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LUXURY JETS AND EMPTY PRISONS: WASTEFUL AND DUPLICATIVE SPENDING AT THE DEPARTMENT OF JUSTICE

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIME, TERRORISM, HOMELAND SECURITY, AND INVESTIGATIONS

OF THE

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

APRIL 10, 2013

Serial No. 113–23

Printed for the use of the Committee on the Judiciary

Available via the World Wide Web: http://judiciary.house.gov

U.S. GOVERNMENT PRINTING OFFICE

80–314 PDF WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
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Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

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LUXURY JETS AND EMPTY PRISONS: WASTEFUL AND DUPLICATIVE SPENDING AT THE DEPARTMENT OF JUSTICE

WEDNESDAY, APRIL 10, 2013

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON CRIME, TERRORISM, HOMELAND SECURITY, AND INVESTIGATIONS

COMMITTEE ON THE JUDICIARY

Washington, DC.

The Subcommittee met, pursuant to call, at 10:01 a.m., in room 2141, Rayburn Office Building, the Honorable F. James Sensenbrenner, Jr. (Chairman of the Subcommittee) presiding.

Present: Representatives Sensenbrenner, Goodlatte, Gohmert, Coble, Bachus, Forbes, Franks, Gowdy, Labrador, Scott, Conyers, and Richmond.

Staff present: (Majority) Sarah Allen, Counsel; Allison Halataei, Parliamentarian & General Counsel; Alicia Church, Clerk; and (Minority) Ron LeGrand, Counsel.

Mr. SENSENBRENNER. The Subcommittee will come to order.

The Chair recognizes himself for an opening statement.

Like all American families, the Federal Government has been forced to make cuts. Under sequester, the Justice Department must cut approximately $1.6 billion from its annual budget of over $27 billion per year. The Department has had had over a year to prepare, but rather than doing the difficult work of identifying and eliminating waste and duplication, the Attorney General has told Congress that the only way it can meet its obligation is to furlough tens of thousands of employees.

The furloughs undermine the Department's ability to conduct its core mission and are happening in the midst of obvious waste, fraud, and abuse at the Department. For example, one law enforcement agency spends $116,000 over an 18-month period to buy high-end sunglasses. Hundreds of Washington bureaucrats were given government cars to commute to work. The Department spent $600,000 on event planners for just five conferences.

The Department has almost $100 million in appropriated funds sitting unused for the Bullet Proof Vest Partnership Program. The Department has 56 separate grant programs for victims assistance, 41 programs for forensics, and 33 programs for juvenile justice. The

Department spent $165 million on a prison in Illinois that now sits empty with four other empty prisons awaiting activation.

The Attorney General blames sequestration for why five Federal prison facilities, including the infamous Thompson prison, sit empty and, therefore, useless. Is the better question not, why does the Department own five prisons it cannot afford to operate?

The Department spent $165 million to purchase the Thompson prison last year while sequestration was already looming. This money could have been used to prevent furloughing the guards the Department has at its operating prisons. Luckily, it appears the Department has now found the $150 million needed to keep the guards in the prison and the prisoners off the streets.

Law enforcement agencies also appear to be staffing their Washington, D.C. headquarters by reassigning agents from other parts of the country on temporary duty. The Department does this by using an overly generous definition of "temporary," extending these assignments for up to 18 months. In addition to their full salaries, these employees receive enormous additional financial benefits from the taxpayers, including $224 a day for housing costs and $71 a day for food. This adds up to at least $8,600 per month per employee above and beyond their salaries. An employee taking advantage of an 18-month long temporary assignment can receive a bonus of $154,800 in food and housing subsidies.

I am very dismayed that the Department would furlough thousands of employees, including Federal agents in the field, instead of cutting costs by eliminating temporary duty assignments at headquarters. And I intend to learn more about this practice from the Department.

The Justice Department fulfills a critical mission: enforcing Federal law, defending the interests of the United States, ensuring public safety against threats, foreign and domestic, and ensuring the fair and impartial administration of justice for all Americans. And yet our review of the Justice Department's recent spending uncovered many examples, such as the ones I have just mentioned, where the Department is not being a good steward of taxpayer money.

Government waste, duplicative spending, and inefficient operations are always cause for concern. This is more true than ever in light of our current economic environment in which the country faces a national debt of $16 trillion and growing. We must identify and reduce unnecessary spending in the Department of Justice so it can focus on its critical law enforcement and national security functions. I look forward to hearing from our witnesses today about how the Department can achieve greater cost savings in a responsible way.

And it is now my pleasure to recognize for his opening statement, the Ranking Member of the Subcommittee, the gentleman from Virginia, Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. And I welcome this hearing and discussion about spending in the Department of Justice and ways of ensuring that taxpayer dollars are being spent in a manner that is both effective and efficient. Each of us on this panel, regardless of party, is committed to eliminating wasteful spending and unnecessary, duplication and overlap.

I welcome our first witness, our former colleague, Dr. Coburn, who has been working very hard to find wasteful spending. Every dollar we spend we find that is wasted can be reallocated to things that are actually doing some good.

The title would suggest that there are some major issues to be addressed, and I would note that many of these issues are already subjects of past and recent GAO and inspector general audits and reports. I am pleased to see that we will have a GAO and Department of Justice IG as well as DoJ officials and other witnesses to shed light on those and explain where progress has been made and what still needs to be done.

On the issues GAO was asked to investigate concerning the Department of Justice's use of Department aircraft, the GAO conducted the audit as requested from March 2012 through February of this year in accordance with generally accepted government auditing standards, and found no improprieties. On the issue of empty prisons mentioned in this title, I expect Mr. Lofthus from DoJ to fully enlighten us on this issue.

On other management issues within DoJ, both the GAO and the Department of Justice IG have issued reports with recommendations for improvement of administration and management of grants within DoJ. I look forward to hearing where DoJ is in addressing these recommendations and learning from other witnesses on how it might further improve its process.

I am also looking forward to hearing where DoJ is on implementing recommendations regarding asset forfeiture program, an area that, Mr. Chairman, you and I and other colleagues have asked the GAO to review. The information I have received indicates that DoJ has been making progress in this area, but that much still needs to be done to implement the recommendations.

In this environment of the sequester, we are all challenged to find ways to reduce spending. Where waste, fraud, and abuse, and unproductive duplication is found, we must eliminate it and put in place measures to assure that such practices do not reappear. However, there is no budget line designated as waste, fraud, and abuse, or unproductive duplication. And duplication and overlapping grants do not necessarily equate to duplicate spending.

Simply suggesting that we cut waste, fraud, and abuse, and duplication is not the basis for eliminating productive program. Budget reductions, such as the sequester, will have an effect on the Department's mission.

Mr. Chairman, I will note that since about the 1980's, there has been an idea around here that you can cut taxes and not have an effect on the budget, cut budgets and not have an effect on agency's ability to get something done. When you cut an agency's budget 10 percent, they have either got to fire 10 percent of the people or pay all of them 10 percent less. And that has to have an effect on an agency's ability to fulfill its missions.

Already the Department of Justice is not prosecuting as many cases as it could, and certainly has never prosecuted enough in the areas of consumer identity theft, organized retail theft, due to the need to prioritize other kinds of cases.

So, Mr. Chairman, I appreciate our witnesses being with us today and look forward to being enlightened by their testimony.

I yield back.

Mr. SENSENBRENNER. I thank the gentleman.

The Chair recognizes the other gentleman from Virginia, the Chairman of the full Committee, Mr. Goodlatte.

Mr. GOODLATTE. Thank you, Mr. Chairman, and thank you for holding this hearing. And I certainly want to welcome Senator Coburn because we are very interested in his contribution to this effort to achieve efficiency and reduce waste and unnecessary spending in our government agencies.

On March 1st of this year, every Federal agency came under a requirement to reduce its spending across the board. In the days leading up to this reduction, referred to as the sequester, Attorney General Eric Holder dramatically warned Congress and the public that the Justice Department would be forced to make cuts that would hinder the Department's ability to fulfill its missions and threaten the safety of all Americans.

Specifically, Holder claimed in a letter to Congress that in order for the Justice Department to reduce its budget by the required amount, which represents approximately a 6 percent reduction in the Department's more than $27 billion budget, DoJ would have to cut the equivalent of more than 1,000 of the Federal agents whose job it is to keep Americans safe from crime and threats to the homeland. Holder also warned that the Department would reduce Federal correctional officers by the equivalent of 1,300 employees, which would, to quote the Attorney General, "increase the likelihood of inmate misconduct, violence, and other risks to correctional workers and inmates."

While I recognize that reducing an agency's budget by 6 percent is not necessarily an easy task, I do believe that this can be done without ominous threats and without hampering critical government functions. The fact that the Department recently announced that it was ultimately able to find $150 million in its budget to avoid furloughing correctional officers, a move that I strongly support, only helps to prove this point.

After taking a close look at recent spending trends at the Justice Department, I am very confident that there are many ways that the Department can tighten its belt by rooting out waste and redundancy. There are many such examples, but for the purpose of time, I will highlight just a few of the more egregious examples that we have found.

Despite clear disapproval from Congress and despite the fact that the Bureau of Prisons already had four empty Federal prisons waiting to be activated, last year the Justice Department spent $165 million to purchase an unused prison in Illinois. In addition to the initial millions that taxpayers nationwide paid to the State of Illinois, this unauthorized purchase continues to cost taxpayers tens of millions of dollars. It has been estimated that it will cost $6 million a year to secure the empty prison, and another $70 million before it is even operational. The enormous amount of money that was spent and continues to be spent on this fool's errand would have gone a long way toward addressing the reductions required by sequestration.

The Illinois prison is just one example of a large, unnecessary expenditure, and there are many smaller examples that also quickly

add up. Our review of DoJ spending showed that tax dollars are also used at the Department to pay for event planners at elaborate conferences, pizza parties, and $12 cups of coffee, and to provide cars for Washington bureaucrats to simply commute between their homes and the office. This is not money wisely spent.

I strongly support the mission of the Justice Department and the fine men and women who are working there who keep this country safe. However, at a time when our national debt is over $16 trillion, we simply cannot afford to drink $12 coffees and purchase prisons when others sit vacant.

I look forward to hearing from all of our witnesses today about how we can root out waste and duplication at the Department. And I would like to particularly welcome and thank my former House colleague, the distinguished senator from Oklahoma, Dr. Coburn. We very much appreciate you making the trip across the Capitol to share your extensive knowledge on this subject.

Mr. Chairman, I yield back.

Mr. SENSENBRENNER. Will the gentleman yield?

Mr. GOODLATTE. I would be happy to yield.

Mr. SENSENBRENNER. Yes. For how long is Dr. Coburn's visa on this side of the House valid for?

Mr. GOODLATTE. Well, it is dependent on how well behaved he is while he is over here, right?

Mr. SENSENBRENNER. Point well taken.

The gentleman from Michigan, Mr. Conyers.

Mr. CONYERS. Thank you, Chairman Sensenbrenner. This hearing begins with a recognition of the fact that the prisons, the Federal prisons, are 14 percent over capacity. It also begins with a recognition of the fact that maximum security prisons are 52 percent overcrowded. So I just wanted to begin my comments with some of the Judiciary Committee 113th Congress over the top hearing titles. I think this is going to become a book maybe someday or at least an essay.

Get a load of this: Subcommittee on Regulatory Reform, hearing on the Obama Administration's Regulatory War on Jobs, the Economy, and America's Global Competitiveness. Or what about this: Mismanagement at the Civil Rights Division of the Department of Justice. Or what about this: Hearing on Luxury Jets and Empty Prisons: Wasteful and Duplicative Spending at the Department of Justice. And then we find out with the preliminary investigation that the "luxury jets," quote/unquote, referred to in the hearing title are government-owned aircraft that the Attorney General and the FBI director must use for travel abroad regardless of the purpose of the trip. And if it is not official, they have to make reimbursement. Ladies and gentlemen—well, here is another title: "Release of Criminal Detainees by U.S. Immigration and Customs Enforcement: Policy or Politics." Now, I think this is going down in the history books.

Now, there is a shortage of prison space. Let us begin with that and consider that there are other truly constructive measures to rein in spending, and there is duplication. Some of it can be explained, some of it can be improved, and that is the only part of the hearing that I support to have any valid rationality to reality.

Now, what we need to do is find out what the Department is doing and how we can help. The fact of the matter is that none of this has ever been raised before at any Judiciary Committee or Subcommittee level. And so it is in that sense that I support the title and the discussion here with just a modest degree of skepticism. And I, too, welcome the doctor and the senator to this hearing.

Mr. Chairman, I yield back my time.

Mr. SENSENBRENNER. I thank the gentleman for his comments. You know, let me say that I think whether the Justice Department is efficiently using its resources or not is a constitutional function of oversight. And I am happy that we are having this hearing, and I am happy that I have been able to bring to the attention of the public where I think there is wasteful and duplicative spending, and why the Administration seems to be hitting hot button items rather than doing its job and giving the taxpayers their money's worth.

Without objection, other Members' opening statements will be made part of the record.

And without objection, the Chair will be authorized to declare recesses during the votes on the House floor.

We have two very distinguished panels today. Our witness on the first panel is Senator Tom Coburn, M.D., United States senator representing Oklahoma. He is a Member of the Senate Select Committee on Intelligence and the Committee on Banking, Housing, and Urban Affairs. Dr. Coburn serves as the Ranking Member of the Homeland Security and Government Affairs Committee and previously was a Member of the Judiciary Committee.

His priorities in the Senate include reducing wasteful spending and balancing the budget. He has offered amendments to eliminate the funding for the Bridge to Nowhere, the Woodstock Museum in New York, and countless other special interest earmarks sponsored by Members of both parties. He has also worked to make government more accountable and transparent. In 2006, he teamed up with then Senator Barack Obama to create www.usaspending.gov, an online database of all Federal spending.

Prior to his election to the Senate, he represented Oklahoma's 2nd congressional district in the House from '95 to 2001. He graduated with an accounting degree from Oklahoma State and received his medical degree from the Oklahoma Medical School.

Dr. Coburn, thank you for joining us.

TESTIMONY OF THE HONORABLE TOM A. COBURN, M.D., A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator COBURN. Thank you, Mr. Chairman, and it is great to see my former colleagues and those that I did not get an opportunity to serve with. I appreciate the opportunity to come here.

Regardless of what has been said, the important thing that has not happened in my years in the Senate is significant oversight of how we spend money. And we can be critical of every agency in terms of how they spend money. It is not necessarily easy. We do not always give them the resources to manage it properly.

But the real problem for us is us. And I have a written testimony I will submit, but let me just talk about us for a minute.

Our tendency to put a parochial benefit into the things we do in Congress has driven us to lead to all the duplication that the GAO has identified. Four years ago I went to the GAO and I went to the Congressional Research Service, and I said I want to see every program in the Federal Government, and they told me it was impossible to do it. And even today, only one agency knows all their programs, only one, and that is the Department of Education. They actually publish all their programs.

The second thing that I would note is we have ignored the enumerated powers of the Constitution. Very well meaning. We intend to do well. But you mix ignoring the enumerated powers and then you add a parochial benefit to our individual States or districts, and you have a formula for disaster in terms of creating programs that multiply duplicate one another.

So the first report that we got 2 years ago from GAO, and this was put into the debt limit increase that you all were kind enough to allow through the House that mandated GAO do this, and I want to compliment them. They have done a heck of a great job in terms of looking at the things we as a Congress directed them to do.

The problem, again I will go back, is us. This is the second real hearing I know of in the House that actually is addressing duplication. The first was the Education and Workforce, and you all passed out the Skills Act, which consolidated some 39 programs under the jurisdiction of the Labor Workforce or Education and Workforce and 6 effective job training programs.

So the problem is us. And what I would say is I did not vote for the sequester. I think it is dumb. It is like your wife asking you to go out and weed the flower bed, and you have set the lawn mower on scalp, and you mow down the flowers, the bushes, and the weeds in the flower bed. That is what we are doing right now.

But the problem is not the government agencies. The problem is us. We have not done effective oversight. We have not demanded metrics. And too often what we have done is written programs, especially grants, that have a parochial interest that totally ignores the enumerated powers. And so when you look at the $3.9 billion that the Department of Justice dispensed in 2010 through 11,000 individual grants, not one of them was risk based. And the assumption of our grant programs, besides the duplication that is there, is that they should not be risk based. And when they are not risk based, we are not going to get much benefit for them, whether we ignore the enumerated powers or not, whether it is really our role.

The other point I would make is we are not very good in Washington of actually doing programs that actually work down at the local government level. Let me give you an example. We studied all the job training programs in my State. We went through and we looked at every Federal job training program that was operating in the State of Oklahoma. We get $189 million a year to operate Federal job training programs.

But we also looked at the State run programs, and here is what we found. Not one Federal job training program running in the State of Oklahoma was effective. But every State financed and run program was highly effective in terms of giving people a skill that would give them an income. So what are we doing with $189 mil-

lion that we could actually do somewhere else that would actually be effective?

So I would re-emphasize, as you oversight and look at the Department of Justice grants, you ought to ask what are the metrics on it, does it duplicate something that is already out there? Number three, is it really a legitimate role for the Federal Government?

In my testimony you will find all the duplication, the waste, the COPS program, for example. Oklahoma City is the biggest city in Oklahoma. It is booming, very low unemployment rate, growing, has a lot of the same problems any other city of the size of a million or 2 million people. But, in fact, they do not take the COPS program money, except our crime rate reduction was equal to or below all the cities that did the COPS program.

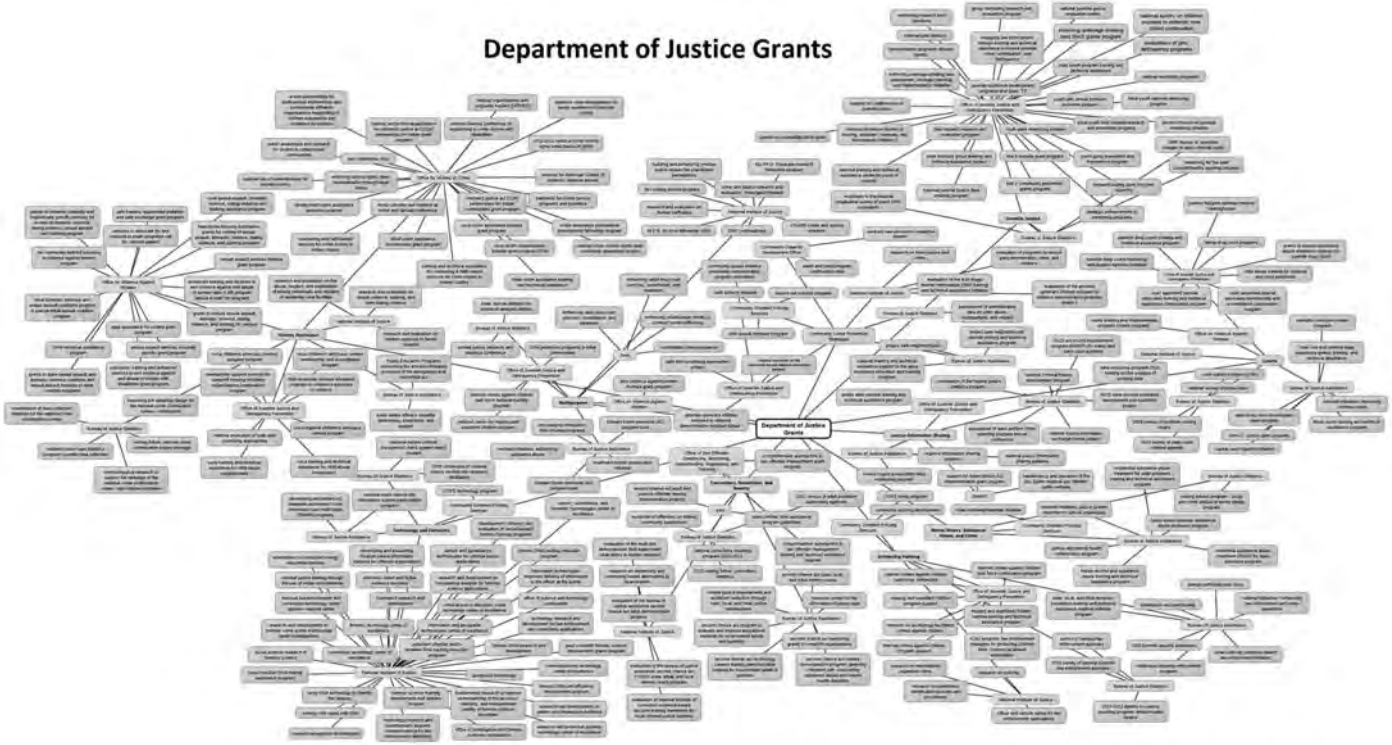
So the question is, that is an anecdotal piece of evidence. But as we look at all the grant programs in the Justice Department, what we ought to do is say, is there a role for the Federal Government? Can we effectively do something, and can we effectively manage it? And if we are going to try to do those things, are we going to require metrics on those programs to demonstrate that the dollars that were actually speny did something?

Behind me are the Department of Justice grant programs, and what the GAO found—I mean, this is——

Mr. SENSENBRENNER. Without objection, that will be put in the record hopefully with large enough font so that people can read it.

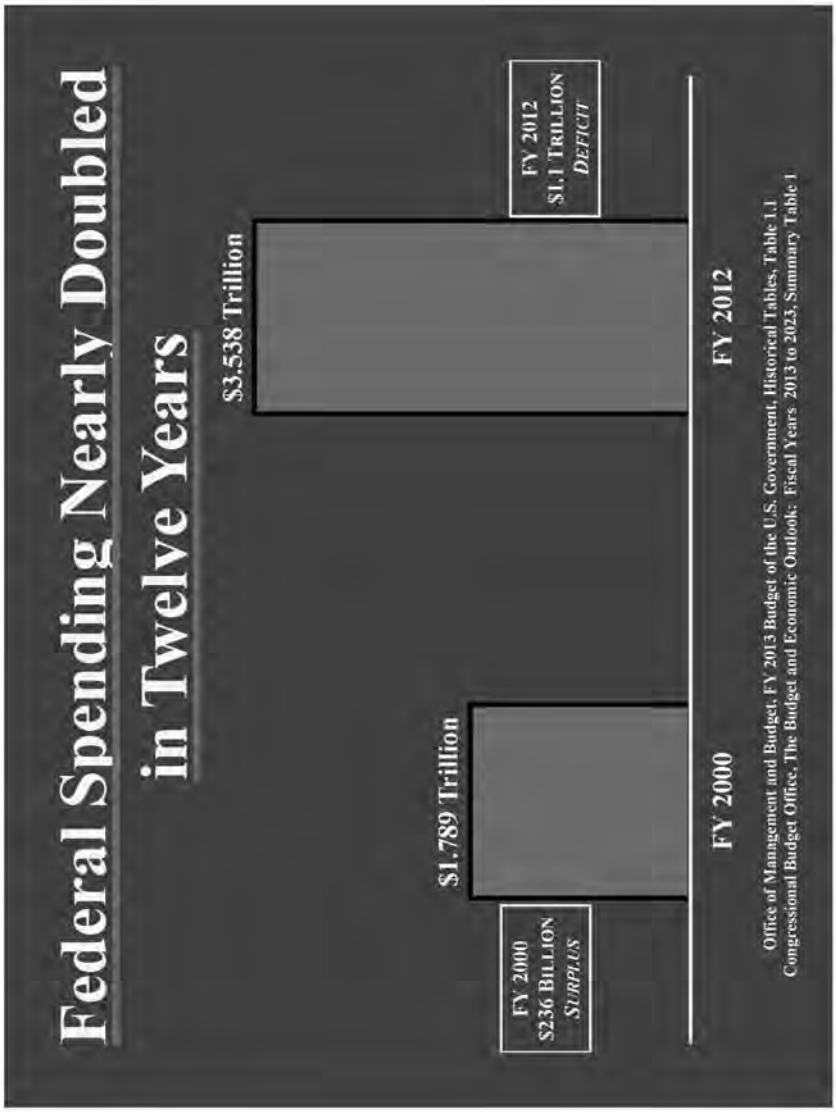
[The information referred to follows:]

Department of Justice Grants



DUPLICATION NATION

Financial Literacy	15	13	$30 million
Green Buildings	94	11	*$1 billion
Housing Assistance	160	20	$170 billion
Department of Justice Grant Programs	253	10	$3.9 billion
Diesel Emissions	14	3	$1.4 billion over 5 years
Early Learning and Child Care	50	9	$16 billion
Employment Assistance for Disabled Individuals	50	9	$3.5 billion
Surface Transportation	55	5	$43 billion
Support of Entrepreneurs	53	4	$2.6 billion
STEM Education Programs	209	13	$3.1 billion



Senator COBURN. I have a super large size that I have used on the Senate floor that is much larger than that, about two times——

Mr. SENSENBRENNER. Please give us a copy.

Senator COBURN. Well, we will send the whole board, and you can pay to reduce it. That is not coming out of my budget. [Laughter.]

The point I would make is there is no question the Department of Justice is having trouble managing these grants effectively. And I think they will admit that. We see the same institution or city

or grant recipient get multiple awards from different grant programs within the Justice Department for exactly the same thing.

You know, one easy thing that ought to come out of Congress is any grant program that has a grant application ought to have a stipulation that whoever is the grantee affirms that they are not getting another Federal grant for exactly the same thing under this grant application. You will save hundreds of millions of dollars the first year we do that, just by making them just by making them affirm that they are not getting another source from another within the Department.

I guess I am out of time.

Mr. SENSENBRENNER. We do not filibuster on this side of the Capitol. [Laughter.]

Senator COBURN. Well, I thank you for the opportunity. I hope you will take the time to read my statement—it is rather lengthy, but if you get into duplication, you will find that we have significant problems, and the problem is us.

[The prepared statement of Senator Coburn follows:]

Tom A. Coburn, M.D.
United States Senator
Written Testimony

Committee on the Judiciary
Subcommittee on Crime, Terrorism, Homeland Security and Investigations
United States House of Representatives
"Luxury Jets and Empty Prisons: Wasteful and Duplicative Spending at the Department of Justice"

April 10, 2013

Chairman Sensenbrenner, Ranking Member Scott, and Members of the Committee:

Thank you for the opportunity to participate in today's hearing on wasteful and duplicative spending at the Department of Justice (DOJ). The Government Accountability Office (GAO) continues to provide excellent annual reports on duplicative federal programs, as well as specific publications on the Justice Department. The recently released third annual report is no exception, and I recommend it to each of you.

