



Testimony before the Subcommittee on
Oversight and Management Efficiency,
Committee on Homeland Security,
House of Representatives

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HOMELAND SECURITY ACQUISITIONS

Addressing Gaps in Oversight and Information is Key to Improving Program Outcomes

Statement of Michele Mackin, Director
Acquisition and Sourcing Management

Accessible Version

GAO Highlights

Highlights of [GAO-15-541T](#), a testimony before the Subcommittee on Oversight and Management Efficiency, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

Each year, DHS invests billions of dollars in its major acquisition programs to help execute its many critical missions. In fiscal year 2014 alone, DHS planned to spend approximately \$10.7 billion on these acquisition programs, and the department expects it will ultimately invest more than \$200 billion in them. DHS's acquisition policy generally reflects key program management practices. However, due to shortfalls in executing the policy, GAO has highlighted DHS acquisition management issues on its high-risk list and made numerous recommendations to improve acquisition management practices.

This statement discusses (1) the health of 22 DHS major acquisition programs and (2) the underlying systems in place to oversee and manage such programs.

This statement is based on two prior GAO reports on DHS acquisition management issued in April and March 2015, respectively ([GAO-15-171SP](#) and [GAO-15-292](#)).

What GAO Recommends

GAO is not making any new recommendations in this statement. GAO has made numerous prior recommendations to DHS, such as obtaining department-level approval for key acquisition documents, more thoroughly documenting the results of operational testing, taking steps to improve the accuracy of program data, and producing cost estimates for operational programs. DHS concurred with these recommendations.

View [GAO-15-541T](#). For more information, contact Michele Mackin at (202) 512-4841 or mackinm@gao.gov.

April 22, 2015

HOMELAND SECURITY ACQUISITIONS

Addressing Gaps in Oversight and Information is Key to Improving Program Outcomes

What GAO Found

In its April 2015 report, GAO reviewed 22 major programs at the Department of Homeland Security (DHS) and found that two of them were on track to meet schedule and cost parameters—that is, the initial schedules and cost estimates DHS leadership approved after the department revised its acquisition policy in November 2008. Of note, GAO was unable to assess six programs—four of which are in Customs and Border Protection—because DHS leadership had not yet approved baselines establishing their schedules and cost estimates as required by DHS policy. The remaining 14 programs had experienced schedule slips, or schedule slips and cost growth. On average, these program milestones slipped more than three-and-a-half years, and their life-cycle cost estimates increased by \$9.7 billion, or 18 percent.

GAO Assessment of 22 Major DHS Acquisition Programs

Total number of programs GAO assessed	Programs on track to meet cost and schedule parameters	Programs with schedule slips	Programs with schedule slips and cost growth	Programs that lacked approved schedules and cost estimates
22	2	7	7	6

Source: GAO analysis of DHS documentation and data. | [GAO-15-541T](#)

GAO reported in 2012 that three key factors increase the likelihood that schedules will slip and costs will grow:

- shortfalls in program office staffing,
- gaps between needed and expected funding for programs, and
- changes to program requirements.

GAO found that these issues remain prevalent department-wide.

In March 2015, GAO reported that DHS has taken steps to improve oversight of major acquisition programs, such as defining the role of the senior acquisition official within each component and clearly defining roles and responsibilities of headquarters staff who carry out day-to-day oversight of these programs. Despite these efforts, DHS lacks key information necessary to manage its programs. For example, GAO found ambiguity across DHS testing assessments in that they did not always clearly identify whether the systems tested met all of their key performance parameters (that is, the capability or system attributes that are required to successfully meet the DHS mission). In addition, DHS's official system for acquisition program reporting—which feeds into required congressional reports—is hampered by data problems, such as inaccurate life-cycle cost estimates. As a result, the most recent data provided to DHS and congressional decision makers for oversight, through the fiscal year 2014 Comprehensive Acquisition Status Report, were not consistently accurate and up-to-date. Finally, DHS does not have information on operations and maintenance costs for 42 operational programs for which the normal documentation requirements were waived in 2013. GAO found that only one of these 42 programs has an approved life-cycle cost estimate. Operations and maintenance costs—which can account for more than 80 percent of program life-cycle costs—could run in the billions of dollars for these 42 programs.

