Congress of the United States
Washington, DC 20515

March 2, 2004

The Hon. Joseph Kernan
Governor
State of Indiana
100 State Office Building
Indianapolis, IN 46201

Dear Governor Kernan:

No doubt the economic health of Indiana and its citizens has been a concern of your Administration, just as it has weighed on the minds of those of us representing Indiana in the United States Congress.

As you know, the one-two punch of the terrorist attacks on September 11, 2001, and the recession contributed to high unemployment in Indiana, and the country. In response to this, in March 2002, Congress enacted the Temporary Extended Unemployment Compensation (TEUC) program (P.L. 107-147) which not only included a 13-week extension of unemployment compensation benefits, but also an $8 billion distribution to the States.

According to news reports, it has come to our attention that Indiana, which received approximately $175 million of the distribution, has spent little more than 2 percent since receiving the funds in 2002. There is no excuse for this, particularly for our many constituents whose benefits have expired and need additional assistance – the very people the TEUC program was meant to help.

When asked for help from the States, Congress acted; yet when it came time for Indiana to act, it has failed. As those members responsible for allocating these funds, when our constituents ask for our help, we must now point to your Administration for its failure to use these funds. It was misleading of your Administration to claim these funds had been spent when only now we are learning that was not the case.

In light of these developments, we ask for an accounting as to what funds have been appropriated by the State legislature and how much of these funds have been expended on what date and for what purpose. In addition, we ask for a clear path as to the State's plan to use these funds as Congress intended. This is a time to be open and transparent. We seek these answers first to avoid asking the Government Accounting Office to intervene.

This is a time to be open and transparent. We're hopeful that you will be able to provide these answers, rather than requesting information from the General Accounting Office.

Thank you for your attention to this matter. We look forward to working with you to ensure that these funds are put to the use that was intended.

Sincerely,