

109TH CONGRESS
1ST SESSION

H. R. 3737

To establish an Office of Special Inspector General for Hurricane Katrina Recovery.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2005

Mr. KOLBE (for himself, Ms. HARRIS, Mr. OTTER, Mr. KIRK, Mr. SIMMONS, Mr. HOLT, Mr. SNYDER, Mr. BASS, Mr. PETRI, Mr. PENCE, Mr. WOLF, Ms. GINNY BROWN-WAITE of Florida, Mr. UDALL of Colorado, Ms. FOXX, and Mr. WESTMORELAND) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish an Office of Special Inspector General for Hurricane Katrina Recovery.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Special Inspector Gen-
5 eral for Hurricane Katrina Recovery Act”.

1 **SEC. 2. SPECIAL INSPECTOR GENERAL FOR HURRICANE**
2 **KATRINA RECOVERY.**

3 (a) **PURPOSES.**—The purposes of this section are as
4 follows:

5 (1) To provide for the independent and objec-
6 tive conduct and supervision of audits and investiga-
7 tions relating to the Federal programs and Federal
8 operations of Hurricane Katrina recovery.

9 (2) To provide for the independent and objec-
10 tive leadership and coordination of, and rec-
11 ommendations on, policies designed to—

12 (A) promote economic efficiency and effec-
13 tiveness in the administration of such programs
14 and operations; and

15 (B) prevent and detect waste, fraud, and
16 abuse in such programs and operations.

17 (3) To provide for an independent and objective
18 means of keeping the Secretary of Homeland Secu-
19 rity and all other Federal departments and agencies
20 involved in Hurricane Katrina recovery fully and
21 currently informed about problems and deficiencies
22 relating to the administration of such programs and
23 operations and the necessity for and progress for
24 corrective action.

1 (b) OFFICE OF INSPECTOR GENERAL.—There is
2 hereby established the Office of the Special Inspector Gen-
3 eral for Hurricane Katrina Recovery.

4 (c) APPOINTMENT OF INSPECTOR GENERAL; RE-
5 MOVAL.—

6 (1) The head of the Office of the Special In-
7 spector General for Hurricane Katrina Recovery is
8 the Special Inspector General for Hurricane Katrina
9 Recovery (in this section referred to as the “Special
10 Inspector General”), who shall be appointed by the
11 Secretary of Homeland Security, in consultation
12 with the Secretary of Defense.

13 (2) The appointment of Special Inspector Gen-
14 eral shall be made solely on the basis of integrity
15 and demonstrated ability in accounting, auditing, fi-
16 nancial analysis, law, management analysis, public
17 administration, or investigations.

18 (3) The appointment of an individual as Special
19 Inspector General shall be made not later than 3
20 days after the date of the enactment of this Act.

21 (4) The Special Inspector General shall be re-
22 movable from office in accordance with the provi-
23 sions of section 3(b) of the Inspector General Act of
24 1978 (5 U.S.C. App.).

1 (5) For purposes of section 7324 of title 5,
2 United States Code, the Special Inspector General
3 shall not be considered an employee who determines
4 policies to be pursued by the United States in the
5 nationwide administration of Federal law.

6 (6) The annual rate of basic pay of the Special
7 Inspector General shall be the annual rate of basic
8 pay provided for positions at level IV of the Execu-
9 tive Schedule under section 5315 of title 5, United
10 States Code.

11 (d) ASSISTANT INSPECTORS GENERAL.—The Special
12 Inspector General shall, in accordance with applicable laws
13 and regulations governing the civil service—

14 (1) appoint an Assistant Special Inspector Gen-
15 eral for Auditing who shall have the responsibility
16 for supervising the performance of auditing activities
17 relating to Federal programs and operations of Hur-
18 ricane Katrina recovery; and

19 (2) appoint an Assistant Special Inspector Gen-
20 eral for Investigations who shall have the responsi-
21 bility for supervising the performance of investiga-
22 tive activities relating to such programs and oper-
23 ations.

