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(Original Signature of Member)

109TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

\_\_\_\_\_  
**IN THE HOUSE OF REPRESENTATIVES**

Mr. KOLBE introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**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.

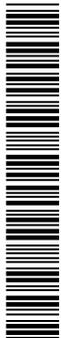
4 (c) APPOINTMENT OF INSPECTOR GENERAL; RE-  
5 MOVAL.—

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.

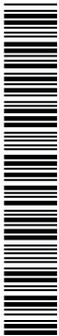
6           (6) The annual rate of basic pay of the Special  
7           Inspector General shall be the annual rate of basic  
8           pay provided for positions at level IV of the Execu-  
9           tive Schedule under section 5315 of title 5, United  
10          States Code.

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 Inspectors  
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.



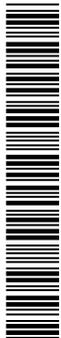
1           (2) A contract described in this paragraph is  
2 any major contract or other agreement that is en-  
3 tered into by any department or agency of the  
4 United States Government that involves the use of  
5 amounts appropriated or otherwise made available  
6 for Hurricane Katrina recovery 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.

