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SCHAKOWSKY RELEASES LATEST REPORT ON DEPARTMENT OF DEFENSE MISMANAGEMENT

GAO FINDS MILITARY HOSPITALS WASTING MILLIONS OF DOLLARS

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today released more evidence of waste, fraud, and abuse at the Department of Defense. A report prepared by the Government Accounting Office (GAO) found that lack of management and oversight at military hospitals is costing taxpayers millions of dollars each year. (Report - Military Treatment Facilities: Internal Treatment Activities Need Improvement. GAO 03-168, October 25, 2002)

"The Department of Defense has demonstrated a pattern of mismanagement and abuse, and this latest report is another shameful and unpatriotic example of disservice to the men and women defending our country," said Schakowsky, ranking Democrat on the Government Efficiency Subcommittee.

"We must ensure that the Pentagon is held to the same level of scrutiny as other government agencies, especially when dealing with health care for our military personnel. Unless the Bush Administration demonstrates true leadership, critical services for our men and women in uniform will continue to be compromised," Schakowsky added.

GAO examined three military hospitals in Georgia, Virginia, and Texas. The report found that all three hospitals *"have not effectively implemented internal control activities in the areas of eligibility, billings and collections, expired drugs, personal property management, and government purchase card usage."* For example, the facilities regularly failed to gather basic insurance information from patients or bill insurance companies for compensation, thus failing to collect millions of dollars.

The report also found discrepancies with Social Security numbers where individuals may have fraudulently used *"a deceased person's identification to receive prescriptions and treatment at no cost."*