

The report also found that up to 900,000 of the 2.5 million applicants to receive aid under FEMA's emergency assistance program were based upon duplicate or invalid Social Security numbers or false addresses. Additionally, duplicate payments were made to some people who applied first with debit cards then again by electronic bank transfer.

The GAO reported another example where one person used 15 different Social Security numbers and received payments totaling \$41,000, money he has stolen from the victims and from the taxpayers.

The corruption is chilling. With FEMA debit cards an individual in Jefferson, Louisiana, spent \$1,300 on a pistol. An individual in Houston, Texas spent \$1,200 at a gentleman's club with his FEMA debit card. And the list goes on: diamond engagement rings, gambling, bail bondsmen, tattoos, massages, alcohol and adult erotic products.

We also have learned that hotel rooms in New York City have cost the taxpayers \$500 a night, beachfront apartments being rented in the same amounts were all paid for by FEMA, which really means paid for by other taxpayers. Reports have even surfaced about emergency meals being sold on eBay.

Legitimate, law-abiding citizens are suffering because of these disgraceful and despicable delinquents that have chosen to take advantage of this tragedy.

These criminals should be found and they should go to jail, and anyone in the Federal Government that has helped them should be in jail as well. These crimes took place at the detriment of real victims, and they have cheated the system and deserve to be punished. There must be a zero tolerance policy for these scam artists and it must be stopped.

Then, Mr. Speaker, we hear of the other abuses in the system where FEMA has spent millions of dollars for 10,000 brand-new, fully furnished trailers, but they are not being used for any victims of this disaster. They are being stored in Hope, Arkansas, because FEMA regulations prevent those trailers from being in flood plains. Of course, it is the flood plains that were affected by these hurricanes. And according to a Fox News report, the cost of these trailers is \$367 million.

And now we learn that these 10,000 trailers sitting in Arkansas, because of the weather, are starting to sink in the mud. This is ridiculous, how FEMA has abused the system by not being prepared for this disaster.

Mr. Speaker, it has been over 6 months since Hurricane Katrina, 4 months since Hurricane Rita. There are still people that are suffering. We have got to take control of this situation. We have to remove the incompetence, and people who have committed crimes must be punished and sent to jail. There need to be no ex-

cuses because of inefficient red tape or lawlessness. These people need to be held accountable, both those in the Federal Government and others.

Mr. Speaker, that's just the way it is.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

□ 1545

CALLING FOR INVESTIGATION INTO THE DUBAI DEAL TO MANAGE U.S. PORTS

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent to claim the Special Order time of the gentleman from Oregon (Mr. DEFAZIO).

The SPEAKER pro tempore (Mr. DAVIS of Kentucky). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, my Special Order this evening concerns the proposed acquisition of Dubai Ports World of the leasing contracts for several major U.S. ports on the east coast. And in relation to that, I have sent letters to the Treasury Inspector General and to the committee of jurisdiction here in the House, the Government Reform Committee, asking both those entities to review any conflict of interest regarding the participation of the U.S. Secretary of the Treasury, John Snow, who chairs the Committee on Foreign Investment, the group which approved the recent contract with Dubai Ports World. I will place these two letters of request in the RECORD.

The letters ask the committee and the Inspector General to determine whether appropriate processes were followed, conflicts of interests explored, and whether or not American companies were solicited during that process. The Treasury agreement itself raises serious ethical questions regarding those directly responsible for this decision. In particular, given that Dubai Ports World acquired CSX World Terminals in 2004 for \$1.15 billion, a company of which Secretary of the Treasury John Snow was chair prior to coming to the administration, and this should raise serious questions both about the acquisition of the CSX port operations and the recent awarding of this contract.

As chair of the U.S. Treasury Committee on Foreign Investment, Secretary Snow and the Treasury Department had the lead authority in approving the Dubai transaction. Secretary Snow holds a deferred compensation package and a special retirement pension from his days as CEO of CSX Corporation. In 2004 CSX World Terminals

was acquired by Dubai Ports World, the successful bidder on this contract. But given that Secretary Snow had previously disclosed a deferred compensation package with CSX valued at between \$5 million and \$25 million and \$33.2 million from a special retirement pension, one would expect that any financial benefit from the sale of CSX World Terminals to Dubai Ports World, including any stock holdings, would have been revealed, especially if there might be any residual from subsequent actions such as these.

