



Testimony

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Security and Governmental Affairs,
U.S. Senate

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HIGH-RISK SERIES

Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas

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Comptroller General of the United States

GAO Highlights

Highlights of [GAO-23-106674](#), a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government is one of the world's largest and most complex entities. About \$6.3 trillion in outlays in fiscal year 2022 funded a broad array of programs and operations. GAO's High-Risk Series identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation.

This biennial update describes the status of high-risk areas, outlines actions that are needed to ensure further progress, and identifies new high-risk areas needing attention by the executive branch and Congress.

Lasting solutions to high-risk problems save billions of dollars, improve service to the public, and strengthen government performance and accountability. In the past 17 years, financial benefits totaled \$675 billion.

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 Recommends

Executive branch agencies need to address hundreds of open GAO recommendations to bring about lasting solutions to the 37 remaining high-risk areas. Continued congressional oversight is essential to achieve greater progress and legislation is needed in some cases.

View [GAO-23-106674](#). For more information, contact Michelle Sager at (202) 512-6806 or sagem@gao.gov.

April 2023

HIGH-RISK SERIES

Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas

What GAO Found

Congress and executive agencies have made substantial progress addressing high-risk issues since the previous [High-Risk List update in 2021](#). Sixteen of 34 high-risk areas improved since 2021. This is the most progress in the 8 years since GAO [started](#) rating high-risk areas. Two of the 16 areas are being removed from the list: Pension Benefit Guaranty Corporation (PBGC) Insurance Programs and the 2020 Decennial Census. Since our last update, there were approximately \$100 billion in financial benefits due to improvements in high-risk areas.

Changes to the High-Risk List Since 2021



The PBGC Insurance Programs area is being removed because Congress provided funding to troubled multiemployer pension plans, which has led to an improved financial position for the PBGC multiemployer insurance program. Additionally, the financial position of the PBGC single-employer insurance program has improved gradually in recent years. PBGC now projects a very low risk of insolvency over the next 15 years for both programs. GAO will continue to monitor the funds.

The 2020 Decennial Census is being removed because the Census Bureau made progress in addressing data quality concerns, chartered a high-level governance group, and implemented priority recommendations. GAO will monitor 2030 Census planning—already underway—for emerging risks and challenges.

GAO is adding one new area to the 2023 High-Risk List: Strengthening Management of the Federal Prison System. This area is being added, in part, due to the Bureau of Prisons' long-standing challenges managing staff and resources, and planning and evaluation programs that help incarcerated people have a successful return to the community.

In 2022, GAO added two other areas to the High-Risk List. The [Department of Health and Human Services' \(HHS\) Leadership and Coordination of Public Health Emergencies](#) was added because, for more than a decade, GAO has found persistent deficiencies in HHS's leadership role preparing for and responding to public health emergencies, including those that result from extreme weather events. GAO added the [Unemployment Insurance System](#) area because administrative and program integrity challenges in the joint federal-state program have affected the system's ability to meet the needs of unemployed workers. These challenges also expose the system to significant financial losses.

GAO's 2023 High-Risk List

High-risk area	Change since 2021
Strengthening the Foundation for Efficiency and Effectiveness	
Strategic Human Capital Management	↑
Managing Federal Real Property	●
Funding the Nation's Surface Transportation System ^{a, b}	n/a
Modernizing the U.S. Financial Regulatory System ^a	●
Resolving the Federal Role in Housing Finance ^a	●
USPS Financial Viability ^a	↑
Management of Federal Oil and Gas Resources	●
Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks ^a	↑
Improving the Management of IT Acquisitions and Operations	●
Improving Federal Management of Programs that Serve Tribes and Their Members	↑
U.S. Government's Environmental Liability ^a	↑
Emergency Loans for Small Businesses ^c	n/a
Strengthening Management of the Federal Prison System (new) ^b	n/a
Transforming DOD Program Management	
DOD Weapon Systems Acquisition	●
DOD Financial Management	●
DOD Business Systems Modernization	↓
DOD Approach to Business Transformation	↑
Ensuring Public Safety and Security	
Ensuring the Cybersecurity of the Nation ^a	↑
Strengthening Department of Homeland Security IT and Financial Management Functions	●
Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests	↑
Improving Federal Oversight of Food Safety ^a	●
Protecting Public Health through Enhanced Oversight of Medical Products	●
Transforming EPA's Process for Assessing and Controlling Toxic Chemicals	↑
Government-wide Personnel Security Clearance Process	●
National Efforts to Prevent, Respond to, and Recover from Drug Misuse ^c	n/a
HHS Leadership and Coordination of Public Health Emergencies (new in 2022) ^b	n/a
Managing Federal Contracting More Effectively	
Acquisition and Program Management for DOE's National Nuclear Security Administration and Office of Environmental Management	↑
NASA Acquisition Management	↑
DOD Contract Management	●
VA Acquisition Management	↑
Assessing the Efficiency and Effectiveness of Tax Law Administration	
Enforcement of Tax Laws ^a	●
Modernizing and Safeguarding Insurance and Benefit Programs	
Medicare Program and Improper Payments	●
Strengthening Medicaid Program Integrity ^a	●
Improving and Modernizing Federal Disability Programs	●
National Flood Insurance Program ^a	↑
Managing Risks and Improving VA Health Care	↑
Unemployment Insurance System (new in 2022) ^b	n/a