24 (e) SUPERVISION.—

1 (1) Except as provided in paragraph (2), the
2 Special Inspector General shall report directly to,
3 and be under the general supervision of, the Sec-
4 retary of Homeland Security and the Secretary of
5 Defense.

6 (2) No officer of the Department of Homeland
7 Security nor any other officer of the Federal Gov-
8 ernment shall prevent or prohibit the Special Inspec-
9 tor General from initiating, carrying out, or com-
10 pleting any audit or investigation related to Hurri-
11 cane Katrina recovery activities, or from issuing any
12 subpoena during the course of any audit or inves-
13 tigation.

14 (f) DUTIES.—

15 (1) It shall be the duty of the Special Inspector
16 General to conduct, supervise, and coordinate audits
17 and investigations of the treatment, handling, and
18 expenditure of amounts appropriated or otherwise
19 made available for Hurricane Katrina recovery by
20 the Federal Government, and of the programs, oper-
21 ations, and contracts carried out utilizing such
22 funds, including—

23 (A) the oversight and accounting of the ob-
24 ligation and expenditure of such funds;

1 (B) the monitoring and review of recon-
2 struction activities funded by such funds;

3 (C) the monitoring and review of contracts
4 funded by such funds;

5 (D) the monitoring and review of the
6 transfer of such funds and associated informa-
7 tion between and among departments, agencies,
8 and entities of the United States, and private
9 and nongovernmental entities; and

10 (E) the maintenance of records on the use
11 of such funds to facilitate future audits and in-
12 vestigations of the use of such funds.

13 (2) The Special Inspector General shall estab-
14 lish, maintain, and oversee such systems, procedures,
15 and controls as the Special Inspector General con-
16 siders appropriate to discharge the duty under para-
17 graph (1).

18 (3) In addition to the duties specified in para-
19 graphs (1) and (2), the Special Inspector General
20 shall also have the duties and responsibilities of in-
21 spectors general under the Inspector General Act of
22 1978.

23 (4) In carrying out the duties, responsibilities,
24 and authorities of the Special Inspector General
25 under this section, the Special Inspector General

1 shall coordinate with, and receive the cooperation of,
2 the Inspectors General of all other Federal depart-
3 ments and agencies.

4 (5) The Special Inspector General shall, within
5 10 days after the date of the appointment of the
6 Special Inspector General, complete the following:

7 (A) Open a 24-hour fraud, waste, and
8 abuse hotline.

9 (B) Deploy auditors and investigators to
10 the Gulf of Mexico Region of the United States.

11 (C) Announce a strategic plan for over-
12 sight, including audits of no-bid contracts.

13 (D) Go to the Gulf of Mexico Region of the
14 United States media with antifraud message.

15 (E) Liaise with Hurricane Katrina recov-
16 ery Federal agencies to identify vulnerabilities.

17 (F) Coordinate interagency oversight ele-
18 ments through creation of a task force.

19 (g) POWERS AND AUTHORITIES.—

20 (1) In carrying out the duties specified in sub-
21 section (f), the Special Inspector General shall have
22 the authorities provided in section 6 of the Inspector
23 General Act of 1978, including the authorities under
24 subsection (e) of such section.

1 (2) The Special Inspector General shall carry
2 out the duties specified in subsection (f)(1) in ac-
3 cordance with section 4(b)(1) of the Inspector Gen-
4 eral Act of 1978.

5 (h) PERSONNEL, FACILITIES, AND OTHER RE-
6 SOURCES.—

7 (1) The Special Inspector General may select,
8 appoint, and employ such officers and employees as
9 may be necessary for carrying out the duties of the
10 Special Inspector General, subject to the provisions
11 of title 5, United States Code, governing appoint-
12 ments in the competitive service, and the provisions
13 of chapter 51 and subchapter III of chapter 53 of
14 such title, relating to classification and General
15 Schedule pay rates.

16 (2) The Special Inspector General may obtain
17 services as authorized by section 3109 of title 5,
18 United States Code, at daily rates not to exceed the
19 equivalent rate prescribed for grade GS–15 of the
20 General Schedule by section 5332 of such title.

