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King announces release of report on post-9/11 waste, fraud, and abuse *Hails New York City for its efforts*

Washington, D.C. (Thursday, October 12, 2006)—Today, U.S. Rep. Peter T. King (R-NY), Chairman of the Committee on Homeland Security, announced the release of the Committee’s report on post-9/11 funding to New York City. The report cites instances of waste, fraud, and abuse from the \$20 billion in federal assistance sent to New York following September 11, 2001, but also highlights the efforts made by New York’s agencies and authorities to put the proper protections in place.

“Our Committee performed an exhaustive, six-month investigation into the mismanagement of federal assistance in the wake of the tragic events of September 11th,” King said. “While there were some clear instances of corruption and mishandling of federal funding, New York City deserves to be commended for its efforts overall to prevent waste, fraud, and abuse. If agencies responding to Hurricane Katrina had implemented the lessons learned from New York’s experience, we could have prevented the loss of tens of millions—possibly hundreds of millions—of taxpayer dollars.”

Following revelations last year of the misuse of federal funding post-9/11, Chairman King ordered an investigation into the matter, asking Subcommittee on Management, Integration, and Oversight Chairman Mike Rogers (R-AL) to lead the effort. The investigation, which lasted six months and included three Congressional hearings, gathered records and testimony from senior federal officials, Inspectors General, state and city development agencies, local investigators, private integrity monitors, federal and local prosecutors, the Red Cross, community advocates, and a victims’ organization.

Overall, the investigation found evidence of fraud in a number of federal programs, including the Federal Emergency Management Agency’s (FEMA) clean-air program which was intended to aid residents affected by the smoke and debris from Ground Zero. The report finds that FEMA failed to establish proper guidelines; hence, payments were made to thousands of unaffected individuals across the City, resulting in extensive waste. However, the report also praises New York City agencies and authorities for their performance in preventing corruption and abuse at the local level, citing the use of

private integrity monitors, controlled access to the disaster site, information-sharing, and regular oversight, among other measures.

The Committee is now drafting a bill based on the results of the investigation. The objective of this legislation will be to prevent another massive misappropriation of federal funds by mirroring the performance of New York City in the aftermath of September 11th and putting extensive anti-fraud protections in place for federal disaster assistance agencies.

“The lessons learned from New York’s response to 9/11 will significantly contribute to controlling fraud and preventing future waste and abuse,” King said. “I believe that this investigation will prove invaluable as we continue to conduct rigorous oversight of our federal disaster response capabilities.”

Full text of the report is available online at: www.access.gpo.gov/congress/house/cp109-c.pdf

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