may compromise our shared commitment to an apolitical and accurate census count.”⁴⁹

Throughout the course of multiple hearings and formal and informal meetings with Bureau personnel, including the newly confirmed Director, Republican Members of the Committee consistently requested that the Bureau reevaluate its relationship with ACORN. On Friday, September 11, 2009, Director Groves confirmed that the Bureau had severed all ties with ACORN in a letter to Maude Hurd, the organization's President. “It is clear that ACORN’s affiliation with the 2010 Census promotion has caused sufficient concern in the general public, has indeed become a distraction from our mission, and may even become a discouragement to public cooperation, negatively impacting 2010 Census efforts,”⁵⁰ Groves wrote.

Issue 11: Committee Republican Oversight of National Security Issues

Background: While the Administration’s domestic agenda has controlled much of the political conversation on Capitol Hill and elsewhere in America during the first eight months of 2009, there remain innumerable threats to national security. A global network of violent terrorists continues to seek harm to the nation and its allies. Hostile and oppressive nations such as Iran and North Korea are engaging in the development and proliferation of nuclear weapons. Meanwhile, constitutional crises have erupted in the halls of the Honduran government and the streets of Tehran. These are a small sample of events which pose substantial threats to America’s security here and abroad.

Just four months after the President’s inauguration, the North Korean regime detonated a nuclear device. Concern is also growing that they may be sharing nuclear

⁴⁹ Letter from Ranking Member Patrick T. McHenry, Lynn A. Westmoreland, John L. Mica and Jason Chaffetz to Acting Director Thomas L. Mesenbourg (May 11, 2009).

⁵⁰ Letter from Director Robert M. Groves to Ms. Maude Hurd (Sep. 11, 2009).

technology or materials with others.⁵¹ Additionally, the North Koreans continue the rapid development of medium- and long-range missiles, and have test fired a space launch vehicle.⁵² The prospect of wedding a nuclear warhead to a capable delivery method poses a grave threat, especially in the case of a nation with an aged, megalomaniacal leadership which may be on the verge of collapse.

Republicans and Democrats alike fear that Iran may soon develop nuclear weapons and the ability to strike others.⁵³ If it is successful, credible fears exist that it may strike Israel, one of our closest allies in the region. That Iran's radical leaders have recently orchestrated a vicious crack down on citizens pleading for free and unfettered elections is a further unsettling development in a tumultuous region.

In this hemisphere, Honduras has been rocked by a constitutional crisis that has caused civil unrest and threatened regional stability.⁵⁴ Several countries, including the United States, have expressed interest in a final resolution. President Obama stated that he "believe[s] that the coup was not legal and that President Zelaya remains the democratically elected president there..."⁵⁵ According to Hugo Chavez, he will "do everything possible to overthrow this gorilla government of Honduras. It must be overthrown."⁵⁶ Whatever the outcome, it will have far reaching effects upon the Latin American region and our interests there.

Committee Republican Actions: Despite this broad range of global security threats, the Committee Majority's national security endeavors have inordinately focused on Afghanistan and Pakistan. While oversight of our efforts in Afghanistan and Pakistan is important, the Majority focuses on the mundane and avoids the tough questions with respect to the Administration's plan for success. As it fails to engage the Administration's policy makers and provide this critical oversight, the situation in Afghanistan has become more "serious" and is "deteriorating."⁵⁷ The Minority has repeatedly urged participation by key government officials, but the Committee's Democrat leadership has shown little interest in inviting Administration officials to testify before the panel.

⁵¹ Blaine Harden, "N. Korea Conducts 'Successful' Underground Nuclear Test," *Washington Post*, May 25, 2009, p. A16; Denis D. Gray, "Is Myanmar going nuclear with North Korea's help?" *Boston Globe*, July 21, 2009; Robin Wright and Joby Warrick, "Purchases Linked N. Korea to Syria," *Washington Post*, May 11, 2008, p. A18.

⁵² Walter Pincus and Mary Beth Sheridan, "After Launch, U.S. Stance Veers Between Tough and Dismissive; N. Korea's Actions Draw Mixed Reactions From Officials," *Washington Post*, April 7, 2009, p. A10.

⁵³ Letter from Steny Hoyer, Henry Waxman, et al to the President, March 26, 2009; David Morgan, "U.S. military chief says clock ticking on Iran nuke," Reuters, July 8, 2009.

⁵⁴ William Booth and Juan Forero, "U.S. Misread Scale of Honduran Rift," *Washington Post*, July 5, 2009.

⁵⁵ "Leaders From Obama to Chavez Blast Honduras Coup," *Associated Press*, June 29, 2009.

