

Statement of Martha N. Johnson, Annapolis, Maryland
Committee on Transportation and Infrastructure Subcommittee on Economic
Development, Public Buildings and Emergency Management
April 17, 2012

Chairman Denham, Ranking Member Holmes Norton and Members of the Subcommittee, thank you for providing me the opportunity to present this testimony to you today.

On April 2, 2012, I resigned my position as Administrator of the General Services Administration (“GSA”), and left my cherished career as a public servant. I did so in order to step aside and allow a new team to lead GSA as it rebuilds itself from major missteps regarding the handling of the Western Regions’ Conference in October 2010.

I previously served at GSA for five years in the Clinton Administration, leaving in January 2001. At that time the leadership team was strong, the innovative work of the Multiple Awards Schedule, the Design Excellence program, the first government web portals, and other programs were producing much value to our customers in the United States Government.

When I returned to GSA in February 2010, the agency was not the same. A quarter of the executive positions were empty, strategy was non-existent, major customers viewed our partnership askance, labor relations were acrimonious, the information technology infrastructure was inadequate, the Schedules and other contract vehicles were burdensome, the Federal Acquisition Institute had atrophied, government-wide policy lacked focus, and the more expensive leasing portfolio had ballooned. Of deep concern was that nearly two years had elapsed without a confirmed Administrator. Although I received a unanimous vote by the Senate, my own confirmation was delayed by nine months. By the time I was sworn in, a sequence of four acting administrators had overseen the agency.

What I did not know until much later was that there was yet another problem. The Western Regions’ Conference, which had been an economical, straightforward set of training sessions in the late 1990’s, had evolved into a raucous, extravagant, arrogant, self-congratulatory event that ultimately belittled federal workers and would stain the very work that other committed staff and I were preparing to do. Leaders apparently competed to show their people how much entertainment they could provide, rather than how much performance capability they could build. The expensive planning for that conference was well underway when I entered GSA, and I was unaware of the scope.

Thus, I began my tenure as Administrator facing the massive challenges of renewal, reinvigoration and transformation. I must take this opportunity to thank and praise the overwhelming majority of GSA employees – the nearly 13,000 people – who

eagerly rose to the task. Their record is extraordinary: a building portfolio 22% more efficient than equivalent private sector buildings, arguably the best small business support program in the federal government through our Schedules program, efficient management of 220,000 vehicles, 10 million trip reservations, billions in purchase card transactions, the innovative USA.gov, GobiernoUSA.gov, Results.gov, and many many other innovative and efficient programs.

As for my part, I set about reconstituting GSA's executive team. Over three quarters of the senior executives are now in different roles than they were when I arrived. GSA's strategic path of More for the Customers' Mission is clear and drives enormous cost savings and efficiency. Our customers repeatedly praise us publicly for our support. Labor relations are rapidly mending and our partnership is fruitful. GSA's information technology infrastructure now supports the cloud for GSA's email, collaborative platforms such as Salesforce and Chatter, and mobile workers so that GSA can dramatically cut its own real estate footprint. GSA's partially renovated 1800 F Street Headquarters building which held 2500 people will be home to 4500 people at this time next year, allowing GSA to relinquish leases and save millions. Additionally, the Federal Acquisition Institute has been overhauled, the Schedules are on track for major upgrades, the Networx transition is rounding the final bend, and much more has been accomplished.

However, GSA's phenomenal record of performance tragically does not compensate for the issues raised by the Inspector General ("IG") and this Committee. I greeted the IG report on the Western Regions' Conference without hesitation, agreeing completely with the recommendations. I am extremely aggrieved by the gall of a handful of people to misuse federal tax dollars, twist contracting rules and defile the great name of the General Services Administration. Further, I am affronted by the insensitivity of the leaders to the culture they were condoning and am appalled that a handful of people can undercut public confidence in GSA and, indeed, all of government.

This is how that chapter unfolded:

Some time around late October 2010, Deputy Administrator Susan Brita requested an investigation into the Western Regions' Conference.

I believe the Inspector General subsequently briefed her with a Powerpoint deck on their initial findings. Ms. Brita shared these findings with four of us in a May 2011 meeting that included: Steven Leeds, Senior Counselor; Michael Robertson, Chief of Staff; Robert Peck, Commissioner of the Public Building Service; and myself. The full team was seriously concerned and unanimously agreed that the IG should conclude his investigation so that we could understand the full extent of the situation. I believe Ms. Brita communicated that message to the Inspector General. We did not envision launching our own investigation at that time as such action would have entailed a terrific duplication of government resources. We realized this was a very

serious matter and we needed all the facts however painful and disruptive they might prove to be.

In the interim nine months before receiving the final IG report, we continued various important efforts already underway to strengthen the leadership, secure organizational controls, and address conference management, all of which were troubling in the interim findings:

Leadership: In line with our efforts to fill positions and to give executives a broader set of experiences, we secured Ruth Cox as a permanent Regional Administrator for Region 9, relieving Jeff Neely of that additional responsibility which he had shouldered for over two years. We also moved promptly to backfill the Region 9 Regional Counsel with an internal reassignment.

Organizational controls: We established the central, consolidated Chief Administrative Services Office and hired a distinguished executive to lead it. This office has been designated with responsibility for GSA's acquisition, oversight of travel and conferences and the like.

Conference Management: GSA was already focused on overhauling conferences. The 50 year old Interagency Resource Management Conference ("IRMCO") was evolving from an offsite at a hotel to a shorter event held at Gallaudet University. My last speech as Administrator in March was to the further revamped IRMCO, now a one-day Acquisition Excellence conference with even broader participation and a concentrated agenda. As another example, The Networx Conference for the telecommunications industry was folded alongside the annual EXPO training conference to reduce travel and expenses. For GSA internal conferences and in response to the President's order regarding government efficiency, we catalogued all our internal conferences and Deputy Administrator Brita reviewed expenditures until she was satisfied that controls were in place.

I was led to believe the IG would conclude the Western Regions' Conference investigation expeditiously. Ms. Brita periodically gave me an update on their expected release date, however, the deadline slipped repeatedly from October to November to December. We finally received the report in March, 2012, a full 15 months after it was requested.

Once GSA received the IG report we reviewed it carefully and began the complex process of disciplinary action, revised internal controls, renewed efforts to train and inculcate among employees the current rules, and actions to adjust budgets to penalize the regions for the wasted monies. We also communicated to the IG that we accepted the recommendations in the draft report.

The process of disciplinary action for career employees is a careful one, requiring due process, the naming of a recommending official, specific documentation, a waiting period of 30 days, and a final disposition by a deciding official. They are also guided by confidentiality rules. Those processes were launched and I believe continue. Once that work was set in motion, it was clear that the egregious and coarse nature of some of the evidence from the Western Regions' Conference and the disregard for the waste of resources assured a loss of confidence in the leadership of GSA. Therefore, I terminated two appointees in the line of authority and submitted my own resignation.

I personally apologize to the American people for the entire situation. As the head of the Agency, I am responsible. I deeply regret that the exceedingly good work of GSA has been besmirched. I will mourn for the rest of my life the loss of my appointment and its role in leading a vital and important part of the government of the United States of America.