

**FOR IMMEDIATE RELEASE****Statement of Ranking Member Bennie G. Thompson*****DHS Financial Management: Investigating DHS' Stewardship of Taxpayer Dollars***

November 15, 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 Financial Management: Investigating DHS’ Stewardship of Taxpayer Dollars”:

“The Department of Homeland Security (Department) has one of the largest budgets in the federal government. It is the third-largest agency and approximately \$60 billion in taxpayer funds flows in and out of the Department on an annual basis. Among other things, these funds are used to provide salaries for the Department’s more than 240,000 employees, provide disaster aid to State and local governments and purchase the equipment used by those protecting our borders.

We owe it to taxpayers to ensure that these funds are appropriately used, fully accounted for, and auditable. Unfortunately, this has not been the case at the Department of Homeland Security. Last year, for the first time ever, the Department was given a qualified audit opinion. While this achievement is laudable, the Department’s financial management systems continue to hamper the everyday operations of the Department impacting management functions and ultimately our security.

Ten years into several attempts at integrating its financial management systems, and millions of dollars later, the Department is still using six different systems, all of which are plagued with problems. Most of these systems are aging and some have reached the end of their life cycle.

Often times, when Congress, the Government Accountability Office (GAO), or the Office of the Inspector General (OIG) seeks financial information from the Department regarding procurements or various programs, employees have to retrieve this information manually because the systems are not equipped to handle automated data calls.

This wastes time, puts strain on an already challenged workforce and reduces the reliability of the information provided. But even more troublesome, is the effect these aging systems have on homeland security. For example, inaccurate cost/benefit analyses and an inability to determine whether what is being purchased is the best value can lead to program failure.

Program failure leads to gaps in the mission and gaps in the mission undermines security. For these reasons, I am pleased that the Department is yet again attempting to improve its systems through the current Financial Systems Modernization effort.

I do have concerns; however, about the total cost – currently estimated at \$225 million – and the Department’s ability to actually receive an appropriation for that amount in this current austere budget environment. At any rate, improvements must be made and I am pleased that plans are underway, and at least one Component – the Federal Emergency Management Agency - has already begun the process.

We will continue to exercise diligent oversight over this process, and I look forward to hearing from the witnesses regarding the status of this effort including whether the Department is in compliance with GAO and OIG recommendations.”

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