

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON MANAGEMENT INVESTIGATIONS & OVERSIGHT

**“Waste, Abuse and Mismanagement:
Calculating the Cost of DHS Failed Contracts”**

Wednesday, September 17, 2008 – 2 pm – Cannon 311

“By my count, this is the 19th hearing this subcommittee has held since February 2007. That doesn’t even take into consideration the full committee hearings that built upon our work in this subcommittee and our work with other subcommittees.

Looking back at what we’ve investigated and discussed in this venue over the last year and a half leads back to what is really at the root of today’s hearing: a broken acquisitions process at the Department of Homeland Security. We’ve heard countless times how difficult it is for corporate mergers between two businesses to be successful. How, on average, it takes seven years and how much more difficult it is when 22 agencies are combined to form a new federal bureaucracy.

And this is nothing new. When Representative Rogers chaired this subcommittee, I’m sure he heard the same. What happened to lessons learned? I think what’s been most frustrating for me during this congress, is hearing from DHS about taxpayer dollars being wasted.

As the only contact that many people in my district have with the federal government, how do I explain to them why DHS has spent tens of millions on a virtual fence along the southern border that hasn’t given us any more protection? They ask how the Coast Guard could have so seriously botched upgrades to some of its ships, that they are now floating scrap in Baltimore harbor instead of out patrolling our coasts.

Why did FEMA purchase so many trailers with such high levels of formaldehyde and then continue to place people in them even after it became aware of the dangers contained they contained. I was shocked to hear that the Department was considering contracting with DynCorp to supplement our Border Patrol when DynCorp was simultaneously recruiting Border Patrol Agents to become private security contractors in Iraq.

Sure, the procurement process is a small piece of the acquisitions process, but we’ve seen billions of taxpayer dollars wasted in failed procurements. It’s simply unacceptable.

Our country’s safety and preparedness is one of my top priorities, but that DHS shouldn’t have a blank check to buy anything it wants, nor should it be immune from any of the laws requiring it conduct its business with due diligence. Tens of millions have been paid out to contractors for what amounts to nothing more than bad ideas and empty promises. We must look no further than SecureFlight or E-merge2 for glaring examples.

It all comes down to the fact that the acquisitions workforce at DHS was overlooked and underdeveloped from the start, despite warnings from Congress, GAO and the best think tanks this city has to offer. The Department has gone through various senior executives since its inception, but three chief procurement officers in that amount of time really hasn’t done much to solidify the acquisitions shop.

Independent government investigations have told the tale, as has testimony before Congress—there simply aren’t enough personnel in the DHS acquisitions shop. This isn’t limited to DHS. There’s been no shortage of criticism recently regarding the federal government’s reliance upon lead systems integrators.

We saw this with DeepWater. In DHS’ case, if they’re serious about righting the ship, they need to take some recently retired, very skilled federal acquisitions and procurement staff and take a tiny fraction of the taxpayer dollars that have been wasted on DHS efforts to bring these people back to train the much-needed next generation of federal acquisitions and procurement officers.

I’m sure I’m not alone in my frustration when it comes to government waste. Unfortunately, no matter how many times DHS is told what they’re doing wrong or how to improve what they do, nothing changes. Hopefully shining more light on the situation today, at a point when DHS leadership can incorporate proposals for acquisitions and procurement improvement in administration transition policies, will make a difference.”