To establish an Office of Special Inspector General for Hurricane Katrina Recovery.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Special Inspector General for Hurricane Katrina Recovery Act”.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SEC. 2. SPECIAL INSPECTOR GENERAL FOR HURRICANE KATRINA RECOVERY.

(a) PURPOSES.—The purposes of this section are as follows:

(1) To provide for the independent and objective conduct and supervision of audits and investigations relating to the Federal programs and Federal operations of Hurricane Katrina recovery.

(2) To provide for the independent and objective leadership and coordination of, and recommendations on, policies designed to—

(A) promote economic efficiency and effectiveness in the administration of such programs and operations; and

(B) prevent and detect waste, fraud, and abuse in such programs and operations.

(3) To provide for an independent and objective means of keeping the Secretary of Homeland Security and all other Federal departments and agencies involved in Hurricane Katrina recovery fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress for corrective action.
(b) Office of Inspector General.—There is hereby established the Office of the Special Inspector General for Hurricane Katrina Recovery.

(e) Appointment of Inspector General; Removal.—

(1) The head of the Office of the Special Inspector General for Hurricane Katrina Recovery is the Special Inspector General for Hurricane Katrina Recovery (in this section referred to as the “Special Inspector General”), who shall be appointed by the Secretary of Homeland Security, in consultation with the Secretary of Defense.

(2) The appointment of Special Inspector General shall be made solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

(3) The appointment of an individual as Special Inspector General shall be made not later than 3 days after the date of the enactment of this Act.

(4) The Special Inspector General shall be removable from office in accordance with the provisions of section 3(b) of the Inspector General Act of 1978 (5 U.S.C. App.).
(5) For purposes of section 7324 of title 5, United States Code, the Special Inspector General shall not be considered an employee who determines policies to be pursued by the United States in the nationwide administration of Federal law.

(6) The annual rate of basic pay of the Special Inspector General shall be the annual rate of basic pay provided for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(d) ASSISTANT INSPECTORS GENERAL.—The Special Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(1) appoint an Assistant Special Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to Federal programs and operations of Hurricane Katrina recovery; and

(2) appoint an Assistant Special Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

(e) SUPERVISION.—
(1) Except as provided in paragraph (2), the Special Inspector General shall report directly to, and be under the general supervision of, the Secretary of Homeland Security and the Secretary of Defense.

(2) No officer of the Department of Homeland Security nor any other officer of the Federal Government shall prevent or prohibit the Special Inspector General from initiating, carrying out, or completing any audit or investigation related to Hurricane Katrina recovery activities, or from issuing any subpoena during the course of any audit or investigation.

(f) DUTIES.—

(1) It shall be the duty of the Special Inspector General to conduct, supervise, and coordinate audits and investigations of the treatment, handling, and expenditure of amounts appropriated or otherwise made available for Hurricane Katrina recovery by the Federal Government, and of the programs, operations, and contracts carried out utilizing such funds, including—

(A) the oversight and accounting of the obligation and expenditure of such funds;
(B) the monitoring and review of reconstruction activities funded by such funds;

(C) the monitoring and review of contracts funded by such funds;

(D) the monitoring and review of the transfer of such funds and associated information between and among departments, agencies, and entities of the United States, and private and nongovernmental entities; and

(E) the maintenance of records on the use of such funds to facilitate future audits and investigations of the use of such funds.

(2) The Special Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Special Inspector General considers appropriate to discharge the duty under paragraph (1).

(3) In addition to the duties specified in paragraphs (1) and (2), the Special Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978.

(4) In carrying out the duties, responsibilities, and authorities of the Special Inspector General under this section, the Special Inspector General
shall coordinate with, and receive the cooperation of, the Inspectors General of all other Federal departments and agencies.

(5) The Special Inspector General shall, within 10 days after the date of the appointment of the Special Inspector General, complete the following:

(A) Open a 24-hour fraud, waste, and abuse hotline.

(B) Deploy auditors and investigators to the Gulf of Mexico Region of the United States.

(C) Announce a strategic plan for oversight, including audits of no-bid contracts.

(D) Go to the Gulf of Mexico Region of the United States media with antifraud message.

(E) Liaise with Hurricane Katrina recovery Federal agencies to identify vulnerabilities.

(F) Coordinate interagency oversight elements through creation of a task force.

(g) POWERS AND AUTHORITIES.—

(1) In carrying out the duties specified in subsection (f), the Special Inspector General shall have the authorities provided in section 6 of the Inspector General Act of 1978, including the authorities under subsection (e) of such section.

(h) PERSONNEL, FACILITIES, AND OTHER RESOURCES.—

(1) The Special Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Special Inspector General, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) The Special Inspector General may obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS–15 of the General Schedule by section 5332 of such title.

(3) To the extent and in such amounts as may be provided in advance by appropriations Acts, the Special Inspector General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with pri-
vate persons, and make such payments as may be
necessary to carry out the duties of the Special In-
spector General.

(4)(A) Upon request of the Special Inspector
General for information or assistance from any de-
partment, agency, or other entity of the Federal
Government, the head of such entity shall, insofar as
is practicable and not in contravention of any exist-
ing law, furnish such information or assistance to
the Special Inspector General, or an authorized des-
ignee.

(B) Whenever information or assistance re-
quested by the Special Inspector General is, in the
judgment of the Special Inspector General, unreas-
sonably refused or not provided, the Special Inspec-
tor General shall report the circumstances to the
Secretary of Homeland Security or the Secretary of
Defense, as appropriate, and to the appropriate com-
mittees of Congress without delay.