Federal duplication and the mismanagement of taxpayer funds in the current labyrinth of government programs is one of the most critical matters currently facing Congress. We must eliminate duplication wherever we find it, and stop contributing to the problem by continuing to create new, unnecessary and duplicative programs. A government with over $16 trillion in debt owes its citizens a commitment to root out duplication and waste. If we do not, Congress will be unable to slow federal spending and will perpetuate ineffective government programs that do not actually meet the needs of those we intend to help.

This problem has never been more apparent than it is at the Department of Justice. My testimony will examine some of the primary pitfalls of duplication at the Justice Department, provide a brief overview of the current state of duplication across the government, and suggest ways Congress can eliminate duplication, including the comprehensive debt reduction plan I released in 2011 called *Back in Black*, and prevent waste, fraud, duplication, and unnecessary spending at the Justice Department in the future.

Duplication Nation

Over the past three years, GAO has released three annual reports on duplication, a report card on the federal government's progress in reducing duplication by acting on prior GAO recommendations, and a report on reducing the risk of unnecessary duplication at the Department of Justice. The latest report was issued yesterday, and it highlights extensive duplication and overlap in hundreds of federal programs. This week's report reveals 17 more areas of extensive duplication and an additional 14 areas of significant potential cost savings for the federal government.

The findings by GAO reveal just how much our government has grown and, in many cases, how Congress has played a significant role in this expansion by ignoring the principles outlined in the Enumerated Powers of the Constitution. Yet, even with the roadmap provided by GAO, Congress does not have the discipline to control federal spending and re-route our nation back to fiscal responsibility.

The lives of every American are touched, in some way, by a federal program or initiative. The federal government provides funding to address a variety of issues, from law enforcement to homelessness to victim assistance to education; however, these programs overlap each other not only across different agencies, but also within each individual agency as one agency usually administers multiple programs for the same or similar purposes. Whether it is carrying out similar missions or funding similar projects, everything the government is doing once, it is likely doing twice or three times and often not very well.

Duplication at the Department of Justice

As proven by the annual GAO duplication reports, every agency suffers from unnecessary duplication, overlap, and fragmentation; however, the Department of Justice (DOJ) has been one of the worst offenders.

While DOJ addressed GAO's 2011 recommendation to reduce overlap in explosives investigations between ATF and the FBI, GAO notes continued monitoring is needed to ensure successful implementation.[1] Furthermore, the 2012 annual duplication report, along with GAO's July 2012 report on DOJ grant programs, highlights the problems of waste, fraud, abuse, and duplication that continue to plague the Justice Department.

DOJ awards all grants through its three granting agencies—the Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Community Oriented Policing Services (COPS). "Since fiscal year 2005, Congress has appropriated approximately $30 billion for crime prevention, law enforcement, and crime victim services for more than 200 federal financial assistance programs that the Department of Justice…manages."[2] In FY 2010 alone, DOJ awarded approximately $3.9 billion through 11,000 grants.

GAO notes the number of grant programs, recipients, and the billions of dollars awarded annually present multiple administrative challenges for DOJ. In fact, for the ***11th consecutive year***, the DOJ Inspector General (DOJ IG) continues to include grant management on its list of "Top 10 Management Challenges" facing the DOJ.[3] In its list of 2012 challenges, the DOJ IG notes "The Department's management of grants and contracts has long presented a challenge by virtue of the large amounts of money at stake. From FY 2008 through FY 2011 the Department

[1] Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," March 2011, GAO-11-318SP, *available at* http://www.gao.gov/assets/320/315920.pdf.
[2] Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," February 2012, GAO-12-342SP, at 110, *available at* http://www.gao.gov/assets/590/588818.pdf.
[3] U.S. Department of Justice, Office of the Inspector General, "Top Management Challenges," *available at* http://www.justice.gov/oig/challenges/.

awarded approximately $15 billion in grants and $27 billion in contracts, and it awarded another approximately $1 billion in grants and $6 billion in contracts in FY 2012."[4]

Grants continue to be managed poorly as the DOJ does not assess or evaluate its grant programs to determine if they overlap or duplicate each other, or to determine, where appropriate, if certain grant programs should be consolidated. GAO found DOJ "awarded funds from different grant programs to the same applicants whose applications described similar—and in some cases, the same—purposes for using the grant funds."[5] In addition, the three DOJ granting agencies are not required to consider sub-grant data in their award decisions. As a result, "Justice is at risk of unintentionally awarding funding from multiple grant programs to grant recipients in the same communities for the same or similar purposes because it does not consistently and routinely check for any unnecessary duplication in grant applications."[6]

For example, 56 of the 253 grant programs (more than 20%) reviewed by GAO provide funds to be used for victims' assistance. GAO notes 18 of those 56 programs were administered by a DOJ office *other than* OVW and the Office for Victims of Crime (OVC), even though the primary function of these two offices is to serve crime victims.

Furthermore, the DOJ IG and other GAO reports have consistently noted tremendous waste, fraud, and abuse in victims' assistance funding, particularly those administered by OVW. For example, in February, the DOJ IG audited several OVW grants, totaling over $2.2 million, awarded to a non-profit in Utah. The DOJ IG questioned almost $28,000 of grant expenditures, which were used for such prohibited items as jackets and water bottles for the grantee's staff at an end project celebration (which the non-profit says was an event ***encouraged*** by OVW), unapproved meals, window blinds and appliance warranties, unapproved training and travel costs, and a client's cable TV bill.[7]

In February, the DOJ IG also audited six VAWA grants, totaling over $4.1 million, to an Indian tribe in New Mexico.[8] The DOJ IG found the Eight Northern Indian Pueblos Council, Inc. (ENIPC) incurred hundreds of thousands of dollars in unallowable costs through these grants. ENIPC paid over $347,000 in unallowable payroll costs and an additional $81,068 in unallowable fringe benefits associated with those payroll expenses. Furthermore, the DOJ IG questioned over $97,000 in unsupportable and unallowable training and associated travel costs incurred by ENIPC, as well as over $15,000 in unallowable insurance charges. Overall, the DOJ IG determined that ENIPC did not have a "process in place to effectively ensure that charges to grants are allowable," and questioned a total of $573,266 (14%) in grant funds.[9]

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[4] *Id.* at Top Management Challenges, 2012.
[5] Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," February 2012, *supra* note 2, at 111.
[6] *Id.*
[7] U.S. Department of Justice, Office of the Inspector General, "Audit of the Office on Violence Against Women Grants Awarded to Citizens Against Physical and Sexual Abuse, Logan, Utah," GR-60-13-003, February 2013, *available at* http://www.justice.gov/oig/reports/2013/g6013003.pdf.
[8] U.S. Department of Justice, Office of the Inspector General, "Audit of the Office on Violence Against Women Grants Awarded to the Eight Northern Indian Pueblos Council, Inc., San Juan Pueblo, New Mexico," GR-60-13-004, February 2013, *available at* http://www.justice.gov/oig/reports/2013/g6013004.pdf.
[9] *Id.* at 22.

And these are just two examples in one sub-agency from DOJ IG reports released this year alone. Unfortunately, there are many more highlighting problems in a variety of DOJ grants.

In July 2012, GAO released a report solely on *Justice Grant Programs*.[10] The report addressed three questions: "(1) To what extent does overlap across DOJ grant programs exist and contribute to the risk of unnecessary duplication in grant awards? (2) To what extent has DOJ taken steps to reduce overlap in its grant programs and the potential for unnecessary duplication in grant awards? (3) To what extent does DOJ use grant monitoring and assessment to determine grant program effectiveness and use the results to enhance its grant programs?"[11]

Based on a review of the 253 grant solicitations DOJ published in FY 2010, GAO determined DOJ grant programs overlap across 10 justice areas, and stated "the existence of overlapping grant programs is an indication that agencies should increase their visibility of where their funds are going and coordinate to ensure that any resulting duplication in grant award funding is purposeful rather than unnecessary."[12] Even though GAO recognized overlap among some programs may be desirable to leverage multiple sources of funding for a single purpose, it stated "coordination across the administering granting agencies is critical for such leveraging to occur."[13] Yet, it appears there are too many grant programs with too many DOJ sub-agencies administering the grants to keep an accurate account of where taxpayer funds are going.

There is a lack of coordination in awarding grants to applicants as both the prime grantee and sub-grantee. GAO found DOJ's granting agencies were awarding multiple grants to the same grantees for the same or similar purposes, and the ability to seek funding as both a prime and sub-grantee appear to exacerbate unnecessary duplication and overlap.

GAO reviewed 26 grant applications from programs identified as having similar purpose areas, and "found instances where applicants used the same or similar language to apply for multiple streams of funding."[14] For example, to receive funds to reduce child endangerment through cyber investigations, an applicant stated in both its application to the COPS Child Sexual Predator Program and OJP's Internet Crimes Against Children (ICAC) program it would "use the grants to increase the number of investigations in the state, provide training for cyber crime investigations, serve as a forensic resource for the state, and establish an Internet safety program."[15] A second recipient received funding for sexual assault victim services from both the Office for Victims of Crime and OVW using similar language in both applications.

Notably, although DOJ contacted these grantees after GAO alerted it of the problems, follow-up for the purpose of determining duplication is <u>not</u> common practice at DOJ. In fact, what is very concerning to me is that DOJ employs a very narrow definition of "duplication" that prevents it from properly assessing true overlap within its grant programs.[16]

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[10] Government Accountability Office, "Justice Grant Programs: DOJ Should DO More to Reduce the Risk of Unnecessary Duplication and Enhance Program Assessment," July 2012, GAO-12-517, *available at* http://www.gao.gov/assets/600/592361.pdf.
[11] *Id.* at 3.
[12] *Id.* at 13.
[13] *Id.* at 15.
[14] *Id.* at 16.
[15] *Id.*
[16] *Id.* at 17.

One area particularly ripe for unnecessary overlap is state and local law enforcement funding. The two primary grant programs for these purposes are Edward Byrne grant programs and Community Oriented Policing Services (COPS) grants. While there are at least 3 types of Byrne grants and several COPS grants, the largest sources are the Edward Byrne Memorial Justice Assistance Grants (Byrne JAG) and COPS Hiring grants. Both of these grants are written so broadly that state and local jurisdictions can use the funding for almost any law enforcement-related purpose, and as a result, these grants overlap each other as well as additional DOJ grants targeted at specific law enforcement issues.

For example, GAO conducted a survey regarding FY 2010 Byrne JAG funding, and found 23 of the 50 (nearly 50%) responding state administering agencies "reported that they or their sub-grantees used JAG funding to hire police officers, even though a separate DOJ program dedicates funding exclusively to hiring law enforcement personnel."[17] The other DOJ program, COPS Hiring grants "are designed to advance public safety through community policing by addressing the full-time sworn officer needs of state, local, and tribal law enforcement agencies nationwide."[18]

GAO notes DOJ is not even aware that applicants receiving Byrne JAG funding through a sub-grant may also receive funding as a prime grantee from the COPS Hiring grant program. The above survey results "indicate an increased risk of DOJ funding unnecessarily duplicative grant awards."[19] In one single county, GAO found the county received both Byrne JAG and COPS Hiring grants for officers to conduct community policing. In addition, the largest city in that county also received a COPS Hiring grant for community policing, and those officers patrolled areas overlapping those monitored by the county officers. As a result, three DOJ grants provided community policing funds to the same geographical areas.[20]

Similarly, one county received two different DOJ grants for its drug courts and mental health counseling—a Byrne JAG grant and an OJP Adult Drug Court Grant. **The county received so much federal money that it actually exceeded its need, and it planned to return some of the funds to DOJ.**[21]

Not only do federal grants for state and local law enforcement contain duplication and overlap, but the grantees also use the funds for questionable purposes. The 2009 American Recovery and Reinvestment Act (ARRA) provided the COPS program with an additional $1 billion in funding during that fiscal year.[22] However, many police departments were ineligible for grants due to

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[17] *Id.* at 18.
[18] U.S. Department of Justice website, *available at* http://www.cops.usdoj.gov/Default.asp?Item=2367.
[19] Government Accountability Office, "Justice Grant Programs: DOJ Should DO More to Reduce the Risk of Unnecessary Duplication and Enhance Program Assessment," *supra* note 10, at 18.
[20] *Id.*; *see also* Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," *supra* note 2, at 115.
[21] Government Accountability Office, "Justice Grant Programs: DOJ Should DO More to Reduce the Risk of Unnecessary Duplication and Enhance Program Assessment," *supra* note 10, at 19; *see also* Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," *supra* note 2, at 115.
[22] U.S. Department of Justice, Office of the Inspector General, "A Review of the Selection Process for the COPS Hiring Recovery Program," No. 10-25, May 2010, at p. i, *available at* http://www.justice.gov/oig/reports/COPS/a1025.pdf.

past misuse of COPS funding. *USA Today* reported 26 police agencies in 16 states were barred from COPS stimulus funds "after misusing millions of dollars in prior aid."[23]

The DOJ IG has reported misuse of funds by both grantees and the COPS Office. For example, in 2011, the DOJ IG found the COPS Office improperly awarded a Technology Program grant to a grantee for personnel costs of four police officers when this grant was specifically to be used for law enforcement technology and interoperable communications, and the 2008 Consolidated Appropriations Act conference report also designated the grantee to use the funds for equipment.[24]

In addition, despite claims to the contrary, there is little evidence showing that COPS funding has directly impacted violent crime rates. According to the Federal Bureau of Investigation (FBI) Uniform Crime Reports (UCR), with the exception of 2005 and 2006, the violent crime rate has continually declined since the 1990s.[25] In fact, at the end of 2011, on a per capita basis, violent crime was at its lowest level since 1970.[26]

However, this downward trend has continued even when COPS funding has decreased.[27] Specifically, COPS Hiring grant funding was at its highest in 1997 and 1998; yet, the crime rate in those years was also much higher than it was in any of the subsequent years when COPS Hiring grant funding consistently decreased.[28] If COPS Hiring grants contributed significantly to the reduction of crime, then the years in which that funding was minimal should have been years with a significant ***increase*** in crime. DOJ funded COPS Hiring grants at its lowest ($200 million or less) from FY 2002 – FY 2008, and in each year, violent crime rates were significantly lower than in the years where COPS Hiring grants received the greatest funding.[29]

In fact, COPS grantees have even misused crime statistics to ensure they receive a grant, and the COPS Office has also not adequately reviewed applications to verify this and other information prior to awarding grants. In 2010, the DOJ IG reported several grantees serving small populations reported unusually high crime rates (ex. a town with a population of 426 reported 43 homicides in 1 year).[30] The COPS Office was relying on the ***number*** of crimes reported rather than the official crime ***rates***, and claimed the short time frame for grant review and the ability of IT staff to create a new data query based on rates limited its ability to use more accurate data for

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[23] Tom A. Coburn, M.D., "Back in Black: A Deficit Reduction Plan," July 2011, at 310, *available at* http://www.coburn.senate.gov/public/?p=deficit-reduction; *quoting* Kevin Johnson, *No Stimulus for Police After Past Violations*, USA TODAY, May 6, 2009, *available at* http://usatoday30.usatoday.com/news/nation/2009-05-06-blacklist_N.htm.

[24] U.S. Department of Justice, Office of the Inspector General, "Audit of the Office of Community Oriented Policing Services Grant Award to the Corcoran Police Department, Corcoran, California," GR-90-11-004, August 2011, at p. 5, *available at* http://www.justice.gov/oig/grants/2011/g9011004.pdf.

[25] Federal Bureau of Investigation, Uniform Crime Report, 2011, Table 1, *available at* http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/tables/table-1.

[26] Nathan James, "Community Oriented Policing Services (COPS): Current Legislative Issues," Congressional Research Service, R40709, November 20, 2012, at 3.

[27] Tom A. Coburn, M.D., "Back in Black: A Deficit Reduction Plan," July 2011, *supra* note 23, at 308.

[28] Nathan James, "Community Oriented Policing Services (COPS): Background and Funding," Congressional Research Service, RL33308, December 6, 2011, at 5; Nathan James, "Community Oriented Policing Services (COPS): Current Legislative Issues," *supra* note 26, at 5.

[29] *Id.*

[30] U.S. Department of Justice, Office of the Inspector General, "A Review of the Selection Process for the COPS Hiring Recovery Program," *supra* note 22, at 25.

grant evaluation.[31] After reviewing a sample of 29 grantees, the DOJ IG questioned the crime rates used to award grants to 20 of those grantees.[32]

Both the GAO and The Heritage Foundation have published studies suggesting little correlation between the violent crime rate and COPS funding from the early 1990s to early 2000s.[33] GAO concluded "COPS grants were not the major cause of the decline in crime from 1994 through 2001."[34] For example, some cities, such as Oklahoma City, which did not accept COPS funds, reported declines in crime equal to those cities that did receive the grants.[35]

For the Byrne JAG awards to state and local law enforcement, waste, fraud and abuse plagues the program right in our own backyard.[36] In 2010, the DOJ IG noted an award to Washington, D.C. was fraught with problems, including awards of over $650,000 to unapproved sub-recipients in 2008,[37] failure to award grants to applicants with the highest peer review scores,[38] failure to review quarterly reports submitted by sub-recipients,[39] and over $317,000 in unsupported administrative costs, such as office supplies, website services and consulting fees, in three different grants over three years.[40]

Based on the Enumerated Powers of the Constitution, I do not believe the federal government has the authority to fund basic state and local law enforcement activities, such as hiring patrol officers and paying for their equipment. In fact, several states interviewed by GAO said they are in a better position to determine the needs of their communities, and federal funding delivery could be improved and risk of duplication reduced if DOJ would consult the states ***before*** making grant awards directly to localities.[41] Not only does the federal government have no constitutional basis to fund most state and local law enforcement activities, but it also has zero ability to adequately meet the very different needs of each community through the one-size-fits-all approach of a few large federal grant programs.

Other questionable uses of DOJ grant funds where we could eliminate waste and save money include:

- **Weed and Seed Grant Program:** This grant was supposedly eliminated and replaced by the Byrne Criminal Justice Innovation Grant Program; however, grantees still receive funding through Weed and Seed. Last year, Easton, Pennsylvania received a Weed and

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[31] *Id.* at 26.
[32] *Id.* at 27-28.
[33] David B. Muhlhausen, Ph.D. and Brian W. Walsh, "COPS Reform: Why Congress Can't Make the COPS Program Work," The Heritage Foundation, No. 2188, September 26, 2008, *available at* http://s3.amazonaws.com/thf_media/2008/pdf/bg2188.pdf.
[34] Government Accountability Office, "Community Policing Grants: COPS Grants Were a Modest Contributor to Declines in Crime in the 1990s," Report to the Chairman, Committee on the Judiciary, House of Representatives, GAO-06-104, October 2005, at 16.
[35] Kevin Johnson, *Stimulus Funds New Police Officers*, USA TODAY, February 26, 2009, *available at* http://usatoday30.usatoday.com/news/nation/2009-02-26-cops2_N.htm.
[36] U.S. Department of Justice, Office of the Inspector General, "Office of Justice Programs Awards to Justice Grants Administration: Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program," GR-30-10-002, June 2010, *available at* http://www.justice.gov/oig/grants/g3010002.pdf.
[37] *Id.* at 10.
[38] *Id.* at 17.
[39] *Id.* at 20.
[40] *Id.* at 7, 28.
[41] Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," *supra* note 2, at 115.

Seed grant and spent $5,000 on T-shirts for children participating in the program.[42] The Weed and Seed coordinator labeled the T-shirts ***important branding opportunities*** for the program. In addition, a 2010 DOJ IG report revealed Weed and Seed grants to Oklahoma City were used on items such as flat screen TVs, samurai swords, arcade games, and binoculars, totaling over $153,000 in questioned costs.[43] I have recommended elimination of this program and its successor, the Byrne Criminal Justice Innovation Grant Program. However, rather than eliminate Weed and Seed, in FY 2011 the administration created this new grant, merely stamping Weed and Seed with a new name.

- **Office of Juvenile Justice and Delinquency Prevention Grants (OJJDP):** This office awards a variety of overlapping grant funds to help states set up and operate their juvenile justice systems, and many could be eliminated. In November 2011, the DOJ IG questioned 100% of an OJJDP grant awarded to ACORN. This $138,130 grant to the New York Agency for Community Affairs (NYACA) was passed through to ACORN. In fact, during the life of the grant, NYACA never had any paid employees, and the executive director of NYACA also served as executive director for the New York branch of ACORN.[44]

- **Bureau of Prisons (BOP):** X-rays of all types seem to be a problem at BOP. For inmates, even though x-rays are now almost entirely digitized, the BOP still spends approximately $1.3 million each year to create hard copies of prisoners' x-rays. Additional taxpayer funds are used to mail the copies to each institution to which the prisoners may be transferred.[45] For incoming packages, the Federal Transfer Center in Oklahoma City uses a contractor to provide x-ray machines to inspect the packages for contraband material, and the DOJ IG is now investigating that contract for potential fraud and waste of taxpayer funds.[46]

- **U.S. Marshals Service (USMS):** Over the course of 18 months, the USMS made 455,000 purchases totaling over $521 million.[47] The DOJ IG reviewed a sample of 638 purchases, and found 125 (20%) totaling $230,000 were not made with proper prior approval.[48] Other questioned costs included purchases for instrument supplies, music and uniforms for the Pipes and Drums unit of the Investigative Operations Division, pizza,[49] a warehouse club membership,[50] over $41,000 for lodging for visiting class

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[42] Zach Lindsey, *Easton Weed and Seed Director Calls T-shirts Important Branding Tools*, THE EXPRESS-TIMES, August 11, 2012, *available at* http://www.lehighvalleylive.com/easton/index.ssf/2012/08/easton_weed_and_seed_director.html

[43] Tom A. Coburn, M.D., "Oklahoma Waste Report: Exposing Washington's Wasteful Spending Habits in our Own Backyard," July 2011, at 36, *available at* http://www.coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=4f875398-b8bd-4fff-a37a-2efe984bc3ee.

[44] Charles S. Clark, *Justice's Grant to ACORN-related Group Misused, Says Watchdog*, GOVERNMENT EXECUTIVE, November 30, 2011, *available at* http://www.govexec.com/oversight/2011/11/justices-grant-to-acorn-related-group-misused-says-watchdog/35522/; *see also* U.S. Department of Justice, Office of the Inspector General, "Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grant Awarded to the New York Agency for Community Affairs," GR-70-12-02, November 2011, *available at* http://www.justice.gov/oig/grants/2011/g7012002.pdf.

[45] Tom A. Coburn, M.D., "Wastebook 2012," October 2012, at 88, *available at* http://www.coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=b7b23f66-2d69-4d5a-8bc5-8522c7e1a40e.

[46] Coburn Staff Meeting with Department of Justice Inspector General, March 12, 2013.

[47] Department of Justice, Office of the Inspector General, "Audit of the United States Marshals Service's Procurement Activities," No. 13-05, December 2012, *available at* http://www.justice.gov/oig/reports/2012/a1305.pdf.

[48] *Id.* at 6.

[49] *Id.* at 9.

[50] *Id.* at 10.

advisors to the Training Division,[51] and over $10,000 for a gym membership by the Middle District of Florida.[52] Furthermore, five of seven training conferences were cancelled at a cost of over $79,000 and two had fewer attendees than anticipated, resulting in over $10,000 in fees due to un-booked hotel rooms.[53] These examples only scratch the surface of the detailed DOJ IG report on the USMS, and most of the expenses could be eliminated.

- **Human Trafficking Grants:** Between 2007 and 2008, a DOJ IG report found numerous questioned costs in several DOJ trafficking grants. Those costs included $700,000 to Boat People S.O.S. for advertising, software, stipends, emergency assistance, office insurance, and miscellaneous expenses,[54] and $357,712 over less than two years for the Refugee Women's Network to serve only twenty-one *potential* victims, of which only ***five*** turned out to be certified as actual trafficking victims.[55] Furthermore, there was a wide variation in the amount spent per victim among different grants, from a low of $2,500 per victim to a high of $33,333 per victim.[56] These costs increase when one includes only those who actually turn out to be victims. In fact, these figures are even more concerning when one takes into account the fact that the DOJ IG found grantees have "significantly overstated the number of victims they served," [57] information DOJ also included in its annual report to Congress.[58] Reducing trafficking grant spending by 20%, as requested in the administration's FY 2012 budget, would save $14.04 million over 10 years.[59]

- **Department of Homeland Security (DHS) Office of Bombing Prevention (OBP):** Despite GAO's determination that the Justice Department took action to address overlap in explosives investigations between the Federal Bureau of Investigation (FBI) and Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), that does not solve the duplication between DHS and DOJ in this area. Despite the DOJ's clear expertise and resources to deal with bombing incidents, DHS established an OBP in 2003 without authorization from Congress. In FY 2011, OBP received approximately $15 million. By eliminating OBP and allowing ATF and FBI to handle explosives investigations, it would save taxpayers $163 million over 10 years.[60]

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[51] *Id.* at 13.
[52] *Id.* at 14.
[53] *Id.* at 20-21.
[54] DOJ Inspector General's Audit Report: GR-30-07-004, "Office for Victims of Crime, Victims of Exploitation, and Trafficking Assistance Grant: Boat People S.O.S., Inc., Falls Church, Virginia," Department of Justice Office of Inspector General, July 2007.
[55] DOJ Inspector General's Audit Report: GR-40-07-005, "Office of Justice Programs, Office for Victims of Crime, Services for Trafficking Victims, Discretionary Grant Program, Cooperative Agreement Awarded to Refugee Women's Network, Inc., Decatur, Georgia," Department of Justice Office of Inspector General, July 2007.
[56] Glenn A. Fine, "Top Management and Performance Challenges in the Department of Justice," Inspector General Memorandum, November 13, 2008, *available at* http://www.justice.gov/oig/challenges/2008/index.htm.
[57] *Id.*
[58] "Attorney General's Annual Report to Congress and Assessment of U.S. Government Activities to Combat Trafficking in Persons, Fiscal Year 2009," U.S. Department of Justice, July 2010, *available at* http://www.justice.gov/ag/annualreports/tr2009/agreporthumantrafficking2009.pdf at 29. ("From the inception of the program in January 2003 through June 30, 2009, OVC grantees provided services to 2,699 pre-certified potential victims of trafficking.5 Data collected from July 1, 2008 to June 30, 2009 (the last full 12-month period for which data has not been previously reported in this report), indicate that 461 victims were enrolled as new clients by the OVC-funded grantees and were provided comprehensive services.").
[59] Tom A. Coburn, M.D., "Back in Black: A Deficit Reduction Plan," July 2011, *supra* note 23, at 330.
[60] *Id.* at 241-242.

