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Statement of Ranking Member Bennie G. Thompson

DHS Acquisition Practices: Improving Outcomes for Taxpayers Using Defense and Private Sector Lessons Learned

September 19, 2013 (Washington) – Today, Committee on Homeland Security Ranking Member Bennie G. Thompson (D-MS) delivered the following prepared remarks for the Subcommittee on Oversight and Management Efficiency hearing entitled “DHS Acquisition Practices: Improving Outcomes for Taxpayers Using Defense and Private Sector Lessons Learned”:

“Each year, the Department of Homeland Security spends approximately one fourth of its entire budget on procuring goods and services.

Last fiscal year, the Department spent over \$12 billion on almost 100,000 transactions.

Although they are on track to spend slightly less this fiscal year, the manner in which the Department utilized taxpayer funds to procure goods and services are of utmost concern.

Since its inception, acquisition management has been a challenge for the Department.

It has come a long way but until its systems become more integrated, stronger line authority exists between headquarters and the components, and planning on the front end is improved, the Department will continue to face challenges and impede its ability to be removed from the Government Accountability Office (GAO) High Risk List.

There are approximately 135 programs that are defined by the Department as “major acquisitions.”

Of these 135 programs, 75% have an estimated life-cycle cost of more than \$300 million each.

Moreover, 37 of its major acquisitions are estimated to incur over \$1 billion each over the course of its life-cycle.

Given these high costs, particular attention must be paid to the success of these programs and, where problems exist - and it appears as if the Department is continuing to throw good money after bad - programs should be immediately stopped to determine the best path forward.

As we are all aware, the homeland security budget is scarce, and with the ongoing sequester, the federal government has been required to do more with less.

As a result, we must ensure that each dollar is spent wisely, can be accounted for, and advances the homeland security mission.

While I understand that acquisition challenges exist, I do believe that for the first time a framework for improvement is in place.

Yet, this framework will only yield success if silos are eliminated and the enforcement mechanisms are in place.

In 2011, the Department created a new office, the Office of Program Accountability and Risk

Management (PARM) to ensure that the Department does just that.

The rules and policies created by this new office, however, are only as good as the paper they are written on if they are not fully implemented throughout the Department and if there are no repercussions in place for those offices and Components that fail to fall in line.

According to the Department's Office of Inspector General (OIG), PARM has not effectively overseen and managed each acquisition under its purview and in some instances when it did, PARM was simply ignored.

Moreover, for the past 18 months PARM has operated without a permanent Executive Director.

As a result, based on its date of creation, it has functioned without permanent leadership guiding its path for longer than it did with an Executive Director in place.

I would urge the Under Secretary to move quickly in filling this vacancy.

As suggested by the hearing title, the Majority has advanced the notion that if the Department would follow Department of Defense (DoD) and private sector practices, it could improve the effectiveness of its acquisitions practices.

I disagree that DoD and the private sector are the appropriate models.

While there may be some government-wide procurement practices that DoD has successfully deployed that the Department could benefit from, given the differences in both mission and structure, I do not believe that DoD is the gold standard.

Likewise, outsourcing and privatizing government functions could lead to further dysfunction, and even higher costs.

Both GAO and the OIG have provided the Department with sound recommendations for moving forward and building upon its recent efforts. I look forward to hearing from them on what the Department has achieved and where it should focus its attention."

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