

April 25, 2017

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street NW
Washington, D.C. 20548

Dear Mr. Dodaro:

We are writing to request that the Government Accountability Office conduct a review of federal spending to ensure transparency and accountability. Through congressional oversight, we believe not all agencies and grant recipients are abiding by the transparency requirements found in the Consolidated Appropriations Act of 2016. Under Division H, Title V, Section 505 of Public Law 114-113 of that Act, all recipients of federal money from the Departments of Labor, Health and Human Services and Education and related agencies are required to disclose in statements, press releases, and other documents describing projects or programs funded with those taxpayer funds the total cost of the activities that were paid for with federal dollars.¹

Specifically, the law states:

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state—

- (1) the percentage of the total costs of the program or project which will be financed with Federal money;
- (2) the dollar amount of Federal funds for the project or program; and
- (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.²

These requirements, originally offered as an amendment to the Fiscal Year 1989 appropriations bill by Senator Ted Stevens, have been included in annual appropriations bills for nearly 30 years.³ Unfortunately, congressional oversight has shown that many recipients of federal funds are not complying with this longstanding taxpayer transparency law. We have found most of the documents and statements issued by the recipients of federal funds from these departments reviewed by our offices did not disclose the costs. In some cases, neither the funding agency nor the recipient could or would provide this information when asked.

¹ *H.R. 2029, Consolidated Appropriations Act, 2016*, became Public Law Number 114-113 on December 18, 2015; <https://www.congress.gov/bill/114th-congress/house-bill/2029/text> .

² *Id.*

³ *Senate Amendment 2819 to H.R. 4781, Department of Defense Appropriations Act 1989*, as agreed to by the Senate on August 8, 1988, which became Public Law Number 100-463 on October 1, 1988, <https://www.congress.gov/amendment/100th-congress/senate-amendment/2819> .

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We believe it is unacceptable for agencies and grant recipients to disregard longstanding transparency requirements, and those agencies have an obligation to spend taxpayer dollars effectively and efficiently. In light of these concerns, we ask that the GAO conduct a review to determine:

1. If and how departments and agencies are actively providing guidance and enforcing compliance to ensure grantees, including state and local governments, colleges and universities, and other recipients of federal research grants, are adhering to this law?
2. What percentage of grantees of federal funds from each department are complying in full with all of the requirements of this law?
3. What methods are used to track costs and determine the percentage of each project's total budget financed with federal funds? Are indirect costs factored into these calculations?

Thank you for your attention to this important matter. Please contact Roland Foster with Senator Flake's office at (202) 224-4521, Josh McLeod with the Homeland Security and Governmental Affairs Committee at (202) 224-4751, David Cole with Senator McCain's office at (202) 224-2235, Chris White with Senator Lankford's office at (202) 224-5754, and Greg McNeill with Senator Rand Paul at (202) 224-9453 with any questions about this request.

Sincerely,

Jeff Flake
U.S. Senator

Ron Johnson
Chairman,
U.S. Senate Committee on
Homeland Security and
Governmental Affairs

John McCain
U.S. Senator

James Lankford
U.S. Senator

Rand Paul, M.D.
U.S. Senator