

Chairman Frank Wolf
Subcommittee on Commerce, Justice, and Science, and Related Agencies
House Appropriations Committee
United States Department of Justice FY 2014 Budget Hearing
April 18, 2013
Opening Statement As Prepared

Attorney General Holder, welcome before the Committee, and thank you for appearing today.

Before we begin, let me address the bombing attack at the Boston Marathon on Monday. We know that the FBI and the Joint Terrorist Task Force, the ATF and its forensic specialists, and all the federal, State and local authorities are working nonstop to determine who carried out this barbaric act, and to ensure we have no other attacks. Let me assure you that this Committee is ready to help in any way we can to help law enforcement catch the perpetrators and planners of this act of terror, and ensure that the full force of justice is exerted.

I am, on several points, extremely disappointed in the direction your office has taken – or, in some cases, has not taken on important policy matters. I'm disappointed the Department has been slow to use the flexible authorities the Committee provided to start new pilot efforts to expand Federal Prison Industries. The number of employed inmates has fallen from 23,000 in 2006 to a projected 12,800 in FY14. This is an area where leadership is necessary, and we have made it very clear that we want to support you in this effort – but we need to see that you are taking it seriously and going after it in an energetic and concerted way. The Bureau of Prisons has started procuring its hats from FPI; why can't that be true for the entire federal government? The NCAA? This would not displace American jobs, but repatriate work from China and abroad and help support a proven way to end recidivism, and make some progress in reducing our prison population.

I'm also very dissatisfied with your noncommittal response to my suggestion that Justice consider an assessment of path breaking work being done in the States on prison reform. That is clearly where a lot of new thinking is taking place, and we need to benefit from it.

Before last year's hearing you and I talked about visiting a prison together but nothing has come of that. Mr. Fattah and I are interested in establishing a national commission to look at reform options in a comprehensive and thorough manner, and it seems to me something the Department should embrace and get in front of – not step back from.

I must also express my deep disappointment with the way you have truly abused the reprogramming process. The Committee includes language in the bill each year to provide the Department with the flexibility to reallocate funds between programs to address emerging needs. The reprogramming process has developed over the years to allow such flexibility while still preserving Congressional priorities and intent.

Last year, you disregarded the Committee's direction and proceeded with an unprecedented \$165 million dollar reprogramming to support the purchase of the Thomson prison in Illinois, something that was actively sought as an earmark request by Senator Durbin, but was not included in the President's budget nor in any appropriations act. In fact, Congress had denied a

similar reprogramming in FY11, and subsequently rescinded the funds that had been identified by the Department as a potential source for the Thomson purchase.

The fallout from this ill-advised decision is still being felt. First, you have undermined your relationship with your funding Committees. The reprogramming process is based on comity between the branches, and should respect the prerogatives of both branches. The Senate Committee included some very pertinent language in their FY13 report:

“In the absence of comity and respect for the prerogatives of the Committees and Congress in general, the Committee will have no choice but to include specific program limitations and details legislatively. Under these circumstances, programs, projects and activities become absolutes and the executive branch shall lose the ability to propose changes in the use of appropriated funds through the reprogramming process.”

And this is what has come to pass. In the absence of trust and comity, the Congress enacted an FY13 bill that significantly reins in your ability to reprogram and transfer funds.

Second, by frittering away \$165 million to satisfy an earmark request in the face of strong opposition from the Committee, you have severely eroded your ability, and the ability of the Congress, to address your very serious funding problems in this fiscal year and next; problems which have already necessitated extraordinary measures just to avoid furloughs. Let's be clear: FBI agents, Bureau of Prisons corrections officers, and many other Department employees could be furloughed, if not this year, perhaps next, for the lack of funds that were foolishly spent last year on Thomson. To have allowed this to happen is, in my opinion, bad judgment and poor leadership.

I understand that even though you could be facing sequestration and furloughs in FY14, you are requesting yet more funding for Thomson. Perhaps a more fiscally responsible approach would be to sell the prison to the highest bidder, and seek to use the proceeds to provide needed support to ongoing prison operations, and the activation of other BOP facilities.

I'm frustrated at the snail's pace in action by the Department in addressing some serious, yet solvable human trafficking problems. You indicated to the Committee last year you would reach out to the Polaris Project to find ways to collaborate on rooting out human trafficking, and we had discussed taking action to shut down the advertising of sexual services on Backpage.com; but again, I have seen NO movement on these.

We are still waiting for your response to my letter calling for reform of the Civil Rights Division, especially the Voting Section. The recent Inspector General review showed a longstanding pattern of dysfunction, harassment and unprofessional behavior in operations there, and demands a strong response. The Inspector General referred some remaining personnel to the Department for possible discipline and administrative action, and expressed concern about continued policies that could cast doubt on the impartiality of the Voting Section. I have recommended an independent outside review to make reform recommendations. Surely, this is something you can quickly to set in motion.

And in the area of executive use of agency aircraft, I'm troubled by the GAO report that 41 percent of Attorney General travel from 2007 to 2011 was for personal reasons. While I know the Attorney General is a "required use" official who must use official transportation, I have to

wonder – do you ever have second thoughts about any such travel, whether it is appropriate or sufficiently necessary to justify use of official aircraft?

There are other areas where we have been trying to work with the Department on priority issues, and it is discouraging to feel that we are not able to get some traction on critical issues.

Returning to the budget: you are testifying today on the fiscal year 2014 Department of Justice budget request. Excluding scorekeeping adjustments and rescissions, you are requesting \$28.1 billion in new discretionary budget authority, an increase of \$1.05 billion, or 3.9 percent above the FY12 enacted level – before sequestration.

Your FY14 request reflects some significant initiatives, with sizeable offsets. The increase includes \$382 million in funding to ATF and the FBI to expand gun law enforcement and background checks, and to grants programs for gun safety technology and funding for State criminal history improvement. This also includes \$150 million in new COPS funding for a broad “Comprehensive School Safety Program”, with transfer authority and funding a variety of positions, both law enforcement, social worker and other civilians.

The budget also includes \$668 million for cyber security, with about \$92 million in increases for the FBI and other components. You are seeking \$55 million in new funding to investigate and prosecute financial and mortgage fraud. To address prison overcrowding and detention needs, you seek \$291 million to activate new prison facilities and expand detainee resources.

I will have questions regarding investigative and surveillance capabilities; human trafficking enforcement; and the Department’s efforts to address cyber crime and gun violence. I also expect to discuss how you will ensure the Department’s efforts to enforce our civil rights laws meet the highest standards of professionalism and objectivity. And I expect to hear more about how the Department will address the ongoing challenge of operating under sequestration.

Finally, and before I yield to Mr. Fattah for his statement, I would like to take a minute to recognize ATF Special Agent Scott Sammis for five years of outstanding service to the Committee. Scott was first detailed to the CJS Subcommittee staff in January of 2008 under Chairman Mollohan, and has served the Committee with great distinction for the past five years. Scott is returning to ATF headquarters next week, and we all wish him the best of luck and much success. Scott, you are a credit to the ATF and to the Department, and we thank you very much for your service, your help and your commitment.

Welcome, Mr. Attorney General, the Committee looks forward to hearing from you. I ask that you summarize your remarks, as your written statement will be included in the record.

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