

only the most recent questionable acquisition strategy to dominate the news. As GAO noted, "After having performed hundreds of reviews of major weapon systems over the last 20 years, we have seen many of the same problems recur cost increases, schedule delays and performance shortfalls. The problems have proven resistant to reform in part because underlying incentives have not changed."

It appears, from the data that GAO has gathered, that the Defense Department has fallen into the trap of making budget and management decisions on the basis of wishful thinking, not facts. "Overly optimistic planning assumptions" is the way GAO framed it. As a result, DoD has more programs than money.

For example, GAO found that although the Defense Department planned to increase funding for its \$11 billion dollar Defense Health Program by \$615 million dollars between 2001 and 2005, DoD officials admitted that the program actually needed an extra \$6 billion dollars during that time. That, Mr. President, is a \$6 billion dollar understatement of need. Defense Department officials admitted to GAO that they underfund the health program in outyears to free up current funds for other defense programs. "Overly optimistic" in my opinion is an overly charitable way of characterizing that kind of deceptive budgeting.

The General Accounting Office is not the only entity that has pointed out the flaws in DoD financial management practices. According to the Defense Department's own Inspector General's audit, the department's books are riddled with holes. The Inspector General found that 30 percent of all entries were made to force financial data to agree with various sources of financial data without adequate research and reconciliation, were made to force buyer and seller data to agree in preparation for eliminating entries, did not contain adequate documentation and audit trails, or did not follow accounting principles.

Something is wrong with this picture. At a time when the Defense Department is scrambling to make ends meet, there is no excuse to invite waste, fraud, abuse, and mismanagement into the mix year after year after year. These are not merely administrative headaches. Like a steady trickle of water can wear away the mightiest foundation, inefficient management and sloppy bookkeeping can undermine the ability of America's men and women in uniform to carry out their responsibilities efficiently, effectively, and safely.

GAO concluded that, "Until DoD presents realistic assumptions and plans

in its future budgets, the Congress will lack the accurate and realistic information it needs to properly exercise its decision-making and oversight." That summation goes to the heart of the matter. Congress cannot make reasonable decisions on future budget needs for the Department of Defense until DoD can offer a reliable budget basis on which to proceed.

The Defense Department has been besieged by financial and related management problems for years. We all understand that there is no quick fix. But we should also understand the magnitude of the problem, and the impact that it has on readiness and the impact it will have on congressional confidence, the impact it will have on congressional appropriations, the impact it will have on the taxpayer.

GAO is performing a valuable national service by identifying high-risk management problems at the Defense Department, but Congress needs to do more than express dismay at the annual reports. It may cost money to modernize the Pentagon's financial systems, but it would be money well spent, and could well pay for itself in a short period of time.

Mr. President, I raised the issue of DoD's financial management woes with Secretary of Defense Rumsfeld at his nomination hearing before the Senate Armed Services Committee. To his credit, Secretary Rumsfeld did not attempt to gloss over the difficulties facing the Defense Department in improving its financial management systems. He pledged to tackle the problem, but he said that it would probably take outside help to find a solution, and that it could take a period of years to sort it out.

I urge Secretary Rumsfeld and President Bush to make financial and performance accountability in the Defense Department a top priority, and to work with the appropriate congressional committees to slay this particular dragon once and for all.

As I said at the beginning of my statement, Senator GRASSLEY will have something to say on this matter next week. He has devoted much time and thought to the problem. I am sure his concerns will continue. I look forward to working with him and others on the committee to try to be of assistance to the Department in cleaning up its act.

The United States has real national security problems to confront. We can anticipate trouble from Saddam Hussein. Talk about all of these surpluses that have been projected now for years away from the present day. Who knows what Saddam Hussein may do overnight? Remember when he went into Kuwait? The world was shocked. Amer-

ica put a lot of men and women on the ground in the desert in the Middle East and a lot of money on the barrel head. That can happen again. Saddam Hussein is probably one of the most dangerous men in the world. There is no doubt about it. We don't know what he is doing by way of developing chemical, biological, and other weapons. He may threaten a neighboring state at any moment, and then watch those projections, those budget surpluses, vanish. We can anticipate trouble from him, and we must be ready for trouble from other hot spots on the globe.

So we must invest in readiness. But we must also invest in accountability. The United States cannot afford to allow performance and accountability problems at the Defense Department to sap the strength of our investment in readiness.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A.M., MONDAY, FEBRUARY 12

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until the hour of 10 a.m. on Monday, February 12, 2001, for a pro forma session.

Thereupon, the Senate, at 4:22 p.m., adjourned until Monday, February 12, 2001, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate February 8, 2001:

DEPARTMENT OF STATE

PAUL HENRY O'NEILL, OF PENNSYLVANIA, TO BE UNITED STATES GOVERNOR OF THE INTERNATIONAL MONETARY FUND FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE ASIAN DEVELOPMENT BANK; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; UNITED STATES GOVERNOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING JAMES D. GRUEFF, AND ENDING RALPH IWAMOTO JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 1, 2001.

FOREIGN SERVICE NOMINATIONS BEGINNING AN THANH LE, AND ENDING AMY WING SCHEDLBAUER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 1, 2001.