Legend: ↑ indicates area progressed on one or more criteria since 2021; ↓ indicates area declined on one or more criteria; ● indicates no change; n/a = not applicable

Source: GAO. | GAO-23-106674

^aLegislation is likely to be necessary to effectively address this high-risk area.

^bNot rated because this high-risk area is newly added or primarily involves congressional action.

^cRated for the first time because this high-risk area was newly added in 2021.

Chairman Peters, Ranking Member Paul, and Members of the Committee:

Since the early 1990s, our high-risk program has focused attention on government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement, or that are in need of transformation to address economy, efficiency, or effectiveness challenges. This effort, supported by this committee and the House Committee on Oversight and Accountability, has brought much needed attention to problems impeding effective government and costing billions of dollars each year.

Our 2023 High-Risk List, which is being released today, includes 37 areas.¹ Since our last update in 2021, 16 areas improved with two showing sufficient progress to be removed from the High-Risk List. This is the most progress in the 8 years since GAO started rating high-risk areas.

Where we have seen progress on high-risk issues, it has typically involved three essential elements: congressional action or oversight, commitment from top leaders at agencies, and active involvement by the Office of Management and Budget (OMB).² Such practices have contributed to hundreds of billions of dollars saved since the High-Risk List was established. Further progress to address the 37 areas remaining on the High-Risk List can contribute to saving additional billions of dollars, improving services to the public, and enhancing trust in the government.

Congressional attention and oversight to improve the management and accountability of government are at the core of the high-risk program. Congressional action, such as passing laws and holding hearings, plays a critical role in making meaningful progress on high-risk areas.

Dedicated agency leadership is essential to progress in high-risk areas. Sustained leadership commitment is the critical element for initiating and enhancing progress and making the types of management and operational improvements required for addressing high-risk areas.

OMB's leadership role is especially important because many high-risk areas are government-wide or involve multiple agencies. Also, there are resource investments associated with correcting a number of the high-risk problems. The OMB Deputy Director for Management, top agency

¹GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

²GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

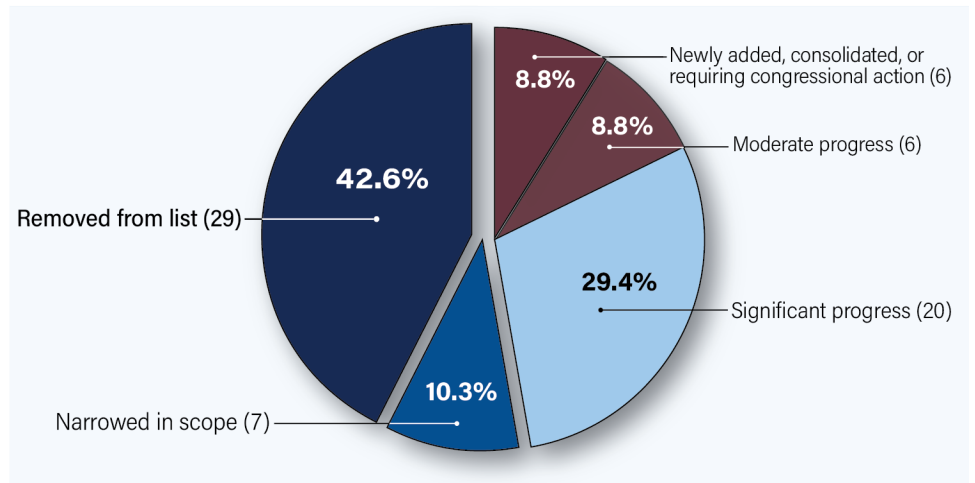
leaders, and GAO have met regularly to discuss plans and actions to address individual high-risk areas. These meetings have been critical to achieving progress. OMB accelerated the pace of these meetings over the past 2 years. Since the last high-risk update, OMB has convened 10 meetings on 12 high-risk areas. These trilateral meetings led to positive results, as noted by the progress in 16 high-risk areas since our last update in 2021. We expect OMB to continue to hold these meetings with a goal of meeting on all high-risk areas before our next update in 2025.

