

HOUSE COMMITTEE ON
OVERSIGHT & GOVERNMENT REFORM

CHAIRMAN EDOLPHUS TOWNS

CLOSING STATEMENT

HEARING

“TRACKING THE MONEY: PREVENTING WASTE, FRAUD
AND ABUSE OF RECOVERY ACT FUNDING”

JULY 8, 2009

I am encouraged that, since the enactment of the Recovery Act, we have made some strides toward putting our economy back on track. But I am disappointed in the overall results so far. Unemployment is at a high and the full force of stimulus spending has yet to be felt.

Moreover, I remain concerned with several issues related to the Recovery Act's implementation. One issue that I intend to address immediately is the Department of Transportation's failure to define what qualifies as an “economically distressed area” for allocating Recovery Act funds.

The point of this requirement is to direct stimulus spending to communities that need Recovery Act investments the most, like disadvantaged areas of my home district in Brooklyn.

I will be sending a letter to the Secretary of Transportation, Ray LaHood, to explain my concerns and request a meeting with the Secretary to discuss this issue.

Another problem that needs to be corrected is OMB's failure to issue all necessary guidelines. OMB's inconsistency in providing adequate and comprehensive guidance creates greater challenges for states to provide timely and reliable data by the October 10th reporting deadline.

This is another obstacle to the majority of states that are already short staffed due to severe budgetary cuts. In my home State of New York, state government agencies have been forced to function with a ten percent reduction in their budgets for the fiscal year. The Office of the State Comptroller is particularly concerned that it will not be able to

meet the escalating demands of auditing Recovery Act programs.

The issues we discussed today are many of the same issues that we identified at our field hearing on the stimulus, that led me to introduce H.R. 2182, the Enhanced Oversight of State and Local Economic Recovery Act. The House has passed this bill and I hope we can continue moving forward until it is signed into law.

We recognize that there are still important issues to be resolved before Recovery Act spending and accountability works as intended. Be assured that we intend to continue our detailed oversight of this program until we finally see our economy recover.

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