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## Senate

### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to resume consideration of the following nomination, which the clerk will report.

The senior assistant legislative clerk read the nomination of Kenneth Kiyul Lee, of California, to be United States Circuit Judge for the Ninth Circuit.

The PRESIDING OFFICER. The Senator from Iowa.

#### PENTAGON OVERSIGHT

Mr. GRASSLEY. Mr. President, I come to the floor today to shed light on yet another really dark cloud that is hanging over our Department of Defense. In fact, for decades, a dark cloud of fiscal mismanagement has loomed large over the Pentagon. During my very first term here in the Senate, I began my quest to bring fiscal accountability to the Pentagon. Four decades later, I am still keeping tabs on the money trail. That money trail is sometimes difficult to follow. Back then, it was a bit like David taking on Goliath.

We all know that the United States of America has the strongest and mightiest military in the world. I am thankful for that because a strong military is not meant to fight a war; it is meant to maintain the peace. We haven't had a world war III since we have had a strong military.

Our brave men and women who serve in the U.S. Armed Forces protect our shores at home and abroad to keep us safe and to protect the blessings of liberty for our children and grandchildren. That is exactly why it is so very important to keep check on the Pentagon's ledgers, to help make sure that every tax dollar assigned to the Nation's defense is actually spent effectively and not squandered on waste, fraud, and abuse.

With the help of brave whistleblowers who stuck their necks out to "commit

truth," I stuck my neck out during the Reagan administration. That is when I learned about the Pentagon's little shop of price horrors.

Of course, ripping off the taxpayers started during the Revolutionary War, when contractors sold rotten meat to the Continental Army, and it continued during the Civil War, when profiteers sold ammunition filled with sawdust and shoddy shoes and horses to the Union Army. It looks like it continues to this day.

Back in 1985, Americans will recall, the Defense Department was shelling out vast amounts of taxpayer dollars for spare parts. Remember back then the \$450 hammers and the \$640 toilet seats? That sounds like a real bargain compared to the more recent wasteful spending at the Pentagon, such as the \$1,280 coffee mug and the \$14,000 toilet seat lid. Obviously, the cost of waste is getting a whole lot more expensive for our taxpayers.

Back in the 1980s, I fought to win a spending freeze on unchecked spending sprees. Misspending and overspending were riddling the defense budget at the expense of the American taxpayer.

Military readiness drives the spending decisions that Members of Congress make when we cast our votes on the defense budget. Our constituents expect their elected representatives to make sure that the moms and dads, sons and daughters, brothers and sisters who are serving our country in uniform are well equipped with the best resources money can buy. But they also expect their elected representatives to make sure their hard-earned dollars that are withheld from every paycheck—their tax dollars—are not being ripped off by greedy corporations, like TransDigm Group, Inc., which I will speak about in a moment.

That is why I conduct robust oversight of defense spending. As a taxpayer watchdog—and all of us are supposed to be watchdogs, and all of us would claim to be watchdogs—it is our

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. GRASSLEY).

#### PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Spirit, our shelter in the time of storm, when our hearts grow faint and weary, renew our strength and enable us to soar above our challenges.

Today, fill our lawmakers with the spirit of wisdom. May their different approaches to problem-solving for our Nation and world contribute to more effective solutions for freedom in the years to come. Lord, deliver our Senators from the spirit of pessimism, and bless them as they seek to honor You. In their thoughts, words, and deeds, may they passionately strive to glorify You, ever seeking Your divine approval.

We pray in Your Holy Name. Amen.

#### PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

#### RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. CRAMER). Under the previous order, the leadership time is reserved.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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responsibility and my responsibility to make sure every defense dollar is spent as effectively and as efficiently as possible. Every dollar lost to waste, fraud, and abuse harms military readiness, and it also lines the pockets of somebody else at taxpayers' expense.

Trimming the fat in a bloated bureaucracy won't happen in the shadows. There is no magic wand to wave either. If there is one thing I have learned in my years of oversight, transparency matters. Transparency brings accountability.

Every time I come to the floor to talk about the fiscal mess at the Pentagon, I get a bit of *deja vu*. Earlier, I said my fraud-fighting efforts in the 1980s could be compared to David v. Goliath. Now let's fast-forward to this year, 2019. I am still here working as hard as ever to do away with wrongdoing and extract fiscal accountability at the Pentagon. Today, some might say that job is like the one performed by the famous character in Greek mythology who was destined to roll that heavy stone up the hill and to do it from then until eternity.