Significant financial savings have resulted from efforts to address high-risk areas. For example, over the past 17 years (fiscal years 2006 through 2022), financial benefits totaled nearly \$675 billion—an average of about \$40 billion per year. Since our last update in 2021, we recorded approximately \$100 billion in financial benefits.³

Significant progress to address high-risk areas is possible with sustained effort and attention. As shown in figure 1, most high-risk areas identified over the years (roughly 53 percent) have either been removed from the list or narrowed in scope as portions of the high-risk issues were addressed. Many others have shown significant progress in other ways, having met or partially met all five criteria that are essential to address high-risk areas.

³Financial benefits are based on actions taken in response to our work, such as reducing government expenditures, increasing revenues, or reallocating funds to other areas.

Figure 1: Progress in High-Risk Areas, 1990 to 2023



Note: Some high-risk areas were narrowed in scope more than once and may have been removed after they were narrowed. They are only counted once. Significant progress means the high-risk area was rated as met or partially met on all criteria. Moderate progress means the high-risk area had at least one criterion with a not met rating. Some areas were not rated because they were very recently added.

Source: GAO. | GAO-23-106674

We rate agencies' progress in addressing high-risk areas using our high-risk criteria, summarized in figure 2.

Figure 2: Criteria Essential to Addressing High-Risk Areas



Source: GAO analysis and icons. | GAO-23-106674

These criteria align with practices we identified as key to solving high-risk challenges.⁴

Congressional action, such as passing laws and holding hearings, also plays a critical role in making meaningful progress on high-risk areas. For two high-risk areas, including Pension Benefit Guaranty Corporation (PBGC) insurance programs, it is the primary action needed to address the high-risk issue.

⁴GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

PBGC Insurance Programs Removed from the High-Risk List

We are removing the [PBGC Insurance Programs](#) from the High-Risk List because the financial position for the single-employer and multiemployer programs has improved and the risk of near-term financial insolvency has decreased significantly. PBGC now projects a very low risk of insolvency over the next 15 years for both programs. PBGC insures the pension benefits of more than 33 million American workers and retirees who participate in about 25,200 private-sector defined benefit plans with about \$128 billion in assets.

Provisions in the American Rescue Plan Act of 2021 provided special financial assistance for certain struggling multiemployer plans.⁵ This assistance has significantly delayed projected dates of potential insolvency for the multiemployer insurance program. PBGC projects that the mean projected date of multiemployer program insolvency is now fiscal year 2055, compared to fiscal year 2026 in the projections prior to the law's enactment. Additionally, the financial position of PBGC's single-employer program has improved gradually in recent years. The single-employer program has maintained a surplus since the end of fiscal year 2018 and has a projected surplus through at least 2031.

While we are removing this area from the High-Risk List, we will continue to monitor the insurance programs' finances and other issues. Although congressional action led to significantly delaying the projected insolvency date, important issues remain. These include inadequate plan funding rules, premiums that do not fully cover the cost of insurance, and underfunded plans sponsored by companies with credit ratings below investment grade. Therefore, we will continue to monitor the financial position of both programs.

2020 Decennial Census Removed from the High-Risk List

We are removing the [2020 Decennial Census](#) area because the Census Bureau (Bureau) made progress addressing data quality concerns, chartered a high-level governance group, and implemented priority GAO recommendations. These actions contributed to significant progress in all five of our high-risk criteria for removal. For example, in October 2022, the Bureau launched an effort led by agency leaders to transform and update operations to address challenges such as declining census response rates. The Bureau has also committed to developing a plan to improve coordination between its field office staff and community organizations to encourage census participation.

⁵Pub. L. No. 117-2, §§ 9701–9708, 135 Stat.4, 186–207 (2021).

The Bureau took significant steps to implement corrective actions for high-risk cybersecurity weaknesses within prescribed time frames. In addition, in March and July 2020, the Bureau updated its decennial risk management plans to include mitigation and contingency plans and key information needed to manage the risks. The Bureau also improved its budget and progress monitoring by implementing a new system to track its cost variances in 2019. The Bureau curbed the past decades' trend of steadily increasing census cost while implementing the decennial census during the COVID-19 pandemic. In addition, in the spring of 2022, the Bureau began piloting new procedures for aligning costs of exploring its innovations for 2030 within its overall cost framework.

While we are removing the 2020 Decennial Census from the High-Risk List, we will monitor the Bureau's planning for the 2030 Census—already underway—for emerging risks and challenges. It remains important that leaders continue to manage cybersecurity risks, improve resiliency of research and testing in the face of budget uncertainty, and make timely IT-related decisions.

Strengthening Management of the Federal Prison System Added to the High-Risk List

We are adding a new area—[Strengthening Management of the Federal Prison System](#)—to the 2023 High-Risk List.⁶ This area is being added, in part, due to the Bureau of Prisons' (BOP) long-standing challenges managing staff and resources, and planning and evaluation of programs that help incarcerated people have a successful return to the community. BOP has consistently experienced several leadership changes and long-standing staffing challenges that represent a serious threat to inmate and staff safety. Additionally, BOP has not always demonstrated sound resource stewardship and lacks the necessary data collection and analytic capacity to prepare for disasters that affect security of its property and grounds.

