

**COMMITTEE ON GOVERNMENT REFORM**  
**SUBCOMMITTEE ON GOVERNMENT EFFICIENCY AND FINANCIAL MANAGEMENT**  
**TODD R. PLATTS, CHAIRMAN**



*Opening Statement*  
*of*  
**Chairman Todd Russell Platts**  
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Reservists and National Guardsmen are the backbone of our military. Currently, more than 156,000 Reserve troops are on active duty with the vast majority – more than 130,000 – from the Army National Guard and Army Reserves. In my home state of Pennsylvania alone, 5,200 of these soldiers have been mobilized to active duty. Guard and Reserve members make up nearly 40% of the American forces committed in Iraq and Afghanistan, and this is likely to increase to nearly 50% in future deployments.

Today we will take a look at problems these soldiers have experienced in receiving their pay. This hearing is an important part of ongoing oversight by the Government Reform Committee that began after a November 2003 GAO report highlighted significant pay problems in National Guard units. As Chairman of the Subcommittee on Efficiency and Financial Management, I was one of several Members of the Government Reform Committee to request a GAO review of pay problems for Army Reserve soldiers. As was the case with the Guardsmen, the Reservists in the case study had serious and widespread problems receiving their pay and allowances – problems that distracted soldiers from their missions, imposed financial hardships on their families, and had a negative impact on retention. Most troubling is the fact that the vast majority of Guardsmen and Reservists studied experienced problems while they were deployed, often in remote, hostile environments. When our soldiers are risking their lives, the last thing they should worry about is the accuracy of their paychecks.

Paying soldiers is just one of many financial management functions performed at the Department of Defense. This Subcommittee has looked at flawed financial management systems at DoD from a broad perspective over the past two years. Often, it is difficult to impart a sense of urgency when discussing business functions. This hearing is important in that it will shed light on the operational impact of poor financial management. In fact, it is precisely this type of issue that the Subcommittee hopes to mitigate – even prevent – when we encourage Federal agencies to improve financial management.

In light of the heavy burden placed on our Reservists and the plan to activate more than 5,000 Individual Ready Reserves, it is imperative that any pay issues be resolved as quickly as possible. The effect these problems have on morale is devastating. I want our soldiers to know that Congress is looking at this. We want it fixed – both in the near term and over the long haul as DoD re-engineers its business processes.

I appreciate the fact that the Army has placed a high priority on fixing these problems, and I applaud the work that has been done so far. Since GAO identified pay problems for Guardsmen back in November, officials from the Defense Finance and Accounting Service and the Army Finance Command have worked closely with the Government Reform Committee to communicate the many actions they have taken. This hearing will provide a public forum to highlight those efforts, and we are honored to have **Lieutenant General James R. Helmly**, Chief of the Army Reserve, **Mr. Ernest Gregory**, Acting Assistant Secretary of the Army for Financial Management, and **Mr. Patrick Shine**, Director of Military and Civilian Pay Services for the Defense Finance and Accounting Service, who will testify.

Before we hear from these witnesses representing the Department of Defense, we have the author of both the Guard and the Reserve case studies, **Mr. Greg Kutz** of the newly renamed Government Accountability Office. Most important, we are honored and grateful to hear from Reserve soldiers who made the time to travel to Washington to testify and share their experience and insight. **Lt. Col. Don Campbell, Major George Riggins, and Sergeant Melinda Delain**, thank you for being here today and for serving in the Reserves. We appreciate the sacrifice you and your families make for our country. Your presence at this hearing today will help make the process better for all soldiers who serve.

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