

**U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS**

**SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, FEDERAL SERVICES, AND
INTERNATIONAL SECURITY**

**HEARING: "How Is NOAA Managing Funds to Protect the Domestic Fishing
Industry?"**

WASHINGTON – Today, Sen. Tom Carper (D-Del.), Chairman of the Senate Subcommittee on Federal Financial Management, convened the field hearing, "How is NOAA Managing Funds to Protect the Domestic Industry." The field hearing was held at Faneuil Hall in Boston, Mass. For more information on the hearing, please click [here](#). A copy of Sen. Carper's remarks, as prepared for delivery, follows:

"Let me begin by thanking everyone for joining us here this morning in this historic place. Specifically, I'd like to thank our Ranking Member, Senator Scott Brown, for suggesting that we hold this hearing here today.

"Our Subcommittee is small, but we've learned over time to maximize our effectiveness by partnering with the Office of Management and Budget (OMB), Government Accountability Office (GAO), Inspectors General throughout the federal government like Todd Zinser, who is here today, and with government watchdog groups across the country.

"For the past half-dozen years, this Subcommittee has been singularly focused on how we can achieve better results for less money, or at least better results for the same amount of money.

"Through the years, we've focused on issues like disposing of billions of dollars of surplus federal property, as well as eliminating \$125 billion in improper federal payments and \$400 billion of major weapons systems cost overruns. This hearing today continues that theme, albeit on a smaller scale. Our primary job on this Subcommittee is to try to ensure that taxpayer dollars are not wasted.

"There have been some who've wondered why the Federal Financial Management Subcommittee would be holding a hearing about a National Oceanic and Atmospheric Administration (NOAA) program. That's a good question. I've explained to them, though, that poor financial management is an unfortunate theme that runs throughout our federal government, and all of us have an obligation to do something about it.

"Let me note, however, that the point of this hearing is not to adjudicate the laws of the ocean or to discuss what is right or wrong with how NOAA polices our fisheries. Those issues are the jurisdiction of the U.S. Senate Commerce Committee.

"What we are concerned about is ensuring that the money collected and spent by NOAA is managed effectively and in accordance with the law. This isn't a hearing about fisheries management. This is a hearing about sound financial management.

"At a time when we're facing a massive federal budget deficit and considering cuts across a broad range of federal programs, we need to look into every nook and cranny of every agency – large and small – to find ways to make the most out of our scarce resources. We need to move the federal government away from what I call a culture of spendthrift toward a culture of thrift.

"The money in NOAA's asset forfeiture fund is supposed to be used to protect our valuable natural resources and to support the fishing communities that are vital to this region and, frankly, to our nation. Our Subcommittee wants to help make sure that's what happens.

"In June 2009, Administrator of NOAA, Dr. Jane Lubchenco, first requested that the Office of Inspector General at the Commerce Department look into NOAA's enforcement activities and handling of asset forfeiture funds.

"Since that time, reports have been issued describing oversight and management of NOAA's National Marine Fisheries' asset forfeiture fund that too often has been abysmal. For example, until recently, NOAA did not know the balance in the fund. They had trouble tracking how much money was coming into and going out of the fund.

"The fund apparently was also being used to pay for things that it shouldn't have been used for. Cars were purchased when they should have been leased, for example. In addition, I understand that the Inspector General reported that NOAA actually purchased more cars than they had employees to drive them. These problems are long-standing. In fact, I'm told that this poor management goes back 15 years or more. And up until this past year, very little was done to set things right.

"In the past year, however, the Department of Commerce and NOAA have taken important steps to address the concerns raised by the Inspector General and by many within the fishing industry. The Department and NOAA appear to have finally gotten a handle on the fund's day-to-day management. Clear guidelines have been set for how the money contained in the fund may be spent. And more importantly, rules have been implemented making clear how funds are not to be spent.

"For example, I'm told that NOAA no longer allows monies in the fund to be spent on cars, boats or cell phones. In addition, any fund expenditure over \$1,000 now has to be approved by the NOAA Comptroller. NOAA apparently is also working to 'right size' its vehicle fleet, a welcome example that could probably be followed in a number of other agencies across the federal government.

"The fund's balance and accounting methods are also more transparent. Last week, the independent audit firm Clifton Gunderson gave the Asset Forfeiture Fund an unqualified clean opinion. In the accounting world, that's the 'Good Housekeeping Seal of Approval.' In addition, the independent auditor also confirmed the fund's balance to be \$7.5 million. All of this progress would likely not have happened without a chorus of complaints from citizens like those assembled here today.

"In fairness, this progress would not have been made without the request made two years ago by Dr. Lubchenco for an investigation by the Inspector General and without the tireless effort since that time by the Inspector General and his staff. I believe that NOAA also deserves credit for taking steps to address many of the problems that the Inspector General has identified.

"While a number of needed steps have been taken over the past year, the auditor also identified several other areas of concern that NOAA still needs to address. Specifically, the auditor believes that some problems remain with the way liabilities and expenditures are tracked from the fund.

"I know that Senator Brown has heard me say this many times before, but I want to say it again. Everything I do, I know I can do better. That's probably true for all of us, including NOAA. If it isn't perfect, we need to make it better, and I would strongly encourage NOAA to continue doing just that going forward.

"I understand that NOAA's recent budget submission makes proposals that might further improve the management and oversight of the fund. I want to hear more about that today and learn what we in Congress can do to help.

"Before I close I should note that the Department of Commerce has also made a commitment to get to the bottom of what may have gone wrong with the fund. Secretary Locke appointed a Special Master to examine cases identified by the Inspector General that may have been mishandled. Finding flaws in some of them, the Secretary has ordered that \$650,000 be given back to the fishermen who were affected.

"In addition, I understand that Secretary Locke has opened up an additional window of time to ensure that any claims of possibly excessive penalties – going all the way back to 1994 – are reviewed by the Special Master. I believe that those cases are under consideration now.

"One could argue that previous Secretaries of Commerce should have taken these steps years ago. They didn't. I think Secretary Locke should be recognized for his commitment to right the wrongs of the past and to try to make them better.

"With that, I'll turn it over to our ranking member, Senator Brown and thank him again for inviting us to his home state of Massachusetts for this hearing today."