



Highlights of [GAO-09-672T](#), a testimony to the Subcommittee on Investigations and Oversight, Committee on Science and Technology, House of Representatives

Why GAO Did This Study

This testimony discusses GAO's efforts to coordinate with the accountability community—the Recovery Accountability and Transparency Board (the Board), the Inspectors General (IGs), and state and local government auditors—to help ensure effective and efficient oversight of American Recovery and Reinvestment Act (Recovery Act) funds. The Recovery Act assigns GAO a range of responsibilities including bimonthly reviews of the use of funds by selected states and localities. Because funding streams will flow from federal agencies to the states and localities, it is important for us to coordinate with the accountability community. Also, on March 19, 2009, GAO testified before this Subcommittee about the more than \$21 billion in Recovery Act funds estimated to be spent for research and development (R&D) activities at four federal agencies.

This statement discusses (1) GAO's efforts to fulfill its responsibilities under the Recovery Act; (2) GAO's coordination with others in the accountability community; (3) GAO's authorities to assist whistleblowers and elicit public concerns; and (4) updated information on the status of Recovery Act funds for R&D. It is based in part on GAO's first bimonthly Recovery Act report, *Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues Is Essential* (GAO-09-580), and GAO's March 5, 2009 testimony, *American Recovery and Reinvestment Act: GAO's Role in Helping to Ensure Accountability and Transparency* (GAO-09-453T).

View [GAO-09-672T](#) or [key components](#). For more information, contact Patricia Dalton at (202) 512-3841 or daltonp@gao.gov.

RECOVERY ACT

GAO's Efforts to Work with the Accountability Community to Help Ensure Effective and Efficient Oversight

What GAO Found

GAO is carrying out its responsibilities to review the uses of Recovery Act funds and will also target certain areas for additional review using a risk-based approach. GAO's first bimonthly report examined the steps 16 states, the District of Columbia, and selected localities are taking to use and oversee Recovery Act funds. These states contain about 65 percent of the U.S. population and are estimated to receive about two-thirds of the intergovernmental grant funds available through the Recovery Act. GAO's report made several recommendations to the Office of Management and Budget (OMB) toward improving accountability and transparency requirements; clarifying the Recovery Act funds that can be used to support state efforts to ensure accountability and oversight; and improving communications with Recovery Act funds recipients.

Soon after the Recovery Act passed, GAO began to coordinate with the accountability community. By the end of February 2009, GAO conducted initial outreach to IGs, the Board, OMB, and state and local auditors. Now, GAO participates in regular coordination conference calls with representatives of these constituencies to discuss Recovery Act efforts and regularly coordinates with individual IGs. GAO also participates in discussions with state and local organizations to further foster coordination. The work of GAO's 16 state and District of Columbia teams that resulted in the first bimonthly report on the actions of selected states and localities under the Recovery Act also exemplifies the level of coordination we are undertaking with the accountability community. For example, teams working in the states collected documents from and interviewed State Auditors, Controllers, and Treasurers; state IGs; and other key audit community stakeholders to determine how they planned to conduct oversight of Recovery Act funds.

Provisions in statute as well as a fraud reporting hotline facilitate GAO's ability to evaluate allegations of waste, fraud, and abuse in the federal government. Under GAO's authorizing statute, subject to certain limited exceptions, all agencies must provide the Comptroller General with access to information about the duties, powers, activities, organization and financial transactions of that agency, including for the purpose of evaluating whistleblower complaints. The Whistleblower Protection Act and the Recovery Act provide additional authority for GAO to assist whistleblowers. GAO also maintains a fraud reporting service, which has recently generated more than 25 allegations of misuse of Recovery and other federal funds. These allegations are currently under review by our forensic audit team.

Since GAO first provided this Subcommittee with an estimate of the Recovery Act R&D funds to be spent, agencies have submitted program plans to OMB that include, among other things, programs' objectives, schedules, and the types of financial awards to be used. OMB expects to approve these plans by May 15, 2009. As of April 28, 2009, only the Department of Energy's Office of Science had obligated Recovery Act R&D funds for project expenditures.