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Madame Chair Ernst, Ranking Member Markey and distinguished Senators,

Thank you for the opportunity to testify. I want to commend this committee for holding a hearing about this timely – and timeless – topic that is deeply connected to our past and our future.

I believe the title of this hearing – “Sunshine Week: Bringing Secret Government Spending to Light” – will be refreshing and wildly popular with the vast and mostly silent majority of normal Americans who are exhausted by what passes as debate in our polarized times.

If we’re honest, the normal week in American politics doesn’t feel like sunshine. It feels like sniping – an obnoxious competition between hecklers and cheerleaders who are grasping for the spotlight.

We’re going to offer so much more today.

We’re here celebrating Sunshine Week during our 250th anniversary because our founders were on to something when they wrote transparency into the Constitution.

You may remember from chemistry class that biological life is carbon based. Carbon is the building block of life because it’s sticky. It can form bonds to make the molecules that make up life.

I believe our founders understood that our civic life is transparency based. Transparency is the building block of our other freedoms. Transparency appears in Article I, Section 9, Clause 7 before the Bill of Rights because without transparency, our freedoms come apart.

Our founders didn’t dream up this idea. They were inspired by figures like the great Roman Senator Cicero who wrote in 50 BC:

“True law is right reason in agreement with nature; it is of universal application, unchanging and everlasting ... And there will not be different laws at Rome and at Athens, or different laws now and in the future, but one eternal and unchangeable law will be valid for all nations and all times, and there will be one master and ruler, that is, God, over us all, for he is the author of this law, its promulgator, and its enforcing judge.”

We can’t discern true law without understanding nature, and we can’t understand nature without transparency, evidence and data.

Fifty years after Cicero, a Jewish carpenter named Jesus connected truth with freedom when he said, “The truth will set you free.”

Almost 1,800 years later our founders declared that the “Laws of Nature” and “Nature’s God” entitle us with “unalienable rights.” Government power derives from the consent of the governed and that if government gets on the wrong side of true law, We the People have the right to alter or abolish it.

We have the privilege of carrying on this revolution, which is still a magnificent exception in human history.

Our greatest leaders have always understood that each generation has a responsibility to work toward a more perfect union.

Ronald Reagan said, “Freedom is never more than one generation away from extinction. We didn't pass it to our children in the bloodstream. It must be fought for and protected.”

Abraham Lincoln read our moment well when he lamented the passing of our first Greatest Generation – the Revolutionary War veterans, “Passion has helped us; but can do so no more. It will in future be our enemy.”

He warned the temple of liberty will fall unless we supply new pillars hewn from the solid quarry of sober reason.

He understood the through line: True law is right reason in agreement with nature.

I had the privilege of working for a senator Tom Coburn who supplied a new pillar with his colleague Barack Obama when they passed legislation in 2006 that put all government spending online for the first time.

Our ambition wasn't just to pass a law, but to create a norm and an expectation.

Senator Ernst, I want to thank you for being a leader in maintaining, protecting and upgrading our transparency laws. I'm grateful you want to work with us and your colleagues in bringing us closer to real-time transparency, which the late founder of our organization, Adam Andrzejewski, rightly believed would have been written into the Constitution if our founders had access to today's technology.

Let me describe one problem with USASpending.gov. While agencies are required to report their grants and contracts to USASpending.gov, various agencies have found a loophole called Other Transaction Agreements or OTAs.

These agreements offer additional flexibility for changing circumstances. For example, they were used for deals on Covid-19 vaccines which required more speed than normal guidelines allow.¹

Office of Management and Budget also has no specific guidance on OTA reporting, which make them the Wild West of federal expenditures. According to the Department of Treasury, OTAs [don't need to be reported](#) because they are not expressly mentioned in the FFATA.²

But this directly violates the spirit of the law, which calls for full disclosure of all spending. The numbers are not insignificant. The Government Accountability Office found the use of these deals is growing. The deals GAO was able to identify amounted to \$4.8 billion in 2018 but had grown to over \$18 billion in 2020. In total, GAO found \$40 billion in OTAs that hadn't been reported to USASpending.gov.³