Government-Wide Duplication: GAO Duplication Report (March 2011) and GAO Follow-Up on 2011 Report (February 2012)

In its March 2011 report, as part of its identification of massive duplication across multiple agencies, GAO identified nearly 430 individual programs with similar or overlapping missions.[61] Those programs fall under 81 specific areas of duplication and potential cost savings. Examples include:

- 100+ surface transportation programs
- 88 economic development programs
- 82 teacher quality programs
- 56 financial literacy programs
- 47 job training programs
- 20 homelessness prevention and assistance programs
- 18 food for the hungry programs; and
- 17 disaster response and preparedness programs

Last year, in addition to releasing its second annual duplication report, GAO also released a follow-up report on the 2011 recommendations—a Washington report card, detailing actions taken or not taken by Congress and the Executive Branch to address duplication identified by GAO.[62]

In the 2011 report, within the 81 specific areas of duplication and potential cost savings, GAO identified 176 explicit recommendations for ways in which Congress and the Executive Branch could eliminate duplication and make reforms that would save taxpayers billions of dollars.[63] However, GAO's 2012 report card gave Washington a failing grade.

Both Congress and the Executive Branch have failed to enact a majority of GAO's recommendations.

In fact, the February 2012 report card indicated Congress only fully implemented 4 (13%) of the recommendations, and the Executive Branch fully addressed 19 (13%) of GAO's recommendations. Combined, Washington fully addressed only 4 of the 81 areas identified by GAO, a mere 5 percent. Congress and the Executive Branch completely ignored 21 percent of the areas in desperate need of reform.[64] In short, 153 specific recommendations, 87 percent, made by GAO last year have <u>not</u> been fully implemented.

Of the 81 specific areas of duplication and potential cost savings:[65]

- 4 (5%) are fully addressed and completed;

[61] Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," March 2011, *supra* note1.
[62] Government Accountability Office, "Follow-Up on 2011 Report: Status of Actions Taken to Reduce Duplication, Overlap, and Fragmentation, Save Tax Dollars, and Enhance Revenue," February 2012, GAO-12-453SP, *available at* http://www.gao.gov/assets/590/588891.pdf.
[63] *Id.* at 1.
[64] *Id.* at 2.
[65] *Id.*

- 60 (74%) were partially addressed; and
- 17 (21%) were not addressed in any way that GAO could identify.

Within the 81 specific areas, GAO made 176 explicit recommendations to Congress and the Executive Branch. Of those:[66]

- 23 (13%) are fully addressed and completed;
- 99 (56%) were partially addressed; and
- 54 (31%) were not addressed in any way GAO could identify.

Of the 30 (17%) recommendations to Congress:

- 4 (13%) are fully addressed and completed;
- 8 (27%) were partially addressed; and
- 18 (60%) were not addressed in any way GAO could identify.

Of the 146 (83%) recommendations to the Executive Branch:

- 19 (13%) are fully addressed and completed;
- 35 (24%) were partially addressed; and
- 92 (63%) were not addressed in any way GAO could identify.

Fully Addressed Recommendations

Four of the 81 areas (5%) identified by GAO in 2011 were fully addressed by Washington in the 1-year following their publication. Congress addressed one area, and the Executive Branch addressed three.[67]

- **Ethanol Tax Credit:** At the end of 2011, Congress did not extend the ethanol tax credit, eliminating this duplicative tax credit.
- **Explosives Investigations at DOJ:** The Executive Branch is now monitoring overlap in four areas of explosives investigations conducted by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) and the Federal Bureau of Investigation (FBI), yet duplication with Department of Homeland Security (DHS) remains.[68]
- **International Affairs:** The State Department is now formally delineating the roles of overlapping functions at its new Arms Control, Verification, and Compliance and International Security and Nonproliferation Bureaus.
- **IRS Program Integrity:** The IRS studied ways to systematically identify non-resident aliens who have improperly filed certain IRS forms. The IRS determined creating an automated program to identify this type of non-compliance is not currently cost effective.

Of note in its report card, GAO used certain criteria to assess whether its recommendations were fully, partially or not addressed by Congress and the Executive Branch.[69] For example, for purposes of *congressional* action:

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[66] *Id.*
[67] *Id.* at 8-9, 11.
[68] *See infra*, at 9.
[69] *Id.* at 3.

- Addressed: Relevant legislation is enacted and addresses all aspects of the action needed;
- Partially Addressed: Relevant legislation has passed a committee, either the House or the Senate, or been enacted, but only addressed part of the action needed;
- Not Addressed: Legislation may have been introduced, but has not passed out of a committee.

For purposes of *Executive Branch* action:

- Addressed: Executive action taken to fully implement the recommendation;
- Partially Addressed: Some Executive Branch action started or in development, such as the forming a task force, but no action completed;
- Not Addressed: Minimal or no progress toward implementation by the Executive Branch.

As you can see, even though 60 of the 81 areas (74%) identified by GAO were partially addressed by Washington, by definition, no real reform has occurred in these areas. Rather, such partial fulfillment merely means a bill passed a committee or a task force was formed. These actions are great for a press release, but are clearly not effective solutions to the duplication problem.

Failure to fully address each of these 81 areas and all 176 explicit recommendations represents billions of dollars in savings lost by Washington.

Government-Wide Duplication: GAO Duplication Report—February 2012

Concurrent with its report card on Washington, GAO issued its second annual duplication report in February 2012. GAO again identified multiple areas of duplication, overlap and fragmentation.[70]

The report recommended 51 areas where federal programs could achieve greater efficiencies or improve the provision of government services. Specifically, the 2012 annual report found 32 areas where there is duplication, overlap, or fragmentation among federal government programs. It also recommended 19 additional opportunities for agencies or Congress to take action that could either reduce the cost of government operations or enhance revenue collections.[71]

Examples of duplication and overlap include:

- 253 **Department of Justice** grant solicitations, yielding 11,000 grant awards totaling $3.9 billion in FY2010 alone;
- 14 programs and 3 tax expenditures across 3 agencies to reduce **diesel emissions**;
- 94 federal initiatives across 11 agencies to foster **green building** in the private sector;

[70] Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," February 2012, *supra* note 2.
[71] *Id.* at 2.

- 160 programs, tax expenditures and other tools across 20 federal entities to **support homeownership and rental housing**;
- 50 programs in 9 federal agencies to support **employment for people with disabilities**.

The 2011 and 2012 GAO reports provide Congress and the Executive Branch with extensive details in 132 areas of government duplication and opportunities for significant cost savings and specific recommendations to address each area. As GAO stated in the 2012 annual report, "Collectively, this report shows that, if actions are taken to address the issues raised herein, as well as those from our 2011 report, the government could potentially save tens of billions of dollars annually…."[72]

Unfortunately, as shown by last year's report card, both Republicans and Democrats have failed to take action to address most of the areas ripe for reform. As a result, Congress is perpetuating the nation's growing national debt, which now exceeds $16 trillion.

I am encouraged by GAO's continued innovation of ways in which it and the public can continue to hold Congress and the Executive Branch accountable for addressing waste, fraud, abuse and duplication identified in GAO reports. Thus, I hope the public will use GAO's new online Action Tracker system to determine if Washington has indeed taken steps to follow GAO's recommendations to reduce the unnecessary duplication across the federal government.

Preventing Future Duplication

With the release of yesterday's third annual GAO duplication report, combined with the 2011 and 2012 duplication reports and last July's report on *Justice Grant Programs*, Congress and the administration have been given extensive details in multiple areas of government duplication with the opportunity to provide significant cost savings by addressing waste, fraud, abuse, and overlap, particularly in DOJ grant programs.

In the July 2012 report, GAO provided specific recommendations to alleviate these problems at the Justice Department. While the administration must act to address many of the recommendations, Congress must also change our attitude of indifference and incompetence by recognizing that we have played a part in expanding the role of the Justice Department beyond its critical mission—"to enforce the law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; and to ensure fair and impartial administration of justice for all Americans."[73]

As a result, in many areas, DOJ has failed to fulfill its pledge to the American people. Through continued growth of the Department through congressionally-mandated programs, as noted by GAO, even when the DOJ wants to consolidate programs, it must often "seek statutory authorization to discontinue or consolidate enacted programs that [it] believes may be

[72] *Id.* at 3.
[73] Website of the U.S. Department of Justice, "About DOJ," *accessed* April 4, 2013, *available at* http://www.justice.gov/about/about.html.

overlapping."[74] Congress is largely to blame for creating new duplicative programs and failing to conduct oversight.

However, there are several areas where DOJ can improve its grant management, even if Congress fails to do its job. First, GAO notes DOJ has failed to conduct formal assessments of its grant programs to determine the extent of overlap or where it may consolidate programs. "By conducting an assessment of its grant programs…DOJ would be better positioned to take action, such as through consolidation and coordination of its programs, in a more systematic way to limit overlap and mitigate the risk of unnecessary duplication."[75]

Second, DOJ should establish procedures requiring grantees to disclose on their applications other federal funding they currently receive or for which they have recently applied.[76] Unfortunately, DOJ actually "encourage[s] applicants to seek out as much DOJ grant funding as possible, including from grant programs that may have similar objectives or allow for similar activities."[77] By sharing information, DOJ could reduce the risk of unnecessary duplication and avoid awarding multiple grants to the same grantees for the same or similar purposes or in amounts in excess of the applicant's need.

Third, DOJ can increase coordination among its three granting agencies to conduct a pre-award review of grants that have a risk of overlap. By doing so, DOJ could improve oversight and better utilize information it already has to avoid unnecessary duplication *before* final awards are made.[78]

In doing so, DOJ should also strongly reconsider its definition of "duplication." It continues to use a narrow definition of "duplication" such that it occurs only in "instances where grantees are using federal money for the same exact item."[79] GAO notes DOJ "excludes from its purview all federal funding that grant applicants have been awarded to carry out the same or similar activities within a proposed project." As a result, DOJ is likely "awarding funds for proposed projects that are already partially or fully funded, [and] it may also be doing so at the expense of other applicants who, in the absence of other funding sources, may demonstrate to [DOJ] greater financial need for their proposals."[80] Every agency should use the same definition of "duplication," the one suggested by GAO, so there is consistency across the federal government for programs that should be eliminated or consolidated as a result of overlap. Massaging the definition of "duplication" to fund multiple grants to the same grantees for the same or similar purposes is the height of wasteful government spending.

Fourth, DOJ should submit grant award information to USA Spending in a timely manner.

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[74] Government Accountability Office, "Justice Grant Programs: DOJ Should DO More to Reduce the Risk of Unnecessary Duplication and Enhance Program Assessment," *supra* note 10, at 20.
[75] *Id.* at 22-23.
[76] *Id.* at 25, 49.
[77] *Id.* at 26-27.
[78] *Id.* at 25.
[79] *Id.* at 24.
[80] *Id.*

Finally, Congress should also increase its oversight of the Department of Justice and its grant programs. While the House and Senate Judiciary Committees have general oversight hearings with the Attorney General, unfortunately, these hearings do not provide the opportunity to truly understand particular grant programs, ask probing questions, and make recommendations for changes. Congress should take active legislative steps to cancel, consolidate, and make statutory changes to DOJ programs to eliminate waste, fraud, and duplication.

For example, authorizing committees should conduct the necessary oversight before reauthorizing grant programs, and there should be specific sunset dates in the legislation. As noted earlier in my testimony, both COPS and Byrne JAG programs are fraught with waste and duplication; however, Congress has failed to actually investigate and reauthorize these programs based on detailed oversight. As a result, Congress continues to fund these programs without proper oversight and without establishing improved metrics with which to evaluate the programs in the future.

In addition to elimination or consolidation of specific grants, there are other non-grant program areas within the Justice Department that could be consolidated or eliminated to reduce duplication. For example, staffing of certain sub-agencies within the DOJ could be reduced, particularly where there has been a steady decrease in caseloads. INTERPOL's U.S. operation has seen a decreased caseload since 2010, but the President's 2012 budget request included a funding increase of 10%. Even decreasing the budget by 10% from the 2010 level would still yield an increase in the dollars spent per case. This 10% reduction would save $33.3 million over 10 years.[81]

DOJ could also reduce the staff of the Office of Legal Policy. If DOJ reduced the staff by 10% and subjected OLP to the hiring freeze, it would save $6.9 million over 10 years. DOJ could build additional savings by eliminating OLP's travel budget of $7,000.[82]

Furthermore, DOJ could require greater participation by state and local governments in the programs providing significant benefits to them. For example, federal law enforcement partners with state and local law enforcement across the country to apprehend criminals. Law enforcement can work together without spending money by simply opening the lines of communication and using resources already allocated to them. As a result, overhead costs would fall. However, in 2010, $528.6 million went to the Organized Crime Drug Enforcement Task Forces, which only operate in nine select regions, despite being paid for by taxpayers around the country. If we required only the affected regions to contribute 25% toward the task force, while still retaining all funding for individual law enforcement agencies, we would save $1.47 billion over ten years.[83]

Many, many more examples of cost-savings at the DOJ are detailed in my deficit reduction plan, *Back in Black*. I also encourage all members of Congress to conduct their own oversight by finding waste and duplication in their own states and making it public. In July 2011, I released a

[81] Tom A. Coburn, M.D., "Back in Black: A Deficit Reduction Plan," July 2011, *supra* note 23, at 322-323.
[82] *Id.* at 331.
[83] *Id.* at 323-324.

41-page report detailing 30 specific programs and projects funded by the federal government within Oklahoma, costing taxpayers at least $170 million.[84]

We are looking into a future of trillion dollar deficits and a national debt quickly headed toward $20 trillion. Our nation is not on the verge of bankruptcy—it is already bankrupt. We have maxed out our credit cards and are living off of our children's credit, while funding a government with so many duplicative programs they cannot be described in one report by the GAO.

There have been countless discussions and bipartisan talks about how to address out debt and deficit, and get the economy growing again. Yet, there has been little agreement on specific ways to reduce spending and the size of the federal government. As a result, sequestration has now kicked in to achieve the savings Congress did not have the courage to enact.

But now, we have yet another part of the solution to the problem. GAO's work over the last few years, including this week's new duplication report, provides Congress and the administration hundreds of options for areas in which we could find savings. If we, as Members of Congress, are unable to agree on eliminating even one small program recommended in these reports, we have little hope of ever finding a complete solution to fix our budget woes.

For the sake of our future as a nation, in the coming months, as we once again hear similar promises from Washington to address the issues exposed by GAO this week, it is my hope, rather than kicking the can down the road, Congress will heed the advice in this and past reports, and work together to implement as many recommendations as possible to save our grandchildren from a dismal future saddled with crippling debt and leave them a more secure, fiscally sound country than we were given.

[84] Office of Senator Tom Coburn, "Oklahoma Waste Report: Exposing Washington's Wasteful Spending Habits in Our Own Backyard," July 2011, *supra* note 43.

Mr. SENSENBRENNER. Thank you very much, Senator Coburn. By tradition when Members testify, there are no questions from the Committee. So we will let you off.

Senator COBURN. I am happy to take them if you——

Mr. SENSENBRENNER. Well, we have got another panel to talk about that.

Senator COBURN. Got it.

Mr. SENSENBRENNER. So we will revoke your visa and send you back to the other side of the Capitol.

Will the other witnesses please come and take their seats?

I will begin by swearing in the witnesses before introducing them. If you all would please rise. Raise your right hand.

[Witnesses sworn.]

Mr. SENSENBRENNER. Let the record show that all of the witnesses have answered in the affirmative. Please be seated.

Also let me say that without objection, all Members' opening statements will be placed in the record.

Also without objection, all of the witnesses' testimony in their entirety will be placed in the record.

And now I will introduce the witnesses.

Mr. Lee Lofthus is assistant attorney general for administration in the Justice Management Division at the Department of Justice. He is the Department's chief financial officer and responsible for Department-wide financial reporting, budget formulation and execution, asset forfeiture fund for operational support, procurement, and debt management support. He also oversees the Department's libraries and records management facilities, human resources planning, and is the senior ethics official for the Department.

Prior to his appointment, he served as the principal deputy attorney general and controller for the Justice Management Division. He has served in a variety of management positions, overseeing financial operations, financial policy, reporting and systems, and including as the Department's controller and deputy chief financial officer from August 2003 to May of '06, and director of the finance staff in the Justice Management Division from January of '99 to August of '03.

He received an MBA degree from the American University in Washington.

The next witness is the Honorable Michael E. Horowitz. Mr. Horowitz was sworn in as the fourth confirmed inspector on April 16th, 2012. And in this capacity, he oversees a nationwide workforce of approximately 450 special agents, auditors, inspectors, attorneys, and support staff whose mission is to detect and deter waste, fraud, abuse, and misconduct in DoJ programs and personnel, and to promote economy and efficiency in Department operations.

He previously served as the commissioner of the Sentencing Commission and worked for the Department of Justice in the Criminal Division at main Justice from 1999 to 2002, first as deputy assistant AG and then as chief of staff. He received a bachelor of arts degree from Brandeis and received his law degree from Harvard.

Our third witness is David Maurer. He is the director of the U.S. Government Accountability Office on the Homeland Security and Justice team. He leads the GAO's work in reviewing DHS and DoJ management issues. His recent work includes reports and testimonies on DoJ grant management, crowding in the Federal prison system, Guantanamo Bay detainees, nuclear smuggling, homeland security research and development, and DHS management, and immigration.

He previously worked as acting director of the GAO's natural resource and environmental team where he managed work assessing U.S. global nuclear detection programs and enforcement of Federal environmental law.

He began his GAO career in the Detroit regional office in 1990. He received his bachelor's degree from Michigan State, and then his master's in public policy from the University of Michigan. He received a master of science in natural resource strategy through the Industrial College of the Armed Forces at the National Defense University.

Our fourth witness is Tom Schatz, who is the president of the Citizens Against Government Waste, and is a lobbying affiliate of the Council for the Citizens Against Government Waste. In his capacity as president, Mr. Schatz works to further the mission of the CAGW to eliminate waste, fraud, abuse, and mismanagement in government.

According to official OMB and CAGW estimates, implementation of the CAGW cost cutting and waste cutting recommendations has helped save the taxpayers $1.3 trillion.

During his 26 years with the CAGW, Mr. Schatz has helped make the CAGW a leading government watchdog on fiscally conservative issues like taxes and earmarks according to the National Journal. He is a regularly featured guest on national television news programs and local news broadcasts. His editorials on fiscal policy have appeared in publications nationwide, including the New York Times and the Wall Street Journal.

He received his bachelor's degree from the State University of New York at Binghamton and his law degree from George Washington University.

Our final witness is Sheriff Richard Stanek, who is the 27th sheriff of Hennepin County, Minnesota's largest. He was first sworn in on January 1, 2007, and was reelected in 2010. Sheriff Stanek began a 2-year term as president of the Major County Sheriff's Association and serves on the board of directors of the National Sheriffs Association, and co-chairs the NSA's Homeland Security Committee.

A 29-year veteran of law enforcement, he began his career in the Minneapolis Police Department and rose to through the ranks from patrol officer, detective, precinct commander, to commander of criminal investigations. While a police officer, he was elected 5 times to the Minnesota House of Representatives. There he chaired the House Crime Policy and Finance Committee. In 2003, he was appointed by the governor as commissioner of public safety and director of homeland security.

He earned a criminal justice degree from the University of Minnesota, and a master's in public administration from Hamline University. He completed training at the National Sheriffs Institute, the FBI's National Executive Institute, and Leadership in Counterterrorism, and the U.S. Army War College National Security Seminar 57th Session.

And remember we have a green, yellow, and red light which is enforced more properly on people who are not familiar with unlimited debate like United States senators are. And I will first recognize Mr. Lofthus.

TESTIMONY OF LEE J. LOFTHUS, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. LOFTHUS. Thank you, Chairman Sensenbrenner, Congressman Scott, and Members of the Subcommittee for the invitation to discuss our work to reduce spending, find efficiencies, and save the taxpayer money. The Department of Justice takes these efforts very seriously, and I appreciate the opportunity to speak about our work this morning.

Sound financial management is at the core of properly accounting for taxpayer dollars. In Fiscal Year 2012, the Department earned an unqualified audit opinion on its consolidated financial statements for the ninth consecutive year. I am also pleased that for the sixth consecutive year, the auditor's report on internal controls over financial reporting did not identify any material weaknesses at the Department level. To provide a sustainable base for future positive audit results, we also continue to implement the new unified financial management system in order to replace our most aged systems.

The Department works continuously to identify savings, efficiencies, cost avoidances, and best practices in order to best leverage our scarce resources. In response to President Obama's executive order on promoting efficient spending, in Fiscal Year 2012 we exceeded our $146 million reduction goal in the areas of publications, travel, supplies, fleet management, advisory contracts, and IT devices. Spending in these areas decreased by $237 million compared to 2010.

We have also taken extensive steps to limit and monitor our conference spending. Building upon OMB's 2011 conference policies, we issued detailed new guidance in June 2012 that places strict controls on conference planning costs, attendance, food approval, and reporting. This guidance was most recently supplemented by a January of 2013 policy placing restrictions on indirect costs billed to the Department.

Our efforts to control conference spending have been successful. In 2011, we reduced conference expenditures by 28 percent, spending $26 million less than in FY 2010. This past year in 2012, we further reduced our conference spending by $7.8 million, another 12 percent reduction.

We are also cognizant of the need to identify programmatic duplication and overlap. After a review of overlapping drug enforcement related intelligence capacity, we closed the National Drug Intelligence Center and moved its needed residual functions to DEA, an action that will save about $12 million annually. In another example, we closed the Office of the Federal Detention Trustee and merged its activities into the Marshal Service to align detention resources with operations and reduce administrative costs. Where there other such viable opportunities, we are willing to pursue them.

In July 2010, the Attorney General established the DoJ SAVE Council. Comprised of staff across Justice and from disciplines both in and outside financial management, the SAVE Council ideas have saved over $120 million through efforts such as reducing the cost of employee moves, posting asset forfeiture related notices online

rather than in the print media, and an optimizing our use of the most favorable wireless communications contracts.

In closing, the DoJ's efforts to improve its operations and save the taxpayer money are ongoing. We appreciate the work of the Office of the Inspector General and GAO in highlighting areas where we can make further improvements.

I am acutely aware of the financial management challenges we face, particularly now in the face of sequestration. I am also acutely aware of the need to ensure every dollar the Department receives is spent wisely. Thank you for the opportunity to appear today and to respond to your questions.

[The prepared statement of Mr. Lofthus follows:]

Department of Justice

TESTIMONY OF

LEE J. LOFTHUS
ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION
U.S. DEPARTMENT OF JUSTICE

BEFORE THE

SUBCOMMITTEE ON CRIME, TERRORISM, HOMELAND SECURITY AND INVESTIGATIONS
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES

FOR A HEARING ON

SPENDING PRIORITIES AT THE U.S. DEPARTMENT OF JUSTICE

PRESENTED ON

APRIL 10, 2013

Testimony of Lee J. Lofthus
Assistant Attorney General for Administration, U.S. Department of Justice
before the
Subcommittee on Crime, Terrorism, Homeland Security and Investigations
House Committee on the Judiciary
April 10, 2013

Thank you, Chairman Sensenbrenner, Ranking Member Scott, and members of the Subcommittee, for the invitation to discuss our work to reduce expenses, find and take advantage of efficiencies, and save taxpayer money. The Department takes these efforts very seriously, and I appreciate the opportunity to speak about our initiatives in these areas and address your concerns.

The Department of Justice continuously and rigorously seeks ways to operate more efficiently and cost effectively, so that our funds are available for the critical national security and law enforcement activities that impact the Nation. The Department's leadership has challenged employees Department-wide time and time again to find savings across our operations, and they have responded. When we find ways to improve our practices and save money, we act on those suggestions, recommendations and opportunities.

In addition to our commitment to save money and work as efficiently as possible, the Department also protects American taxpayers and the federal fisc by combating healthcare fraud and financial fraud, compensating victims and returning billions of dollars to the Treasury. For example, in FY 2012, the efforts of DOJ personnel resulted in total collections of nearly $14 billion in civil and criminal fines, restitution, and other debt owed to the government.

Sound Financial Management

We strive for sound financial management, which is at the core of properly accounting for taxpayer dollars. In FY 2012, the Department earned an unqualified audit opinion on its consolidated financial statements for the ninth consecutive year. For the sixth straight year, the auditor's report on internal controls over financial reporting did not identify any material weaknesses at the consolidated Department level. Moreover, for the first time, no material weaknesses were reported in any of the individual component level audits. The continued progress made by our financial management offices is concrete evidence of the Department's commitment to continually improve our comprehensive financial management practices.

The Department continues to implement our new Unified Financial Management System (UFMS) on time and within budget. With the implementation of UFMS, the Department's financial management community has integrated procurement activities, centralized redundant activities, achieved economies of scale on credit card and payroll processing, and given Departmental leadership real-time financial data for use in quickly and accurately providing an assessment of the Department's status of funds. In addition, UFMS has identified and standardized common business processes across the Department to leverage best practices to improve financial management and reporting. We have accomplished all this while maintaining a clean audit opinion.

At the beginning of FY 2013, we began implementation of UFMS at the United States Marshals Service (USMS) and at five program offices in the Federal Bureau of Investigation (FBI). The Department's Asset Forfeiture program also expanded its use of UFMS, bringing the total number of UFMS users to over 5,000. Building upon the implementations at the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Bureau of Prisons (BOP) and the Drug Enforcement Administration (DEA), these new system expansions offer great potential for improving our financial management capabilities for the future. Once FBI fully implements UFMS, DOJ will operate only three financial systems (UFMS, FMIS2 and SAP/Federal Prison Industries) instead of the seven systems in operation in FY 2008.