BOP's plans to manage some of its key inmate rehabilitation programs are limited. In addition, BOP has not evaluated many of its programs for inmates in decades. Effective planning and ongoing evaluations of programs will be essential as BOP continues to implement requirements of the First Step Act of 2018.⁷ These include delivering programs that lower inmates' risk of recidivism and offer opportunities for certain

⁶To determine which federal programs and functions should be designated as high-risk, we use our guidance document, GAO, *Determining Performance and Accountability Challenges and High Risks*, [GAO-01-159SP](#) (Washington, D.C.: November 2000).

⁷Pub. L. No. 115-391, §§ 101, 102, 132 Stat. 5194, 5195-5216 (2018).

inmates to earn First Step Act time credits that may reduce the amount of time an inmate is in a BOP facility.

The BOP Director expressed her commitment in addressing these issues. In addition to sustaining leadership commitment, BOP needs to address the four other criteria related to capacity, action plan, monitoring, and demonstrating progress. Moving forward, GAO and BOP will agree upon metrics in order to gauge progress.

Two Areas Added to the High-Risk List in 2022

In 2022, we added two areas to our High-Risk List due to significant and long-standing challenges:

- **Department of Health and Human Services' Leadership and Coordination of Public Health Emergencies.** In January 2022, our ninth comprehensive CARES Act report identified this area as high risk. For more than a decade, we have found significant and long-standing issues in the Department of Health and Human Services' (HHS) leadership role preparing for and responding to public health emergencies, including COVID-19 and other infectious diseases, and extreme weather events, such as hurricanes.
- **Unemployment Insurance System.** In June 2022, we designated this area as high risk because administrative and program integrity challenges in the joint federal-state program have affected the system's ability to meet the needs of unemployed workers. These challenges also expose the system to significant financial losses, which worsened during the COVID-19 pandemic. Current program design and variations in how states administer unemployment insurance have contributed to declining worker access and disparities in benefit distribution.

Sixteen High-Risk Areas Have Made Progress Since 2021

Sixteen high-risk areas improved since our last update in 2021. One of the areas—PBGC Insurance Programs—improved primarily due to congressional action and an improved financial position. Another area—2020 Decennial Census—improved by meeting all of our high-risk criteria. Both are being removed from the list. Fourteen more high-risk areas improved but remain on our list because additional progress is needed.

Some of the areas that improved are:

National Flood Insurance Program. Since 2021, the Federal Emergency Management Agency (FEMA) revised the National Flood Insurance Program's (NFIP) rate-setting methodology and updated its data system. These actions increased the program's capacity for

addressing challenges and completing major projects. FEMA has also completed two action-planning efforts directed at improving NFIP's financial resilience, including completing a comprehensive legislative proposal that identifies actions Congress can take to address NFIP's financial resilience. In addition, as part of FEMA's updated rate-setting methodology, the agency continually evaluates the accuracy of the risk models produced by contractors. This is key to monitoring NFIP's fiscal exposure.

To make further progress, FEMA should continue to monitor its new rate-setting methodology and Congress should consider enacting comprehensive reforms to address NFIP's financial resilience.

NASA Acquisition Management. National Aeronautics and Space Administration's (NASA) rating for capacity in this area increased from partially met to met. NASA has increased its capacity by completing initiatives in its action plan intended to strengthen its cost and schedule estimating workforce, including training. NASA senior leaders have committed to or implemented several of our recommendations related to how the agency oversees and manages missions.

NASA continues to improve acquisition management in other areas as well. For example, NASA elevated its Chief Acquisition Officer position to the NASA Deputy Administrator. This brings acquisition planning and oversight to the attention of one of the agency's most senior officials. NASA also established a Chief Program Management Officer, who is responsible for strengthening enterprise-wide oversight and management of projects. The agency, however, continues to face challenges in its ability to manage and oversee its most expensive and complex projects.

Specifically, NASA has experienced cost growth and schedule delays for projects that exceed \$2 billion in life-cycle costs, such as those needed to conduct Artemis missions. These missions will return astronauts to the moon, build a sustainable lunar presence, and ultimately bring humans to Mars. To make further progress, NASA needs to continue implementing its action plan with a focus on reducing acquisition risk and improving project cost and schedule performance for its most expensive and complex projects.

USPS Financial Viability. U.S. Postal Service (USPS) ratings for three of the five criteria increased since 2021 due, in part, to the enactment of the Postal Service Reform Act of 2022, which significantly reduced USPS's

long-term unfunded liabilities.⁸ For example, the act repealed a requirement to prepay future retiree health benefits on an annual basis and canceled billions in unpaid past due payments for such prefunding. USPS also paid \$500 million toward its required \$1.6 billion fiscal year 2022 Federal Employees Retirement System pension payment—the first such payment in 11 years. Additionally, under its new 10-year strategic plan, USPS introduced and initiated actions intended to achieve financial viability.

