

Supplemental Statement
Irene Facha, HUD
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I testified back on June 11th as a panelist. I stated that HUD had entered into contracts for over a billion dollars and that was more than all salaries and expense cost for the entire agency. Well, in GAO-01-590 issued July 2001, it gives the numbers for single family contracts and that those numbers represent 30% of all HUD contracting. Doing the math, that yields \$1.3 billion for FY2000 for contracting. During the same fiscal year, HUD spent about \$1 billion in total on salary and expenses for the whole Department. In short, you could create a whole new HUD, buildings and all and still save \$300 million. Not that contracting can or should be eliminated at HUD, but it would go a long way to saving money fairly painlessly for the war against terrorism we now find ourselves fighting.

You really can't change the the guidelines if you don't at least consider the cost benefit. Otherwise, things across the federal government will get as out of control as they have at HUD.