

Opening Statement  
Senator Rand Paul, Chairman  
Subcommittee on Federal Spending Oversight & Emergency Management  
Senate Committee on Homeland Security & Governmental Affairs  
April 12, 2016

I call this hearing to order. Good afternoon and welcome.

This subcommittee is charged with oversight over all federal spending, which we accomplish through hearings like this one and through regular reports provided to the committee and the public.

Today we are examining spending and waste at the Federal Emergency Management Agency, and the need for reforms to both protect taxpayers and serve them better.

Given that our government borrows nearly a million dollars a minute, and has a \$19 trillion debt, we can't afford to allow waste to persist in government.

Waste at FEMA and grant programs administered by FEMA has been described in detail by Senator Tom Coburn, the GAO, and the DHS Inspector General. One of our witnesses, Inspector General Roth, found in a report issued today that Maryland bought nearly \$70,000 worth of computer equipment that it did nothing with for nearly a year and a half.

In 2012, Senator Coburn reviewed one FEMA grant program and concluded:  
[T]he program is struggling to demonstrate how it is making U.S. cities less vulnerable to attack and more prepared if one were to occur – despite receiving \$7.1 billion in federal funding since 2003.

After ten years a clear danger for the Urban Areas Security Initiative (UASI) grant program is that it would be transformed from a risk based program targeting security gaps into an entitlement program for states and cities.

I don't think, to date, we've adequately corrected the deficiencies Dr. Coburn found.

Just last month Inspector General Roth also released a report on its 333 recommendations for reform of the grant programs at FEMA. Shockingly, FEMA has only made 4 permanent changes to implement those reforms. Despite recommendations for reform over a five year period, little in the way of reform has occurred.

Since our hearing in 2013 concerning FEMA waste, we continue to hear of waste including: \$280,000 for a Bearcat armored vehicle for Dover, N.H; \$1.7 million for unused radios and generators in Hawaii; \$174,000 for unused radios in D.C.

And every dollar wasted makes a difference to the taxpayers. Right now FEMA is more than \$20 billion in debt because of the flood insurance program. Disaster spending often far outpaces the annual funding Congress provides, leading to the need for supplemental funding every year or so.

FEMA has provided more than \$40 billion in preparedness grants since 2001. Those grants flow primarily to state and local agencies, who all too often use the funds for things they would never purchase with their own money, such as the 13 sno-cone machines former Sen. Coburn found were bought by some Michigan counties. Small communities are using the funds to buy armored vehicles. Local communities love federal grants because they don't have to tax their constituents to pay for the spending. The Federal government simply hides the grants in the massive \$19 trillion debt. For this reason we must be diligent in insisting that local communities' needs be largely paid for by local taxes.

A significant amount of this spending is also duplicative of grants available from other departments, such as the \$650 million handed out to local police by the Department of Justice last year.

I expect Inspector General Roth will give us much more insight into these problems today.

I and my office hear a lot about FEMA from our constituents. The most frequent complaints are about flood maps. [Insert anecdote about your friend who lives on the dam]. I hear that the updated flood maps aren't clear enough for county officials to make fully informed decisions. I hear that it takes far too long for counties to receive reimbursements for disaster recovery work. Fixing those problems is all the much harder when valuable resources are squandered elsewhere.

My hope is that at the end of this hearing the agency will leave here with plans for concrete steps to take and this subcommittee will find reforms we can recommend to the Senate to address these very real problems.

I am eager to hear what our witnesses have to say, but I would certainly welcome any comments that the Ranking Member may wish to make.

Sen. Baldwin?