

TO REVIEW THE RESPONSE BY CHARITIES TO
HURRICANE KATRINA

HEARING
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT
OF THE
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U.S. HOUSE OF REPRESENTATIVES
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**TO REVIEW THE RESPONSE BY CHARITIES TO
HURRICANE KATRINA**

TUESDAY, DECEMBER 13, 2005

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON OVERSIGHT,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:05 p.m., in room 1100, Longworth House Office Building, Hon. Jim Ramstad (Chairman of the Subcommittee) presiding.

[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON OVERSIGHT

FOR IMMEDIATE RELEASE
December 06, 2005
No. OV-5

CONTACT: (202) 225-7601

Ramstad Announces Hearing to Review the Response by Charities to Hurricane Katrina

Congressman Jim Ramstad (R-MN), Chairman, Subcommittee on Oversight of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing to review the response by charities to Hurricane Katrina. **The hearing will take place on Tuesday, December 13, 2005, in the main Committee hearing room, 1100 Longworth House Office Building, beginning at 3:00 p.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. Invited witnesses will include Members of Congress and witnesses representing the U.S. Government Accountability Office, the American Red Cross, the Salvation Army, and certain other groups involved with the response to Hurricane Katrina.

BACKGROUND:

Hurricane Katrina caused unprecedented destruction along much of the coast of the Gulf of Mexico, displacing more than one million people and causing over \$100 billion of property damage. Tax-exempt charitable organizations have played a key role in the response and recovery efforts by providing food, shelter, and clothing to many of the victims of Katrina, as well as counseling, financial assistance, and other forms of help. Americans have reportedly given or pledged nearly \$2.6 billion in donations to charitable organizations aiding the victims of Hurricane Katrina.

Due to the scope of the disaster, a multitude of charities have been involved in the response to Hurricane Katrina. National organizations, such as the American Red Cross and the Salvation Army, have had prominent roles, but local charitable organizations ranging from churches to foundations have performed significant responsibilities as well. The hearing will provide an opportunity to review the activities of these organizations, the coordination of their relief efforts, and the lessons they have learned from Hurricane Katrina.

In announcing the hearing, Chairman Ramstad stated, "We are grateful for the charitable organizations that have played such a critical role in responding to Hurricane Katrina. The Subcommittee has a responsibility to examine the lessons learned so that charities can improve their efforts to prepare for and respond to disasters in the future. We also want to ensure that Americans who have given so generously have confidence that their contributions have been and will be used effectively to help people in need."

FOCUS OF THE HEARING:

The hearing will focus on relief services provided by charitable organizations, and will explore areas where service delivery, preparedness, and coordination could be improved.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage,

<http://waysandmeans.house.gov>, select “109th Congress” from the menu entitled, “Hearing Archives” (<http://waysandmeans.house.gov/Hearings.asp?congress=17>). Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the on-line instructions, completing all informational forms and clicking “submit” on the final page, an email will be sent to the address which you supply confirming your interest in providing a submission for the record. You **MUST REPLY** to the email and **ATTACH** your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, by close of business Tuesday, December 27, 2005. **Finally**, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons, and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone and fax numbers of each witness.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://waysandmeans.house.gov>.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Chairman RAMSTAD. The hearing will come to order.

I want to welcome everyone to today’s hearing on the response of charities to Hurricane Katrina.

As we all know, the whole world watched as Hurricane Katrina caused unprecedented devastation along the Gulf Coast, displacing more than 1 million people, and causing over \$100 billion in property damage. This destruction has required a massive response from Federal, State, and local governments.

The Hurricane has also inspired the Nation’s charities to make an historic effort. Americans have made this effort possible by giving or pledging over \$2.6 billion to help the victims of this terrible disaster. Charities have provided critically important assistance, ranging from food, shelter and cash assistance to counseling and job training. This is the single largest charitable response to a disaster in our Nation’s history.

This Subcommittee has the responsibility to review the activities of charities, to see where things worked, where they didn't work, and where the response can be made more effective. This Subcommittee, as some of you will remember, held a similar review after the September 11th attacks, and highlighted areas in which charities needed to improve their response to disasters. I hope our effort today can lead to further improvements as well.

Several of the witnesses today will tell extremely inspiring stories. We will hear about volunteers who dropped what they were doing so they could help take care of hurricane victims. We will hear about churches and synagogues providing shelter and food to people who had nothing but the clothes on their backs.

We will hear about Americans generously donating to the American Red Cross, the Salvation Army and other organizations to provide needed cash assistance to Hurricane victims; as I said earlier, \$2.6 billion in monetary contributions by the American people.

Notwithstanding the tremendous humanitarian response, other witnesses will describe some significant shortcomings in the charitable response. Today's hearing will really focus on three main concerns. First, how coordination between charities can be improved. In massive disasters like this one, charities both large and small get involved in the response. Their collective resources, capabilities and efforts obviously must be effectively coordinated.

Four years ago, this Subcommittee discussed the problem of coordination among charities responding to the September 11th attacks. Hurricane Katrina has unfortunately shown that much work still remains.

The second area of concern we will examine is how all Americans can have access to and receive assistance from charitable organizations during disasters. It is important that the Red Cross and other charities not forget communities and individuals who are harder to reach or who need special attention, minority populations, people with disabilities, and low-income people.

Today we will hear from two witnesses representing people with disabilities, which are of major interest to me, and I know other Members of the Subcommittee. These two witnesses will describe the experiences of individuals with disabilities during the disaster, and believe me, some of those experiences are downright shocking. We need to hear what the Red Cross and others are planning to do to ensure that underserved populations are not forgotten or neglected during the next disaster. We always know, unfortunately, there will be the next disaster.

The third area of concern is that we need to ensure that charitable dollars are not lost to fraud. While disasters bring out the best in most people, they also bring out the worst in others. In some cases, criminals have pretended to be charities and have stolen money intended for actual charities. In other cases, people pretending to be victims have taken advantage of charities and taken money that could have been used to help actual victims.

The New York Times reported that the Red Cross distributed \$32 million in cash to residents in and around Jackson, Mississippi, even though many of them had experienced little or no significant property damage. One pawn shop owner in Jackson, Mississippi, told the New York Times that many aid recipients cashed relief

checks at his shop and immediately bought jewelry, guns, DVDs and electronics.

The owner of a Western Union branch in Jackson was quoted as saying, "Surely the Red Cross has to have a better use of funds, unless they just have money they are trying to get rid of for some reason."

Stories like this may discourage donors from giving money for relief efforts; therefore, we have to understand what the Red Cross and other charities are doing to ensure that their aid is going to the people who actually need it. If this hearing helps document where charities fell short in serving the hurricane victims, it can help ensure these problems do not occur again. If Americans do not have confidence that their donations are being used wisely, they may not be so generous when the next disaster strikes.

This morning I am sure many of you noted that the American Red Cross announced the resignation of its president, Marsha J. Evans. I would like to thank Ms. Evans for her dedication and hard work.

I also, quite frankly, appreciated Ms. Evans' candid acknowledgment in September that the Red Cross's responses to Hurricanes Katrina and Rita had been "uneven," and that these natural disasters "eclipsed even our direst worst-case scenarios."

In more recent weeks, I have been encouraged by the Red Cross's public vow to address some of the criticisms by seeking greater diversity within its ranks and establishing partnerships with local groups. I believe the coming transition at the American Red Cross offers an opportunity for Red Cross management to respond to the concerns that have been raised and that will be discussed here today.

At this time, I now recognize my good friend from Georgia, the distinguished Ranking Member, Mr. Lewis, for his opening statement.

[The opening statement of Chairman Ramstad follows:]

Opening Statement of The Honorable Jim Ramstad, Chairman, and a Representative in Congress from the State of Minnesota

Hurricane Katrina caused unprecedented destruction along the Gulf Coast, displacing more than one million people, and causing over \$100 billion in property damage. This destruction has required a massive response from federal, state, and local governments. The hurricane has also inspired the nation's charities to make an historic effort. Americans have made this effort possible by giving or pledging over \$2.6 billion to help the victims of this disaster. Charities have provided critically important assistance, ranging from food, shelter, and cash assistance, to counseling and job training.

This is the single largest charitable response to a disaster in our nation's history. This Subcommittee has the responsibility to review the activities of charities to see where things worked, where they didn't work, and where the response can be made more effective. This Subcommittee held a similar review after the September 11th attacks, and highlighted areas in which charities needed to improve their response to disasters. I hope that our efforts today can lead to further improvements.

Several of the witnesses today will tell an inspiring story.

They will tell us about volunteers who dropped what they were doing so they could help take care of hurricane victims. We will hear about how churches provided shelter and food to people who had nothing. We will hear about how Americans' generous donations allowed the American Red Cross and other organizations to provide needed cash assistance to hurricane victims.

Notwithstanding the tremendous humanitarian response, other witnesses will describe some significant shortcomings in the charitable response. Today's hearing will focus on three main concerns.

- First, how coordination between charities can be improved.

In massive disasters like this one, charities, large and small, get involved in the response. Their collective resources, capabilities, and efforts must be effectively coordinated. Four years ago, this Subcommittee discussed the problem of coordination among charities responding to the September 11th attacks. Hurricane Katrina has shown that much work still remains.

- Second, how all Americans can have access to and receive assistance from charitable groups during disasters.

The Red Cross and other charities must not forget communities and individuals who are harder to reach or who need special attention. Today, we will hear from two witnesses representing the disabled community, which is of particular interest to me. They will describe the experiences of individuals with disabilities during this disaster, and some of those experiences are shocking. We need to hear what the Red Cross and others are planning to do to ensure that underserved populations are not forgotten or neglected during the next disaster.

- Third, we need to ensure that charitable dollars are not lost to fraud. While disasters bring out the best in many people, they also bring out the worst in others. In some cases, criminals have pretended to be charities, and stolen money intended for real charities.

In other cases, people pretending to be victims have taken advantage of real charities, and taken money that could have been used to help real victims. The *New York Times* reported that the Red Cross distributed \$32 million in cash to residents in and around Jackson, Mississippi, even though many of them had not experienced significant property damage.

One pawn shop owner in Jackson, Mississippi, told the *Times* that many aid recipients cashed relief checks at his shop, and immediately bought jewelry, guns, DVDs, and electronics. The owner of a Western Union branch in Jackson was quoted as saying: "Surely the Red Cross has to have a better use of funds. Unless they just have money that they are trying to get rid of for some reason." Stories like this may discourage donors from giving their money for relief efforts. Therefore, we have to understand what the Red Cross and other charities are doing to ensure that their aid is going to the people who need it most.

If this hearing helps document where charities fell short in serving the hurricane victims, it can help ensure these problems do not occur again. If Americans do not have confidence that their donations are being used wisely, they may not be so generous when the next disaster strikes.

This morning, the Red Cross announced the resignation of their CEO, Marsha Evans. I would like to thank Ms. Evans for her dedication and hard work. I also would like to say that this transition offers an opportunity for the Red Cross management to respond to the concerns that have been raised and will be discussed today.

I now recognize the distinguished Ranking Member from Georgia, my good friend, Mr. Lewis, for his opening statement.

Mr. LEWIS. Thank you very much, Mr. Chairman. Thank you for holding this hearing this afternoon.

More than 2 months ago, Hurricane Katrina tore through the gulf region, causing unbelievable destruction. Tens of thousands of people were forced to leave their homes. The area suffered over \$100 billion in property damage.

Charitable organizations played a critical role in our country's humanitarian response to Hurricane Katrina. Americans helped these efforts by giving well over \$2.5 billion to charitable organizations for the victims of Hurricane Katrina. The American Red Cross described Hurricane Katrina as a disaster of epic proportion, in fact, nearly 20 times larger than anything we have ever faced before.

At the peak of the emergency, the Red Cross sheltered close to 150,000 people in more than 500 facilities. In response to the hurri-

canes, Hurricane Katrina and Hurricane Rita, the Red Cross has provided 3.42 million overnight stays in more than 1,000 shelters nationwide, and given more than 1.2 million families emergency financial assistance.

In coordination with the Southern Baptist Convention, the Red Cross has served over 50 million hot meals and snacks to hurricane survivors. The Salvation Army and small churches, often local churches, were able to meet many of the needs of hard-to-reach communities where the American Red Cross could not.

When Katrina first hit the region, the Salvation Army was able to quickly deliver food, blankets, cleaning kits, and other needed supplies to those in most need. Today, the organization has served more than 12 million hot meals, sandwiches and snacks to survivors and first responders.

Mr. Chairman and Members of the Subcommittee, I want to welcome all of the witnesses coming before the Subcommittee today. Your organizations' response to Hurricane Katrina was outstanding and unlike anything seen in our country before. There are always lessons to be learned to improve our disaster response system for the future; I share your interest in learning from past experience.

In conclusion, America's charitable response to Hurricane Katrina deserves our praise. I want to give each of you my personal thank you for all that you did and continue to do.

[The opening statement of Mr. Lewis follows:]

**Opening Statement of The Honorable John Lewis, a Representative in
Congress from the State of Georgia**

More than two months ago, Hurricane Katrina tore through the Gulf region causing unbelievable destruction. Tens of thousands of people were forced to leave their homes. The area suffered over \$100 billion in property damage.

Charitable organizations played a critical role in providing our country's humanitarian response to Hurricane Katrina. Americans helped these efforts by giving well over two and a half billion dollars to charitable organizations for the purpose of aiding the victims of Hurricane Katrina.

The American Red Cross describes Hurricane Katrina as a disaster of epic proportions—"in fact, nearly 20 times larger than anything we had ever faced before." At the peak of the Katrina emergency, the Red Cross sheltered close to 150,000 people in more than 500 facilities. In response to Hurricane Katrina and Hurricane Rita, the Red Cross provided 3.42 million overnight stays in more than 1,000 shelters nationwide and gave more than 1.2 million families emergency financial assistance. In coordination with the Southern Baptist Convention, the Red Cross served over 50 million hot meals and snacks to hurricane survivors.

The Salvation Army and small charities, often local churches, were able to meet many of the needs of hard-to-reach communities where the American Red Cross could not. When Katrina first hit the region, the Salvation Army was able to quickly deliver food, blankets, cleaning kits, and other needed supplies to those in most need. To date, the organization has served more than 12 million hot meals, sandwiches and snacks to hurricane survivors and first responders.

I want to welcome all the witnesses coming before the Subcommittee today. Your organizations' responses to Hurricane Katrina were outstanding and unlike anything seen in our country before. There are always lessons to be learned to improve our disaster response system for the future. I share your interest in learning from past experience. In conclusion, America's charitable response to Hurricane Katrina deserves our praise. I want to give each of you my personal thank you.

Chairman RAMSTAD. The Chair thanks the Ranking Member.

Now, we call the first panel comprising of our colleague from Louisiana, a Member of the Committee on Ways and Means and Chairman of the Subcommittee on Social Security.

I want to say before you begin, Jim, that in the wake of Hurricane Katrina, your leadership, your hard work, your dedicated efforts were truly an inspiration to all of us and to all Americans. I want to thank you for all that you did to lead us in the direction of providing the appropriate relief to people devastated by the worst natural disaster in our Nation's history.

I look forward to your testimony. Welcome to the Subcommittee.

**STATEMENT OF THE HON. JIM MCCRERY, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF LOUISIANA**

Mr. MCCRERY. Thank you, Mr. Chairman. Thank you for those kind words.

I want to thank the full Committee of Ways and Means for being so responsive in the wake of Katrina initially, and now Rita, in moving bills through the Congress, through our Committee, through the Congress on unemployment compensation relief, on welfare relief, tax relief for individuals who are victims of Katrina; and now, we hope this week or next, another tax bill dealing with incentives to bring investment, business investment, back to the devastated areas.

I think this hearing today, though, is very important, Mr. Chairman, and I commend you for holding it in an effort to shed light on the positive things that were done—as you and Mr. Lewis both talked about, indeed there were a lot of very positive deeds performed in the wake of Hurricane Katrina—but also to question and highlight problems that were present in dealing with the aftermath of those storms.

Today, I want to take this opportunity to shed light on some of those shortcomings as I saw them from my perspective as someone on the ground in a part of Louisiana that was not touched by Katrina. My district was not touched at all by the storm, but we were touched by the tens of thousands of evacuees that came into my district seeking shelter.

So, it is that experience, primarily, that I want to talk about today. Before another Committee, I can talk about the Federal Emergency Management Agency (FEMA) and some other things, but today I am going to focus on the sheltering activity and who was responsible for that.

I am concerned, in particular, with the performance of the American Red Cross. Based on my experiences on the ground from Katrina and Rita, the American Red Cross was not properly prepared to fulfill its emergency role in our national response plan. For over 100 years, beginning with the Congressional Charter of 1905, the Federal Government has partnered with the American Red Cross to provide domestic and international disaster relief.

The current relationship is outlined in the U.S. Department of Homeland Security's National Response Plan, where the American Red Cross is named the primary agency responsible for mass care after a disaster. This means that the American Red Cross, a Non-Governmental Organization (NGO), is primarily responsible for providing emergency medical care, food and shelter to Americans

in the wake of natural and man-made disasters. After witnessing the Red Cross's struggles during Katrina and Rita, I question whether it is prudent for Congress to place such great responsibility in the hands of one organization.

Hurricane Katrina and the subsequent flooding of New Orleans displaced roughly 1 million people from their homes in southeast Louisiana. Tens of thousands sought shelter in my district. It was clear from the beginning that the Red Cross simply didn't have the sheltering capacity to meet immediate needs. Small independent shelters began popping up by the dozens across northwest Louisiana. At the peak, there were over 40 shelters operating in my district, and fewer than 10 of those were Red Cross shelters.

So, Mr. Chairman and Members of the Subcommittee, when you read in the paper or you hear statistics like Mr. Lewis cited in his opening statement about X number of people being fed and so forth, a lot of those statistics come from the Red Cross, and they are accurate insofar as the Red Cross is concerned, but there are literally tens of thousands, probably hundreds of thousands of people being fed and sheltered that are not accounted for in those figures because the Red Cross does not know about them.

That is the experience I had, Mr. Chairman. Immediately after Katrina, when I was going around my district trying to make sure that evacuees from south Louisiana were taken care of, we had a number of small shelters—I say "small," some of them had 300 people in a high school gymnasium; they were not that small—but we had a number of shelters like that that popped up out of necessity.

The large shelters in Shreveport were full, and none were opening at that time. So, these people were coming up from south Louisiana, banging on our doors, saying, "Help." Those communities, rightfully so, opened their doors, created a shelter, and when I or the people from those local communities tried to get the Red Cross to send them blankets or cots or food, or diapers, they were told, sorry, we cannot help you.

Now, I believe that the Red Cross director in my district was being honest. He probably could not help because he either didn't have the provisions, or he didn't have the transportation for the provisions, didn't have the volunteers, but whose fault is that? In my view, it is the fault of the American Red Cross—not my local chapter, the national Red Cross—poorly planning or just not planning at all for a disaster of this scope.

We have known for decades that New Orleans was vulnerable to a storm of this sort, that flooding was possible, that hundreds of thousands of people would be displaced from their homes. We have, since 9/11, I think, anticipated a similar man-made disaster that could be caused by a terrorist act. Why were we not better prepared?

I spoke earlier about FEMA. I think FEMA was woefully unprepared. The Federal Government was woefully unprepared. Our State government was woefully unprepared. The local governments were unprepared. I think the Red Cross was unprepared, as clearly demonstrated.

So, that is my testimony in a nutshell, Mr. Chairman. I will be happy to stay and answer questions that your Committee might have.

[The prepared statement of Mr. McCrery follows:]

**Statement of The Honorable Jim McCrery, a Representative in Congress
from the State of Louisiana**

Mr. Chairman, my colleagues on Ways and Means, I commend you for holding this hearing and appreciate the invitation to share my views on the charitable response to Hurricanes Katrina and Rita. For the past three months, my energies have been largely devoted to responding to the hurricanes which ravaged the Gulf Coast region. As part of that response, I have assisted hurricane evacuees residing in my congressional district, as well as my constituents who were directly impacted by Rita. National and local charities have played a central role in feeding, housing and finding employment for these families. Their contributions to the relief and recovery have been amazing. I am, however, particularly concerned with the performance of the American Red Cross. Based upon my experiences from Katrina and Rita, the American Red Cross is not properly prepared to fulfill its emergency role in our National Response Plan.

For over 100 years, and beginning with the Congressional Charter of 1905, the Federal Government has partnered with the American Red Cross to provide domestic and international disaster relief. The current relationship is outlined in the U.S. Department of Homeland Security's National Response Plan where the American Red Cross is named the primary agency responsible for mass care after a disaster. This means that the American Red Cross, a non-governmental organization, is primarily responsible for providing emergency medical care, food, and shelter to Americans in the wake of natural and man-made disasters. After witnessing the American Red Cross' struggles during Katrina and Rita, I am not sure it is prudent for Congress to place such great responsibility in the hands of one organization.

Hurricane Katrina, and the subsequent flooding of New Orleans, displaced roughly one million people from their homes in southeast Louisiana. Tens of thousands of evacuees sought shelter in my district. It was clear from the beginning that the Red Cross simply did not have the sheltering capacity to meet immediate needs. Small independent shelters began popping up by the dozens across northwest Louisiana. At the peak, there were over forty shelters in my district, while fewer than ten of those were operated by the Red Cross. Red Cross had serious trouble operating at least three of the larger shelters in my district: Hirsch Coliseum in Shreveport, LA, CenturyTel Center in Bossier City, LA, and the Health and Physical Educational Building at Northwestern State University in Natchitoches, LA.

Several days after Katrina's landfall, the American Red Cross asked a network of local churches, led by the First Assembly of God, to take over the Red Cross shelter at Hirsch Coliseum in Shreveport, LA. Steve Beyer, an Associate Pastor with one of the churches, agreed to manage the shelter until a replacement Red Cross manager could be found. No one replaced him. Mr. Beyer operated the Hirsch Coliseum shelter, where 6,200 people came through its doors, with only two Red Cross volunteers for the first two weeks. The Red Cross asked church volunteers to wear Red Cross shirts, I suppose to give the appearance that Red Cross was operating the shelter.

The CenturyTel Center in Bossier City, LA, opened as an independent shelter one week after the storm in response to overwhelming need for additional sheltering capacity. CenturyTel operated on the backs of local government and community organizations while it waited for certification from the American Red Cross. Even after the American Red Cross moved in, local charities provided all of the food for seven days until Red Cross could secure food. Johnny Wyatt, the City Marshall and Homeland Security Director for Bossier City, LA, helped manage CenturyTel. Mr. Wyatt is scheduled to appear in front of the Subcommittee today. His testimony will shed light on the challenges of working with the American Red Cross.

The American Red Cross shelter at Northwestern State University was managed by the City of Natchitoches and the Natchitoches Parish Sheriff's Department in conjunction with the University. Dr. Bill Dickens, the shelter's manager, had one Red Cross volunteer to help service the 1,000 evacuees housed each night at the site for the first 10 days following the storm. I should note that it took seven days for this shelter to receive any of the \$60,000 in new bedding that was donated to the local Red Cross chapter by General Motors. The bedding sat unused in a Red Cross facility seventy miles away in Shreveport, LA, despite the fact that some evacuees in Natchitoches were sleeping on the floor. The failure to get these resources to the shelter in a timely fashion represents an inexcusable breakdown in communication and coordination within the Red Cross.

While the Red Cross could barely manage its own network of shelters, the organization offered little assistance to struggling independent shelters. Dennis Butcher,

the Office of Emergency Preparedness Director for Claiborne Parish, was instructed by the Red Cross to fend for himself. Mr. Butcher operated an independent shelter of 1,200 evacuees for over a month without any assistance from the Red Cross. I wish Mr. Butcher's experience was unique, but the Red Cross also refused requests for assistance from the Office of Emergency Preparedness Directors for Claiborne, Sabine, Vernon and Webster Parishes. I also spoke with OEP and other officials on the Mississippi Gulf Coast who experienced similar treatment from the Red Cross.

To date, the American Red Cross has attributed its shortcomings in my district to their local chapter. The Federal Government named the American National Red Cross as its partner in the National Response plan, not the local chapter in my district. If it is not the responsibility of the National Red Cross to step in when a Category 4 hurricane decimates a major metropolitan area and overwhelms one of their local chapters, whose responsibility is it? It has been over thirty years since Hurricane Camille decimated the Mississippi Coast, four years since the terrorist attacks of 2001, and a little over a year since Florida's terrible hurricane season. Forecasters have known for decades that New Orleans was one hurricane away from a major disaster. The American Red Cross, as the Federal Government's lead partner in mass care, should have been prepared to meet the immediate needs of the victims of Hurricanes Katrina and Rita. The national organization should have been prepared to move sufficient numbers of volunteers and staff to affected areas. Americans rely on the Red Cross in times of crisis, but the Red Cross could not be relied on in northwestern Louisiana.

The American Red Cross' reputation in Louisiana has been severely damaged. I have stopped giving money to the organization, and instead, have directed over \$450,000 in funds I raised for hurricane relief to the United Way and the Salvation Army. The Red Cross, though, continues to enjoy a major advantage in fundraising over other charities because of its partnership with the Federal Government. In this disaster alone, the Red Cross absorbed over 60% of all charitable donations. I believe it is Congress' responsibility to reexamine the Federal Government's relationship with the Red Cross.

In closing I would like to once again commend this Committee for its willingness to examine this important issue. I would also like to thank all the volunteers who have invested their time and money into the recovery effort. The Gulf Coast is forever indebted to them for their generosity.

Chairman RAMSTAD. Well, thank you very much for your very compelling testimony. I have just a few questions I would like to ask.

Jim, what kind of response did you get when you brought the problems to the attention of the Red Cross Headquarters of the American Red Cross? What kind of response did you get when you alerted them as to the problems with the shelters?

Mr. MCCRERY. The national organization expressed some surprise at some of the things I was telling them. So, they were evidently unaware of what was happening on the ground in my district. They did pledge to look into it and to try to identify where the problems arose and fix those, and that is why I am here today.

I hope I am not being unduly tough on the Red Cross, but I think we need to talk plainly about the shortcomings of our disaster response; and if the Red Cross is going to be the Federal Government's primary responder in terms of shelter, than I think we owe it to ourselves and we owe it to the Red Cross to point out the shortcomings of that effort so that we can be better prepared next time.

The national Red Cross evidently was not well aware of what was going on on the ground, at least in my district, and they have promised to try to rectify those problems, but the initial response was just simply, we didn't know.

Chairman RAMSTAD. I notice from your written testimony that you asserted the national Red Cross attributed the shortcomings in your district to the local chapter. Rather than being an issue of lack of control by the national Red Cross vis-a-vis the local chapter, you seem to indicate today it is more a lack of planning on national's part.

Mr. MCCRERY. That is my perception, that there was not in place an adequate plan on the part of the Red Cross to deal with sheltering this many people. It overwhelmed them. It overwhelmed my local chapter. It overwhelmed the national Red Cross. I understand that. It was a very difficult situation.

This country has never seen anything like it in our history, but after 9/11, I think we all knew that something like this could happen somewhere, and we should have been better prepared. That is all I am saying, Mr. Chairman.

I hope the Federal Government will work with the Red Cross or maybe bring in the Salvation Army or other groups to have a united effort to make sure these kinds of problems are met in the future.

Chairman RAMSTAD. I want to ask one final question. I touched on it in my opening statement, and you certainly have just touched on it again; that is Congress' responsibility to examine the relationship between the Federal Government and the Red Cross, which you clearly stated, so that we can avoid problems that happened in your district from happening again, from being repeated anywhere else.

Do you have any suggestions for how we as Members of Congress can help improve the response by charitable organizations?

Mr. MCCRERY. Mr. Chairman, I think that we ought to reexamine the congressional charter that gives the American Red Cross the responsibility for the initial sheltering and feeding and so forth of victims of national disasters. We ought to examine that relationship, perhaps bring in other organizations, make it an umbrella organization.

I do not know, but Congress needs to fully examine that and make sure that the plan we have in place with some NGOs is the best one to meet such a massive need in case we have this kind of disaster again.

Let me hasten to add, Mr. Chairman, that there were lots of volunteers; I do not know how many—hundreds, thousands of volunteers, and the Red Cross and the Salvation Army, the United Way and lots of organizations that did heroic jobs. I think my local director of the Red Cross worked 22 straight days with no time off, trying to see to the needs of the shelters that they were operating in my area.

So, I certainly want to commend those individuals who volunteered their time, and some who were paid, and went beyond their call of duty to perform these heroic acts. They should be commended.

I think that Congress has to, if not share the blame, at least share the responsibility, going forward, to make sure that the organization or organizations that we vest with this responsibility is better prepared next time to carry out that responsibility.

Chairman RAMSTAD. Thank you again for your testimony and your outstanding leadership.

The Chair now recognizes the distinguished Ranking Member for questions.

Mr. LEWIS. Thank you, Mr. Chairman. Let me join you in thanking Jim for his leadership and his hard work during the unbelievable crisis along the Gulf Coast.

