



Committee on  
**HOMELAND SECURITY**  
Chairman Michael McCaul

*Opening Statement*

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**Statement of Chairman Jeff Duncan (R-SC)  
Subcommittee on Oversight and Management Efficiency**

**“Cutting DHS Duplication and Wasteful Spending: Implementing Private Sector Best Practices and Watchdog Recommendations”**

**April 26, 2013**

**Remarks as Prepared**

We meet today to examine an issue of great importance to the American people: duplication and wasteful spending. While our nation is facing \$16 trillion of debt, American families are continuing to see larger portions of their hard-earned paychecks taken out in federal taxes. I believe that the federal government must do more to eliminate duplicative and wasteful programs, so I recently introduced legislation establishing the Committee on the Elimination of Nonessential Federal Programs. Its sole responsibility is to root out wasteful spending.

As the third largest federal agency with a \$60 billion budget, the Department of Homeland Security has an important responsibility to the American people for how it uses their money. Yet, when my constituents see unnecessary duplication of mission or programs that expend valuable resources, a reluctance to learn from best practices within the federal government or private sector, or an unwillingness to make changes identified in audits as ways to improve, it can be very frustrating.

Congressional watchdogs have issued thousands of reports with ways to improve the efficiency of DHS and save taxpayer dollars. Earlier this month, GAO issued a key report related to duplication and cost savings opportunities across the federal government, which found 162 areas within the federal government with fragmented, overlapping, or duplicative spending. Within DHS, the report identified 6 separate DHS components involved in research and development

(R&D) activities. It also found 35 instances among 29 out of 50 R&D contracts where overlap in activities occurred. The price tag for these duplicative contracts was \$66 million.

Even more concerning, GAO found that DHS does not have the policies or mechanisms necessary to coordinate or track R&D activities across the department. DHS was created after 9/11 to help prevent the stove piping of information. If DHS does not have a system in place for basic R&D, how does that lack of communication affect the components' operational abilities and DHS' ability to meet its mission successfully to defend the homeland?

In 2012, GAO identified five more duplicative programs in DHS and four opportunities to save costs. In 2011, GAO identified four homeland security issues where DHS could eliminate duplication and five areas for potential cost savings. Yet out of all these ways to improve efficiency, DHS has only fully addressed recommendations in two of these areas.

Likewise, the IG has open and unimplemented recommendations identifying over \$600 million in questionable costs and about \$50 million in funds that could be put to better use. As of last month, the IG had issued 210 recommendations that if implemented could result in cost savings of \$1.2 billion. The IG has also identified 10 high-priority recommendations, which would reduce waste and inefficiency at DHS. To-date, DHS has closed three of these high-priority recommendations. However, only one of these recommendations has been implemented. DHS must take action to implement these recommendations in a timely manner to improve the efficiency and effectiveness of the Department.

Further while I understand that DHS components have different missions, I believe there may be some overlap in the type of assets and resources used by these components. U.S. Customs and Border Protection (CBP) currently has two distinct operational boating law enforcement units – those under CBP's Office of Air and Marine (OAM) and Border Patrol Agents with maritime qualifications.

Also, CBP and the Coast Guard each have their own air and marine assets. Out of more than 1,000 Coast Guard small boats and 250 CBP boats, only one common asset is shared between them – the 33 ft. safe boat. CBP and the Coast Guard should consider consolidating these similar resources to use taxpayer dollars more wisely.

DHS has pointed to its Efficiency Review, Bottom-Up Review, and success in public-private partnerships for showing progress in these areas. However, I believe DHS can do more starting with learning from the best practices of private industry. While not every private sector principle is transferrable to the federal government and although incentives may be different, there are many core principles that both companies and the federal government require for success.

As a small businessman in South Carolina, I found the same principles of strategic vision combined with strong and capable leadership and smart budgeting to be critical. You don't spend more than you take in or you go bankrupt. Yet the federal government has been slow to learn. In systems management, process management, and organizational culture, the federal government – and DHS in particular – have a lot to learn.

I believe that DHS components should better reach out to private sector companies with similar processes. For example, TSA's challenges with long lines and safe and satisfied customers are not unique to TSA. Six Flags and Disney World also face similar challenges. DHS should be thinking about what ways its components can better leverage best practices from the private sector in order to minimize duplication and wasteful spending and instead improve outcomes.

In conclusion, the issues highlighted by GAO and the IG require action from DHS – not words but action. The private sector possesses many tools that can help DHS implement these recommendations, and I believe that DHS should carefully consider how it can improve in order to steward American tax dollars more efficiently and effectively. I look forward to hearing more from our witnesses today.

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