

WAS CONGRESS IRRESPONSIBLE?
CONSIDER THE ARITHMETIC

Mr. HELMS. Mr. President, the skyrocketing Federal debt, which long ago soared into the stratosphere, is sort of like the weather—everybody talks about it but scarcely anybody had done much about it until immediately after the elections last November.

But then the new 104th Congress convened in January. The U.S. House of Representatives made haste to approve a balanced budget amendment to the U.S. Constitution. Later in the Senate all but one of the 54 Republicans supported the balanced budget amendment; only 13 Democrats supported it. Since a two-thirds vote—67 Senators—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote.—There will be another vote later this year or next year.

Mr. President, as of the close of business Thursday, August 3, the Federal debt—down to the penny—stood at exactly \$4,944,455,888,709.39 or \$18,769.23 for every man, woman, and child on a per capita basis.

LANE KIRKLAND: A MODEL FOR
AMERICANS

Mr. HOLLINGS. Mr. President, I rise today to remember and thank Lane Kirkland, a South Carolina favorite son who fought for American workers and jobs as one of the Nation's key labor leaders.

After more than 50 years of union service, including the last 16 years as president of the AFL-CIO, Lane Kirkland retired Tuesday.

Tomorrow's generation can learn much from Lane. Instead of today's pop morality tuned to getting a soundbite on the nightly news, Lane has lived a life dedicated to the principle that working people should work together to improve their lot in life, to fight for justice, to strive for dignity and to help all.

Lane Kirkland's accomplishments as head of the AFL-CIO should serve as a model for public service.

He was one of the Nation's first leaders to recognize the financial devastation that Reaganomics would wreak on our economy when he described Reagan's economic plans as a "high-risk gamble with the lives of working people."

And when the embattled Solidarity trade union faced an uphill battle in Poland, Lane Kirkland recognized what was at stake and provided a lifeline that kept Solidarity alive. In fact, Lane's lifelong fight to promote democracy led to the fall of the Berlin Wall.

No one could put it better than editorialists who wrote in Wednesday's Detroit News:

When the trade union Solidarity bravely emerged in the early 1980's to fight the Polish communist regime, Mr. Kirkland and other labor officials smuggled money, printing presses and even electronic equipment to

keep the fledgling anti-communist movement alive. . . . When it came to confronting the greatest security threat this country has ever faced, Mr. Kirkland did not flinch. He fought communism and supported fledgling democratic movements that contributed to the demise of many totalitarian regimes. For that effort, he deserves everyone's appreciation.

Mr. President, Lane Kirkland was born and grew up in Camden, S.C. In 1942—the same year I graduated from the Citadel—he graduated from the U.S. Merchant Marine Academy. In World War II, he served as a deck officer on a merchant marine vessel that carried ammunition. After he graduated from the Georgetown University School of Foreign Service in 1948, he joined the AFL research staff. And in 1979, after moving up the ranks, he became president of the AFL-CIO.

Mr. President, Lane Kirkland's career is a striking parallel to America in this, the American century. He fought overseas to preserve our freedom. He won. He fought at home to make the American dream available to all of us. And he won. Finally, he fought to end the cold war and give others the access to the freedom that we cherish. Again, he won.

All of us as Americans have reason to be proud that Lane Kirkland is one of us. Those of us from South Carolina, however, have the privilege of claiming him as one of ours.

Mr. President, I appreciate Lane's friendship over the years and wish him and Irena all the best.

IN COMMEMORATION OF COAST
GUARD DAY

Mr. PRESSLER. Mr. President, I rise to congratulate the U.S. Coast Guard on this, its 250th birthday. Since its formation on August 4, 1790, Coast Guard men and women have served our Nation proudly, professionally, and with distinction. They have served in a complex organization that has grown and evolved along with our country. From a fleet of 10 small cutters built to stop smuggling, the Coast Guard has developed into a multimissioned organization that is the world's premier maritime service.

The Active Duty, Civilian, Reserve, and Auxiliary personnel of the Coast Guard today perform many more missions than those who served in 1790. On an average daily basis, the Coast Guard: conducts 191 search and rescue cases; saves 14 lives and assists 328 people; saves nearly \$2.5 million in property; seizes 209 pounds of marijuana and 170 pounds of cocaine worth \$9.2 million; boards 90 large vessels for port safety checks; processes 120 seamen's documents; responds to 34 oil or hazardous chemical spills; conducts 120 law enforcement boardings, identifying 65 violations; investigates 17 marine accidents; inspects 64 commercial vessels; services 150 aids to navigation; and interdicts 176 illegal migrants.