I have one or two questions. You have some praise and some complaints about how things were handled in your district. Could you, just for the record—what do you consider to be the best job done and the worst job done?

Mr. MCCRERY. Well, the best job, in my view, Mr. Lewis, was done by people who were not in the Red Cross or the Salvation Army or any other organization. They were just ordinary people who came out of their homes and brought diapers and pillows and blankets and food, and stayed at the high school gymnasium or wherever, the civic center, in some small town and cooked for the people who were there; who gave them rides to the Social Security office to make sure they got their checks; just performed daily acts of human kindness for people they had not very much in common with.

Believe me, people in north Louisiana don't share much culturally with people in south Louisiana. They are Cajun, Catholics, French speaking in many cases from south Louisiana, and we are Protestant rednecks in north Louisiana; it is like two different States. Yet these folks in north Louisiana were coming out of their homes every day and every night to take care of people that they didn't know and didn't have much in common with, except that they were human beings. That was very inspiring to me.

The worst thing was just the total lack of planning that was evident in this crisis. It was insufficient.

Mr. LEWIS. Let me just try to see if I can find out something here. I believe the Red Cross is going to testify, maybe later, that this was the worst level of human need in the history of the organization.

You said earlier that the Federal Government was not prepared, that the local government, the county, the State was not prepared. Were there any charitable organizations prepared for such a level of human need, such devastation?

Mr. MCCRERY. Probably not.

Mr. LEWIS. Well, is it possible for someone to be prepared?

Mr. MCCRERY. I think that is a fair question, and it may not be possible to be prepared for every single contingency associated with a disaster of this scale, but, Mr. Lewis, it is my contention that we could have and should have been much better prepared to meet the contingencies of this kind of disaster than we were.

It was not hard to imagine that the numbers of people evacuating south Louisiana, who did, would actually evacuate. This scenario had been on the books for years, as I have said, and we should have been better prepared.

Let me just give you an example, and maybe—and the Red Cross is going to testify, and you can ask them about this—and maybe they have some sound reason why they could not do this, but in my view they should have, from the national office, anticipated a

huge need for volunteers or for bodies, for human beings, in areas north of New Orleans and the Mississippi Gulf Coast.

They should have prepositioned people in Dallas and Shreveport and Jackson, maybe Atlanta, ready to go into whatever areas were taking those evacuees from those devastated areas; and they weren't. My local chapter got zero help for quite a while. I think that is inexcusable.

Mr. LEWIS. Well, should there be a greater burden on the National Government than on some charitable organization, whether that organization be national, international or local? Rather than talk about getting involved in a blame game, I just want to be clear here where we are going.

Mr. MCCRERY. Well, I am merely reporting to you what happened on the ground.

The Federal Government has already made the decision, through the Congress, to enlist the American Red Cross as the NGO that is on the front lines, supposed to meet the needs of evacuees and shelters and so forth in a disaster. We have made that decision.

Whether that decision needs to be reconsidered is a question for this Congress. I am posing it today. I do not know the answer, Mr. Lewis, but it is a question we ought to ask. We ought to examine it thoroughly, and if there is a change necessary, we ought to make that change.

If the Red Cross needs help, if they need other organizations, if they need the Federal Government, then we ought to examine that and get it done.

Mr. LEWIS. Thank you very much.

Chairman RAMSTAD. The Chair would now recognize the gentleman from Colorado, Mr. Beauprez.

Mr. BEAUPREZ. Thank you, Mr. Chairman.

Jim, let me add my thanks to you for your leadership on this, and my sympathy to all of the people affected by these horrible storms. Even though Colorado is a long ways from the impacted area, we took in 4,200 refugees even in far-away Colorado, about three out of four of them from your State of Louisiana; and it stressed us a little bit. I can only imagine what it must have been like for you in your district, Jim.

You have mentioned in considerable detail what you went through, what your local Red Cross chapter went through. We all know that Louisiana, Mississippi, Alabama, were affected by Katrina; Rita took its effects on Texas as well. Of course, the storms impacted areas even farther than that because of the refugees.

What is your perception, Jim, of the circumstances, the struggles, the way the whole reaction was managed in other areas? Was yours unique or was this a pattern that was far too prevalent?

Mr. MCCRERY. I cannot speak with any authority on whether similar problems existed in other localities, except for the Mississippi Gulf Coast, which I did tour and spoke with several public officials in the Mississippi Gulf Coast area. There were similar complaints, Mr. Beauprez, about the Red Cross and the response to sheltering and assisting shelters on the Mississippi Gulf Coast.

Mr. BEAUPREZ. I am sure you have had some opportunity to talk to some other States, Florida comes to mind, that has been hit,

hit, and hit again it seems. At least it is my perception that however they manage to do it, they seem to respond pretty well. What is the difference in Florida?

Mr. MCCRERY. I have spoken to some of our colleagues from Florida, who have also expressed complaints about FEMA, about the Red Cross, about other organizations in the aftermath of hurricanes in South Florida.

If you are asking about the State's response, I think the State of Florida has enough experience that they have learned to be ready and to respond admirably on the State level.

Mr. BEAUPREZ. Well, given that experience, you have pointed out clearly that while we didn't know the when or the degree of the devastation, it should have come as a mystery to no one that something like this could happen. After all, we have had other hurricanes, not this large, but we have had others.

We had 9/11. We certainly witnessed, a bit from afar, but we saw the devastation from the tsunami months before your terrible event. So, it should have come with some, I guess, anticipation.

You said that the question as to the prudence of one organization having the responsibility within our national response plan, that the Red Cross does, is a legitimate question.

Well, let me ask you directly. In your opinion, Jim, is the thing broken so badly it can't be fixed? What is your perception right now?

Mr. MCCRERY. My belief is that it can be fixed, that it is possible to be better prepared. Will it take a lot of organization and a lot of work? Yes, I think it will. I do think it is possible to be much better prepared to meet the needs.

Look, we all have run campaigns, and we know, at least those of us who had tough campaigns at one time—and some of us still do—we have to organize volunteers, and we have to have them ready to get on a bus, if necessary, and go to some other town to go door to door and hand out leaflets. That is hard work. It is hard to have a ready set of volunteers, at a phone call to pick up and go. I know that. It is very difficult.

However, that is the kind of nitty-gritty work that I think needs to be done on a national level; to have people ready at the drop of a hat to respond and be there, have bodies on the ground ready to help, ready to give some guidance. That is all a lot of people in my district wanted.

They wanted some people there to just direct them. Look, I am here, I am ready to help, but tell me how to do it; what do I need to do? There was nobody.

Chairman RAMSTAD. The Chair now recognizes the gentleman from Texas, Mr. Johnson.

Mr. JOHNSON. No questions.

Chairman RAMSTAD. Mr. Linder.

Mr. LINDER. Thank you, Mr. Chairman.

Thank you, Jim, for all you have done on this issue and all of your colleagues. I am sure you are still working on it on the weekends when you get home.

Is there a competing element between FEMA and the Red Cross?

Mr. MCCRERY. I don't know. There shouldn't be, but I am glad you brought that up, because one thing that was prevalent in the

first, say, 5 days following the storm, is that I would finally get in touch with somebody at FEMA, and they would say, “that is the Red Cross’s responsibility.”

I would get in touch with the Red Cross; they would say, “Oh, no, that is FEMA’s responsibility.”

I would call FEMA back, and they would say, Oh, no, I think that is the State’s responsibility; call the Emergency Operations Center in Baton Rouge. That is the National Guard.

Everybody was doing this: “That is somebody else’s responsibility.”

So, clearly in our National Response Plan, we either need to have a better plan or we need to have people better familiar with the plan so that everybody knows what his responsibility is; and we do not get this runaround of, no, that is not us, that is him, them, whoever.

People need to know what their responsibility is and take responsibility and give answers and give direction when the time comes.

Mr. LINDER. Is there a reason to question whether we would have the major planner of shelter and food in a major disaster being an NGO that has a pretty huge budget and pays its executive director \$500,000 a year, and is distant from the government?

Mr. MCCRERY. I don’t know. That is the question we need to examine.

Congress has made that decision in the past. We have said that in this case the American Red Cross is the appropriate organization; we are going to not only vest them with that responsibility, we are also going to provide them some assets and some assistance. So, I think that needs to be thoroughly examined.

We cannot ignore this. It is going to happen again somewhere, if it is an Earthquake in California, it is a Category 5 in South Florida.

Mr. LINDER. Or a terrorist attack.

Mr. MCCRERY. Or a terrorist attack where the terrorists dynamite a dam or infiltrate the water system with pollutants, that causes people to have to leave in mass numbers. Something is going to happen. So, we owe it to ourselves and our constituents to make sure that we either take the plan that is on the books and make it work or create a new plan.

Mr. LINDER. If we anticipated a disaster, which we saw coming for several days, and were unprepared for that, how could they prepare for a nuclear accident that we didn’t have any idea was coming?

Mr. MCCRERY. Yes. Well, certainly something like that—where a nuclear device explodes that we do not have any notice of, the problems are going to be different associated with that, but some of them could be similar. You could have people within a certain radius of the explosion ordered to get out quickly and to evacuate, to go somewhere else, and you could have the same kinds of problems.

Certainly every situation would be different, but some of them would be the same, and we need to be prepared for that.

Mr. LINDER. My recollection is that after September 11th, huge sums of money came into the Red Cross. They made an executive

decision not to spend it all on September 11th, which I believe the board subsequently overturned.

Mr. MCCRERY. That's right.

Mr. LINDER. Do you have any expectation that this is occurring in this event?

Mr. MCCRERY. I do not. I just do not know, but—I think you raise a legitimate question, though, which is, should we have one organization that is generally recognized as the organization to respond to disasters, and as a consequence of that recognition, have the overwhelming majority of private sector donations going to that one organization. I think that is a legitimate question.

The government shares in the responsibility for identifying that one organization, I think. So, I think that is a question we need to reexamine.

Mr. LINDER. Thank you.

Chairman RAMSTAD. The gentleman from California, Mr. Nunes.

Mr. NUNES. No questions.

Chairman RAMSTAD. The gentleman from Florida, Mr. Shaw.

Mr. SHAW. Thank you, Mr. Chairman.

I, having experienced a lesser disaster, but a disaster, indeed, with Wilma down in Florida and having been a lifetime resident of Florida, I have seen many, many hurricanes, but I do not think I have ever seen, and I do not think one has ever hit our shores that has caused the devastation and loss of property—even though there have been some with much larger loss of life in Florida, back in the early days—as Katrina.

Looking back on what we have learned, I think it is easy to overlook much of the good that was done, the heroic behavior, the generosity of the American people. All of those organizations have done a good job in so many ways, but that does not mean that we should not go back.

I appreciate your testimony as to what went wrong, and those are the things that we should be talking about. You won't read about it in the paper unless it is something that went wrong. Nevertheless, we should not be afraid to get in there, roll up our sleeves and talk about it.

I would suggest—and perhaps you hit on this in your testimony, but I think FEMA should call together all of these organizations. You talk about a “plan.” Well, the plan should be in writing and be very, very clear.

There were many breakdowns. The first breakdown was in individual responsibility. That was a huge breakdown, and particularly in Louisiana. Then there was a breakdown in the city, there was a breakdown in the Governor's office in Louisiana.

Florida was not perfect, but I think that—compared to what went on in Louisiana, that we should get an Oscar for the way our government operated at the local as well as at the State level with Jeb Bush. I think he did a wonderful job.

Again, I can tell you, the press in Florida talks about what went wrong. One area that is a little bit outside of the scope of this hearing, but Mr. Linder brought up the question of FEMA, an area that is worrying me, and that is exactly what FEMA does.

In Florida, I am sure in Louisiana, Mississippi and Alabama, I don't care how rich you are, if you went out and bought a generator, they reimbursed you up to \$800. Luckily, most people didn't know that, or I can tell you that it would have been rampant. Chain saws, why are we buying people chain saws? We all are anxious to get the trees out of the road and out of our yards, but giving individuals—refunding the money for going out and buying themselves a nice new chain saw, I do not think is the responsibility of FEMA.

Now, I know of personal individuals, if you have got medical emergencies, something that is really drastic and people cannot afford it, then I think it is proper to buy a generator to put in someone's personal home. To just simply say, all you have got to do is buy one—one of the adjusters for FEMA, going out and looking at where the generator was and being sure that it was properly done before the adjustment, found it in a five-car garage. Now, I can tell you, somebody with a five-car garage should not be getting a free generator.

On the island of Palm Beach, there were several people; there is not a home on the island of Palm Beach that is worth less than \$1 million. That should not happen. As a matter of fact, I do not think we should be buying them, period, except in drastic circumstances.

Did you have the same experience in your area.

Mr. MCCRERY. Yes. As you said, this is not the proper forum to examine FEMA's responsibilities.

Mr. SHAW. It is as close as this Committee will get.

Mr. MCCRERY. Since you asked, though—and I have already stated in a general sense that FEMA was unprepared for this—and I think the examples that you point out of people abusing FEMA abound. That is hard to control because that is human nature, to take advantage of a situation, sometimes even in Florida. What FEMA can do about that, short of our changing the rules, I don't know.

Mr. SHAW. Well, I did look at what the law is; and the law allows FEMA to set the regulations as to what they are going to do, and I think we need to be a little more restrictive in the statute.

So, I plan to ask the party of appropriate jurisdiction to look at that and tighten up on that, because otherwise, the word has gotten out now; and I can tell you, when Florida gets another hurricane, the best business you can be in is selling generators, because you are going to sell jagillions of them.

It is wrong. It is not the proper use of taxpayer dollars.

Thank you, Mr. Chairman. I yield back.

Chairman RAMSTAD. Thank you, Mr. Shaw.

The Chair again thanks you, Chairman McCrery, for your testimony, your leadership and your great effort in this regard. We look forward to working with you to remedy some of the problems that you point out.

The Chair will now call the second panel for today's hearing. If you would come forward please, take your seats. First, Cynthia M. Fagnoni, Managing Director, Education Workforce and Income Security, U.S. Government Accountability Office (GAO); Joseph C. Becker, Senior Vice President, Preparedness and Response, Amer-

ican Red Cross; Major Todd Hawks, Public Affairs Secretary and Associate National Community Relations and Development Secretary, Salvation Army of America; and John G. Davies, President and Chief Executive Officer (CEO), Baton Rouge Area Foundation.

Welcome to all four of you witnesses. Thank you for being here today. We will begin, please, with Ms. Fagnoni.

**STATEMENT OF CYNTHIA M. FAGNONI, MANAGING DIRECTOR,
EDUCATION, WORKFORCE AND INCOME SECURITY, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Ms. FAGNONI. Good afternoon, Mr. Chairman and Members of the Subcommittee. I am pleased to be here today to share early findings from GAO's ongoing review of charities' response to the recent Gulf Coast hurricanes.

Charities have played a major role in responding to national disasters, including the September 11th terrorist attacks, and Hurricanes Katrina and Rita. They provided food, water, shelter and other assistance to victims in devastated areas.

Following the recent hurricanes, charities mounted the largest disaster response effort in U.S. history. My statement today will focus on charities' progress in incorporating lessons learned following the September 11th attacks and our preliminary observations on how well charities have coordinated following the Gulf Coast hurricanes.

The GAO reported several lessons learned from the 9/11 response that could help charities enhance their responses to future disasters. These included making it easier for eligible survivors to get the help they need, enhancing coordination among charities and with FEMA, educating the public about charities' roles in disaster response, and planning for future events.

We recommended that FEMA convene a working group of charities to address these lessons learned, which resulted in the creation of the Coordinated Assistance Network (CAN). The CAN involves seven of the largest disaster response charities and is designed to improve coordination and share information electronically about aid recipients and services provided.

In response to hurricanes Katrina and Rita, charities have raised more than \$2.5 billion in cash donations according to the Center on Philanthropy at Indiana University. The American Red Cross raised more than half of that total, with other organizations raising considerably smaller amounts.

Disaster relief charities took steps to coordinate services through central operations centers, conference calls and electronic databases. For example, in the weeks following Katrina, the Red Cross organized a national operations center with FEMA and other national charities to coordinate services on the ground.

National Voluntary Organizations Active in Disaster (VOAD), an umbrella organization of charities organized daily conference calls with Federal officials and more than 40 charities to share information. The CAN activated its case management databases, which enabled more than 40 participating charities to share data on their clients and the services they provided.

The CAN also created and activated a shelter database that included information about the operating status and capacity of

emergency shelters in the Gulf Coast region. The charity representatives we interviewed reinforced the importance of these efforts, but they raised some concerns about the usefulness of these operations and systems.

For example, charity representatives told us that the national VOAD conference calls often included too many participants and sometimes participants provided inaccurate information. Some charity officials also told us that because the CAN databases were still under development, they were not ready for use on such a large scale.

Many volunteers had not received sufficient training on the system, and some of the technological glitches had not been resolved. In addition, the databases required Internet access and electricity, which is not always available in disaster situations. We also found that charities had to balance access to services with safety concerns as they responded to the hurricanes.

The GAO teams visiting the Gulf Coast in October observed that the Red Cross didn't provide relief in certain areas due to policies intended to protect the safety of service providers and victims. These policies included not establishing shelters in flood-risk areas or in structures that are vulnerable to strong winds, even when victims remained in these areas.

The GAO teams in the field observed that the Salvation Army and smaller charitable organizations, often local churches, frequently met victims' needs in these locations. Smaller charities played an important role in responding to this disaster, but some concerns were raised about their ability to provide adequate services to victims.

Some charity representatives told us that many of the smaller organizations had never operated in a disaster and may not have completely understood the situation. Some smaller organizations tried to establish tent cities to house evacuees, for example, but were not prepared to provide the water, sanitation and electricity these shelters required.

In addition, some of the small charities that placed dislocated children in temporary homes didn't keep sufficient records about where the children were placed. This made it difficult for families to locate their missing children.

In closing, the devastation of Hurricanes Katrina and Rita has challenged charities' abilities to provide large-scale aid to disaster survivors. At the same time, it has provided a critical opportunity to assess how the Nation's charities have incorporated lessons learned from responding to 9/11.

In ongoing work, GAO will continue to examine how well charities coordinated their response to the Gulf Coast hurricanes.

Mr. Chairman, this completes my oral statement. I would be happy to answer any questions you or the Subcommittee Members may have. Thank you.

[The prepared statement of Ms. Fagnoni follows:]

Statement of Cynthia M. Fagnoni, Managing Director, Education, Workforce and Income Security, U.S. Government Accountability Office

Mr. Chairman and Members of the Subcommittee:
I am pleased to be here today to discuss the role of charitable services in response to recent Gulf Coast hurricanes. Hurricanes Katrina and Rita caused massive de-

struction and large-scale disruption of lives in Alabama, Louisiana, Mississippi, and Texas. In response to this destruction, we have witnessed heroic efforts by public, private, and nonprofit organizations and volunteers. My testimony today will present some of our observations regarding the performance of charities in response to these hurricanes. These natural disasters have placed strengthening the nation's emergency response efforts at the top of the national agenda. Comptroller General Walker has stated that GAO will provide support to Congress through analysis and evaluation of coordination efforts among federal agencies, and between federal agencies and the state, local, private, and nonprofit sectors. GAO has conducted several previous reviews of federal actions following national disasters, including Hurricane Andrew in 1992 and the terrorist attacks of September 11, 2001, that will be helpful in evaluating the nation's response to recent hurricanes. We plan to conduct all Katrina-related work under the Comptroller General's authority since it is an issue of interest to the entire Congress and numerous committees in both houses.

Charities have addressed many short- and long-term needs of the victims of recent hurricanes in the Gulf Coast region. Their efforts represent the largest disaster response effort in United States history by charitable organizations. As charities collect donations to address these needs, questions have been raised about how the money will be used and how charitable relief efforts will be coordinated. This testimony will discuss progress to date in incorporating lessons learned from our review of charitable coordination following September 11, and preliminary observations about the coordination of charities after the recent hurricanes. This testimony is based upon published GAO reports; ongoing work; relevant interviews with federal, state, and local government officials in states affected by the hurricanes; interviews with charitable officials and national experts; and data on total hurricane-related donations to charities from Indiana University's Center on Philanthropy.

In summary, we learned from our work following the September 11 attacks that charities could take steps to make it easier for survivors of disasters to get the help they need, improve coordination among charities and the Federal Emergency Management Agency (FEMA), better educate the public about charities' roles in disaster recovery, and plan for responding to future disasters. Following our report, seven charities formed a network to share information electronically about aid recipients and services provided, improve coordination, and ease access to aid. The group worked in partnership with FEMA to develop a database to share information between agencies. In a little more than 3 months, charities have raised more than \$2.5 billion to assist in hurricane relief and recovery efforts. In addition, charities have taken other steps to improve coordination following the Gulf Coast hurricanes. Charities shared information through meetings at the American Red Cross headquarters, daily conference calls, and electronic databases that allowed multiple organizations to access information about services provided to hurricane victims. Despite these efforts, some charities raised concerns about the usefulness of the conference calls and electronic databases for sharing information. For example, some charities said that daily conference calls after Katrina included too many organizations and did not provide the information they needed. There were also problems with providing charitable services to victims in some hard-to-reach areas. GAO teams in the field reported that American Red Cross did not provide relief in certain areas because of safety policies. In areas where the American Red Cross did not operate, GAO teams observed that other charities, such as the Salvation Army and smaller charities—often local churches—provided relief services. Although smaller organizations provided needed charitable services in the Gulf Coast region, some concerns have been raised about their ability to provide adequate services to victims. We will be reviewing this issue in more detail over the next several months. GAO is currently engaged in ongoing work on the coordination of charitable efforts in response to Hurricanes Katrina and Rita and will further examine how effectively charities coordinated their responses to recent hurricanes.

Background

Charities are organizations established to serve broad public purposes, such as the needs of the poor or distressed and other social welfare issues. The Internal Revenue Service reported that for 2002, 501(c)(3) organizations, which include charities, had total assets of over \$1.7 trillion. In 2004, the Internal Revenue Service (IRS) recognized 820,000 charities, accounting for about 90 percent of 501(c)(3) organizations.¹ Charities can include organizations with missions such as helping the poor,

¹This estimate based on data from the IRS, with modifications by the National Center for Charitable Statistics (NCCS) at the Urban Institute. NCCS excluded foreign and governmental organizations from the data.

advancing religion, educating the public, or providing disaster relief services. Although the Federal Government indirectly subsidizes charities through their tax-exempt status and by allowing individuals to deduct charitable contributions from their income taxes, the Federal Government has a fairly limited role in monitoring charities. States provide the primary oversight of charities through their attorneys general and charity offices.

Charities' Response to National Disasters

Charities have historically played a large role in the nation's response to disasters. For example, after the September 11 attacks, 35 of the nation's larger charities—including the American Red Cross and the Salvation Army—collected almost \$2.7 billion to provide food, shelter, mental health services, and other types of aid.

Charities' roles in responding to disasters can vary. Some charities, including the American Red Cross and the Salvation Army, are equipped to arrive at a disaster scene and provide immediate mass care, including food, shelter, and clothing, and in some circumstances, emergency financial assistance to affected persons. Other charities focus on providing longer-term assistance, such as job training, scholarships, or mental health counseling. In addition, new charities may form after disasters to address specific needs, such as the charities established after the September 11 attacks to serve survivors of restaurant workers and firefighters.

National Response Plan

The U.S. Government's National Response Plan provides a single, comprehensive framework for the federal response to domestic incidents, such as natural disasters and terrorist attacks. The plan provides the structure and mechanisms for the coordination of federal support to states and localities. Major cabinet and other federal agencies are signatories to the plan, along with the American Red Cross and the National Voluntary Organizations Active in Disaster (National VOAD), a national charity umbrella organization. The American Red Cross and National VOAD are the only nongovernmental organizations that signed the plan. In December 2004, the Department of Homeland Security released the plan, which was developed at the request of President Bush. The plan incorporates and replaces several previous plans for disaster management, including the Federal Response Plan, which was originally signed in 1992. One of the ways the plan changed the Federal Response Plan was by not naming charities active in disaster relief other than the American Red Cross, but instead incorporating them under the umbrella organization, National VOAD.

The plan designates 15 Emergency Support Functions, each identifying a specific disaster response need as well as organizations that have key roles in helping meet those needs. The sixth Emergency Support Function, the function most relevant to charities involved in disaster relief, creates a working group of key federal agencies and charitable organizations to address:

- mass care, including sheltering, feeding, and emergency first aid;
- housing, both short- and long-term; and
- human services, such as counseling, processing of benefits, and identifying support for persons with special needs.

As a direct service provider, the American Red Cross feeds and shelters victims of disasters. In addition to fulfilling this role, the American Red Cross is responsible for coordinating federal efforts to address mass care, housing, and human services under Emergency Support Function 6 with FEMA. The American Red Cross is the only charity to serve as a primary agency under any Emergency Support Function. The plan gives the American Red Cross responsibility for coordinating federal mass care assistance in support of state and local efforts. The American Red Cross also has responsibilities under other Emergency Support Functions, such as providing counseling services and working with the Federal Government to distribute ice and water. FEMA's responsibilities include convening regular meetings with key agencies and coordinating the transition of service delivery from mass care operations to long-term recovery activities, among other responsibilities.

National VOAD, a membership organization composed of approximately 40 charities that provide services following disasters, is designated as a support agency under Emergency Support Function 6, but it does not provide direct services to victims.² Rather, National VOAD is responsible for sharing information with its member organizations regarding the severity of the disaster, needs identified, and actions taken to address these needs.

²For a list of National VOAD members, see appendix 1.

Following September 11, GAO Reported That More Effective Collaboration Could Enhance Charities' Contributions in Disasters

Following September 11, GAO reported several lessons learned that could help charities enhance their response to future disasters.³ These included easing access to aid for eligible individuals, enhancing coordination among charities and between charities and FEMA, increasing attention to public education, and planning for future events. Further, GAO recommended that FEMA convene a working group to encourage charities involved in disaster response to integrate these lessons learned from the September 11 attacks. Following our report, seven of the largest disaster response charities, in partnership with FEMA, formed the Coordinated Assistance Network (CAN) to ease collaboration and facilitate data sharing. While the network databases are still largely in a pilot phase, both government and charity representatives have praised the potential of the network's databases to improve collaboration.

Lessons Learned from September 11 Could Improve Charities' Response to Future Disasters

- **Easing access to aid for those eligible:** We reported that charities could help survivors find out what assistance is available and ease their access to that aid through a central, easy-to-access clearinghouse of public and private assistance. We also suggested offering eligible survivors a case manager, as was done in New York City and in Washington, D.C., following September 11 to help to identify gaps in service and provide assistance over the long term.
- **Enhancing coordination among charities and with FEMA:** We also found that private and public agencies could improve service delivery by coordinating, collaborating, sharing information with each other, and understanding each other's roles and responsibilities. Collaborative working relationships are critical to the success of other strategies to ease access to aid or identify service gaps, such as creating a streamlined application process or a database of families of those killed and injured.
- **Increasing attention to public education:** After September 11, we reported that charities could better educate the public about the disaster recovery services they provide and ensure accountability by more fully informing the public about how they are using donations. Charities could improve transparency by taking steps when collecting funds to more clearly specify the purposes of the funds raised, the different categories of people they plan to assist, the services they plan to provide, and how long the charity plans to provide assistance.
- **Planning for future events:** Further, we reported that planning for how charities will respond to future disasters could aid the recovery process for individuals and communities. Although each disaster situation is unique, it could be useful for charities to develop an assistance plan to inform the public and guide the charities' fundraising efforts. In addition, state and local emergency preparedness efforts could explicitly address the role of charities and charitable aid in future events.

Charities Formed National Network to Improve Coordination

GAO recommended that FEMA convene a working group to encourage charities involved in disaster response to integrate lessons learned from the September 11 attacks. After our report, FEMA encouraged charities to form a working group to share information following disasters, which became the Coordinated Assistance Network. The seven charities that formed CAN are the Alliance of Information and Referral Services, the American Red Cross, National VOAD, the Salvation Army, 9/11 United Services Group, Safe Horizon, and the United Way of America. The group worked in partnership with FEMA to develop a database to share information between agencies.

The CAN network addressed several of the lessons learned that GAO identified. To ease access to aid for those eligible, the network is designed to share client data, such as previous addresses, employment information, and FEMA identification numbers, between charities. CAN is intended to ensure that victims need only explain their circumstances once, rather than repeatedly to different service providers. To enhance coordination among charities and with FEMA, the CAN network is designed to make charities more aware of the services provided by one another and identify any gaps or redundancies in services. Last, to plan for future events, the CAN network intends to build partnerships or working relationships among disaster response charities before disasters strike. While the CAN network databases are still largely in pilot phase, both government and charity representatives have

³ GAO, *September 11: More Effective Collaboration Could Enhance Charitable Organizations' Contributions in Disasters*, GAO-03-259 (Washington, D.C.: Dec. 19, 2002).

praised the database's potential to improve collaboration and noted that it functioned well following the disasters, considering that it was not fully developed.

