



Written by [Michael Tennant](#) on November 10, 2023

## Federal Agencies Underreport – or Don’t Report – Spending to USAspending.gov, GAO Finds

Federal agencies are vastly underreporting spending to the government’s official spending-information website — when they are reporting it at all — according to a Tuesday Government Accountability Office (GAO) [report](#).

As part of its responsibilities to track federal spending under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the GAO examined whether federal agencies, as required by law, are reporting spending data to USAspending.gov.

The first problem the GAO uncovered is that not all agencies even report data to USAspending.gov. That’s because, while mandatory-reporting agencies are defined by law, “agencies make their own legal determinations on whether they are subject to applicable reporting requirements,” the Office of Management and Budget (OMB) told the GAO. (Just try telling the Internal Revenue Service you’ve determined you’re not legally required to pay income taxes.) Thus, of the 152 agencies listed in the overall federal financial statements, nearly one-third (49) failed to report anything at all to USAspending.gov. Moreover, 25 of those agencies, all of them in the executive branch, “accounted for more than \$5 billion of the \$6 trillion in government-wide net outlays for fiscal year 2022.”

Those agencies that do deign to report their spending aren’t exactly models of scrupulous accounting, the GAO found. When it comes to 2022 Covid-19 spending alone, the Treasury Department reported almost \$200 billion less on USAspending.gov than on its annual financial report, while the Department of Health and Human Services (HHS) reported \$6 billion more on the website than on its financial report.

Another hindrance to accurate reporting on USAspending.gov is the increasing use of other transaction agreements (OTAs), which the GAO defined as “legally binding agreements other than standard contracts, cooperative agreements, and grants that authorized government agencies may use, which are not subject to certain federal acquisition laws and requirements.” The GAO gave the example of



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OTAs used by the Defense Department and HHS “to expedite COVID-19 vaccine development and manufacturing.”

OTA use has greatly expanded in recent years, with spending rising from \$4.8 billion in 2018 to \$11 billion in 2022 (and spiking to \$18.4 billion in 2020). OTAs’ “greater risk of reduced accountability and transparency,” as the GAO put it, may in fact be one of their prime selling points to bureaucrats.

“Agency reporting of OTA data to USAspending.gov was inconsistent and differed among agencies,” wrote the GAO. Analysis revealed that “significant amounts of spending are not being reported.” The watchdog had difficulty quantifying just how large the discrepancies were because it had no way of identifying OTAs on USAspending.gov and because it did “not know how many agencies have OTA authority or how agencies report OTA spending.”

Nevertheless, it did find that “over \$40 billion in OTAs were either reported on an agency’s website or the Federal Procurement Data System (FPDS) OTA Module — a government data system for agencies to report certain OTAs and associated obligations. These OTAs were not reported to USAspending.gov and included more than \$10 billion that appeared to be related to COVID-19.”

The GAO also cited “many [other] challenges that affect the completeness of USAspending.gov data.” Misapplication of Disaster Emergency Fund Codes (DEFCs) makes it impossible for users to “reliably track spending designated for emergency or disaster relief.” Failing to link financial and award data, which happened to more than 12 million records totaling over \$1.3 trillion between 2020 and 2022, prevents users from understanding how dollars are being spent. And incomplete data on subawards — awards given by the initial recipients of federal spending — hide the final disposition of dollars; 91 percent of subawards under the Small Business Technology Transfer program were not reported to USAspending.gov.

“Quality federal spending data are key for Congress, federal managers, and the American public to track taxpayers’ dollars. As such, it is imperative that they have access to reliable and complete information on federal spending,” observed the GAO.

“Lack of transparency and completeness of data undermines the usefulness of the information and could lead users to inadvertently draw incorrect conclusions based on this information.”

The GAO recommended that Congress assign Treasury and OMB to determine which agencies must report to USAspending.gov and to oversee that reporting. It also suggested amending the law to include OTAs among spending that must be reported on the website.

While these recommendations are reasonable, they are hardly likely to generate sizable improvements in agency transparency. Government accounting is notoriously convoluted and unreliable. The Defense Department, for example, has never passed a comprehensive audit; last year, it could only account for [39 percent](#) of its assets.

On the other hand, if the federal government were merely to abide by the document that created it, it would have little problem accounting for everything it spends. Only a tiny fraction of current federal spending, after all, is authorized by the Constitution. Jettison the rest, and USAspending.gov would hardly have reason to exist.



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