Statement of Michele Mackin

Chairman Perry, Ranking Member Watson Coleman, and Members of the Subcommittee:

Thank you for the opportunity to discuss acquisition management at the Department of Homeland Security (DHS). Each year, DHS invests billions of dollars in its major acquisition programs to help execute its many critical missions. In fiscal year 2014 alone, DHS planned to spend almost \$11 billion on these acquisition programs, and the department expects it will ultimately invest more than \$200 billion in them. DHS and its underlying components are acquiring systems to help secure the border, increase marine safety, screen travelers, enhance cyber security, improve disaster response, and execute a wide variety of other operations. Each of DHS's major acquisition programs generally costs \$300 million or more and can span many years. We have reported that DHS's acquisition policy is generally sound, in that it reflects key program management practices. Due to shortfalls in executing the policy, however, we have highlighted DHS acquisition management issues on our high-risk list and made numerous recommendations to improve acquisition management practices.¹ In recent years, DHS has taken steps to improve acquisition management by dedicating additional resources to oversight and documenting major acquisition decisions in a more transparent and consistent manner. However, many of our recommendations have not yet been implemented, including that DHS ensure all major acquisition programs fully comply with DHS acquisition policy.

My statement today draws from two recently completed reviews and addresses (1) the health of 22 DHS major acquisition programs and (2) the underlying systems in place to oversee and manage such programs.² For the first review, issued in April 2015, we assessed all 14 of DHS's largest acquisition programs (with a life-cycle cost estimate of \$1 billion or more) that were in the process of obtaining new capabilities as of June

¹ GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: January 2005); *Homeland Security Acquisitions: DHS Could Better Manage Its Portfolio to Address Funding Gaps and Improve Communications with Congress*, [GAO-14-332](#) (Washington, D.C.: Apr. 17, 2014). Also see, for example, *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs*, [GAO-12-833](#) (Washington, D.C.: Sept. 18, 2012).

² GAO, *Homeland Security Acquisitions: Major Program Assessments Reveal Actions Needed to Improve Accountability*, [GAO-15-171SP](#) (Washington, D.C.: Apr. 22, 2015) and *Homeland Security Acquisitions: DHS Should Better Define Oversight Roles and Improve Program Reporting to Congress*, [GAO-15-292](#) (Washington, D.C.: Mar. 12, 2015).

2014. To provide additional insight into factors that can contribute to poor acquisition outcomes, we also included 8 other major acquisition programs that we or DHS had identified as at risk of not meeting their schedules, cost estimates, or capability requirements. For all 22 programs, we reviewed acquisition documents required by DHS policy, including test plans, and interviewed program managers and headquarters acquisition management and test and evaluation officials. We verified the cost and schedule data reported for these programs on the basis of a data collection instrument and interviews with agency officials, and we determined these data elements were sufficiently reliable for our purposes. For the second review, issued in March 2015, we assessed DHS policies and procedures and interviewed oversight and acquisition officials from all nine DHS components that had at least one of the department's largest acquisition programs. From these components, we selected a non-generalizable sample of nine major programs for a more in-depth analysis of oversight activities and reported program data. We also assessed the data reliability of Next Generation Periodic Reporting System (nPRS) and determined that the data were not sufficiently reliable for our purposes; therefore we used these data only for illustrative purposes. More detailed information on our scope and methodology can be found in the respective reports.