The President's assertion that he had polled his Cabinet Secretaries on the Dubai deal causes concern for me that at least one, Secretary Snow, should have removed himself from the decision, given his business connections to CSX and Dubai.

On 9/11, two members of the hijack team that simultaneously downed the Twin Towers in New York City and killed hundreds of Americans at the Pentagon were from the United Arab Emirates. And as the 9/11 Commission reported, those same terrorists laundered much of the money for their operation through the United Arab Emirates-controlled banks.

We should ask instead of developing our own companies to manage our own U.S. operations, why should we settle for the revolving door that has skilled people move from one company to another, creating a pea-in-the-shell game that leaves the public wondering who is in charge and does anyone care? And, importantly, is America for sale at any price?

Secretary of the Treasury John Snow was CEO of CSX just about a year before CSX sold some of its international operations to Dubai Ports World. Was this billion-dollar deal done totally after he left, or was it already in the works while he served as CEO of that company? Why is it that no one at Treasury said that Secretary Snow recused himself from this transaction until they were called about it? Secretary Snow himself claimed not to have known about the deal. How can someone not know about a deal from which they should recuse themselves?

The White House has appointed David Sanborn as the new administrator of the Maritime Administration. He worked as Dubai Ports World director of operations in Europe and Latin America until he was appointed to the post in January, the same month the Treasury Department's Committee on Foreign Investment in the United States approved the Dubai Ports World takeover. David Sanborn also previously worked for the CSX Corporation. The revolving door brings him back to a high government position. Some Senators have vowed to block Sanborn's nomination unless he testifies before the Commerce Committee.

CNN has reported that the United Arab Emirates is a major investor in the Carlyle Group, the private equity investment firm where President Bush's father once served as senior adviser and is a who's who of former

high-level government officials. Just last year, Dubai International Capital, a government-backed buyout firm, invested \$8 billion in the Carlyle fund.

Another Bush family connection, the President's brother Neil Bush, has reportedly received funding for his educational software company from the United Arab Emirates investors.

And why did George Bush, Sr. accept a \$1 million donation to his library in Texas from the United Arab Emirates?

The material previously referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 23, 2006.

Hon. TOM DAVIS,
Chairman, Committee on Government Reform,
Rayburn HOB, Washington, DC.

Hon. HENRY WAXMAN,
Ranking Member, Committee on Government Reform,
Rayburn HOB, Washington, DC.

DEAR CHAIRMAN DAVIS AND RANKING MEMBER WAXMAN: The recent announcement of a contract being awarded by the U.S. Committee on Foreign Investment in the United States to Dubai Ports World following its purchase of London-based Peninsular and Oriental Steam Navigation Co. is a matter of paramount concern that should be investigated in the national interest.

It raises concerns of national security as the operator will be a foreign interest, most particularly an undemocratic nation from the Middle East that cannot assure infiltrators will not breach security. We know less than 2% of container cargo is inspected today despite Congressional efforts to upgrade the current system. Iran's growing ties with China which ships the majority of its cargo through the Dubai/CSX hub terminal in Singapore complicates the situation.

In addition, the Treasury agreement raises serious ethical questions regarding those directly responsible for this decision. In particular, given that Dubai Ports World acquired CSX World Terminals in 2004 for \$1.15 billion, a company of which Secretary of the Treasury John Snow was Chairman prior to coming to the Administration should raise questions about both the acquisition of the CSX port operations and the recent awarding of the contract. Secretary Snow now chairs the Committee on Foreign Investments in the United States, the very group which approved this contract with Dubai Ports World.

For these reasons, I respectfully urge the Government Reform Committee to conduct an investigation and a series of hearings to learn more about these matters to determine whether appropriate processes were followed, conflicts of interest explored, and whether or not American companies were solicited in this process.

This deal is not in our national interest most especially during a time of war. Foreign management of key U.S. assets endangers the public and our communities in an era where terrorists seek to infiltrate. I hope you will agree with me that a thorough investigation is warranted.

Sincerely,

MARCY KAPTUR,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 23, 2006.

Mr. HAROLD DAMELIN,
Inspector General, Department of the Treasury,
Washington, DC.