Preliminary Observations of Charitable Organizations' Operations Following the Gulf Coast Hurricanes

Following the hurricanes, charities have raised more than \$2.5 billion to assist in hurricane relief and recovery efforts. Many of the charities responding to the disaster have taken steps to coordinate with one another and with FEMA and other government agencies. For example, charities have shared information through daily conference calls and through electronic databases that allowed multiple organizations to access information about services provided to hurricane victims. Some charity representatives we spoke with praised the potential of these systems for sharing information, but also raised concerns that using these systems could be difficult at times. Charities also experienced problems in providing services to victims in some hard-to-reach areas. GAO teams that visited the Gulf Coast region in October 2005 observed that in areas where the American Red Cross did not operate, other charities, such as the Salvation Army and smaller charities—often local churches—provided relief services. Although smaller organizations helped fill the gaps in charitable services in the Gulf Coast region, some concerns have been raised about their ability to provide adequate services to victims.

Charities Have Raised More than \$2.5 Billion Following the Gulf Coast Hurricanes

Charities have raised more than \$2.5 billion in cash donations in response to the Gulf Coast hurricanes, according to the Center on Philanthropy at Indiana University.⁴ The center notes that this number is a low estimate, since it does not include direct giving to individuals, giving to smaller charities, or in-kind donations. As of November 18, the American Red Cross had raised more than \$1.5 billion, more than half of all dollars raised. The Salvation Army raised the second-highest amount, \$270 million, about 18 percent of the amount raised by the American Red Cross. The Bush-Clinton Katrina Fund and Catholic Charities were the next-largest fund raisers, each raising about \$100 million.

Charities Took Steps to Improve Coordination but Experienced Some Challenges

Charities operating in the Gulf Coast region following the hurricanes coordinated services through the convening of major national disaster relief organizations at the American Red Cross headquarters, daily conference calls organized by National VOAD, and databases established by CAN. The usefulness of the daily conference calls, as well as the CAN databases, was questioned by some charity representatives.

In the weeks following Hurricane Katrina, the American Red Cross organized a national operations center with representatives from FEMA and several major national charities, including the Southern Baptist Convention and the Salvation Army, at its headquarters in Washington, D.C. Because of the scale of the hurricane disaster and the large response needed, this was the first time the American Red Cross coordinated this type of national operations center following a disaster. This working group helped the major charities coordinate services on the ground by allowing for face-to-face interaction and ongoing communication, according to charity representatives and FEMA officials.

To help fulfill its information-sharing role under Emergency Support Function 6, National VOAD organized daily conference calls with FEMA and other Federal Government representatives and its member organizations operating in the Gulf Coast region. National VOAD also invited nonmember charitable organizations that were providing relief to hurricane victims to participate in these calls, which sometimes included more than 40 organizations at once. During these calls, both the Federal Government and charities were able to provide information and answer questions about services provided, needs identified, and the organizations' abilities to meet these needs. Representatives from charitable organizations told us that these calls were an effective way to coordinate the delivery of supplies among charities and help identify those regions that were most in need of charitable services.

Charities were also able to share information through CAN databases. Following the hurricane disasters, CAN created a Web-based shelter registry that provided information about emergency shelters operating in the Gulf Coast region, including their capacity and operating status. CAN also activated the database of victim information, which at the time was being tested in six pilot communities. More than 40 charities—all of whom must sign CAN participation agreements, including the American Red Cross, the Salvation Army, and the United Way of America—were

⁴This sum is as of November 18, 2005.

able to access this database and input information about the services they provided to individual clients, according to CAN representatives. Charities could share information about these clients, who were required to sign privacy releases, through the Web-based database, thus reducing service duplication and the need for victims to give the same information to multiple organizations.

Although charity representatives we interviewed reinforced the importance of the conference calls and the CAN databases, they also raised concerns about the usefulness of these systems. For example, some representatives were concerned the conference calls had too many participants. Because 40 or more charities might be participating in any one call, the calls often ran long or dealt with issues that may not have been of interest to the whole group, according to some charity officials. Additionally, charity representatives told us that call participants sometimes provided information that turned out to be inaccurate.

Charity officials we spoke with were supportive of CAN and its mission, but they raised several concerns about the usefulness of its databases following the hurricane disasters. One concern that we heard from a few charities was that the CAN case management system is still in its developmental stages and was therefore not ready to be activated on such a large scale. Many volunteers had not received sufficient training on the system, and some of the technological glitches had not been completely resolved, according to charity representatives. In addition, representatives told us that the shelter database, which was developed soon after the hurricanes and had not been previously tested, may not have been ready for widespread use. In addition, some officials said that after Katrina there was neither electricity nor Internet access in certain locations, and as a result, the CAN databases could not always be used. Some officials stated that they needed to collect information in writing at the time of the disaster and then input the data into the system once they had Internet access—a task that was time-consuming and diverted resources from other needed areas. CAN officials responded that the CAN databases were created primarily for long-term recovery efforts, which would take place after electricity and Internet access were restored, rather than for short-term relief.

Charity representatives also told us that daily conference calls and electronic databases helped with coordination efforts, but these systems were not as important to coordination efforts as pre-existing relationships. Several of the charities we spoke with stated that in order for charities to function efficiently following a disaster, they must have some sort of established working relationship with the other charities involved in disaster relief efforts. One charity representative told us that it is difficult to make introductions in the chaos of a disaster. He stressed that charities that operate in disasters should have memorandums of understanding signed before a disaster strikes—a practice used by many charities—so that they can immediately coordinate efforts in a disaster situation.

Charities Struggled to Balance Access to Services with Concerns Regarding Safety of Service Providers and Victims

GAO teams that visited the Gulf Coast in October 2005 observed that the American Red Cross did not provide relief in certain areas because of safety policies; and thus, other charities, such as the Salvation Army and smaller charities, often helped to meet the needs of those areas. The American Red Cross told us that with the American Society for Civil Engineers and FEMA, it had previously developed policies intended to protect the safety of service providers and victims following a disaster. These policies include not establishing shelters in areas that may become flooded during a disaster or in structures that strong winds may compromise. However, victims remained in areas where the American Red Cross would not establish shelters. Further, where the American Red Cross was able to establish shelters, the needs of victims sometimes exceeded the capacity of the American Red Cross, as this represented the largest response effort in American Red Cross history. GAO teams in Mississippi observed that the Salvation Army and smaller charities, such as local church organizations, filled many of the needs for volunteer services that the American Red Cross did not meet. Additionally, GAO teams estimated that in the Birmingham, Alabama, area, a significant portion of the approximately 7,000 evacuees were being cared for and sometimes being housed by local churches and their members.

Although smaller organizations provided needed charitable services in the Gulf Coast region, some concerns have been raised about the organizations' abilities to provide adequate services to victims. Some officials told us that the smaller organizations helped meet important needs, but many of the organizations had never operated in a disaster situation and may not have completely understood the situation. For example, officials told us that some of the small charities that placed children who were separated from their parents in homes did not retain sufficient informa-

tion about which children were placed where. This made it difficult to locate missing children. Other officials told us that some of the smaller organizations that tried to establish “tent cities” to house evacuees were not prepared to provide the water, sanitation, and electricity these types of shelters require.

In closing, the devastation of Hurricanes Katrina and Rita once again challenged federal, state, and local governments and charitable organizations’ abilities to provide large-scale aid to hundreds of thousands of survivors. It also provided a critical opportunity to assess how the nation’s charities have incorporated lessons learned from responding to the September 11 tragedy.

Our report on charitable organizations’ contributions after September 11 identified several lessons learned and made important recommendations for improving the delivery of charitable services after disasters. GAO’s ongoing work on the coordination of charitable efforts in response to Hurricanes Katrina and Rita will examine how these recommendations have been implemented and how effectively charities coordinated in response to recent hurricanes. Specifically, this upcoming report will address questions regarding the amount of money charities have raised to assist people affected by the hurricanes and how these funds have been used, how well charities are meeting their responsibilities under the National Response Plan, how well charities are coordinating their relief efforts, how people affected by the hurricanes have accessed charitable services and relief supplies and the challenges they encountered in dealing with charities, and what charities are doing to guard against fraud and abuse. This report will be released next year.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions that you or other members of the subcommittee may have at this time.

Appendix I

Members of National Voluntary Organizations Active in Disaster

Adventist Community Services
 America’s Second Harvest
 American Baptist Men
 American Radio Relay League
 American Red Cross
 Ananda Marga Universal Relief Team
 Catholic Charities USA
 Center for International Disaster Information
 Christian Disaster Response International
 Christian Reformed World Relief Committee
 Church of the Brethren
 Church World Service
 Convoy of Hope
 Disaster Psychiatry Outreach
 Episcopal Relief and Development
 Friends Disaster Service, Inc.
 The Humane Society of the United States
 International Aid
 International Critical Incident Stress Foundation
 International Relief Friendship Foundation
 Lutheran Disaster Response
 Mennonite Disaster Service
 Mercy Medical Airlift
 National Emergency Response Teams
 National Organization for Victim Assistance
 Nazarene Disaster Response
 Northwest Medical Teams International
 The Points of Light Foundation
 Presbyterian Church (U.S.A.)
 REACT International, Inc.
 The Salvation Army
 Society of St. Vincent de Paul
 Southern Baptist Convention
 United Church of Christ
 United Jewish Communities
 United Methodist Committee on Relief
 United Way of America
 Volunteers of America
 World Vision

Chairman RAMSTAD. Thank you for your testimony and for making us all accountable. Mr. Becker, please.

STATEMENT OF JOSEPH C. BECKER, SENIOR VICE PRESIDENT FOR RESPONSE AND PREPAREDNESS, AMERICAN RED CROSS

Mr. BECKER. Mr. Chairman, my name is Joe Becker, and I head Red Cross disaster services. I continue to lead our organization's response to Hurricane Katrina. I am delighted to be here, and I appreciate the opportunity to share with you our work for the survivors of the storm. The core mission of the American Red Cross is to provide relief to victims of disasters. We are volunteer-led and our services are delivered by volunteers. We do this through a network of 800 chapters throughout the country. We, like others, deal with the human side of disaster. To do that we partner with other nonprofit groups and organizations, and we partner with every level of government—local, State and Federal. Every day we respond to victims of disaster, from as small as a family whose house burns to as big as Katrina, and we help with the same needs.

We shelter, which is to provide a safe place for people to stay during a hurricane and in the coming days after until they have a place to go. We feed. We feed the people in our shelters, and we feed in the community. We work with other nonprofits and faith-based groups in the larger disasters, who come forward to join that effort. We provide emergency financial assistance. We do this to provide for things like the next set of clothes for people who left home with very little. This is usually done now in the form of a debit card. We provide mental health counseling, and we connect families with loved ones who are missing. So, we shelter, we feed, and we provide for immediate emergency financial needs of people.

For many years, the bar that we had set for hurricanes was Andrew. Then we had the four back-to-back storms last year, the sum of which was the largest Red Cross response ever.

In every way of measuring, Katrina has dwarfed the sum of all four storms last year. We said early on in Katrina that the response would be bigger than the Red Cross alone—that it would take many Americans to respond. They did.

We did run the shelters, as was described, about 1,100 in 27 States and here in the District. We just closed our last Katrina shelter a little over a week ago. We closed our last Wilma shelter last night. We have fed over 50 million meals and snacks, and we are still feeding in the Gulf Coast at about 50,000 meals a day.

We knew early on that there was a need for our financial assistance on a totally different scale. We didn't have 73,000 families needing financial assistance, like we did last year in the sum of all four of those storms; we knew early on that we would have over 1 million families requiring that assistance. We had to build entirely new ways to do that.

We had very long lines. We had a lot of busy signals at the call centers that we created for the storm, but in a matter of weeks, we gave over 1.2 million families an average of about \$1,000 per family.

Last fall's storms cost our organization about \$130 million. We project that our response to these storms will cost us over \$2 billion, and we continue to raise money to pay those bills.

About 220,000 Red Crossers have served so far. They slept in their trucks, they slept in the shelters, and they did good work. They volunteered because they care.

However, there were things that we could have done better.

After every major disaster, we conduct a top-to-bottom study with a critical eye, and our board is leading this study now. We intend to take the lessons we learned and work to get better.

In my written testimony, I outlined some of our early areas of focus from the study. The response was bigger than the Red Cross. So, many organizations joined the effort, many new to the disaster work. We have a lot to be proud of, we have a lot to be thankful for, and we still have a lot to do.

Thank you for allowing me to share with you today.

[The prepared statement of Mr. Becker follows:]

Statement of Joseph C. Becker, Senior Vice President, Preparedness and Response, American Red Cross

Chairman Ramstad, Congressman Lewis, and Members of the Committees, thank you for providing me the opportunity to provide testimony on behalf of the American Red Cross.

By any measure, this was the most significant level of human need the Red Cross has ever faced in its 125-year history, and it was our most challenging operation, too. The organization's capacity to meet the needs of our citizens has never been tested in a magnitude such as that presented by Hurricane Katrina. In fact, it was nearly 20 times larger than anything we had ever faced before.

I thank the Committee for holding this hearing today to address the ways the nonprofit sector responded to Hurricane Katrina. After each major disaster response is concluded, the American Red Cross carefully examines its response retroactively to determine what worked well. More importantly, we always try to identify areas where we could improve our response and operation in the future.

There is much to be learned from this disaster—lessons that will help us improve our response to future disasters. However, I would like to state up front that given the remarkable demands that we faced, the entire nonprofit sector, supported by the incredible generosity of the American public, rose to the occasion and provided care and comfort to millions of people who had no place to turn. As the person responsible for directing the response on behalf of the Red Cross, I am extremely grateful to our sister organizations including the Salvation Army, the United Way, the Southern Baptists, Catholic Charities, the NAACP, the American Psychological Association, and myriad other voluntary agencies, large and small. The American public and our corporate donors were an integral element of our response, along with the more than 200,000 Red Cross volunteers who have given their time and talent so tirelessly. We could not do the work that we perform without all of this support and the support of Congress, and it is with my gratitude that I present this testimony before the Committee today.

About the American Red Cross

For more than 124 years, the mission of the American Red Cross has been to help Americans prevent, prepare for, and respond to emergencies. In 1905, Congress chartered the American Red Cross to provide a system of disaster response and to mitigate suffering caused by disaster. We continue to meet this mandate today. We have a long and proven track record of immediate response to major disasters, both natural and man made. In towns and cities across the United States, the American Red Cross has responded to more than 72,000 disasters in the past year, ranging from residential house fires to the devastating hurricanes that struck the Gulf Coast. At the same time, the Red Cross continues to aggressively prepare for the possibility of another terrorist attack on American soil, the threat of a pandemic flu and, of course, we share the unenviable task faced by all disaster response organizations of standing prepared to respond to novel and unexpected disasters that we may have never seen or imagined until the moment they strike.

Governed by volunteers and supported by community donations, the Red Cross is a network of more than 800 chapters, eight regional service areas, and 35 Blood Services regions dedicated to saving lives. Comprising more than one million volunteers and more than 30,000 employees, the Red Cross trained nearly 11 million people in lifesaving skills during the past calendar year alone and keeps U.S. military

families connected worldwide. The Red Cross is the largest supplier of blood and blood products to more than 3,000 hospitals across the nation and also assists victims of international disasters and conflicts at locations worldwide.

The Red Cross provides a unique community-based network to support all-hazard preparedness in your districts, to your constituents, each and every day. As an integral member of the first response community with expertise in meeting the human needs associated with disasters, we are integrated into state and local government agency disaster planning exercises and response efforts. We partner with local, state, and federal governments to provide emergency shelter, food, and health and mental health services as well as short-term financial assistance to address basic human needs.

In addition, the Red Cross has the unique role of being the only nongovernmental organization assigned Primary Agency responsibilities under the National Response Plan (NRP). Upon activation of the NRP, the Red Cross serves as the Primary Agency under Emergency Support Function (ESF) #6, Mass Care (provision of food, shelter, emergency first aid, disaster welfare information, and bulk distribution of emergency relief items). The Red Cross also serves as a Support Agency to the Department of Health and Human Services for Public Health and Medical Services (ESF #8), providing blood in coordination with the American Association of Blood Banks (AABB) Inter-organizational Task Force on Domestic Disasters and Acts of Terrorism, mental health services, and disaster health services. In addition, we have undertaken an expanded function under the NRP within external affairs (ESF #15) to help disseminate accurate and timely information to those affected during an incident to help better protect themselves. Ultimately, our activities in the NRP focus on meeting the human needs associated with disasters.

Response to Hurricane Katrina

For the American Red Cross, and for the country, Hurricane Katrina is a watershed moment in our history. Hurricane Katrina produced human needs exceeding those presented by all previous natural disasters in this country, including the Johnstown Flood in 1882, the San Francisco Earthquake in 1906, the Spanish Flu epidemic in 1918, Hurricanes Camille and Andrew, or manmade events such as the Oklahoma City Bombings in 1995 and the tragedy of September 11, 2001. The needs created by Hurricane Katrina exceeded even those posed by the four back-to-back hurricanes last year. Each of these are major incidents that tested the organization and served as a benchmark moving forward. Now, Katrina will do the same.

The moment the levees gave way in New Orleans, we knew that this response and recovery operation would test our capacity as an organization. Yet even as the waters rose and more people fled, none of us could have envisioned the sheer scale of the catastrophe.

In order for me to put this in perspective, I want to spend just a moment looking back on Hurricane Season 2004. The State of Florida was slammed with four back-to-back hurricanes. To date, it had been our largest response to a natural disaster. We provided 519,000 shelter nights, gave approximately 73,000 families financial assistance, and provided close to 16.5 million meals and snacks to victims and emergency workers. In the end, the organization spent roughly \$130 million.

Yet, all this pales in comparison to our response efforts for Katrina and Rita. In response to these two storms, the Red Cross has provided 3.42 million overnight stays in nearly 1,100 shelters across 27 states and the District of Columbia. We have given more than 1.2 million families emergency financial assistance. The Red Cross, in coordination with the Southern Baptist Convention, has served more than 27.4 million hot meals and 25.2 million snacks to hurricane survivors to date. The Red Cross will spend in excess of \$2 billion in our response to Hurricanes Katrina and Rita.

But while the challenges were immense, and the circumstances were difficult, the Red Cross persisted, and continues to persist, because of our tireless volunteers. Almost 220,000 trained Red Cross disaster services workers from all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands have given their talents and time to respond to those in need because of Hurricanes Katrina and Rita. This may be the largest mobilization of Americans helping each other in our nation's history. It is because of their selfless work that we have managed to do the work that we do.

Even before Hurricane Katrina made landfall, the American Red Cross was preparing for what proved to be the costliest storm in U.S. history. In addition to strongly urging coastal residents to take action by developing a family communication plan, making plans to evacuate, and preparing a disaster supply kit, the American Red Cross was also launching our largest mobilization effort in the organization's 124-year history.

The American Red Cross mobilized on all fronts and moved before the storm hit. Local Red Cross chapters opened shelters for thousands of residents who heeded evacuation orders. Thousands of Red Cross staff and volunteers were pre-deployed to safe areas, waiting for the storm to pass so they could begin to respond to the needs following the threat. In addition, nearly the entire Red Cross fleet of emergency response vehicles (ERVs) was sent to the Gulf Coast before and just after landfall. We also pre-positioned mobile kitchens prepared to provide 500,000 meals a day, food and supplies, and necessary technology, and we rented 1,000 box trucks to feed and deliver supplies in communities. We knew this was going to be big.

We set up shelters in Louisiana and surrounding states. As those affected were evacuated or fled to virtually every state, we mobilized our entire organization and extended our services across the nation. From California to Maine, our chapters sheltered, fed, counseled, and assisted the tens of thousands of evacuees relocated to distant places and worked with local communities to welcome them and meet their needs.

And while we faced a number of challenges, our basic services were solid. As soon as the storm passed, we began to set up our feeding kitchens, opened additional shelters, and started to increase the services to provide immediate care for the survivors of Hurricane Katrina. With our partners, the Southern Baptists, we served 300,000 meals on the third day of the response and peaked at 995,000 meals in a single day. The largest number of meals we had ever provided in a single day prior to this was 280,000, which was in response to the four hurricanes last year.

Partnerships

With 824 chapters nationwide, the Red Cross has an infrastructure that allows us to respond quickly to disasters. Similar to former House Speaker Tip O'Neill's observation of politics, all disasters are local. It is at the community level that victims are sheltered, fed, provided with mental health counseling, and offered emergency financial assistance. However, even in small-scale disasters such as residential house fires, the American Red Cross does not respond alone. Partnerships are tantamount to our meeting our mission, and in chapters across the country, local partnerships help to ensure that those in need receive assistance.

The importance of partnerships in disaster response cannot be overstated. Because of the scale and magnitude of this disaster, the American Red Cross early on called on all of its partners to provide assistance to those in need. The response to Hurricanes Katrina, Rita, and Wilma required collaboration at every level of government, and full engagement of the entire charitable sector, the faith community, and the American public.

There has never been a response that has required as much coordination among the nonprofit sector. From the start, the Red Cross coordinated efforts with other nongovernmental organizations at all levels. At our National Headquarters, a group of national service providers worked together for days to plan service delivery strategy. Red Crossers were busy in county and state emergency operations centers working with our partner organizations to coordinate response, logistics, resources, and staff. And on the ground, our chapters had partnerships in place to ensure that the local communities were responding in a collaborative manner.

We also partnered around fundraising activities. We knew this response was going to involve the entire charitable sector, including the faith community. While the Red Cross does not provide direct funding to other charities, we wanted to do our part to ensure that their messages were received as well. For example, during the first week in October, representatives from the Salvation Army and the United Way joined us for a day-long donor trip in Gulfport and Biloxi led by our Red Cross Chairman, Bonnie McElveen-Hunter. Also participating were representatives from several major foundations, some of whom had requested an opportunity to meet with our nonprofit partners.

One of the significant lessons learned is that partnerships are much more effective when formed well in advance of a disaster. Because of the enormity of the crisis and speed required in response, it is difficult for organizations new to the response environment to be quickly assimilated into county or parish planning and operations in the midst of responding to a disaster. The Red Cross has a number of agreements in place with other organizations that delineate roles and responsibilities when disaster strikes. During Hurricane Katrina, those partnerships worked and worked well. And while we have received some criticism from other NGOs for not coordinating with their organizations after Katrina made landfall, we seek out their partnership going forward. We are grateful for the work that all organizations did to respond to the millions of people in need, and that is why we recommended that the Federal government provide reimbursement to groups that stepped forward to provide sheltering and feeding operations. There is no ownership here—local char-

ities and the faith community performed vital and necessary work during this disaster.

Diverse Communities

The American Red Cross historically deals with the most vulnerable citizens in our society. Issues of poverty, race, physical and mental disability, and cultural differences are not new to our organization. It is an unfortunate fact that in our society, disasters have the most profound impact on the most vulnerable residents in communities.

In an effort to learn how we can serve more effectively, we have already undergone some evaluation regarding coordination and partnerships, particularly among organizations that represent communities of color and the disabled. While we have made tremendous efforts to reach out to minority and disabled communities for volunteers, staff, and donors, we are acutely aware that there is much work to be done.

Congressional Black Caucus Chairman Mel Watt and other Members of the CBC were among the first group of lawmakers we met with following Katrina's landfall. We have worked with the Caucus in the past and knew how important they would be in keeping vital lines of communication open and guiding us as issues and challenges arose. The weekend following landfall, our President and CEO, Marty Evans, and Board of Governors member Gina Adams hosted a trip to Baton Rouge and Houston for Members of the Caucus to begin to challenge difficult issues. Our partnership with the CBC proved instrumental in easing tensions and addressing needs, and we thank them for their work and leadership through the entire response. We are also grateful to Reverend Jesse Jackson for his help in coordinating with the faith community. We met with Reverend Jackson, CBC leadership, and leaders in the faith community in Memphis to better coordinate efforts. Additionally, Congresswoman Sheila Jackson Lee was of tremendous help in coordinating sheltering efforts in Houston, where an estimated 250,000 hurricane survivors and evacuees were relocated.

Challenges and Criticisms

Hurricane Katrina was a disaster of epic proportions and posed unprecedented challenges. The affected area compares to the size of Great Britain, devastating the lives of among the most vulnerable people in America. Not only were there geographical challenges, there were severe socio-economic challenges. In so many circumstances, we were providing care for those who needed assistance even before they were affected by Katrina.

Although American Red Cross services were available throughout the affected area on an enormous scale, we fell short of being universally present everywhere there was a need. Nevertheless, we moved as rapidly as possible to provide services in those areas that we could not immediately reach or, in some cases, were unaware of.

We knew this was not going to be a traditional response. During traditional responses, the American Red Cross provides direct services, often door-to-door, to disaster victims. Red Crossers are among the first on the scene, providing shelter, meals, and helping local victims that cannot be reached by their loved ones. Yet this storm, and the response to it, was not traditional.

Given the number of people in need, our response was geared toward places that we knew we could get to immediately and places where we knew people were congregated. It was our goal to reach the greatest number of people with the most possible speed. Throughout this process, Red Crossers endeavored to work with local community-based organizations and faith based groups to reach the most people.

One of the hard truths about Katrina is that our country was not prepared. Of equal concern moving forward is that even with the devastation wrought by Katrina, a recent report released by Professor Paul C. Light of New York University indicates that Americans still do not feel compelled to prepare for disaster. This is a vexing challenge for those of us in disaster services.

While there were many successful partnerships, there were also significant voids that needed to be filled. A large number of spontaneous shelters sprang up. Most were churches that opened their doors to provide shelter for those in need. Early on, we had difficulty learning of and coordinating efforts with these wonderful groups.

There were a number of questions regarding why we did not re-enter the City of New Orleans. The American Red Cross of Southeast Louisiana, located in the City of New Orleans, heeded the evacuation order called for by local authorities. The chapter relocated to the town of Covington, located on the north side of Lake Pontchartrain. Our service delivery in New Orleans differed from that provided to other affected areas in Alabama, Louisiana, and Mississippi. Under the Louisiana State

Plan, if a Category 3 or higher storm is headed for Louisiana, 23 parishes, including Orleans Parish, are to begin an evacuation inland. The inland parishes, in cooperation with state agencies and the American Red Cross, are to shelter evacuees from "Risk Area Parishes," as there are no shelter sites that meet hurricane safety criteria within Orleans Parish. In fact, it has been the policy of the Red Cross that there are no safe areas south of the I-10/I-12 corridor for a large scale hurricane. The Louisiana Plan, which makes no reference to the Red Cross operating shelters within the city, enumerates eight distinct shelter types, plus what is described as the "Refuge of Last Resort." The Convention Center and the Superdome served as refuges of last resort. Under state plans, these facilities are to open when local authorities terminate an evacuation due to unsafe driving conditions. These facilities are not operated by the Red Cross. In practice, after the threat has passed, the Red Cross at times staffs shelters of last resort, providing services to people. We do not establish shelters in facilities that do not meet our criteria for safety during land-fall.

Consistent with state and local plans, and our practice in previous disasters, we were asked by state and federal officials not to enter New Orleans. While we were in constant communication with local and state authorities, it was not deemed safe for Red Cross personnel to re-enter the city of New Orleans. The Red Cross does not place our client evacuees, staff, volunteers, or resources in harm's way. It is our practice to heed evacuation orders and assist those in need of shelter outside of high-risk areas.

Additionally, it was the goal of local and state officials to fully evacuate the city of New Orleans after the storm passed. We were instructed by authorities that, in addition to issues of safety, if the Red Cross provided services to survivors within New Orleans, it would discourage people from heeding evacuation orders. At the direction of public officials, we entered New Orleans in a coordinated fashion to provide services at the earliest possible time.

This was a difficult scenario for the Red Cross. Eighty percent of our local Red Cross staff in the Southeast Louisiana Chapter lost their homes to Katrina, yet while they themselves were victims, they desperately wanted to provide support to their neighbors in need, and to this day they continue to do so. We are still engaged in active operations in the city.

Another Herculean challenge was getting financial assistance as quickly as possible to an unprecedented number of people who left their homes with little or nothing and in many cases would have no homes to which they could return. As stated previously, the largest number of families to which the Red Cross had ever provided assistance was approximately 73,000—those served during the four back-to-back hurricanes in 2004. By contrast, demographic and census information from the area affected by Katrina led us to estimate that more than one million families, most of whom were bereft of all of their traditional social support systems, would need financial assistance.

The challenge of raising enough money to provide assistance to an estimated one million families was, frankly, daunting. Initial disaster assessments and demographic information led us to estimate that, with average assistance of about \$1,000 per family, we were facing financial assistance expenses of approximately \$1 billion. We had to make the difficult determination whether we would—or could—provide this magnitude of financial assistance. Red Cross leadership, together with our Board of Governors, rapidly decided that the tremendous needs of the evacuees demanded that we act. Soon, it became clear that dollars were going out at a fast rate. We had to either suspend our emergency financial assistance or borrow funds. We chose to borrow the money—over \$300 million—with the confidence that the American public would see our efforts as worthy and support the work we were doing. This has proven to be the case.