To make further progress, Congress needs to determine the level of universal postal services the nation requires and how to enable USPS to achieve long-term financial viability. USPS is also continuing to implement and report on its strategic plan.

VA Acquisition Management. The Department of Veterans Affairs (VA) relies upon its acquisition programs to provide many capabilities and services that are essential to provide health care to veterans and their families, such as the purchase of medical supplies for VA medical centers, and VA's Electronic Health Record Modernization program. Over the past 10 years, VA's total contract obligations for goods and services increased substantially, rising 147 percent from about \$23 billion in fiscal year 2013 to about \$56 billion in fiscal year 2022.

In March 2021, VA issued its initial action plan to address acquisition management challenges, such as managing contracting officer workload and addressing the lack of reliable contracting and financial data systems. VA identified root causes of these challenges and most recently updated the plan in September 2022. VA improved in the monitoring criteria because, in that same plan, it identified corrective actions, goals and performance metrics that it will use to measure progress in improving acquisition management. Since our last update, VA improved in the demonstrated progress criterion by implementing 15 GAO recommendations related to acquisition management.

To make further progress, VA needs sustained leadership attention to drive change across the department and to address acquisition management challenges, including implementing 22 open recommendations.

⁸Pub. L. No. 117-108, 136 Stat. 1127.

High-Risk Areas Needing Significant Attention

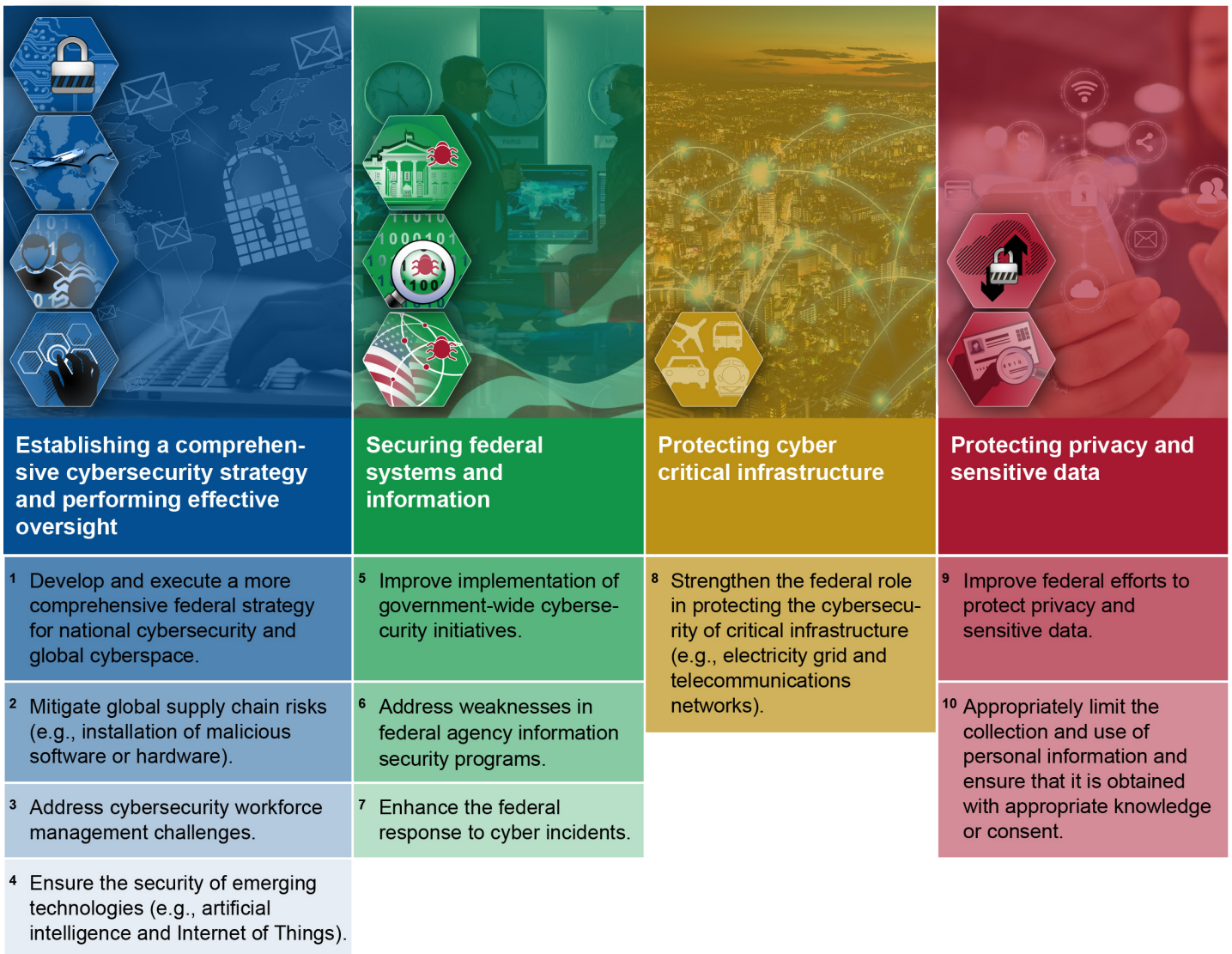
All high-risk areas need attention to make progress and resolve risk. However, highlighted below are several areas that require significant attention because of emerging issues requiring government responses, large and rapidly growing costs, or a failure to make any progress in the past several years.