We conducted the work on which this statement is based 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

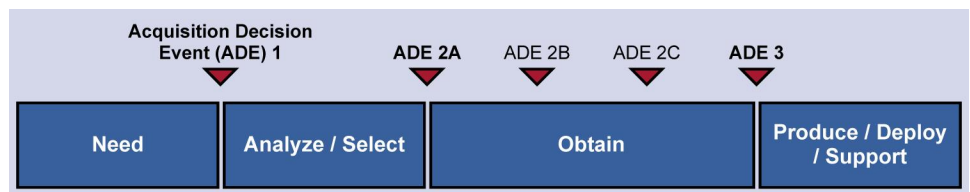
Background

DHS policies and processes for managing its major acquisition programs are primarily set forth in Acquisition Management Directive (MD) 102-01 and DHS Instruction Manual 102-01-001, Acquisition Management Instruction/Guidebook. DHS's Under Secretary for Management (USM) is the department's Chief Acquisition Officer and, as such, is responsible for managing the implementation of the department's acquisition policies.

DHS's Deputy Secretary and USM generally serve as the decision authorities for the department's largest acquisition programs: those with life-cycle cost estimates of \$1 billion or greater. Component Acquisition Executives—the most senior acquisition management officials within each of DHS's component agencies—may be delegated decision authority for

major acquisition programs with cost estimates between \$300 million and \$1 billion. The decision authority is responsible for reviewing acquisition programs at a series of five predetermined acquisition decision events to assess whether the program is ready to proceed. See figure 1 for DHS acquisition life cycle and acquisition decision events.

Figure 1: DHS Acquisition Life Cycle and Acquisition Decision Events



Source: GAO analysis of MD 102. | GAO-15-541T

An important aspect of a decision event is the decision authority’s review and approval of key acquisition documents, including the program baseline. This baseline is important because it represents the agreement between the program manager, component head, and acquisition decision authority as to how systems will perform, when they will be delivered, and what they will cost. The acquisition decision authority is supported by DHS’s Acquisition Review Board, which reviews major acquisition programs for proper management, oversight, accountability, and alignment with the department’s strategic functions at acquisition decision events and other meetings as needed. This Board is chaired by the acquisition decision authority and consists of individuals who manage DHS’s mission objectives, resources, and contracts.

The Office of Program Accountability and Risk Management (PARM) is the lead body responsible for overseeing the acquisition process and assessing the status of acquisition programs, although other DHS offices also have oversight roles. Nearly all of DHS’s program management offices are located within 13 department organizations, including components such as the Transportation Security Administration (TSA), U.S. Coast Guard, and U.S. Customs and Border Protection (CBP). Within the components, program management offices are responsible for planning and executing DHS’s individual programs. They are expected to do so within the cost, schedule, and performance parameters established in their program baselines. If they cannot do so, the programs’ decision authority is to rebaseline the program—that is, establish new cost, schedule, or performance goals.

The Director of Operational Test and Evaluation (DOT&E) is responsible for approving major acquisition programs' operational test agents, operational test plans, and Test and Evaluation Master Plans. As appropriate, DOT&E is also responsible for participating in operational test readiness reviews, observing operational tests, reviewing operational test agents' reports, and assessing the reports. DOT&E also provides a letter of assessment that includes an appraisal of the program's operational test, a concurrence or non-concurrence with the outcome, and any further independent analysis.

Programs Are Experiencing Mixed Outcomes, though DHS Is Taking Steps to Address Enduring Challenges

In April 2015, we found that of the 22 major programs that we reviewed, two were on track to meet initial schedule and cost parameters, that is, the initial schedules and cost estimates DHS leadership approved after the department revised its acquisition policy in November 2008.³ Fourteen programs had experienced schedule slips, or schedule slips and cost growth. These programs' life-cycle cost estimates increased by \$9.7 billion, or 18 percent.⁴ I would like to highlight a key point: that we were unable to assess schedule and cost progress for 6 of the 22 programs because DHS leadership had not yet approved baselines establishing their schedules and cost estimates. We recommended in 2012 that DHS ensure all major programs fully comply with DHS acquisition policy by obtaining department-level approval for key acquisition documents before approving their movement through the acquisition life cycle.⁵ DHS agreed with this recommendation but acknowledges that it will take some time to fully implement.