Pro-active Efforts to Save Taxpayer Money

The Department has worked continually to identify savings, efficiencies, cost avoidances, and best practices in order to best leverage our resources. This goes far beyond cutting conference and travel spending: we have explored streamlining administrative processes across the Department. In addition, we have consolidated or realigned several offices in order to eliminate unnecessary spending and create administrative efficiencies.

The Department also takes pride in its efforts to drive savings in response to President Obama's Executive Order 13589: Promoting Efficient Spending. In FY 2012, the Department exceeded its $146 million reduction goal on spending in the areas of publication, travel, supplies, executive fleet, advisory contracts, and IT devices by $91 million, for total savings of $237 million compared with FY 2010.

Conferences and Travel

The Department has taken aggressive steps to limit and monitor conference spending. New policy guidance was issued in June 2012 that places strict controls on conference planning, approval, attendance, and reporting. This guidance was supplemented by a

January 2013 memorandum detailing additional restrictions on indirect cost rates applied to certain conference costs.

Our efforts to control conference spending have been successful. In FY 2011, we reduced conference expenditures by 28%, spending $26 million less than in FY 2010. We further reduced FY 2012 expenditures by $7.8 million, or 12 percent less than FY 2011.

The Department has also cut back on travel costs. In addition to the Attorney General's January 2011 guidance that suspended all non-essential travel (initially implemented for FY 2011, but renewed in 2012 and 2013), the Department also generated cost savings by using non-refundable airfares instead of government contract fares. Overall Department travel obligations have decreased by over 19% from FY 2010 through FY 2012.[1]

Reorganization and Consolidation

The Department has identified savings by proposing to consolidate and realign components in order to realize increased efficiencies. During FY 2012, the Department refocused and realigned functions of the National Drug Intelligence Center (NDIC) to the DEA and closed NDIC, which will save about $12 million in FY 2013. We merged the administrative functions of the Office of Legal Counsel and the Office of the Solicitor General into a single executive office, which will result in savings of $463,000 in FY 2013.

To promote greater efficiency, the Department also realigned the Office of Dispute Resolution into the Office of Legal Policy, and has decentralized the Law Enforcement Wireless Communications (LEWC) funding by transferring LEWC functions and funding for operation and maintenance of legacy radio networks back to components for a combined savings of nearly $120 million from the FY 2010 enacted level. The Department has also merged the detention functions previously performed by the Office of the Federal Detention Trustee into the USMS to align detention resources with operations and reduce contracts, overhead, and IT costs.

In addition to Department-wide savings initiatives, we have also identified component-unique program savings. The Bureau of Prisons' expansion of compassionate release to inmates with medical conditions that have served at least 67 percent of their sentence (for non-violent and non-sex offenders) is estimated to save $3.2 million in FY 2013. Evaluating Federal Prisoner Detention intergovernmental agreements, which set daily

[1] Travel obligations (Object Class 21.0) declined from $580 million if FY 2010 to $469 million in FY 2012.

rates per detainee (known as "jail day rates") starting in FY 2012 through FY 2014 is expected to achieve $20 million in savings.

IT Savings

The Department's ongoing efforts to increase inter-component collaboration in IT contracting have realized numerous efficiencies. Recent efforts have led to the Department proposing IT offsets in the FY 2012 and FY 2013 President's Budget. In FY 2012, we proposed extending the technology refresh cycle by one year and submitted an offset of $8 million. In FY 2013, we proposed an offset of $22 million associated with increased component collaboration in the acquisition of IT equipment and services.

Beginning in FY 2014, the Department will redirect five percent of our IT base resources annually into a reinvestment pool dedicated to IT projects that will produce a favorable return on investment within 18 months or demonstrably improve citizen services or administrative efficiencies. This five percent redirection beginning in FY 2014 comes in addition to the Department's five percent reduction in IT from FY 2012 to FY 2013.

Attorney General's SAVE Council

In July 2010, the Attorney General established his Advisory Council for Savings and Efficiencies (the SAVE Council) to explore additional areas where we can reduce spending to operate as efficiently as possible. The SAVE Council develops, implements, and tracks ongoing initiatives that result in savings, cost avoidance, streamlining, and instituting best practices. The SAVE Council drives savings efforts throughout the Department. To date, we've saved over $120 million through the efforts of this Council. Examples of these efforts include:

Permanent Change of Duty Station Reform – The Department revised a longstanding policy that reduces the number of days (120 days to 60 days) an employee may be reimbursed for temporary quarters expenses when they are transferred. This initiative has saved the Department $21 million.

Online Travel Booking – With a uniform, standardized, web-based travel reservation service, the Department has saved $9.1 million.

Department of Justice's Asset Forfeiture Program Internet Noticing:

Civil /Judicial and Criminal Notices: the Department implemented an internet site (www.forfeiture.gov) to publish civil/judicial and criminal

notices. Internet notification facilitates the management of the advertising process and saves considerable advertising/newspaper expenses. The total estimated savings expected in 2013 is $1.5 million.

Administrative Notices: In September 2012, a regulation change allowed the Department to publish administrative notices on the internet. Now all forfeiture notices can be published on forfeiture.gov, giving the public a single access point to search, retrieve, and print notices. The total estimated savings expected in 2013 is $3.75 million.

Consolidation of Wireless and IT Contracts – The Department mandated that all Department components move to the existing wireless contracts of agency partners. This has saved the Department $6.4 million.

The SAVE Council continues to meet on a monthly basis to report on active savings initiatives, and to discuss new ideas for saving taxpayer money.

Space/Physical Footprint Reductions

The Department has been actively reviewing its inventory so that it can reduce its physical footprint and better utilize existing workspace. As part of this ongoing effort, from FY 2010 through FY 2012, as part of the Administration's $3 billion real property cost savings goal, we identified over $300 million in savings. We were able to realize these savings through project terminations or reductions, as well as lower new lease space rent rates. As part of the Administration's "Freeze the Footprint" policy, which requires agencies to freeze growth in their office and warehouse space at FY 2012 levels, the Department is developing its Real Property Cost Savings and Innovation Plan for FY 2013-2015, which will document square footage growth and offsets in the Department's real estate portfolio. Wherever feasible, we will continue to pursue cost savings in this area.

Closing

Our efforts to make the Department more efficient and to save taxpayers money is by no means complete, and our work in this area is ongoing. We appreciate the work of the Office of the Inspector General and the Government Accountability Office in highlighting areas where we can make further improvements. I am acutely aware of the financial challenges we face, and acutely aware of the need to ensure every dollar the Department receives is spent wisely. Thank you for the opportunity to appear today.

Mr. SENSENBRENNER. Thank you, Mr. Lofthus.
Mr. Horowitz?

TESTIMONY OF THE HONORABLE MICHAEL E. HOROWITZ, INSPECTOR GENERAL, U.S. DEPARTMENT OF JUSTICE

Mr. HOROWITZ. Thank you, Mr. Chairman, Congressman Scott, Members of the Subcommittee. I appreciate the opportunity to testify today before you about the efforts of my office in identifying wasteful and inefficient spending at the Justice Department. Ensuring that taxpayer funds are used wisely has long been a central focus of the inspector general's work and our oversight, and that mission is particularly important in the current budgetary environment.

It was just 1 year ago that I was sworn in as the Department's inspector general, and my office had undertaken a number of important reviews during that time. We have issued more than 70 audits and reports, including a review of the Department's handling of suspension and debarment, the FBI's implementation of the sentinel case management system, the U.S. Marshal Service management of its procurement activities, and the Executive Office for Immigration Review's management of immigration cases.

Our Investigations Division handled more than 10,000 complaints, resulting in dozens of arrests and convictions involving corruption or fraud offenses, and well over 100 additional administrative actions against Department employees. And we, of course, completed many high profile investigations, such as our reports on ATF's Operation Fast and Furious, the improper hiring practices in the Justice Management Division, the partner attorneys' improper handling of the Clarence Aaron clemency request, and most recently, the operations of the Voting Section of the Civil Rights Division.

I am particularly proud of having appointed the first ever whistleblower ombudsperson at the Justice Department's Inspector General Office, and I am committed to ensuring that whistleblowers in the Department can step forward and report fraud, waste, and abuse without fear of reprisal. I have seen firsthand in just my year in this job the important role that whistleblowers play in advancing our mission to address wasteful spending and to improve the Department's operations. We will continue to do all we can to be responsive to complaints that we receive and to ensure that any allegations of retaliation are promptly reviewed and appropriately resolved.

While this past year has been a remarkably busy time, it is typical. I have learned of the extraordinary work that the Office of the Inspector General has produced for years. Over the past 10 years, we have identified nearly $1 billion in questioned costs, far more than the inspector general's budget during that same time period.

In addition, we have identified over $250 million in taxpayer funds that could have been put to better use by the Department, and our criminal and administrative investigations have resulted in more than $100 million in criminal, civil, and administrative recoveries.

In my written statement, I provide additional details about four specific areas we believe the Department can achieve further cost

savings and efficiencies: reducing duplication and improving coordination, optimizing grant and contract administration, addressing the Department's continually increasing prison costs, and enforcing the laws against fraud and financial offenses.

Leading the Department in this climate of budget constraints will require careful financial management and significant improvements to existing operations. Focusing only on isolated operating efficiencies is unlikely to fully address the significant challenges of moving the Department from an era of expanding budgets into an era of flat or budget constraints. It is essential that the Department plot a new course for the current budgetary environment, one that streamlines the Department's operations, while simultaneously reevaluating the most important and fundamental questions about how the Department is structured and managed.

The Office of the Inspector General looks forward to continuing its independent oversight of that effort and to work with the Department and the Congress as part of that effort.

I am pleased to answer any questions that the Committee may have.

[The prepared statement of Mr. Horowitz follows:]

Office of the Inspector General
United States Department of Justice

Statement of Michael E. Horowitz
Inspector General, U.S. Department of Justice

before the

U.S. House of Representatives
Committee on Judiciary
Subcommittee on Crime, Terrorism,
Homeland Security, and Investigations

concerning

Cost Savings and Efficiencies at the Department of Justice

April 10, 2013

Mr. Chairman, Congressman Scott, and Members of the Subcommittee:

Thank you for inviting me to testify about the efforts of the Office of the Inspector General (OIG) for the Department of Justice (Department or DOJ) to identify waste and inefficiency in the DOJ. Helping to ensure that taxpayer funds are used wisely to support the Department's mission has long been a central focus of the OIG's oversight work, but never more so than in the current budgetary environment.

In my nearly one year as Inspector General, my office has pursued a number of initiatives to help make the operations of the Justice Department more effective and efficient, and to identify important savings of taxpayer dollars. During this time, we have issued more than 70 audits, which included annual financial statement audits, information security audits, audits of grant recipients, and audits of state and local participants in the Federal Bureau of Investigation's (FBI) Combined DNA Index System (CODIS). We issued reports on the Department's handling of suspension and debarment, the FBI's implementation of the Sentinel project, the FBI's handling of its forensic DNA case backlog, the U.S. Marshals Service's (USMS) management of its procurement activities, and the Executive Office for Immigration Review's management of immigration cases. Our Investigations Division processed more than 10,000 complaints in the past year, resulting in dozens of arrests and convictions involving corruption or fraud offenses and well over 100 administrative actions against Department employees. And all of this work was in addition to our more high-profile investigations, such as our reports on Operation Fast and Furious, the improper hiring practices in the Justice Management Division, the Pardon Attorney's handling of the Clarence Aaron clemency request, and the Operations of the Voting Section of the Civil Rights Division.

I am particularly proud of having appointed the DOJ OIG's first-ever whistleblower ombudsperson, and I am committed to ensuring that whistleblowers in the Department can step forward and report fraud, waste, and abuse without fear of retaliation. During my tenure, I have seen first-hand the important role that whistleblowers play in advancing the OIG's mission to address wasteful spending and improve the Department's operations. We will continue to do all we can to ensure that we are responsive to complaints that we receive, and to ensure that allegations of retaliation are thoroughly and promptly reviewed.

While this past year has been a remarkably busy time, I note that it is typical of the extraordinary work that the DOJ OIG has produced for years. Indeed, over the past 10 fiscal years, the OIG has identified nearly $1 billion in questioned costs – far more than the OIG's budget during the same period. In

addition, we have identified over $250 million in taxpayer funds that could be put to better use by the Department, and our criminal and administrative investigations have resulted in the imposition or identification of more than $100 million in civil, criminal, and nonjudicial fines, assessments, restitution, and other recoveries over that period.

Moreover, when we issue our audits and reviews, we regularly make recommendations to the Department on how it can reduce costs and improve ineffective or inefficient programs. The Department must redouble its efforts to adopt and implement these OIG recommendations. As of September 2012, hundreds of OIG recommendations to the Department remain open, and our FY 2012 audits and related single audits identified approximately $25 million in questioned costs that the Department should make every effort to resolve and, if necessary, recover. I intend to make this issue a priority for my office.

Now that I have provided a brief overview of what we have done during the past year to help ensure that taxpayer funds are being used well and that the Department is being managed effectively and efficiently, let me provide some details about the specific opportunities my office has identified for further cost savings and efficiencies at the DOJ. I have grouped these opportunities into four categories: (1) addressing the Department's growing cost structure; (2) reducing duplication and improving coordination; (3) optimizing grant and contract administration; and (4) enforcing against fraud and financial offenses.

From these four areas, one clear message emerges: Leading the Department in this climate of budget constraints will require careful budget management and significant improvements to existing operations; focusing only on discrete operating efficiencies is unlikely to fully address the significant challenges of moving the Department from an era of expanding budgets into an era of budget constraints without sacrificing its mission. It is therefore incumbent upon the Department to plot a new course for the current budgetary environment, one that streamlines the Department's operations while simultaneously taking on the most important and fundamental questions about how the Department is structured and managed.

The Department Must Address its Growing Cost Structure, Particularly the Federal Prison System

The current budgetary environment presents critical challenges for the Department. Of particular importance, the Department's mission has remained substantially unchanged since 2001, even as the budgetary environment in which the Department operates has changed dramatically. From FY 2001 through FY 2011, the Department's discretionary budget grew by more than 41 percent in real dollars, to $28.9 billion. Yet, in FY 2012, the Department's discretionary budget decreased by more than 7 percent (to $26.9

billion), and in FY 2013, the Department's discretionary budget decreased again, this time by 5.9 percent (to $25.3 billion). It therefore appears likely that in the years ahead Department leadership will face the significant challenge of fulfilling the Department's mission without the assurance of increased resources.

While the Department has taken initial steps to address its reduced budget, the Department must also have in place an innovative and transparent strategic vision for how to fulfill its mission in the long term without requiring additional resources.

Nowhere is this problem more pressing than in the federal prison system, where the Department faces the challenge of addressing the increasing cost of housing a continually growing and aging population of federal inmates and detainees. The federal prison system is consuming an ever-larger portion of the Department's budget, making safe and secure incarceration increasingly difficult to provide, and threatening to force significant budgetary and programmatic cuts to other DOJ components in the near future. The Department's own budget reports demonstrate the fundamental financial challenges facing the Department. Fifteen years ago, the BOP's enacted budget was $3.1 billion, which represented approximately 14 percent of the Department's budget. In comparison, the Department requested $6.9 billion for the BOP in FY 2013, or 26 percent of the Department's total FY 2013 budget request. Moreover, the President's FY 2013 budget projects the budget authority for federal correctional activities to rise from $6.9 billion to $7.4 billion by 2017.

In FY 2006, there were 192,584 inmates in BOP custody. As of October 2012, the BOP reported more than 218,000 inmates in its custody, an increase of more than 13 percent. Not surprisingly, these trends mirror the increased number of federal defendants sentenced each year, which rose from approximately 60,000 in FY 2001 to more than 86,000 in FY 2011, according to the U.S. Sentencing Commission.

The Department, during both the prior administration and the current administration, has been aware of the budgetary and capacity problems associated with a rapidly expanding prison population for years. The Department first identified prison overcrowding as a programmatic material weakness in its FY 2006 Performance and Accountability Report, and it has been similarly identified in every such report since. In fact, prison overcrowding was the Department's only identified material weakness last year.

Yet, despite the Department having recognized this problem as a material performance weakness for the past 7 years, conditions in the federal prison system continue to decline, even as the BOP receives an ever-increasing share

of the Department's scarce resources. For example, since FY 2000, the BOP's inmate-to-staff ratio has increased from about four-to-one to a projected five-to-one in FY 2013. Since FY 2006, federal prisons have moved from approximately 36 percent over rated capacity to approximately 39 percent over rated capacity in FY 2011, with medium security facilities currently operating at approximately 48 percent over rated capacity and high security facilities operating at approximately 51 percent over rated capacity. Moreover, even if the Department receives its requested funding as detailed in BOP's Long Range Capacity Plan, the Department's outlook for the federal prison system remains bleak: the BOP projects system-wide crowding to be 44 percent over rated capacity through 2018.

The OIG believes that the Department can make better use of existing programs to realize cost savings and reduce overcrowding. For example, in December 2011, the OIG reviewed the Department's International Prisoner Treaty Transfer Program, which permits certain foreign national inmates from treaty nations to transfer to their home countries to serve the remainder of their sentences. The OIG review found the BOP and the Criminal Division's International Prisoner Transfer Unit had rejected 97 percent of foreign national inmates' requests to transfer from FY 2005 through FY 2010, and in FY 2010, slightly less than 1 percent of the 40,651 foreign national inmates in the BOP's custody were transferred to their home countries to complete their sentences. While some factors that reduce the number of transfers are beyond the Department's control, the OIG found the Department could take steps to increase the number of inmates transferred and the timeliness of the process that would result in potentially significant savings. The Department is now implementing the OIG's 14 recommendations to manage the program more effectively. Similarly, the OIG is reviewing the BOP's implementation of its Compassionate Release Program, which allows the Department to release prisoners under extraordinary and compelling conditions, such as terminal illness.

Whatever approach the Department wishes to take to address the growing cost of the federal prison system, it is clear that something must be done. In an era where the Department's overall budget is likely to remain flat or decline, it is readily apparent from these figures that the Department cannot solve this challenge by spending more money to operate more federal prisons unless it is prepared to make drastic cuts to other important areas of the Department's operations. The Department must therefore articulate a clear strategy for addressing the underlying cost structure of the federal prison system and ensuring that the Department can continue to run our prisons safely and securely without compromising the scope or quality of its many other critical law enforcement missions.

Reducing Duplication and Improving Coordination of Department Functions

In the current budgetary environment, the Department cannot afford to spend its limited taxpayer funds on duplicative programs that would run more cost-effectively if they were combined in whole or in part. Our oversight work has identified areas which we believe the Department should carefully examine for consolidation opportunities.

One such area is the Department's grant-making apparatus. The Department currently maintains three separate grant-making components: the Office of Justice Programs (OJP), Office on Violence Against Women (OVW), and Community Oriented Policing Services (COPS). Prior OIG reports have found that this structure has led to inefficient duplication. For example, while OVW has in the past required its grant recipients to use the OJP financial guide, OVW has recently released its own financial guide. OVW grantees who also receive OJP grants therefore must often follow two different sets of rules, thereby increasing the risk of waste and noncompliance. A recent GAO report raised similar concerns, noting that COPS uses a different grant management system than OVW and OJP, thereby limiting the Department's ability to share information on the funding its components have awarded or are preparing to award.

The division of grant-making responsibility among three separate components also creates the challenge of ensuring that there is proper coordination of, and clear strategic vision for, the Department's overall grant-making efforts, and that those overall efforts are consistent with the priorities of the Department's non-grant-making components. The Department should therefore seek to consolidate the common functions of these three grant-making components to increase coordination and save costs while maintaining key separate practices for meeting individual statutory requirements and fulfilling the missions of each office.

The Department could reap similar benefits to its operations, and its bottom line, by improving the coordination between other components carrying out related or overlapping missions. An example of this opportunity is found in the Department's four primary law enforcement components: the FBI, DEA, ATF, and USMS.

Law enforcement represents a central element of the Department's mission, yet the ability and willingness of Department components to coordinate and share intelligence, resources, and personnel with one another and other law enforcement agencies has historically posed a significant challenge. One cause of this challenge is the confusion created when

components have overlapping jurisdictions. For example, whereas the FBI may investigate all federal crimes and instances of terrorism, other agencies possess simultaneous jurisdiction to enforce specific criminal laws that necessarily overlap, such as the DEA's investigations of federal drug cases or ATF's investigations of federal firearms cases. Some overlap between these four components is unavoidable and may even help ensure proper law enforcement focus and attention. However, the Department should clarify the jurisdictional boundaries of each wherever possible. It may also benefit from considering whether consolidation of any operational functions or administrative functions, such as information technology, human resources, budgeting, and records management, could yield operational benefits, improve law enforcement safety, or save costs. Similarly, the Department should consider ways to increase the sharing of lessons learned and best practices among law enforcement components.

In the same vein, the Department should consider whether its law enforcement components have the proper level of consistency in their standard procedures, protocols, and manuals; where there are differences, the Department should consider whether they are justified. While the Department's law enforcement components generally adhere to Attorney's General Guidelines and policies for law enforcement activities, specific protocols and procedures for particular investigative techniques often vary from component to component. In particular, our review of new policies ATF implemented after Operation Fast and Furious underscored the agency's delay in completing its integration into the Department and in implementing controls to protect the public that were used in other Department law enforcement components. For example, we found that ATF had not until recently used review committees to evaluate either its undercover operations or its use of high-level and long-term confidential informants. We also expressed concern that ATF and the Department had not devoted sufficient attention to ensuring that ATF's policies scrupulously adhered to requirements found in the Attorney General's Guidelines and other Department policies, including ATF's confidential informant policies, which were not revised to conform to the Attorney General's Guidelines Regarding the Use of Confidential Informants until 8 years after ATF joined the Department. We therefore believe that Department-led, cross-component assessments designed to compare the law enforcement components' policies could identify opportunities for improvements that would make the Department's law enforcement operations more consistent and efficient.

Notably, the challenge of coordination is not limited to domestic operations, but rather extends to the Department's substantial international law enforcement efforts as well. The DEA, FBI, ATF, and USMS have stationed personnel abroad who work with their foreign counterparts to investigate and prosecute violations of U.S. law, and to provide reciprocal assistance to their foreign counterparts. The DEA maintains the Department's largest

international presence with more than 1,000 full-time employees devoted to international operations in 65 countries. The DEA requested an international enforcement budget of more than $400 million in FY 2013. The FBI's international presence is also sizable, with 61 legal attachés, 14 sub-offices, and 287 authorized positions in 66 countries during FY 2012. With substantial overseas resources comes the need to ensure that these resources are well managed, coordinated with each other, and coordinated with both domestic and foreign law enforcement organizations. Meeting these challenges requires putting frameworks in place to support international investigations before they begin, including clear lines of investigative authority among law enforcement agencies, appropriate mechanisms to share information, and appropriate and consistent training of all personnel involved in international operations.

Optimizing Grant and Contract Administration

From FY 2008 through FY 2011 the Department awarded approximately $15 billion in grants and $27 billion in contracts, and it awarded another approximately $1 billion in grants and $6 billion in contracts in FY 2012. Appropriate administration of public funds must always be a priority, but in this climate of constrained budgets, the use of billions of taxpayer dollars requires particular attention from Department management.

In addition to the potential gains from consolidating the Department's grant-making components discussed above, the Department should focus its attention on improving other aspects of its grant-making efforts. Most obviously, the Department should ensure that grants are achieving the intended results. Using performance measures that provide adequate information to evaluate not only the benefits achieved through the grant-making process but also the investment required will help the Department improve the efficiency of its grant-making and allow it to use its limited resources where they will be most useful.

Once grant funds are disbursed, the Department relies on thousands of governmental and non-governmental grant recipients to appropriately manage the billions of dollars of awards. It is therefore imperative that the Department diligently oversee those recipients and provide them with tools to help ensure that grant terms and conditions are followed. Several such efforts are under way at the Department. For example, in September 2011, representatives from the Civil Division, the Antitrust Division, and the OIG, in cooperation with the Department's National Advocacy Center, produced a grant fraud training video for federal prosecutors and other government attorneys. In March 2012 the Financial Fraud Enforcement Task Force's Recovery Act, Procurement, and Grant Fraud Working Group, which includes the OIG, released a training framework for reducing grant fraud risk. The Department also developed and

implemented a Grant Financial Management Online Training program complete with test questions to help support grant recipient compliance with rules and regulation. Yet not all of these training programs are required for all Department grant recipients, and as demonstrated by the $22 million in questioned costs reported in FY 2012 OIG grant and contract audits as well as related single audits, grant management and the oversight of grantee expenditures continue to be significant challenges for the Department.

Optimizing grant-making is of obvious importance, but the Department currently spends more on contracts for goods and services each year than on grants. Some of the largest of these contracts are related to the planning, implementation, and management of complex information technology systems. In total, the Department awarded nearly $3 billion in contract funds on information technology in FY 2012.

The OIG's audits and reviews of Department programs have found instances of poorly managed or otherwise inefficient expenditures on information technology. For example, the OIG's September 2012 interim report on the FBI's implementation of Sentinel, an investigative and case management system, found that the FBI deployed the system after taking over management of the project from a contractor. However, we found that the system was deployed behind schedule and did not provide all of the originally planned capabilities. We also found that although the FBI's $441 million cost estimate is $10 million less than the latest Sentinel budget, the estimate did not include originally planned operations and maintenance costs for the next 2 years, which the FBI estimated to be $30 million annually, and that the FBI did not adjust its cost baseline when it transferred requirements to other FBI information systems. The Department must ensure that there is adequate management and oversight of information technology contracts to minimize cost overruns and provide planned system functionality.

Spending on conferences represents another cost category that we believe the Department should scrutinize. Although the Department has reported reducing these expenditures by $7 million in the last year and $33 million in total over the last two years, it nevertheless reported spending over $58 million on conferences in FY 2012, and that number excludes spending on conferences that cost less than $20,000 and conferences that were not predominantly for DOJ attendees. We believe that the current budgetary environment demands that the Department search for adequate alternatives to conferences, such as video conferencing, and that it strongly consider restricting its conference spending even further.

