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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FOR RELEASE UPON DELIVERY

REMARKS OF
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TO THE
NATIONAL CONFERENCE
ON
FRAUD, ABUSE AND ERROR

WASHINGTON, D. C.
WEDNESDAY, DECEMBER 13, 1978

64158

I'M HAPPY TO WELCOME YOU. THIS NATIONAL CONFERENCE ON FRAUD, ABUSE, AND ERROR IS, IN MY JUDGMENT, AN HISTORIC EVENT: THE FIRST TIME A FEDERAL AGENCY HAS SPONSORED A MEETING ON SUCH A SCALE, WITH AN AUDIENCE SO DIVERSE, TO DISCUSS NEW WAYS OF PROTECTING THE TAXPAYER'S DOLLAR.

IT IS ESPECIALLY SIGNIFICANT, I THINK, THAT THE AGENCY IS HEW -- A DEPARTMENT WHOSE BUDGET IS THE THIRD LARGEST IN THE WORLD, RANKING BEHIND ONLY THE BUDGETS OF THE UNITED STATES AND THE SOVIET UNION: A DEPARTMENT TOO OFTEN ASSOCIATED WITH FREE SPENDING, BUT LIMITED EFFICIENCY.

WE MEET AT A MOMENT WHEN THE TAXPAYERS OF THIS NATION ARE DEMANDING THAT THE GOVERNMENT BECOME A BETTER STEWARD OF PUBLIC PROGRAMS AND PUBLIC FUNDS. THE AMERICAN PEOPLE DESERVE TO HEAR ABOUT THE EFFORTS OF GOVERNMENT TO IMPROVE PUBLIC MANAGEMENT -- EFFORTS OF STATES, COUNTIES, CITIES AND EFFORTS UNDERWAY AT HEW FOR THE PAST 23 MONTHS.

NCJRS

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ACQUISITIONS

SOME OF THOSE EFFORTS ARE BY NOW SO FAR ALONG THAT WE CAN COUNT THE SAVINGS TO THE TAXPAYERS OF AMERICA. I WILL BE ANNOUNCING SOME OF THOSE SAVINGS IN MY REMARKS TOMORROW.

I BELIEVE THAT THE STORY OF THOSE EFFORTS IS ONE OF THE MOST EXCITING STORIES IN GOVERNMENT. INDEED, THE FACT OF THIS CONFERENCE ITSELF IS A PROFOUNDLY POSITIVE STORY:

- IT HIGHLIGHTS THE EFFORTS OF GOVERNMENT AT EVERY LEVEL -- AND SERVICE PROVIDERS WHO DEAL WITH GOVERNMENT -- TO RENDER THEMSELVES ACCOUNTABLE.

- IT UNDERSCORES OUR EFFORTS, IN WASHINGTON AND ACROSS THE NATION, TO ATTRACT THE BEST PEOPLE TO PROGRAM MANAGEMENT, AND TO PUT THEM TO WORK CUTTING BACK WASTE, UNCOVERING ABUSES AND MONITORING HOW FUNDS ARE SPENT -- USING MODERN TOOLS LIKE COMPUTERS.

- FINALLY, THIS CONFERENCE GIVES US AN OPPORTUNITY TO POINT OUT TO THE CONGRESS, THE STATE LEGISLATURES AND THE AMERICAN PEOPLE WAYS OF CURBING "LEGISLATED WASTE." FOR IT IS A PLAIN FACT THAT MUCH WASTE IN PUBLIC PROGRAMS COULD BE CUT DOWN OR CUT OUT BY INTELLIGENT LEGISLATION: LEGISLATION TO CURB HOSPITAL-COST INFLATION, FOR EXAMPLE:

ALL OF US ARE AWARE OF ONE OVERWHELMING REASON FOR ROOTING OUT WASTE: THE PLAIN ECONOMIC REASON OF SCARCE RESOURCES AND THE ERODING EFFECTS OF INFLATION.

