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Highlights

Highlights of [GAO-06-1013](#), a report to congressional committees

Why GAO Did This Study

In 2005, Hurricanes Katrina and Rita caused unprecedented damage. FEMA's Individuals and Households Program (IHP), provides direct assistance (temporary housing units) and financial assistance (grant funding for temporary housing and other disaster-related needs) to eligible individuals affected by disasters. Our objectives were to (1) compare the types and amounts of IHP assistance provided to Hurricanes Katrina and Rita victims to other recent hurricanes, (2) describe the challenges FEMA faced by the magnitude of the requests for assistance following Hurricanes Katrina and Rita, and (3) determine the vulnerability of the IHP program to fraud and abuse. GAO determined the extent to which the program was vulnerable to fraud and abuse, by conducting statistical sampling, data mining and undercover operations.

What GAO Recommends

GAO is recommending that FEMA address the potential for fraud and abuse in the IHP by ensuring that payments go to recipients at valid addresses; establishing procedures to avoid duplicate lodging payments; increasing accountability over debit cards; and identifying and recouping payments based on improper and potentially fraudulent applications. FEMA substantially agreed with our recommendations; however DHS disagreed with our estimate of the extent of improper and potentially fraudulent payments.

www.gao.gov/cgi-bin/getrpt?GAO-06-1013.

To view the full product, including the scope and methodology, click on the link above. For more information, contact William Jenkins (202) 512-5555 jenkinswo@gao.gov and Greg Kutz, (202)512-7455 kuntzg@gao.gov.

HURRICANES KATRINA AND RITA

Unprecedented Challenges Exposed the Individuals and Households Program to Fraud and Abuse; Actions Needed to Reduce Such Problems in Future

What GAO Found

For Hurricanes Katrina and Rita, FEMA received more than 2.4 million applications for IHP assistance and distributed \$7.0 billion as compared to the six hurricanes that hit the United States in the prior two years and totaled about 1.5 million applications and about \$1.5 billion in assistance, respectively. Temporary housing assistance and expedited assistance accounted for much of the increase in IHP expenditures as compared to prior years. Overall, however, although the number of applications was much higher, the percentage approved for non-housing assistance was notably lower for Hurricanes Katrina and Rita than in 2003 and 2004.

The magnitude of Hurricanes Katrina and Rita posed challenges in providing assistance to an unprecedented number of victims many of whom were widely dispersed across the country. To address these challenges, FEMA developed new approaches and adapted existing approaches to quickly provide assistance and improve communication with victims. Despite these efforts, management challenges in staffing and training and program restrictions limited the effectiveness and efficiency of the disaster assistance process. FEMA has proposed a number of initiatives to address these problems, but it is too early to determine whether these efforts will effectively address the problems identified.

GAO identified the potential for significant fraud and abuse as a result of FEMA's management of the IHP in response to Hurricanes Katrina and Rita. Flaws in the registration process resulted in what GAO estimated to be between \$600 million and \$1.4 billion in improper and potentially fraudulent payments due to invalid registration data. In addition, duplicate payments were made and FEMA lacked accountability over \$2,000 debit cards that were given to disaster victims.

Disaster Recovery Center where disaster victims applied for Individual and Households Program benefits after Hurricane Katrina in St. Bernard Parish, Louisiana.



Source: GAO.