The transparency gaps don't stop there. In the [same GAO report](#), the watchdog found 49 agencies that did not report at all. Neither entity, Treasury or OMB, has "clear responsibility for determining which agencies must report." Therefore, they said "there may be other agencies with OTA authority that either did not report or for which we did not identify OTA data."⁴

"Worse, the GAO has found that the Pentagon "cannot assess the extent to which OTAs are delivering capabilities to the warfighter."⁵

Senator Ernst, your Stop Secret Spending Act would bring sunlight back to those billions in keeping with the spirit of Sunshine Week and Article I of our Constitution.⁶

I also want to thank you for your courage. It's not easy to call out secret spending and offer legislation to fix our broken "use-it-or-lose-it" rules that enable obscene amounts of waste in agencies, including the Department of War.

As you may have seen, we recently released one of our now-routine reports on the federal government's imbecilic "use-it-or-lose-it" spending rules that compel agencies to shovel

¹ "Improved Contracting Data Would Help DOD Assess Effectiveness," Government Accountability Office, September 2025, https://arpa-h.gov/sites/default/files/2025-09/GAORreport_Improved_Contracting_Data_Helps_Assess_Effectiveness_Sep2025.pdf

² "Federal Spending Transparency: Opportunities to Improve USASpending.gov Data," Government Accountability Office, November 7, 2023, <https://www.gao.gov/assets/d24106214.pdf>

³ *Ibid.*

⁴ *Ibid.*

⁵ "Improved Contracting Data Would Help DOD Assess Effectiveness," Government Accountability Office, September 2025, https://arpa-h.gov/sites/default/files/2025-09/GAORreport_Improved_Contracting_Data_Helps_Assess_Effectiveness_Sep2025.pdf

⁶ S. 872 - Stop Secret Spending Act of 2025, Congress.gov, November 7, 2025, <https://www.congress.gov/bill/119th-congress/senate-bill/872>

money out the door at the end of the fiscal year. This report focused on the Pentagon's record-setting \$93.4 billion in spending this past September, which included a \$50 billion surge in the last five days of the fiscal year – an amount that exceeded Israel's defense budget of \$35 billion for an entire year.⁷

As with previous reports, we documented Pentagon spending on eye-popping items like lobster, steak, and furniture to highlight the systemic problem. This installment went viral and was referred to by some as “Lobstergate” with late night hosts and prominent Democrats lambasting Secretary Pete Hegseth for his profligate lobster spending. Many of these critics didn't object when we raised the same concerns about Biden, but we always welcome converts to fiscal sanity.⁸⁹

Senator Ernst, as a combat veteran, commentators don't need to lecture you about troop morale. Our organization believes in scrutinizing all government spending, but I understand the case for a generous surf and turf budget as a way of thanking our troops. But that issue misses the point. The Pentagon's \$24.5 million surf and turf budget for ribeye steaks, lobster and Alaskan king crab is a small fraction of the use-it-or-lose-it phenomenon. The Pentagon spent nearly ten times that amount on furniture (\$225.6 million) in September and 2,000 times that amount on the \$50 billion five-day blowout before September 30.¹⁰

Since 2008, we've found that the Pentagon spends about twice as much in the last month of the fiscal year as in other months. Other agencies join the Pentagon in celebrating “Christmas in September.” In fact, the season has created an industry of consultants who advise clients to “take advantage” of panicked buying in federal agencies. Mike Weiland, the CEO of Govly, an AI company that aids government contractors, calls September 30 “Amazon Prime Day” for the federal government.¹¹

Panic buying may harm readiness and undermine Hegseth's lethality mission. The American Economic Review found that hurried year-end purchases were more than five times as likely to receive a “low quality” score from government chief information officers,

⁷ “Pentagon Should Focus on Defense Priorities, not Lavish Dinners, After Historic \$93.4B ‘Use-It-or-Lose-It’ September 2025,” Open the Books, March 9, 2026, <https://openthebooks.substack.com/p/pentagon-should-focus-on-defense>

⁸ “Jimmy Kimmel, Stephen Colbert Take Aim at Pete Hegseth's Overspending: ‘You're Ordering What?’” Rolling Stone, March 11, 2026, <https://www.rollingstone.com/tv-movies/tv-movie-news/jimmy-kimmel-stephen-colbert-pete-hegseths-overspending-1235528447/>