BUT THERE ARE AT LEAST THREE OTHER REASONS THAT SUCH EFFORTS ARE IMPORTANT:

FIRST: THE PROGRAMS WE ARE CONCERNED WITH ARE GOOD PROGRAMS; THEY SERVE MILLIONS OF AMERICANS WELL.

FEDERALLY INSURED STUDENT LOANS, FOR EXAMPLE, HAVE HELPED MORE THAN TEN MILLION STUDENTS AND THEIR FAMILIES TO MEET THE COSTS OF EDUCATION AFTER HIGH SCHOOL. NINETY PERCENT OF STUDENTS GETTING THIS KIND OF HELP PAY BACK THEIR LOANS, FULLY AND DEPENDABLY. BY TIGHTENING THE MANAGEMENT OF THESE PROGRAMS, WE MAKE MORE FUNDS AVAILABLE FOR MORE STUDENTS.

THE MEDICAID PROGRAM OF HEALTH CARE FOR POOR FAMILIES HAS PLAYED A ROLE IN REDUCING THIS NATION'S INFANT MORTALITY RATE FROM 24.7 PER THOUSAND LIVE BIRTHS IN 1965 TO 14.0 PER THOUSAND IN 1977. TO LET A FEW UNSCRUPULOUS PRACTITIONERS ESCAPE UNDETECTED IS TO SQUANDER RESOURCES THAT COULD BE HELPING POOR CHILDREN.

OUR SYSTEM OF WELFARE, FOR ALL ITS FAULTS, HELPS 7.4 MILLION CHILDREN AND 4.2 MILLION BLIND, AGED AND DISABLED PEOPLE WHO CANNOT WORK TO MEET THEIR NEEDS FOR BASIC SUBSISTENCE. WE CANNOT LET A RELATIVELY FEW CHEATS AND CHISELERS ROB THE TRULY NEEDY OF THE HELP THEY NEED.

SO WE INTEND TO DISCIPLINE THESE AND OTHER PROGRAMS--WHILE WE FIGHT THOSE WHO WOULD DISMANTLE THEM. WHY? BECAUSE WE SEE EFFICIENT MANAGEMENT AS AN ACT OF COMPASSION--AN ACT THAT UNLOCKS SCARCE RESOURCES TO BE USED FOR HUMAN ENDS,

SECOND: WE NEED TO RESTORE THE TRUST AND CONFIDENCE OF OUR FELLOW CITIZENS IN THE COMPLIANCE OF GOVERNMENT.

A RECENT GALLUP POLL REVEALED THAT NEARLY HALF OF THE AMERICAN PUBLIC BELIEVE THAT 48 CENTS OF EVERY FEDERAL TAX DOLLAR IS WASTED. THIS REFLECTS A SERIOUS EXAGGERATION ON THE PART OF THE PUBLIC ABOUT THE EXTENT OF WASTE AND MISMANAGEMENT--AN EXAGGERATION THAT ALL OF US MUST WORK TO CORRECT. BUT AT THE SAME TIME, IF SUCH AN ATTITUDE EXISTS, RIGHT OR WRONG, IT MAY NOT BE LONG BEFORE THE PUBLIC SEEKS TO CUT BACK SOCIAL PROGRAMS IN AN UNDISCRIMINATING WAY.

WE MUST NOT, IN OUR CONCERN ABOUT MANAGEMENT, LOSE OUR SENSE OF PERSPECTIVE. BUT AS LONG AS THERE IS PUBLIC CONCERN, WE HAVE AN OBLIGATION TO EARN PUBLIC CONFIDENCE BY PUTTING OUR HOUSE IN ORDER. UNLESS WE DO, OUR PROGRAMS WILL SUFFER UNFAIRLY--AND MANY PEOPLE WILL SUFFER UNFAIRLY.

FINALLY: THERE IS THE SIMPLE FACT THAT WE WHO SPEND PUBLIC FUNDS SERVE AS TRUSTEES.

THE RESPONSIBILITIES THAT TRUST IMPLIES ARE NOTHING LESS THAN THE WELLSPRING OF OUR DEMOCRATIC INSTITUTIONS. IF WE IGNORE THAT TRUST, NOT ONLY FAITH IN GOVERNMENT-- BUT THE ACTUAL INSTITUTIONS OF GOVERNMENT WILL FALTER AND FAIL.

