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Statement of Ranking Member Bennie G. Thompson

Acquisition Oversight: How Effectively Is DHS Safeguarding Taxpayer Dollars?

April 22, 2015 (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 "Acquisition Oversight: How Effectively Is DHS Safeguarding Taxpayer Dollars?":

"I thank Acting Undersecretary Fulgum for serving as Undersecretary for Management, and I wish him well as he goes from wearing multiple hats at DHS to hopefully just one. I am pleased that last Thursday, the Senate confirmed Russell Deyo as DHS Under Secretary for Management—a position whose duties include service as the Department's Chief Acquisition Officer.

Last April, Secretary Johnson issued a "Unity of Effort" memorandum to the Department's senior leaders, expressing his commitment to better linking DHS "strategic objectives, budgeting, acquisition decisions, operational planning, and mission execution."

Agency management performance –including DHS acquisition management—affects the Department's long-term financial sustainability, DHS operators, and the American people's security. Recently, the Government Accountability Office assessed DHS acquisition management. GAO's assessment presents troubling evidence that even though DHS has taken steps to improve performance, execution and management of the Department's major acquisitions offer little evidence of incorporating widely acknowledged best practices.

In fiscal year 2014, DHS spent \$10.7 billion--a bit more than one-sixth of its total budget authority—on acquisition of systems with life-cycle costs estimated at \$300 million or more. These acquisitions cost real money. We must ensure that each dollar is spent wisely, can be accounted for, and advances the homeland security mission. The Department's front-line operators depend on systems like Coast Guard ships and helicopters to work when they go into harm's way.

The safety of the American people often depends on the Department's ability to buy enough reliable technology--like baggage-screening systems--that provides DHS with capabilities they need to accomplish their critical missions. Assessing the progress of a major acquisition program toward specific objectives by reviewing that program's performance against its budget and schedule seems as much common sense as a key insight from management science: But GAO has identified deficiencies in the development and use of program baselines to manage major DHS acquisitions. As Ranking Member Watson Coleman noted, GAO could not even assess nearly a quarter of the major DHS acquisitions selected for their sample, because there has never been a successful completion of all of the reviews required by the Department's own acquisition policies.

What is concerning is that in the absence of required procedures to check the feasibility of these programs, GAO reports that six DHS acquisitions have spent \$5 billion to date. This raises several red flags for me because I am too familiar with the Department's history of throwing money at programs that have been unsuccessful. This is a cycle that cannot continue.

I want to hear witnesses' best ideas about how Congress can strengthen and deepen acquisition reforms pursued to date by DHS management, so that major acquisitions will produce significantly

better results in terms of affordability and effectiveness. At the same time, I would appreciate hearing from witnesses how DHS leaders can better engage the innovation, efficiency, and competitiveness exemplified every day in small and minority businesses."

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