Ensuring the Cybersecurity of the Nation. Cyberattacks on our information systems and infrastructure continue to grow even as the nation makes advances to try to stay ahead of them. Federal agencies and our nation's critical infrastructures—such as energy, transportation systems, communications, and financial services—are dependent on technology systems to carry out operations and to process, maintain, and report essential information. The security of these systems and data is vital to protecting individual privacy and national security, prosperity, and well-being.

Although the rating for leadership commitment has improved since 2021, agencies need to urgently address the 10 critical actions associated with four major cybersecurity challenges we have identified (see figure 3).⁹ Since 2010, we have made more than 4,000 recommendations to agencies aimed at addressing cybersecurity challenges facing the government. More than 670 of these recommendations were made since the last high-risk update in 2021. As of February 2023, more than 850 of these recommendations had not been fully implemented.

⁹For our most recent reports on these four challenge areas, see GAO, *Cybersecurity High-Risk Series: Challenges in Protecting Privacy and Sensitive Data*, [GAO-23-106443](#) (Washington, D.C.: Feb. 14, 2023); *Cybersecurity High-Risk Series: Challenges in Protecting Cyber Critical Infrastructure*, [GAO-23-106441](#) (Washington, D.C.: Feb. 7, 2023); *Cybersecurity High-Risk Series: Challenges in Securing Federal Systems and Information* [GAO-23-106428](#) (Washington, D.C.: Jan. 31, 2023); and *Cybersecurity High-Risk Series: Challenges in Establishing a Comprehensive Cybersecurity Strategy and Performing Effective Oversight*, [GAO-23-106415](#) (Washington, D.C.: Jan. 19, 2023).

Figure 3: Ten Critical Actions Needed to Address Four Major Cybersecurity Challenges



Source: GAO; images: peshkov/stock.adobe.com; Gorodenkoff/stock.adobe.com; metamorworks/stock.adobe.com; Monster Ztudio/stock.adobe.com. | GAO-23-106674

On March 2, 2023, the White House issued the *National Cybersecurity Strategy*. The strategy provides a good foundation for addressing the nation’s cyber risks and challenges but does not address all of the desirable characteristics of national strategies. The strategy lacks milestones, performance measures, resources needed to carry out goals and objectives, and fully defined roles and responsibilities. According to

the strategy, the Office of the National Cyber Director will work with federal agencies to develop an implementation plan to articulate the lines of effort needed to execute this strategy. Until the implementation plan is developed and contains the missing characteristics of a robust national strategy, overall progress in strengthening cybersecurity will remain limited.

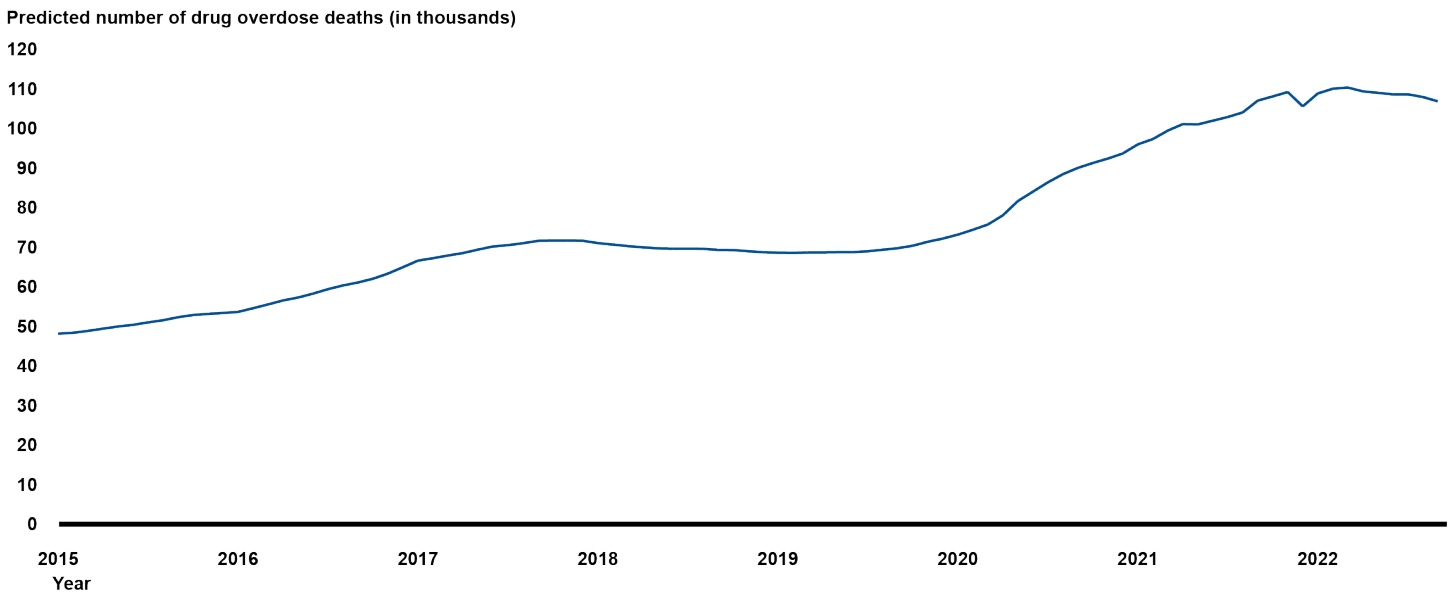
In addition, the Cybersecurity and Infrastructure Security Agency (CISA) can take actions to fulfill its mission as the operational lead for securing federal information systems, and as the national coordinator for critical infrastructure security. In particular, CISA needs to