The mechanisms for getting the financial assistance to the people who needed it without delay posed an additional set of challenges. During traditional responses, trained American Red Cross volunteers and staff, conduct disaster damage assessments, meet with survivors to determine their needs and provide assistance accordingly. We often do home visits to confirm damage and determine necessary assistance. This type of detailed assessment would clearly be impossible for many months after Katrina and Rita. We had to choose between two options: we could attempt to verify damage house by house and thereby delay assistance to those who so urgently needed it, or we could utilize the best information available regarding damaged areas and speed the provision of our assistance. By choosing the latter option, we knew that we ran the risk of putting assistance in the hands of potentially unscrupulous individuals not affected by the hurricanes; we concluded that it was a reasonable business risk and mitigated the risks as possible. We considered the need to help the vast numbers of families in desperate and legitimate need without

delay. Using satellite images and fly-over photographs, we determined specific ZIP codes where the devastation was obvious and began to disburse the maximum assistance to these families based on family size. It was our goal to get money in the hands of survivors as quickly as possible. The fact that fraudulent claims for assistance could occur was to be addressed with an aggressive “no tolerance” fraud enforcement policy which we discussed with federal and state law enforcement authorities.

Another hurdle was the logistics of getting cash into the hands of so many people spread across so many states. Methods used in the past would not accommodate the unique aspects of this epic disaster. We set up an 800 number and call centers around the country and partnered with Western Union to provide immediate cash assistance. A critical moment came when we realized that it could take days and weeks to bring these systems up to a scale that could accommodate the number of families in need of assistance. That left us with another difficult choice: delay assistance to every disaster victim until we had the capacity to effectively serve them all, or proceed with the capacity we had, getting funds into the hands of thousands of families right away and working diligently to add to those numbers as quickly as we could scale up our systems. We chose to help those whom we could without delay, while striving to serve all who needed us. We sincerely regret that there were long lines and a lot of busy signals, but we believe that we made the right choice. In the six weeks following landfall, the Red Cross put over one billion donated dollars into the hands of families who desperately needed it without delay.

Lessons Learned

Hurricane Katrina’s raging winds and engulfing waters laid bare some hard truths. It is now a question of whether the American Red Cross, others in our sector, governments at all levels, and the American people will confront those truths and learn from them. Now, in the cold light of day and with a calmer atmosphere, we have a clearer picture of the impact of such an event on our society, the challenges inherent in a disaster of this magnitude, and the scope of need we must address. Over the course of the next several months we will continue our own top-to-bottom internal review of our practices and our response to Katrina, and we will continue to build upon our lessons learned. However, I want to share with you some big-picture items that are front and center.

First, we need to convene community leaders to expand our reach to respond where needed. Despite tremendous efforts by all, the scale of this disaster left our response uneven in some places. To ensure more effective efforts in the future will require the input and assistance of all organizations locally in communities across the nation now. It will require the diligence of all community stakeholders, including nonprofits, faith-based groups, elected officials, diverse organizations, and individuals to partake in a full assessment of community needs to ensure that every person in every community will be provided for should we confront a disaster like this again.

Second, preparedness—training, planning, and drilling—must become a way of life for every man, woman and child in this country. For communities, particularly those prone to disaster, training operations must take place and, particularly when there is a need, the government must provide adequate funding to ensure that such training and planning operations can be realized.

Third, we must also dedicate our attention to some larger public policy questions. For example, how much should we in the nonprofit sector—and the government—invest in our infrastructure to be ready to respond to the next catastrophic event when current funds are barely adequate for ongoing needs? How much money should we invest on an annual basis in a core capacity that we may not use for 10 or 15 or 20 years? Systems must be maintained and upgraded over time, and there is a cost for contingent capacity that is not used on a day-to-day basis. How much of this cost can nonprofits bear? Will donors understand that a return on this kind of investment might not be seen for years? Even if they do, how much of this should fall on the backs of the American people who support our response efforts?

Finally, there is the biggest challenge of all: preparedness. If we in America ever thought we were prepared to face a major catastrophic event, we were wrong. We have been operating under the assumption that what we have done in the past—how we respond to smaller disasters—would simply need to be scaled up if we faced a larger one. This is simply not the case.

We need to do a better job engaging our nation’s citizens in preparing for disasters big and small. And this is no small feat. As we look back on Hurricane Katrina, I hope that we will do a better job of ensuring that those who live in harm’s way of disasters will better prepare their families, individually, for what may come their way. We need to focus our attention on all-hazards preparedness. There are simple

steps that every family can take to be safer and to ensure that if separated from their loved ones, they can reconnect. We need to convince every individual and family to make the effort to keep critical documents, medicines, and items they would need immediately in an emergency ready, keeping in mind that, unlike Hurricane Katrina, disasters often provide no warning at all. The American Red Cross has a "Together We Prepare" program that calls for families, schools, or businesses to do five things: (1) Make a Plan, (2) Build a Kit, (3) Get Trained, (4) Volunteer, and (5) Give Blood.

Hurricanes Katrina and Rita are replete with stories of families trapped in attics who survived unimaginably harrowing ordeals because they had water or items on hand. But for each success story, there are also cases where families experienced trauma and loss. In many instances, the very fate of those separated from loved ones was completely unknown. With the existence of a simple emergency communication plan identifying a third party in a remote location for all members to call, the needless anxiety of knowing where their loved ones are could have been avoided by many who experienced this unspeakable anxiety. Preparedness plans work.

Conclusion

I started my presentation today by talking about the tremendous work of the non-profit sector, our organization, and our staff and volunteers in response to Hurricane Katrina, and I would like to conclude my testimony along those lines as well.

The devastation caused by Hurricane Katrina was worse than any worst-case scenario the Red Cross, or the Federal government, ever prepared for. How can the Red Cross, or any organization, respond successfully on a scale that is at least 20 times greater than it ever faced before?

I think the answer can be found in the compassion, generosity, and commitment of the American people. This is the one consistent resource upon which our organization relies, and the one that enables us to rise to the challenge when needed.

Our mission is to help people—people who find themselves on the receiving end of nature's most indiscriminate and violent furies along with those impacted by the cruel and calculated actions of terrorists. Then there are the people who volunteer at the more than 800 Red Cross chapters across the country, those who give generously of their time, talents, blood, and money—including the 200,000 volunteers who put their own lives on hold for weeks this year to help the victims of the unusually severe hurricanes we have endured. There are the American people who time after time, disaster after disaster, sacrifice part of their financial security to provide for those who have lost their own.

At the end of the day, the Red Cross and other charitable organizations, together with the tireless volunteers and donors who support these organizations, responded to the needs of their neighbors in never-before-seen ways. There were challenges, and there are voids that need to be filled and problems that need to be fixed. But the compassion and humanity shown by Americans around this country to open their arms and provide comfort to those in need is unparalleled.

Mr. Chairman, Mr. Lewis, Members of the Committee, I am proud of the work of the American Red Cross—I am proud of the way Americans came to the aid of their neighbors in need. And while Katrina will go down as the largest natural disaster to hit our American soil to date, she could not break the will and compassion of the American public.

Thank you again for providing me the opportunity to testify today. I would be happy to answer any questions you may have.

Chairman RAMSTAD. Thank you, Mr. Becker. Major Hawks, please.

STATEMENT OF MAJOR TODD HAWKS, PUBLIC AFFAIRS SECRETARY AND ASSOCIATE NATIONAL COMMUNITY RELATIONS AND DEVELOPMENT SECRETARY, SALVATION ARMY OF AMERICA

Major HAWKS. Mr. Chairman, the Salvation Army is a part of the Universal Christian Church. Our mission, our fundamental purpose is to provide aid and comfort without discrimination to those in need. Services are delivered by 3,600 uniformed officers,

132,000 soldiers and adherents, 65,000 employees, and by about 3.5 million volunteers.

Our workers have a firsthand knowledge of their individual communities, and they are on site when a disaster strikes. We have a decentralized infrastructure that allows us to respond to a disaster very quickly and on a large scale. In essence, the Salvation Army operations are driven at the local level and communicated upward. Indeed, the role of the national headquarters is to support local effort.

Our disaster response services are a small part of our work. Each day of the year we are serving the poor, the hungry and the homeless, and the forgotten, people's lives who are in profound crisis. Our primary objective is to give people hope.

The Salvation Army has been at the site of every major disaster in America for more than a century, and we have developed the following areas of expertise: mass feeding to survivors and emergency responders, sheltering survivors while attending to their emergency needs, providing social service assistance, both immediate and long term. Knowing that no single charitable organization is capable of providing the full range of disaster response services, the Salvation Army has entered into memorandums of understanding with both faith-based and secular organizations, including FEMA and the American Red Cross.

Despite our sizable footprint, established role in responding to disasters, and the history of collaborating with other organizations, the Salvation Army is not mentioned in the National Response Plan. We are concerned about that. Since we are not mentioned in the plan, we may be precluded from having access to key local, State, and Federal officials.

In Louisiana, for example, the Army was represented by an interagency volunteer and wasn't permitted to have a liaison officer in the State's Emergency Operation Center. As a result, we had to obtain critical information secondhand. In the immediate aftermath of Katrina, we were and still are focused on providing life-sustaining commodities. Within hours after the storm had passed, we moved 72 mobile feeding units into the affected areas. In some areas, we presented the first opportunities for survivors to obtain water and food.

To date, the Army has deployed 178 mobile feeding units and served more than 12 million meals and snacks to survivors and first responders. We have also distributed more than 150 cleaning kits, hygiene kits, and almost 200,000 boxes of groceries. Because of the overwhelming need, the Army opened 225 shelters that house more than 31,000 people. As always, the Salvation Army provides emotional and spiritual comfort to disaster survivors and emergency workers.

At some point the nature of our services will change from the immediate life-sustaining service to long-term recovery services. The Army employs case management to help people get their lives back to normal. We sit down with each family and we determine the social services they need. Some of these clients are referred by other organizations because they present particularly challenging problems and the Army is well equipped to help the most

disenfranchised members of our society. At this time we are assisting more than 269,000 people through case management.

The Salvation Army is also involved in the reconstruction of communities. Typically, we act in partnership with other organizations to achieve our reconstruction goals. For example, Biloxi, the Salvation Army is building a volunteer village for reconstruction teams.

I want to make one final point about disaster services provided by the Army. We do not come into a community, help out for a few weeks, and then leave. We don't make exit plans because we live in those communities. Our presence is permanent. If Congress is inclined to make changes in the Federal Government's disaster response protocols, then the Salvation Army has identified four items for your consideration.

First, the Salvation Army should be explicitly mentioned in the National Response Plan as a support agency.

Secondly, if the Federal Government is going to rely upon NGOs to deliver disaster services, then standardized training is needed, especially for new entrants in the disaster services field. All NGOs must understand the government's emergency management systems and the language of those systems.

Thirdly, people and corporations send unwanted items to disaster sites. Their motivation is laudable, but the arrival of unsolicited, in kind contributions is problematic. The Federal Government could help to channel the generosity of the American people through public education.

Finally, any government policy that makes it more difficult for potential donors to contribute will impact our ability to deliver services. Therefore, we ask Congress to make it as easy as possible for donors to contribute to charitable organizations.

Mr. Chairman, this concludes my testimony. I look forward to answering your questions.

[The prepared statement of Major Hawks follows:]

Statement of Major Todd Hawks, Public Affairs Secretary and Associate National Community Relations and Development Secretary, Salvation Army of America

Good afternoon, Mr. Chairman.

The Salvation Army

Mr. Chairman, The Salvation Army is a part of the Universal Christian Church. Our mission—our fundamental purpose—is to provide aid and comfort, without discrimination, to those in need.

We are active across the country. Indeed, the Army has a presence in nearly every zipcode in the United States.

Services are delivered by 3,600 uniformed officers, 132,000 soldiers and adherents, 65,000 employees, and by the three-and-a-half million Americans who volunteer their time, energy, and compassion to those in need.

More importantly, our people live and work in the communities that they serve. This is an important point when discussing The Salvation Army's disaster response activities, and I'd like to elaborate on it for a moment.

Our officers, staff and volunteers have first-hand knowledge of their individual communities and they are on-site when a disaster strikes. Not only does the Army have people spread out across the country, we have buildings and equipment in those communities too. In short, Mr. Chairman, we have a decentralized infrastructure, and that decentralized infrastructure is the single most important factor in our ability to respond to a disaster very quickly and on a large scale.

Given this organizational structure, it isn't surprising that The Salvation Army's operations are driven at the local level and communicated upward. We don't mobi-

lize through directives issued at the National Headquarters. Indeed, the job of the National Headquarters is to make resources and contacts available to the local level.

Despite today's focus on the Army's disaster response efforts, it should be noted that our disaster response services are a small part of our work. Each and every day of the year, we are serving the poor, the hungry, the homeless, the forgotten—people whose lives generally are in profound crisis. Our primary objective is to give people hope where all may seem lost. Last year, we delivered hope to some 34 million Americans through our core social services that include programs providing help to the drug addicted, the homeless, abused women, low income seniors and at-risk youth. Most of this work is performed beyond the spotlight of television cameras.

Of course, we are also moved, by our faith, to provide for those who have been stripped of shelter and sustenance by a disaster. I would stress that these are ancillary services and the numbers bear out that fact. In comparison to the 34 million Americans who received help from our core social services programs last year, we assisted 4 million disaster victims during that time.

Role in Disaster Response: The Salvation Army has been at the site of every major natural disaster in America for more than a century, and we have developed the following areas of expertise in disaster response:

- Mass feeding to survivors and emergency responders immediately after the disaster has occurred;
- Sheltering those affected while we tend to their spiritual and emotional needs in the immediate aftermath of the disaster; and then,
- The continuation of social service assistance to ensure that the survivors have the means necessary to move back into some semblance of the routine they knew before disaster struck.

As you are well aware, The Salvation Army was not the only charitable organization to respond when Hurricane Katrina struck. This is not an unusual situation; there are several charitable organizations, including The Salvation Army, that routinely provide assistance to disaster victims. Each of these organizations is known among the disaster response community for having a particular set of skills or assets to bring to bear on a particular disaster.

Let me be clear on this point: I do not know of any single charitable organization that, on its own, is capable of providing the full range of disaster response services that are usually required to put communities back on their feet. As a result, charitable organizations routinely coordinate their activities with one another as well as with official government emergency management agencies. The Salvation Army, for example, has entered into Memorandums of Understanding with both secular and faith-based organizations, including FEMA, the American Red Cross, and several other groups.

Role in the National Response Plan: Despite our sizable footprint, established role in responding to disasters, and history of collaborating with other organizations, The Salvation Army is not mentioned in the National Response Plan. Omitting the Army at the national level has implications for disaster response coordination at the state and local levels.

Many states and municipalities have tailored their emergency response plans after the National Response Plan, and because the Army was left out of the federal plan we now find that we are often without a seat at the table at the state and local level during disasters. In Louisiana, for example, the Army wasn't permitted to have a liaison officer in the state's Emergency Operations Center (EOC).

As a result, we had to obtain critical information second-hand through Voluntary Organizations Active in a Disaster (VOAD)—if we received the information at all. This is an untenable situation. In order to deliver our disaster services effectively and efficiently, our local partner must always be the emergency management personnel, and that means inclusion in their disaster response plans.

Another implication of the Army's lack of a seat in the EOC is that we did not have an opportunity to forge relationships with the other organizations present—relationships that might have produced a partnership to deliver disaster services more efficiently, expeditiously, or on a larger scale.

With this general portrait of The Salvation Army in mind, I'd like to move on to review the specific services we offer in times of disaster.

Being Prepared

Some disasters occur without any warning. We prepare for such disasters by educating and training our response personnel.

First and foremost, we train under the Incident Command System. This is a management system designed specifically to help first responders manage a critical incident. We've adopted this system.

In addition, the Army has entered into a Memorandum of Understanding with the International Critical Incident Stress Foundation, which is the leading trainer for first responders in stress management. The Foundation teaches relief workers how to help survivors deal with stress and how to manage their own stress while working in a disaster site.

These two programs are the keystones of our training.

In addition, The Salvation Army conducts additional disaster response training for our own staffs as well as those from other organizations. Earlier this year, for example, The Salvation Army conducted a week-long training conference for non-profit organizations in which 750 people received training to prepare their organizations and communities to respond to a man-made or natural disaster.

Sometimes we have an opportunity to make additional preparations. Weather events such as hurricanes typically give disaster response organizations a few days to prepare, and that is just what we do. In the case of Hurricane Katrina, we staged personnel and equipment in the states adjacent to the primary strike zone. Specifically, we:

- Loaded meals on 72 mobile canteens, each capable of providing 5,000 hot meals per day, and two 54-foot mobile kitchens, each capable of providing 20,000 hot meals per day. We intended to dispatch these mobile feeding units into those geographic areas determined by FEMA to be the hardest hit, and to dispatch additional units as needed.
- Mobilized 200 officers, employees, and volunteers to man these mobile kitchens.
- Prepared to dispatch portable shower units, trucks transformed into 1-stop shops called comfort stations, and emergency response command stations for officers to direct the response efforts.

Delivering Life-Sustaining Commodities

In the immediate aftermath of Katrina, we were—and still are—focused on providing life-sustaining commodities—namely food and water. To use the language of the emergency management community, we were operating in the “response phase.”

Mass Feeding: We moved our mobile feeding units into New Orleans, Biloxi, Gulfport, Mobile and numerous other affected communities within hours after the storm had passed. In some areas, we presented the first opportunity for survivors to obtain food and water.

As the scope and scale of the damage became apparent, we deployed additional resources to the region:

- The number of mobile canteens rose from 72 to 178.
- The number of field kitchens deployed rose from 2 to 11. I should note that eight of the nine additional field kitchens belonged to the Southern Baptists and that they were deployed under a cooperative MOU between the Army and the Southern Baptists.

Since Katrina struck, The Salvation Army has served more than 5 million hot meals and more than 7 million sandwiches and snacks to survivors and first responders.

We have also distributed more than 150,000 cleaning kits and almost 200,000 boxes of groceries.

Shelter: Although sheltering disaster victims is not our primary activity, The Salvation Army does provide shelter for storm victims. At the height of the initial response, the Army was operating 225 shelters which were housing more than 31,000 people. Since then, many of these people have moved on to temporary quarters. In some cases, the Army is helping with rent payments and other shelter-related needs.

Emotional and Spiritual Care: The Salvation Army provides emotional and spiritual comfort to disaster victims and emergency workers coping with the stress of a disaster. This practice dates from the hurricane that devastated Galveston, Texas, a century ago. At the sites of the Oklahoma City bombing and the World Trade Center, one of the most critical missions of the Army was counseling firefighters, police, and morgue workers who were struggling with the enormity of the tragedies. We are providing this care now, to both those who have remained in the Gulf region and to those who have been moved to other communities across the country.

Ultimately Assisting with Long-Term Recovery

At some point in the process of responding, the nature of our services will change from life-sustaining services to recovery services. Typically at this stage—we're now at Day #101—the Army is usually operating in what is known as a “recovery phase.” That means we're helping people put their lives back to normal.

The Army employs case management to help people get their lives back to normal. We sit down with each family to determine what social services they need. Some of these clients will have been referred by other organizations because they present particularly challenging problems and the Army is well-equipped to help the most disenfranchised members of our society. At this time, we're assisting more than 269,000 people through case management.

These social services are the muscle, if you will, that allows the Army to make a lasting contribution to impacted communities.

The Salvation Army is also involved in the reconstruction of communities. We are conscious of the need to rebuild a community's economic infrastructure, so that people can return to work. Typically, we act in partnership with other organizations to achieve our reconstruction goals. For example, if there is a need for new housing, then the Army might pay for the lumber.

Mr. Chairman, I want to make one final point about the disaster services provided by the Army: we don't come into a community, help out for a few weeks, and then leave. We don't make exit plans because we live in those communities. Our presence is permanent.

Thoughts and Observations on Katrina Response

Congress is obviously and rightly concerned about the quality of the preparations for and response to Hurricane Katrina.

From our perspective, the services that were needed by Gulf Coast residents were no different than those provided to other victims of earlier hurricanes. The crucial differences between the response to Katrina and earlier hurricanes were the geographic scope of the disaster, the scale of the damage, and the multiple types of disasters triggered by a single event.

Some special circumstances did arise in New Orleans. There, the conditions under which we delivered our services were somewhat different from those of other hurricanes in two respects.

First, there was toxic material present and our relief workers had to take precautions to protect themselves. Moreover, this delayed the movement of personnel into the area by a few days.

The second complication was civil unrest. The Salvation Army will draw a line in the sand with respect to service delivery when a situation is simply too dangerous.

How Congress Can Help

If Congress is inclined to make changes in the Federal Government's disaster response protocols, then The Salvation Army has identified four items that we would like you to consider.

National Response Plan

The Salvation Army should be explicitly mentioned in the National Response Plan as a support agency, similar to VOAD. Inclusion in the federal disaster response plan would clarify our role to state and local governments and, in our opinion, help the Army to more effectively deliver our services.

Training for NGOs

If the Federal Government is going to rely upon tax exempt organizations and other NGOs to deliver disaster services, then standardized training is needed because all of the NGOs—especially the new entrants in the disaster services field—must understand the government's emergency management systems and the language of those systems.

We believe that FEMA should take the lead role in providing this training. In fact, FEMA already provides some of this training through the National Emergency Training Center in Emmitsburg, Maryland.

Public Education

Just as there are roles for government and charitable organizations in disaster response, there is also a role for people who are moved to help in some way.

All too frequently, people and corporations will send unwanted items to a disaster site. Their motivation is laudable, but the arrival of unsolicited in-kind contributions at a disaster site is problematic. Volunteers have to be diverted from feeding and

directly assisting victims to sort through truckloads of miscellaneous clothes and other un-needed items. Further, storage space in a disaster is scarce.

Likewise, the unexpected arrival of unsolicited and untrained volunteers is also problematic.

I don't want to sound cold, but the simple truth of the matter is that the best response is to send cash and stay out of the disaster zone, particularly when personal safety and health are at risk.

The Federal Government could help to channel the generosity of the American people through public service announcements or by making prominent statements to that effect at the time of a disaster.

Tax Policy

Donors make it possible for The Salvation Army to respond to a disaster, and they play an essential role in the delivery of services to those in need. To date, the Army has received \$295 million for hurricane relief efforts in the affected areas and to assist the evacuees from coast to coast.

Obviously, there is a direct correlation between the generosity of donors and the extent of the Army's ability to help people in crisis.

Consequently, any government policy that makes it more difficult for potential donors to contribute will impact our ability to deliver services. Therefore, we ask that Congress make it as easy as possible for donors to contribute to charitable organizations.

Mr. Chairman, this concludes my testimony and I look forward to your questions.

Chairman RAMSTAD. Thank you, Major Hawks. Mr. Davies, please.

STATEMENT OF JOHN G. DAVIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BATON ROUGE AREA FOUNDATION

Mr. DAVIES. My name is John Davies. I'm the President and CEO of the Baton Rouge Area Foundation, a community foundation serving the capital region of Louisiana. Because of our size and location and prior activities, the Baton Rouge Area Foundation was positioned to be significantly responsive to the challenges brought about by the two hurricanes that devastated our State.

It is important to understand that after the storm Baton Rouge became the center of activity regarding both the displaced population from south Louisiana and the reconstruction effort. The Foundation was in the midst of the relief effort. As a result, our staff arrived at several conclusions about our experience, and we would like to present those to you in the hopes that they might be instructive.

The first is that the lack of coordination among large NGOs, local charities, local, State, Federal agencies was a huge impediment to service delivery. For the first 3 weeks there was no coherent way for relief organizations to coordinate their efforts to ensure complete service coverage and effective response.

Second, within the independent sector, there was a yawning gap of communication between the large multinational NGOs and the local organizations. Logically, large charities who work on the international scene know how each other works and understand each other's role in disaster relief. Local organizations, at least in our case, were unfamiliar with disaster practices and were on a steep and costly learning curve. There was no significant awareness among local organizations of what the national organizations were doing, and vice versa.

The Red Cross response felt to us like it was a first time event for the Red Cross. There was a wide range of competency and experience among Red Cross staff, and that affected the capacity of local charities and volunteers to quickly and properly plug into the Red Cross system. Further, several professionals from different international NGOs commented that the International Red Cross protocols and practices were different from those of the national Red Cross. This too led to confusion in the early stages of the relief.

Fourth, there was a clear dichotomy between the two types of shelters: The Red Cross shelters, of which there were up to five in the greater Baton Rouge area during the storm, and the non-Red Cross shelter that grew to 70 in the area. The various designations of Red Cross shelters and non defines the lack of communication and collaboration between the two groups. The Foundation focused on supporting the latter, primarily faith-based organizations in our greater community, that had very quickly responded to the human crises by opening their churches and buildings to become shelters. In our estimation, the faith-based shelters were hugely important to our community's capacity to absorb the volume of displaced people that it did.

Fifth, the 211 charitable resource phone call line is critical in these situations. The Foundation was inundated by generous people from all over the country who wanted to contribute important gifts in-kind: the use of private jets, the use of complete fleets of trucks, helicopters, offers of free hotel rooms, offers of free housing and apartments, et cetera. For the first 2 weeks after the storm, there was no effective 211 system. It had been overwhelmed, and it took us time, way too much time, to get it up to capacity to handle the volume of calls and to connect the resources from generous people to those in need.

The Foundation hopes that lessons are learned from the experiences of Katrina so that we do not have to relive the scenarios in other disasters, and we are grateful to the Subcommittee on Oversight for holding the hearings so that we can gather information that may reduce the anguish, pain, and suffering of those who are affected by crises in the future.

[The prepared statement of Mr. Davies follows:]

Statement of John G. Davies, President and Chief Executive Officer, Baton Rouge Area Foundation, Baton Rouge, Louisiana

Ladies and Gentlemen, my name is John Davies and I am the President and CEO of the Baton Rouge Area Foundation, a community foundation serving the capital region of Louisiana. Louisiana has five community foundations that serve the state. The three community foundations that responded most directly to Hurricanes Katrina and Rita, were the Community Foundation of Acadiana in Lafayette, the Greater New Orleans Foundation, and us. The Baton Rouge Area Foundation, the largest of the community foundations in Louisiana, has approximately 25 full time employees and almost \$400 million in assets. The Greater New Orleans Foundation is the second largest community foundation in the state with approximately \$110 million in assets and seven employees. The other three foundations have less than \$50 million each in assets and small staffs.

Because of our size, location, and prior activities, the Baton Rouge Area Foundation was positioned to be significantly responsive to the challenges brought about by the two hurricanes that devastated our state. We immediately launched two Katrina Funds, one to address the challenges faced by the displaced population from south Louisiana living in the greater Baton Rouge area. The second fund, which we launched as a proxy for the Greater New Orleans Foundation, was intended to help rebuild the civic structures of the greater New Orleans area. We launched the sec-

ond fund rather than our colleagues in New Orleans because they were displaced themselves. Two of the seven employees of the Greater New Orleans Foundation lost everything except for what they wore as they left the city. All of them had to seek other housing arrangements, in many cases with difficult logistics.

It is important to understand that after the storm, Baton Rouge became the center of activity regarding both the displaced population from south Louisiana and the reconstruction effort. Most critical civic offices from New Orleans such as the Chamber, the Community Foundation and United Way moved into temporary offices in Baton Rouge, and many businesses from that region did the same. Baton Rouge developed as a central meeting site to discuss both the immediate response to victims and the longer term reconstruction issues. The Baton Rouge Area Foundation became one of those locations. For several months, we housed the International Rescue Committee, the Governor's Louisiana Family Recovery Corporation, the Greater New Orleans Foundation and Greater New Orleans, Inc.

The funds that we launched under Foundations For Recovery.org, a website that contains significant information about our fundraising success and the disposition of the funds that we have raised, has reached almost \$27 million from all 50 states, the Virgin Islands, and 26 foreign countries. Of that amount over \$12 million has been contributed to the Hurricane Katrina Displaced Residents Fund and \$4.6 has been contributed to the Hurricane Katrina New Orleans Recovery Fund.

Remembering that south Louisiana had evacuated into Baton Rouge and across the country, with Baton Rouge serving as the center of activity, the Baton Rouge Area Foundation was in the midst of all the relief efforts. We arrived at several conclusions about our experience, and we present those in hopes that they might be instructive for future responses to disasters.

