Why GAO Did This Study

The federal government is one of the world’s largest and most complex entities; about $4.1 trillion in outlays in fiscal year 2018 funded a broad array of programs and operations. GAO’s high-risk program identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation to address economy, efficiency, or effectiveness challenges.

This biennial update describes the status of high-risk areas, outlines actions that are still needed to assure further progress, and identifies two new high-risk areas needing attention by the executive branch and Congress. Solutions to high-risk problems save billions of dollars, improve service to the public, and would strengthen government performance and accountability.

GAO uses five criteria to assess progress in addressing high-risk areas: (1) leadership commitment, (2) agency capacity, (3) an action plan, (4) monitoring efforts, and (5) demonstrated progress.

What GAO Found

The ratings for more than half of the 35 areas on the 2019 High-Risk List remain largely unchanged. Since GAO’s last update in 2017, seven areas improved, three regressed, and two showed mixed progress by improving in some criteria but declining in others. Where there has been improvement in high-risk areas, congressional actions have been critical in spurring progress in addition to actions by executive agencies.

GAO is removing two of the seven areas with improved ratings from the High-Risk List because they met all of GAO’s five criteria for removal. The first area, Department of Defense (DOD) Supply Chain Management, made progress on seven actions and outcomes related to monitoring and demonstrated progress that GAO recommended for improving supply chain management. For example, DOD improved the visibility of physical inventories, receipt processing, cargo tracking, and unit moves. Improvements in asset visibility have saved millions of dollars and allow DOD to better meet mission needs by providing assets where and when needed.

The second area, Mitigating Gaps in Weather Satellite Data, made significant progress in establishing and implementing plans to mitigate potential gaps. For example, the National Oceanic and Atmospheric Administration successfully launched a satellite, now called NOAA-20, in November 2017. NOAA-20 is operational and provides advanced weather data and forecasts. DOD developed plans and has taken actions to address gaps in weather data through its plans to launch the Weather System Follow-on–Microwave satellite in 2022.

There are two new areas on the High-Risk List since 2017. Added in 2018 outside of GAO’s biennial high-risk update cycle, the Government-Wide Personnel Security Clearance Process faces significant challenges related to processing clearances in a timely fashion, measuring investigation quality, and ensuring information technology security. The second area, added in 2019, is Department of Veterans Affairs (VA) Acquisition Management. VA has one of the most significant acquisition functions in the federal government, both in obligations and number of contract actions. GAO identified seven contracting challenges for VA, such as outdated acquisition regulations and policies, lack of an effective medical supplies procurement strategy, and inadequate acquisition training.

Overall, 24 high-risk areas have either met or partially met all five criteria for removal from the list; 20 of these areas fully met at least one criterion. Ten high-risk areas have neither met nor partially met one or more criteria.

While progress is needed across all high-risk areas, GAO has identified nine that need especially focused executive and congressional attention, including Ensuring the Cybersecurity of the Nation, Resolving the Federal Role in Housing Finance, and Improving VA Health Care, and ensuring an effective 2020 Decennial Census. Beyond these specific areas, focused attention is needed to address mission-critical skills gaps in 16 high-risk areas, confront three high-risk areas concerning health care and tax law enforcement that include billions of dollars in improper payments each year, and focus on a yawning tax gap.

View GAO-19-393T. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.
## GAO’s 2019 High-Risk List

### Strengthening the Foundation for Efficiency and Effectiveness
- Strategic Human Capital Management
- Managing Federal Real Property
- Funding the Nation’s Surface Transportation System
- Modernizing the U.S. Financial Regulatory System
- Resolving the Federal Role in Housing Finance
- USPS Financial Viability
- Management of Federal Oil and Gas Resources
- Limiting the Federal Government’s Fiscal Exposure by Better Managing Climate Change Risks
- Improving the Management of IT Acquisitions and Operations
- Improving Federal Management of Programs That Serve Tribes and Their Members
- 2020 Decennial Census
- U.S. Government Environmental Liability

### Transforming DOD Program Management
- DOD Weapon Systems Acquisition
- DOD Financial Management
- DOD Business Systems Modernization
- DOD Support Infrastructure Management
- DOD Approach to Business Transformation

### Ensuring Public Safety and Security
- Government-wide Personnel Security Clearance Process (new)
- Ensuring the Cybersecurity of the Nation
- Strengthening Department of Homeland Security Management Functions
- Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests
- Improving Federal Oversight of Food Safety
- Protecting Public Health through Enhanced Oversight of Medical Products
- Transforming EPA’s Processes for Assessing and Controlling Toxic Chemicals

### Managing Federal Contracting More Effectively
- VA Acquisition Management (new)
- DOE’s Contract Management for the National Nuclear Security Administration and Office of Environmental Management
- NASA Acquisition Management
- DOD Contract Management

### Assessing the Efficiency and Effectiveness of Tax Law Administration
- Enforcement of Tax Laws

### Modernizing and Safeguarding Insurance and Benefit Programs
- Medicare Program & Improper Payments
- Strengthening Medicaid Program Integrity
- Improving and Modernizing Federal Disability Programs
- Pension Benefit Guaranty Corporation Insurance Programs
- National Flood Insurance Program
- Managing Risks and Improving VA Health Care

*Legislation is likely to be necessary in order to effectively address this area.*