



## COMMITTEE ON HOMELAND SECURITY

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**Hearing Statement of Oversight, Management, & Accountability Subcommittee Chairwoman Xochitl Torres Small (D-NM)**

***Joint Hearing: FEMA Contracting: Reviewing Lessons Learned from Past Disasters to Improve Preparedness***

**May 9, 2019**

With the 2019 hurricane season just three weeks away, this hearing couldn't be more timely. It is an opportunity to discuss lessons learned from past disasters and assess whether necessary improvements have been made to ready the nation for future events.

Disasters can strike with little to no warning. We unfortunately experienced this firsthand in my district in New Mexico when a tornado touched down outside of Dexter this past March. I'd also like to acknowledge those affected by the flooding in Ranking Member Crenshaw's district. These disasters demonstrate that at a moment's notice, FEMA may need to assist thousands of survivors who suddenly have an immediate need for emergency goods and services. FEMA cannot prepare for every eventuality. But as the frequency and severity of natural disasters increase, it is as important as ever that the agency take corrective action to better execute its no-fail mission.

Disaster contracting is one area where improvements are most needed. As the witnesses from GAO and the DHS Office of Inspector General can confirm, FEMA has a checkered history with the disaster response and recovery contracts it awards and oversees. I am glad that some improvements have been made since Hurricane Katrina struck the Gulf Coast in 2005. For example, more contracts are being competitively bid, reducing the potential for waste, fraud, and abuse. And more contracts are being awarded to local vendors, stimulating local economies.

But challenges remain. FEMA still struggles to utilize advance contracts. These contracts are awarded prior to a natural disaster when there is not an urgent need for emergency goods and services, allowing FEMA to maximize competition and properly evaluate vendors' qualifications. We saw this problem borne out in the response to Hurricanes Harvey, Irma, and Maria. In multiple instances, FEMA had to cancel contracts it awarded after a hurricane hit — rather than relying on advance contracts that were in place prior to a storm. Some of the vendors had no business being awarded government contracts. FEMA awarded more than \$30 million worth of emergency tarps and sheeting contracts to a company that was formed just weeks before Hurricane Maria struck. It's no surprise this company failed to deliver. Another firm with one employee and a history of canceled contracts was, for some reason, entrusted to deliver 30 million meals to hurricane survivors in Puerto Rico. Less than a month later, the company only managed to supply 50,000 meals, about one-tenth of 1 percent of what was agreed to. Not surprisingly, FEMA had to cancel this contract too. If FEMA had had more advance contracts in place — or a better process for vetting vendors after the hurricane hit — some of these mistakes could have been avoided.

FEMA also must do a better job of overseeing disaster contracts awarded by state and local governments. As the Inspector General has reported, local emergency managers — some of whom may be dealing with a disaster for the first time — need guidance and training from FEMA on how to follow federal procurement regulations. At the end of the day, it's federal tax dollars that are on the line.

As the chair of our Oversight, Management, and Accountability Subcommittee, I'm also concerned about FEMA's ability to recruit and retain qualified contracting officers. I understand that, as of January, more than one-third of the positions within FEMA's Office of the Chief Procurement Officer were vacant, and the agency has actually lost contracting staff since 2017. This is not the direction we need to be headed. If anything, FEMA needs more contracting officers — not less. And these should be permanent positions, not the short-term hires FEMA is using as a stop-gap.

Mr. Kamoie: I look forward to learning about the steps you have taken over the past two years to assess FEMA's workforce needs and to hire more contracting staff in particular. The agency's procurement office needs to be at full strength as we head into the 2019 hurricane season.

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