Everyone knows the valiant and often heroic efforts of Coast Guard per-

sonnel as they perform search and rescue missions. During one such mission this past winter, a Coast Guard rescue swimmer displayed true bravery. Aviation Survivalman First Class Michael Odom jumped from a Coast Guard helicopter in the middle of the night and swam several hundred yards through turbulent seas to help rescue three men. After the third man was safely pulled aboard the helicopter, the hoist cable broke, leaving Odom stranded in the ocean hundreds of miles from shore. Fatigued, the Coast Guardsman dragged himself aboard a life raft, and a waited rescue. The 20 foot seas and 40 knot winds repeatedly swept him from his raft, and he began to experience severe seasickness. Unconscious, hypothermic, and near death, he as rescued 5 hours later by a second helicopter. This spring, Aviation Survivalman First Class Michael Odom received the Distinguished Flying Cross for his heroic actions—actions that characterize the people of this great service.

The Coast Guard also continues to be the Nation's primary Federal maritime agency. As a lead organization in the war on drugs, the Coast Guard regularly stops the flow of illegal substances bound for our cities and communities, as demonstrated by a recent interdiction in which a Coast Guard cutter stopped a vessel with over 5,000 pounds of cocaine on board.

Responding to safety problems posed by foreign vessels operating in U.S. waters, the Coast Guard implemented a Port State Control Initiative last year that has produced positive results. Coast Guard marine inspector boardings of foreign ships in general have increased 70 percent, while boardings of foreign freight ships—the vessel type most often associated with substandard characteristics—have seen a 10-fold increase from previous levels. These efforts have led to the identification of over 400 shipowners and operators and 18 flag states associated with substandard ships. As a result of this targeting, the Coast Guard has enhanced its ability to focus boarding efforts on those ships that pose the greatest risk to marine safety and environmental security.

Coast Guard personnel are often at great risk in performing their dangerous missions. This past January, while conducting a law enforcement boarding, PO Jonathan D. Scotchmer made the ultimate sacrifice when the floor beneath him collapsed. His dedication to duty and willingness to serve his country are an inspiration to us all and will not be forgotten. Petty Officer Scotchmer is a true hero.

Despite being the smallest of the U.S. Armed Forces, the Coast Guard in some manner positively affects the lives of virtually all Americans. The service's efforts to enforce fisheries laws and regulations, to prevent, and when required, respond to oil spills in our Nation's waters, and to rescue

those in distress in the maritime region are just one of the many examples of the daily impact of the Coast Guard.

Mr. President, it is for these efforts and the exemplary service to our Nation that the Coast Guard was recently presented with the Department of Transportation's Gold Medal for Outstanding Achievement. Coast Guard men and women are the ultimate lifesavers and guardians of the sea. I am proud and honored to commemorate their birthday by commending them for their dedicated service to a very grateful Nation.

FEMA DISASTER RELIEF FUND

Mr. BOND. Mr. President, today I am releasing a report prepared at my request by the inspector general of the Federal Emergency Management Agency regarding the integrity of the disaster relief fund which raises some serious concerns about how disaster relief funds are being spent.

Last week, the President signed into law a supplemental appropriation of \$6.55 billion for the FEMA disaster relief fund. These funds are needed for expenses related to last year's Northridge earthquake as well as other disasters in 40 States, including my own. I'm pleased that the supplemental appropriation is now law, so that eligible expenses related to these catastrophic occurrences can be reimbursed.

Ensuring that these funds are expended to meet the critical disaster-related needs of individuals and communities, so that they can rebuild their lives and neighborhoods, is vital. However, ensuring that these funds don't serve as a slush fund for FEMA is absolutely essential, and the inspector general has raised questions about whether the disaster relief fund is indeed serving as a slush fund of sorts.

Specifically, the inspector general found that charges to the fund totaling \$87 million were for nonspecific disasters, some of which may be inappropriate. There are no explicit guidelines to define those activities that directly support disaster relief and are therefore legitimate charges.

The FEMA Director must address this issue immediately to give us confidence that the funds are being spent consistently with the intent of the law.

The inspector general also found that the disaster relief fund data are often unreliable, grants management is weak, disaster loan management is inadequate, and certain FEMA policies do not appear to encourage the prudent use of disaster dollars.

Mr. President, let me make clear, I believe FEMA Director James Lee Witt has done a superb job of responding to each and every disaster he has been responsible for—from the Northridge earthquake to the Oklahoma City bombing. He and the Agency should be commended.

But we must ensure that FEMA disaster relief funds—which now total about \$7 billion FEMA's accounts—are

spent carefully and judiciously. I intend to ask FEMA to come up with a plan for strengthening controls on disaster relief funds and issue explicit guidelines and criteria.

Mr. President, I ask unanimous consent that a brief, 6 page executive summary of the FEMA inspector general's audit of FEMA's disaster relief fund be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

AUDIT OF FEMA'S DISASTER RELIEF FUND

PREFACE

This report presents the results of our audit of FEMA's Disaster Relief Fund. It was prepared in response to a request from Senator Christopher Bond and as part of our ongoing efforts to improve FEMA operations.