1. The lack of coordination among large Non-Governmental Organizations (NGO's), local charities, local, state and federal agencies was a huge impediment to service delivery. For the first three weeks post-Katrina, there was no coherent way for the relief organizations to coordinate their efforts to ensure complete service coverage and effective response.
2. Within the independent sector there was a significant gap of communication between the large, multinational NGO's and local organizations. Logically, large charities who work on the international scene know each other and understand each other's role in disaster relief. Local organizations, at least in our case, were unfamiliar with disaster practices and were on a steep and costly learning curve. There was no significant awareness among the local organizations of what the national organizations were doing and vice versa.
3. The Red Cross response, though critical to whatever success we have had in responding to the challenges of the displaced residents, felt to us like it was a first time event for the Red Cross. There was widely varying degrees of competency and experience among Red Cross staff, and that affected the capacity of local charities whose service could have been most helpful to quickly and properly plug into the Red Cross system. Further, several professionals from different international NGO's commented that the International Red Cross protocols and practices were different from those of the National Red Cross. This, too, led to some confusion in the early stages of the relief effort.
4. Again, in the area of communications, there was a clear dichotomy between two types of shelters: the Red Cross shelters, of which there were up to five in the greater Baton Rouge area during the storm, and the non-Red Cross shelters that grew up to seventy in the area. The very designation of Red Cross and non-Red Cross shelters defines the lack of communication and collaboration between the two groups. The Foundation focused heavily on supporting the faith-based organizations in our greater community who had very quickly responded to the human crises by opening their churches and buildings to become shelters. In our estimation, the faith-based shelters were hugely important to our community's capacity to absorb the volume of displaced people that it did.
5. The 211 charitable services call line is immensely important in these situations. The Foundation was inundated by immensely generous people from all over the country who wanted to contribute important gifts in-kind—the use of private jets, the use of complete fleets of trucks, helicopters, offers of free hotel rooms, offers of free housing and apartments, etcetera. For the first two weeks after the storm, there was no effective 211 system. It had been overwhelmed, and it took us time—too much time—to get it up to the capacity to handle the volume of calls and to connect the resources from generous people to those in need. It seems reasonable that communities should focus time and energy on

ensuring that their 211 system has the capacity to serve them in times of crisis.

The Baton Rouge Area Foundation made a few correct and important assessments early. The day after the storm, we analogized our situation with Banda Aceh and not 9/11. That led us to invite the International Rescue Committee to come to Baton Rouge for the first domestic deployment in their history. In their first day onsite, which was during the first week post-Katrina, they told us that the major issues we would face would be the coordination of service resources and the management of information. Almost a month later, in chaos, we finally developed systems to deal with the coordination of resources—but it took us a precious month. The staff of the Baton Rouge Area Foundation hopes that lessons are learned from the experiences of Katrina so that we do not relive these scenarios in other disasters. There must be better ways to quickly develop systems into which service providers can plug in so that their valuable services can be put to work right away. Additionally, there must be a centralized communication system that allows both the victims of the crisis and the service providers a reasonably current and reliable status report of relief efforts.

The Foundation is grateful to the Subcommittee on Oversight for holding this hearing so that we can gather information that may reduce the anguish, pain and suffering of others who are affected by crises in the future.

Chairman RAMSTAD. I want to thank all four members of this panel for your very helpful testimony. I would like to ask of you, Mr. Becker, and let me first say I think it is nothing short of miraculous that the Red Cross has already distributed \$1.3 billion in financial assistance to Katrina evacuees. Believe me, as a former board member of my local American Red Cross chapter in Minnesota, I appreciate all the good work that the Red Cross does, and certainly we are not here to point fingers, but to work with you in a collaborative way and the other organizations represented on the panels here today to do things better and to correct some mistakes that have been made.

Obviously, in a disaster, an epic disaster of these proportions, nobody could totally and accurately make all contingency plans, and we understand that. Again, we appreciate your cooperation. We are trying to figure out how we can avoid some of the mistakes that were made, how we can cut down on waste and fraud like we are trying to do as Members of Congress every day with respect to the Federal Government.

I know the Red Cross is under pressure in a disaster like this, under immense pressure, to get cash out to people who need it. As I said already, you have distributed \$1.3 billion in cash. At the same time, it is discouraging to donors to read about cases where there is fraud or waste, money going to people who really are not victimized, who have minimal or little damage.

I cited in my opening statement the experience in Hinds County, Mississippi, in Jackson, Mississippi, which was written up in The New York Times, where initially all residents of the county were receiving cash assistance. At midcourse, I understand, the Red Cross corrected the policy or changed the policy, so that damage assessments were required before the residents of that county could receive cash.

First of all, I understand, in a hurricane like that there are not too many insurance adjusters or others around to make those kinds of assessments, before getting cash assistance, which is usually imminently needed and desperately needed.

How is, if at all, the Red Cross changing its policy consistent with what happened in Hinds County, Mississippi?

Mr. BECKER. Our policy has always been that we give financial assistance to families who have verified disaster-caused needs, major damage or destroyed homes, in essence. Our constant challenge in the earliest days of Katrina was wanting to get that assistance in victims' hands as quickly as we could, based on what data we had. So, initially, we had some counties that we knew were obviously totally destroyed, and then beyond that we waited—we constantly refined that data as our assessment teams were able to.

We leaned on FEMA's data with their overhead satellite imagery, and what we did was constantly changed the zip codes that we knew everybody in those zip codes had damage, then we had other zip codes that no, I think we need a home visit here. In a traditional disaster we go street to street, house to house with our volunteers. In a disaster the size of Great Britain, which street do you go down first? So, we relied on macro data in those earliest weeks, and then as our on-the-ground data assessment came back in, and we had that data, particularly in Hinds County, we were able then to refine the data and change our zip code list of who we were giving assistance to.

We felt like we had a system that yes, if you wanted to in some ways defraud the system, we might not catch it in the earliest days, but when the data was entered we would eventually find out who you were, and we have had a large fraud team focused on how many people got assistance who double-dipped on us, went to more than one place, or how many people defrauded the system.

I can quantify that for you at this point. Out of the 1.2 million or so families that we gave assistance to we have identified about 4,000 families that we are now going back and working with. So far, we have recovered over \$1 million from people who have given us the money back. We have had wonderful cooperation with the Federal Bureau of Investigation (FBI) and with local prosecutors who have lowered the dollar threshold that we would prosecute to allow us to prosecute people who defrauded the Red Cross and the people that gave us the money to give out.

Chairman RAMSTAD. You mentioned the number of families, Mr. Becker. Of the \$1.3 billion in cash assistance that has been handed out, can you quantify how much in your judgment went to fraudulent claims?

Mr. BECKER. About 4,000 families, at about an average of \$1,000 per family.

Chairman RAMSTAD. Four thousand families at about \$1,000 a family.

Well, again, I thank you, Mr. Becker.

Mr. Davies, I want to ask you a question, if I may. You made quite an indictment in your testimony and in your remarks today. You say that for 3 weeks after Hurricane Katrina there was no coherent way for relief organizations to coordinate their efforts. Who in your judgment is responsible for this amazing failure?

Mr. DAVIES. I am not sure. The situation was so overwhelming that it would have been terribly difficult. The frustration of this situation is that we had invited the International Rescue Committee to come to Baton Rouge, and they deployed for the first time in

their history within the United States. They normally serve overseas. They worked in Banda Aceh. We invited them to come to Baton Rouge precisely because they had done some point relief work in Banda Aceh and they understood the whole issue of displaced people and relocation, which we saw coming. When they arrived within 5 days after the storm, the head of their team of 11 told us in a briefing that the greatest issue we were going to have was to coordinate all of the resources that were there to benefit the people, and we knew that then, and we still couldn't get it pulled together until 3 weeks later at a fairly large meeting in our office where, finally, the State determined to develop a central coordination center called the Family Recovery Corps, and that was intended to be the central place through which services would be provided to the displaced people.

Chairman RAMSTAD. We all know that FEMA's inadequate response initially has been well documented. We know also the relationship on the ground. Do the charities key, if I may, key off FEMA, and because of FEMA's inadequate response did this affect the response of the charities on the ground?

Mr. DAVIES. It may have been a contributing factor. I think the enormity of the situation, we had so many international groups who had come to Louisiana for the first time; we had obviously the Red Cross and Salvation Army, we had World Vision, Mercy Corps, Save the Children, International Rescue; we had many, many groups who had never worked in Louisiana before, didn't know our organizations, didn't know the structure of our government. They also didn't understand—we didn't understand them and their roles.

I think the nature of relief work at this point, at the shelter point is chaotic, but the chaos should not have been at the level it was.

Chairman RAMSTAD. I want to ask finally Major Hawks a question. Thank you, Mr. Davies.

Major Hawks, I was surprised to learn in the context of preparing for this hearing that the Salvation Army is not named in the National Response Plan. It was more than a surprise, I was shocked. Therefore, the Salvation Army was excluded from bodies in which it could have helped coordinate the response to Katrina.

Has the Salvation Army applied to become a support agency in the National Response Plan, or do you see that as being desirous and consistent with your goals and your mission?

Major HAWKS. Yes, Mr. Chairman. The Salvation Army has expressed an interest in being a support agency, and the reason that that is important to the Salvation Army is in part because the State as well as the county and the parishes all adopt their local emergency management plans using the Federal plan as the model. So, if we are not listed, as you have indicated, then often we are not included. We are included in the VOAD grouping.

Chairman RAMSTAD. Again, I want to thank you and all of the officers, members, volunteers of the Salvation Army for all the good that you did with respect to the hurricanes and for all the good you do every day in our country.

The Chair would now recognize the distinguished Ranking Member, Mr. Lewis.

Mr. LEWIS. Thank you very much, Mr. Chairman. Mr. Chairman, I want to join you in thanking members of the panel, and thank the representatives of these organizations and groups for doing the necessary work and the good work for so many years. Some of us really appreciate, all of us as a people, as a Nation are very grateful to you for your work, for your service. I often think, what would it be like if we didn't have organizations like the Red Cross, the Salvation Army, local community foundations.

Just recently in my own city in Atlanta, we had a bad apartment fire in the heart of the inner city, and it was the Red Cross that responded to help people, and I am sure the Salvation Army no doubt was involved also. The Salvation Army in Atlanta has done great work for many years in helping with the homeless population and meeting the ongoing needs of people. For one, I am very grateful, and I appreciate your great work.

Ms. Fagnoni, I wish you would expand on the statement in your testimony where in areas where the American Red Cross did not provide service, the Salvation Army and smaller organizations, often local churches, were able to meet many of the charitable needs in hard-to-reach communities.

It just sounds like everyone, everybody was just doing the best they could. What happened, it was unbelievable, it was unreal. So, could you just expand? Did we learn anything? Did the organizations, did the groups learn anything from 9/11 to plan better?

Ms. FAGNONI. To answer the last part of your question first, Mr. Lewis.

Mr. LEWIS. Was anything put in place?

Ms. FAGNONI. Sure. What we see as the most direct response to some of the lessons learned that we and others identified from 9/11 was this effort to have the CAN, which is a web-based system. It is designed to help keep track of both people and services. One thing that happened after September 11th is that survivors had to keep telling their stories over and over again to different organizations. With the CAN once an individual gives information, then signs a waiver, then the other charities that participate in the network and have signed a privacy waiver can access the information and know something about the individual. This will enable organizations to identify services that have been provided to an individual, so that there are not gaps or duplication of services.

So, that is probably the most concrete development that has occurred since 9/11. Further, you have asked about gaps in services, and I am sure the Red Cross can explain that due to some of their policies, they did not place shelters in areas where people happened to still be. In response, particularly in places like Mississippi, local organizations, often churches stepped in. I think the Salvation Army will also tell you that due to their roaming approach to service delivery, it may be easier for them to move into some areas and fill in where others might not be.

I think there is still an open question as to the overall coordination, but there is no question that people were trying to fill in where they saw a need. The GAO has a broad set of studies going on. Today, I am discussing the piece that deals with charities, but we are also looking overall at the National Response Plan, how effectively it has been implemented in this situation, and what

changes, if any, might need to be made. Of course, charities are a very important, but very small piece in that whole picture. Even within the emergency support function where the Red Cross has a lead role, they share the lead with FEMA. So, even in that situation, there is a Federal presence.

So, yes, I think there were some lessons learned after September 11th, but clearly, there will be new lessons learned from this situation. The fact is, with Katrina as with other disasters, it is not over. Situations are continuing to happen and we will continue to monitor and look at how things are going and what improvements might be needed.

Mr. LEWIS. Mr. Chairman, I notice my time has run out. If I could just ask Mr. Becker a question.

Chairman RAMSTAD. Sure.

Mr. LEWIS. Mr. Becker, could you expand on your comments about how your sister organizations, the Salvation Army, Southern Baptist, Catholic Church, National Association for the Advancement of Colored People (NAACP), the American Psychological Association were critical to the success of the Red Cross mission and goal? Sort of follow up on your statement about the significant lessons learned. Is the partnership much more effective well in advance of a crisis?

Mr. BECKER. I think there is a distinction between the Red Cross and our primary role in the National Response Plan and the Red Cross as a service provider. The role that we take in the National Response Plan has to do with how does the Federal Government resource States. What we do in our National Response Plan role is work at FEMA's resourcing center to receive requests from States and process those to the right Federal organization to resource the State. That is what we do as the Emergency Support Function (ESF) 6 primary agency. That is a very different assignment than what the Red Cross does as a service provider. What the Red Cross does as a service provider is work with the Salvation Army, Catholic Charities, many partners to make sure the work gets done.

The quarterback in a disaster is the parish or county emergency manager, and what we are doing in the earliest days of a disaster is making sure that we are coordinating on a local basis: Where do you have a kitchen? Where do we have a kitchen? What church do we know of is feeding? The worst thing we could do is set a kitchen down right next to a Salvation Army kitchen or next to a church kitchen. So, we are trying to coordinate that, and at the county or parish level that is where that coordination happens.

Our role as primary in ESF 6 does not mean that we are responsible for the Red Cross meeting all of the service delivery needs for meeting shelter and clothing distribution, welfare inquiry; it is the coordinating role in resourcing States and then we work in partnership with other organizations to actually deliver the service.

Mr. LEWIS. Thank you very much.

Chairman RAMSTAD. Mr. Beauprez, please.

Mr. BEAUPREZ. Thank you, Mr. Chairman.

Mr. Becker, let's stay on that point for a little bit. Communications seem to be an enormous problem. We heard in Mr. McCrery's testimony, we have heard it from several of you, that communica-

tion was extremely difficult, maybe to be polite. Yet, in your testimony, I don't see much discussion about how we fix that. So, why don't you expand, if you have ideas. You have been through what I am guessing you admit was not a stellar performance by the Red Cross as well as many other agencies. How do we address that? How do we get over it?

Mr. BECKER. To clarify the question, communication among the nonprofits in the response?

Mr. BEAUPREZ. Communications throughout. I am likening this to a battle zone. There is always going to be variables that happen in the field of battle. It is critically important that someone take charge, someone develops the strategy, and someone passes the orders for execution throughout the ranks. That seems like there was—it seems like, from what I understand from the testimony already today, that there was an enormous breakdown in that chain of command communication if in fact the chain of command even exists.

Mr. BECKER. There are several aspects to that. I would say the first one is, what are the local relationships among all of the nonprofits that can bring value during a disaster? Not just the large national organizations, but anybody. The local food pantry, the local crisis center, anybody who can bring value. When we formed the CAN, it was done by the large national disaster organizations and the United Way, but the intent was that we would offer that to a community, and it is not just the technology, it is not just entering cases so that we can all see what we have done for the Smith family. The better benefit is that we all sit down in that community long before a disaster happens to carve out those rules a little bit more clearly.

The way a disaster sequences, in the earliest days of a disaster, what we are focused on is the lifesaving needs, the shelter and the food. There is a fairly small number of players, if you will, in that, the Salvation Army and the American Red Cross, and in a very large disaster such as this, the faith community would respond.

As the disaster runs out, and people start focusing on questions like “where am I going to live” and “how am I going to recover,” that is where the whole group of nonprofits comes together. We have all been in the community long before the disaster hit, and we are going to be in the community long after the disaster is off the front page of the news. How do we work together to do that? If we wait until the middle of a disaster to exchange business cards with each other, we are off to a bad start.

The value of the CAN would be that we sit down ahead of time and form those relationships. We as a group had received funding to preposition that network in six pilot communities around the country, and we had just started to roll that out. We received the funding in the spring. We did it based on threats and, interestingly, New Orleans was one of those six pilot communities that we chose. So, we were off to a little bit better of a start in the New Orleans area. We now have CAN in over 500 communities around the country. I think long-term it is not the technology, it is the relationships among the leaders of the nonprofits to carve those roles out and clarify those expectations in advance.

Mr. BEAUPREZ. I accept that, but what confuses me I guess is that this seemed to escape everyone before this disaster happened. I accept the premise you just laid out, that progress maybe is being made, but in the time I have got remaining, I guess I will ask the same question in a slightly different manner to you than I asked to my colleague, Mr. McCrery. Whether we want to point a finger at FEMA, local government, State government, whether we want to point a finger at the collection of NGOs, the collective assumption here is we did not do very well and a whole lot of people suffered mightily as a result.

Thinking of the National Response Plan, is it broken so badly it cannot be fixed? If your answer is no, we can fix it, how soon can we fix it?

Mr. BECKER. Our organizational view is that the National Response Plan needs to be seriously reexamined. There are public policy issues in that as well. At its core, with the National Response Plan, all it does is outline how the Federal Government is going to resource a State, when you really get down to it, and it is predicated on when a county has a disaster or a parish that is bigger than it can handle it will turn to the State. When a State has something bigger than it can handle, it will turn to the National Response Plan structure for that.

All disasters are local, though. They are all local, and where we have to grow, when the parish or county has its disaster plan, we craft ahead of time: this is where the Red Cross shelters are going to be, these are the other shelters that might open in the community. That is dictated typically in a plan. If the question is asked, what if it is bigger than that, the answer on the local level is then we turn to the State or we turn to the Feds.

I think what we need to reexamine on a local level is, no, what if it is bigger than that, what are the local resources; bring the faith community into that planning process, bring the other non-profits into the planning process, because the response has to be people from the community first. So, yes, the National Response Plan needs to be reexamined, but I think that is too easy for us at the local level to say, oh, that is the problem. Our organizations at the local level need to think about what if it is bigger than we can handle? Before we turn to the State, who else in this community can bring value? That needs to happen as well.

Mr. BEAUPREZ. Thank you, Mr. Chairman.

Chairman RAMSTAD. The Chair now recognizes the gentleman from North Dakota, Mr. Pomeroy.

Mr. POMEROY. Thank you, Mr. Chairman.

In 1997, the City of Grand Forks, a city of about 50,000, suffered a catastrophic flood and the city was evacuated, and we were literally years in recovery. That was the worst thing we ever thought could happen until Hurricane Katrina and we saw that things can get a magnitude worse. We are still very grateful for the roles played by both the Red Cross and the Salvation Army, and our own emergency response and then recovery periods.

I am troubled, however, by anecdotal reports that things on the ground did not go as one might have hoped or expected. I am wondering about key lessons that have been learned as we try to address these issues.

In talking about coordination, in Grand Forks we literally built a one-stop shop under the auspices—and this is now more than the recovery phase—under the auspices of the United Way, who had utter coordination between all nonprofits and charities and churches working on the program. Is there some institutional, multi-organizational coordinating entity that you will be further constructing and improving in light of what you have learned?

Mr. Becker and Major Hawks.

Mr. BECKER. On a Federal level, FEMA has awarded a very significant grant to the national VOAD and the United Methodist Committee on Relief (UMCOR), to do the casework for the people going forward. While that is being built, and what is typical in a disaster, each community or each county forms what generically you would call an unmet needs Committee. You see these all over Florida from last year's storms and you are seeing these form in the Mississippi Gulf Coast. That would be the local political leaders, the nonprofit leaders, the faith community, business leaders coming together to say how are we going to meet the longer term needs of these people. That is where CAN was designed to work. CAN was designed to, when these people all come together, how do they share that data? Various leaders step forward in communities to take that convening role. I don't think that can be dictated by a Federal grant.

Mr. POMEROY. That is the recovery phase, though. I am wondering if we can't have an entity that is probably located, I don't know, in Washington or somewhere that exists between disasters and has very well-established, multi-participants, and so we have a coordinating capacity preestablished for something like this. I think quite clearly there was coordination on the ground during the relief phase of this organization but did not meet what we I think expect and hope for. I am wondering if you are building something that will make—that will leave us institutionally improved going forward.

Mr. BECKER. I would agree that that would be one of the key learnings going forward, not so much for the recovery phase, which is what the learning from 9/11 was, how do you deal with the people in the recovery phase; but in the emergency response phase, those earliest weeks, we presumed that coordination happens at the local level, because the key players, the county emergency manager, I would agree we need that Federal level as well.

Mr. POMEROY. Major, do you have insights on that?

Major HAWKS. I think the model that is in place nationally, statewide as well as locally, relates to the VOAD structure, where all of us as nonprofit organizations are a part of that group. There is a national group, there is a State group, there are county groups, there are local groups, and I am thinking that those are the groups that need to be strengthened now and they need to continue to communicate right on up to the time of the disaster and throughout the disaster.

Now, there are a number of unmet needs groups that have come from the Katrina efforts, and they all have different names. Depending on the communities they have all been given different names. The Salvation Army, the American Red Cross and other or-

ganizations, faith-based organizations, are all plugged into those Committees across the coast and involved in the recovery efforts.

Mr. POMEROY. I had a Red Cross—I had a volunteer scheduled to go down there and work, work with the Red Cross, and I left my personal cell phone number to call if she had any problems. She didn't call from down there, but she called literally before she had gotten to her apartment or house back in Fargo to tell me of her concern relative to lack of oversight management and lack of fund-tracking as the client assistance cards were dispersed, and this has come up in some of the questions raised here, but I literally had a constituent call and tell me that there would be lines in front of the table and one individual claiming on behalf of a family in one line and, two lines down, there was another individual claiming on behalf of the same family, and this North Dakota volunteer said, well, there is not much we can do about that.

Was sufficient information captured at the time of disbursements, so that the FBI investigation in duplication of benefits inappropriately can now have a chance to work?

Mr. BECKER. Where we had power and infrastructure, that data was captured. Where we didn't have infrastructure and we were handing out intake forms and entering the data in a remote location, there was a period of time before that data got put in. That was the comment that I made earlier where you might be able to in essence double-dip on us, but we would know who you were eventually. There is a team, independent of my team, that has been working on that since then, and that is what we did quantify to be about 4,000 families that stood in line at one table and then went to another table or, in some cases, stood in line in a community and then went to another community.

Mr. POMEROY. This individual was in Baton Rouge. I think you had power throughout there, right?

Mr. BECKER. In Baton Rouge we did, but to also get the assistance out more quickly, we had a lot of organizations and places that we turned into intake centers and, actually, in Baton Rouge was the centralized data processing facility. What we were balancing there was the speed of getting the assistance to people and the data, and if we had to err we were going to err on the side of getting the assistance in people's hands, feeling like if we had to we would come back and knock on their door later to talk about the fact that they had gotten two checks from the Red Cross. The 4,000 number might grow, but it is about three-tenths of 1 percent fraud, out of 1.2 million cases. That is how many we have so far. It might go up a little bit more, but anecdotally, that was keeping me up at night, and it was organizationally for us a risk that we took, but we agreed to err on the side of speed. This is the immediate emergency assistance before FEMA can get you your big check, or this is just to get you that next set of clothes or what you immediately need. Getting it 5 weeks later, 10 weeks later doesn't help, and our emphasis was on speed at that point and mitigating as best we could the risk along the way.

Chairman RAMSTAD. The Chair now recognizes the distinguished Chairman of the Subcommittee on Social Security and thanks him again for participating again in today's hearing.

Mr. MCCRERY. Thank you, Mr. Chairman. I will be brief.

Mr. Becker I think hit the nail on the head when he said, this is not so much a failure of individuals, it is a failure of lack of appropriate planning, lack of adequate planning. For example, given the situation in the Baton Rouge area, which is very similar to ours in my congressional district where the Red Cross simply was not prepared or able to take care of all of the evacuees who were flooding into our areas. So, we called on the local Office of Emergency Preparedness (OEP) directors to call all their friends and their acquaintances, not just churches. You keep using the faith-based. Well, yes, a lot of the churches help, but a lot of these people were just called on the phone by the OEP director to say, help. What do you have that you can bring me? Well, I have a generator or I have this or that. Those were people responding. The problem was, there was not any planning for that, at least that I could identify. Maybe there was on paper somewhere, but the OEP director didn't seem to know it and the Red Cross didn't know it, and FEMA sure didn't know it.

So, I think that is right. We have to—and whatever organizations choose to participate, we have to get a comprehensive plan to prepare us for these kinds of contingencies in some kind of mass disaster.

For example, I think Red Cross, Salvation Army, United Way, the major charitable organizations in every community, every community has some vestige of one or more of those in their communities, in their counties or their parishes; why not get with the OEP director in each parish and some representative of the charitable organizations and plan ahead of time. This is the first shelter to open in my parish at the local civic center, and it can have up to 500 people here. If that is not enough, then we will have spot B as a shelter that can handle 50 people. If that is not enough, we are going to have to send them north to the next parish, or all the way to Shreveport to the Red Cross shelter, which has a thousand or 1,200 or 1,500 people in it. There didn't seem to be a plan in place like that and, unfortunately the Red Cross, when asked, would just say sorry, we can't help; we have our own problems. I am sure they did, but then you would ask FEMA and FEMA—well, you couldn't even get FEMA, basically. Communications were terrible, Mr. Chairman. You couldn't get through to Baton Rouge. All the lines were blocked. Yes, they had electricity, but they had no phones because everything was so busy you couldn't get through. It was just chaos.

So, somebody, whether it is FEMA or the lead organization in the National Response Plan, somebody I think has to sit down with these OEP directors who are by and large volunteers themselves; they are not paid, they have another job, so they just volunteer in their parish or their community, their county to do that. Somebody has to take them to lunch, spend a buck, have the FEMA spend enough to buy this poor guy a lunch and go over with him just basic stuff. If we have a disaster, this is what we got to do. I don't know. There has to be a better way, because people simply were not aware of the plan if there was a plan, and the shelters just popped up, thank goodness.

Finally, I got tired of trying to get the Red Cross to help and trying to get FEMA to help, Mr. Chairman, and I and my staff said

we are going to do this ourselves. We went community by community, enlisting the sheriffs and the mayors and the OEP directors and said, we are going to handle this. We are just going to get the food, get the—we don't have any cots, we can't find any cots, but we will get mattresses and sheets and pillows and clothes, and we did. We just handled it. There should have been a better plan in place.

So, thank you for your comments, all of you.

Chairman RAMSTAD. Thank you, Mr. McCrery. The Ranking Member has just one brief follow-up question of this panel.

Mr. LEWIS. Mr. Chairman, thank you very much. I want to ask Major Hawks, your primary mission in America is a better place because of it, is to give people hope where all may seem lost. Now, the Red Cross has been criticized some here today. Do you have any positive comments you would like to make? I know you have done great work in Atlanta. We have about 40,000 people in the metropolitan Atlanta area from the affected States. What are you doing now to help people that are coming?

Major HAWKS. You mean with the evacuees across the country?

Mr. LEWIS. Right. In places like Atlanta or Houston or Dallas or some other place?

Major HAWKS. Right now we are actually in the response and the recovery mode. I have never been in a disaster before where we spend 4 months in a response mode, where we have our roving canteen all across the Gulf Coast and at the same time in other communities we are doing case management with evacuees trying to get people back into homes and back into places with some semblance of normalcy.

So, in over 30 States, the Salvation Army is working with the evacuees from around the country to try to get them back into their homes, and, at the same time, in the affected areas we are still working in the response phase.

Mr. LEWIS. Do you consider yourself different from the Red Cross?

Major HAWKS. Well, initially, in the response phase we emphasize providing food. Our roving canteens that I mentioned, the 72 canteens that were initially staged to come in, they were staged in adjacent States, they were staged in the northern parts of the Gulf States, and then there were almost 200 more or 200 total brought into the area. That is what we do really well during the time of response. Those canteens can provide up to 5,000 meals per unit, and we have memorandum of understandings with the Southern Baptists and other organizations that will just, really just elevate our ability to prepare food, but it goes beyond that. As the disaster moves forward, so do our services.

Mr. LEWIS. Thank you, Mr. Chairman.

Thank you, sir.

Chairman RAMSTAD. Thank you, Mr. Lewis. The Chair would again thank all four members on this panel for your testimony. I want to thank you for all of the food that your organizations provided with respect to these epic disasters Rita and Katrina. Finally, the Chair would thank you for agreeing to work with us in a collaborative way to address the shortcomings. Again, thank you.

Now, we call the third panel for today's hearing. Marcie Roth, Executive Director of the National Spinal Cord Injury Association; Yavonka Archaga, Executive Director, Resources For Independent Living (RIL); Daniel Borochoff, President of the American Institute of Philanthropy (AIP); and John G. Wyatt, City Marshal and Homeland Security Director for Bossier City, Louisiana.

