

Opening Statement for Sen. Joseph Lieberman
HSGAC Hearing on FEMA Disaster Awards
Washington, DC
May 18, 2005

Thank you Madam Chairman for calling this hearing today to examine whether adequate controls exist to ensure that vital federal disaster relief is going where it is supposed to be going.

That seems simple enough.

But the question arises over the fact that, last year, the Federal Emergency Management Agency paid thousands of residents of Miami-Dade County, millions of dollars in disaster relief despite the fact that the eye of Hurricane Frances hit about 100 miles North of Miami-Dade County.

Many of the people given aid by FEMA neither needed nor deserved it, according to an investigation by the Department of Homeland Security's Office of Inspector General.

This is wrong.

The tradition of Americans helping Americans in the aftermath of a disaster traces back to 1803, when Congress authorized aid to a New Hampshire town devastated by fire.

But this generous tradition will be jeopardized if Americans come to feel their tax dollars are not being spent fairly, efficiently – and with accountability.

The problems in Miami-Dade County began with FEMA declaring the county eligible for disaster assistance without assessing the storm's impact or documenting reasons for the declaration.

The facts show that the hurricane did not hit Miami-Dade County. Indeed, the IG's investigation determined that the strongest sustained winds were just 47 miles per hour – far below hurricane force – and that the county saw no reports of flooding.

While these conditions undoubtedly caused damage, the IG found that FEMA failed to assess and document whether that damage rose to the level requiring federal assistance.

Thus, the IG concludes that FEMA mishandled the declaration process – one essential tool FEMA must use to safeguard taxpayer dollars.

But by including Miami-Dade County in its disaster declaration, FEMA made millions of people eligible for assistance – stretching its already thin resources even thinner and making its programs “susceptible to waste, fraud and abuse,” according to the IG's report.

Some small but telling examples, Madam Chairman:

- FEMA awarded rental assistance to people who apparently weren't in need of shelter. For instance, FEMA gave almost \$1,500 in rental assistance to one person whose home had sustained just \$93 in damage. In other instances, FEMA awarded rental assistance to people who didn't need to leave their homes. This happened because eligibility criteria in some instances failed to require that an applicant's home actually be damaged in order to receive assistance;
- FEMA, in accordance with its own procedures, spent millions replacing items that the household never had;

- FEMA's contract inspectors conducted thousands of inspections of homes within blocks – once a single block – of their own home, which the IG found raises at least the appearance of a conflict of interest;
- FEMA gave Miami-Dade residents whose vehicle had supposedly been destroyed by Frances \$6500 for replacement costs even though their vehicle was worth only a fraction of that.

Unfortunately, Madam Chairman, FEMA's problems in the way it doled out disaster relief do not stop at the boundaries of Miami-Dade County.

The IG concluded that because the procedures used in Miami-Dade County were also used throughout the State of Florida – and because most of those procedures were used throughout the nation – a shadow is cast on the appropriateness of FEMA's awards of disaster relief to individuals throughout Florida and the rest of the nation.

FEMA's mission of responding to natural disasters and of providing financial assistance to those harmed by them is an absolutely critical one – and one I completely support. That's not what this hearing is about.

But in order to fulfill that mission in the best interests of both those hurt by hurricanes, tornados, earthquakes, fire and floods – and those who whose taxes support the relief efforts – we must make sure that FEMA follows the rules and ensures that relief funds go where they should be going.

Unfortunately, the IG's investigation, as well as the one conducted by our staff, call into serious doubt whether that is happening.

The start of the hurricane season is almost upon us. According to researchers at the National Oceanic and Atmospheric Administration and Colorado State University, this season could be another active – and possibly destructive – year.

It's important that our nation's disaster resources – our taxpayer dollars – are targeted to where they are truly needed and that no questions regarding fairness, efficiency, need or accountability taint our relief efforts.

We can only judge FEMA by how it reacts in emergencies. That is its mandate – it's very reason to be.

And where FEMA is found wanting, we must make changes to ensure that Americans continue to support our two-century-old tradition of swiftly coming to the aid of our fellow Americans when disaster strikes anywhere in the nation.

Thank you Madam Chairman.