

United States Senate

Washington, D.C. 20510

For Immediate Release

Thursday, September 8, 2005

Grassley, Collins, Lieberman work to prevent hurricane aid dollars from misuse, abuse

WASHINGTON – Three senators today urged congressional leaders to prevent a massive increase of 1,600 percent in the amount of money government workers are allowed to charge to government purchase cards as part of the \$51.8 billion spending package for hurricane relief.

The text of the letter protesting the proposed increase follows here. It was sent by Sens. Chuck Grassley, Susan Collins and Joe Lieberman.

September 8, 2005

Majority Leader William H. Frist
United States Senate
United States Capitol S-230
Washington DC, 20510

Speaker Dennis Hastert
House of Representatives
United States Capitol H-232
Washington DC, 20515

Chairman Thad Cochran
United States Senate
Committee on Appropriations
United States Capitol S-128
Washington DC, 20510

Chairman Jerry Lewis
House of Representatives
Committee on Appropriations
United States Capitol H-218
Washington DC, 20510

Ranking Member Robert Byrd
United States Senate
Committee on Appropriations

United States Capitol S-128
Washington DC, 20510

Ranking Member David Obey
House of Representatives
Committee on Appropriations
United States Capitol H-218
Washington DC, 20510

Dear Colleagues:

Included in the President's emergency FY 2005 supplemental request for Hurricane Katrina aid is a provision raising the limit for emergency "micro-purchases" on government credit cards from \$15,000 to \$250,000, a more than 1,600% increase. Government-wide, there are about 250,000 of these cards in use. The Government Accountability Office (GAO) demonstrated as recently as last year that ineffective management oversight and weak internal controls led to misuse and abuse of these cards. The GAO has reported finding "numerous purchases of personal items, such as jewelry, designer leather goods, clothing, stereo equipment, food, and entertainment charged to government purchase cards." Over the years we have been very concerned about the flagrant misuse of government purchase cards on the taxpayer dime.

The depth of the tragedy here seems overwhelming. At the same time, however, we should not allow the immediate needs of this disaster to trump the need for oversight and accountability for the spending that will occur on these purchase cards.

If history is any lesson, failing to implement sufficient controls will likely allow aid to be diverted away from its intended purpose of benefiting survivors of the hurricane. Wasting money does nothing to help Katrina victims. We are concerned that this provision is too broad and the risks too great with such a staggering increase in micro-purchase authority. Therefore, we request that this provision be modified to, for example, implement a more reasonable limit, perhaps \$50,000 (about three times more than was approved after the 9/11 disaster) and require that larger purchases receive prior approval from senior level federal officials.

Sound financial controls are essential in any emergency situation to ensure that aid flows efficiently, effectively, and appropriately to the victims. Your attention to this matter is critical to ensuring that this disaster is not compounded by a federal response that is vulnerable to fraud, waste, and abuse.

Sincerely,

Chuck Grassley
United States Senator
Chairman of the Committee on Finance

Susan Collins

United States Senator
Chairman of the Committee on Homeland Security and Governmental Affairs

Joe Lieberman
United States Senator
Ranking Member of the Committee on Homeland Security and Governmental Affairs