- complete its organizational transformation to ensure that sufficient resources are properly allocated to the agency's cybersecurity services;
- improve interagency coordination to better assist tribal, state, local, and territorial government organizations in preventing and responding to ransomware attacks; and
- establish timelines for its efforts to provide guidance that would help agencies tasked with protecting critical infrastructure implement their statutory responsibilities.

Further actions needed in this area include establishing and effectively implementing a government-wide cyber workforce plan and fully developing agency cyber risk management and privacy programs. Until our recommendations are implemented and actions are taken to address long-standing challenges in this area, the federal government's information systems and the nation's critical infrastructure will be increasingly susceptible to the multitude of cyber-related threats that exist.

National Efforts to Prevent, Respond to, and Recover from Drug Misuse. Drug misuse—the use of illicit drugs and the misuse of prescription drugs—has been a persistent and long-standing public health issue. Drug misuse has resulted in significant loss of life and harm to society and the economy. In recent years, the federal government has spent billions of dollars and enlisted more than a dozen federal agencies to address drug misuse and its effects. In December 2022, HHS announced the renewal of a 2017 determination that marked the opioid crisis as a public health emergency. This coincides with one of the highest numbers of drug overdose deaths reported in a 12-month period (nearly 107,000, see figure 4).

Figure 4: Number of Drug Overdoses in the United States, April 2015 through September 2022



Source: GAO Analysis of Centers for Disease Control and Prevention (CDC) National Center for Health Statistics data. | GAO-23-106674

Federal agencies must effectively coordinate and implement a strategic national response to drug misuse and make progress toward reducing rates of drug misuse, overdose deaths, and the resulting harmful effects to society. It is important for the federal government to coordinate across additional levels of government and the private sector. The 2022 National Drug Control Strategy highlights the need to strengthen such coordination.

In addition, the availability of treatment for substance use disorders remains a long-standing challenge, particularly for low-income individuals and in rural areas. The COVID-19 pandemic exacerbated concerns about access to treatment and workers affected by opioid misuse. The 2022 Strategy highlights the need for the federal government to expand resources for the prevention, treatment, and recovery from drug misuse.

Protecting Public Health through Enhanced Oversight of Medical Products. The Food and Drug Administration (FDA) has the vital mission of protecting the public health by overseeing the safety and effectiveness of medical products—drugs, biologics, and medical devices—marketed in the U.S. and used daily at home and in health care settings. FDA faces multiple challenges in this role, including (1) rapid changes in science and

technology; (2) globalization; (3) unpredictable public health crises, such as the COVID-19 pandemic; and (4) an extensive workload.

FDA needs to take steps to ensure drug availability and oversee the quality of global medical product supply chains. For example, because of delays during the COVID-19 pandemic, FDA faces a backlog in its inspections of drug manufacturers, including in foreign countries. We recommended that FDA must consider this backlog when developing and implementing future inspection plans. FDA has also faced persistent vacancies among staff who conduct these inspections; we recommended that it fully develop tailored strategies to recruit and retain staff who specialize in conducting these inspections.