DEAR MR. DAMELIN: The recent announcement of a contract being awarded by the U.S. Committee on Foreign Investment in the United States to Dubai Ports World fol-

lowing its purchase of London-based Peninsular and Oriental Steam Navigation Co. is a matter of paramount concern that should be investigated in the national interest.

I respectfully request that your office conduct an investigation in to the deliberations by the U.S. Committee on Foreign Investment with particular respect to the legislative requirements established by the Byrd Amendment that requires an investigation in cases where: (1) the acquirer is controlled by or acting on behalf of a foreign government (as is the case in this instance); and, (2) the acquisition "could result in control of a person engaged in interstate commerce in the U.S. that could affect the national security of the U.S." While the Committee's role may have been only to review this particular foreign applicant, I believe it is also important to know what specific action was taken to solicit an American contractor for the management of these several strategic ports, or if there had been consideration given to several different American contractors for each or several of these ports, and who was responsible for this solicitation. Certainly one could reasonably assume that this is an issue that should have been reviewed by the Committee in its evaluation of national security concerns.

Furthermore, it has been noted that the Secretary of the Treasury serves as Chairman of the U.S. Committee on Foreign Investment. In this case, Secretary John Snow had previously served as the Chairman of CSX Corporation, which at the time of his service owned CSX World Terminals. Subsequently CSX World Terminals was acquired by Dubai Ports World, the successful bidder on this contract. Given that Sec. Snow had previously disclosed a deferred compensation package with CSX valued at between \$5 and \$25 million and \$33.2 million from a special retirement pension, one would expect that any financial benefit from the sale of CSX World Terminals to Dubai Ports World, including any stock holdings, would have been revealed, especially if there might be any residual from subsequent actions such as these. I ask that you review this matter to determine if there may have been any conflict of interest in Secretary Snow having presided over the decision, and whether or not he should have recused himself from the proceeding.

I look forward to your response to this request.

Sincerely,

MARCY KAPTUR,
Member of Congress.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

(Mr. ENGLISH of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DEBT ADDICTION

Mr. PAUL. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, everyone knows our country is deeply in debt.

Most Americans decry the rampant growth in government spending. Essentially, however, no one in Washington is concerned enough to do anything about it.

Debt is like an addiction: the political pain of withdrawal keeps politicians spending, so they do not offend any special interest groups demanding that government benefits continue. As with all addictions, long-term dependency on a dangerous substance can kill the patient. Dependency on bad policy also can destroy the goose that many believe lays the golden egg.

Our ever-increasing government expenditures, which perpetuate a runaway welfare/warfare state, simply are not sustainable. The fallacy comes from the belief that government can provide for our needs and manage a worldwide empire. In truth, government can provide benefits only by first taking resources from productive American citizens or borrowing against the future. Inevitably, government programs exceed the productive capacity of the people or their willingness to finance wasteful spending.

The authority to accumulate deficits provides a tremendous incentive to politicians to increase spending. Total spending is the real culprit. The more government taxes, borrows, or inflates, the less chance the people have to spend their resources wisely. The way government spends money also causes great harm. By their very nature, governments are inefficient and typically operate as we recently witnessed with FEMA in Louisiana, Mississippi, and Texas over the last 6 months. Governments are bureaucratic, inefficient, and invite fraud. This is just as true in foreign affairs as it is in domestic affairs. Throughout history, foreign military adventurism has been economically harmful for those nations bent on intervening abroad. Our Nation is no different.

Largesse at home and militarism abroad requires excessive spending and taxation, pushing deficits to a point where the whole system collapses. The biggest recent collapse was the fall of the Soviet Empire just 15 years ago. My contention is that we are not immune from a similar crisis. Today, our national debt is \$8.257 trillion. Interestingly, the legal debt limit is \$8.184 trillion.

This means we currently are \$73 billion over the legal debt limit. Creative financing Washington-style allows this to happen, but soon Congress will be forced to increase the national debt limit by hundreds of billions of dollars. Congress will raise the limit, quietly if necessary; and the deficit spiral will continue for a while longer.

But this official debt figure barely touches the subject. Total obligations of the Federal Government, including Social Security and Medicare and prescription drugs, are now over \$50 trillion, a sum younger generations will not be able to pay. This means the standard of living of a lot of Americans