Part of the reason for the schedule slips and cost growth, as we have reported in the past, is program staffing, funding, and requirements issues. We previously reported, in 2012, that these issues were prevalent department-wide and we have found this to still be the case.

³ See [GAO-15-171SP](#). DHS issued an updated version of MD 102-01 in January 2010 and subsequently updated the guidebook and appendixes.

⁴ We tracked how each program's schedule and cost has changed over time by comparing the schedule and cost estimate from the program's initial baseline, approved by DHS after the department's current acquisition policy went into effect in November 2008, to the program's expected schedule and cost estimate as of January 2015, based on an update provided by each program.

⁵ [GAO-12-833](#).

Programs Are Experiencing Mixed Outcomes

CBP’s Automated Commercial Environment program and TSA’s Electronic Baggage Screening Program were on track to meet their schedules and cost estimates established after November 2008. Fourteen other programs experienced schedule slips, including 7 that also experienced cost growth. Six programs did not have department-approved baselines. Table 1 summarizes our findings.

Table 1: Major Acquisition Programs’ Progress against Schedules and Cost Estimates

Component	Program	On track against initial baselines	Schedule slips	Cost growth	No department-approved baseline
Analysis and Operations	Homeland Security Information Network ^a		X		
Customs and Border Protection	Automated Commercial Environment	X			
	Integrated Fixed Towers ^a		X		
	Land Border Integration				X
	Non-Intrusive Inspection Systems				X
	Strategic Air and Marine Program ^a				X
	Tactical Communications Modernization ^a				X
	TECS (not an acronym) Modernization ^a		X	X	
Federal Emergency Management Agency	Logistics Supply Chain Management System ^a				X
Immigration and Customs Enforcement	TECS (not an acronym) Modernization ^a		X		
National Protection and Programs Directorate	National Cybersecurity Protection System		X	X	
	Next Generation Network – Priority Service		X	X	
Transportation Security Administration	Electronic Baggage Screening Program	X			
	Passenger Screening Program		X		
U.S. Coast Guard	C4ISR ^b		X		
	Fast Response Cutter ^a		X		
	HH-65 Conversion/Sustainment Projects		X	X	
	Long Range Surveillance Aircraft		X	X	
	Medium Range Surveillance Aircraft				X
	National Security Cutter		X	X	
	Offshore Patrol Cutter		X		
U.S. Citizenship and Immigration Services	Transformation		X	X	

Source: GAO analysis of DHS documentation and data. | GAO-15-541T

^aAt risk program that we reviewed to provide insight into some factors that can lead to poor acquisition outcomes.

^bC4ISR is an acronym for Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance.

Fourteen programs have at least one major milestone that slipped since DHS revised its acquisition policy in November 2008. On average, these program milestones slipped more than three-and-a-half years. Seven programs' costs have grown beyond the thresholds initially approved by DHS leadership. In total, the 7 programs' acquisition cost estimates have increased by 40 percent, and their overall life-cycle cost estimates have increased by almost 18 percent, or \$9.7 billion as mentioned above.

As noted above, we reported in April 2015 that six programs lack DHS-approved baselines, even though these baselines are required by DHS policy. This situation prevented us from assessing whether the programs were on track to meet their cost estimates and schedules:

- Four of the programs are sponsored by CBP: Land Border Integration, Non-Intrusive Inspection Systems, Strategic Air and Marine Program, and Tactical Communications Modernization. These 4 programs received more than \$5 billion in appropriations through fiscal year 2014.
- A fifth program, the Federal Emergency Management Agency's (FEMA) Logistics Supply Chain Management System, also lacks a department-approved baseline. In April 2014, based on the preliminary results of a DHS Office of Inspector General report that identified this deficiency, the acting USM directed FEMA not to initiate the development of any new capabilities for this program until further notice.
- Finally, as a relatively new program, the Coast Guard's Medium Range Surveillance Aircraft program has not yet had its baseline approved. This program was established in October 2014 when DHS leadership directed the Coast Guard to restructure the HC-144A Maritime Patrol Aircraft program to accommodate the addition of 14 C-27J aircraft.