Congressional oversight can be extremely tedious, and it can be time-consuming, but, as I like to remind each of the other 534 Members of Congress, it is essential to our country that we exercise this system of checks and balances. Without it, the dark fiscal cloud looming over the Pentagon would swell bigger and bigger and bigger.

Oversight work may feel like an uphill climb, but oversight is not futile in the end. That is why I keep my shoulder to the wheel—to hold people at the Pentagon accountable, to protect taxpayers, and most importantly, when it comes to a defense dollar, to make sure we have our military readiness.

Right now, I am here today to share some new details about the broken record of fiscal mismanagement at the Department of Defense.

No matter how high I turn up the volume, the overdogs at the Pentagon remain tone deaf to fiscal integrity. Consider the recent report by the Department of Defense Office of Inspector General. It is called "Review of Parts Purchased From TransDigm Group Inc."

First, I want to compliment Senator WARREN and two Representatives, RO KHANNA and TIM RYAN, for getting the ball rolling with their request asking the inspector general to look into the contract—this contractor's pricing structure. We need all hands on deck in Congress to conduct oversight, so I thank these other Members of Congress just named.

After digging into the details, I can only conclude that the Pentagon is still, after all these years, stuck on autopilot. No one on board in the Pentagon's mother ship seems to bother to steer its "fiscal ship" into shape. Fiscal integrity somehow got lost in the spare parts horror story I am about to tell. In fact, I was more than dismayed

with the response from the internal watchdogs at the DOD IG office. Their team wrote the report, and yet the inspector general leadership team seemed to show no urgency whatsoever to fix the problem they described.

This tells me I also need to keep a tight leash on the internal watchdogs leading the Department of Defense inspector general's office. Their February report exposes a galactic price gouging, colossal ripple, and out-of-this-world waste. It reads like a sequel to the same financial shenanigans that have turned the Pentagon into a taxpayer money pit. Change out the name of the contractor, inflate the charges, submit the invoice and *voilà*—the American taxpayer is on the hook for another fixed-price, sole source contract.

For this report, the inspector general examined one contractor, TransDigm Group. In total, the inspector general analyzed 113 contracts between January 2015 and January 2017. They reviewed 47 spare parts the Department of Defense purchased from this contractor. In just those 2 years, the inspector general found TransDigm overcharged the Pentagon by \$16-1/10th million out of a total of \$29-7/10th million in contracts.

The reasonable profit threshold is considered by the Department of Defense to be 15 percent or below. The IG found that TransDigm earned excess profits on 46 of the 47 parts sold to the Defense Department.

On 17 of those parts, TransDigm earned more than a 1,000-percent profit. Remarkably, the highest profit percentage was 4,436 percent.

It is obvious to our taxpayers that that is a fleecing of the American taxpayer. Pulling the wool over the eyes of Congress and the taxpayers will only stop with transparency—which transparency will bring accountability.

So that is why I am here today. Just think for a minute about the big picture. This report is just one snapshot of a much larger problem. It is kind of a spit in the ocean when you consider the enormous \$716 billion defense budget. Just imagine the boatloads of bloat elsewhere in the bureaucracy. The Department of Defense is obligated under Federal law and under regulations to uphold basic measures of fiscal integrity.

So where do we go from here? The inspector general made just a few paltry recommendations. For starters, it directed contracting officers to request voluntary refunds for excess profits. Guess the chances of getting voluntary refunds. Let me suggest that I would not advise taxpayers to hold their breath on a voluntary refund. The inspector's general recommendations, then, have no teeth. Their recommendations are insufficient. What is worse, the inspector general leadership team claims no single Department of Defense official is responsible for this price gouging that goes on.

So let me repeat: The inspector general leadership team, the internal

watchdog for fiscal integrity and compliance at the Department of Defense, is effectively saying something like this: No one person at the Department of Defense can be held accountable for waste, fraud, and abuse of taxpayers' money. Obviously, to the taxpayers listening or anybody else, this illustrates a cavalier attitude toward taxpayer money that former Secretary of Defense James Mattis sought to extinguish. By the way, I wrote him a note, complimenting him on some statements he made about taking care of some of these problems.