Enforcing Against Fraud and Financial Offenses

Finally, I wish to emphasize today the importance of the Department's continued vigorous enforcement against fraud and financial offenses. The

Department has long played an important role in preventing and reducing fraud and financial crimes.

Rarely in the Department's history has this role received as much attention – or as many resources – as in the past few years. The Department must ensure that these resources are appropriately deployed where they can make the greatest impact. For example, the Department appears to have had success in bringing False Claims Act cases, having announced in September 2012 that its total recoveries in these cases since January 2009 exceeded $13 billion, of which $9.3 billion was recovered in cases involving fraud against federal health care programs. Notably, many of those cases were the result of disclosures by whistleblowers, starkly demonstrating the importance of encouraging government employees to come forward with information about waste, fraud, abuse, and mismanagement. The Department should continue to strive to maximize such recoveries.

In addition, the Department must ensure that individuals and entities who have committed fraud previously do not have the means or opportunity to do so again. For example, the Department can use the suspension and debarment of individuals or entities to protect the government's financial interest from unethical, dishonest, or otherwise irresponsible entities and to reduce fraud, waste, and abuse in federal programs. Suspension and debarment decisions are made either administratively through agency suspending and debarring officials or statutorily as a result of convictions for qualifying offenses. A June 2012 OIG audit found that the Department had not established an adequate system to ensure that it fulfills its responsibilities related to statutory debarment, creating the possibility that federal funding could be inadvertently and inappropriately awarded to excluded individuals.

The Department also should ensure the effective use of its Asset Forfeiture Program to confiscate both the means to commit and the proceeds of criminal activity. In particular, the Department may benefit from seeking greater interagency efficiency in its asset forfeiture efforts, as a recent GAO report concluded that there may be overlap between the asset management activities and the information technology infrastructures of the Department's Asset Forfeiture Program and the Treasury Department's similar Asset Forfeiture Fund. The Department may wish to consider studying the feasibility of consolidating or better coordinating the administrative structure of its asset forfeiture program with that of the Treasury Department.

And on a related note, the Department should continue to strengthen its efforts to collect criminal penalties and civil judgments owed to the Department. In FY 2012, for example, the U.S. Attorneys' Offices reported collecting $13.1 billion in criminal and civil actions, more than doubling the $6.5 billion reported in FY 2011. However, at the end of FY 2012, the U.S. Attorneys' Offices reported an ending principal balance of nearly

$86 billion relating to criminal and civil actions that remained uncollected, which is more than 6 times the amount collected and $10 billion more than the ending principal balance in FY 2011. In addition, collection efforts appeared to vary substantially among the U.S. Attorneys' Offices.

Conclusion

Avoiding wasteful and ineffective spending is a fundamental responsibility of federal agencies in any budgetary environment. But when times are tight, as they are today, the government must redouble its efforts to make the most of every taxpayer dollar. While our oversight work has identified numerous examples of ineffective or questionable spending at the Department of Justice, it has also identified numerous opportunities for improvements that we believe will help maximize the efficiency, and effectiveness, of the Department's programs and operations. I hope and trust that the Department will pursue each and every one of the OIG's recommendations to this end without delay.

In concluding, I want to emphasize the message I offered at the start of this testimony: to fully address the budgetary challenges facing the Department, and to protect its ability to fulfill its mission, the Department must develop a unified and transparent strategy for the future, one that focuses on its fundamental cost structure, strips away unnecessary duplication, and ensures that, where necessary, hard choices about program funding are made in a principled manner. I look forward to working closely with the Department and the Congress to ensure that this is done, and done right.

This concludes my prepared statement, and I would be pleased to answer any questions.

Mr. SENSENBRENNER. Thank you, Mr. Horowitz.
Mr. Maurer?

TESTIMONY OF DAVID C. MAURER, DIRECTOR, HOMELAND SECURITY AND JUSTICE, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. MAURER. Good morning, Chairman Sensenbrenner, Ranking Member Scott, and other Members and staff. I am pleased to be here today to talk about the findings from a variety of our recent work looking at programs and activities at the Department of Justice. DoJ's law enforcement, national security, and criminal justice missions impact taxpayers every single day, and like other departments, DoJ faces a challenging budget environment.

When you think of DoJ's budget as a pie, the two biggest slices by far go to the FBI and the Bureau of Prisons. These two agencies comprise $15 billion of DoJ's $27 billion budget, and in recent years, both have received steadily increasing resources. This reflects the FBI's central role in combatting terrorism and fighting crime and the continued increase in the size of the Federal prison population, which, as we reported, is expected to grow to more than a quarter of a million by 2018. This will lead to a Federal system that contains 45 percent more inmates than it was designed to hold.

Given the current budget environment, it is likely that the overall size of DoJ's budget will at best remain roughly the same. But if the two biggest slices are growing, it means even greater pressure on everything else: grants, U.S. attorneys, DEA, ATF, and so on. Given this reality, it is especially important for DoJ to run its programs and activities in the most effective and efficient manner.

DoJ still has work ahead on that front. Over the past year, we have issued a series of reports that collectively illustrate that DoJ can and should do a better job managing its resources and enhancing program efficiency. Our July 2012 report on DoJ's grant programs offers several examples. We assessed the extent of overlap and risk of duplication across more than 250 grant programs that ultimately led to 11,000 grant awards. We found sometimes significant overlap. For example, 56 different grant solicitations managed by six different DoJ offices provided funding for victim's assistance and related research.

Now, overlapping programs are not necessarily bad if the Department has good internal coordination and strategic visibility over the ultimate use of grant funds. Unfortunately, we found DoJ lacking in those key areas. We also found cases where DoJ was not aware it had awarded funds to the same recipient for similar purposes.

The sheer number of different grant programs creates purely administrative challenges. For example, DoJ has a program to help local law enforcement agencies cover the cost of bullet proof vests. We found that this program had accumulated $27 million in unspent expired grant awards, which is roughly equal to its annual appropriation. We recommended that DoJ de-obligate these funds so they could be used rather than sit unused in an account.

DoJ can also improve the efficiency and transparency of its asset forfeiture fund. Annual revenues from federally-seized assets grew

from $500 million in 2003 to $1.8 billion in 2011. These funds are not appropriated. It is basically extra money that DoJ uses for a variety of purposes, such as covering the cost of program, reimbursing victims, and in some cases for DoJ programs and activities. For example, last summer, DoJ used $151 million of forfeited funds to help purchase the Thompson Correctional Center from the State of Illinois.

Over the past several years, DoJ has annually generated more revenue from selling seizes assets that it spent. This means the fund accumulates money which DoJ carries over from 1 year to the next. For example, at the end of of 2010, DoJ carried over $975 million to start 2011.

Our work found that DoJ should be more transparent in explaining how it determines how much carryover is needed to cover planned costs. These calculations typically involve hundreds of millions of dollars in providing greater clarity would aid congressional decision making about DoJ's budget.

In conclusion, let me stress one thing. We want DoJ to work well. We want the Department to get the most out of every taxpayer dollar that it receives, and I know that is something the Department is committed to as well. In fact, DoJ concurred with and is taking action to address every recommendation mentioned in my written statement. Over the coming months, GAO will be there to provide objective, nonpartisan oversight of the Department and report the findings from our work to the Congress.

Mr. Chairman, thank you for the opportunity to testify this morning. I look forward to your questions.

[The prepared statement of Mr. Maurer follows:]1

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations, Committee on the Judiciary, House of Representatives

For Release on Delivery
Expected at 10 a.m. EDT
Wednesday, April 10, 2013

DEPARTMENT OF JUSTICE

Additional Actions Needed to Enhance Program Efficiency and Resource Management

Statement of David C. Maurer, Director
Homeland Security and Justice

GAO-13-505T

April 10, 2013

GAO
Accountability * Integrity * Reliability

Highlights

Highlights of GAO-13-505T, a testimony before the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations, Committee on the Judiciary, House of Representatives

DEPARTMENT OF JUSTICE

Additional Actions Needed to Enhance Program Efficiency and Resource Management

Why GAO Did This Study

In fiscal year 2012, DOJ's $27 billion budget funded a broad array of national security, law enforcement, and criminal justice system activities. GAO has examined a number of key programs where DOJ has sole responsibility or works with other departments and recommended actions to improve program efficiency and resource management. This statement summarizes findings and recommendations from recent GAO work in the following five areas: (1) overlap and potential duplication in DOJ grant programs; (2) DOJ's management of undisbursed funds from BVP grant awards whose terms have ended; (3) potential duplication in DOJ and Treasury asset forfeiture programs; (4) DOJ's management of asset forfeiture funds; and (5) overlap among DOJ and other federally funded field-based information sharing entities. This statement is based on prior products GAO issued from February 2012 through April 2013, along with selected updates obtained from April 2012 through April 2013. For the selected updates on DOJ's progress in implementing recommendations, GAO analyzed information provided by DOJ officials on taken and planned actions.

What GAO Recommends

GAO has made several recommendations to DOJ in prior reports to help improve program efficiency and resource management. DOJ generally concurred with these recommendations and is taking actions to address them.

View GAO-13-505T. For more information, contact David C. Maurer at (202) 512-8777or maurerd@gao.gov

What GAO Found

In July 2012, GAO reported that the Department of Justice's (DOJ) more than 200 grant programs overlapped across 10 key justice areas, and that this overlap contributed to the risk of unnecessarily duplicative grant awards for the same or similar purposes. GAO has recommended, among other steps, that DOJ conduct an assessment to better understand the extent of grant program overlap and determine if consolidation is possible. DOJ has begun taking related actions, but it is too early to assess their impact.

In February 2012, GAO reported that DOJ's Bulletproof Vest Partnership (BVP) Program—a source of funding for law enforcement ballistic- and stab-resistant body armor—had not taken steps to deobligate about $27 million in unused funds from grant awards whose terms had ended. GAO recommended that DOJ deobligate these funds and, for example, apply the amounts to new awards or reduce requests for future budgets. DOJ officials have since deobligated $2 million and plan to deobligate the rest by the end of April 2013. DOJ officials plan to apply the funds toward fiscal year 2014 BVP grants.

In September 2012, GAO reported that DOJ and the Department of the Treasury (Treasury) conducted potentially duplicative asset management activities related to the seizure and forfeiture of assets associated with federal crimes. For example, GAO reported that each agency maintains separate tracking systems for seized and forfeited property. GAO recommended that DOJ and Treasury conduct a study to determine the feasibility of consolidating their asset management activities. In March 2013, DOJ officials reported that DOJ and Treasury had agreed upon an approach to conduct the study and assess potential costs, but that meetings between the departments were still ongoing and the study had not been finalized.

In July 2012, GAO reported that annual revenues from DOJ's Assets Forfeiture Fund exceeded annual expenditures, allowing DOJ to carryover $844 million at the end of fiscal year 2011, in part to reserve funds for the next fiscal year. However, DOJ does not clearly document how it determines the amounts that need to be carried over. GAO recommended that DOJ more clearly document how it determines the carryover amounts. DOJ officials reported that they plan to provide this information, but as of March 2013, had not yet determined how to present the information.

In April 2013, GAO reported on overlap in activities and services across field-based entities operated or supported by DOJ, the Department of Homeland Security, and the Office of National Drug Control Policy that may share terrorism-related information, among other things. GAO identified 91 instances of overlap in some analytical activities, such as disseminating information on similar issue areas, such as terrorism. GAO recommended, in part, that the federal agencies collaborate to hold the entities accountable for coordination and assess where practices that enhance coordination could be applied. DOJ generally agreed with the intent of the recommendations, but stated that DOJ has already taken steps to promote coordination. The steps, however, do not establish an accountability mechanism for monitoring coordination or assessing practices.

United States Government Accountability Office
Washington, DC 20548

Chairman Sensenbrenner, Ranking Member Scott, and Members of the Subcommittee:

I appreciate the opportunity to participate in today's hearing to discuss our prior work on ways in which the Department of Justice (DOJ) can increase efficiencies and better manage its resources across key programs. In fiscal year 2012, DOJ's enacted budget was $27 billion, and its appropriation was among the top ten of all federal agencies. As the fiscal pressures facing the nation continue, it is increasingly important for DOJ and other executive branch agencies to improve the efficiency and effectiveness of government programs. This is especially important given DOJ's leading role administering a wide array of programs to fulfill its mission to, among other things, enforce the law and to provide federal leadership in preventing and controlling crime.

As requested, my testimony today is based on our recent work examining programs across an array of DOJ components. In some of these program areas, DOJ has sole responsibility, while in others DOJ works with other departments and agencies. This statement addresses five key program areas where we highlighted opportunities for, and made recommendations to address, enhanced program efficiency and resource management:[1] (1) identifying and mitigating unnecessary overlap and duplication in DOJ grant programs,[2] (2) deobligating undisbursed grant funds from Bulletproof Vest Partnership (BVP) Program awards whose grant terms have ended,[3] (3) consolidating operations of DOJ and Department of the Treasury (Treasury) asset forfeiture programs,[4] (4)

[1]Some of the reports included in this statement contain additional findings and recommendations that we do not address here because they did not specifically address improvements in program efficiency and resource management. Some of the recommendations are directed both to DOJ and other federal agencies with which joint efforts will be required to address necessary improvements.

[2]Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.

[3]A deobligation is the cancellation or downward adjustment of previously incurred obligations.

[4]Asset forfeiture refers to the process of confiscating money or property that represents either proceeds of crimes or property used in the commission of crimes.

improving overall management of asset forfeiture funds, and (5) strengthening coordination and reducing unnecessary overlap across field-based entities (e.g., units, centers, and task forces) that may share law enforcement and terrorism-related information.

My statement is based on reports addressing each of these areas issued from February 2012 through April 2013, and includes selected updates obtained from April 2012 through April 2013. For our prior reports, we analyzed documentation, such as grant solicitations and program policies and procedures, and interviewed relevant DOJ officials responsible for managing DOJ's grant and asset forfeiture programs, and its field-based information-sharing entities. More information about the scope and methodology of our prior work can be found in those reports.[5] To update the status of DOJ's efforts to address the recommendations we made in these reports, we collected information from DOJ program officials on actions they have taken or planned in response. We conducted our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

DOJ Grants Administration

DOJ awards federal financial assistance to state and local governments, for-profit and nonprofit organizations, tribal jurisdictions, and educational

[5]See, respectively, GAO, *Justice Grant Programs: DOJ Should Do More to Reduce the Risk of Unnecessary Duplication and Enhance Program Assessment*, GAO-12-517 (Washington, D.C.: July 12, 2012); *Law Enforcement Body Armor: DOJ Could Enhance Grant Management Controls and Better Ensure Consistency in Grant Program Requirements*, GAO-12-353 (Washington, D.C.: Feb. 15, 2012); *Asset Forfeiture Programs: Justice and Treasury Should Determine Costs and Benefits of Potential Consolidation*, GAO-12-972 (Washington, D.C.: Sept. 12, 2012); *Justice Assets Forfeiture Fund: Transparency of Balances and Control over Equitable Sharing Should Be Improved*, GAO-12-736 (Washington, D.C.: July 12, 2012); and *Information Sharing: Agencies Could Better Coordinate to Reduce Overlap in Field-Based Activities*, GAO-13-471 (Washington, D.C.: Apr. 4, 2013).

institutions, to help prevent crime, assist victims of crime, and promote innovative law enforcement efforts. Federal financial assistance programs provide funding pursuant to statutory authorization and annual appropriations through formula grants, discretionary grants, cooperative agreements, and other payment programs, but are all generally referred to as grants.[6] From fiscal year 2005 through fiscal year 2012, approximately $33 billion has been appropriated to support the more than 200 grants programs that DOJ manages.[7]

DOJ administers its grant programs through three granting agencies—the Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Community Oriented Policing Services (COPS) Office. OJP is the largest of DOJ's granting agencies, and its mission to develop the nation's capacity to prevent and control crime, administer justice, and assist crime victims is broader than that of OVW or the COPS Office. OJP's bureaus and offices administer grant programs that address victim assistance, technology and forensics, and juvenile justice, among other things. One such grant program is the BVP program, which was created following enactment of the Bulletproof Vest Partnership Grant Act of 1998,[8] and provides grants on a competitive basis to state and local law enforcement agencies to assist in their purchasing of ballistic-resistant and stab-resistant body armor. The COPS Office grant programs focus on advancing community policing, which generally involves cooperation between police departments and community residents in identifying and developing solutions to crime problems. OVW administers grant programs related to domestic violence, dating violence, sexual assault, and stalking.

[6]Formula grant programs are noncompetitive awards based on a predetermined formula, typically established in statute. Discretionary grants are usually awarded on the basis of a competitive selection process. A cooperative agreement is a type of federal financial assistance similar to a grant except the federal government is more substantially involved with the grant. Payment programs typically take the form of reimbursements to state and local law enforcement entities for purchases such as body armor.

[7]In addition to fiscal year funding from 2005 through 2012, this amount includes $4 billion appropriated in fiscal year 2009 through the American Recovery and Reinvestment Act of 2009 (Recovery Act). Pub. L. No. 111-5, 123 Stat. 115, 129-30, which includes $10 million for salaries and expenses to manage, administer, and oversee the grant programs. This approximate amount does not reflect amounts, if any, that have been rescinded, reprogrammed, or transferred.

[8] Pub. L. No. 105-181, 112 Stat. 512.

Asset Forfeiture

DOJ and Treasury both operate asset forfeiture programs that are designed to prevent and reduce crime through the seizure and forfeiture of assets that represent the proceeds of, or were used to facilitate, federal crimes. Each department also maintains a separate fund that is the receipt account for the deposit of forfeitures.[9] Over the years, a series of laws has been enacted that has expanded forfeiture from drug offenses to money laundering, financial crimes, and terrorism-related offenses. In addition to depriving criminals of property used or acquired through illegal activities, these programs are designed to enhance cooperation among foreign, federal, state, and local law enforcement agencies through the equitable sharing of assets recovered through the program, and, as a by-product, produce revenues in support of future law enforcement investigations and related forfeiture activities. A number of federal law enforcement organizations participate in DOJ's Assets Forfeiture Fund (AFF), including the U.S. Marshals Service, which serves as the primary custodian of seized and forfeited property for the program. Once property is forfeited to the government, it is subsequently sold, put into official use, destroyed, or transferred to another agency. Cash and monetary instruments that have been forfeited and property that has been forfeited and sold are subsequently deposited in the forfeiture fund. In fiscal year 2012, the value of total assets in the AFF was approximately $5.97 billion.[10] Money collected in the funds is used to pay for expenses related to the asset forfeiture program and for other law enforcement initiatives.

Field-Based Information-Sharing Entities

DOJ, the Department of Homeland Security (DHS), and the Office of National Drug Control Policy (ONDCP) operate or support, through grant funding or personnel, five types of field-based information-sharing entities that may collect, process, analyze, or disseminate information in support of law enforcement and counterterrorism-related efforts, as shown in table 1.

[9]The Comprehensive Crime Control Act of 1984 established the Department of Justice Assets Forfeiture Fund (AFF). Pub. L. No. 98-473, tit. II, §§ 310, 2302 (codified as amended at 28 U.S.C. § 524(c)). Likewise, the Treasury Forfeiture Fund Act of 1992 established the Treasury Forfeiture Fund (TFF) as a successor to what was then the Customs Forfeiture Fund. Pub. L. No. 102-393, § 638 (codified as amended at 31 U.S.C. § 9703).

[10]U.S. Department of Justice Office of the Inspector General, Audit Division, *Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statements, Fiscal Year 2012*. Audit Report 13-07, January 2013. Washington, D.C. Total assets include cash and noncash assets, net investments, and fund balances.

Table 1: Field-Based Information-Sharing Entities

Entity	Description
Joint Terrorism Task Forces	• Funded and managed by DOJ's Federal Bureau of Investigation (FBI) to prevent, preempt, deter, and investigate terrorism, as well as to apprehend terrorists
Field Intelligence Groups	• Part of the FBI that supports FBI investigations by collecting and analyzing intelligence and sharing this information with the FBI and, when applicable, its law enforcement and intelligence partners
Regional Information Sharing Systems centers	• Funded through grants administered by DOJ's Bureau of Justice Assistance to help combat major crimes and terrorism, and promote officer safety by linking federal, state, local, and tribal criminal justice agencies through secure communications and providing information-sharing resources and investigative support
State and major urban area fusion centers[a]	• Funded by a variety of state and federal sources—including DOJ and DHS grants—to serve as intermediaries for sharing terrorism and other threat-related information between the federal government and state, local, tribal, territorial, and private sector homeland security partners
High Intensity Drug Trafficking Areas (HIDTA) Investigative Support Centers	• Supported by ONDCP grant funds to assist in the disruption and dismantlement of drug-trafficking and money-laundering organizations by preventing or mitigating associated criminal activity. HIDTA program resources may also be used for terrorism investigations and prevention activities

Source: GAO analysis of field-based information-sharing entities.

[a]A fusion center is a collaborative effort of two or more agencies that combines resources, expertise, or information at the center with the goal of maximizing the ability of such agencies to detect, prevent, investigate, and respond to criminal and terrorist activity. See 6 U.S.C § 124h(j)(1).

In general, the five types of entities in our review were established under different authorities and have distinct missions, roles, and responsibilities. As of January 2013 there were a total of 268 of these field-based entities located throughout the United States, and DOJ, DHS, and ONDCP provided an estimated $129 million in fiscal year 2011 to support three of the five types of entities.[11]

[11]The three types of field-based entities include Regional Information Sharing Systems centers, state and major urban area fusion centers, and High Intensity Drug Trafficking Areas Investigative Support Centers. The National Fusion Center Association reported fusion center funding based on self-reported responses from 57 of 77 fusion centers. Data on funding estimates for the other two types—Joint Terrorism Task Forces and Field Intelligence Groups—are classified.

DOJ Has Steps Under Way to Reduce the Risk of Unnecessary Duplication in Its Grant Programs

In July 2012, we reported that DOJ's more than 200 grant programs overlapped across 10 key justice areas, and that this overlap contributed to the risk of unnecessarily duplicative grant awards for the same or similar purposes.[12] We also recognized that overlapping grant programs across programmatic areas result in part from authorizing statutes. Further, we recognized that overlap among DOJ's grant programs may be desirable because such overlap can enable DOJ's granting agencies to leverage multiple funding streams to serve a single justice purpose. However, we found that the existence of overlapping grant programs is an indication that agencies should increase their ability to monitor where their funds are going and coordinate to ensure that any resulting duplication in grant award funding is purposeful rather than unnecessary, and we made recommendations to reflect these needed improvements.

In addition, we found that OJP, OVW, and the COPS Office did not routinely share lists of current and potential awardees to consider both the current and planned dispersion and purposes of all DOJ grant funding before finalizing new award decisions. Our work found instances where DOJ made multiple grant awards to applicants for the same or similar purposes without being aware of the potential for unnecessary duplication or whether funding from multiple streams was warranted. We also reported that OJP, OVW, and the COPS Office had not established policies and procedures requiring consistent coordination and information sharing among its granting agencies. Further, we found that OJP and OVW used a separate grants management system than the COPS Office, limiting their ability to share information on the funding they have awarded or are preparing to award to a recipient.[13] According to COPS Office officials, its mission and grant management processes are different enough to necessitate a separate system. However, OJP officials told us that its system has been and can be modified with minimal investment to accommodate different grant processes.

To better identify and address the challenges associated with potential unnecessary duplication, we made a total of eight recommendations. DOJ

[12]We based this assessment on our review of all 253 grant award announcements that OJP, OVW, and the COPS Office published on their websites for fiscal year 2010. See GAO-12-517.

[13]We included some of these related findings in GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap, and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012).

concurred with all eight of our recommendations. Five of the recommendations specifically relate to ways in which DOJ can improve program efficiency and resource management, and these are that DOJ

- conduct an assessment to better understand the extent to which the department's grant programs overlap with one another and determine if grant programs may be consolidated;
- coordinate within and among granting agencies on a consistent basis to review potential or recent grant awards from grant programs that DOJ identifies as overlapping, before awarding grants;
- require its grant applicants to report all federal grant funding, including all DOJ funding, that they are currently receiving or have recently applied for in their grant applications;
- provide appropriate OJP, COPS Office, and OVW staff access to both grant management systems; and
- ensure its comprehensive study of DOJ grant management systems assesses the feasibility, costs, and benefits of moving to a single grants management system, including the steps needed to harmonize DOJ grant processes, so that any variation in how granting agencies manage their portfolios is not an encumbrance to potential system unification.

DOJ has taken steps to partially address these recommendations. Specifically, DOJ has formed an assessment team, composed of OJP, OVW, and COPS Office representatives, to review all of the department's fiscal year 2012 grant program solicitations, or announcements, and categorize them by several elements. These elements include program type, eligible grant funding recipients (e.g., states, localities, tribes, and law enforcement agencies), target grant award beneficiaries (e.g., victims and juveniles), allowable uses of the funds, and locations funded. The assessment team is also developing criteria to identify potentially duplicative programs and then plans to assign risk levels of potential duplication to those that have multiple solicitations addressing similar key components. According to DOJ officials, the assessment team plans to conclude its work later in 2013.

In addition, OJP has granted read-only access of its grants management system to OVW and the COPS Office to allow pertinent staff in those offices to access the most up-to-date OJP grant information. Further, OJP officials said that they are exploring ways in which more data systems may be used for coordinating grants. DOJ officials anticipate that eventually, agencies can leverage the information in these systems during the preaward process to avoid funding potentially overlapping and duplicative grant activities; however, DOJ's plans rest upon completion of

the assessment team's work. Officials told us that upon receipt of the assessment team's findings, they plan to work to develop and support a targeted and strategic approach to reviewing applications across all three granting agencies before making grant award decisions. DOJ officials noted that as part of this approach, DOJ plans to establish policies and procedures to govern coordination efforts. Thus, completion of this assessment could better position DOJ to take more systemic actions—such as improved coordination and potential consolidation of its programs—to limit overlap and mitigate the risk of unnecessary duplication.