PARM officials said it is realistic to expect DHS leadership can approve baselines for five of the six programs by the end of fiscal year 2015 (the exception being the FEMA Logistics Supply Chain Management System).

DHS Is Taking Steps to Address Enduring Challenges

DHS acquisition programs continue to face staffing shortfalls, funding instability, and requirements changes that we previously identified were prevalent department-wide. These challenges increase the likelihood that acquisition programs will cost more and take longer to deliver capabilities

than expected. DHS leadership is aware of these problems and has taken some steps to address them, but it will likely take years to fully resolve them.

Workforce shortfalls

As part of an effort to evaluate whether its acquisition programs have sufficient numbers of trained, qualified, and experienced acquisition staff, DHS headquarters reported that 21 of the 22 programs we reviewed faced shortfalls in their program office workforce in fiscal year 2014. These shortfalls can pertain to such positions as program managers, systems engineers, and logisticians. However, officials from 15 of the 21 programs did not identify negative effects from these shortfalls, suggesting that officials at DHS headquarters and program offices have different views on staffing needs. The Executive Director of PARM acknowledged that standardized staffing templates used in the evaluation do not always account for the varying quality of people, or particular aspects of specific programs, and said that PARM officials developed the templates to help prioritize future staffing assessments. This is an issue the department will continue to pursue.

Funding gaps

For the 22 programs in our review, we compared their estimated funding needs for fiscal years 2014 to 2018 to the expected amounts set forth in the Future Years Homeland Security Program report DHS submitted to Congress in fiscal year 2014. We found that 11 of the 22 programs face funding gaps of 10 percent or greater over this period, including 5 programs that face funding gaps of 30 percent or greater. These funding gaps can be caused by cost growth, unreliable cost estimates, requirements changes, revised funding priorities, and other factors.

We previously found that DHS's Chief Financial Officer had identified a 30 percent funding gap, from fiscal years 2014 to 2018, across the department's entire major acquisition portfolio.⁶ While this acknowledgment was a positive step toward addressing the department's funding gap, funding gaps of this extent are likely to impede effective program execution. For example, officials from 6 of the 22 programs in our review attributed schedule slips to past funding gaps. In response to one of our earlier recommendations on this topic, as of June 2014, the Acquisition Review Board is now to specifically address affordability issues during all program reviews, and as necessary, document explicit

⁶ [GAO-14-332](#).

tradeoffs among cost, schedule, and capability requirements. This is an important step toward closing the department's acquisition funding gap.

Requirements changes

Finally, we found that requirements changes were common across the 22 acquisition programs in our review. These are situations where programs have revised their requirements after they initiated efforts to obtain new capabilities. We have previously concluded that relaxing requirements can help mitigate affordability and schedule risks.⁷ These changes, however, can also indicate that a program is facing execution challenges or expanding its scope beyond what was initially envisioned. We found that programs changed requirements for various reasons, such as to respond to technology development challenges or to address evolving threats. In some cases, program requirements were not defined properly in the first place.