SO I THINK THAT IT IS IMPORTANT THAT WE ANSWER THIS CALL FOR ACCOUNTABILITY; THAT WE SEEK TO SERVE NOT ONLY THE POOR AND VULNERABLE, NOT ONLY THE HANDICAPPED AND DISADVANTAGED PEOPLE WHO ARE OUR CLIENTS, BUT ALSO THE TAXPAYERS AND VOTERS WHO PLACE THEIR TRUST IN US.

I HAVE HIGH HOPES FOR THIS CONFERENCE. IF IT SUCCEEDS, I BELIEVE WE CAN LOOK FORWARD TO SEVERAL HOPEFUL DEVELOPMENTS:

- ALL OF US HERE WILL GO HOME, WHETHER TO WASHINGTON, D. C. OR MORE DISTANT PLACES, NOT ONLY WITH RENEWED COMMITMENT, BUT WITH NEW KNOWLEDGE AND NEW TECHNIQUES TO USE IN THE PROGRAMS WE MANAGE.
- WE MAY SEE THE CONGRESS, THE STATE LEGISLATURES, AND OTHER JURISDICTIONS, ESTABLISHING NEW INSTRUMENTALITIES TO COMBAT FRAUD AND ABUSE-- OR PASSING NEW COST-SAVING MEASURES.
- THE PUBLIC WILL HAVE A SENSE, NOT ONLY OF THE PROBLEMS WE FACE, BUT A SENSE OF OUR PROGRESS IN SOLVING THEM. FOR REAL PROGRESS IS UNDERWAY-- PROGRESS THAT DESERVES ATTENTION. I INTEND TO EXPAND ON THIS PROGRESS IN MY FORMAL REMARKS TOMORROW.

- FINALLY, THIS CONFERENCE GIVES US AN OPPORTUNITY TO RENEW AND STRENGTHEN THE SENSE OF PARTNERSHIP BETWEEN THE FEDERAL GOVERNMENT, STATE AND LOCAL GOVERNMENTS, AND SERVICE PROVIDERS INVOLVED IN FEDERAL PROGRAMS. STRENGTHENING THAT PARTNERSHIP WILL GO A LONG WAY, IN MY JUDGMENT, TOWARD MAKING US ONCE AGAIN A NATION IN WHICH PEOPLE THINK OF THEIR DEMOCRACY AS "WE, THE PEOPLE" INSTEAD OF "THEY, THE GOVERNMENT."

SO LET US GET TO WORK.

WE HAVE AN IMPRESSIVE, RICHLY DIVERSE GROUP ASSEMBLED -- AND A CROWDED AGENDA. OUR PLENARY SPEAKERS INCLUDE A GOVERNOR, A MAYOR, A CABINET OFFICER, A CONGRESSMAN, THE CHIEF FEDERAL AUDITORS, AND THE PRESIDENT OF THE UNITED STATES.

IN THESE TWO DAYS, THIS CONFERENCE WILL FEATURE 25 SEPARATE WORKSHOPS, SEMINARS AND DISCUSSION GROUPS IN ADDITION TO THE OPEN SESSIONS. THEIR TOPICS WILL RANGE FROM NEW COMPUTER TECHNIQUES TO CRIMINAL PROSECUTION; FROM FINANCIAL MANAGEMENT TO THE RIGHT OF PRIVACY. WELL OVER A HUNDRED EXPERTS FROM ALL OVER THE NATION WILL SERVE AS PANELISTS OR DISCUSSION LEADERS.

LADIES AND GENTLEMEN, I WELCOME YOU. I'M EAGER TO LEARN FROM YOU. AND I'M GRATEFUL TO YOU FOR JOINING IN THIS DEMONSTRATION THAT GOVERNMENT CAN WORK -- IF THOSE WHO SERVE IN GOVERNMENT WILL WORK.

AND SO -- TO QUOTE SOME RINGING WORDS OF JOHN F. KENNEDY -- LET US BEGIN,

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