



Statement of the Honorable Carol Fortine Ochoa
Inspector General, General Services Administration

Army Fee Assistance Program: Part II

Hearing before the
Subcommittee on Government Operations
Committee on Oversight and Government Reform
United States House of Representatives

January 6, 2016

Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittee: Thank you for inviting me here today. I appreciate the opportunity to testify about the Office of Inspector General's (OIG) work monitoring the General Services Administration's (GSA) ongoing administration of the Army childcare subsidy program. The OIG found that GSA has made significant progress in reducing the backlog of family actions, phone calls, emails, and unpaid invoices. In addition, the Army has signed a contract for administration of the program with a new contractor. GSA will continue to have responsibility for the program until the transition is complete, which is currently projected for October 2016.

Background

The Army's childcare subsidy program helps Army families pay for off-post childcare when on-post childcare is unavailable. Beginning in 2003, GSA administered the subsidy program for approximately 200 Army families whose children were enrolled exclusively in federal childcare centers. In April 2014, GSA agreed to expand its administration of the Army program to include Army families enrolled in private childcare centers as well. This added over 9,000 families and 5,000 childcare providers to the program.

On September 8, 2015, we issued the report, *Evaluation of GSA's Administration of the Army Childcare Subsidy Program*. We found that largely as a result of poor planning, GSA struggled to manage the expanded childcare subsidy program effectively and efficiently, and its processes to support Army families enrolled in the program were inadequate. As a result, GSA was overwhelmed with a growing backlog of unprocessed family actions, such as re-certifications of eligibility for the program, childcare provider changes, and additions or removals of enrolled children; unreturned emails; unpaid childcare provider invoices; and unreturned customer phone calls. We reported that by July 31, 2015, GSA's inventory of Army childcare subsidy items requiring action had increased to over 25,900. As a consequence, many Army families were experiencing inadequate customer service and substantial processing delays while GSA attempted to gain control of the program. Army families reported the need for non-Army spouses to

give up jobs and education as childcare became unaffordable, and some families reported collection efforts instituted by their childcare providers.

On September 10, 2015, the Committee on Oversight and Government Reform held a hearing concerning the administration of the Army childcare program by GSA and the Army. At the hearing, GSA Chief Financial Officer (CFO) Gerard Badorrek pledged to improve GSA's management of the program, including by paying the backlog of unpaid provider invoices within 30 days. The Army representative stated that the Army expected to transfer the contract away from GSA to a contractor by the end of the year.

Program Status

Since September, we have been monitoring GSA Army childcare subsidy program metrics. Our *Status Report: Evaluation of GSA's Administration of the Army Childcare Subsidy Program* (Status Report), released on January 4, 2016, notes progress in the following areas:

GSA reported that by October 10, 2015, it had paid 94% of the provider invoices that were outstanding as of September 10, 2015. Our analysis of sampled unpaid invoices and data from GSA's invoice system was consistent with GSA's representation that it had paid most of the backlogged invoices by October 10, 2015.

Additionally, call logs provided by GSA management reflect that GSA personnel called back the nearly 2,000 telephone numbers corresponding to the unreturned voicemails that were outstanding as of September 2015.

In our September 2015 report, we reported that GSA's administration of the Army childcare subsidy program had resulted in a backlog of over 25,900 total items (approximately 5,000 unprocessed family actions, 4,500 unreturned emails, 9,100 unpaid childcare provider invoices, and 7,300 unreturned phone calls). In our January 4, 2016, Status Report, we found that as of December 21, 2015, GSA's backlog had decreased to approximately 3,100 total items (approximately 1,600 unprocessed family actions, 250 unreturned emails, 1,200 unpaid childcare provider invoices, and 60 unreturned phone calls).

Also, the number of program complaints received by the OIG significantly dropped since GSA paid the backlogged invoices. During the time period of October 16, 2015, through December 21, 2015, we received two complaints related to the Army childcare subsidy program, as compared to the 75 complaints we received prior to October 16, 2015.

Migration of Program to New Contractor

The interagency agreement between Army and GSA was extended to March 2016, with further options available to extend GSA's administration of the Army childcare subsidy program through October 2016. GSA officials report that on December 23, 2015, the Army signed a final contract with Child Care Aware of America for the administration of the program.

The Army has provided GSA with a transition timeline, subject to amendment, that projects the beginning of program transfer to the new contractor on February 22, 2016. This transition schedule consists of seven phases, taking place over approximately eight months, with GSA continuing to manage Army families' accounts until the transfer is complete in October 2016.

Thank you for the opportunity to testify and for the Committee's support of Inspectors General. I ask that my testimony and the OIG's report be part of the record.

Carol Fortine Ochoa, GSA Inspector General - Biography

The U.S. Senate confirmed Carol Fortine Ochoa as the Inspector General of the U.S. General Services Administration on July 29, 2015. As Inspector General, Ms. Ochoa leads a nationwide workforce of more than 300 auditors, special agents, inspectors, attorneys, and other staff whose mission is to detect and deter waste, fraud, abuse, and misconduct and to promote economy and efficiency in GSA operations.

Ms. Ochoa's prior career experience includes over 25 years' service as a federal prosecutor and manager in the U.S. Department of Justice (DOJ). Most recently, she served as the Assistant Inspector General of the Oversight and Review Division in DOJ's Office of the Inspector General, where she oversaw complex, sensitive, and broad-ranging investigations of Department of Justice operations and personnel.

From 1989 to 2002, she served as an Assistant United States Attorney in the U.S. Attorney's Office for the District of Columbia. During her tenure in that office, she prosecuted more than 40 cases before federal and local juries and specialized in federal public corruption and fraud matters.

Ms. Ochoa received numerous awards during her career with DOJ, including the Attorney General's Award for Distinguished Service in 2007 and 2009.

Before joining the DOJ, Ms. Ochoa was an associate at Covington & Burling. She also served as an associate counsel for Independent Counsel James C. McKay and clerked for Chief Judge Charles Clark of the United States Court of Appeals for the Fifth Circuit.

Ms. Ochoa received her Juris Doctor, summa cum laude, from the George Washington University Law Center in Washington, D.C., and her Bachelor of Arts, magna cum laude, from Miami University in Oxford, Ohio.