We can go as we traditionally do from your right to left, the Chair's left to right, so we will begin with you, Mr. Borochoff, please.

STATEMENT OF DANIEL BOROCHOFF, PRESIDENT, AMERICAN INSTITUTE OF PHILANTHROPY

Mr. BOROCHOFF. Thank you, Mr. Chairman, thank you to the Committee for inviting me here. I also was invited to testify after 9/11, and there are a lot of lessons that fortunately the charities have learned from all of this.

I am Daniel Borochoff with the AIP and Charitywatch.org, and we are a charity watchdog group. Since 1993 we have been America's most independent watchdog of accountability, financial governance, and promotional practices of charities. Our letter grade ratings, A-plus to F, of nonprofit organizations financial performance are published in the Charity Rating Guide & Watchdog Report and are utilized by thousands of conscientious donors across the Nation.

Americans responded quickly and generously with over \$2.5 billion of charitable aid for victims of Hurricanes Katrina and Rita. The AIP is pleased to report that the Red Cross has improved its fundraising performance in the aftermath of the recent hurricanes. Though it does need to be clear about its financial position, it has taken to heart the many important lessons after 9/11.

The Red Cross continues to be a financially efficient organization. It receives an A-minus grade from the AIP. It is able to spend 90 percent of its total expenses on programs and has a cost of \$22 to raise \$100. It is going to be a lot less for the current fiscal year period because of all of the hundreds of millions they have raised in this disaster. The Red Cross, unlike 9/11, has honored donor intentions by not trying to raise money for one disaster and then using it for another disaster or program. Certainly, in this case, with the magnitude of the disaster, they cannot be accused of raising too much money, because even \$1 billion, when you divide it by a million families, it is only \$1,000 per family, so it is not a 9/11 situation at all.

We actually feel that the Red Cross may have gone overboard when it declared that it would not use money given for one disaster, to another disaster, for example to help Rita victims with Katrina funds. Being in this case that we have so many overlapping victims, and that the areas were devastated within weeks of each other, and is the same type of disaster, I don't feel that the American public would mind if the larger amount of money given for Katrina, since that got more coverage and that was focused in New Orleans, if some of that money was made available to Rita. I think the Red Cross is putting themselves in a difficult situation there, and it would be a shame if the Red Cross does not have the funding to treat similar victims equally.

The Red Cross did improve its accountability by announcing September 9, only a few weeks after Katrina hit, its \$2.2 billion goal for providing emergency aid. They were producing daily statistics on how many people they were helping, how many meals they served. It would be more helpful if they were actually giving cumulative totals, if they would give you how much they were helping right at that time, so that people would have an idea of how many people currently needed help, and also if they would say how much money they were spending, not just the total number of meals or shelter stays.

We talked about the CAN, and AIP is greatly disappointed that the charities were not able to get it together to implement a shared database. This is something after 9/11 that I had written about. I emphasized that we have to have this if we have another major disaster, and here we are 4 years later and we still don't have it. It wasn't functional. It is so important, because the information needs to be shared among the charities to prevent double-dipping and allow for a more equitable distribution of aid.

Based on our inquiries at the AIP, some unnamed charities are not agreeing to sign on to the planned database. The AIP believes that CAN needs to disclose which charities are unwilling or unable to participate so that pressure from watchdogs and donors can help gain their participation. This is something important.

Another concern that we have is that the Red Cross is the ultimate brand for charities; it is the Coca-Cola of charities. On September 23, they were able to raise 75 percent of all the money raised. This fell back to 65 percent come October 6. The Salvation Army had only raised about 18 percent of the total at \$295 million. When we have a major scale disaster, everybody should not just automatically give money to the Red Cross. One of the beautiful things about our sector is we have many different groups that can help in many different ways, particularly the local community groups that were able to get to places and help particular groups, the minorities, the Vietnamese and so forth, that were not able to receive aid, and we think that the Red Cross should reimburse some of these community groups that have incurred costs to help people the Red Cross couldn't get to. So, if we have another disaster and we need community groups to help people, they are going to know there is a chance they are going to get some of that money back and they will be more willing to put out money to help these people.

I have concerns about the Bush-Clinton Katrina Fund that our former Presidents have put together. They are probably the third largest fundraiser. They have raised about \$110 million. They have been very quick at raising money, but slow in deciding what to do with it. Not until December 7, over 3 months after Katrina, did it apply for tax-exempt status with the Internal Revenue Service (IRS) and announce how it will distribute the bulk of the funds. They are going to give \$40 million to the States. It is not clear exactly how the States, Louisiana, Mississippi, and Alabama, are going to spend it; \$30 million to colleges and then \$20 million to faith-based partnerships. It is fine if they want to raise money for faith-based groups, but they need to tell the public so the public

knows that is what it is for, because not everybody wants to give to faith-based groups.

Also, they haven't announced, since December 7th, who is going to be on their full governing board. This is something that donors need to know before they make a contribution. They need to know who is going to be on the board. It is a shame that they wouldn't tell the public that.

The Red Cross, even outside of a disaster, uses terms to describe its Disaster Response Fund. They use terms such as empty, running on fumes, dangerously low. I have a problem with this because it doesn't reflect the complete financial position of the Red Cross.

Here is a group with \$2.2 billion net assets saying they have no money in their disaster fund. It doesn't mean that they don't have any other money available to use toward a disaster. It is not responsible for them to say they have no money for a disaster, because this implies that if there is another disaster they would not be prepared for it.

Fortunately they do have money that is available for the next disaster. So, what they need to do and all charities need to do is, say what their true financial position is, or how much money they have available. It doesn't matter if it is board-designated, because the board can always undesignate it if they have to.

So, charities should also consider whether such claims undermine our international standing as a strong and powerful nation by creating a false appearance of weakness and vulnerability on our home front. How are the people in Iraq going to feel if our main disaster group in the United States says they don't have enough money to take care of people in an emergency?

The Red Cross brought up earlier about the three-tenths of a percent of money lost; but the Red Cross has also lost some money through workers and volunteers stealing. That is something that should be brought up.

Chairman RAMSTAD. The Chair would, in fairness to the other members of the panel, remind the witness of the 5-minute time rule, which is a rule of the Subcommittee. So, if you could wrap up.

Mr. BOROCHOFF. One quick thing. I am calling for all of the charities to offer a 6-month report as the Red Cross did after the tsunami disaster. Because of the financial reporting rules, it may not be until June 15th, 2007, before the Red Cross is required and other charities are required to publicly disclose their Katrina spending. Also multi-agency evaluations should be produced that will help make charities and donors more aware of victims who have been neglected or received poor services so more services can be directed toward them.

[The prepared statement of Mr. Borochoff follows:]

**Statement of Daniel Borochoff, President, American Institute of
Philanthropy, Chicago, Illinois**

The American Institute of Philanthropy and Charitywatch.org is a nonprofit charity watchdog and information resource dedicated to helping its members and the general public make wise giving decisions. Since 1993 we have been America's most independent watchdog of the accountability, financial, governance and promotional practices of charities. Our letter grade (A+ to F) ratings of nonprofit organizations' financial performance as published in the *Charity Rating Guide & Watchdog Report* are utilized by thousands of conscientious donors across the nation. During this re-

cent crisis, the December 2004 Asian tsunami and the September 11th terrorist attack nearly every major U.S. media outlet has covered AIP's advice, analyses and concerns.

Americans have responded quickly and generously with over \$2.5 billion of charitable aid for victims of Hurricanes Katrina and Rita. The American Institute of Philanthropy is pleased to report that the American Red Cross has improved its fundraising performance in the aftermath of the recent hurricanes. Though it needs to be clearer about its financial position, it has taken to heart many important lessons from 9/11. The Red Cross continues to be a financially efficient organization and receives an "A-" grade from AIP for spending 91 percent of its total expenses on program services and having a cost of \$22 to raise \$100. In contrast to September 11, the Red Cross honored donor intentions by not trying to raise money for one disaster and use it for another disaster or other programs. Due to the immensity of this disaster, the Red Cross cannot be accused of raising too much money for hurricane victims; even \$1 billion, when spread among one million needy families, only amounts to \$1 thousand per family.

In AIP's opinion the Red Cross may even have gone overboard when it declared that it would not use towards Rita any money given to help with Katrina. These hurricanes had many overlapping victims and areas that were devastated within weeks of each other. AIP believes it would be fair and reasonable for the Red Cross to spend money for both crises, whether or not it was raised in specific response to Katrina or Rita. It is our view that most donors to the Red Cross wish to help the recent hurricane victims of the U.S. Gulf Coast, regardless of which hurricane struck them. It will be a shame if the Red Cross does not have the funding to treat similar victims of each disaster equally.

The Red Cross also improved its accountability by announcing on September 19th, only a few weeks after Katrina hit, its \$2.2 billion goal for providing emergency financial aid and other assistance to one million families. They also have given regular updates of basic statistics on the total number of evacuees to whom they have provided services, how much money they have raised, and how much money they have spent in total in the most expensive relief effort in its 124-year history. It would be even more helpful to donors that want to track the use of their dollars, if the Red Cross also regularly accounted for the amount spent on each type of service provided, e.g. meals, overnight shelter stays, mental and health contacts. The Red Cross could also do a better job in their updates by reporting how many people they are currently sheltering, feeding or offering other services to, in addition to how many people that they have helped in total. This information would give donors a better understanding of how many people currently are in need of Red Cross assistance.

Unlike after September 11, 2001 when the Red Cross resisted participating in a shared database, in this crisis they took the lead in forming a new database system called CAN, or Coordinated Assistance Network. Unfortunately, the part of the database that was to track the aid each victim received from the other charities was still being tested when Katrina and Rita struck, according to Red Cross officials. The database was operational for keeping track of people's shelter days.

AIP is greatly disappointed that the charities were not able to implement a shared database nearly four years after the experience of 9/11 made its importance obvious. Charities need to share information on specific victims to prevent double dipping and allow for a more equitable distribution of aid. AIP strongly encourages charities to expedite the implementation of a shared database in preparation for the next disaster. Based on our inquiries, AIP understands that some unnamed charities are not agreeing to sign on to the planned database. AIP believes that CAN needs to disclose which charities are unwilling or unable to participate so that pressure from watchdogs and donors can help gain their participation.

By September 23, the Red Cross had raised \$827 million or about 75% of the total raised by all charities for Katrina and Rita aid according to a tally by the *Chronicle of Philanthropy*. In recognition of the need for more of America's charitable resources to help with this widespread crisis, AIP encouraged donors to also support the efforts of many other important charities offering innovative approaches to providing aid. We emphasized that while the Red Cross is the major charity for providing emergency, front-line services in a disaster, other charities are better suited to provide intermediate and longer-term assistance to help victims get back on their feet. AIP's message must have gotten out because by October 6, the Red Cross's contributions of \$1.1 billion had fallen to 65% of the \$1.7 billion raised by all the charities, according to figures provided by *The Chronicle of Philanthropy*.

By the beginning of December, the Salvation Army had raised \$295 million, which was the second most raised by any group, yet only 18% of the \$1.67 billion that the Red Cross had raised. Unlike the Red Cross which plans on using over 90% of its

\$2.2 billion Katrina/Rita disaster budget for short-term emergency needs, the Salvation Army estimates using about two-thirds of the disaster money that it has currently raised for longer term needs, possibly through August 2007.

The Bush-Clinton Katrina Fund, which may have collected the third most at \$110 million, has been quick at raising money but slow in deciding what to do with it. Not until December 7, over three months after Katrina hit the Gulf, did it apply for tax-exempt status with the IRS and announce how it will distribute the bulk of its donations. The former Presidents' Fund said that it will give \$40 million to charitable funds formed by the governors of Louisiana, Mississippi and Alabama, \$30 million for colleges and schools in the three states, and \$20 million for a faith-based partnership, which will decide how to distribute it. It is surprising that it took so long to allocate these funds since most went to grantee organizations that are serving as intermediaries in deciding which organizations or people will be the final recipients of these donations. Also, as of December 7, the former Presidents' Fund has not publicly announced on its Internet site or in its press releases who will serve on its full governing board. Donors need to know this to make an informed giving decision.

The hurricanes caused millions of people to flee and resulted in the largest relocation in our nation since the Civil War. It was beneficial that many U.S. based international relief and development charities recognized the need for America to utilize as much of our charitable resources as possible to help the evacuees. For many of these groups with experience aiding poverty-stricken people after large-scale disasters in Africa, Asia and South America, it was the first time that they had ever provided assistance in a domestic disaster. Some of AIP's top-rated international charities that have provided assistance to hurricane victims are Samaritan's Purse, AmeriCares, Mercy Corps, World Vision and Oxfam-America.

Because of the enormous scope of this crisis the Red Cross had difficulty reaching some of the far-flung rural areas hit by the hurricanes. Fortunately, many community groups and churches stepped in to provide aid. AIP believes that it would be a good idea for the Red Cross to reimburse the documented expenses of these financially stretched aid groups, who do not have the ability to raise large sums of money outside of their communities.

"Empty," "running on fumes," "dangerously low" are all terms that the Red Cross used during its 2004 fiscal year to describe the state of its Disaster Relief Fund. These are certainly not the terms that you would expect a nonprofit to be using when, according to its fiscal 2004 audited financial statements, it had total net assets of \$2.2 billion. The Red Cross does not make clear in disaster fundraising pleas its true financial position or the amount of discretionary money it has available to spend on disasters.

An analysis of the Red Cross' fiscal 2004 audit, the most recent available, shows that the Red Cross likely has far more money available for disasters than the \$709,000 that it reports in its Disaster Relief Fund. The Red Cross reports having \$1.36 billion in unrestricted net assets, which includes \$1.08 billion designated for various purposes by its Board of Governors. It is important to understand that funds designated by a nonprofit board can be undesignated and made available the very next day. The funds that the Red Cross clearly can not apply to the recent Gulf disaster are \$429 million in permanently restricted funds and \$274 million in purpose restricted funds, identified in its 2004 audit. Unlike funds designated by an external third party, funds designated by the board as an endowment can be spent by a nonprofit. Based on our analysis of the Red Cross' fiscal 2004 finances, AIP estimates that it has over \$700 million that it could direct to a future disaster without using any money earmarked by its board for "biomedical services," "retirement health benefits," "replacement and improvement of buildings or equipment," and "other purposes."

It would be wrong for the Red Cross as our nation's most important front-line emergency aid organization to suggest to the American public that it has very little available to spend for a disaster when it actually has available money outside of its disaster fund. It makes the organization appear unprepared to deal with future disasters that may occur before more money is raised. Charities should also consider whether such claims undermine our international standing as a strong and powerful nation by creating a false appearance of weakness or vulnerability on the home front.

As in 9/11 and the Tsunami disasters, scammers jumped on the fundraising bandwagon. Thousands of questionable web sites purporting to raise money for hurricane victims were quickly thrown up on the Internet. Some scammers capitalized on the public's zeal to help by calling or emailing potential donors for their credit card information under the guise of fundraising for a legitimate charity. One particularly outrageous scam involved a Florida man without a pilot's license who was arrested

for allegedly raising \$40,000 so that he could purportedly continue airlifting supplies and rescuing hurricane victims, according to *The Miami Herald*. He even bragged about fake exploits on the Internet, including how he tipped his plane's wings in a salute to President Bush when he saw Air Force One flying over Louisiana, and rescued a 7-month-old child who needed a transplant.

There have been many arrests and reports of aid recipients who falsely claimed to be hurricane victims. This is likely to happen because people fleeing a disaster often do not have much in the way of identification or paperwork to demonstrate that they are actual victims. The charities are in a difficult position because they must balance the need to get aid out quickly to legitimate victims with the responsibility of not wasting charitable resources on fakers or double dippers. Donors should realize that in a crisis situation, charities will not be able to stop a lot of people with false claims without making the bona fide victims suffer long delays for assistance. Most scammers will not be caught until after a charity has turned over a suspect's information to a law enforcement agency to research its truthfulness. Unfortunately, by then the money will likely be long gone.

The recent news media reports of Red Cross workers in California and Texas being arrested on charges of stealing money intended for disaster victims is very disturbing. Criminals are more likely to target charities, particularly ones operating in a disaster or other chaotic situation, if they perceive that the many good-hearted and mission-driven people working in these organizations are not focusing enough attention on internal controls and other security measures. AIP encourages all non-profits to be vigilant about safeguarding the public's donated dollars.

AIP strongly encourages each disaster charity to issue by spring of 2006, a 6-month report of the funds raised and spent and future plans in response to the Gulf hurricanes. These reports will enable donors to better monitor the use of their charitable contributions. The American Red Cross is to be commended for issuing such a report six months after the December 2004 tsunami. Under current IRS annual disclosure rules, charities are not required to submit a tax form until 5½-months after the end of their fiscal year and are almost automatically granted two 3-month extensions by the IRS. This means that charities with a June 30 fiscal year end, such as the Red Cross, may not be required to disclose how much they received and spent in response to Katrina until June 15, 2007.

AIP also encourages charities to participate in multi-agency evaluations, such as those conducted by the Tsunami Evaluation Coalition for CARE International, World Vision International and other disaster aid groups. This will help charities improve their planning, coordination and communication. It will also make charities and donors more aware of victims that have been neglected or received poor service so that more resources can be directed to them.

Chairman RAMSTAD. Thank you for your testimony. Ms. Roth, please.

**STATEMENT OF MARCIE ROTH, EXECUTIVE DIRECTOR,
NATIONAL SPINAL CORD INJURY ASSOCIATION**

Ms. ROTH. Good afternoon, Chairman Ramstad, Mr. Lewis, Committee Members. Thank you for the opportunity to testify today. My name is Marcie Roth, I am the Executive Director and CEO of the National Spinal Cord Injury Association, the Nation's oldest and largest civilian organization serving the needs of people with spinal cord injuries and diseases.

In our disaster relief efforts, we have been working on behalf of all people with disabilities, estimated at 25 to 30 percent of those affected.

On September 13th, 2001, I first became involved in addressing the urgent needs of New Yorkers with disabilities who had survived the terrorist attacks 2 days earlier. I was shocked when I discovered how ill prepared the disaster relief agencies were. In the past 4 years I have participated in efforts to better prepare for another emergency.

On the morning of August 29th, I was asked to help Benilda Caixeta, who was quadriplegic. She had been trying to evacuate from her New Orleans home for 3 days. Even calls to 911 had been fruitless. I stayed on the phone with her for most of the day trying to reassure her. Suddenly she told me, with panic in her voice, the water is rushing in, and then we were disconnected. I learned 5 days later that she had been found dead floating next to her wheelchair.

I am here today to say some other difficult things. After sharing some positive stories, I will focus on the most beloved organizations of all, the American Red Cross. It is hard to criticize the Red Cross. They do many good things, but they have frequently failed to meet the needs of people with disabilities while simultaneously diverting resources from organizations addressing those unmet needs.

Not only has this hurt people with disabilities and the organizations that serve them, but it has also added an untold burden on taxpayers through costs associated with preventable secondary complications. Sadly, the needs of people with disabilities have been overlooked by the general public and the media.

Joe Shapiro, an NPR reporter, was one of the few to report about people with disabilities. Thanks to a very generous donation from Robert and Ita Klein, who established the Brian McCloskey Hurricane Katrina Survivors with Disabilities Fund, National Spinal Cord Injury Association is able to provide some direct assistance. The Disability Funders Network is distributing \$5,000 grants to meet unserved needs, and the Muslim Public Affairs Council stepped in to get donated medical equipment and supplies distributed when none of the relief organizations would provide funds for this.

Several of the international wheelchair distribution organizations also stepped in. Thanks to the Salvation Army, funds were made available to assist some hurricane survivors who had been dumped into nursing homes. While everyone else argued about who was responsible, the Salvation Army provided funds to help survivors regain their independence.

In contrast, many Gulf Coast residents with disabilities were excluded from Red Cross shelters and relief assistance services. Some were separated from caregivers and service animals and then sent to nursing homes when they couldn't maintain their independence.

People with disabilities were forced to remain on buses while everyone else was invited into certain shelters. Then they were driven for sometimes hundreds of miles before being taken in. When disability experts showed up at shelters to offer assistance they were frequently turned away.

One Red Cross official told me, we aren't supposed to help these people, the local health departments do that. We cannot hardly deal with the intact people. One woman was sent to a special needs shelter so overcrowded that she slept in her wheelchair for weeks. Ultimately this landed her in a hospital and then a nursing home.

After waiting all day in line residents of one Red Cross shelter were told to travel to another town to register. Without accessible transportation though, those with mobility disabilities were unable to make the trip. We tried to get experts into the shelters to assist people who couldn't hear announcements over loudspeakers,

couldn't read signs and forms, people who needed medication, people who didn't understand how to get food and water, and people who couldn't stand in line because they had lost their wheelchair or couldn't handle the heat.

For weeks, one man had to drive to a hospital every time he wanted to go to the bathroom because the bathroom at the shelter was not wheelchair accessible. Most people told me that they had not received any financial assistance from the Red Cross. A few received \$360. While thousands are in need of funds to cover basic necessities, \$66 million in foreign donations were distributed by FEMA to nonprofit organizations, but these can only be used to hire staff, to train volunteers, and to provide case management.

We can't even get to the tables where rebuilding decisions are being made by powerful housing nonprofit organizations, and this will result in discrimination, limited options and institutionalization. For all of the planning that has gone on, it seems that the needs of people with disabilities will remain unmet when the next disaster strikes.

However, with your help, not only can people with disabilities begin to trust that their needs will be better met in future disasters, taxpayers, generous donors, and the general public can rest assured that we are maximizing limited resources and minimizing unnecessary waste.

Thanks to you, Chairman Ramstad, the needs of people with disabilities and the hope of visionary leadership have not been lost. I know you will invite your colleagues to join you in prioritizing the needs of hurricane survivors with disabilities as next steps are taken.

In summary, let me recommend that offices on disability need to be established within Red Cross, the U.S. Department of Homeland Security, FEMA, and in each of the Federal members of the Inter-agency Coordinating Council on Emergency Preparedness and People With Disabilities. They must all be staffed by disability experts and given authority to act.

Congress needs to appoint an independent task force to focus on the disaster management needs of people with disabilities. Our Office on Disability at the U.S. Department of Health and Human Services needs more resources and more authority. Please don't compromise the hard won civil rights of people with disabilities so easily dismissed in a time of emergency.

It is in Benilda's memory and with great appreciation toward those who have worked tirelessly over the past 15 weeks in the Gulf States, in Washington, in cyberspace, and around the country that I close with the following proverb. The best time to plant a tree was 20 years ago. The second best time is now. Thank you.

[The prepared statement of Ms. Roth follows:]

Statement of Marcie Roth, Executive Director, National Spinal Cord Injury Association, Bethesda, Maryland

Good afternoon, Chairman Ramstad, Ranking Member Lewis, and distinguished committee members. Thank you for inviting me to testify on issues regarding the response by nonprofit organizations to the needs of Hurricane Katrina survivors.

My name is Marcie Roth and I am the Executive Director and CEO of the National Spinal Cord Injury Association (NSCIA). NSCIA is the nation's oldest and largest civilian organization serving the needs of people with spinal cord injuries and spinal cord diseases since 1948.

I am here representing NSCIA, but I want to be very clear that in our disaster relief efforts we have been working on behalf of ALL people with disabilities, including those with sensory and intellectual disabilities and those with mental illness and other psychiatric disabilities.

And, although we are focusing on efforts to assist Americans with disabilities in disasters, we are also wholly committed to working with others who are addressing the needs of ALL people with disabilities in disasters in other parts of the world.

I want to thank my colleagues in the private sector and those representing government, who have given those of us who are experts on the additional needs of people with disabilities before, during and after a disaster the opportunity to work alongside you over the past fifteen weeks as we have shared our knowledge, resources and a deep commitment to meeting the critical needs of as many hurricane survivors with disabilities as we possibly could. I am grateful to those individuals who have joined us around the clock, for many weeks, in a shared commitment to do what no one else was doing, despite their legal and moral obligations, to meet the additional needs of hurricane survivors with disabilities.

On September 13, 2001, I first became involved in navigating between the Federal systems and the private sector in an effort to address the very urgent disaster related needs of people with disabilities who had survived the terrorist attacks in New York City two days earlier. I quickly learned that a lifetime of knowledge of the additional needs of people with disabilities was being called into action as I found myself in the breach, navigating between the very real needs of very real people and the limited public and private systems poorly designed to address those needs.

I was shocked when I discovered how ill prepared the major disaster relief agencies were, and I became actively involved in efforts to assist those relief agencies and communities across the U.S. to better plan for the additional needs of people with disabilities. In the months and years after those terrible days, I also participated in efforts to assist people with disabilities to prepare for another emergency. I saw the creation of the U.S. Department of Homeland Security, the relocation of FEMA and the National Disaster Medical System, and many printed and Internet published materials on preparedness for people with disabilities, workshops and conferences on the topic, and many other visible signs that indicated to me that high level planning for the next national disaster was in good hands. I did my part, made recommendations when the needs of people with disabilities were being overlooked and voiced my concerns when it seemed that plans were unrealistic. Even when the ideas of disability and disaster experts were being met with a surprising amount of resistance and exclusion, I trusted that even though I couldn't always see it, we were "ready." Just like most Americans, I assumed that the Red Cross and the other major relief organizations were building on something far more durable than sand when they published guides and booklets and held meetings and workshops on emergency preparedness for people with disabilities.

And then, in the last week of August, I joined much of America as we watched with more than a little alarm as Hurricane Katrina took a bite out of FL and then made its way into the Gulf.

On the morning of August 29th, I received a call that I will never forget and once I tell you about it, I hope you will never forget it either. My friend and colleague, former appointee to the Social Security Administration, Susan Daniels called me to enlist my help because her sister-in-law, Benilda Caixetta, a New Orleans resident who was quadriplegic, paralyzed from the shoulders down, had been unsuccessfully trying to evacuate to the Superdome for two days. Despite repeated requests to be evacuated, in her power wheelchair, which is a vital tool for mobility and independence, the paratransit system that serves the transportation needs of people with disabilities never showed up. Even calls to 911 had been fruitless. She was still in her home, she had not been able to evacuate, despite her very best efforts. In my naiveté I thought a few phone calls to the "right" people would help, and I was sure I knew who to call. I was wrong. After many calls to the "right" people, it was clear that Benny, was NOT being evacuated.

I stayed on the phone with Benny for most of the day, assuring her that I was doing all I could to make sure help would be coming as soon as possible. She kept telling me she had been calling for a ride to the Superdome for three days, but, despite promises, no one came. The very same paratransit system that people with disabilities can't rely on in good weather was what was being relied on in the evacuation. It's no surprise that it failed.

I was on the phone with her that afternoon when she told me, with panic in her voice, "the water is rushing in" and then her phone went dead.

We learned five days later that she had been found in her apartment, dead, floating next to her wheelchair.

Sometimes things like this can't be prevented. Despite the magnitude of the catastrophe, this was not one of those times. **Benilda did not have to drown.**

I am here today to say some other difficult things, and while there are many organizations worth comment, I will focus almost exclusively today on one of the biggest, best funded and most beloved nonprofit organizations of all, the American Red Cross. It feels almost blasphemous to criticize the Red Cross, almost like criticizing one's own grandparents. But, for hundreds of thousands of people with disabilities, the Red Cross has frequently failed to meet the greatest needs while simultaneously diverting donations and other resources from small organizations left to address a myriad of often complex unmet needs. Not only has this hurt people with disabilities and the organizations that serve them, but it has also added an untold burden on every taxpayer in this country, through costs associated with preventable secondary complications in disaster survivors, unnecessary hospitalization and institutionalization and failure to maximize limited resources to meet needs.

Over the past 100+ days, while the rest of America and the world watched on TV, millions of Gulf region residents desperately tried to survive not only the weather, but the many human failures to follow. For 25–30% of those people, the additional challenges of disability, poor planning and low expectations made the unimaginable crisis much, much more dangerous.

As the parent of two children with significant disabilities and as the legal guardian for an Iraqi child who was spinal cord injured in an accidental U.S. artillery bombing two years ago, I am acutely aware every day of the unmet needs of 56 million Americans with disabilities and hundreds of millions of people with disabilities worldwide. I am also acutely aware of just how rare it is that the unmet needs of people with disabilities are ever considered by the people who have the most power and the best resources to maximize positive outcomes for a minority population that encompasses a sizable portion of the general population of the United States. According to the U.S. Census of 2000, people with disabilities represent 19.3 percent of the 257.2 million people ages 5 and older in the civilian non-institutionalized population. Another 2.2 million Americans are institutionalized in nursing homes and long-term care facilities. And, it is necessary to point out that these are all people with disabilities. People don't go to nursing homes because they are old; they go to nursing homes when their community fails to meet their additional needs.

Some areas of our country have an especially high percentage of people with disabilities. As it happens, the areas most severely impacted by the hurricanes were also areas with especially high percentages of people with disabilities living in their communities.

