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HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS ARMED SERVICES VETERANS' AFFAIRS

COMMITTEES:

SMALL BUSINESS

April 13, 2012

President Barack Obama The White House Washington, DC

Mr. President:

The recent scandal at the General Services Administration (GSA), which spent scarce taxpayer dollars on luxurious conferences, has offended American taxpayers on both sides of the aisle. The GSA Inspector General exposed this waste and breach of the public trust through a careful investigation. Most importantly, his reports resulted in swift accountability for those involved, including the resignation of the GSA Administrator, the firing of two senior agency staffers, and the suspension of four GSA managers.

While the sufficiency of these measures remains to be seen, it is clear that at least there were some consequences for mismanagement of taxpayer funds by GSA leadership and managers.

I remain deeply disturbed that leadership at the Department of Commerce has failed to provide any meaningful accountability for serious financial and enforcement misconduct at the National Oceanic and Atmospheric Administration.

The misconduct at NOAA is even more serious than that at GSA, as the NOAA scandals involve wasteful spending that was financed through abusive treatment of both our fishermen and American taxpayer. The Commerce Department Inspector General has documented that NOAA employees engaged in acts that we believe constitute deliberate breaches of the public trust and arguably the laws of our nation. Despite these multiple reports, no one at NOAA has been held accountable.

At the heart of the NOAA scandals is the corruption of the agency's Asset Forfeiture Fund. As chronicled by the Commerce Department's Inspector General, senior NOAA staff failed to maintain adequate controls over the millions of dollars that passed through this fund.

For example, NOAA employees manipulated and evaded purchasing controls so they could obtain a \$300,000 luxury fishing boat that was used to conduct weekend getaways, alcohol-fueled parties, and other joy rides. Senior NOAA fisheries leadership authorized the purchase of this party boat despite the written warnings of a NOAA procurement attorney. Incredibly, NOAA employees chose to mislead the Inspector General when questioned about the use of the boat by family and friends.

But NOAA employees were not content with spending fishermen's fine money on a party boat. They also used those fines to take trips to exotic locations like Kuala Lumpur and Norway. These conferences were attended by the government contractors who set the fines that financed the NOAA employees' travel. Some of these trips included the very judges who approved those fines. These contractors have refused to answer questions about whether their own travel was paid for out of the fines they set.

Even more shameful than this wasteful spending is how NOAA paid for it. Fishermen faced administrative proceedings where the prosecution and judges were paid from the fines they extracted. Retired federal Judge Charles B. Swartwood III, working as a Special Master for the Commerce Department, determined that NOAA was motivated by money in certain enforcement activity. In one such case, NOAA's unjust demands and pressure tactics forced a Massachusetts fisherman to lose his livelihood and a home that was in his family for 350 years. Special Master Swartwood found, and former Commerce Secretary Gary Locke agreed, that NOAA had acted inappropriately in the case.

The third and most disdainful part of the NOAA corruption story is the cover-up that ensued after fishermen and NOAA whistleblowers got the attention of the Inspector General. Dale Jones, former Chief of NOAA Law Enforcement, shredded 75-80% of the files in his office during an active IG investigation into his office's conduct.

This is the same senior NOAA official who oversaw much of the corrupt collection and reckless spending of Asset Forfeiture Fund money. In an apparent attempt to cover up the original cover-up, another senior NOAA law enforcement employee changed his story several times when questioned about this "shredding party" at NOAA headquarters.

Administrator Lubchenco has been even less forthcoming – she kept an IG report on the NOAA party boat secret until I requested it. Although she now claims to have tipped off the IG about the boat, the IG's report gives credit to an internal whistleblower, not Administrator Lubchenco.

In the case of NOAA, not a single person has been fired or seriously disciplined for the serious misconduct that occurred there. Mr. Jones is still employed by NOAA and is being paid roughly the same salary as before his misconduct came to light. NOAA recently considered him for a promotion before many of us protested. The attorneys who demanded the oppressive fines to finance their office's operations, the finance staff who mismanaged millions of dollars in forfeiture funds, the NOAA police officers who took family on joyrides on the agency's party boat, and the managers that organized the shredding of documents during an IG investigation have yet to face serious discipline. The lack of disciplinary action directly ignores the recommendations of the IG and the United States Attorney for the District of Maryland.

NOAA's current leadership keeps saying that the problems are in the past. But these scandals came to light under Administrator Lubchenco's watch. Instead of cleaning house and restoring the agency's reputation with the fishing community, she has protected the wrongdoers. She has gone beyond all legal requirements in her protection of those who should be facing serious discipline. Given the opportunity to bring the agency back to health, she has chosen to keep bad actors in positions of power.

For these reasons, I strongly urge you to immediately fire Administrator Lubchenco and those who have been implicated in these scandals. Additionally, I urge you to instruct the Attorney General to begin an outside review of the NOAA scandals. I believe that independent reviews by the Department of Justice's Public Integrity Section and Office of Civil Rights are warranted at this point.

Thank you for your attention to this very important issue.

Sincerely

P. Brown **United States Senator**