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Statement of Rep. Darrell Issa
Ranking Republican Member
Committee on Oversight and Government Reform
“How Con Artists and Convicts Get Government Contracts”
February 26, 2009

Thank you, Chairman Towns, for holding this hearing.

In the past six months, this Congress has approved a \$700 billion bailout of Wall Street, an \$800 billion economic stimulus and, just yesterday, a \$410 billion omnibus that significantly increases spending.

With increased government spending comes increased waste, fraud, and abuse – by political appointees, grant recipients, career government employees, and Federal contractors.

Today’s hearing looking at instances where contractors who have not played by the rules continue to be trusted with taxpayer dollars is a good place for this committee to begin a bipartisan effort to identify and fix the waste of taxpayer dollars so that government waste doesn’t grow at, or even exceed, the pace of spending.

Government acquisition policy is a topic where, I believe, we will have extensive opportunities to collaborate in bipartisan fashion. Indeed, the issues that affect the government's procurement community are and should be non-partisan.

Contractors offer the Federal government unique flexibility and are invaluable avenues for bringing private sector innovations into government, which ultimately saves taxpayers money. Reprehensible examples of abuses by disreputable contractors and the failure to exclude these already known bad actors from getting new Federal contracts is a call for reform.

I look forward to being an active partner in rooting out abuses in the contracting process while preserving its key benefits for taxpayers.

I am pleased that today's hearing features witnesses from the Government Accountability Office, the General Services Administration, the Department of Defense – including both the Army and the Navy – as well as a distinguished outside expert in the field of government contracting. No comprehensive discussion of government-wide acquisition policy can be had without the input of GAO, GSA, or the Defense Department.

Mr. Chairman, considering the state of our economy and as leaders of the Oversight and Government Reform Committee, we have a singular obligation to ensure that all spending is necessary and done in a cost-effective manner that doesn't tolerate waste.

We must be proactive in our oversight, and be sure to look for ways to help our agencies get the best value for the taxpayer's dollar.

We must seek to continue to diversify our supply base – not with set asides and other non-competitive programs – but with innovative

arrangements that allow the most competitive suppliers access to our acquisition system.

We must focus on ways to achieve the goal of a motivated, well-trained and professional workforce.

Today's hearing examines the Excluded Parties List System, a government-wide database maintained by GSA that collects information about contractors that have been suspended, debarred, or otherwise excluded from assuming new contract obligations with the federal government. Although the database is funded jointly by 24 federal agencies, 65 percent of EPLS's annual funds come from DOD.

According to the GAO Report, as a modern information portal, EPLS is behind-the-times. The excluded parties database suffers from fundamental flaws, such as missing corporate identification numbers, inadequate search functionality, and obsolete contact information. If EPLS's shortcomings are as bad as GAO's description of them, we must figure out a better way to organize this important information.

This hearing will explore how we got to where we are with the EPLS system. The GAO Report discusses several case studies showing egregious examples of just how flawed this system is. We are eager to hear from today's witnesses to better understand the full scope of the problem. What can be done to make it work? Who owns this problem, and what does it take to fix it?

If there is a better way for us to maintain and use information about excluded contractors, and I think there definitely is, we need to pursue that route.

Thank you again. We look forward to today's testimony.