DOJ has also initiated a feasibility study of moving to a single grants management system that includes the identification of the steps needed to harmonize grant processes, among other factors such as return on investment. Since this study—like DOJ's other efforts to address all of our recommendations—is still under way, it is too soon to tell whether the department's actions will fully address each of the recommendations.

DOJ Has Not Yet Deobligated Unused BVP Funds

We have also previously reported on and made recommendations related to DOJ's BVP grant program.[14] In February 2012, we reported that DOJ had designed several controls for the BVP program to ensure grantee compliance with program requirements, among other things, but could take additional action to further reduce management risk. For example, we found that from fiscal years 2002 to 2009, the BVP program had awarded about $27 million in BVP grants to grant recipients who did not ultimately seek reimbursement.[15] Since the grant terms for each of these grantees had ended, the grantees were no longer eligible for reimbursement and DOJ could deobligate these funds.[16] To improve DOJ's resource management, we recommended that DOJ deobligate undisbursed funds from grants in the BVP program whose terms have

[14]GAO-12-353.

[15]The BVP program has generally funded, on a reimbursable basis, up to 50 percent of the cost of the body armor a jurisdiction procures with its available BVP funds.

[16]DOJ obligates the grant funding at the time it makes the award. When grantees request—and DOJ approves—more money than the grantees eventually use during the term of the grant, the money can be deobligated. Our original report describes a number of circumstances in which this situation can occur, including when grantees purchase body armor using other sources of funding.

ended. Further, we noted that since the BVP program received about $24 million in fiscal year 2012, deobligating this $27 million could have significant benefits. For example, deobligating this funding could enable the department to apply the amounts to new awards or reduce requests for future budgets. The department concurred with this recommendation and has since deobligated $2 million. In early April 2013, DOJ officials stated that they expect to complete the deobligation process before the end of April 2013. They also said the process is time-intensive because it has involved reconciliation among multiple data and financial management systems. DOJ officials stated that they plan to use the deobligated funds toward fiscal year 2014 BVP awards.

DOJ and Treasury Have Not Yet Studied the Feasibility of Consolidating Asset Forfeiture Activities

In September 2012, we found that DOJ and Treasury had made limited progress to consolidate their asset forfeiture property management activities.[17] Specifically, the departments had made limited progress in sharing storage facilities or contracts, and they had not fully explored the possibility of coordinating or consolidating the management of their assets to achieve greater efficiencies, effectiveness, and cost savings. As a result, each department maintained separate asset-tracking systems, separate contracts, and separate storage facilities, which we found to be potentially duplicative. For example, DOJ and Treasury maintain four separate asset-tracking systems—DOJ maintains one system and Treasury maintains three—to support their respective asset forfeiture program activities, and these four tracking systems have similar functionalities.[18] According to DOJ and Treasury data, the cost of developing, maintaining, and overseeing their four asset-tracking systems in fiscal year 2011 totaled $16.2 million for DOJ's asset-tracking system and $10.4 million for the three Treasury asset-tracking systems combined. Further, we found that in some cases, storage facilities are located in the same geographic area. For example, both the U.S. Marshals Service—the primary custodian of DOJ's seized assets—and

[17]GAO-12-972.

[18]The Consolidated Asset Tracking System (CATS) is the system of record for the DOJ program. Treasury uses three asset tracking systems: (1) the Treasury Seized Asset and Case Tracking System (SEACATS), which is the system of record for the Treasury program; (2) the Asset Forfeiture Tracking and Retrieval (AFTRAK) system that Treasury's Internal Revenue Service uses; and (3) the Forfeiture and Seizure Tracking (FASTRAK) system that DHS' U.S. Secret Service uses. Two of the three asset tracking systems used in the Treasury program—AFTRAK and FASTRAK—are owned and operated by the DHS.

Treasury maintain vehicle storage facilities, 40 percent of which are within 20 miles of each other.

DOJ and Treasury officials noted that when Congress passed a law establishing the Treasury Forfeiture Fund in 1992, it recognized the differences in the programs' missions, which warranted creating separate programs, and this encouraged independent operational decisions that eventually created additional differences between the two programs. Both programs are designed to reduce and prevent crime. DOJ's asset forfeiture program represents the interests of law enforcement components within its department as well as several components outside the department, while Treasury's program represents the interests of Treasury and DHS components.[19] We recognized the separate legal authorities of the two funds, but noted that those legal authorities did not preclude enhanced coordination within programs. Thus, we recommended that DOJ and Treasury conduct a study to determine the feasibility of consolidating potentially duplicative asset management activities including, but not limited to, the use of asset-tracking systems and the sharing of vendor and contract resources. The departments concurred with this recommendation. As of March 2013, DOJ officials reported that DOJ and Treasury representatives had met several times in the fall of 2012 and thereafter agreed upon an approach to conduct the study and assess potential costs. DOJ officials noted that they would continue to meet with their Treasury partners to execute their plan. Since work remains under way, it is too soon to tell whether the departments' actions will fully address the recommendation.

[19]The components outside of Justice are the United States Postal Inspection Service; the Food and Drug Administration; the United States Department of Agriculture, the Office of the Inspector General; the Department of State, Bureau of Diplomatic Security; and the Defense Criminal Investigative Service.

DOJ Has Not Documented the Process for Carrying Over Asset Forfeiture Funds from Year to Year

In July 2012, we reported on the growth of revenues and expenses in DOJ's AFF from fiscal years 2003 to 2011, and the need for transparency in DOJ's process for carrying over funds from one fiscal year to the next.[20] Each year, DOJ earns revenue from the proceeds of the forfeited assets it collects. It then pays its expenses, which include payments to victims and the costs of storing and maintaining forfeited assets. DOJ uses any balance to help cover anticipated expenses in the next fiscal year that may not be covered by that year's revenues, and this is known as carrying over funds. For example, at the end of fiscal year 2003, DOJ carried over approximately $365 million to cover expenditures in the next fiscal year. In contrast, at the end of fiscal year 2011, DOJ carried over $844 million to cover expenses into fiscal year 2012. After DOJ reserves funds to cover needed expenses, DOJ declares any remaining funds to be an excess unobligated balance and has the authority to use these funds for any of the department's authorized purposes.[21] In recent years, DOJ also used these excess unobligated balances to cover rescissions.[22] For example, in fiscal year 2011, DOJ used excess unobligated balances to help cover a $495 million AFF program rescission. Also, in fiscal year 2012, DOJ used $151 million of the remaining AFF funds identified at the end of the fiscal year to acquire the Thomson Correctional Center in Thomson, Illinois.[23]

At the time of our review, when determining the amounts to carryover, DOJ officials reviewed historical data on past program expenditures, analyzed known future expenses such as salaries and contracts, and estimated the costs of any potential new expenditures. However, as we concluded on the basis of our findings in July 2012, without a clearly documented and transparent process, it was difficult to determine whether DOJ's conclusions regarding the amounts that need to be carried

[20] GAO-12-736. Carryover consists of budget authority from the prior fiscal year that is available for obligation in the current fiscal year; that is, funds that are carried forward.

[21] 28 U.S.C. § 524(c)(8)(E).

[22] Rescissions cancel the availability of DOJ's previously enacted budget authority, making the funds involved no longer available for obligation.

[23] DOJ's appropriations act for fiscal year 2013 specifies that DOJ may only obligate up to $10 million of the excess unobligated balances, and directs DOJ to use $154.7 million of available amounts for payments associated with joint law enforcement operations, as authorized by 28 U.S.C. § 524(c)(1)(I). Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. No. 113-6, 127, tit. II, div. B, § 218 (c), (d) Stat. 198, 260,

over each year were well founded. We recommended that DOJ clearly document how it determined the amount of funds that it would need to be carried over for the next fiscal year, a recommendation with which DOJ concurred. DOJ officials stated that they plan to include information on the basis for its decisions concerning the amount of funds to be carried over in future Congressional Budget Justifications, but as of March 2013, the decision on how to present the information was still pending. Since this information has not yet been made available, it is too soon to tell whether it will fully address the recommendation.

DOJ and Other Agencies Could Improve Coordination to Help Reduce Unnecessary Overlap in Field-Based Information Sharing

In April 2013, we identified overlap in some activities of five types of field-based information-sharing entities and concluded that DOJ, DHS, and ONDCP could improve coordination among the entities to help reduce unnecessary overlap in activities.[24] In general, the five types of entities in our review were established under different authorities and have distinct missions, roles, and responsibilities. We reviewed their activities in eight urban areas and found overlap as each carried out its respective missions, roles, and responsibilities.[25] Specifically, we identified 91 instances of overlap in analytical activities and services, with more instances of overlap involving a fusion center and a Field Intelligence Group (54 of the 91 instances) compared with the other three types of entities.[26] For example, we found that in five of the eight urban areas, the fusion center, Regional Information Sharing Systems center, and the Field Intelligence Group disseminated information on all crimes—which can include terrorism and other high-risk threats as well as other types of crimes—for federal, state, and local customers including state and local police departments. In addition, we found 32 instances of overlap in investigative support activities across the eight urban areas reviewed,

[24]GAO-13-471.

[25]For the purposes of our review, "mission area" refers to the area of work in which an entity conducts an activity (all-crimes, counterterrorism, and counternarcotics).

[26]We defined six categories of analytical activities and services that entities can perform. Among these are collection management, which is the identification, location, and recording or storing of information used to support analysis; strategic analysis, which is the analysis of crime patterns, crime trends, or criminal organizations for the purpose of planning, decision making, and resource allocation; and analytical products, which involve the conversion of raw information into intelligence. We identified these categories by reviewing agency documents and interviewing agency officials to generate a list of analytical activities and services that entities potentially conduct.

with more instances of overlap involving a Regional Information Sharing Systems center and a fusion center (18 of the 32 instances) compared with the other three entities.[27] For example in one urban area, the Regional Information Sharing Systems center and the fusion center both conducted tactical analysis, target deconfliction, and event deconfliction within the same mission area for federal, state, and local customers. We reported that overlap, in some cases, can be desirable. In particular, overlap across analytical activities and services can be beneficial if it validates information or allows for competing or complementary analysis. Nevertheless, overlap can also lead to inefficiencies if, for example, it burdens law enforcement customers with redundant information.

To promote coordination, we recommended two actions. First, we recommended that the Attorney General, the Secretary of Homeland Security, and the Director of ONDCP collaborate to develop a mechanism that would allow them to hold field-based information-sharing entities accountable for coordinating and monitor and evaluate the coordination results achieved. Second, we recommended that the Attorney General, the Secretary of Homeland Security, and the Director of ONDCP work together to assess opportunities where practices that enhance coordination can be further applied. DHS and ONDCP concurred with both recommendations. DOJ generally concurred with both recommendations, but asserted that it was already actively promoting coordination and routinely seeking to identify efficiency gains. For example, DOJ cited its participation in summits with other agencies, including DHS, and the colocation of certain field-based entities as evidence in support of this. While these efforts are positive steps for sharing information and coordinating, we noted and continue to believe that they do not fully address the recommendations. We maintain that an accountability mechanism to ensure coordination could add valuable context to any existing interagency discussions while encouraging entities to engage in coordination activities, such as leveraging resources to avoid

[27]We defined five categories of investigative support activities and services that entities can perform. Among these are tactical analysis, which is the analysis of information regarding a specific criminal event that can be used immediately by operational units to further a criminal investigation, plan tactical operations, and provide for officer safety; target deconfliction, which is determining if multiple law enforcement agencies are investigating, for example, the same person, vehicle, weapon, or business; and event deconfliction, which is determining if multiple federal, state, or local law enforcement agencies are conducting an enforcement action (e.g., a raid, undercover operation, or surveillance) in proximity to one another during a specified time period.

unnecessary overlap. Further, our recommendation calls for DOJ, DHS, and ONDCP to collectively assess opportunities to enhance coordination through whatever effective means they identify.

Chairman Sensenbrenner, Ranking Member Scott, and members of the subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

Contacts and Staff Acknowledgments

For further information about this statement, please contact David C. Maurer, Director, Homeland Security and Justice Issues, at (202) 512-9627 or maurerd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition to the contact named above, the following individuals also made contributions to this testimony: Joy Booth, Assistant Director; Sylvia Bascope; Michele Fejfar; Heather May; Lara Miklozek; Linda Miller; and Janet Temko.

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Mr. SENSENBRENNER. Thank you very much.

Mr. Schatz?

TESTIMONY OF THOMAS A. SCHATZ, PRESIDENT, CITIZENS AGAINST GOVERNMENT WASTE

Mr. SCHATZ. Thank you very much, Mr. Chairman, Ranking Member Scott, other Members of the Subcommittee. I very much appreciate the opportunity to be here today.

This Committee's Subcommittee hearing is a good example of the type of oversight that every Subcommittee and Committee in the

House should be conducting on a regular basis. As Dr. Coburn said, the problem is Members of Congress who tend to look at a problem and create a program rather than looking at a problem and determining whether or not the program already exists to solve that same situation. That is how overlap occurs. The agencies do not create the program. They come from Congress.

Yesterday, the GAO issued its 3rd annual report on overlap and duplication. The 2011 and 2012 reports were estimated by Senators Coburn and Jeff Sessions to include programs that cost $400 billion annually. Therefore, there is little doubt that tens, if not hundreds, of billions of dollars could be saved through the consolidation or elimination of such programs.

Recommendations to eliminate waste, fraud, abuse, and mismanagement are regularly provided by GAO, CBO, the IGs, President's budget, even the authorizing and appropriations Committee, as well as outside groups like think tanks, advocacy groups, and private sector companies. For example, since 1993, Citizens Against Government Waste has released Prime Cuts, a compendium of recommendations that emanate from both public and private sources. The 2013 edition of Prime Cuts includes 557 recommendations that would save taxpayers $580.6 billion in 1 year, and $1.8 trillion over 5 years.

My written testimony and my statement today focus on programs within the Department of Justice, including the Edward Byrne Memorial Justice Assistance Grant Program, or JAG Program, the Community Oriented Policing Services Program, or COPS, the State Justice Institute, the Integrated Wireless Network Program, the Drug Enforcement Administration's Mobile Enforcement Team Program, and the FBI's light duty sedan fleet. The first three programs are included in Prime Cuts, and the latter three are all from the President's budget in 2011 and 2012.

Now, the GAO pointed out in a July 2012 report that approximately $33 billion has been appropriated to DoJ since 2005 for more than 200 criminal justice grant programs. And certainly Dr. Coburn's chart indicates there is a tremendous amount of overlap and duplication in those programs.

DoJ funds multiple programs like COPS, and in many instances, different programs perform the same functions. The CRS reported in September 2010 that the costs of the COPS program outweigh the benefits by more than a billion dollars. The current JAG Program itself is the result of a 2005 consolidation of several DoJ grant programs. Nonetheless, JAG has been shown not to target funds to high priority uses, does not provide meaningful goals, and the grantees are not required to report on performance.

President Obama has recommended suspending development of the Integrated Wireless Network Program, which was intended to address DOJs aging communications program. The program was started in 1998. It has cost $356 million over 10 years and has yet to achieve its intended results. And even for the Federal Government, that is a long track record of failure. The President's budget recommended existing commercial technology or leveraging communications platforms of DoJ partner agencies, such as Homeland Security or even State and local law enforcement agencies. Eliminating this program would save $103 million in 1 year.

The DEA created the Mobile Enforcement Team Program in April 1995 to attack drug trafficking organizations, and the teams were designed to be deployed on average for 6 months. A December 2010 audit by the DoJ IG found that "Despite its name, the METs were not mobile." They were being operated mainly in metropolitan areas near DEA offices. The IG also found that the effects of MET deployments are transitory and perhaps poorly focused. Eliminating this program would save $31 million in 1 year and $155 million over 5 years.

In conclusion, wasteful spending is either caused by mismanagement of existing programs or the authorization of unnecessary or duplicative programs. The Justice Department enjoys oversight responsibility for the Department, and it is imperative that the Committee exercise its oversight on a consistent basis. In fact, it might even be worth considering establishing rules for House Committees that there are as many hearings on oversight as there are about how to spend money. Perhaps, then rather than just spending the money, we'll spend more time determining how well the money is spent.

Thank you very much, Mr. Chairman. I appreciate the opportunity to testify.

[The prepared statement of Mr. Schatz follows:]

Testimony of Thomas A. Schatz

President, Citizens Against Government Waste

Before the House Judiciary Subcommittee on Crime, Terrorism, and Homeland Security

Luxury Jets and Empty Prisons: Wasteful and Duplicative Spending at the Department of Justice

April 10, 2013

My name is Thomas A. Schatz, and I am president of Citizens Against Government Waste (CAGW). CAGW was founded in 1984 by the late industrialist J. Peter Grace and nationally-syndicated columnist Jack Anderson to build support for implementation of President Ronald Reagan's Grace Commission recommendations and other waste-cutting proposals. Since its inception, CAGW has been at the forefront of the fight for efficiency, economy, and accountability in government. CAGW has more than one million members and supporters nationwide, and, over the past 28 years, it has helped save taxpayers $1.2 trillion through the implementation of Grace Commission findings and other recommendations.

CAGW does not accept government funds. The organization's mission reflects the interests of taxpayers. All citizens benefit when government programs work cost-effectively, when deficit spending is eliminated, and when government is held accountable. Not only will representative government benefit from the pursuit of these interests, but the country will prosper economically because government mismanagement, fiscal profligacy, and chronic deficits soak up private savings and crowd out the private investment necessary for long-term growth.

It is no secret that wasteful spending is present throughout the federal government and that every agency could perform its functions more effectively and efficiently. Recommendations to eliminate waste, fraud, abuse, and mismanagement are regularly provided by the Government Accountability Office (GAO), the Congressional Budget Office (CBO), the President's budget, and congressional authorizing and appropriations committees. Outside of the government, think tanks, advocacy groups, and private-sector companies also provide ongoing analysis of government expenditures. For example, since 1993, CAGW has released *Prime Cuts*, a compendium of recommendations that emanate from both public and private sources; some still date back to the Grace Commission. The 2013 edition of *Prime Cuts* identified 557

recommendations that would save taxpayers $580.6 billion in the first year and $1.8 trillion over five years. *Prime Cuts* can serve as a blueprint to cut government spending and put the nation on a path toward fiscal stability.

Under less dire fiscal circumstances, taxpayers might be amused by the title of today's hearing – "Luxury Jets and Empty Prisons: Wasteful and Duplicative Spending at the Department of Justice" – if the United States' spending binge were not so far past the point of a much-needed intervention. And, as any twelve-stepper knows, the first step is admitting there is a problem.

That said, I will defer to the GAO, whose February 2013 report, "Executives' Use of Aircraft for Nonmission Purposes," garnered some unflattering coverage, as the GAO highlighted the expenditure of $11.4 million on "FBI luxury jets for travel unrelated to the agency's mission." The references to "empty prisons," bringing to mind the Obama administration's sweetheart deal to acquire the shuttered Thomson Prison in Illinois for $165 million, are even more egregious. In addition to the countless millions of dollars that will be needed to upgrade and activate the facility, this action is extremely wasteful. As House Appropriations Committee Chairman Hal Rogers (R-Ky.) pointed out, "the federal government already owns four additional empty prison facilities, which are awaiting activation."

Luxury jets and empty prisons notwithstanding, my testimony today will focus on multiple areas within the Department of Justice (DOJ) where wasteful spending on entire programs could easily be eliminated. The Edward Byrne Memorial Justice Assistance Grant (JAG) program has had several iterations since its purpose was first established in 1988. In 2005, Congress merged several DOJ grant programs under the JAG umbrella. Over the years,

JAG has devolved into a giveaway program with too much flexibility, no effective targeting strategy, weak oversight, and few consequences for mismanagement of the funds. JAG funds were frequently earmarked, and the program has morphed into an open-ended source of money used to subsidize states' routine operational law enforcement expenses.

In a June 19, 2008 *Washington Post* article, Sen. Claire McCaskill (D-Mo.) spoke of the lack of oversight in the JAG program, stating that "some bureaucrat cannot decide on a whim who gets precious tax dollars. It's insulting to all the programs that work hard on their applications to have merit take a back seat to who you know."

The now defunct ExpectMore.gov, the George W. Bush administration's rating system for federal programs that was managed by the Office of Management and Budget, described the Byrne grants as "a variety of potential local law enforcement activities rather than a clearly defined, specific or existing problem, interest, or need." ExpectMore.gov went on to say, "With program funds eligible to be used for multiple purposes, the DOJ cannot target the funds to high priority uses. There are no meaningful goals for the program. Performance measures are still under development. Grantees are not required to report on performance. As a result, it is difficult to determine what the program is accomplishing." According to *Prime Cuts,* eliminating the JAG program would save taxpayers $519 million in the first year and $2.6 billion over five years.

Additional savings for taxpayers could be found through the elimination of the Community Oriented Policing Services (COPS) program. A signature plan of the Clinton administration, COPS was intended to reduce rising crime rates in the early 1990s by providing federal grant money for the hiring of 100,000 police officers to patrol American streets.

Nineteen years later, the program has failed to reach its stated goals and has fallen victim to hundreds of millions of dollars in waste, fraud, and abuse.

In April 2005, the DOJ inspector general (IG) released audits of only 3 percent of COPS grants and found $277 million in "misspent" grant funds, including money for jobs never filled, jobs filled for only a short time, or payments for routine police department expenses unrelated to increasing the number of cops on the beat. Following the audits, the DOJ has recouped only $6 million of the $277 million.

On top of the waste and mismanagement, COPS requires that recipient cities keep the program running on their own dime for at least one year after the grant money runs out, which creates another unfunded mandate for local governments already strapped for cash.

A July 2012 GAO report found substantial overlap among DOJ's grant programs. DOJ funds multiple programs like COPS, and in many instances different programs perform the same function. Since fiscal year 2005, approximately $33 billion has been appropriated to DOJ for the administration of more than 200 federal financial assistance solicitations, such as grants, that support criminal justice activities at the state and local levels. The GAO suggested that DOJ perform an assessment of the programs to find "where a consolidation of programs may be more efficient." COPS would be a great place to start. A September 2010 Congressional Research Service report found that the costs of the program outweighed the benefits by more than $1 billion. In short, COPS is an expensive, failed, and duplicative program that should be terminated.

Another perennial example of waste highlighted in *Prime Cuts* is the State Justice Institute, which was created by Congress in 1984 to "improve the quality of justice in State

courts, facilitate better coordination between State and Federal courts, and foster innovative, efficient solutions to common issues faced by all courts." To accomplish this mission, the institute provides grants for research on criminal justice issues. However, the institute is duplicative of other programs within the DOJ. House Republican leaders, including Speaker of the House John Boehner and Majority Leader Eric Cantor, have repeatedly suggested eliminating the program.

In addition to the cost-saving measures identified by CAGW, the Obama administration has highlighted multiple areas of waste within the DOJ. In his fiscal year (FY) 2012 *Terminations, Reductions, and Savings* report, President Obama recommended suspending further development of the Integrated Wireless Network (IWN) program, eliminating the Drug Enforcement Agency's (DEA) Mobile Enforcement Team (MET) program, and reducing the number of light-duty sedans purchased by the Federal Bureau of Investigation (FBI).

The IWN program was created in 1998 to address the DOJ's aging communications systems. However, the IWN itself has since become outdated. According to a 2012 audit of the IWN by the DOJ, "despite costing over $356 million over 10 years, the IWN program has yet to achieve the results intended when the Department initially began developing it in 1998."

According to the 2012 *Terminations, Reductions, and Savings* report, "the current approach is at risk of becoming obsolete more quickly than other approaches. This impedes the project's ability to meet any changes in requirements and integrate industry advances in wireless technology over the procurement life-cycle. A range of alternatives now exist that were not available when the project was originally conceived. These alternatives, alone or in combination

with each other and/or the current approach, can help accelerate delivery of better communication capabilities, such as data, video, and applications more cheaply."

Some of the possible alternatives to this approach identified by the Obama administration include "commercial wireless companies offering voice, data, video, and 'apps' on 3G or 4G Long Term Evolution (LTE) technologies, as well as their commercial infrastructure (e.g. towers, antennas, etc.); other innovative communication programs within DOJ providing data and voice capabilities that already satisfy many agent communications needs (e.g., DOJ mobile devices and surveillance technologies); and opportunities to leverage communications platforms of other Federal, State, and local partners (e.g., the Department of Homeland Security on the southwest border, large metropolitan police departments, etc.)."

The DOJ should implement the President's recommendation and suspend further development of the IWN program, which would produce $103 million in one-year savings.

The 2012 *Terminations, Reductions, and Savings* report also suggested terminating the DEA's MET program. In April 1995, DEA created the MET program to attack drug-trafficking organizations. MET teams were designed to be deployed on a temporary basis (an average of six months) to work with federal, state, and local law enforcement partners in the disruption of gangs.

However, a December 2010 audit by the DOJ IG found that "despite its name, the METs were not mobile. They were being operated mainly in Metropolitan areas near DEA offices. Consequently, rural law enforcement agencies did not have the benefit of using MET resources to address either the methamphetamine or violent gang problems within their jurisdictions. Since

2008, MET has grown almost 75 percent in personnel and 90 percent in funding and have focused primarily on criminal street gangs and neighborhood drug trafficking operations."

According to the IG, "DEA field divisions generally reported that after MET deployments ended, the target locations experienced decreases in drug sales and violent crime, and that community reaction and involvement was positive. However, DEA post-deployment reports showed that some types of violent crimes increased in the 6-month period after a deployment ended. This would seem to indicate that the effects of MET deployments are transitory and perhaps poorly focused."

The administration proposes to eliminate the MET and transfer the 145 positions associated with the program to DEAs Diversion Control Fee Account (DCFA) to staff Tactical Diversion Squads (TDS). TDS investigate, disrupt, and dismantle those suspected of diverting and trafficking in illegal pharmaceutical controlled substances or listed chemicals. Eliminating MET would achieve one-year savings of $31 million and five-year savings of $155 million.

Lastly, in his FY 2011 *Terminations, Reductions, and Savings* report, President Obama recommended reducing the number of light-duty sedans added to the FBI's fleet. Given the current federal hiring freeze, it seems obvious that the government should not continue to expand its fleet of vehicles. The president's proposed reduction would still allow for the replacement of 1,250 aging vehicles, but would prevent the overall size of the fleet from increasing. This action would produce $4 million in savings for taxpayers in the year of its execution.