According to the 2000 Census:

- In Biloxi, Mississippi, 10,700 people (25% of the residents) are classified as people with disabilities.
- In Mobile, Alabama, 43,000 people (24% of the residents) are people with disabilities.
- In the New Orleans metropolitan area, 250,000 residents (21.3%) described themselves as disabled.

Because people with disabilities are . . .

- disproportionately below the poverty line,
- often less mobile than the general population,
- disproportionately more dependent on outside assistance, and
- often misjudged as less capable

. . . this population felt the impact of Hurricane Katrina quite severely.

For most of my career, since the 1970's, I have worked primarily for nonprofit organizations. For most of this time, serving people with disabilities, we have struggled to meet complicated needs with extremely inadequate resources. As the executive director of a nonprofit organization for the last four years, I am sure I have often fallen short. Due to the magnitude of need, the shockingly limited resources made available to invest in the needs of people with disabilities and the never changing bigotry of low expectations regarding the value and contributions of Americans with disabilities, I anticipate that the needs of my constituency will remain under-met for the foreseeable future. And, as long as Congress fails to ensure the enforcement of laws to educate children with disabilities, fails to address the institutional bias in Medicaid, fails to pass Money Follows the Person, MiCASSA, the Christopher Reeve Act and the Family Opportunity Act, fails to fund adequate housing, mental health parity, access to quality health care, equipment and services and considers legislation that will limit the human and civil rights of one in five Americans, no real progress will be made in maximizing limited Medicaid, Medicare, pri-

vate insurance and other resources. This is both wrong and it is foolish public policy.

There are many fine examples of nonprofits who have actively sought to meet needs by using limited resources that were intended to serve people who are in the greatest need even when the weather is fine. Some organizations, like mine have been very fortunate to have come to the attention of true heroes who quietly find a way to make a real difference. Thanks to a very generous donation from Robert and Ita Klein, who recently established the Brian Joseph McCloskey Hurricane Katrina Survivors with Disabilities Fund, my organization, the National Spinal Cord Injury Association, is able to replace wheelchairs, hospital beds, household goods, repair homes, and pay rent and mortgages for as many people with disabilities as our fund will stretch to serve. The Kleins' company, Safeguard Properties, Inc. has been playing a significant role in disaster and housing related services, and they wanted to make a generous donation to meet an otherwise entirely unmet need. Their recognition of the unmet needs of hurricane survivors with disabilities is a shining exception to the fairly bleak picture. Yet another is the Disability Funders Network which raised over \$100,000 that it is distributing to small nonprofits in \$5,000 grants to meet unserved needs. Many disability organizations have had to tap their own limited resources to meet the needs of constituents who have lost everything. When we were desperate to send replacement equipment like wheelchairs and hospital beds to people who had to have them to preserve their health and we couldn't get the Red Cross or any of the other large relief organizations to provide funds for drivers, trucks and insurance, we were very fortunate to find an unlikely ally. The Muslim Public Affairs Council stepped in with funding to help Portlight Strategies to get trucks full of donated durable medical equipment and supplies on the road and into the hands of those who had lost theirs.

As wonderful as these stories are, with not more than a few exceptions, the needs of people with disabilities, and their stories have been almost entirely overlooked by the general public. Even house pets have fared far better! I would be remiss if I didn't thank Joe Shapiro, a wonderful reporter with National Public Radio who was one of the very, very few to report about people with disabilities. And, another shining example of high quality nonprofits would be the formerly all volunteer Disaster Medical Assistance Teams, a part of the crown jewel known as the National Disaster Medical Systems.

Most organizations like mine exist in the shadow of high profile nonprofits like the American Red Cross. In the days after the hurricanes, the American Red Cross has received a reported \$1.68 billion dollars in donations while Gulf Coast residents with disabilities have hardly benefited because many were excluded from their shelters and relief assistance services.

Sadly, we have attempted to help the Red Cross and other disaster relief leaders to see that they have been in a key position to address this inequity since 2001, but instead, people with disabilities are still turned away from the Red Cross and other charity-run shelters.

As well as the disability community has come together to try to take care of "our own," we have been excluded from the larger relief community, sometimes told that we would just be "in the way" and "make things worse." We were told to leave the relief efforts to those who "know what they are doing." At the same time, we received report after report about the Red Cross shelters turning people with disabilities away or separating them from caregivers and service animals, then sending them to nursing homes when they couldn't maintain their independence.

We had many reports of people with disabilities arriving on busses from New Orleans and being forced to remain on the bus while everyone else was invited in. Then they were driven from shelter to shelter for sometimes hundreds of miles before being taken in.

When disability experts showed up at the shelters to offer their assistance, they were frequently turned away, and we've been told that this was because they hadn't completed the "required training." This was an interesting disconnect from another conversation I had.

When I inquired about the sheltering needs of people with disabilities, once I was finally able to reach a National Red Cross Operations official, she told me "we aren't supposed to help those people, the local health departments do that. We can't hardly deal with the "intact" people (this term is considered highly offensive to people with disabilities). Don't you understand that we're taking volunteers off the street to run these shelters?"

I am told that just last week, a Red Cross official told meeting attendees at an AARP meeting that the Red Cross does not serve people with disabilities. I would have dismissed that comment entirely as mere gossip if I hadn't had a similar conversation.

There are many stories, but a few stand out as especially egregious.

One woman in Alabama, a college graduate who survived a spinal cord injury 10 years ago but was living independently until the hurricane struck told me she went to the Red Cross shelter as soon as it became clear that her home was about to flood, but she was turned away. She was directed to a “special needs shelter” but that shelter was so overcrowded with people who all needed additional help that she ended up sleeping in her wheelchair for days on end. This caused a serious skin condition to develop, landing her in a hospital and then a nursing home. Despite the \$1.68 billion raised by Red Cross, she never received any assistance from them.

In one town, also in Alabama, after waiting all day in line for assistance, residents of the Red Cross shelter were told that the only way to register for assistance was to leave the Red Cross shelter and travel to another town. But there was no accessible transportation offered so those with mobility disabilities were unable to seek assistance.

Jason and his mom, displaced from New Orleans to Dallas, sent us the following email three weeks after the hurricane:

“To Whom It May Concern:

Presently, Jason (SCI, 11 years post) and I are homeless and living in a Salvation Army Shelter due to Hurricane Katrina. We had to leave our home, and all of Jason’s medical equipment (i.e. his hospital bed, electric wheelchair, hoist lift, etc.). Since I am in a public place using one of the laptops that they have made available to us, I will not be able to write a long letter explaining all of our business. But I am writing now because we need some financial help.

Because we don’t live in one of the shelter sites, we are out of the loop of things that are going on. We have not been able to secure clothes or any basic funding. FEMA is taking a long time to help and we are missing out on everything because we’re not able to get around. Jason is using an old manual wheelchair and I have to push him everywhere. This has been a strain on me also.

If you can help us, please contact us. Any help we can get would be appreciated. We are desperate, so I’m grasping at any and all past contacts. Normally, I would never find myself in this sort of begging position. But this has been anything but normal. People’s lives were totally shattered. Families were torn apart. Please help us.”

Jason ended up in the hospital for weeks as a result of the lack of medical equipment and supplies.

We worked around the clock for weeks to try to get disability experts into the shelters to assess the needs of people who couldn’t hear the announcements over loudspeakers, or see the signage that directed them to assistance, people who were losing critical stability because they didn’t have access to medication to treat their mental illness, people whose eyes and kidneys and hearts were being attacked because they didn’t have insulin, people who didn’t understand what they needed to do to get food and water because of an intellectual disability and people who couldn’t stand in line for seven hours, or even seven minutes because they had lost their wheelchair during the evacuation. People housed in alternative settings were excluded from the myriad of relief programs at the shelters and unable to gain equal access to resources vital to survival and prevention of secondary complications.

People without their wheelchairs, walkers and canes couldn’t stand in line. In the heat, many people were unable to wait for hours to be assisted and so those with the direst needs often had the least assistance.

Some people, who need additional supports to maintain their independence, were forced to go to special needs shelters while family, other caregivers and even service animals were denied access to offer assistance. Once independence was compromised, people were institutionalized. I am told that many, many of these people have still not been located!

One man in east Texas told us about having to drive from a shelter to the local hospital for weeks, every time he had to go to the bathroom because the bathroom at the shelter was not wheelchair accessible.

In a recent report by the National Organization on Disability: “The most underserved group [in shelters] were those who were deaf or hard of hearing.”

Less than 30% of shelters had access to American Sign Language interpreters.

80% did not have TTYs.

60% did not have TVs with open caption capability.

Only 56% had areas where oral announcements were posted. "This meant that people who are deaf or hard of hearing had no access to the vital flow of information."

(Report on SNAKE Project, Oct. 2005.)

There are no estimates of the numbers of people with disabilities who were turned away from the shelters, those who were sent to nursing homes and institutions and those who were able to evacuate to locations other than shelters, sometimes further isolating them from the vital services they needed to protect their independence and their health.

Recently, when I asked people how much financial assistance they received from the Red Cross, 70% told me they had not received any assistance and of those who had, most reported receiving \$360. The highest amount received was reported by one man who received \$680.

And while thousands remain homeless and in need of financial assistance to cover mortgage payments, rent, utilities and basic necessities, just recently, I learned that \$66,000 in foreign donations have been given by FEMA to the United Methodist Committee on Relief (UMCOR) and the National Voluntary Organizations Active in Disaster (NVOAD).

The case management program, promises to "assist disaster survivors with unmet needs" but none of the \$66M can be used to meet those unmet needs, rather the \$66M will be used to hire paid staff who will hire volunteers to provide "case management" to 100,000 hurricane survivors. No efforts seem to have been made to reach out to disability service provider experts to participate in this project, and in fact, the website for the project and the instructions for responding to the RFP are not accessible, even though accessibility is required. Even the telephone is a problem for many as it is a New York number and there is no 800 or TTY line. I have to wonder if the \$66M would have been better allocated to pay rent and child care so people can get back to work and get on with their lives instead of meeting with more volunteers. And, for people with disabilities, I wonder how skilled volunteers will be at navigating complicated systems that regularly confound experts. I have to wonder if this plan will decrease or increase unnecessary institutionalization!

Along with everyone else, I have learned over the past three and a half months that for all of the planning that has gone on, people with disabilities are not in good hands and without immediate and bold steps, their needs will remain entirely unmet just as soon as the next disaster strikes. I wish that generic systems were capable of holding the very specific and often complex needs of people with disabilities in the foreground as they make quick and sweeping decisions, but in a country that still thinks nursing home placement trumps community based care for people with disabilities on a sunny day, it is obvious that we can't rely on generic decision-makers to make smart decisions about the needs of people with disabilities in the midst of disaster.

We have learned that just as we can't expect well-intentioned medical and public service personnel to adequately address the complex needs of people with disabilities in day-to-day situations, without a deep and thorough understanding of the tenets of independent living and self-determination or absolute clarity about the human and civil rights of people with disabilities, we also can't expect these dedicated community members to understand the complexities of meeting the additional needs of people in the midst of disaster.

However, with some smart investments, not only can people with disabilities begin to trust that their needs will be better met in future disasters, taxpayers, generous donors and the general public can rest assured that we are maximizing limited resources and minimizing unnecessary waste.

In fact, amidst all of the projections of huge additional costs to meet the real needs of our citizenry in a disaster, there is clearly an opportunity for visionary policymakers to SAVE tax dollars while maximizing limited resources, now, who could possibly argue against that! Thanks to you Chairman Ramstad, the needs of people with disabilities, and the hope of visionary leadership hasn't been lost. I know you will invite your colleagues to join you in prioritizing the needs of hurricane survivors with disabilities as next steps are taken.

Recommendations to the Red Cross

1. Issue additional guidance to shelters regarding their legal and ethical obligation to serve people with disabilities.
2. Establish an Office on Disability, and staff it with disability experts known to the disability community as strong leaders with a track record of meeting the additional needs of people with disabilities in a disaster. Give that Office

direct access to the CEO of Red Cross, power and adequate funds, support staff and other resources.

3. The in-take forms used for people coming into shelters must be revised so that disability-specific information is collected.
4. Training and leadership is urgently needed to provide guidance to Red Cross employees and volunteers regarding their obligations to serve people with disabilities.
5. Actively pursue partnerships with disability related organizations.
6. Every shelter must have at least one volunteer on duty at all times who is knowledgeable about identifying individuals with disabilities when they arrive at the shelter, helping to identify that individual's needs and then helping with or directing those individuals to appropriate assistance.
7. People with disabilities must be carefully tracked, and so must their equipment. When they leave a shelter, there must be information kept on file about where they were sent.
8. Nursing homes and institutions must be alternatives of last resort and never used for more than temporary shelter for previously independent people, and those receiving their supports and services in the community.
9. In the future, why not put all shelter services in the same building, rather than separating people with additional needs from their family and limiting natural supports that may mean the difference between dependence and independence.
10. The American Red Cross needs to increase its capacity to use technology at all levels.

The very same housing crisis that has kept hundreds of thousands of people across the U.S. in restrictive living environments is now putting previously independent and self-sufficient disaster survivors in hospitals and nursing homes for lack of appropriate housing that allows them to use a bathroom and sleep in a bed. We are still working to get to the tables where key decisions are being made about temporary and permanent housing. We have been trying to get to those tables with powerful housing nonprofit organizations who have access to substantial funds for rebuilding. We are trying to talk about universal design, accessibility and visitability. We've been attempting this since it first became apparent that housing would be a critical need. Yet, even today, housing decisions are being made that will result in discrimination, further limited options and institutionalization of people who could and should be in our communities and in our workforce.

Additional Requests:

Please encourage the appropriate Committees in both the House and Senate to hold additional oversight hearings on topics within their jurisdiction. For example, Medicaid would be an important topic for an oversight hearing.

Many nonprofit organizations that already operate without adequate resources have had to use their limited funds to address the needs of disaster survivors with disabilities as well as their usual constituency. Supplemental funds need to be given to these groups to support their continued viability to serve our communities now and in the future. These organizations, independent living centers, local chapters of national organizations, protection and advocacy systems, etc. are at the heart of the solution. We know this; let's make sure we support what IS working.

PLEASE do not allow ANYONE to convince you to compromise the hard-won civil rights of people with disabilities. Our rights remain fragile even today, and these rights are easily overlooked or dismissed in a time of emergency. This is illegal but if that isn't enough it's also costly. Be good stewards of tax and donor dollars! Just say no to limiting or violating the civil rights of people with disabilities!

Hurricane survivors are afraid that the rest of us are getting "Katrina Fatigue." I encourage you to join me in assuring our fellow citizens that while THEY are entitled to Katrina Fatigue, they can count on the rest of us to stay focused and keep things moving forward.

It is in Benilda's memory and with deep appreciation towards those who have worked tirelessly over the past fifteen weeks in the Gulf States, in Washington, in cyberspace and around the country that I will close with the following Chinese proverb:

The best time to plant a tree was 20 years ago. The second best time is now.
Thank you for the opportunity to speak to you today.



Chairman RAMSTAD. Thank you very much, Ms. Roth. We appreciate your testimony. Ms. Archaga.

**STATEMENT OF YAVONKA ARCHAGA, EXECUTIVE DIRECTOR,
RESOURCES FOR INDEPENDENT LIVING**

Ms. ARCHAGA. Chairman Ramstad, Ranking Member Lewis, and Representative McCrery and all other Members present, thank you for giving me the opportunity to testify here today on this vital issue.

Resources for Independent Living is the center that I represent. I am the Executive Director. This center has been in operation for over 15 years. We provide an array of services to individuals with disabilities.

Those services include the four core services: Information referral, advocacy, peer support and independent living skills training. In addition RIL is one of the largest personal care attendant services organizations in the southeast region of Louisiana.

I will discuss the services we provide outside of our normal scope of operation due to the catastrophe and the devastation of Hurricane Katrina. It became so apparent to us days after landfall that our center's services were transformed by the overwhelming unmet needs identified by individuals with disabilities. Although the shelters provided housing and food for individuals with disabilities, we had to step in and fill in the gaps.

RIL delivered durable medical equipment and transported consumers to sites where they could receive other social services such as food stamps, Social Security disbursements, unemployment information and benefits. In addition we also provided clothing, adaptive accessible equipment, food packages, and so forth, to consumers within the shelter.

Our center identified the immediate needs of the consumers and we responded. Our jobs were made more challenging, gentlemen, by the lack of accessibility in the shelter. It is disconcerting that decades after Section 504 was passed, access to shelters, which in many cases are operated by organizations that are recipients of Federal funding, remains at best problematic.

Accessibility is not only defined in the ability to physically get into a building, but also by the ability to meet the basic living needs of persons with limited mobility in preparation for people with disabilities in the event of a disaster.

According to the National Council on Disability, of the 484,000 residents in New Orleans before Hurricane Katrina, 23 percent of those individuals were people with disabilities. Charities such as the Red Cross need to find a way to obtain expertise about the needs of persons with disabilities and must develop and implement disaster response plans specific to addressing the needs of the disabled community.

In order to respond in a way that meets the needs of persons with disabilities, the Red Cross needs to rethink its operating principles. Increasingly the disabled community operates based on an independent living philosophy that promotes maximizing independence and maximizing an individual's control over their own lives and support networks in settings that are as close to fully integrated as possible.

Furthermore, the Red Cross and other charities needs to embrace this element of independent living philosophy. Many persons with disability have pets and working dogs, caregivers and assistive technology. Charities must develop procedures to provide reasonable accommodations and work with the disability community to ensure that volunteers are well versed in these policies.

Problems in service gaps encountered by people with disabilities in shelters operated by charities, including the Red Cross:

The Red Cross shelters were not equipped with interpreters. They were not equipped with materials in alternative formats. They did not have durable medical equipment and accessible communication equipment and specifics on dietary needs of consumers.

Consumers were isolated and not offered services specific to their needs. Staff and volunteers did not have the skills, training and knowledge to work with the disabled community. The staff and/or volunteers did not perform basic needs assessments to determine the types of disabilities individuals had to determine if the consumers had adequate medication on hand or to determine if consumers were on a restricted diet.

Individuals were often denied entry into shelters if they had a service animal or significant adaptive equipment or were separated from their families and caregivers in the process of obtaining shelter and placed into institutions or recommended to go to institution.

Problems that my organizations experienced:

Representative McCreery, I understand what you were going through because I was on the ground as well. It was very, very difficult, gentlemen, for us to get in, and then also to respond with short notice. Planning is very vital, and we need to be at the table with everyone, and we need to know, because the second wave that is coming, gentlemen, is the next hurricane season. We have to be prepared. We have to be ready. All of us have to be on the same page.

Referrals of consumers by FEMA to our organization:

It is interesting that our organization was a referral base for FEMA, and we took the calls for individuals with disabilities. We had a loss of power. Our office was hit from the hurricane as well, but we had to do what we had to do to respond to the community. We don't have the resources that an organization like the Salvation Army or the Red Cross may have, but we did the best that we could do in light of what was needed.

In conclusion, we know that the Red Cross and other charities are operated with the best intentions who want to do the right thing. However, substantial reform is needed in the way that these agencies deliver their services and operate their shelters to ensure that persons with disabilities already caught up in the tragic circumstances of a natural disaster, such as a Hurricane Katrina, don't have the tragedy compounded by avoidable human error in the aftermath.

Persons with disabilities make up nearly one-fifth of the Nation's population, and charities need to be responsive to the needs of those who they are charged to serve, beginning with the compliance of Section 504.

[The prepared statement of Ms. Archaga follows:]

Statement of Yavonka Archaga, Executive Director, Resources for Independent Living, Baton Rouge, Louisiana

Introduction

Chairman Ramstad, Ranking Member Lewis, and all other members present, thank you for giving me this opportunity to testify here today on this vital issue.

Resources for Independent Living, Inc. (RIL) is a Center for Independent Living, which has been serving the Greater New Orleans and Baton Rouge areas for over 15 years. RIL offers an array of quality, consumer-controlled services to individuals with disabilities to assist them with living independently. These include the four core services of information and referral, advocacy, peer support and independent living skills training. In addition, RIL operates one of the largest personal care attendant services in the southeast region of Louisiana.

Once the devastation of Hurricane Katrina became so apparent within days after its landfall, our Center's services were transformed by the overwhelming unmet needs identified by individuals with disabilities. Although the shelters provided housing and food for individuals with disabilities, RIL had to fill in the "gaps." RIL delivered durable medical equipment and transported consumers to sites where they could receive other social services such as food stamps, SSI disbursements, unemployment information, etc. In addition, RIL provided consumers with clothing, adaptive/accessible equipment, food packages, etc. Our Center identified the immediate needs of the consumers and responded. Since addressing gaps in services and supports that limit individuals' ability to live independently and empowering these individuals with the resources they required to make informed decisions on matters of vital importance, is consistent with the independent living philosophy, we worked days and nights, weekdays and weekends to make certain that their needs were met to the maximum extent possible.

Our jobs were made even more challenging by the lack of accessibility in the shelters. It is disconcerting that decades after Section 504 was passed, access at shelters, which are in many cases operated by organizations that are recipients of federal funding, remains, at best problematic. Accessibility is not only defined by the ability to physically get into and out of a building, but also by the ability to meet the basic living needs of persons with limited mobility—such as having accessible restroom and dining facilities. In many cases, shelters were not physically accessible to persons with disabilities. And in many more cases the shelters were unable to make their programs accessible to persons with disabilities or to meet basic living needs of persons with disabilities. Given the demographics that I will point out below, these failures reflect a systemic problem, which cries out for change.

Preparation for People with Disabilities in the Event of a Disaster

In preparing for disasters, charities such as the Red Cross must consider the special needs of the disabled community as a central part of the planning process. Since persons with disabilities make up a large percentage of the population both in my region and across the nation, this must be factored into the planning and preparation process, BEFORE the next disaster—rather than after.

According to the National Council on Disability, of the 484,000 residents of New Orleans before Hurricane Katrina, 23.2 percent of the population or 102,122 are people with disabilities. This means that there are 102,122 people with disabilities 5 years of age and older who live in New Orleans. About 10 percent (or 12,000) of them are people ages 5 to 20 years old; 61 percent (or 63,000) of them are aged 21 to 64 years old; and 29 percent (or 27,000) of the people are 65 years of age and older. The statistics are as compelling in other parts of the region hit by Katrina and Rita. In Biloxi, Mississippi, a city of around 50,000 residents, 26 percent of the population has disabilities. This means that there are 10,700 people with disabilities 5 years of age and older who live in Biloxi. In Mobile, Alabama, a city of 198,915 people, 24 percent of the residents are people with disabilities. This means that there are 43,000 people with disabilities 5 years of age and older who live in Mobile.

Among the 102,122 people with disabilities living in New Orleans are residents who are blind, people who are deaf, people who use wheelchairs, canes, walkers, crutches, people with service animals, and people with mental health needs. At least half of the people with disabilities in New Orleans who are of working age are not employed. Many of the people rely on a variety of government programs such as Supplemental Security Income and Medicaid to help them meet their daily service and support needs.

Charities such as the Red Cross need to find a way to obtain expertise about the needs of persons with disabilities, and must develop and implement disaster response plans specific to addressing the needs of the disabled community. These plans must include individual needs assessments, and identification of resources,

such as those who are knowledgeable in meeting the needs of the disability community, surrounding the disaster area to ensure a more immediate response to requests being made. Charities must work with federal, state and local emergency management officials to ensure that shelters are sited in accessible locations (consistent with the obligations of recipients of federal funding under Section 504 of the Rehabilitation Act of 1973), have readily available interpreters, are prepared to provide essential communications in alternative formats, and provide accessible transportation, durable medical goods, medical equipment, and accessible communication equipment to those who need them. These items are vital to assisting the disabled community in responding to a disaster.

In order to respond in a way that meets the needs of persons with disabilities, the Red Cross needs to rethink its operating principles. Increasingly, the disabled community operates based on an independent living philosophy that promotes maximizing individuals' control over their own lives and support networks in settings that are as close to fully integrated as possible. A balkanized system of Red Cross shelters and "special needs" shelters makes no sense in most cases. Furthermore, the Red Cross and other charities need to embrace elements of the independent living philosophy. If they do not have the capacity to assist consumers in locating case management and provider agencies, doctors, family members and friends, then they need to develop databases of these resources and contract those responsibilities out to those who are experienced in the field.

Finally, many persons with disabilities have pets or working dogs, caregivers or assistive technology. Charities must develop procedures to provide reasonable accommodations and work with the disability community to ensure that volunteers are well versed in these policies.

Problems and Service Gaps Encountered by People with Disabilities in Shelters Operated by Charities Including the Red Cross

The Red Cross shelters were not equipped at all with interpreters, materials in alternative formats, durable medical equipment, and accessible communication equipment or dietary items. Consumers were isolated and not offered services specific to their needs. Staff and volunteers did not have the skills, training and knowledge to work with the disabled community. The staff and/or volunteers did not perform basic needs assessments to determine the types of disabilities individuals had; to determine if the consumers had adequate medication on-hand; or to determine if the consumer was on a restricted diet. Individuals were often denied entry to shelters if they had service animals or significant adaptive equipment, or were separated from their family or caregivers in the process of obtaining shelter.

Consumers were "delivered" to the shelters by buses from the affected areas. Once the consumers were "checked in" they were informed that they would receive information from social service state agencies. As my staff visited the shelters, they did not get to see anyone at the shelters except the staff and volunteers for many days after the storm. Once my staff reached the consumers in the shelters, they continuously expressed their frustration regarding the lack of assistance they were receiving and their inability to contact and communicate with state and federal agencies designated to assist them. Sometimes persons with disabilities were separated from caregivers, loved ones, essential durable medical equipment/assistive technology, and/or service animals. Finally, individuals with disabilities were often moved from shelters into institutional settings without paperwork noting where they were going, and without any way of applying for FEMA assistance or other benefits for which they may have been eligible. Even now, CMS only has a vague idea of where persons with disabilities who have been institutionalized in the aftermath of Katrina were sent. As a consequence, we still have been unable to locate many of those persons with disabilities who were consumers of our CIL before Hurricane Katrina hit. This is inexcusable and should never be repeated again.

Problems Resources for Independent Living Encountered in Accessing Shelters

Our Center was denied access to the Red Cross shelters. We held a staff meeting and decided that it was vital for us to get inside the facilities, thus we set out to convince the Red Cross staff that we were social service employees with skills, training and knowledge regarding the disabled community that they lacked. After many days of rejection and many days of persistence we were finally allowed inside. Once inside we were stunned to see the lack of services being offered to the persons with disabilities. We began conducting basic assessments of needs and begin delivering goods to the shelters for consumers.

Ongoing Problems and Need for a New Approach to Emergency Management for Persons with Disabilities by Charities Including the Red Cross

Although the Red Cross is more visible than they were immediately following the storm, many inconsistencies in the service delivery remain. Consumers with disabilities are still waiting for services. Following the storm, the Red Cross would advertise locations but once we would go to the location it would be closed for various reasons. Consumers are not clear as to the role of the Red Cross. Consumers expected the Red Cross to make assessments of their need. Once the needs were identified the consumers expected the Red Cross to fulfill their requests. This did not occur.

Also, the Red Cross needs to break down their mindset of “separate but equal” services to persons with disabilities which leads to the division of shelters into standard and special needs shelters. The special needs shelters are operated by primarily faith-based local charities, which despite the best of intentions often suffer from the same ignorance of the needs of persons with disabilities and the same lack of knowledge about the independent living philosophy and resources for persons with disabilities in their communities as the Red Cross. Having two sets of shelters, neither of which are staffed by people knowledgeable in meeting the needs of persons with disabilities defies common sense and undermines accountability.

One set of integrated services responsive to the needs of persons with disabilities makes far more sense. The Red Cross has sometimes argued that the special needs shelters are necessary because they need to focus on mass care. But the reality remains that during Katrina, many people with disabilities wound up in the general population shelters because they have invisible disabilities such as diabetes and other chronic conditions, mental health considerations, etc. that are not readily identifiable. Regardless of the degree of effort by the Red Cross, persons with disabilities will keep winding up in the general needs shelters in future disasters. The Red Cross would be well served to adjust to this reality and rethink its service delivery structure accordingly.

Referral of Consumers by FEMA to Resources for Independent Living

Our New Orleans location, which hosts our main computer server, was damaged by the storm. As a result of the equipment failure, our Baton Rouge office did not have data or voice communications for about a month. We communicated through our cell phones, a mode of communication, which was severely limited due to storm damage to the cell phone towers. Once we got our phone system to work we began getting numerous calls from disabled consumers who stated they have been referred to our Center by FEMA.

Centers for independent living do their utmost to assist each individual in need in order to remain or become independent in the community. Despite limited resources and the above-mentioned circumstances we remain committed to doing as much as we can.

We did our best to respond to each caller but we are not equipped to service as large of a population with as numerous requests as we were getting. Our usual personnel complement and budget were inadequate to the need that was referred in our direction and we lacked access to financial resources due to our data communication problems.

