

FOR IMMEDIATE RELEASE: March 8, 2006

**LARSON RETURNS FROM GULF COAST TOUR
Joins Democratic Leaders in Calling for Answers and Accountability**

WASHINGTON, DC ♦ U.S. Congressman John B. Larson today joined fellow House Democratic leaders in urging the Government Accountability Office (GAO) to expand and expedite their review of contracts awarded for the Katrina recovery effort. Larson was a part of a bipartisan Congressional delegation tour of the Gulf Coast that lasted from March 2 ♦ 4, 2006. Democrats returning from the tour were alarmed by the lack of progress toward the response and recovery effort.

Larson stated: ♦ The federal government has a moral responsibility to ensure that these Americans have a chance to rebuild their lives. We must let the people of the Gulf Coast know that we will not forget them. ♦

Democrats asked for answers and accountability in a letter to GAO signed by House Minority Leader Nancy Pelosi (D-CA), House Minority Whip Steny Hoyer (D-MD), House Democratic Caucus Chairman James E. Clyburn (D-SC), Caucus Vice Chair John B. Larson (D-CT), Ranking Democrat on the Government Reform Committee Henry Waxman (D-CA), and Ranking Democrat on the House Homeland Security Committee Bennie Thompson (D-MS). Following is the text of the letter:

March 8, 2006

The Honorable David Walker
Comptroller General
U.S. Government Accountability Office
Washington, D.C.

Dear Comptroller General Walker:

From March 2-4, 2006, many of us went on a bipartisan Congressional Delegation tour of the Gulf Coast to survey the region's recovery from Hurricane Katrina.

The three-day tour revealed a battered landscape littered with mounds of debris, destroyed infrastructure, and few public services. Little progress appears to have been made toward recovery and rebuilding along the Gulf in the six months since Hurricane Katrina made landfall. This lack of progress is particularly troubling considering the \$62 billion that Congress has appropriated to provide the 1.8 million displaced residents temporary relief and long-term assistance to begin the long process of rebuilding their lives and redeveloping the areas devastated by the storm.

The extraordinary devastation caused by Katrina should have called forth an equally extraordinary response. But the lack of progress toward recovery in the Gulf raises fundamental questions about the competence of the federal response. We are particularly concerned by the evident waste of funds through improper and inefficient contracting decisions. The federal response to Hurricane Katrina depended heavily on the use of private contractors to conduct routine relief and recovery activities such as furnishing and delivering ice, water, food and other supplies, removing debris, providing temporary coverings for roofs and arranging temporary housing. The absence of Administration oversight of contracting appears to have permitted grossly wasteful and inefficient spending to continue, even as urgent needs of Gulf Coast communities remain unmet.

From investigations conducted by inspectors general, Congressional committees, and the GAO, we know that the government has spent:

- ◆ \$3 million for 4,000 base camp beds that were never used;
- ◆ \$10 million to renovate rooms in a military barracks that were used to house only 6 people;
- ◆ \$236 million to lease cruise ships that were never fully occupied by evacuees, and
- ◆ \$857 million for 25,000 manufactured homes for which there are current

deployment plans for only 5,000.

These examples alone depict a breakdown in the normal process of disaster recovery. They are further exacerbated by recent findings by the President's Council on Integrity and Efficiency (PCIE) that nearly 600 Katrina related contracts have been awarded on a no-bid /sole source basis.

Meanwhile, Gulf Coast communities lack adequate housing and public infrastructure so that residents may return and rebuild. That is unacceptable.

We understand that GAO is reviewing the efficiency of government contracting for the Katrina recovery effort. Having witnessed firsthand the devastation along the Gulf and the slow rate of recovery and rebuilding progress, we request that you expedite your review in this area and report your findings to Congress as quickly as possible. A full accounting of the use of no-bid awards and irregular contracting practices will help our efforts to rein in waste and inefficiency and jump start the stalled rebuilding and recovery effort.

We further ask that the GAO examine how the Administration was caught so unprepared to efficiently contract for Katrina reconstruction, repeating the mistakes that were discovered in contracting for Iraq reconstruction. We also ask that your review identify the most wasteful contracts, so we can take immediate steps to end them and spend the money properly to benefit Gulf Coast residents.

Sincerely,

/s/

NANCY PELOSI
Democratic Leader

STENY HOYER
Democratic Whip

JAMES E. CLYBURN

Democratic Caucus Chair

JOHN B. LARSON

Democratic Caucus Vice Chair

HENRY A. WAXMAN

Ranking Democrat, Government Reform

BENNIE THOMPSON

Ranking Democrat, Homeland Security

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