

Potential Priorities of a Republican-Controlled House Oversight Committee

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As the U.S. House of Representatives begins the transition of power following the midterm elections on November 3rd, 2010, Congressman Darrell Issa (R-CA), the incoming chairman of the House Oversight and Government Reform Committee, is gearing up to, in his words, "seek the truth." Expectations are that the incoming chairman will be very active looking into a number of issues that he believes need to be addressed, some of which are identified below. Congressman Issa will also help his fellow chairmen gather facts and information as needed. More specifically, Congressman Issa has said that he will be increasing the use of subpoenas and will help to make sure that the 74 inspectors general in the executive branch have the power to investigate any federal program - a power that they currently do not enjoy. Furthermore, Speaker John Boehner (R-OH) has stated that oversight is a very important responsibility of Congress and that Congressman Issa is expected to fulfill his new role when the 112th Congress convenes.

Prior to the elections, on September 22nd, 2010, Congressman Issa released a report entitled "A Constitutional Obligation: Congressional Oversight of the Executive Branch."¹ In short, the report describes his current view of the responsibilities of the House Oversight and Government Reform Committee. As incoming chairman, Congressman Issa's views and activities will contribute strongly to the direction and approach Republicans on the Committee take. Congressman Issa's report recounts the recent history of the Committee under Democratic control and highlights those areas-ranging from the policies of the Obama Administration to the activities of corporations and other organizations-that, in Congressman Issa's view, warrant closer scrutiny. Companies preparing for the next Congress should be mindful of Ranking Member Issa's views, and should begin to plan for a shift in the agenda of the House Oversight Committee.

"What's Past Is Prologue"

While the report stops short of detailing his agenda for the Committee, it does foreshadow potential priorities. Congressman Issa is positioned to take the gavel as chairman of the Oversight Committee when the 112th Congress is seated in January 2011. Indeed, as Congressman Issa himself stated in the *Huffington Post*² in July with regard to the expected agenda of a Republican-controlled Committee, "what's past is prologue." In other words, the tenor and direction of a Ranking Member Issa-led Committee can be extrapolated from the actions of the Republican minority during the 110th and 111th Congresses, as well as those of the Republican-controlled Committee of the 109th Congress.

In large part, Congressman Issa would seek to examine the size and scope of the federal government as well as a broad range of specific policies and activities undertaken in the first two years of the

Obama Administration. Such oversight could be intended to highlight how Administration policies - and laws enacted in the 111th Congress - impact industry and the American economy - particularly given the current economic conditions and the importance of the economy as an issue during this election cycle.

The TARP program and the subprime mortgage crisis may loom large on the agenda, particularly given the impact in Southern California. It's quite possible Congressman Issa will not spare the Congress itself, as he has identified Countrywide's "Friends of Mozilo" loan program as a concern. Further, Congressman Issa has indicated that his focus will extend beyond the Obama Administration and into the private sector. Congressman Issa stated in the *Huffington Post* that Republican efforts already demonstrate "that oversight of BOTH the bureaucracy and corporate America can be done simultaneously, vigorously and effectively. . . . When there are legitimate questions and clear cases of wrong-doing by corporations, [the Committee] should not hesitate to pursue a course of action that brings the truth to light and holds people accountable."

Policies in the Spotlight

The policy areas listed and discussed below are likely to be among the first targeted by Congressman Issa and the Committee's Republicans next year. With the Republicans assuming control of the House, the key issues of the day will remain the same, but the approach will more than likely differ. Even if certain policy goals are difficult to carry out legislatively, they can be pursued, at least in part, through an aggressive oversight agenda. Among others, the report addresses the following broad topics:

- **Government efficiency and spending:** Much of Congressman Issa's report targets what he describes as an oversized and inefficient federal bureaucracy. The report argues that government has failed to improve efficiency in emergency management, federal information technology systems, financial management, and generally federal agency performance management. Further, the report targets federal spending generally, and specifically relating to the American Recovery and Reinvestment Act.
- **Energy and environment:** The report notes that under Republican control in 2006, the Committee reviewed oil companies and their relationships with the former Minerals Management Service (MMS). Given that past activity, combined with both Republican and Democratic focus on MMS's successor, the Bureau of Energy Management, Regulation and Enforcement, following the BP oil spill, congressional oversight of federal energy industry regulators and their relationship with industry stakeholders is possible under either party's leadership. Congressman Issa's report also identifies oversight of the Environmental Protection Agency as a priority.
- **Health care:** As the report points out, Republican committee members, prior to passage of the health care act, "sought to investigate . . . systemic problems in the Medicare system." Given passage of major health care legislation over Republican objections, a renewed focus on Medicare fraud is at least one possible aspect of health care policy that could be pursued through the oversight agenda. The Administration's implementation of numerous other aspects of the new health care law also could be subject to examination.
- **Financial services:** Congressman Issa's report argues that Republicans on the Committee have been partially successful in convincing the majority to review TARP programs, but that "many questions remain unanswered." Further, the report points out failures at the SEC across

a range of matters, including the Madoff scandal, that require close examination of that agency. Finally, Republicans are likely to pursue change at Fannie Mae and Freddie Mac, and Ranking Member Issa identifies those government sponsored entities as requiring investigation.

- **Food safety:** Food safety laws and systems are outdated and inefficiently administered, according to the report. This has led to significant lapses and harm to public health, including a recent recall of eggs due to salmonella contamination. Particularly if salmonella and other food borne illness outbreaks continue to occur, Republicans likely will revisit this issue.
- **Homeland security:** The report notes that the Committee under Republican leadership prior to 2007 focused sharp attention on homeland security issues, but contends that since that time, oversight of those matters has been neglected. Specific issues that remain unaddressed, according to Congressman Issa, include the Fort Hood shootings, Christmas Day attack, and the Times Square bombing attempt.

Planning Ahead

Companies, associations, and other organizations looking ahead to the 112th Congress should start to understand what the oversight agenda will mean for business or other activities-now that the November mid-term elections are over. Clearly, a specific focus on certain industries could impact practices and business activities, even for companies that are not directly targeted by the Committee. But consideration also should be given to policy implementation changes that could evolve from a vigorous evaluation of federal agencies. Enforcement of existing rules could shift, depending on the issue. Similarly, Committee attention to government spending issues could lead to increased efficiency in programs, or alternatively to programs being limited. A comprehensive strategy should include monitoring the direction and efforts of the Committee, and being prepared to interact with it in the event of scrutiny.

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If you have any questions about the Congressional Oversight agenda, please contact:

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¹ A copy of "A Constitutional Obligation: Congressional Oversight of the Executive Branch" is available at http://www.motherjones.com/files/9-22-10_ogr_report_-_a_constitutional_obligation_-_congressional_oversight_of_the_executive_branch.pdf.

² A copy of "What's Past is Prologue" is available at http://www.huffingtonpost.com/rep-darrell-issa/whats-past-is-prologue_b_623174.html.