21 (3) To the extent and in such amounts as may
22 be provided in advance by appropriations Acts, the
23 Special Inspector General may enter into contracts
24 and other arrangements for audits, studies, analyses,
25 and other services with public agencies and with pri-

1 vate persons, and make such payments as may be
2 necessary to carry out the duties of the Special In-
3 spector General.

4 (4)(A) Upon request of the Special Inspector
5 General for information or assistance from any de-
6 partment, agency, or other entity of the Federal
7 Government, the head of such entity shall, insofar as
8 is practicable and not in contravention of any exist-
9 ing law, furnish such information or assistance to
10 the Special Inspector General, or an authorized des-
11 ignee.

12 (B) Whenever information or assistance re-
13 quested by the Special Inspector General is, in the
14 judgment of the Special Inspector General, unrea-
15 sonably refused or not provided, the Special Inspec-
16 tor General shall report the circumstances to the
17 Secretary of Homeland Security or the Secretary of
18 Defense, as appropriate, and to the appropriate com-
19 mittees of Congress without delay.

20 (5) The Secretary of Homeland Security or the
21 Secretary of Defense, as appropriate, shall provide
22 the Special Inspector General with appropriate and
23 adequate office space at the central and field office
24 locations of the Department of Homeland Security,
25 together with such equipment, office supplies, and

1 communications facilities and services as may be
2 necessary for the operation of such offices, and shall
3 provide necessary maintenance services for such of-
4 fices and the equipment and facilities located there-
5 in.

6 (i) REPORTS.—

7 (1) Not later than 30 days after the end of
8 each fiscal year quarter, beginning with the quarter
9 following the quarter in which the Special Inspector
10 General is appointed, the Special Inspector General
11 shall submit to the appropriate committees of Con-
12 gress a report summarizing for the period of that
13 quarter and, to the extent possible, the period from
14 the end of such quarter to the time of the submis-
15 sion of the report, the activities of the Special In-
16 spector General and the Hurricane Katrina recovery
17 activities of the Federal Government. Each report
18 shall include, for the period covered by such report,
19 a detailed statement of all obligations, expenditures,
20 and revenues associated with recovery activities for
21 Hurricane Katrina, including the following:

22 (A) Obligations and expenditures of appro-
23 priated funds.

24 (B) Accounting of the costs incurred to
25 date for Hurricane Katrina recovery, together

1 with the estimate of the Federal Government's
2 costs to complete each project and each pro-
3 gram.

4 (C) Operating expenses of any Federal de-
5 partments, agencies, or entities receiving appro-
6 priated funds for Hurricane Katrina recovery
7 activities.

8 (D) In the case of any contract described
9 in paragraph (2)—

10 (i) the amount of the contract or
11 other agreement;

12 (ii) a brief discussion of the scope of
13 the contract or other agreement;

14 (iii) a discussion of how the con-
15 tracting department or agency identified,
16 and solicited offers from, potential contrac-
17 tors to perform the contract, together with
18 a list of the potential contractors that were
19 issued solicitations for the offers; and

20 (iv) the justification and approval doc-
21 uments on which was based the determina-
22 tion to use procedures other than proce-
23 dures that provide for full and open com-
24 petition.

1 (2) A contract described in this paragraph is
2 any major contract or other agreement that is en-
3 tered into by any department or agency of the
4 United States Government that involves the use of
5 amounts appropriated or otherwise made available
6 for Hurricane Katrina recovery with any public or
7 private sector entity for any of the following pur-
8 poses:

9 (A) To build or rebuild physical infrastruc-
10 ture.

11 (B) To establish or reestablish a political
12 or societal institution.

13 (C) To provide products or services to the
14 people.

15 (3) Not later than 14 days after the appoint-
16 ment of the Special Inspector General, and every 30
17 days thereafter until the submission of the first
18 quarterly report described in paragraph (1), the Spe-
19 cial Inspector General shall submit to the appro-
20 priate committees of Congress an interim report
21 summarizing for the period from the date of ap-
22 pointment of the Special Inspector General in the
23 case of the first interim report and from the date of
24 the previous interim report for subsequent interim
25 reports the activities of the Special Inspector Gen-

1 eral and the Hurricane Katrina recovery activities of
2 the Federal Government. Each interim report shall
3 include but not be limited to the following for the
4 period covered by the interim report:

5 (A) The state of the Office of the Special
6 Inspector General for Hurricane Katrina Recov-
7 ery.

