

**Draft Statement**

**Schakowsky Amendment to H.R. 1540, National Defense Authorization Act**

**May 23, 2011**

Thank you, Mr. Chairman, for the opportunity to testify on my amendment today.

This amendment would freeze Department of Defense spending until the Pentagon is able to pass an audit. It contains a national security waiver, and it excludes spending for wounded warrior and defense personnel accounts, as well as funding for overseas contingency operations.

Defense spending currently accounts for over 20% of our federal budget, however, DoD is one of the few federal agencies unable to pass an independent audit. The fact that the Pentagon remains literally “unauditable” opens the door to serious waste and fraud. The GAO has unearthed countless examples of loss, including hundreds of billions paid to fraudulent contractors, but we have no comprehensive picture of the scope of the problem.

To cite just one example, a March 2011 GAO review of selected major weapons systems found that \$70 billion had been lost through waste, namely due to “poor management and execution problems.”

The Pentagon has been under obligation to face an audit for two decades, but has never faced strong incentives for compliance. Currently, DoD must be auditable by September 2017; however, a recent Pentagon status report has raised concerns that this goal will not be met.

Mr. Chairman, it is imperative, both to our fiscal stability and our national security, that we know where our defense dollars are going. My amendment provides a solid incentive for the Department of Defense to make passing an audit a real priority. This is an idea with bipartisan support; my amendment is very similar to a proposal that Senator Coburn made to the National Commission on Fiscal Responsibility and Reform, on which I also served last year.

Finally, I’d like to emphasize that the men and women who serve our country should not be punished for problems with bookkeeping. That is why my amendment specifically excludes those accounts that pay salaries and benefits for DoD personnel and wounded warriors. In addition, while I personally strongly believe that we must end the wars in Iraq and Afghanistan, we must do so in a way that makes all necessary provisions for the safe redeployment home of our troops.

Mr. Chairman, it is a constitutional requirement that a “regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.” In these difficult financial times, when we are faced with difficult choices and the prospect of cutting critical government programs, this accounting of funds has become more important than ever. Thank you, Mr. Chairman.