

DARRELL E. ISSA, CALIFORNIA
CHAIRMAN

ONE HUNDRED TWELFTH CONGRESS

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

DAN BURTON, INDIANA
JOHN L. MICA, FLORIDA
TODD RUSSELL PLATTS, PENNSYLVANIA
MICHAEL R. TURNER, OHIO
PATRICK McHENRY, NORTH CAROLINA
JIM JORDAN, OHIO
JASON CHAFFETZ, UTAH
CONNIE MACK, FLORIDA
TIM WALBERG, MICHIGAN
JAMES LANKFORD, OKLAHOMA
JUSTIN AMASH, MICHIGAN
ANN MARIE BUERKLE, NEW YORK
PAUL A. GOSAR, D.D.S., ARIZONA
RAUL R. LABRADOR, IDAHO
PATRICK MEEHAN, PENNSYLVANIA
SCOTT DESJARLAIS, M.D., TENNESSEE
JOE WALSH, ILLINOIS
TREY GOWDY, SOUTH CAROLINA
DENNIS A. ROSS, FLORIDA
FRANK C. GUINTA, NEW HAMPSHIRE
BLAKE FARENTHOLD, TEXAS
MIKE KELLY, PENNSYLVANIA

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

FACSIMILE (202) 225-3974

MINORITY (202) 225-5051

<http://oversight.house.gov>

EDOLPHUS TOWNS, NEW YORK
CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
DENNIS J. KUCINICH, OHIO
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
STEPHEN F. LYNCH, MASSACHUSETTS
JIM COOPER, TENNESSEE
GERALD E. CONNOLLY, VIRGINIA
MIKE QUIGLEY, ILLINOIS
DANNY K. DAVIS, ILLINOIS
BRUCE L. BRALEY, IOWA
PETER WELCH, VERMONT
JOHN A. YARMUTH, KENTUCKY
CHRISTOPHER S. MURPHY, CONNECTICUT
JACKIE SPEIER, CALIFORNIA

LAWRENCE J. BRADY
STAFF DIRECTOR

Opening Statement Rep. Elijah E. Cummings, Ranking Member

Hearing on "Addressing GSA's Culture of Wasteful Spending"

April 16, 2012 (corrected April 18, 2012)

Thank you, Mr. Chairman. I want to begin by thanking Mr. Miller, the Inspector General at GSA, for bringing to light this gross abuse of taxpayer funds and for his office's work over the past year investigating the conference in 2010. Two weeks ago, the nation was appalled to learn the results of this investigation: that GSA employees betrayed the trust we placed in them.

For example, the Inspector General's report described the actions of Jeff Neely, a career GSA employee for many years and a senior-level executive in the Pacific Rim region based in San Francisco. He is certainly not the only official implicated in this investigation, and several others appear to have maximized their own benefit in an environment in which they knew they could get away with it. Nevertheless, Mr. Neely's role as the host of the 2010 conference has raised significant questions.

According to the report, Mr. Neely engaged in an indefensible and intolerable pattern of misconduct, including repeatedly violating federal travel and procurement rules, holding lavish parties in luxury suites, and allowing his wife and other non-government officials to participate in some of these events at the taxpayers' expense.

In addition, documents obtained by the Inspector General indicate that Mr. Neely was aware that his actions were inappropriate. In one email, Mr. Neely invited personal friends to a different conference, writing, "We will get you guys a room near us and we will pick up the room tab. Could be a blast." He then wrote this:

I know. I am bad. But as deb and I say often, why not enjoy it while we have it and while we can. Aint going to last forever.

The record indicates that Mr. Neely's wife personally handled party arrangements, directed the actions of federal employees, and ordered thousands of dollars of food at taxpayer expense. In one case, Mr. Neely's wife reportedly impersonated a federal employee so she could join him at a private sector conference.

The impression conveyed by these documents is that Mr. Neely and his wife believed they were some sort of agency royalty who used taxpayer funds to bankroll their lavish lifestyle.

They disregarded one of the most basic tenets of government service—it's not your money, it's the taxpayers' money. Some of my questions today will be about the Inspector General's recommendation to get some of that money back. I want to know how we can recoup these funds, including from Mr. Neely and other GSA employees personally.

I understand the Justice Department may be examining Mr. Neely's actions, and that he intends to invoke the Fifth Amendment today. That is his right under the Constitution, and the Committee should act responsibly in respecting his decision.

However, I do not support granting Mr. Neely immunity at this time. Mr. Chairman, on Thursday you sent a letter to Mr. Neely's attorney suggesting that you were considering immunizing him. On Friday, Mr. Neely's attorney responded positively, writing that Mr. Neely "will abide by the appropriate court order and the procedures set forth under the immunity statute."

Granting immunity is a serious action that should not be entered into lightly since it could negatively impact a future criminal prosecution. Such a decision requires thoughtful consideration and consultation with the Justice Department. Our Committee has had no consultations about this, and I see no reason to immunize Mr. Neely if he has taken the actions of which he stands accused.

In addition to addressing the actions of specific individuals, we need to understand how GSA's systems allowed this to happen in this case, the extent to which it happened in previous cases, and the reforms necessary to prevent it from ever happening again.

According to interviews by the Inspector General's office, these activities were going on for years. When discussing the 2010 conference, one witness stated: "[T]he planning of it was similar to what had happened in previous WRCs [Western Regional Conferences]. You know, we just kind of proceeded based on that."

When investigators asked another witness whether the 2010 conference was an "outlier," he said it was "pretty consistent" with previous conferences, and that although Mr. Neely "wanted to do better than they did in New Orleans" in 2008, there was "not much difference."

Let me close by noting that one of the most damaging aspects of this incident is that it tarnishes the reputation of government workers who dedicate their lives to public service. It gives them a bad name, and it is completely unfair. There are scrupulous employees across the government who follow the rules every single day. They pool money out of their own pockets just to pay for coffee in their offices. They are honest and hardworking, and they should not be painted with the same brush.

Thank you, Mr. Chairman.

Contact: Ashley Etienne, Communications Director, (202) 226-5181.