DHS Has Taken Steps to Improve Oversight of Major Acquisition Programs, but Lacks Key Information Necessary to Manage Its Programs

As we reported in March 2015, DHS leadership has undertaken efforts that are intended to improve its oversight of major acquisitions.⁸ I'll highlight two of these. First, in September 2014, a USM policy memorandum clarified the responsibilities of the Component Acquisition Executives within the component organizations. These senior officials play an important role in acquisition oversight because they are responsible for establishing acquisition processes and overseeing the execution of programs in their components. The memo sets forth oversight responsibilities for these officials—particularly for the programs for which they are the acquisition decision authority—and clarifies the acquisition oversight chain of command within the department. Now, for example, it has been made clear that for purposes of acquisition oversight for specific acquisition decisions, program managers report to their Component Acquisition Executives and these executives report to the USM. This clarification is useful, as we had found differences in these officials' roles and responsibilities prior to the memo's issuance. DHS's longer-term goal is to standardize the Component Acquisition Executives' acquisition authorities and experience levels.

A second example concerns the roles and responsibilities of PARM, which as mentioned above has responsibility for overseeing the

⁷ [GAO-12-833](#).

⁸ [GAO-15-292](#).

acquisition process and assessing the status of acquisition programs. We found that the roles and responsibilities of PARM staff—who carry out day-to-day oversight of, and support to, major acquisition programs—were not defined in DHS acquisition policy. Thus, we recommended that PARM develop written guidance that defines roles and responsibilities of these staff. DHS agreed with the recommendation and has already taken action to address it.

The actions cited above are positive. However, good information is critical to sound decision-making about acquisition programs. Unfortunately, we have found problems in this regard. I've already mentioned that 6 of the 22 major programs we recently assessed did not have department-approved acquisition baselines. There are three other areas related to incomplete or inaccurate information that I would also like to discuss.

Assessments of Operational Testing

DHS's DOT&E is responsible for numerous aspects of operational testing, including an appraisal of programs' operational test events, known as a letter of assessment. In our April 2015 report, we found ambiguity across DOT&E's letters of assessment in that they did not always clearly identify whether the systems tested met all of their key performance parameters—capability or system attributes that are required to successfully meet the DHS mission. DHS testing policy establishes that the primary purpose of test and evaluation is to provide timely, accurate information to managers, decision makers, and other stakeholders to reduce programmatic, financial, schedule, and performance risk. To this end, DOT&E generally identified whether the programs' systems were operationally effective and suitable. However, without a specific discussion of whether systems met all of their key performance parameters in each letter of assessment, DHS leadership may not have all of the information needed to make deployment authorization decisions. Thus, we recommended, and DHS agreed, to ensure DOT&E explicitly address all of the relevant key performance parameters in each letter of assessment appraising operational test results.

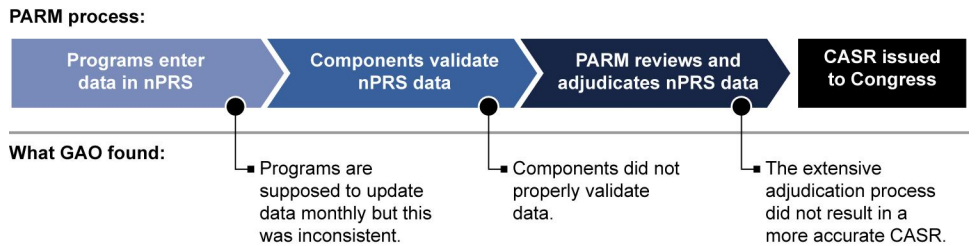
In addition, while 19 of the 22 programs we reviewed had deployed capabilities, meaning that some capabilities had been delivered to operators, DHS leadership had exempted 4 of these programs from operational testing for various reasons. Under DHS's test policy, which was established in 2009, programs generally should be operationally tested before deploying capabilities. The risks and benefits associated with deploying capability without operational testing vary on a program-by-program basis. For example, DOT&E determined that CBP's Non-Intrusive Inspection Systems program does adequate acceptance testing

Comprehensive Acquisition Status Report to Congress

on commercial-off-the-shelf systems, and that it does not need a test plan or operational testing until CBP begins to pursue the next generation of capabilities. In another case, DOT&E acknowledged that the Coast Guard’s HC-130J long range surveillance aircraft was previously demonstrated by the U.S. Air Force and determined that it did not need additional operational testing.

