



Highlights of [GAO-06-834](#), a report to congressional committees

## Why GAO Did This Study

Hurricane Katrina devastated the Gulf Coast region of the United States and caused billions of dollars in damage. Hurricanes Rita and Wilma further exacerbated damage to the region. The Federal Emergency Management Agency (FEMA), within the Department of Homeland Security (DHS), was tasked with the primary role of managing the federal relief and recovery efforts. This review was performed under the Comptroller General's authority because of widespread congressional interest in the response to this disaster. GAO examined whether the federal government was adequately tracking and reporting on the use of the funding provided in the four emergency supplemental appropriations acts enacted as of June 2006. GAO analyzed the emergency supplemental appropriations acts and conference reports, reviewed FEMA's required weekly reports, and interviewed federal agency officials.

## What GAO Recommends

GAO makes four recommendations to DHS to improve the information on the status of hurricane relief funds provided in FEMA's weekly reports. GAO also recommends that the Office of Management and Budget (OMB) take action to improve transparency and accountability regarding the status of hurricane-related funding at the governmentwide level. DHS and OMB concurred with the recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-834](http://www.gao.gov/cgi-bin/getrpt?GAO-06-834).

To view the full product, including the scope and methodology, click on the link above. For more information, contact McCoy Williams at (202) 512-9095 or [williamsm1@gao.gov](mailto:williamsm1@gao.gov).

## DISASTER RELIEF

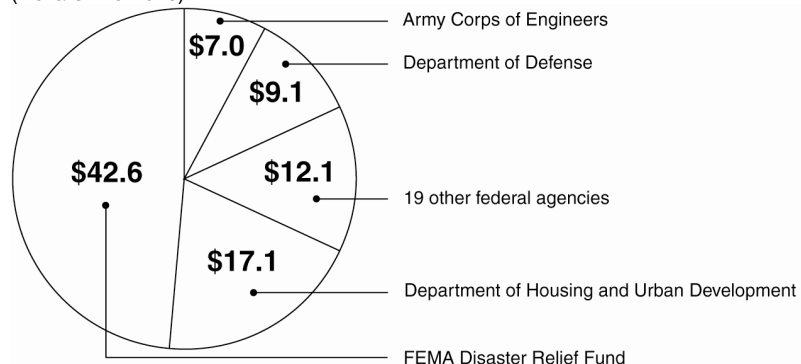
# Governmentwide Framework Needed to Collect and Consolidate Information to Report on Billions in Federal Funding for the 2005 Gulf Coast Hurricanes

## What GAO Found

FEMA's required weekly reports to the Appropriations Committees on the use of funds it received do not provide timely information from a governmentwide perspective because FEMA does not have a mechanism to report on the financial activity of the agencies performing work on its behalf. Specifically, when FEMA tasks another federal agency through a mission assignment, FEMA records the entire amount upfront as an obligation, whereas the performing agency does not record an obligation until a later date, thereby overstating reported governmentwide obligations. The opposite is true for expenditures. The performing agency expends the funds, but then bills FEMA for reimbursement. FEMA does not record the expenditure until it has received the bill and reviewed it, thereby understating reported governmentwide expenditures. As a result, while FEMA is reporting as required, from a governmentwide perspective, FEMA's reported obligations are overstated and expenditures are understated.

The federal government also does not have a governmentwide framework or mechanisms in place to collect and consolidate information from the individual federal agencies that received emergency supplemental appropriations for hurricane relief and recovery efforts and report on this information. About \$88 billion has been appropriated to 23 different federal agencies through four emergency supplemental appropriations acts (see figure below); however, no one agency or central collection point exists to compile and report on how these funds are being spent. Decision makers need this consolidated information to determine how much federal funding has been spent and by whom, whether more may be needed, or whether too much has been provided. The ability to separately track and report on these funds is important to help ensure better accountability and clearly identify the status of funding provided in direct response to these hurricanes at both the individual federal agency level as well as the governmentwide level. Also, it is important to provide additional transparency so that hurricane victims, affected states, as well as American taxpayers, know how these funds are being spent.

**Funding Received by Federal Agencies in Emergency Supplemental Appropriations Acts**  
(Dollars in billions)



Source: GAO analysis of Pub. L. No. 109-61, Pub. L. No. 109-62, Pub. L. No. 109-148, and Pub. L. No. 109-234.