

GAO Highlights

Highlights of [GAO-20-440SP](#), a report to congressional addressees

Why GAO Did This Study

The federal government has made an unprecedented financial response to the COVID-19 pandemic. At the same time, opportunities exist for achieving billions of dollars in financial savings and improving the efficiency and effectiveness of a wide range of federal programs in other areas.

Congress included a provision in statute for GAO to identify and report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities. GAO also identifies areas that are fragmented or overlapping and additional opportunities to achieve cost savings or enhance revenue collection.

This report discusses the new areas identified in GAO's 2020 annual report—the 10th report in this series; the progress made in addressing actions GAO identified in its 2011 to 2019 reports; and examples of open actions directed to Congress or executive branch agencies.

To identify what actions exist to address these issues, GAO reviewed and updated prior work, including matters for congressional consideration and recommendations for executive action.

View [GAO-20-440SP](#). For more information, contact Jessica Lucas-Judy at (202) 512-9110 or lucasjudyj@gao.gov or J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

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2020 ANNUAL REPORT:

Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits

What GAO Found

GAO's 2020 annual report identifies 168 new actions for Congress or executive branch agencies to improve the efficiency and effectiveness of government in 29 new mission areas and 10 existing areas. For example:

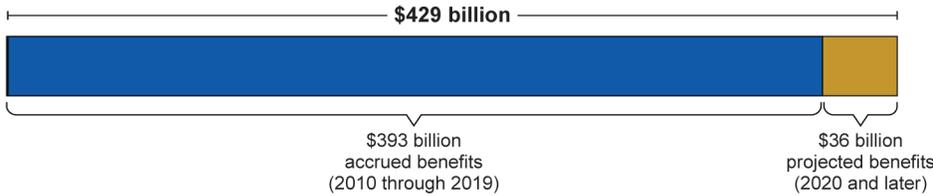
- The Department of Defense could potentially save **hundreds of millions of dollars annually** by accurately measuring and reducing excess funded, unfinished work at military depots.
- The Centers for Medicare & Medicaid Services could better ensure that states implement Medicaid provider screening and enrollment requirements, which could potentially save **tens of millions of dollars annually**.
- The Government National Mortgage Association could enhance the efficiency and effectiveness of its operations and risk management and reduce costs or enhance federal revenue by **tens of millions of dollars annually**.
- The Internal Revenue Service should establish a formal collaborative mechanism with the Department of Labor to better manage fragmented efforts and enhance compliance for certain individual retirement accounts that engaged in prohibited transactions, and thereby potentially increase revenues by **millions of dollars**.
- Improved coordination and communication between the Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response and its emergency support agencies—including the Federal Emergency Management Agency and Departments of Defense and Veterans Affairs—could help address fragmentation and ensure the effective provision of public health and medical services during a public health emergency.
- The Department of Education should analyze data and use it to verify borrowers' income and family size information on Income-Driven Repayment plans to safeguard the hundreds of billions of dollars in federal investment in student loans and potentially save **more than \$2 billion**.
- The Internal Revenue Service could increase coordination among its offices to better manage fragmented efforts to ensure the security of taxpayer information held by third-party providers.

GAO identified 88 new actions related to 10 existing areas presented in 2011 through 2019 annual reports. For example:

- The Department of the Navy could achieve **billions of dollars** in cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained.
- The Office of Management and Budget could improve oversight of disaster relief funds and address government-wide improper payments, which could result in significant cost savings.
- The U.S. Army Corps of Engineers and the U.S. Coast Guard could better identify and communicate lessons learned in contracting following a disaster to improve fragmented interagency coordination.

Significant progress has been made in addressing many of the 908 actions that GAO identified from 2011 to 2019 to reduce costs, increase revenues, and improve agencies' operating effectiveness. As of March 2020, Congress and executive branch agencies have fully or partially addressed 79 percent of all actions (721 of 908 actions)—57 percent (519 actions) fully addressed and 22 percent (202 actions) partially addressed. This has resulted in approximately \$429 billion in financial benefits. About \$393 billion of these benefits accrued between 2010 and 2019, and \$36 billion are projected to accrue in future years. This is an increase of \$166 billion from GAO's 2019 annual report. These are rough estimates based on a variety of sources that considered different time periods and utilized different data sources, assumptions, and methodologies.

Total Reported Financial Benefits of \$429 Billion, as of March 2020



Source: GAO. | GAO-20-440SP

Note: The aggregated potential financial benefits reported here should not be considered an exact total.

While Congress and executive branch agencies have made progress toward addressing actions that GAO has identified since 2011, further steps are needed. GAO estimates that **tens of billions** of additional dollars could be saved should Congress and executive branch agencies fully address the remaining 467 open actions, including the new ones identified in 2020. Addressing the remaining actions could lead to other benefits as well, such as increased public safety, and more effective delivery of services. For example:

Examples of Areas with Open Actions with Potential Financial and Non-Financial Benefits

Area name and description <i>(year-number links to Action Tracker)</i>	Mission	Potential benefits <i>(Source when financial)</i>
DOE's Treatment of Hanford's Low Activity Waste (2018-17): The Department of Energy may be able to reduce certain risks and adopt alternative approaches to treating a portion of its low-activity radioactive waste.	Energy	Tens of billions (GAO)
Advanced Technology Vehicles Manufacturing Loan Program (2014-13): Unless the Department of Energy can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining credit subsidy appropriations.	Energy	\$4.3 billion (DOE)
Federal Shared Services (2019-05): The Office of Management and Budget and the General Services Administration could better position themselves to achieve their cost savings goals and reduce inefficient overlap and duplication by strengthening their implementation of selected federal shared service reform efforts.	General government	\$2 billion over 10 years (OMB)
Medicare Payments by Place of Service (2016-30): Medicare could have cost savings if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed.	Health	Billions annually (MedPAC and Bipartisan Policy Center)
Identity Theft Refund Fraud (2016-22): The Internal Revenue Service could improve the agency's efforts to prevent refund fraud associated with identity theft.	General government	Billions (GAO)
DOD Oversight of Foreign Reimbursements (2020-27): By implementing a process to monitor orders and resolve outstanding reimbursements, the Department of Defense could recover overdue repayments for sales made to foreign partners.	International affairs	Millions (GAO)
VA Long-Term Care Fragmentation (2020-11): The Department of Veterans Affairs should implement a consistent approach to better manage long-term care programs at the Veterans Affairs Medical Center level and improve access to the right care for veterans.	Health	Better long-term care for veterans
Federal Research (2019-15): Implementing leading practices for collaboration to better manage fragmentation could help agencies improve their research efforts to maintain U.S. competitiveness in quantum computing and synthetic biology.	Science and the environment	Maintain U.S. competitiveness in the global economy

Source: GAO. | GAO-20-440SP

Note: All estimates of potential financial benefits are dependent on various factors, such as whether action is taken and how it is taken. For estimates of potential financial benefits where outside estimates of potential financial benefits were not available, GAO developed the notional estimates, which are intended to provide a sense of the potential magnitude of benefits. Notional estimates have been developed using broad assumptions about potential financial benefits which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential financial benefits.