⁹ “HEGSETH BLOWING \$93 BILLION OF TAXPAYER DOLLARS IN 1 MONTH !!,” Newsom Press Office (@GovPressOffice), X, <https://x.com/GovPressOffice/status/2031441496801529864>

¹⁰ “Pentagon Should Focus on Defense Priorities...” Open the Books, March 9, 2026, <https://openthebooks.substack.com/p/pentagon-should-focus-on-defense>

¹¹ “Prime Day FOMO: Taking Advantage of September's Spike in Government Spending,” Govly, November 15, 2022, <https://www.govly.com/blog/prime-day-fomo-taking-advantage-of-septembers-spike-in-government-spending>

based on their cost and usefulness.¹² Warfighting and deterrence obviously depends on troops being well-equipped, not just well-fed.

Thank you, Senator Ernst, for introducing legislation to fix the use-it-or-lose-it problem. Your End-of-Year Fiscal Responsibility Act would prohibit spending in the last two months of the fiscal year from exceeding the average of the ten preceding months.¹³ This would ensure agencies are spending thoughtfully and investing in core responsibilities all year round rather than engaging in ritualistic panic buying in September.

If your colleagues were troubled by “Lobstergate,” they should work with you on a durable bipartisan solution. No one in Washington should be comfortable with an obviously dysfunctional status quo around “use-it-or-lose-it” spending rules.

On Sunshine Week, it’s important to highlight another troubling status quo, our enormous improper payments problem. Serious work remains to make improper payments reports thorough, transparent, and with hope for future improvement.

Of sixty-three agencies assessed for compliance, fifteen (or 24%) were noncompliant. That means they failed to report improper payments in whole or in part, their error rates are above 10% and thus unacceptably high, or their risk management programs are in place. Many noncompliant agencies have a long history of it. The most recent list includes major Cabinet agencies like HHS, Treasury, Department of Agriculture and Veterans Affairs¹⁴. All of them have been noncompliant 14 years running. The SBA, often a focus for this committee, was noncompliant 13 of 14 years along with the departments of Labor and War.¹⁵

The problems at HHS are twofold. Improper payments at Centers for Medicare and Medicaid Services make up more than half of all improper payments each year. That’s \$96.1 billion of the \$186 billion in FY25. HHS reports improper payments only at CMS and the Administration for Children and Families, making it a partial accounting.¹⁶

Further, the Government Accountability Office [believes](#) there are undetected, “sophisticated fraud schemes” not included in the annual improper payment reports.¹⁷

¹² Liebman, Jeffrey B. & Neal Mahoney, “Do Expiring Budgets Lead to Wasteful Year-End Spending?” *American Economic Review* 2017, 107(11): 3510–3549, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20131296>

¹³ “EXCLUSIVE: GOP Senator Introduces Bill To Wage War On Fed Waste,” *Daily Caller*, accessed March 16, 2026, <https://dailycaller.com/2026/03/11/joni-ernst-bill-audit-federal-spending-end-of-year>

¹⁴ “Improper Payments: Ongoing Challenges and Recent Legislative Proposals,” *Congressional Research Service*, December 10, 2024, <https://www.congress.gov/crs-product/R48296>

¹⁵ “Improper Payments Down from Covid-Era Highs But “Confirmed Fraud” Info Missing Amid National Scandal,” *Open the Books*, February 18, 2026, <https://openthebooks.substack.com/p/improper-payments-down-from-covid>

¹⁶ *Resources*, accessed March 16, 2026, <https://paymentaccuracy.gov/resources>

¹⁷ “Financial Audit: FY 2023 and FY 2022 Consolidated Financial Statements of the U.S. Government,” *Government Accountability Office*, February 15, 2024, <https://www.gao.gov/assets/d24106660.pdf>

We're seeing the evidence of that in real-time headlines including the [welfare fraud scandal](#) in Minnesota.¹⁸

A week ago, the [Wall Street Journal](#) found states [paid autism-therapy providers](#) \$2.2 billion in 2023, up from \$660 million four years prior.¹⁹ But providers taking advantage of a lucrative surge in diagnosed children found ways to chart up to \$800 an hour for work that could be done "by high-school graduates." Some billed for up to 10 different workers evaluating a patient in a single day and spent nearly the equivalent of a 40-hour work week.²⁰