In recent years, DHS has been required to submit an annual report to Congress addressing a variety of issues pertaining to major acquisition programs. PARM is responsible for preparing this Comprehensive Acquisition Status Report, or CASR. The most recent report, for fiscal year 2014, included 82 major programs and drew information from a data system called nPRS, which is DHS’s official system of record for acquisition program reporting. But we found that nPRS, and hence the CASR, contained inaccurate and out of date data. For example, we found persistent discrepancies between the CASR and nPRS for life-cycle cost estimates for some programs even after efforts to update or fix the data inaccuracies through an extensive adjudication process. Some programs had reported no expenditures for the entire fiscal year. Others did not clearly reflect the cost, schedule, and technical risks that are supposed to be included in the CASR. Although DHS programs are responsible for entering accurate data into nPRS, this was not happening consistently. Further, the Component Acquisition Executives are responsible for validating the information, but this was not occurring consistently either. See figure 2 for our assessment of the CASR development process.

Figure 2: GAO’s Assessment of the DHS Comprehensive Acquisition Status Report Development Process



PARM = DHS Office of Program Accountability and Risk Management

nPRS = Next Generation Periodic Reporting System

CASR = Comprehensive Acquisition Status Report

Source: GAO analysis of DHS data. | GAO-15-541T

PARM officials have acknowledged ongoing problems with the data reported in both nPRS and the CASR, and noted that they are working to

Oversight of operations and maintenance costs for programs in sustainment

improve the data quality. We recommended in March 2015, and DHS agreed, to determine mechanisms to hold programs accountable for entering data in nPRS consistently and accurately and to hold Component Acquisition Executives accountable for validating the information.

DHS does not have a structure in place for overseeing the costs of 42 programs whose acquisition documentation requirements were waived by the USM in May 2013.⁹ This waiver covered certain programs in sustainment—programs that have been developed and delivered to the end users and are now being operated and maintained. The USM determined that it would be cost prohibitive and inefficient to recreate documentation for previous acquisition phases.

However, an important point is that only 1 of these 42 programs had an approved life-cycle cost estimate, which would have delineated expected acquisition costs as well as the costs to operate and maintain the system. Operations and maintenance costs could run in the billions of dollars for these 42 programs, as they can account for more than 80 percent of program life-cycle costs. We recommended in March 2015, and DHS agreed, to produce operations and maintenance cost estimates for programs in sustainment and establish responsibility for tracking sustainment programs' adherence to those estimates.

In conclusion, DHS has acknowledged the significant challenges facing its portfolio of acquisition programs—such as the \$9.7 billion increase in life-cycle cost estimates across just seven of its programs—and taken steps to improve program information and designate oversight responsibilities. However, our analysis shows that DHS's oversight and management of its programs remain a work in progress. Further efforts, particularly ensuring DHS programs fully comply with acquisition policy, would put DHS in a better position to make important decisions about its acquisition priorities.

⁹ Office of Management and Budget guidance calls for agencies to perform annual assessments of the operations and maintenance performance of IT investments to ensure these investments continue to meet mission needs. We previously assessed DHS's efforts in this area. See GAO, *Information Technology: Agencies Need to Strengthen Oversight of Billions of Dollars in Operations and Maintenance Investments*, [GAO-13-87](#) (Washington, D.C.: Oct. 16, 2012).

Chairman Perry, Ranking Member Watson Coleman, 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.

**GAO Contact and
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Acknowledgments**

If you or your staff have any questions about this testimony, please contact Michele Mackin at (202) 512-4841 or mackinm@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony statement and the reports on which it is based include Katherine Trimble, Assistant Director; Peter W. Anderson; Stephen V. Marchesani; Sarah Marie Martin; Ashley Rawson; Lindsay Taylor; and Nathan Tranquilli.

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