The report also addresses aspect of the Disaster Relief Fund that Director Witt asked us to review. It contains recommendations for corrective action. Accordingly, it is being sent to the Director, Associate Directors, Regional Directors, and the Chief Financial Officer. Copies of the report are also being sent to Members of Congress.

The Audit Division, Officer of Inspector General, prepared this report. Questions may be addressed to Richard L. Skinner, Assistant Inspector General for Audit, at (202) 646-3911.

GEORGE J. OPFER,
Inspector General.

EXECUTIVE SUMMARY

In response to a request by Senator Christopher Bond, the Office of Inspector General undertook an audit of the Disaster Relief Fund. We concentrated our efforts on the financial management of the Fund and on issues that offered an opportunity for improving operations and reducing costs. Given the time available, we were not able to address every issue that deserved attention. We plan to continue to devote resources to the review of FEMA's use of the Fund.

It is important to consider the environment in which FEMA operated since the 1988 enactment of the Stafford Act. The number of disasters has steadily increased. There have been more average or "garden-type" disasters. In addition, the United States has been struck by two major hurricanes, Hugo and Andrew, the massive months-long Midwest floods, and the catastrophic Northridge, California earthquake. Responding to these disasters put tremendous pressure on FEMA's financial and personnel resources.

In this difficult environment, FEMA's performance in assisting disaster victims has been criticized. In response to this criticism FEMA has taken aggressive steps to improve the delivery of services while trying to contain costs. To illustrate, some of the more significant actions include:

Acquisition of a new financial management system.

Establishment of a Disaster Finance Center to process payments.

Establishment of National Processing Services Centers.

Automation of Teleregistration and damage verification inspections.

Establishment of a Disaster Resources Review Board.

Development of a new property management system.

These initiatives should go a long way in improving disaster relief operations and reducing disaster costs. However these actions are only the first steps. Much more work needs to be done. Clearly through, FEMA is on the right road and given enough time and resources the problems can be solved.

We present numerous findings and recommendations that should aid FEMA in its efforts to improve operations and reduce costs. The following summarizes those findings.

RELIABILITY OF FINANCIAL DATA

Disaster Relief Fund financial data are often unreliable. The Fund balance does not accurately reflect either cash in the Fund or amounts available to assist disaster victims. FEMA's accounting system is inadequately controlled and personnel lack the discipline necessary to ensure financial data integrity. Budget requests are flawed because they are based on unreliable financial data and projected disaster costs that are not precise. (See Chapter 1, page 9.)

APPROPRIATENESS OF EXPENDITURES

In fiscal year 1995, non-specific disaster charges are expected to total \$86.8 million, about four percent of total fund expenditures. Many charges appear legitimate. Others, however, fall into a "gray" area, i.e., depending on one's interpretation of the Stafford Act and related FEMA guidelines, they may or may not be appropriate charges to the Fund. FEMA needs to develop explicit guidelines that define those activities that directly support disaster relief operations and, therefore, are legitimate charges to the Disaster Relief Fund. (See Chapter 2, page 21.)

GRANTS MANAGEMENT

FEMA has awarded Public Assistance grants totaling billions of dollars to thousands of grantees without an adequate grants management system to ensure funds are used properly. Significant improvements are needed in pre-award and post-award processes to ensure that grantees are accounting for and using funds properly. Policies and procedures for all aspects of grants management are needed. (See Chapter 3, page 31.)

MANAGEMENT OF DISASTER LOAN PROGRAMS

FEMA's Disaster Loan Program includes State Share Loans and Community Disaster Loans totaling over \$179 million. FEMA has limited recourse in collecting loans if borrowers misuse funds. Loan agreements, and other contractual agreements are not regularly executed. FEMA's interest, therefore, is not protected. Better loan monitoring and tighter restrictions on borrowers' use of funds are needed. (See Chapter 4, page 47.)

ECONOMY AND EFFICIENCY OF OPERATIONS

We reviewed FEMA's management of human resources at the disaster site, use of mission assignments to task other Federal agencies for goods and services, and management of property acquired with Disaster Relief Funds. We also reviewed certain grant policies that did not appear to encourage the prudent use of disaster dollars.

After the initial response to a major disaster, FEMA can do a better job of managing resources to reduce travel related costs. We estimate that \$2 million dollars might have been saved in Northridge by hiring locals in a more timely manner. FEMA has recognized the need for improved staff management and is taking steps to improve its management of human resources at disaster sites.

FEMA does not have a system to ensure that the States' cost sharing requirements are satisfied for work done through mission assignments. Also, untimely billings from other Federal agencies are tying up disaster dollars for excessive periods.

Even though FEMA has taken several steps to improve controls over property, more still needs to be done. Additional training is needed to ensure the new property management system will work effectively. Also, there is a need to establish controls over property that is purchased by other Federal agencies under mission assignments.