"Confirmed fraud" is a dataset that is usually included in the improper payments report but is excluded in the FY25 report for reasons unknown.²¹

Senator Ernst, you and more than a dozen of your colleagues have cosponsored the Delivering On Government Efficiency (DOGE) in Spending Act, which would require the Treasury Department to have a description of the payment, link it to a budget account, and crosscheck the payment against government databases to ensure accuracy and eligibility. That could put a stop to many of these improper payments before they get out the door.²²

Our organization knows the power of transparency in action in working with you over the years. Together we identified over [\\$1.3 billion taxpayer dollars had gone to entities in China and Russia](#) from 2017-2022.²³ It was unlikely that was all of it, as Washington loses track of dollars as they seep out from awardees and contractors to third parties here and abroad. That work paid off in multiple ways. It led to your amending the 2024 NDAA with a mandated audit of money sent to China from the Department of Defense. The results [proved what many of us suspected](#). The Inspector General himself [was unable](#) to get to the bottom of the vast spending at the Pentagon, which routinely fails its audits.²⁴ But as of last fiscal year, my organization found the Pentagon reported no money had gone to either

¹⁸ "House Panel Opens Minnesota Fraud Investigation," The Hill, accessed March 16, 2026,

<https://thehill.com/homenews/house/5696604-house-investigates-minnesota-medicaid/>

¹⁹ "The Boom in Autism Therapy Is Medicaid's Fastest-Growing Jackpot," Wall Street Journal, accessed March 16, 2026, <https://www.wsj.com/health/healthcare/autism-therapy-medicaid-payments-640aa435>

²⁰ "Five Key Takeaways from the WSJ Investigation of the Autism Therapy Business," Wall Street Journal, accessed March 16, 2026, <https://www.wsj.com/health/healthcare/five-takeaways-from-the-wsj-investigation-of-the-autism-therapy-business-0eae4c67>

²¹ Resources, accessed March 16, 2026, <https://paymentaccuracy.gov/resources>

²² "Ernst, Bean Work to Eliminate Billions in Bogus Payments," Senator Joni Ernst, accessed March 16, 2026, <https://www.ernst.senate.gov/news/press-releases/ernst-bean-work-to-eliminate-billions-in-bogus-payments>

²³ "\$1.3 Billion In U.S. Taxpayer Money Funded The Dragon (China) And The Bear (Russia) Since 2017," Open the Books, July 31, 2023, <https://openthebooks.substack.com/p/13-billion-in-us-taxpayer-money-funded>

²⁴ "Management Advisory: Review of DoD Funds Provided to the People's Republic of China and Associated Affiliates for Research Activities or Any Foreign Countries for the Enhancement of Pathogens of Pandemic Potential (Report No. DODIG-2024-099)," Department of Defense Office of Inspector General, June 18, 2024, <https://www.dodig.mil/reports.html/Article/3811820/management-advisory-review-of-dod-funds-provided-to-the-peoples-republic-of-chi/>

nation. In the best cases, a steady stream of transparency is like water cutting through stone. Over time, it can wipe away mighty walls of opposition.

Senator Ernst, the Cost Openness and Spending Transparency (COST) Act would also help watchdogs like Open the Books do more of the same in other areas. By requiring grant recipients to put price tags on all taxpayer funded projects and post them publicly, we -- and citizen journalists everywhere -- can leverage a new level of accountability. It would allow for greater scrutiny of some [truly questionable](#) grants like teaching pigs to use a video game joystick, a [real grant from the NIH](#).²⁵ Another grant ripe for scrutiny comes from your own [Squeal Report](#): \$1.3 billion in NIH grants that found that cats pampered with daily treats and classical music are less prone to poop outside of the litter box or cough up hairballs.²⁶

Although awardees are already required to do this in some cases, the [GAO found](#) that agencies are not monitoring or enforcing any compliance.²⁷ The COST Act [comes with teeth](#), allowing the Office of Management and Budget to withhold a portion of a grant from a recipient that fails to post the dollar amount it costs taxpayers and the percentage that comes from federal funds.²⁸

Along similar lines, your Stop Billion Dollar Boondoggles Act, which passed the Senate last December, will require public disclosure of projects that are more than \$1 billion over budget or more than 5 years behind schedule. California's infamous high-speed rail project is perhaps the best known and has the [worst budget overruns at \\$13 billion](#) and counting. The most-delayed project is improving the Columbus Crossroad corridor, a stunning 19 years off the pace. That's enough time to have a child and clap at their high school graduation.²⁹

Implemented together, these bills will make it much harder to hide the fat on the pork.