The decades-long odyssey of misspending at the Pentagon keeps going around and around and around. That is why—the way I see it—the Department of Defense has a fundamental responsibility to uphold fiscal integrity. After reviewing the IG report and meeting with its auditing team and the Department of Defense pricing czar, I have reached three conclusions. No. 1, fiscal control at the Department of Defense is AWOL. The Pentagon will never clean up its books if it cannot properly track the money trail and connect the dots.

Consider why the Department of Defense contracting officers were unable to even certify if a profit was "fair and reasonable." Do you know why? It was because they could not obtain critical cost data at the company TransDigm. In the most egregious case—that case I mentioned where there was a 4,436-percent profit margin for just one spare part—the contracting officer—you will not believe this—certified that the price was fair and reasonable. There is something very, very wrong about that procedure. A whopping 4,000-percent profit margin for a spare part doesn't square with our midwestern common-sense standard.

No. 2, the leadership team at the IG office has exhibited an alarming hands-off approach toward stopping waste, fraud, and abuse. The lack of urgency and the failure to hold anyone accountable is very revealing. It sends a signal throughout the chain of command: Just keep on signing contracts; keep ordering spare parts; keep up business as usual. Lastly, it shows that no one will be held accountable for price gouging.

No. 3, the pattern of price gouging at TransDigm and its subsidiaries has gone unimpeded for decades. It has amassed exclusive rights to sell these spare parts to the Pentagon. In fact, the Defense Department accounted for 34 percent of its sales in 2017. TransDigm exploited its business model and took advantage of its sole source position to leverage higher prices.

Now, as a former chairman of the Senate Judiciary Committee—and still a member of that committee—I have examined anticompetitive business practices over a long period of time, including those in agriculture and the pharmaceutical sectors of our economy. It is very concerning to me when

contracting arrangements, like those between TransDigm and its 100 subsidiaries, are effectively a monopoly. It is like an octopus with 100 arms putting the squeeze on the Pentagon. Effectively, the Pentagon is at the mercy of TransDigm—which owns the intellectual property—to buy the spare parts it needs to build the Nation's critical weapon systems. That leaves the American taxpayer on the hook for exorbitant price gouging.

The inspector general report found that TransDigm's choke hold has added up to tens of millions of dollars overcharging to the taxpayer. This is a good time to refresh people's memories about my legislative and oversight work with anticompetitive business practices. It is pretty simple. Monopolies invite government regulation. If that is the road TransDigm wants to continue following, I am here to deliver a message. The jig is up on this cozy relationship. The buck stops here.

I have written a letter to Acting Secretary Shanahan about these flawed contracts and failures to identify price gouging. I have asked him to make measurable recommendations on how to restore accountability and end this price gouging. One thing is crystal clear. Transparency and competition are MIA—missing in action—when the Pentagon buys spare parts from TransDigm and its subsidiaries. Now, thank God the other body, the House of Representatives, its Committee on Oversight and Reform, called an oversight hearing this week to examine TransDigm and its price-gouging shenanigans.

Congress has a constitutional duty of oversight to keep check on taxpayers' money and hold government accountable. As I said earlier, we need all hands on deck to root out wasteful spending.

Once again, we are back to square one. The Pentagon has flunked a fundamental benchmark of fiscal responsibility and stewardship. It is one of Washington's worst kept secrets. Year after year, Congress shovels more money into the Pentagon coffers to ensure we maintain the best military in the world, and I express my support for the military. I express my support that a strong department of national defense is also a strong keeper of the peace because we might not be challenged, and we are going to be able to help keep peace around the world, but year after year, the Pentagon squanders hundreds of millions of taxpayer dollars. Some people at the Pentagon seem to think that paying \$16 million in excess profits somehow seems to be small potatoes.

In my letter to the Acting Defense Secretary, I made it clear that I am not one of those people. I have asked him to answer a direct question. That question is this: What specific steps is he going to take to stop the profiteers from pilfering taxpayer money?

Contracts like I have described today between TransDigm and the Pentagon

are shortchanging the troops, fleecing the taxpayers, and tarnishing its reputation.