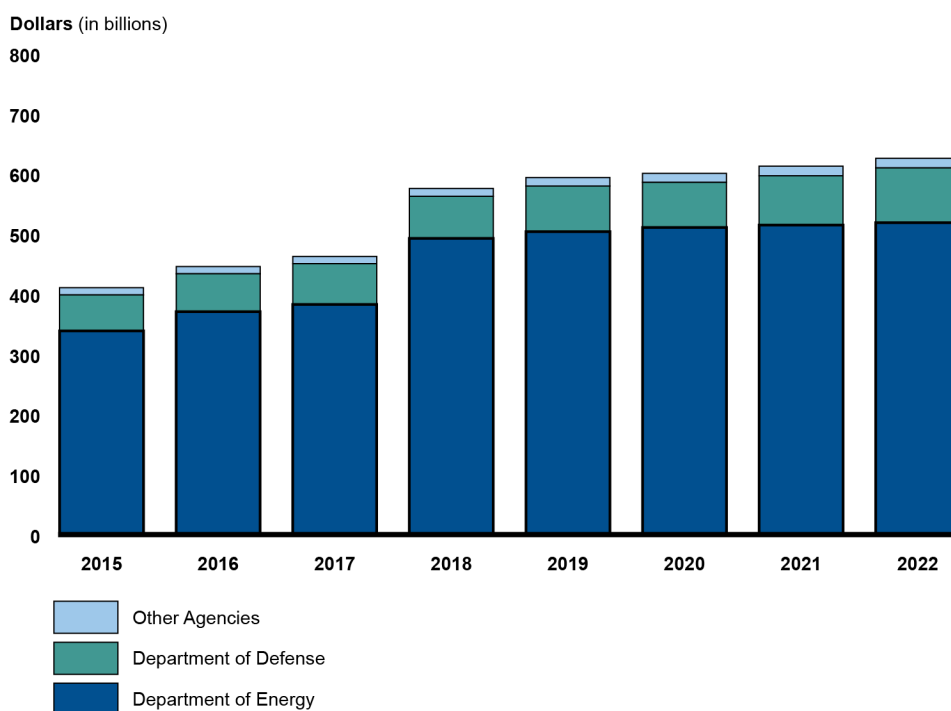
Further, while FDA has an important role in preventing and mitigating drug shortages, we found that gaps persist in the drug manufacturing information the agency needs to help identify and mitigate supply chain vulnerabilities. For example, FDA reported that as of November 2021, 77 percent of establishments registered to manufacture active ingredients, and 52 percent of establishments registered to manufacture finished drugs for the U.S. market were located overseas. However, the agency did not have information on the volume of drugs these establishments manufacture for the U.S. market. FDA is in the process of implementing a CARES Act requirement that companies report the amount of drugs they manufacture.¹⁰ However, implementation of this reporting requirement has been delayed. In addition, FDA has indicated that the requirement will not fully address the gaps we identified, as it does not expressly require manufacturers to provide detailed information about their respective supply chains. FDA has also sought additional authority from Congress to collect more complete drug manufacturing information.

U.S. Government's Environmental Liability. Even as the federal government spends billions each year on cleanup efforts, its environmental liability will likely continue to grow. For example, the federal government's estimated environmental liability nearly tripled from \$212 billion in fiscal year 1997 to \$626 billion in fiscal year 2022, according to the most recent data available (see figure 5). In addition, some environmental cleanup costs remain unreported to Congress, preventing a more transparent assessment of total fiscal exposure.

¹⁰Pub. L. No. 116-136, § 3112, 134 Stat. 281, 362–363 (2020).

As of March 2023, 50 of our recommendations to federal agencies and 14 matters for congressional consideration have not yet been implemented. The federal government needs to take action to get ahead of growing environmental cleanup costs.

Figure 5: U.S. Government’s Environmental Liabilities, Fiscal Years 2015-2022



Source: GAO analysis of Department of Treasury data. | GAO-23-106674

The Departments of Energy (DOE) and Defense (DOD), which bear the bulk of this liability, and other agencies need to identify and address environmental risks as well as better monitor and more transparently report on this liability. Specifically,

- DOE should revise cleanup policies and develop a program management plan that incorporates the essential elements of a risk-informed decision-making framework.
- DOE should continue its efforts to engage the public and finalize its draft consent-based siting process for managing commercial spent nuclear fuel. The federal liability for litigation related to storing commercial spent nuclear fuel is estimated to amount to \$39.2 billion, as of 2021.

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- DOD should establish a cleanup goal for Formerly Used Defense Sites contaminated by military munitions. Environmental liability for Formerly Used Defense Sites was estimated at more than \$13 billion, as of 2022.

Our high-risk program continues to be a top priority at GAO. We will maintain our emphasis on identifying high-risk issues across government and on providing recommendations and sustained attention to help address them. We will also continue working collaboratively with Congress, agency leaders, and the Office of Management and Budget to address these issues.

Thank you, Chairman Peters, Ranking Member Paul, and Members of the Committee. This concludes my testimony. I would be pleased to answer any questions.

For further information on this testimony, please contact Michelle Sager at (202) 512-6806 or SagerM@gao.gov. Contact points for the individual high-risk areas are listed in the report and on our high-risk website. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

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