In conclusion, wasteful spending can be boiled down to both mismanagement of existing programs and the authorization of unnecessary or duplicative programs. Since the Judiciary Committee enjoys oversight responsibility for the Justice Department, it is imperative that the

committee exercise that authority on a regular basis. Programs must be managed efficiently and, if they are not producing the desired results, legislation must be enacted to eliminate those wasteful and inefficient programs.

Of course, this is a primary duty of every authorizing committee, and, quite frankly, American taxpayers would be much better served by more aggressive oversight across the board. More specifically, given the serious business of the Justice Department, the consolidation and elimination of duplicative, overlapping, and ineffective programs would free up more resources to enforce federal laws and improve public safety.

I appreciate the opportunity to testify before the committee today, and would be glad to answer any questions.

Mr. SENSENBRENNER. Thank you, Mr. Schatz.
Sheriff Stanek?

TESTIMONY OF RICHARD W. STANEK, PRESIDENT, MAJOR COUNTY SHERIFF'S ASSOCIATION (MCSA)

Sheriff STANEK. Well, thank you, Chairman Sensenbrenner and Ranking Member Scott. I appreciate the opportunity to appear here before you today to discuss the spending priorities at the Depart-

ment of Justice, including successful ways that the Department supports State and local law enforcement and the effective functioning of our criminal justice system.

I am the elected sheriff of Hennepin County, Minnesota and am here today in my capacity as president of the Major County Sheriffs Association, whose membership is comprised of elected sheriffs from counties across this country with populations of 500,000 people or more, representing a combined population of 100 plus million Americans.

The start of my 29-year career in law enforcement was as a police officer in the Minneapolis Police Department. I also had a chance to serve nearly a decade as an elected representative in the Minnesota State Legislature and was appointed by the governor as the Commissioner of Public Safety and director of Homeland Security in Minnesota.

And let me start my testimony today by saying this, that some would suggest that the Federal Government has no legitimate role to play in supporting State and local law enforcement and the effective functioning of the criminal justice system. In truth, the Federal investment is a tiny portion of overall spending on criminal justice. According to an 2008 estimate by the Bureau of Justice Statistics, State and local governments invested $75.9 billion in police protection. The Federal Government that year contributed another $2.6 billion, totaling just 3 percent. Today that contribution is about half of that amount, but the value and reach of the Department of Justice assistance grant programs far exceed that small investment.

Now, we leverage the grant dollars to innovate, to test new ideas, to measure performance, and then to replicate what works. What I experienced with the Federal grant programs, my vantage point as the chief law enforcement officer of a large urban county of 1.3 million citizens, is not waste or duplication. Rather, I see the careful, smart, effective deployment of scarce resources, usually in partnership with State and local funding, to prevent crime, enforce our laws, partner with Federal law enforcement agencies, and protect victims.

Now, Mr. Chairman, Members, crime is at an all-time low in this country, as low as the 1960's. And these grant programs are not the only reason for this historic and sustained drop in crime. But study after study have proven what we know to be true, that the innovative policing and other crime fighting tools tested and replicated, because of the Federal grant programs, have played a significant role, and we ignore those lessons at our peril.

You know, crime in this country, including in rural areas, is increasingly driven by regional, national, and even transnational gangs and drug trafficking organizations. Fighting these crimes require sophistication and coordination across all levels of government in ways unheard of just a decade ago.

State and local law enforcement officers are the first responders, the boots on the ground, so to speak, for everyday acts of crime, natural disasters, and acts of terror. We provide the foundation for every criminal investigation, including those that become Federal investigations.

That Federal support is vital to our collective success, so to critics who say that the Federal Government does not have a role in supporting State and local crime fighting initiatives, I say the national government cannot afford to not have a role. The major purpose of the Department of Justice grant assistance programs is to spur innovation and to test and replicate smart and evidence-based practices. Over the past 20 years, we have implemented and fine-tuned intelligence-led policing, community-oriented policing, and other innovations, all of which were supported in part by a range of DoJ grant programs.

Through these programs, and, yes, through DoJ supported training conferences, we learned from each other what works, and we were able to implement these successful approaches where they are needed.

Finally, we have gotten better at doing our jobs together. With over 18,000 law enforcement agencies across this great country, cross jurisdictional learning cannot happen without the national government's assistance.

And I would like to talk for a minute about the Byrne JAG Program specifically and the misunderstanding that arises when people hear that the grant program is flexible and can be used for the same purposes as other grant programs.

The assumption seems to be that this flexibility is bad or allows for wasteful duplication. In fact, the opposite is true. It is not only entirely appropriate, but also critically important, to be able to draw upon several funding streams to create comprehensive initiatives. Because of Byrne JAG's flexibility, we can identify a need and craft a response, pulling resources from several sources if and when necessary.

When homemade methamphetamine first exploded in the Midwest, we were without the tools to meet that challenge. It was because of Byrne JAG together with COPS and later drug courts and our set funding that we were able to address interdiction, pseudoephedrine tracking, treatment, and laboratory cleanup to get ahead of the trend, and if not eradicate——

Mr. SENSENBRENNER. Sheriff, your time has expired.

Sheriff STANEK. Thank you, sir.

[The prepared statement of Sheriff Stanek follows:]

STATEMENT FOR THE RECORD

Richard W. Stanek, President

Major County Sheriffs' Association (MCSA)

"Luxury Jets and Empty Prisons: Wasteful and Duplicative Spending at the Department of Justice"

Hearing Before the

Subcommittee on Crime, Terrorism, Homeland Security and Investigations

Committee on the Judiciary

United States House of Representatives

April 10, 2013

Chairman Sensenbrenner, Ranking Member Scott, Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the spending priorities at the Department of Justice, including successful ways that the Department supports state and local law enforcement and the effective functioning of the criminal justice system.

I am the elected Sheriff of Hennepin County, Minnesota and here today in my capacity as President of the Major County Sheriffs' Association (MCSA), whose membership is comprised of elected sheriffs from counties across the country with populations of 500,000 people or more, representing a combined 100 million Americans. I also serve on the Board of the National Sheriffs' Association and as chair of NSA's Homeland Security Committee. Additionally, I represent the Sheriffs Associations on the Department of Homeland Security's Interagency Threat Assessment and Coordination Group (ITACG), the Criminal Intelligence Coordinating Council (CICC), and on the Director of National Intelligence's Homeland Security/Law Enforcement Partners Group.

The start of my now 29 year career in law enforcement was as a police officer in the Minneapolis Police Department. I also served nearly a decade in the Minnesota State Legislature and was appointed by the Governor as the Commissioner of Public Safety & Director of Homeland Security for Minnesota.

Some would suggest that the federal government has no legitimate role to play in supporting state and local law enforcement and the effective functioning of the criminal justice system. In truth, the federal investment is a tiny portion of overall spending on criminal justice. According to a 2008 estimate by the Bureau of Justice Statistics of Census Bureau data, states

and local governments invested $75.9 billion in "police protection" (and total spending on criminal justice services tops $160 billion.) *The federal government that year contributed another $2.6 billion, totaling just 3 percent. Today that contribution is about half that amount.* But the value and reach of the Department of Justice's (DOJ) justice assistance grant programs far exceed the small investment. We leverage the grant dollars to innovate; to test new ideas; to measure performance; and then to replicate what works. What I experience with the federal grant programs - like the Byrne Justice Assistance Grant (Byrne JAG) program and the Regional Information Sharing System (RISS) and the Residential Substance Abuse Treatment (RSAT) program – is not waste or duplication. Rather, I see the careful, smart, effective deployment of scarce resources, usually in partnership with state and local funding, to prevent crime, enforce our laws, partner with federal law enforcement agencies and protect victims.

Crime is at an all-time low in this country; as low as the 1960's. The grant programs aren't the only reason for this historic and sustained drop in crime, but study after study have proven what we know to be true – that the innovative policing and other crime-fighting tools tested and replicated because of the federal grant programs have played a significant role and we ignore those lessons at our peril.

Crime in this country – including in rural areas – is increasingly driven by regional, national and even transnational gangs and drug trafficking organizations. Fighting these crimes requires sophistication and coordination across all levels of government in ways unheard of just a decade ago. State and local law enforcement officers are the first responders, the "boots on the ground," for every day acts of crime, for natural disasters and acts of terror. We provide the foundation for <u>every</u> criminal investigation, including those that become federal

investigations. Federal law enforcement cannot do their jobs as successfully if we can't do ours successfully. And because of the changing nature of crime, the expansion of criminal networks into the heartland, neither of us can do our jobs successfully unless we are working together and in partnership. This is the work that the federal grant programs pay for. When we track and enforce drug trafficking, gang violence, human trafficking, sexual predators or financial crimes, we are more successful when we work together, including participation in multi-jurisdictional task forces. The federal support is vital to our collective success. So to critics who say that the federal government does not have a role in supporting state and local crime fighting initiatives, I say, the "national" government cannot afford NOT to.

The major purpose of the Department of Justice (DOJ) justice assistance grant programs is to spur innovation and to test and replicate smart, evidence-based practices. Over the past 20 years we have implemented and fine-tuned intelligence-led policing, community-oriented policing, and other innovations, all of which were supported in part by a range of DOJ grant programs. Through these programs (and, yes, through DOJ-supported training conferences), we learn from each other what works and we are able to implement these successful approaches where they are needed. Frankly, we have gotten better at doing our jobs, *together.* With over 18,000 law enforcement agencies across our great country, cross-jurisdictional learning cannot happen without the national government's assistance.

Our fundamental mission of providing public safety also underpins our economic recovery. It goes without saying that business does not invest where crime flourishes. Also, individuals returning from prison and jail often need support, treatment, and tools for stable employment if they are to become productive members of society who contribute to our

nation's economic vitality and who are able to sustain healthy families and vibrant communities. And the federal investment in crime prevention has "off-the-book" savings as well.

According to the most recently available report, the total ***economic loss to victims in 2008 exceeded $17 billion for both violent and property crimes.*** Think of the savings we have achieved with this historic drop in crime.

We must also recognize that, by the federal grant programs, the states are serving as the laboratories of democracy for initiatives that, once proven successful, can and should be replicated in the Federal Bureau of Prisons (BOP). This is no small benefit given that BOP spending continues to rise, requiring ever greater resources that are needed at the Federal Bureau of Investigation, the Drug Enforcement Agency, and by other functions of the Department. Texas, Ohio, Kansas, Michigan, and many other states have shown remarkable success in reducing crime, lowering recidivism, restoring families, and saving taxpayer money – all at the same time. This is not waste and duplication. This is the taking a hard look at the data and the drivers of crime and redeploying resources to address those gaps and meet those needs.

I'd like to talk a minute about the Byrne JAG program specifically and the misunderstanding that arises when people hear that the grant program is flexible and can be used for the same purposes as other grant programs. The assumption seems to be that this flexibility is bad, or allows for wasteful duplication. In fact, the exact opposite is true.

The goal of eliminating waste through identification of unnecessary duplication is laudable and obviously appropriate in this fiscal climate. But some of the information in the

Government Accountability Office (GAO) report of 2012 regarding duplication and overlap among DOJ grant programs is concerning because it leads to conclusions that misunderstand how these programs are used in the field. The report did not cite specific examples of duplication, but rather offered examples of where duplication is perceived to be possible. I am aware of some examples in the GAO report where no actual duplication is evident. I'm also aware that DOJ regularly shares information across programs to reduce chances for duplication. In one of the examples cited in the report, the grant recipient – a state law enforcement agency – used funding from three separate programs to support three separate efforts in the state addressing human trafficking, internet crimes against children, and sex offender identification. The three grants enabled separate and distinct programs supporting enhancements to law enforcement and the criminal justice system throughout the state.

Further, it is not only entirely appropriate but also critically important to be able to draw upon several funding streams to create comprehensive initiatives. Because of Byrne JAG's flexibility, we can identify a need and craft a response pulling resources from several sources if and when necessary. When homemade methamphetamine first exploded in the Midwest, we were without the tools to meet the challenge. It was because of Byrne JAG, together with COPS and, later, drug courts and RSAT funding that we were able to address interdiction, pseudoephedrine tracking, treatment, and laboratory clean-up to get ahead of the trend and, if not eradicate the scourge, at least dampen its reach. This is not duplication. This is not waste. This is careful planning and leveraging of resources.

The committee should also be aware that there is a great deal of coordination that happens at the state and local level. Sixty percent of Byrne JAG funding flows through the State Administering Agencies, or SAAs. Most SAAs are the cabinet-level criminal justice planning agency focusing on crime prevention, law enforcement, domestic and sexual assault prevention and response, juvenile justice and crime victims' services.

A requirement of the Byrne JAG program is that SAAs conduct statewide strategic planning, bringing together all the relevant partners to determine priorities and set joint strategies for reducing crime. Because the SAAs manage multiple federal and state funding streams, they weave together various sources of funding, including from the private sector, into a comprehensive strategy. In my state of Minnesota, the SAA oversees virtually all of the Department of Justice grant programs, including Byrne JAG, Victims of Crime Act funding and Violence Against Women Act programs. It also oversees the substance abuse treatment, DNA testing, and juvenile delinquency prevention grants. I am a member of Minnesota's Violent Crime Coordinating Council that advises the Governor and Commissioner of Public Safety on the statewide crime reduction strategy. So while we know that silos do exist at the state and local government levels, much like they do at the federal level, the SAAs are able to function across those silos and to build partnerships with local governments with the one goal of preventing and fighting crime.

Also, the SAAs have been engaged in a years-long effort, funded by the Bureau of Justice Assistance (BJA) and assisted by the National Criminal Justice Association (NCJA), to embed evidence-based practices in every program Byrne JAG funds. These practices strengthen the

capacity of local communities to think smartly about their allocated funds. In this context, the word "overlap" can have two quite contradictory meanings. It can assume a duplication of effort and the waste of taxpayer money. Or it can describe the ability to fit together resources efficiently and without waste.

As the sheriff of a major metropolitan community that has felt the impact of this recession, I can assure you that no one – no one – would apply for, and use, grant money for overlapping or duplicative purposes. What incentive is there for someone to take money and use it for the same thing twice? In a time of scarce resources, a time in which we find ourselves now, it would not be in the best interest of any grantee to use money for the same purpose twice, when we are seeing some of our fundamental building blocks in our communities crumbling.

I'd also like to address a GAO report (GAO-13-471) released just last week on field-based information sharing activities. The report acknowledges that some overlap is actually beneficial when it comes to sharing criminal intelligence including possible terrorism-related information. "The efforts of JTTFs, FIGs, RISS centers, fusion centers, and HIDTA Investigative Support Centers to gather, analyze, and disseminate law enforcement, public safety, and terrorism-related information are essential for our nation's homeland security. Similarities in their activities and customers can provide benefits through competing or complementary analysis and corroboration of reports."

Federal support for the DOJ justice assistance grant programs has been cut by almost $1.5 billion over the last two fiscal years, a reduction of 43 percent. In addition, the

Department of Homeland Security grants have been cut nearly 50 percent over the same period. And now we face new cuts from sequestration. And while it is too early to predict the exact magnitude or impact of the sequester, some of the collaborative, joint investigative efforts I mentioned earlier will have to be scaled back to the point where they can no longer be effective and may have to shut down. Once this happens, it is extremely difficult to reconstitute joint investigations and multijurisdictional task forces. You simply cannot flip these efforts off and on like a light switch and we will struggle to find ways to rebuild any capabilities that are lost. I am already hearing from Sheriffs across the country representing the largest metropolitan areas. Due to the decreased federal grant funding for these programs, they already have reduced the number of personnel assigned to state and local multi-jurisdictional task forces. That is bad for public safety, that is bad for homeland security, and it is especially concerning since protecting citizens is the number one responsibility of government at all levels.

Mr. Chairman, Ranking Member, thank you again for allowing me to appear before you today on this extremely important topic. I'm happy to answer any questions you or other members of the committee may have.

Mr. SENSENBRENNER. Okay. The Chair will recognize Members under the 5-minute rule, which will be enforced beginning with me.

Mr. Lofthus, the Thompson prison was a white elephant, and the Department of Justice purchased it last October from the President's home State of Illinois. There is concern in the southern and southwestern part of my State about the Federal prison being pur-

chased there. And this prison was purchased despite the fact that Congress opposed its purchase, and the fact that DoJ has formerly constructed bureau prison facilities that currently sit idle awaiting full funding for operation.

Now, with the sequestration there were originally problems with the number of prison guards at the existing prisons. Why do we have five prisons sitting empty?

Mr. LOFTHUS. Thank you, Mr. Chairman. I will start by saying that we bought Thompson because we needed the high security bed space for the Federal prison. BOP needs high security bed space. It is 52 percent overcrowded in the high security level.

Thompson prison is twice the prison for half the price that we could construct a prison for. This is exactly the type of thing the Department ought to be doing, and that is getting value for the taxpayer——

Mr. SENSENBRENNER. Okay. Well, we have got four other prisons that are sitting empty that apparently are not as high a priority. Does the Bureau of Prisons intend to sell them?

Mr. LOFTHUS. No, we do not, sir.

Mr. SENSENBRENNER. Why not?

Mr. LOFTHUS. Because two of those prisons actually are already open. We have inmates at the Berlin, New Hampshire prison, and we have inmates at the Aliceville, Alabama prison. Both those institutions have begun taking inmates. They have between 140 and 170——

Mr. SENSENBRENNER. At what percent of capacity are each of these prisons that are open?

Mr. LOFTHUS. They are both just starting up. They were finished last year, and now they are——

Mr. SENSENBRENNER. Give me a percentage, please.

Mr. LOFTHUS. Excuse me?

Mr. SENSENBRENNER. Give me a percentage of capacity, please.

Mr. LOFTHUS. Let us see, just off the top of my head, approximately 10 percent, but that is because we are just starting——

Mr. SENSENBRENNER. Okay. So we have got a fully staffed prison at 10 percent capacity. What about the other two that are sitting empty. Are you going to sell them or are you going to put those at 10 percent capacity with fully staffed?

Mr. LOFTHUS. One prison was just finished, and the second prison, which is Yazoo City, Mississippi, has not yet been finished and it has not yet been delivered. We expect that to be delivered in June. So the reason that prison is empty is because it is still being put into final construction to be turned over to the prison so they can start——

Mr. SENSENBRENNER. Okay. So we have three prisons that are empty or will be empty when they are delivered, and we have two other prisons at 10 percent capacity. That is not very efficient. You have got to admit that.

Mr. LOFTHUS. Well, I think the thing to focus on is the Bureau of Prisons is 37 percent overcrowded overall.

Mr. SENSENBRENNER. But how come there have not been people transferred from the overcrowded prisons to the ones that are at 10 percent capacity?

Mr. LOFTHUS. We need—because we just brought these prisons online. We just got the activation money for the prisons. And I would like to thank the Congress for funding in the Fiscal Year '13 full year enacted bill that was just received on March 26th, that full-year funding bill has provided us activation money to completely activate and fill those first two prisons, Mr. Chairman, and activate the second two prisons. So all four of those prisons are going to come online. All four are going to be used. And we would like to activate that Thompson prison as well. I look forward to the opportunity to get activation money for Thompson because——

Mr. SENSENBRENNER. Well, you know, are there different strokes for different folks? We activate four prisons, but we do not have the activation money for a prison in the President's home State, which the Federal Government bought despite the Congress' opposition. Now, does that mean anything in the Justice Department that Congress is opposed to it?

Mr. LOFTHUS. We bought the prison, sir, because of the need for high capacity bed space, and I am optimistic that with the release of the President's budget, we will be able to at some point get activation funds for the Thompson prison.

Mr. SENSENBRENNER. Do you propose transferring terrorists from Guantanamo to that prison?

Mr. LOFTHUS. There are no plans to move anyone from Guantanamo.

Mr. SENSENBRENNER. What if Congress tells you you cannot do it. Are you going to do it anyhow?

Mr. LOFTHUS. The Attorney General has been on record that no one will be moved from Guantanamo, and Congress has enacted prohibitions that preclude us from moving anybody from——

Mr. SENSENBRENNER. Well, we said you should not buy that prison, and you went ahead and did it.

I yield back the balance of my time.

The gentleman from Virginia, Mr. Scott.

Mr. SCOTT. Thank you. Mr. Lofthus, to follow that up, could you activate the prisons without the appropriations?

Mr. LOFTHUS. No, sir. We wait for the activation funding, and that is important. It is important——

Mr. SCOTT. Are you saying that the reason you did not activate it was because Congress had not appropriated the money?

Mr. LOFTHUS. We need activation money to open those prisons, that is right.

Mr. SCOTT. Mr. Maurer, we were talking about overlapping programs. I would just note that Congress in Homeland Security has overlapping programs itself. You mentioned more than 200 programs in the Department of Justice. Did the Department of Justice invent these programs, or did Congress pass those programs?

Mr. MAURER. All those programs were enacted under congressional legislation, so the situation is created by the Congress.

Mr. SCOTT. Say it again?

Mr. MAURER. Congress passed the laws to create those 250 programs. The challenge the Justice Department faces is managing 250 separate programs.

Mr. SCOTT. That were created by Congress?

Mr. MAURER. That is correct.

Mr. SCOTT. Hmm. Mr. Lofthus, on the SAFE Program, do rank and file members have access to offer recommendations that could be considered by the SAFE Program?

Mr. LOFTHUS. Absolutely. Absolutely. That is one of the things we value, the fact that people outside financial management, it is not a small, closed group of budgeters who are making those recommendations. People from all over the Department can submit suggestions to the Attorney General. And the SAFE Council has quite a broad spectrum of people participating from across the Department.

Mr. SCOTT. Thank you. And, Sheriff Stanek, you talked about overlap, and you got cut off as you were talking about overlap. I imagine if you have a special focus on disabled and another special focus on veterans, another special focus on women, you might find a disabled woman veteran that would qualify for all three. Is there anything necessarily wrong with overlapping programs, as long as a person does not get overlapping individual services?

Sheriff STANEK. Mr. Chair, Members, I think that is absolutely correct. We do not purposely or intently go out to overlap services, but rather we take funding from different streams. Some are granted toward probation. Some are granted toward law enforcement, some to the courts, some to the judiciary. Together, we put those grant monies together and then figure out a way to best deliver the service that the individual needs or the prevention program that we are focusing on.

Mr. SCOTT. Is it possible that one agency might actually be well suited to administer more than one program?

Sheriff STANEK. Mr. Chair, Members, that is correct. And a brief example that might be downtown Minneapolis. We provide safe zone coverage. During the summer, crime seems to spike, particularly outdoors. And so the sheriff's office provides patrols. Minneapolis police provides patrols. We bring in folks from probation, corrections. Those are different funding streams. We have distinctly different jobs, and lanes, and boundaries that we stay within, but we work together to prevent crime and help educate folks.

Mr. SCOTT. Is it possible that one agency administering more than one grant program might actually do it more efficiently than separate agencies trying to administer separate programs?

Sheriff STANEK. Mr. Chair, Members, that is also correct, and an example of that would be through our task forces. A lot of times you will have multiple agencies. I have 46 cities and 37 law enforcement agencies in my county alone. We operate five different task forces that geographically cover our county. Even though each one of those task forces are made up of three or four, five, six different law enforcement agencies, we have one law enforcement agency that provides the oversight, the fiscal guidance, so that it is done the right way and that there is consistency across the board.

Mr. SCOTT. Thank you. Mr. Maurer, can you talk a bit about the effect that wholesale furloughs have on the ability of agencies to fulfill their missions?

Mr. MAURER. Well, we have not done any published work looking specifically at that. But as a general proposition, furloughs make

it more challenging for every department and every agency to carry out their mission. And they are all handling it in different ways.

Mr. SCOTT. Are you likely to lose your best employees when you do furloughs?

Mr. MAURER. Well, it certainly does not make a good recruiting calling card if you are having to contend with furloughs.

Mr. SCOTT. Mr. Lofthus, are there any special security concerns about traveling by the Attorney General and FBI agents that cost money?

Mr. LOFTHUS. In terms of the furloughs?

Mr. SCOTT. No, in terms of traveling. The Attorney General traveling, are there security concerns that cost money?

Mr. LOFTHUS. You are are talking about the use of aircraft?

Mr. SCOTT. Sure.

Mr. LOFTHUS. Yes, absolutely. The first thing to know about use of executive aircraft at the Department of Justice is that mission operations always come before any executive travel. With all the FBI aircraft, mission operations come first. Whenever the planes are used for executive travel, the Attorney General's travel on government aircraft is in complete compliance with the 1993 OMB Government Aircraft Circular, A126, and related policies and threat assessments.

The Attorney General is what is known as a required use traveler for both official and personal travel, and he is one of at least six cabinet members or other senior government officials in this category. The Attorney General's travel follows the longstanding OMB rules, and just as we did for prior attorneys general, this Attorney General completely follows the A126 aircraft rules when he uses those aircrafts.

To the specific point of your question on the security concerns, the FBI puts those planes mission first before any executive travel.

Mr. SCOTT. Thank you, Mr. Chairman.

Mr. SENSENBRENNER. The gentleman from Alabama, Mr. Bachus.

Mr. BACHUS. Thank you. Mr. Lofthus, the Department of Justice budget is over $27 billion. I think we all recognize we face a difficult budget situation with a lot of needs and not enough money. Can your Department support a simple 2 percent reduction in your budget request for Fiscal Year 2014?

Mr. LOFTHUS. I am very concerned with that reduction for our budget in Fiscal Year 2014. I am very concerned with the reduction that we just took because of sequestration. The figure has already been said in this hearing about the $1.6 billion reduction. Next year we face $2.2 billion in reductions if nothing changes.

And to give you an idea of the magnitude of that reduction, if we take that $2.2 billion reduction at the Department of Justice, that puts our budget back to the size it was in 2009. We had over 7,000 fewer employees—FBI agents, prosecutors, correctional officers. We had over 7,000 fewer positions in 2009, and that is the reduction that we face in Fiscal Year 2014 if the lower levels stay in place. So it is very concerning.

Mr. BACHUS. Are there any expenditures that you are prepared to cut?