Finally, we have to acknowledge that sunshine can be subverted by secrecy. It's important to be honest with ourselves, each other, and the public about why that happens.

Secrecy happens in part due to human nature. People don't want to be second guessed, and those in charge don't want to look because looking comes at a cost. Fixing problems

²⁵ Croney, Candace C. and Sarah T. Boysen, "Acquisition of a Joystick-Operated Video Task by Pigs (*Sus scrofa*)," February 10, 2021,

<https://www.frontiersin.org/journals/psychology/articles/10.3389/fpsyg.2021.631755>

²⁶ "Squeal Award: Pampering cats costs millions, fur real," Senator Joni Ernst, accessed March 16, 2026, https://outreach.senate.gov/iquextranet/view_newsletter.aspx?id=105470&c=JErnst

²⁷ "Agency Action Required to Ensure Grantees Identify Federal Contribution Amounts," Government Accountability Office, March 14, 2019, <https://www.gao.gov/products/gao-19-282>

²⁸ "Senators Lankford, Ernst, Paul Introduce COST Act," Senator Jim Lankford, March 14, 2019, <https://www.lankford.senate.gov/news/press-releases/senators-lankford-ernst-paul-introduce-cost-act>

²⁹ "Off the Rails: The Billion Dollar Boondoggles Taking Taxpayers for a Ride," Senator Joni Ernst, accessed March 16, 2026, https://www.ernst.senate.gov/imo/media/doc/off_the_rails_report_v3.pdf

and conducting oversight requires hours of unglamorous and tedious work. Too often policymakers prefer to mow the flower bed instead of pulling the weeds.

But there is a deeper corruption at work. Author C.S. Lewis wrote a famous study of evil and corruption called *The Screwtape Letters*, which is a dialogue between a devil, Screwtape, and his apprentice.

In one exchange, Screwtape says, “It is funny how mortals always picture us as putting things into their minds: in reality our best work is done by keeping things out.”

And Lewis and other philosophers and theologians have long observed that evil is most successful when it disguises itself as good.

Now, in some in some blatantly authoritarian regimes like Iran, Russia and China, the devil doesn’t need a disguise. Rulers can thwart truth and transparency by turning off the internet.

But, in our system, the gradual slope to secrecy is more subtle. The enemy of truth and transparency isn’t a pack of lies or brazen secrecy. The enemy is tribalism. Political tribalism provides the warmth of association, community and camaraderie – all good things – with a permission structure that allows for selective illumination – transparency for thee but not for me. It keeps inconvenient facts out of sight and out of mind. When both tribes permit partial secrecy, we’re on our way to total blindness.

Tribalism is incompatible with the founders’ vision of transparency. There are no Republican facts or Democrat facts or conservative facts or liberal facts. There are only facts, data and evidence.

The recent debate about “Lobstergate” I mentioned is a case study. Our recent report on the \$93 billion in year-end use-it-or-lose-it spending at the Pentagon provoked this debate. Both sides committed sins of omission. It was hecklers vs. cheerleaders. The prevailing narrative on the left condemned Secretary Hegseth for ordering lobster while omitting the fact that previous Democrat administrations did the same thing. Meanwhile, on the right, the prevailing narrative defended Hegseth for boosting troop morale with surf and turf while largely ignoring the fact that we just spent 10 times that amount on furniture and 2,000 times that amount - \$50 billion – in the last five days of the fiscal year. Again, to put that in context, Israel spent \$35 billion in an entire year on its defense.³⁰

Senator Ernst, again, you’ve been an exception and have spent your time fighting for sunshine and against secrecy regardless of what party is in power.

³⁰ “Pentagon Should Focus on Defense Priorities...” Open the Books, March 9, 2026, <https://openthebooks.substack.com/p/pentagon-should-focus-on-defense>

Thank you for the opportunity to testify. I look forward to your questions.