As Justice Brandeis said, "sunshine is said to be the best of disinfectants." So I am here today to pull back the curtains on the TransDigm audit. The American people need the sun to shine in on price gouging at the Pentagon so we can root out the wasteful spending here and elsewhere.

Transparency is the best ammunition that we have to chase away the dark fiscal crowd looming along the shores of the Potomac.

#### RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized.

#### NATIONAL POLICE WEEK

Mr. SCHUMER. Mr. President, I thank my colleague from Iowa for always staying on top of things like this.

Mr. President, first, I would like to talk about Police Week. Today we observe Peace Officers Memorial Day, the heart of National Police Week. We all remember the men and women in law enforcement who have made the ultimate sacrifice, and we pause to say thank you to all of our police officers who work day and night to keep our communities safe.

I want to share a special thanks to all of our law enforcement members visiting from New York, who, in my view, are the gold standard in police work.

I grew up in a neighborhood where police officers lived. I played with their children at their houses. You would always know sort of instinctively, even as a kid, when that phone rang and the spouse—almost always, in those days, the wife of a police officer—heard the phone ring, what went through her head a little bit is this: I hope that is not the call I dreaded. This is the job of police officers and their families—that is, to risk their safety for our safety—and they do a great job.

As we recognize their contributions, we should acknowledge what we could do in Congress to make their jobs safer and easier. We can make our streets safer by passing comprehensive background check legislation. We can help law enforcement combat foreign opioid trafficking by passing the bipartisan Fentanyl Sanctions Act and the POWER Act, which provides handheld scanning devices. When a police officer is on a drug bust, they can tell if fentanyl is part of a crime scene there, and they can take precautions to protect themselves, because we know how deadly fentanyl is, even if it gets on your skin or in your nostrils. We can also do more to care for the families of fallen officers.

That is why I have been so proud to fight alongside my colleague Senator GILLIBRAND and so many others to make sure that the September 11th Victim Compensation Fund has the necessary funding.

Last Friday, the New York Police Department, or the NYPD, added the names of nearly 50 police officers to

the 9/11 memorial wall, all of whom died in 9/11-related illnesses. It is our duty to take care of these families, and the first step is making sure that the Victims Compensation Fund has enough funds to compensate them.

I say to our law enforcement officers two words: Thank you. Thank you for your service. It is an honor to represent you in the Senate, and we are all grateful for the sacrifices you make every day.

#### NOMINATIONS

Mr. President, now on judges, during the same week that we mark the 65th anniversary of the historic "Brown v. Board of Education" decision, Leader MCCONNELL has scheduled votes on nominees whose views directly contradict the spirit of equality and justice that Brown represents.

It is appalling. These new people we are putting on the bench turn the clock so backward after we have made so much progress, many of it through the courts.

Consider the nomination of Michael Truncale of Texas. He has peddled conspiracies of "widespread voter fraud" and once called President Obama an "un-American imposter" who "bows to Arab Sheikhs and other world leaders." This is a man who we are putting on the bench, a man who is supposed to be judicious, thoughtful, and sees both sides. What we are putting on the bench is hard-right ideologues who will do damage to this country for a generation. Mr. Truncale was approved by the Republican Senate yesterday for a seat on the district court in Texas, and he is going to sit on that bench for life—a man who says things like this and who thinks like this.

I have always tried to put on the bench people who are moderate. So many of us have. Bill Clinton did. Barack Obama did. Here we have a parade of narrow ideologues, and that is not who should be on the bench because they will make law rather than interpret the law.

Here is another one, Kenneth Lee of California. His past writings reveal shocking positions on race and diversity, affirmative action, educational opportunity, and women's reproductive freedom. He once wrote that multiculturalism is a "malodorous sickness" and that sexism—sexism, which we have all seen and heard about and a little more than half of our population experiences—is "irrelevant pouting." That is a man who should be on the bench? If confirmed today, Mr. LEE may preside over cases dealing with gender discrimination.

Consider Wendy Vitter, nominated to the Eastern District of Louisiana. She once promoted the idea that contraceptives caused cancer and claimed that Planned Parenthood kills 150,000 women annually. She also refused to acknowledge that Brown v. Broad was correctly decided. On this very anniversary, that is who is on the floor to be voted on in lockstep by all the folks here on the Republican side. She refused to acknowledge that Brown v.