

United States Senate

WASHINGTON, DC 20510

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May 8, 2008

The Honorable Paul A. Denett
Office of Management and Budget
Executive Office Building
Washington, DC 20503

Dear Administrator Denett:

Organizations and functions under your direction are categorized as high risk programs by the Government Accountability Office (GAO). GAO has found that the management of interagency contracting is at high risk, principally due to a lack of monitoring and oversight of these contract expenditures. The management of interagency contracting was designated by GAO as being at high risk in 2005.

I am writing to express my concern that interagency contract expenditures continue to rise without effective oversight. While your office has convened a working group to address these challenges, specific and targeted approaches are reportedly necessary to minimize risks. It is well understood that institutional change is often complex and takes both time and resources to transform these often unwieldy programs. However, strategic planning and budgeting can yield staggering results with disciplined management and oversight. As Administrator, you are uniquely positioned to guide this process.

The Office of Federal Procurement Policy currently has two reports with multiple issues identified by the GAO addressing interagency contract concerns that remain outstanding. What actions has the Administration taken to address these issues and achieve removal from the GAO high risk list in January 2009? Your prompt response is greatly appreciated.

Please do not hesitate to contact me or Sheldon Shoemaker of my staff at (202) 228-6476 if you would like to discuss these concerns or other matters.

Sincerely,



CLAIRE McCASKILL
United States Senator