

**Statement of
The Honorable Bill Nelson
Before the
Homeland Security and Governmental Affairs Committee
U.S. Senate
May 18, 2005**

Madam Chairwoman, Sen. Lieberman and members of the committee, I'd like to thank you for responding to my call for an investigation into the Federal Emergency Management Agency's response to the four hurricanes that hit Florida last year. Months ago when I requested this hearing, we heard serious allegations of waste and mismanagement.

And just days ago, the Inspector General of the Department of Homeland Security released a troubling audit of FEMA disaster relief in Miami-Dade County.

For example, we learned the agency opened the flood gates of federal assistance to residents in an area of South Florida that didn't get hit by hurricane-force winds during storm season last year. You can see on this graph that FEMA paid those residents a total of \$31 million in disaster relief – almost the same amount given to Martin County, which took direct hits from two hurricanes.

And places like Hardee County - a rural county in the cross hairs of three hurricanes - will only receive 21% - if they are lucky - of their claims for reimbursement. And they have lost two fire stations.

It seems the system - at least in part - has failed. To us in Congress, we too will fail if we don't learn from past problems and reform the system to ensure that relief gets in the hand of the people who need it most.

I believe what NASA flight director Gene Kranz once said: failure is not an option. We owe it to American taxpayers and disaster victims to fix the system.

That's why I'm filing legislation today to address the issues identified in the inspector general's report.

Specifically, it would require a preliminary damage assessment before federal assistance can be paid out. This would prevent counties with minimal storm damage from getting a disproportionate share of FEMA aid.

It also tightens rules so that FEMA inspectors can better identify disaster-related losses of household items and document verbal accounts of storm loss.

In Miami-Dade, almost \$100,000 was paid to residents for destroyed cars. The inspector general reported that damage to vehicles wasn't verified as being caused by a hurricane. My legislation would require such proof.

The bill also would limit funeral assistance to disaster-related deaths – reports in Florida say that 315 funerals were covered statewide despite the fact that medical examiners only attributed 123 deaths to the storms.

Under the legislation, inspectors wouldn't be able to assess the losses of their neighbors or make purchases from the residents whose homes they review - clear conflicts of interest. This would prevent cases like the one of a FEMA agent who bought an oceanfront home from a 72-year-old woman who sought out agency advice when she became concerned about storm-related mold. She sold her home for \$250,000. Another nearby house damaged by a hurricane was purchased as-is for over \$1 million.

The bill also toughens penalties for fraud and strengthens the requirements for criminal background checks because some estimates say up to 22 percent of FEMA inspectors could have criminal records – including rap sheets for serious crimes.

I hope you will support this legislation to make important changes in keeping with the inspector general's recommendations.

And I hope your committee looks beyond the inspector general's report for other ways to improve our nation's disaster assistance agency.

I can give you a few places to start - and I know many officials in Florida will agree, including John Booth, Executive Director of the Palm Beach County Solid Waste Authority; George Touart, Escambia County Administrator; and Dave Metzker, Orange County Public Works Director.

FEMA needs clear, concise procedures for helping local governments pay for removing debris from private roads. They have the ability – according to their own regulations – to do this in the interest of public health and safety. But I've worked with county after county in Florida that have jumped up and down to get needed help. Many, though cash-strapped, are footing the vast majority of the bill for this essential clean-up. Their budgets are decimated and officials are praying they're spared from another storm during the hurricane season that officially begins on June 1.

While FEMA needs to do a better job, Congress needs to act now to regain the public trust by ensuring taxpayer money appropriated is spent wisely and efficiently to help Americans recover from serious disasters.

We owe this not just Floridians and residents from other hurricane-ravaged states, but it's a promise we need to make to Californians, who live on fault lines, and Washingtonians, who live in the shadows of active volcanoes; rural Americans, who live near rivers that swell; and city-dwellers, who live in metropolitan areas that could be targeted by terrorists.

If we in Congress don't act to improve our disaster relief agency, we fail Americans from coast to coast who rely on us when disaster strikes. As I said, I don't think failure is an option. Thank you.