⁵⁶ *Id.*

⁵⁷ FoxNews.com and Associated Press, "Afghanistan War 'Serious' and 'Deteriorating,' Mullen Says," FoxNews.com, August 24, 2009. <http://www.foxnews.com/politics/2009/08/23/afghanistan-war-deteriorating-mullen-says/>

The Committee's failure to hold hearings on pressing topics such as North Korea, Iran, Iraq, and Honduras displays an unacceptable neglect of issues properly within its jurisdiction. This is a stark contrast to the 110th Congress, where Bush Administration officials were present at nearly every national security hearing, and the Committee took up a wide range of defense and foreign policy concerns. Committee Republicans will continue to press for an increased focus on these matters.

Issue 12: Committee Republican Oversight of District of Columbia Issues

DC Voting Rights Act

Background: The District of Columbia House Voting Rights Act (H.R. 157) would expand the size of the House of Representatives from 435 to 437 members, adding a member from the District of Columbia and a member from the next state in line to gain a Representative based on U.S. Census numbers (currently Utah). The Department of Justice's Office of Legal Counsel reached a legal determination that the legislation is unconstitutional. However, disregarding that determination, Attorney General Eric Holder sought a second opinion from the Office of the Solicitor General.

Committee Republican Actions: Committee Republicans wrote to Attorney General Holder asking him to produce all documents relevant to the Attorney General's decision to politicize the professional legal judgment of Justice Department lawyers. The Justice Department refused to produce the documents requested by Issa. Following requests from Committee Republicans, the Majority refused to use the Committee's subpoena authority to demand the information necessary to conduct further oversight.

Elimination of D.C. School Vouchers

Background: The D.C. Opportunity Scholarship Program (OSP) was launched by Congress in 2004, with bipartisan support, to give economically disadvantaged District of Columbia children the chance for a quality education outside of public school classrooms plagued by problems. The program has been proven highly successful by every known measurement, including academic improvement, personal safety, and parental satisfaction. A strong coalition of academics,⁵⁸ journalists⁵⁹ and civic leaders⁶⁰ are supporting reauthorization of OSP in the House and Senate. However, the Obama Administration has proposed ending the scholarship.

Committee Republican Actions: Committee Ranking Member Issa, along with Education and Labor Committee Ranking Member and House Republican Leader John

⁵⁸ See the testimony of Bruce Stewart, Head of Sidwell Friends School, before the Senate Committee on Homeland Security and Government Affairs, May 13, 2009.

⁵⁹ See Wall Street Journal editorial board, "D.C. Council Wants Vouchers" from July 13, 2009; Washington Post editorial board, "Vouching On Vouchers" from May 14, 2009; and Washington Times editorial board, "No choice in DC: Congress supports vouchers for cars but not schools," from May 9, 2009.

⁶⁰ See D.C. Council letter to Education Secretary Arne Duncan and DC Mayor Adrian Fenty, dated June 22, 2009.

Boehner has introduced legislation reauthorizing the program. In addition, the Minority sent a letter to Chairman Towns asking for a full Committee hearing on OSP's reauthorization.

Appendix

Reports Issued by the Committee on Oversight and Government Reform Minority

- Doubling the National Park Service's Annual Appropriation – the Unique Influence of the National Parks Conservation Association (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=451>*)
- Friends of Angelo: Countrywide's Systematic and Successful Effort to Buy Influence and Block Reform (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=560>*)
- De-Targeting the Stimulus: States Diverting Medicaid Funds Away from Helping Poor, Protecting Health Care Jobs (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=507>*)
- Comprehensive Staff Analysis of the Economic Impact of the Waxman/Markey Cap-and-Trade Legislation (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=520>*)
- Census History: Counting Every Person Once, Only Once and in the Right Place (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=561>*)
- The Role of Government Affordable Housing Policy in Creating the Global Financial Crisis of 2008 (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=596>*)
- Justice or Avarice: The Misuse of Litigation to Harm Consumers (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=613>*)
- Is Acorn Intentionally Structured as a Criminal Enterprise? (*Available at <http://republicans.oversight.house.gov/News/PRArticle.aspx?NewsID=617>*)
- Medicare Experience Suggests Americans Should Expect Massive Fraud with Nationalized Health Care (*Available at <http://republicans.oversight.house.gov/news/PRArticle.aspx?NewsID=631>*)

About the Committee

The Committee on Oversight and Government Reform is the main investigative committee in the U.S. House of Representatives. It has authority to investigate the subjects within the Committee's legislative jurisdiction as well as "any matter" within the jurisdiction of the other standing House Committees. The Committee's mandate is to investigate and expose waste, fraud and abuse.

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