(5) The Secretary of Homeland Security or the
Secretary of Defense, as appropriate, shall provide
the Special Inspector General with appropriate and
adequate office space at the central and field office
locations of the Department of Homeland Security,
together with such equipment, office supplies, and
communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(i) REPORTS.—

(1) Not later than 30 days after the end of each fiscal year quarter, beginning with the quarter following the quarter in which the Special Inspector General is appointed, the Special Inspector General shall submit to the appropriate committees of Congress a report summarizing for the period of that quarter and, to the extent possible, the period from the end of such quarter to the time of the submission of the report, the activities of the Special Inspector General and the Hurricane Katrina recovery activities of the Federal Government. Each report shall include, for the period covered by such report, a detailed statement of all obligations, expenditures, and revenues associated with recovery activities for Hurricane Katrina, including the following:

(A) Obligations and expenditures of appropriated funds.

(B) Accounting of the costs incurred to date for Hurricane Katrina recovery, together
with the estimate of the Federal Government’s costs to complete each project and each program.

(C) Operating expenses of any Federal departments, agencies, or entities receiving appropriated funds for Hurricane Katrina recovery activities.

(D) In the case of any contract described in paragraph (2)—

(i) the amount of the contract or other agreement;

(ii) a brief discussion of the scope of the contract or other agreement;

(iii) a discussion of how the contracting department or agency identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers; and

(iv) the justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition.
(2) A contract described in this paragraph is any major contract or other agreement that is entered into by any department or agency of the United States Government that involves the use of amounts appropriated or otherwise made available for Hurricane Katrina recovery with any public or private sector entity for any of the following purposes:

   (A) To build or rebuild physical infrastructure.

   (B) To establish or reestablish a political or societal institution.

   (C) To provide products or services to the people.

(3) Not later than 14 days after the appointment of the Special Inspector General, and every 30 days thereafter until the submission of the first quarterly report described in paragraph (1), the Special Inspector General shall submit to the appropriate committees of Congress an interim report summarizing for the period from the date of appointment of the Special Inspector General in the case of the first interim report and from the date of the previous interim report for subsequent interim reports the activities of the Special Inspector Gen-
eral and the Hurricane Katrina recovery activities of
the Federal Government. Each interim report shall
include but not be limited to the following for the
period covered by the interim report:

(A) The state of the Office of the Special
Inspector General for Hurricane Katrina Recov-
er.

(B) The status of auditors and investiga-
tors deployed to the Gulf of Mexico Region of
the United States.

(C) Strategic plan for oversight, including
audits of no bid contracts.

(D) Vulnerabilities identified and imme-
diate actions to address them.

(E) Measures taken to coordinate inter-
agency oversight elements.

(4) Not later than March 31, 2006, and semi-
annually thereafter, the Special Inspector General
shall submit to the appropriate committees of Con-
gress a report meeting the requirements of section

(5) The Special Inspector General shall publish
each report under this subsection on the Internet
website of the Secretary of Homeland Security and
the Secretary of Defense.
(6) Nothing in this subsection shall be construed to authorize the public disclosure of information that is—

   (A) specifically prohibited from disclosure by any other provision of law;
   (B) specifically required by Executive order to be protected from disclosure in the interest of national defense or national security or in the conduct of foreign affairs; or
   (C) a part of an ongoing criminal investigation.

(j) REPORT COORDINATION.—

   (1) The Special Inspector General shall also submit each report under subsection (i) to the Secretary of Homeland Security and the Secretary of Defense.

   (2) Not later than 7 days after receipt of a report under paragraph (1), the Secretary of Homeland Security or the Secretary of Defense, respectively, may submit to the appropriate committees of Congress any comments on the matters covered by the report as the Secretary of Homeland Security or the Secretary of Defense, as the case may be, considers appropriate.

(k) TRANSPARENCY.—
(1) Not later than 30 days after the date of the submittal to Congress of a report under subsection (i), the Secretary of Homeland Security and the Secretary of Defense shall jointly make copies of such report available to the public upon request, and at a reasonable cost.

(2) Not later than 60 days after the date of the submittal to Congress under subsection (j)(2) of comments on a report under subsection (i), the Secretary of Homeland Security and the Secretary of Defense shall jointly make copies of such comments available to the public upon request, and at a reasonable cost.

(l) WAIVER.—

(1) The President may waive the requirement under paragraph (1) or (3) of subsection (i) for the inclusion in a report under such paragraph of any element otherwise provided for under such paragraph if the President determines that the waiver is justified for national security reasons.

(2) The President shall publish a notice of each waiver made under this subsection in the Federal Register no later than the date on which the reports required under paragraph (1) or (3) of subsection (i) are submitted to Congress. The reports required
under paragraph (1) or (3) of subsection (i) shall specify whether waivers under this subsection were made and with respect to which elements.

(m) APPROPRIATE COMMITTEES OF CONGRESS Defined.—In this section, the term “appropriate committees of Congress” means—

(1) the Committees on Appropriations, Armed Services, and Homeland Security and Governmental Affairs of the Senate; and

(2) the Committees on Appropriations, Armed Services, Government Reform, and Homeland Security of the House of Representatives.

(n) TERMINATION.—The Office of Special Inspector General shall terminate on the date that is 10 months after the date, as determined by the Secretary of Homeland Security and the Secretary of Defense, on which 80 percent of the amounts appropriated or otherwise made available for Hurricane Katrina recovery by the Federal Government have been expended.