



Committee on
HOMELAND SECURITY
Chairman Michael McCaul

Opening Statement

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

“Oversight of the DHS Headquarters Project at St. Elizabeths: Impact on the Taxpayer”

Remarks as Prepared

Since 2006, the Department of Homeland Security (DHS) and General Services Administration (GSA) have spent over a billion taxpayer dollars to build a consolidated DHS headquarters on the St. Elizabeths campus in Southeast Washington, DC. St. Elizabeths is a national historic landmark that was originally founded in 1852 as the Government Hospital for the Insane. The purpose of the new headquarters was to consolidate DHS leadership and operations to improve efficiency. Unfortunately, as shown by a Government Accountability Office (GAO) report that was released today, the project has become a monument to mismanagement.

DHS and GSA spent three years planning for the project before one ounce of concrete was poured. Finally, in 2009, DHS and GSA commenced with construction. DHS and GSA received over \$1 billion with the help of the “Stimulus Act.” In classic big government style, the bill intended to help lift America out of the “Great Recession” provided funding for cushy new offices for Washington bureaucrats. And when I say cushy, I’m not exaggerating. As our Subcommittee majority staff report from earlier this year showed, the Coast Guard’s new headquarters features courtyards built with Brazilian Ipe wood—one of the hardest woods in the world—ecofriendly green roofing and rainwater toilets. These examples illustrate the lack of effective management and oversight of this multibillion dollar project.

GAO’s report lays out in great detail how the St. Elizabeths project has been devoid of leadership and proper management for years. In recent years, DHS failed to identify the \$4.5 billion project as a major acquisition program within the Department. Such a designation would have brought with it more program oversight. DHS simply can’t afford to neglect its oversight responsibilities. A recent and glaring example of this is a recent Inspector General report that showed CBP wasting millions of dollars on lavish housing for employees in Ajo, Arizona. Had DHS instilled greater accountability and stricter oversight among its components, millions of taxpayer dollars could have been saved or put to better use.

Does the fact that these are buildings at St. Elizabeths make a difference and not a Coast Guard ship, CBP helicopter, or TSA body scanner? As a result, DHS did not require St. Elizabeths to receive the same oversight as other acquisition programs with comparable costs. While doing so may not have solved the problems for the project, it could have given Congress and DHS senior leadership greater visibility on where the program stood. This mismanagement is exactly why the Senate needs to pass H.R. 4228—the DHS Acquisition Accountability and Efficiency Act, which Mr. Barber and I wrote to increase discipline in DHS acquisitions and save taxpayer dollars.

GAO also found that DHS and GSA's cost and schedule estimates aren't worth the paper their printed on. GAO's report shows that the estimates failed to fully comport with any leading capital decision-making practices. Not a one. Consequently, GAO found DHS and GSA's cost and schedule estimates for St. Elizabeths were unreliable and overly optimistic. It's not a surprise to discover that there's been a wild swing in the estimates since the program has moved forward. In 2007, GSA estimated that the project would be fully complete by 2016 at a cost of \$3.2 billion and projected a savings of \$743 million by moving employees from leased to owned space. The latest estimates put completion of the project at 2026 at a cost of \$4.5 billion and reduced savings to \$532 million. The truth is that DHS and GSA don't have any idea how much St. Elizabeths will cost or when it could be finished.

This is an astounding finding for a program prepared to spend \$4.5 billion in taxpayer funds. This lack of basic management—knowing when a project will be done and how much it will cost—is leadership malpractice. Would any of you sitting at the witness table be willing to commit to building a house with your own money without knowing what it will cost or when it will be done? The answer is No. Yet, you expect the American taxpayer to agree to such an ultimatum at St. Elizabeths.

Up until recently, DHS and GSA have wanted to continue the course. If you haven't noticed, this Nation is drowning in debt; it's more than doubled from \$8 trillion to over \$17 trillion since planning for St. Elizabeths began. Who knows how far in the hole we will be when it's scheduled for completion in 2026. And we have serious homeland security priorities that need our attention, such as threats from ISIS and Syrian foreign fighters, the illegal alien crisis on the Southwest border, and I could go on. I commend GAO for its report and shining a light on the mismanagement of St. Elizabeths. Congress should heed GAO's recommendation that no new funding be appropriated until DHS and GSA get their act together. I hope to hear DHS and GSA explain what they plan to do to make this project achievable and affordable or if that's even possible at this point.

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