Mr. LOFTHUS. Absolutely.

Mr. BACHUS. Can you share with the Committee some of those where you do believe you can cut expenses? And would you share those materials with the Committee to make a brief response to my——

Mr. LOFTHUS. Absolutely. We would be happy to share all the materials with you.

I can say three fast examples of things we have cut. In travel, we have taken a hard look at cutting back travel, our travel charges. We are $45 million less this past year than they were in 2010. We are taking efforts to consolidate our e-mail systems, and we will save over $3 million a year by Fiscal Year '15. The last example I will give you is something that my colleague here at the table, the IG, and I have worked on together. Our staffs came up with a way to do the financial audits more efficiently. It saves $4 million a year, and that has been implemented this year.

So we are looking across our contracts, across our training to save money.

Mr. BACHUS. You know, Mr. Maurer's testimony, he said they made several recommendations to DoJ in prior reports to help improve program efficiency and resource management, and that you, the Department, has concurred with those recommendations. And I think he has outlined, you know, hundreds of millions of dollars of recommendations. And you have concurred with those recommendations, right?

Mr. LOFTHUS. That is right. And I can give you a couple of examples.

Mr. BACHUS. In terms of where you can cut going forward.

Mr. LOFTHUS. Well, where we can look for opportunities to coordinate better and run the programs more efficiently. The asset forfeiture recommendations that we received from GAO I think are good ones. And we and Treasury are working together to see what can come out of that opportunity. Along our grant programs, we do want to look across COPS, OBW, and OJP for any efficiencies we can get out of those programs.

Mr. BACHUS. What about consolidating those grant award operations, which has been recommended time and time again?

Mr. LOFTHUS. In terms of consolidating the grant programs overall, those grant programs were basically authorized by Congress at different times under three different statutes, and they exist separately today. We try to make those programs complementary.

But I would like to address one thing if I may, and that is the idea that these programs are somehow duplicative and wasteful because they sound similar. It is important to keep in mind that even though there are DoJ programs specialized in their respective areas, given the broad nature of their missions, there can be programs that touch each other for legitimate purposes or appear to overlap on their face, but, in fact, serve very different purposes. We have gotten our grant programs to look together on how they can make sure they do not overlap.

But let me give you one example.

Mr. BACHUS. Well, let me ask you, and if you could maybe supply that. I have seen several instances where a local agency received several grants to do the same activity. Surely we can improve on that.

Mr. SENSENBRENNER. The gentleman's time has expired.

The gentleman from Michigan, Mr. Conyers.

Mr. CONYERS. Thank you, Chairman Sensenbrenner.

Could I allow a response to the last question by my colleague? Could you take that, Attorney General Assistant Lofthus?

Mr. LOFTHUS. Absolutely. Absolutely. We do want our programs to work together , and make sure we do them efficiently, and that we are not giving out money or the same thing out of multiple offices. That is very important to us.

But let me give one example of why sometimes this can be misleading when it sounds like we have duplicative programs, and I will use the example of victim's grants. Not all victim's programs belong necessarily in the Office of Victims of Crime. Some of the Department victim support programs support counseling for victims. Others train counselors. Others provide training for law enforcement personnel who are first responders at the crime scene for victims of crime. Some programs provide training to forensic specialists who help examine crime scenes in order to solve crime.

DoJ's victims programs are very specialized, they are multidimensional, and they are not duplicative mirror images of one another. It is important to recognize that programs that may sound the same actually fulfill very different functions across the broad spectrum of victim services and other criminal justice assistance that we provide State, local, and tribal.

Mr. CONYERS. Thank you so much. Let me ask the inspector general——

Mr. BACHUS. If I could respond. You know, a $10,000 pizza party is a $10,000 pizza party. I mean, you can——

Mr. CONYERS. Well, wait a minute.

Mr. BACHUS. But anyway——

Mr. CONYERS. Yeah, I think we ought to——

Mr. SENSENBRENNER. The time belongs to the gentleman from Michigan.

Mr. CONYERS. Let me just ask the Attorney General, Mr. Horowitz, do you think that this hearing has helped clear up some of the confusion with regard to the over capacity issue in the prisons and the fact that there are some vacancies in some prisons?

Mr. HOROWITZ. Well, I think in terms of prisons, the Federal prisons, their capacity issues, there is frankly a broader issue that we have identified in our management challenges for the Department, which is how it is going to address what it itself since 2006, 7 years running now, has identified as a material programmatic weakness.

Mr. CONYERS. Which is what?

Mr. HOROWITZ. Which is prison overcrowding. The prisons were in 2006 30 percent overrated capacity. In 2012, 7 years after identifying that as a material weakness, programmatic weakness, prison capacity is 38 percent overrated capacity. It is not getting better. It has gotten more overcrowded.

And by the Department's own estimate in its 2012 corrective action plan, it has focused again on getting more funding more prisons. Obviously that is a question for Congress whether Congress will, in fact, fund more prisons.

Mr. CONYERS. Well, you know, that assumes that the rate of incarceration is going to be steady and that we can statistically project that out over the years. It is no secret that this country incarcerates more people than any other country on the planet, and that may have something to do with it.

Do you, Sheriff Stanek, wish to weigh in on this discussion that I am having between the IG and the Attorney General?

Sheriff STANEK. Mr. Chair, Member, in terms of of replication or duplication of services or——

Mr. CONYERS. Well, either one of these issues. The fact that we are incarcerating more people means that we are going to need more capacity. And even now we are over capacity by 45 percent even with the new prisons that are under construction. So I think this is an important hearing in that regard, but we cannot call in and say, let us get the numbers down or let us get the buildings up, and let us get them fully occupied.

Sheriff STANEK. Well, Mr. Chairman, Members, if you are asking me that question, I would be happy to comment ever so briefly, and that is, you know, I think local law enforcement across this country can save you a whole heck of a lot money. Help us on the front end in terms of prevention and education and the grant programs that come through the Department of Justice that help us in that respect so we do not have to use prison at that last stop gap measure. We would rather get to them on the front end and deal with them early on through prevention and education.

Mr. SENSENBRENNER. The gentleman's time has expired.

Mr. CONYERS. Thank you very much.

Mr. SENSENBRENNER. The gentleman from North Carolina, Mr. Coble.

Mr. COBLE. Thank you, Mr. Chairman. Mr. Chairman, I had a conflict. I wanted to be here when the Thompson matter was discussed. I am sure that has been thoroughly exhausted, and I will try to play catch up ball on that.

Good to have you gentlemen with us today.

Mr. Maurer, the GAO's report on grant duplication speaks a lot about how each of the three DoJ grant-making offices have different backroom functions. For example, OJP and COPS are overseen by the Department's Internal Oversight Office, but OVW has contracted these functions out to 3rd parties.

Do you believe that combining the three grants offices would lead to a better oversight and coordination approach, and are there efficiencies lost by having separate offices involved?

Mr. MAURER. Thank you for the question. Clearly there are inefficiencies that result from having different backroom functions and different oversight mechanisms for the three major offices. Our report highlighted two main areas. The first is there are two different information systems that basically track all the different grant programs. They do not talk to one another. And what that means is when people within the Department are making decisions on where to provide grant funding, they cannot easily look into the other system to determine if the same grant recipient has already received funds from another source. We recommend that the Department address this problem, and it is starting to take action to do so.

The second area is one you rightfully point out is this issue of oversight. There is an office that provides oversight over OJP and COPS programs that do not provide oversight over OVW programs. We recommend to you that the Department consider providing a consistent level of oversight across all three program offices, and the Department is in the process of considering that right now.

Mr. COBLE. And I presume, Mr. Maurer, that this is advice duplication, is it not?

Mr. MAURER. It certainly involves the risk of duplication. That was a main finding from our report from last year with so many programs with such a lack of internal coordination, with a lack of strategic visibility of how the funds are ultimately going to be reused. It raises the possibility that duplicative streams of money can go to the same grant recipient, and that was our primary concern.

Mr. COBLE. Thank you, sir. Mr. Lofthus, a GAO report found that a large number of law enforcement agencies used Byrne JAG and not just COPS hiring funds to hire police officers. I am talking about consolidation again now. Why do these overlapping programs need to be administered by a separate office? Would it not be more cost effective to merge grants that fund the same or similar functions?

Mr. LOFTHUS. Well, that was one of the recommendations in the recent GAO report that the Department look more closely at the operation—at the opportunities, rather, to see if we can consolidate programs or work cooperatively where they are complementary, to eliminate the possibility for that type of duplication if it exists.

And we have started those discussions across the 3 programs, and if there is something we can do better, we are clearly interested in it.

Mr. COBLE. Any other witness want to weigh in on this? Mr. Horowitz?

Mr. HOROWITZ. From our perspective, we agree completely with what GAO has found. We have highlighted this as a concern as well. Congress has created the three grant-making agencies, but that does not mean you cannot consolidate the backroom operations so that each of the agencies know what each other is doing regularly. And you can have effective, strong practices across three rather than three different practices.

Mr. COBLE. Thank you, sir. Thank you, gentlemen, for being with us.

I yield back, Mr. Chairman.

Mr. SENSENBRENNER. Thank you. The gentleman from Louisiana, Mr. Richmond.

Mr. RICHMOND. Thank you, Mr. Chairman, and thank you to our panelists.

Let me just start and clear up what Mr. Lofthus said, and I think Congressman Scott, Ranking Member Scott, touched on it. But I would like it to be crystal clear because I think that part of my issue with a lot of the hearings in here is that we shoot for a sensational title with no meat to back it up. So as we talk about this, these luxury air jets, can the AG fly commercial if he wanted to?

Mr. LOFTHUS. Under the current A126 OMB Circular that designates what required use travel is, and required use travel per-

tains to both official and personal travel, based on the OMB Circular and based on related executive branch policies——

Mr. RICHMOND. Is that a long way to get to yes or no?

Mr. LOFTHUS. That is a long way to get to yes. To your question, the AG is supposed to fly on secure means of transportation, and that is in accordance with the government-wide policy.

Mr. RICHMOND. How does his travel compare to the Attorney General before him?

Mr. LOFTHUS. He follows precisely the same policies we had in place for the predecessor attorneys general in the Department of Justice.

Mr. RICHMOND. My information tells me that he flies about half of the time that the prior Attorney General did for personal use.

Mr. LOFTHUS. That is right.

Mr. RICHMOND. So it is a 50 percent reduction.

Mr. LOFTHUS. You are referring to personal trips.

Mr. RICHMOND. Yes.

Mr. LOFTHUS. That is a——

Mr. RICHMOND. Let me switch over to Mr. Maurer for a second. We are talking about cost, and I know that in my home State where I chaired Judiciary even in a Republican legislature with a Republican governor, to find reductions, we looked at good time in our prison. And according to you all, if we would increase good time simply by 7 days a year, we could save about $40 million. Do you remember that as being an accurate number?

Mr. MAURER. Yes, that is correct. That was in one of our reports issued last year.

Mr. RICHMOND. And if we could reduce our prison population by about 10 percent, whether it is through creative sentencing, alternatives to incarceration, deferred adjudication, we could save the country about $650 million a year. Is that about the number you remember?

Mr. MAURER. Yeah, that is a good ballpark. That is about 10 percent of BOP's current budget. That is correct.

Mr. RICHMOND. So, and I guess my point is that if we look for ways to fight crime either on the front end or alternatives to the traditional theory of just locking people up, then we can fight crime in a smarter, more efficient way, but also have a significant amount of resources to do other things.

Mr. MAURER. That is absolutely correct. There needs to be a whole spectrum. You need to address crime on the front end. There may opportunities to look at sentencing legislation. There may be opportunities to look at increased flexibilities for people who are already currently in the system. There may be opportunities to look at reentry programs that would be implemented by Justice, HHS, Labor, and other agencies at the Federal level.

A lot of this obviously rests with the Congress. You know, GAO cannot and is not going to take an opinion on the right way to go, but we think our work helps set up a useful debate on this important subject.

Mr. RICHMOND. Thank you. Mr. Horowitz. Question: within the Attorney General's office, they have their own Office of Professional Responsibility that is charged with investigating attorney mis-

conduct and things of that nature. And you cannot touch that, right?

Mr. HOROWITZ. That is correct. By statute, the IG Act, we are unique in that regard. Most inspector generals have the ability to oversee the conduct of all the employees in the Justice Department. There is a carve out Congress has put in the IG Act for the Justice Department inspector general. We cannot look at attorney misconduct in the course of their work.

Mr. RICHMOND. So the Office of Professional Responsibility that reports to the Attorney General is charged with investigating the acts of assistant attorney generals and the Attorney General.

Mr. HOROWITZ. That is correct.

Mr. RICHMOND. Even though they report to him.

Mr. HOROWITZ. That is correct.

Mr. RICHMOND. And I do not want to put you on the spot, but I saw the testimony from other attorneys generals that suggested that you could save duplication, you could have more transparency, more efficiency, if you put all of that under your portfolio. Would you agree?

Mr. HOROWITZ. Yeah. That has been consistently the position of our office. My predecessor, Glenn Fine, spoke extensively on this, pointing out that we are one of the few, if only, inspector general's offices that cannot review all of the misconduct that is presented regarding Department employee work.

Mr. RICHMOND. And to Mr. Schatz and Mr. Stanek, I agree with you, Mr. Schatz—I am sorry—when you talk about we need to look at a more cost benefit analysis and return on investment, the money we spend.

I see that my time has expired. I would just add that I think the COPS program substantially outweighs the cost, the benefits.

Mr. SENSENBRENNER. The gentleman from South Carolina, Mr. Gowdy.

Mr. GOWDY. Thank you, Mr. Chairman. I want to thank our witnesses.

Mr. Horowitz, you had a very distinguished career as a prosecutor in the Southern District of New York, so I want to see if you can help me work my through a quote. And it is not a quote from you, so it may be problematic for you to help work our way through it.

The quote is, "Federal prosecutors will have to close cases and let those criminals go." That is a quote from the President of the United States with respect to sequestration. And I am wondering who he was talking about, "those criminals," because if it is an open case in a U.S. attorney's office, we would typically refer to those folks as defendants as opposed to criminals, do we not?

Mr. HOROWITZ. That is correct. If it is a charged case, they are a defendant.

Mr. GOWDY. So who are "those criminals" that the President was referring to when he was invoking the hell back comment apocalypse talking about sequestration? Do you have any idea who "those criminals" would be?

Mr. HOROWITZ. I do not, Congressman.

Mr. GOWDY. I think your former colleague from the Department of Justice testified that if sequestration were to go into effect, it

would take us back to 2009 funding levels. Did I hear the testimony correctly?

Mr. LOFTHUS. Yes, sir.

Mr. GOWDY. How many criminals were let go in 2009?

Mr. HOROWITZ. I am not aware of criminals being let go. I was not in the Justice Department at the time.

Mr. GOWDY. How about the gentleman from the Department of Justice? Any criminals let go in 2009?

Mr. LOFTHUS. That is not something I can answer this morning, sir.

Mr. GOWDY. Well, I think we would have heard about it if a bunch of criminals were let go due to a lack of funding, do you not? I mean, we would not need a congressional hearing for that. We would have all heard about that.

Mr. LOFTHUS. The resources that are provided to the United States attorney's organization influences the staffing, and the prosecutions, and the paralegals we have.

Mr. GOWDY. Well, I know that actually. And we had furloughs in South Carolina. We had to furlough prosecutors. We had to furlough victim advocates. We had to furlough administrative assistants, investigators. Not a single, solitary criminal case was closed because of those furloughs.

So what I am trying to get at is the irresponsibility of threatening, whether it is the Attorney General saying we are going to be less safe or the President saying we are going to let those criminals go because we cannot survive on 2009 funding levels. So when sequester went into effect, the net result, the net impact on DoJ's budget was, what, about a hundred million?

Mr. LOFTHUS. The net impact of sequestration was $1.6 billion this year.

Mr. GOWDY. No, no, no, I am talking about salaries and expenses, the salaries and expenses, because that is what would impact whether or not cases had to be closed and criminals let go, is about $100 million.

Mr. LOFTHUS. I would have different numbers than that. I am not sure I——

Mr. GOWDY. Well, let us assume for the sake of argument that I am right. Just assume arguendo I am right. Are you telling me there is no other place to save $100 million within DoJ's budget?

Mr. LOFTHUS. Our problem is we have to save $1.6 billion, and that will be comprised of both——

Mr. GOWDY. I want to focus on the United States Attorney's Office, that line item, salaries and expenses, because the quote was cases are going to be dropped and criminals are going to be let go.

Mr. LOFTHUS. From a chief financial officer perspective, this is the way I would look at the issue that you are raising this morning. When we take the sequestration cut to the U.S. attorney's organization, you are right, they have the ability and frankly they are going to have to look at taking cuts across the spectrum of their budgets. That includes their personnel, their salaries, and their benefits.

Mr. GOWDY. What is a SAUSA? What is a special assistant U.S. attorney?

Mr. LOFTHUS. What is a special assistant attorney?

Mr. GOWDY. Yeah.

Mr. LOFTHUS. An ordinary prosecutor is known as an assistant United States attorney.

Mr. GOWDY. Right, and a special would be a State prosecutor that maybe was on loan or, in some instances, some folks just volunteer to work for the U.S. attorney's office for the experience. And they do so for free, agreed?

Mr. LOFTHUS. You can have a special AUSA.

Mr. GOWDY. Okay. And they would be free in some instances.

Mr. LOFTHUS. They could be.

Mr. GOWDY. All right. How much did you spend on conferences last year?

Mr. LOFTHUS. How did we spend on conferences last year? About $54 million approximately.

Mr. GOWDY. And how many of those conferences were for CLE credit that could not be gathered any other way than attending a conference?

Mr. LOFTHUS. I do not have that information at the table with me. We would have to get back to you.

Mr. GOWDY. Can you get CLE credit so you can keep your law license via the Internet?

Mr. LOFTHUS. That I do not know.

Mr. GOWDY. Well, you can.

Mr. SENSENBRENNER. The gentleman's time has expired.

The gentleman from Virginia, the Chairman of the full Committee.

Mr. GOODLATTE. Thank you very much, Mr. Chairman.

Mr. Horowitz, in your testimony you say that the structure of the DoJ grant-making offices has led to inefficient duplication. Would you support combining the three offices so that administrative functions like legal and management support could be streamlined? And do you think this would save money for the Department and get more money out to the field?

Mr. HOROWITZ. I think from our standpoint, we agree with GAO as well on this, that there needs to be streamlined backroom operations, administrative, legal. It not only would save costs from an administrative standpoint, but frankly from an effectiveness of grant management. Each of the three agencies would know what each other is doing. When we issue an audit about a grant-making event that occurred in one of the three, all three would have the same information sitting in front of them if their operations were the same in the backroom.

Mr. GOODLATTE. Mr. Lofthus, you have heard the IG. You have heard the GAO. Does the Department support consolidating these three offices?

Mr. LOFTHUS. We have not reached any conclusion on consolidating the three offices. We recognize that the three offices were created at different times under different statutes enacted by Congress.

What we do agree with is the fact that the recommendations, I think, that were made to us are sound recommendations, and that OJP, OVW, and COPS have already begun to work together to look at opportunities where they can cooperate better, coordinate. And that includes the backroom functions, potentially using IT systems

that are complementary, or using the same systems. So those things are on the table for us now as a result of those recommendations, and we are happy to look at what is feasible.

Mr. GOODLATTE. What is your timetable for that, because we would be very interested in knowing what the Department recommends on these, though some of these proposals may require legislation to authorize a different approach. And we are anxious to act in ways that would help the Department more efficiently. Do you have a timetable for making recommendations to us that both look at what the inspector general has found and what you have in your own administration of the Department found that would require some action on our part? Or are you planning to take action on the part of the Department in a reasonably prompt fashion, especially considering that you have been now confronted, as has the rest of the Federal Government, with the need to save money due to sequestration?

Mr. LOFTHUS. Congressman, I know the front end of that timetable better than I know the back end of the timetable, meaning we have started. We have already started to meet and work together to see what can be done. So I know we have started.

As to when we will finish, I do not have that at the table here this morning, but I am happy to talk to the grant organizations and see what the realistic timetable is.

Mr. GOODLATTE. Well, going back to the concerns raised by the gentleman from South Carolina about decisions made, for example, to release people who are scheduled for deportation, a considerable percentage of whom were criminal aliens, it would seem to me that the sooner you do that, the sooner you will feel less pressure to make decisions like that and more able to make decisions that enhance the efficiency of the Department and make it more effective at addressing law enforcement issues, and not be forced to make decisions that I do not think you should have made in the first place. But nonetheless, the decision was made.

If you are finding savings that make sense, you do not have to make decisions to achieve savings that in the minds of many Americans do not make sense.

Mr. LOFTHUS. I think that certainly from my seat as the financial officer, and I think from the seat of the Attorney General and the Deputy Attorney General, there is an absolute immediacy to the financial issues facing the Department and the issues being raised here this morning.

Mr. GOODLATTE. Thank you very much.

And let me ask Mr. Maurer, the mission of the COPS office is to assist law enforcement agencies in enhancing public safety through the implementation of community policing strategies. To what extent do you believe, based on your experience in examining COPS hiring grants that these grants specifically support the advancement of community policing? Do you believe that the effectiveness of these grants is being accurately measured?

Mr. MAURER. We currently have work under way for you right now looking specifically at that question, and we will be expecting to report on that within the next several weeks, and we will get back to you on the answers. But generally speaking, those are

good, valid questions, and we look forward to issuing our final report later on the spring.

Mr. GOODLATTE. In other words, our effort here with these programs has been to enhance law enforcement, not to replace what has traditionally been the local and State funding sources for local law enforcement. We do not want that simply to result in the replacement of dollars coming at the State level for money that makes a trip to Washington and then back down to the States. We want to see something for it. And we would welcome your input and your report as soon as possible.

And I would ask if the Chairman would allow Mr. Horowitz to see if he has any insight on the same point.

Mr. SENSENBRENNER. Without objection.

Mr. HOROWITZ. We have not done any particular work in that area, but we again, when we do work and GAO does work, we coordinate with each other. So we are looking forward to getting their report on this and following up as we deem appropriate once we get that report.

Thank you.

Mr. SENSENBRENNER. The gentleman's time has expired.

The gentleman from Texas, Mr. Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman. Thank you, witnesses. Thanks for being here.

I was amazed during a hearing we had with the director of ICE to find out about the prosecutions involved in going after people who have reentered the United States after being deported. Do any of our witnesses know what the percentage of total prosecutions by the Justice Department is for people illegally entering the country?

Mr. LOFTHUS. I do not.

Mr. GOHMERT. Well, I was shocked when my friend, Zoe Lofgren, brought up that the number one area of most prosecutions was with regard to people illegally entering this country. 34.9 percent of the prosecutions we were told were for people who illegally entered the country, and a big hunk of that was people that illegally entered after being deported.

So I am just wondering, is there any coordination between Justice Department and Homeland Security? I mean, the whole purpose for having Homeland Security was one stop shopping so that people would work together better. And I am just wondering about the relationship between the Department of Justice and the Department of Homeland Security, because it sure seems like if Homeland Security did their job, you have just freed up over a third of the budget you are having to use right now for prosecutions. That frees up a massive number of jail cells. You do not even need the prisons that you have purchased because you will have about a 30 capacity opened up for others besides those entering illegally.

So I am wondering, what is the relationship with DHS? Is there any when it comes to prosecution and how they could save you so much money and time?

Mr. LOFTHUS. Congressman, if I could start. As the chief financial officer, I will readily admit that I would feel more comfortable giving you the financial perspective on that rather than the law enforcement——

Mr. GOHMERT. Okay. Then if you are going to change my question, let me change the question itself. Do you know how much you would save if we had a secure border where we were not having to spend 34.9 percent of our prosecutions on people entering illegally?

Mr. LOFTHUS. That is not a number that we have calculated. I certainly do not have it at the table. But what I can say is that we do look when we formulate our budget to see what is going on at DHS so that we have some sense of what is happening on the other side to withstand the change.

Mr. GOHMERT. But beyond looking at the budget, do you coordinate with them? You surely recognize how dramatic it would be the freeing up of prison space, of prosecutors, all of those type of things, if DHS would simply do the job of securing the border. And I do not mean closing it. I want immigrants coming. I am talking about people that come that we do not want coming in.

Mr. LOFTHUS. There is no question we are very much aware of the front end work done by DHS and how it impacts the back end work that the Department of Justice, both on the prosecution side and the prison capacity side, not to mention the detention trustee portion of the budget or the detention portion of the budget in the Marshal Service.

Mr. GOHMERT. Well, I know there was discussion about the cost of flights, and that the comment we are doing same thing the prior Administration did when it came to personal flights. And I am sure the Bush Administration is pleased that this Administration is mimicking them in any regard. But it still deserves to be analyzed a bit.

If it is a personal flight, like saying I am just going to see my kid play baseball, according to the policy, it is not law. It must be DoJ policy that the Attorney General must fly on a private plane, right?

Mr. LOFTHUS. He is a required use traveler, that is right.

Mr. GOHMERT. Okay. And that is not because of law, but because of DoJ policy that you are following from the Bush Administration, correct?

Mr. LOFTHUS. No, sir, it is not DoJ policy. It is executive branch policy under OMB Circular A126, 1993.

Mr. GOHMERT. Right, okay, but that is the point. It is not the law that we passed in Congress. This is the Administration saying we want you to fly privately, and then you can reimburse $420 for each $15,000 flight as an example of what it costs. But that is the executive branch's decision, in this case apparently agreeing with the Bush Administration. Is that not correct?

Mr. LOFTHUS. It is an executive branch policy, that is right.

Mr. GOHMERT. Thank you.

Mr. SENSENBRENNER. The gentleman's time has expired.

I would like to thank the witnesses for their insightful testimony. I would like to thank the Members for their vigorous participation. This has been one of the more substantive hearings that I think we have had in trying to get to the bottom of all of this, how we can do oversight and how we can save money.

The jurisdiction of this Subcommittee was changed to include investigations at the beginning of this Congress, and this Chairman

has won awards for oversight, and I want to try to win another one.

So without objection, the Committee stands adjourned.

[Whereupon, at 11:46 a.m., the Subcommittee was adjourned.]

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