



**One Hundred Eleventh Congress
U.S. House of Representatives
Committee on Homeland Security
Washington, DC 20515**

August 13, 2009

The Honorable Ross Ashley
Assistant Administrator, Grants Program Directorate
Federal Emergency Management Agency
U.S. Department of Homeland Security
500 C Street, SW
Washington, D.C. 20472

Dear Administrator Ashley:

I am writing to ask that the Federal Emergency Management Agency (FEMA) immediately review and investigate the State of New York Office of the Inspector General's (Inspector General) findings that the Waterfront Commission of New York Harbor (Waterfront Commission) misused two Federal port security grants. The Inspector General's findings of irregularities in over \$780,000 in homeland security funding to the Waterfront Commission raises questions about FEMA's oversight of grant recipients.

The first grant the Inspector General identified as problematic was awarded under Project Safe Port, "DTS A20-03-G-01085," in the amount of \$619,294. The Waterfront Commission received the funding to purchase computer and wireless equipment that would allow its police force to remotely track its identification, licensing, and registration databases. The Waterfront Commission certified to the Department of Homeland Security (DHS) that the entire grant was spent on computer equipment that allowed its communication system to be fully operational. Yet the Inspector General found that the system remained not only incomplete and not operational, but that the laptops purchased under the grant were never installed in police cars and used for their intended functions. Moreover, the Inspector General found that the Waterfront Commission was unable to provide proper records demonstrating how the grants were expended

The Inspector General also found irregularities in a Port Security grant, "2005-GB-T5-0111." The award of \$170,487 was provided to the Waterfront Commission to purchase a patrol boat to monitor the New York Harbor. The Waterfront Commission attested to DHS that the boat would undergo extensive use in order to detect and deter waterborne attacks against high risk targets in the New York Harbor. However, the Inspector General found that the boat was used only 129 hours between October 2006 and May 2008.

Moreover, the Inspector General affirmed earlier reports by the *New York Daily News* that the boat was predominantly used to escort VIPs around the harbor during Fleet Week in 2007 and 2008. The Waterfront Commission was unable to provide the Inspector General with any documentation showing how the boat was used.

I recognize that DHS awarded both grants to the Waterfront Commission under a different operational structure for Federal grants than is in place now. Nevertheless, I request that FEMA Grants Program Directorate immediately open its own review into the Inspector General's findings and examine all federal homeland security grants that have been awarded to the Waterfront Commission since the terrorist attacks of September 11, 2001. FEMA should specifically assess whether the oversight process that was in place when both grants were awarded and expended could have detected or prevented the misuse of grant funding that the Inspector General has uncovered. I also request that FEMA determine whether it can recoup the Federal funding that the Waterfront Commission misused. Please provide a written account of the outcome of FEMA's review no later than August 29th.

The Inspector General's findings against the Waterfront Commission are serious. Taxpayers must have confidence that homeland security grants are utilized to improve the nation's security posture. Thank you for your attention to this request. Should you have any questions, please contact the Committee's Chief Oversight Counsel, Cherri Branson, at (202) 226-2616.

Sincerely,

A handwritten signature in cursive script that reads "Bennie G. Thompson". The signature is written in black ink and is positioned above the printed name.

Bennie G. Thompson
Chairman
Committee on Homeland Security