8 (B) The status of auditors and investiga-
9 tors deployed to the Gulf of Mexico Region of
10 the United States.

11 (C) Strategic plan for oversight, including
12 audits of no bid contracts.

13 (D) Vulnerabilities identified and imme-
14 diate actions to address them.

15 (E) Measures taken to coordinate inter-
16 agency oversight elements.

17 (4) Not later than March 31, 2006, and semi-
18 annually thereafter, the Special Inspector General
19 shall submit to the appropriate committees of Con-
20 gress a report meeting the requirements of section
21 5 of the Inspector General Act of 1978.

22 (5) The Special Inspector General shall publish
23 each report under this subsection on the Internet
24 website of the Secretary of Homeland Security and
25 the Secretary of Defense.

1 (6) Nothing in this subsection shall be con-
2 strued to authorize the public disclosure of informa-
3 tion that is—

4 (A) specifically prohibited from disclosure
5 by any other provision of law;

6 (B) specifically required by Executive order
7 to be protected from disclosure in the interest
8 of national defense or national security or in
9 the conduct of foreign affairs; or

10 (C) a part of an ongoing criminal inves-
11 tigation.

12 (j) REPORT COORDINATION.—

13 (1) The Special Inspector General shall also
14 submit each report under subsection (i) to the Sec-
15 retary of Homeland Security and the Secretary of
16 Defense.

17 (2) Not later than 7 days after receipt of a re-
18 port under paragraph (1), the Secretary of Home-
19 land Security or the Secretary of Defense, respec-
20 tively, may submit to the appropriate committees of
21 Congress any comments on the matters covered by
22 the report as the Secretary of Homeland Security or
23 the Secretary of Defense, as the case may be, con-
24 siders appropriate.

25 (k) TRANSPARENCY.—

1 (1) Not later than 30 days after the date of the
2 submittal to Congress of a report under subsection
3 (i), the Secretary of Homeland Security and the Sec-
4 retary of Defense shall jointly make copies of such
5 report available to the public upon request, and at
6 a reasonable cost.

7 (2) Not later than 60 days after the date of the
8 submittal to Congress under subsection (j)(2) of
9 comments on a report under subsection (i), the Sec-
10 retary of Homeland Security and the Secretary of
11 Defense shall jointly make copies of such comments
12 available to the public upon request, and at a rea-
13 sonable cost.

14 (l) WAIVER.—

15 (1) The President may waive the requirement
16 under paragraph (1) or (3) of subsection (i) for the
17 inclusion in a report under such paragraph of any
18 element otherwise provided for under such para-
19 graph if the President determines that the waiver is
20 justified for national security reasons.

21 (2) The President shall publish a notice of each
22 waiver made under this subsection in the Federal
23 Register no later than the date on which the reports
24 required under paragraph (1) or (3) of subsection (i)
25 are submitted to Congress. The reports required

1 under paragraph (1) or (3) of subsection (i) shall
2 specify whether waivers under this subsection were
3 made and with respect to which elements.

4 (m) APPROPRIATE COMMITTEES OF CONGRESS DE-
5 FINED.—In this section, the term “appropriate commit-
6 tees of Congress” means—

7 (1) the Committees on Appropriations, Armed
8 Services, and Homeland Security and Governmental
9 Affairs of the Senate; and

10 (2) the Committees on Appropriations, Armed
11 Services, Government Reform, and Homeland Secu-
12 rity of the House of Representatives.

13 (n) TERMINATION.—The Office of Special Inspector
14 General shall terminate on the date that is 10 months
15 after the date, as determined by the Secretary of Home-
16 land Security and the Secretary of Defense, on which 80
17 percent of the amounts appropriated or otherwise made
18 available for Hurricane Katrina recovery by the Federal
19 Government have been expended.

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