Needless to say, we worked many nights and weekends with limited resources and supports. As of today, we are still receiving referrals from FEMA. It is unfortunate that we are placed in a position to respond without receiving the funds to adequately perform the tasks expected. The Red Cross and other nonprofits receive funding to meet the needs of 100% of the population. Yet we have heard the Red Cross state that it is not their responsibility to meet the needs of persons with disabilities—over 23% of the population. Either the Red Cross and other entities need to restructure their service delivery in a manner that makes us partners in the process (for example, by contracting with centers for independent living in emergency situations) or Congress and FEMA need to explore ways of ensuring that organizations such as ours that are called upon to meet these needs in the aftermath of a disaster have funding and resources that match existing needs.

Conclusion

We know that the Red Cross and other charities are operated by individuals with the best of intentions, who want to do the right thing. However, substantial reform is needed in the way that these agencies deliver their services and operate their shelters to ensure that persons with disabilities already caught up in the tragic circumstances of a natural disaster such as Hurricane Katrina do not have that tragedy compounded by avoidable human error in the aftermath. Persons with disabilities make up nearly one-fifth of the nation’s population and charities need to be

responsive to the needs of those whom they are charged to serve—beginning with compliance with Section 504 of the Rehabilitation Act. It is vital for charities to get to know the major players in the disability community. Charities must develop ongoing relationships with Independent Living Centers, Advocacy Centers, and Social Service agencies to assist them in effectively providing services to consumers. Charities need to learn about concepts such as the independent living philosophy and consumer control and either integrate these concepts into their own service delivery models or contract with those familiar with these models to address the specialized needs of persons with disabilities.

I look forward to answering any questions that you may have.

Chairman RAMSTAD. Thank you, Ms. Archaga. Mr. Wyatt, please.

**STATEMENT OF JOHNNY G. WYATT, CITY MARSHAL AND
HOMELAND SECURITY DIRECTOR, BOSSIER CITY, LOUISIANA**

Mr. WYATT. I am Johnny Wyatt, Bossier City Marshal. I have been marshal for 15 years. I have been Homeland Security Director 6 months. Of that 6 months, half of it has been under fire.

I would like to speak to you from my heart. I feel very fortunate to sit at this table with great colleagues. I have heard a lot of the testimony through the whole Committee today. There are some things that I would like to tell you up front I did wrong.

Everybody kept talking about what went right. Well, it didn't go right all the time. I ran a shelter that had 270,000 square feet. The largest contingency at night I had was a little over 1,400. I don't know how many thousands went through the shelter.

My biggest problem is in preparing to come here and doing interviews with the Red Cross, OEP, the mayor's staff and everybody that was involved in our shelter. Some things came to light that I would like to share with you.

One, I was pretty shocked to believe that the Red Cross informed me that the reason it took them 7 days to start feeding the people at Centurytel was they were allowing the faith-based community to do what they could.

When I asked the question, are you telling me the idea of Red Cross is to let all of the charitable people do the best they can and when we exhaust that then you step forward, it was devastating to me, which meant when Red Cross closed their last shelter I still have people in hotel rooms, I still have all of the people who came forward and helped us at the beginning, who have depleted their funds now.

Now, according to statistics, those shelters are closed and those needs are not met. I was shocked to know when they told me, oh, we could have started feeding them the first day. Really? No one was there. We called on the churches, who fed them for 7 days. We got cots from Red Cross only to find out that General Motors bought them.

The point I am trying to make is we ran into some logistical problems running the shelter. I had never run a shelter. I can tell you when I took over the shelter I thought it was the worst assignment I could ever have had. Ten days later, I would have paid anything to be the shelter manager. It was unbelievably a great lesson in humility and gratification.

There were some fallacies. I saw them, like you talked about. I had a blind man's dog taken away from him. I stopped that. Broke every Federal rule there ever was. Okay. The man finally gave up the dog because the dog was as scared as he was in a room with 500 people.

Okay. The Gideons weren't allowed to bring Bibles in. I stopped that. They came in.

They did not like the idea of us having Catholic services. We did; we had mass; we had a Protestant service; we had Alcoholics Anonymous (AA); we had Narcotics Anonymous (NA) meetings. We did what that community needed. We had 1,400 of our neighbors from the south, scared, hungry and lonely. That is what we had.

It was real hard working with these people when you were doing everything you could 24/7, and then to find out after the fact that things broke down. Now, the truth of the matter is, Congressman McCrery—and I know that the Congressman wouldn't want me just bragging on him—but in our area in the northwest corner, all of the leaders worked very well together through OEP. We rewrote the book. The book had not been revisited since 1998. We threw it away. We started fresh.

The only person we could get to, to get communications statewide for us was Congressman McCrery's office. If it had not been for him we would have really been in trouble. Some of the things that bother us, as they were talking about here, is when you have a national organization, such as the Red Cross or anyone else, you have got to be able to be flexible enough to adapt to the people's needs, such as when the Philadelphia House was stopped from coming in to help the HIV patients. That is insane.

Those type of things we corrected as we found them, but the problem is, when you come back and say we had a full triage at our place, we had doctors on scene, we could have all kind of medical help. They told me, oh, we could have provided it too. I said, why didn't you provide medical help? Well, you did not need it. In fact, when they called and said we have medical help available to you, I turned it down. I said, I can't believe you turned it down. They said, yes, you already had that provided. I said so let me see if I understand.

I take away from all of my hospitals and all of my emergency rooms and all of my space, and I am doing it, we are handling it, and you could have stepped up and relieved some of that? Your answer is, we need to involve the community more. Well, the community was involved. I will have to tell you, we made a lot of mistakes.

I can tell you I have learned from it. I heard a lot of questions asked today, and I am going to close very quickly with this. We are in the process of constructing a 50-by-150 foot structure that will house 3- to 400 cots, bedding, clothing, water, food, everything necessary for 3 to 5 days, because in Bossier, we know one thing. We are not going to get any help for 3 to 5 days. If we don't own it, we don't get it.

I bought the first six wheelchairs for Centurytel. Before Centurytel closed somebody gave us 50. I only needed 10. So, it is a matter of organizing and putting a leader in charge. I believe you have to come up with whoever the first person is to step up and

say I am in charge, right or wrong it all goes through me, and that way everybody can coordinate those activities. You know where to get the wheelchair.

The very blind man that was there, I had to mail him his cane 10 days later. I put him on an airplane to his brother, but I got the stick to him for the blind man 10 days late. Now that is crazy.

I had an autistic child in a room with 500 people sleeping. Do you know what that poor child's sensory overload was? We would take her aside into a restroom where she could touch animals and feel safe. I had a Down's Syndrome man that I couldn't place in a nursing home because the caretaking mother who was 75 and his brother, which was 4 years older, did not qualify.

So, we finally found residents. So, what I am saying to you is, our pleas here are not to lay blame. Our pleas here are for you to take an action, Mr. Chairman, representing our government that says, this person is in charge, and we are all going to work with this person. If you don't work with him, there are going to be penalties because we cannot afford to ever have a tragedy like this happen again.

[The prepared statement of Mr. Wyatt follows:]

**Statement of Johnny G. Wyatt, City Marshal and Homeland Security
Director, Bossier City, Louisiana**

On Saturday September 3, 2005, at 8:30 a.m., I became the Incident Commander for the Centurytel Center Shelter by request of Mayor Lo Walker.

The Centurytel Center is an oval building similar to the Superdome in New Orleans, LA. The arena will hold some 15,000 seated. During the crisis, our largest count revealed that we had just over 1,400 neighbors, children included, from the south sleeping in our shelter.

We initially started providing security check-in, medical triage, shower/restroom, clothes, and food. This would be accomplished the first day with the help of the First Baptist Church, which provided food, cots and clothes, and Willis Knighton Hospital, which provided full triage with medical staff, not the Red Cross or any other organization.

The Office of Emergency Preparedness and the Red Cross were contacted and asked for volunteers to help the staff of police officers, firemen, and Deputy Marshals that had taken over all the responsibilities of the shelter until we could be approved as a Red Cross shelter.

Volunteers from the area and local churches immediately started working with the firemen to set up cots with bedding, while others opened up the kitchen to start preparing and serving food from the local churches. We operated 7 days utilizing the food services of the local churches before the Red Cross secured a contract to begin supplying food to the neighbors in the shelter.

Because of the prior working relationships with local Sheriffs, Chiefs of Police, Fire Chiefs, Mayors, hospitals and churches, we were able to obtain any and all of our needs within the first 72 hours while we were operating on our own. We established communication with Patrick Jackson, Head of the National Guard for the local area who was stationed in Baton Rouge, who helped coordinate transfers from his area to ours. D.C. Macham, of the Bossier Parish School Board, was called upon to start registering children in local schools. McDonald's, Wal-Mart, Porter's Cleaners, Bass Pro Shop, and other merchants opened their stores and hearts with donations for every request that we had.

When the Red Cross finally approved CenturyTel as a shelter, I was placed in contact with American Red Cross representatives Mike Cantrell and Jeanne Jennings from California. There were many problems from the very beginning, which ranged from volunteers being turned away, to the extreme incident of a volunteer who tried to commit suicide in the parking lot. At this point the Red Cross leaders were more trouble than the little help they brought us. In many ways I felt as though their numerous "rules" kept us from doing the right thing.

I had to override some of their rules, such as when I learned that they would not allow the Gideons into the building to distribute Bibles to those wanting one. I also informed the Red Cross that we had a room outside of the arena in which we were

going to hold both Catholic and Protestant worship services, as well as Alcoholic Anonymous meetings, and any other service that I thought might help to serve the poor souls that were our neighbors from the south. I also had a confrontation with the Red Cross when they took a seeing eye dog away from a blind man in a wheelchair. When I asked why, they informed me they had to have the dog tested by the Blind Association. My response was not good, for in the middle of all the chaos in trying to house all these people, the idea of not trying to help a blind man was unbelievable (a letter from Mr. Littlejohn, the blind man mentioned above, is also enclosed).

The inability of the Red Cross to coordinate efforts from other organizations such as Adult Protection, New Horizons, The Arc and Evergreen was also a hindrance. The Philadelphia Foundation was also turned away when offering to assist with any HIV victims. This led to the final confrontation with Jeanne Jennings while I was on the phone with Mr. Richard Wright from Congressman McCreery's office and she demanded that I stop and talk to her first. At that point I advised one of my deputies to remove her from the building and if she tried to return to arrest her for remaining after forbidden. Within 24 hours, a Mr. Paul Unger met with me as the new Red Cross shelter manager for CenturyTel. He was a joy to work with. What I did not know until he had been with me for almost a week was that he was not with the Red Cross nationally, but was actually a volunteer from another shelter who had been assigned to cleaning restrooms. He approached the shelter management and advised that he had a management background and asked if there was some way he could better serve. Paul was told to report to CenturyTel as the Red Cross Shelter manager as the prior manager had been asked to leave.

In addition to the churches and groups mentioned above, another volunteer organization that did outstanding volunteer work here was the Salvation Army. Every time I asked for help their response was when and where, never whether they could or not. I personally watched Steve, the head of the local Salvation Army, pick up a homeless drunk, place him in his car, and take him back to the shelter. The Bossier Relief Fund was established by several church members and local citizens who gave money to be used for bus tickets, long distance calls and other items that would help connect our visitors with members of their extended families who could offer them immediate help. New Horizons worked with the mentally challenged as did the Association of the Blind to help those in need.

As mentioned above, Paul Unger arrived as a volunteer who eventually became the Centurytel Shelter manager. Within days of his arrival, Paul had become "Mr. Red Cross" and did an outstanding job. I will close with a quote from Mr. Unger. "I do not look for praise, I emotionally cannot handle any more. God has blessed me with an opportunity to use my skills and help others. It has been the most fulfilling weeks of my life. My workers and guests have also graced me with more compliments and hugs than I could ever count. That part is done. I hope to be able to share my experience with others in order to explain what skills are desperately needed to make the system work in a time of disaster. Also to allow others to recognize the contributions of the many churches who helped in so many ways. Without them, we might as well just drop rations from the sky. They, along with community volunteers, administered the Red Cross resources to the people. They turned food into meals, they turned shelters into homes, and they provided friendship when friends could not be found."

I am here to answer any questions, and let it be known that my being allowed to manage the largest shelter in Bossier City was the greatest lesson in humility and gratitude than anyone could be given. I gladly await the opportunity to answer any questions. Thank you for your time.

SUGGESTIONS FOR IMPROVING RESPONSE TIME:

1. Allow the approval for a new Red Cross site to be less cumbersome.
2. The ability to supply/increase necessary goods such as, but not limited to, cots, bedding, food, water, clothing. While supplies are not always readily available, the ability to have sources to call upon within a 250-mile radius would allow the necessary supply/replenishment within 24 hours.
3. Have one person as the go to person for all services for a particular agency. This person would require depth of knowledge of all resources available.

Chairman RAMSTAD. Thank you, Mr. Wyatt. It is obvious to the Chair that the good people of Bossier City, Louisiana, are well

served by their Homeland Security Director. Thank you for your very compelling testimony.

I want to ask a couple of questions. Ms. Roth, I know in working with you in other venues, I know as Co-Chair of the bipartisan Disabilities Caucus, for example, we held a hearing on some of these problems, and I know you have been involved since September 11th, since the terrorist attacks of September 11th, you have been involved in helping prepare disaster relief agencies meet the needs of people with disabilities.

I think everybody was shocked to hear some of the horror stories that happened to people with disabilities who were hurricane victims, who were evacuees. Was the problem the lack of a plan in place for charities to meet the needs of people with disabilities, or was the plan just not followed?

Ms. ROTH. I think the problem is very simply lack of leadership outside of the disability community and lack of access within the disability community. There has been a tremendous amount of planning. The disability community has done a wonderful job of planning for the disaster-related needs of people with disabilities.

We have been excluded again and again from the general relief agencies. We have been excluded from the opportunity to give our expertise, to give our knowledge to those folks. That is why we are calling for offices on disability in any place we can.

As I think you said so eloquently, if somebody steps up and says, I am in charge, everybody else darn well better start listening to them. Disability experts can take charge. We are happy to take charge. We understand other people don't quite get it, but we need to be in a position to be able to step up.

Chairman RAMSTAD. Well, hopefully one of the results of today's hearing will be to include people with disabilities and your organizations, those of you who represent people with disabilities, in all of the planning for natural disasters and other emergency situations, because there must be better preparedness and delivery of services to the disabled community and you need to be part of that planning. I hope all of the organizations, be they nongovernmental or governmental, get that message.

I also want to ask Ms. Archaga a brief question. Thank you as well for all that your organization does to provide for people with disabilities, to allow them to enjoy the dignity of independent living, which is so essential to all of us. I just want to ask, one of the purposes of this hearing, as I said at the outset, was to ensure that people with disabilities and other underserved groups are not neglected when the next large disaster strikes.

What recommendations would you make to charities to ensure better preparedness and delivery of services to the disabled? What specific recommendations would you make?

Ms. ARCHAGA. That we definitely have to be at the table, at the planning, development, and most importantly implementation. I think the crucial part is that we need to be there when the storm is named. We need to be at the table directing where individuals should go and putting our consumers' interests at heart as well.

Chairman RAMSTAD. Prior, if I may ask both of you representatives from organizations concerning people with disabilities, had either of your organizations been consulted prior to Katrina or Rita

as to emergency preparedness for people with disabilities? For example, how essential access to these shelters is, access to the bathrooms within the shelters, and other basic questions that affect so directly people with disabilities? Had either of your organizations been contacted or consulted?

Ms. ROTH. My organization has tried to force its way in wherever we can, but we very rarely have been invited. Even now we are very rarely invited to the table, almost never invited to the table unless we sort of force our way in and say, hey, we have something we can offer you. We would like to think that those days are coming to an end and we will be invited, welcomed to the table right from the start.

Ms. ARCHAGA. Sir, we were not invited. Most importantly, I would like for you guys to understand that when we went to the shelters to get in and identified ourselves we were denied access. We had to get very creative to get in, because we knew it was vital to get in. Once we got in and the volunteers and the staff members understood what we were doing, then we were welcomed back continuously.

Chairman RAMSTAD. Did the people at the shelter, the officials in charge, have a handle, did they have a directory of people with disabilities living in the shelter?

Ms. ARCHAGA. No, sir. They really did not have much. One of the problems that we had was that they did not capture information in the first 2 or 3 weeks. So, when we would go back for our consumer, they weren't there and we did not know where they went. So, that is very frustrating for us, because we know what their needs were, and we knew that we needed to get to them. So, there was no information. We were even told that we cannot come in. It is confidential information. We understand confidential information, but we only wanted to get in just to assess their needs and to meet their needs.

Chairman RAMSTAD. Well, and this invitation goes to all four members of the panel and everybody in this country. If there are Federal regulations, and, Mr. Wyatt, you cited and alluded to some that were just nonsensical in terms of this disaster situation and the problems you encountered. Make us aware of them. Submit those, if you will, so that we can address them here in the Congress.

Mr. Wyatt.

Mr. WYATT. One thing that was brought up earlier, and I think would be a good start is when we started registering people for Red Cross, we had no system to do so. We took my probation department's computer system, and designed it, changed it up, and worked, but we could not use that to hand it to anybody to download.

So, we literally printed out thousands of sheets of paper and handed it to the Red Cross, who was going to have to redo that in another computer. So, in the organizational structuring, following a person once they have hit a shelter is critical for their maintenance and supplies.

One of the things that was fearful for us was when FEMA decided that they were going to give everybody \$2,000. When I heard that in the first meeting, I had just come off a 24-hour shift and

I was not in the best of shape, and I just wanted to know who was going to buy the spray paint to put a big V on their chest for victim, because if you took 1,000 people and gave each of them \$2,000 in my building it was going to be chaos.

Chairman RAMSTAD. Well, again, thank you, Mr. Wyatt. Again, the Chair would just reiterate, we aren't here as Monday morning quarterbacks, more exactly Tuesday afternoon quarterbacks, to point fingers. We are here to make sure we identify the problems and that we all work together in a collaborative way so that when the next disaster strikes we don't have a recurrence of these problems, they don't keep resurfacing and victimizing people over and over again.

Certainly any emergency plans or preparedness, any emergency preparedness warrants the participation of the National Spinal Cord Injury Association on behalf of people with disabilities, warrants the inclusion of RIL, your organization, Ms. Archaga, the National Multiple Sclerosis Society, and the Disabled Veterans, on and on with the respective organizations representing people with disabilities.

So, I hope this is the last time you are excluded from planning, because the people of America, people with disabilities in this country deserve better.

The Chair would now recognize the distinguished Ranking Member for questions.

Mr. LEWIS. Thank you very much, Mr. Chairman, and I appreciate your very meaningful questions and statement, really.

I guess I should have asked representatives from the Red Cross and the Salvation Army, but the two of you from Louisiana, you have been there on the ground. You have been there. You have seen it, and I know you have unbelievable stories to tell and you have been very moving.

How was the decision made when a group of people came in and people was placed on planes and buses? I have heard people say, well, they said we are going someplace. We ended up in Atlanta or Minnesota or end up in the State of Washington. Did they put people with disabilities on planes and buses and take them out of their State? Do you have any knowledge? How was it done? Did somebody in the Red Cross make that decision, or the Salvation Army? How was it made? Some people didn't know they were going some place until they landed, apparently.

Mr. WYATT. Right. One of the biggest problems we had was we would get a call. There would be three buses coming from Lafayette. We would never know when they left, who was on them, what care they needed, and when they were going to arrive. After a day or two of the frustration of having that, we would stop them when they would call and say there is a bus coming, saying stop. Is there anyone on that bus with a cell phone? Give them our number so we can talk to them to find out what they need in the way of care, whether they were ambulatory, did they need to go to special needs hospitals, which we had available.

Usually though, you are absolutely right, Congressmen. They would show up unannounced. I got two buses brought to me by the Black Panthers, in the middle of the afternoon, that had been abandoned, two buses that the bus drivers actually ran away.

Somebody called Houston, Texas and got some Black Panthers. They brought them to us, and they were great neighbors. They brought them to us. They helped us get them checked in, and they took the buses back to the police department.

So, we got them from everywhere. There was no coordination of that. The best we could hope for is the OEP tried their best to coordinate through Baton Rouge. The problem is, we worked well in a region together, but communication-wise, getting a State organization to manage us was not available.

That is what we were needing. We were needing somebody to step up to the leadership role and say we are going to look over FEMA. We are going to look over Red Cross. We are going to look over Salvation Army, and we are going to guide these things to you. We never knew.

So, we had to keep doctors around the clock, because we did not know what was walking in the back door, where it would have been a lot better to be able to place them on call and then call them back in 30 minutes. You are absolutely right. Great question.

Ms. ARCHAGA. Congressman Lewis, in regard to our consumers, prior to Hurricane Katrina, we went on—post the storm, we went on this scavenger hunt, looking for our consumers. We had no idea where they were. Once we finally made contact, and our toll free number was up and running, they made contact with us. We were told that we were sent to Memphis, we were sent to Arkansas, we were sent to Alabama. Why? How? I don't know. We went over to the Red Cross shelter. We were at the shelter, and they told us, okay, here is a bus. You have to go. Once they left the Superdome, this is the shelter that they took them to. It was not a decision. They had no idea where they were going.

They had no idea they were going to be in Denver, they had no idea where they were going to be. What we have done, speaking of our policies, is continue to serve them. We could not stop serving them. So, we continued to serve them in Louisiana, although they were in other States, until that transition occurred. So, we never stopped our services.

Ms. ROTH. May I add? I knew that in Chicago there was a very surprising situation in which a man with a spinal cord injury arrived at the airport in Chicago. No plans had been made for him. Nobody knew he was coming. He was about to be sent to a nursing home, when folks at the Center for Independent Living in Chicago, Access Living, somebody gave them a heads up about the situation. They stepped in. One of the staff members came, picked up the guy. He moved into their house, and they were able to save him from being placed in a nursing home. There were stories like this across the country.

Also, I want to add in response to the issues about the law, it is very important that at the same time that we are having these discussions there is a piece of pending legislation that has been introduced several times that would require 90-day notification if someone were going to sue under the Americans with Disabilities Act (P.L. 101-336).

It is really important to us to point out that this is a classic example. If people first had to give notice of a need for accessibility, 90 days would be a horrible burden for anyone. Making sure that

all accessibility is assured is really the priority in this. Really the Americans with Disabilities Act is our most important civil rights law that needs to be implemented and enforced.

Mr. LEWIS. Thank you, Mr. Chairman.

Chairman RAMSTAD. Thank you, Mr. Lewis. Chairman McCrery.

Mr. MCCRERY. Mr. Chairman, I have no questions. I want to thank the panel for their testimony. I would second your suggestion that the citizens of Bossier City are indeed well served by Mr. Wyatt, both in his official capacity as Marshal and in his voluntary capacity as Emergency Preparedness Director.

Chairman RAMSTAD. Thank you, Mr. McCrery. Thank you to all four members of this panel for your very helpful testimony. We look forward to working with you and your organizations. The Chair also would like to thank the members of the audience for your interest and for being here today.

Seeing no further business before the Subcommittee, the hearing is adjourned.

[Whereupon, at 5:40 p.m., the hearing was adjourned.]

[Submissions for the record follow:]

Statement of American Arts Alliance, Inc.

Mr. Chairman and distinguished members of the committee, the American Arts Alliance is grateful for this opportunity to submit testimony on behalf of our member organizations—American Symphony Orchestra League, Association of Performing Arts Presenters, Dance/USA, OPERA America and Theatre Communications Group—and the audiences they serve.

The arts play a disproportionately large role in the economy of the areas affected by Hurricane Katrina.

Culture is the second largest industry in Louisiana and tourism is the fifth largest employment sector in Mississippi. Arts and culture accounted for 7.6 percent (7.6%) of Louisiana's employment—more than 144,000 jobs across the state, 57,000 of them in New Orleans alone.

As with other sectors of the economy, the destruction of physical property and resources to community cultural and artistic institutions is immense. Tens of thousands of artists, arts administrators, and educators have been dislocated, left without the space or equipment needed to work. Facilities such as theaters, museums, galleries, concert halls, and studios are severely damaged or destroyed. Many surviving venues are being used to house evacuees.

Performing arts organizations are serving the affected communities and displaced families.

Recovery goes beyond providing mere material necessities. Displaced arts educators and artists have been key participants in creating recovery programs especially for displaced children and families. Performing arts organizations in host cities such as Houston have offered free admission to displaced Katrina families. Arts organizations whose own venues are unusable have taken the show on the road performing at the shelters and temporary housing. Artists from across the country have held benefit performances to raise money for the victims of the hurricane. In a gesture of solidarity, New Yorkers who suffered in 9/11 held a dance benefit, "Ballet to Ballroom" in October at Southern Methodist University in Dallas, Texas. All proceeds from the performance and the silent auction that followed it went to the Mayor's Disaster Relief Fund to benefit displaced persons in Dallas. And arts organizations in communities across the U.S. have offered temporary employment to displaced artists.

New Orleans Ballet Association

Among the hundreds of thousands affected by Hurricane Katrina were the students, faculty and staff of the New Orleans Ballet Association (NOBA), an award-winning community school and Creative Communities site providing free arts instruction to 1,200 inner-city children at three schools and 14 after-school sites. Creative Communities is an arts education, youth development and community building

strategy that partners community schools of the arts with their local housing authorities to provide youth in public housing communities with high quality, sequential arts instruction. As with much of the rest of New Orleans, NOBA is now faced with rebuilding from the ground up. All but two of the schools and after-school centers with which NOBA works were completely flooded. 100% of NOBA's students have been displaced, as have the school's staff and faculty.

In November, NOBA held free dance classes at three satellite locations—Lafayette, Baton Rouge, and Metairie. Displaced New Orleans artists taught children displaced by the hurricane and children in the host communities. NOBA also partnered with two Baton Rouge based dance companies—Baton Rouge Ballet Theatre and Of Moving Colors—to raise money to support local teaching artists and to give them performance opportunities.

In January, NOBA will resume offering free dance classes in Orleans Parish at the one New Orleans Recreation Department center that is operating at Tulane University. The free program started in Metairie will continue in the spring. The Creative Communities free dance program in the public housing developments of New Orleans is expected to resume summer 2006.

Southern Rep

The Southern Rep is a nonprofit professional theatre in New Orleans. The theatre was broken into by looters during the storm and the building in which the theatre is housed, The Shops at Canal Place, suffered major damage. They estimate that 25% of their audience has lost their homes. Southern Rep's office and rehearsal space is being used by the Small Business Association's Disaster Relief Program.

Southern Rep had to cancel the first four shows of its season but hopes to reopen by the end of February. In April, they plan to co-produce *THE SUNKEN LIVING ROOM*, one of the two world-premieres that were scheduled for the year, with New Theatre in Miami, Florida. They plan to reopen the theatre in May with a production of *KIMBERLY AKIMBO* and *THE LAST MADAM*. They also plan to start offering acting classes again in the summer. All of this will be done with a drastically reduced staff of one full-time and two part time employees down from a staff of 50 before Katrina.

The Gulf Coast Symphony Orchestra

Despite the loss of instruments and homes, the musicians and staff of the Gulf Coast Symphony Orchestra, located in Biloxi, continue to bring quality music to the people of the Mississippi Gulf Coast. The Orchestra's venue, the Biloxi Saenger Theater is located just one block from the edge of the tidal surge. On November 19th, the Orchestra held its first concert since the hurricanes destroyed the entrance to the theatre. Displaced musicians and patrons used a back street approach through heavily damaged areas to perform in and attend one of the first cultural events to occur on the Mississippi Gulf Coast following the hurricanes. Virtually every seat in the house was taken as 78 musicians performed, and nearly everyone on both sides of the stage lights had been directly affected by the hurricanes; from minor damage to completely losing everything. While the Symphony Orchestra plans to hold a January performance, it will likely be forced to cancel the remainder of the concert season, due to a drastic drop-off in donations. Nevertheless, the Orchestra regards itself as an integral part of the recovery and rebuilding effort, providing healing for the minds and spirits of musicians and audience members, and is currently hoping to recover in time for the 2006–07 season.

The Gulf Coast Symphony Youth Orchestra is struggling to find its scattered student musicians and secure undamaged rehearsal space. The Youth Orchestra will not be back to full strength for the next few years.

The Columbia Theatre/FANFARE

Southeastern Louisiana University's Columbia Theatre for the Performing Arts is located 50 miles from New Orleans in Hammond, Louisiana and was among the hundreds of thousands affected on August 29th when Katrina and its damaging winds hit. Despite the damage, Columbia Theatre forged ahead with its month-long arts festival, *FANFARE*, in October. Determined to keep its doors open, this theatre served as a coping mechanism for the community. Hundreds came to hear the music, see the dance and share with each other the sense of community so desperately needed.

With no phone service or mail and no hotel rooms for the guest artists, the determined Columbia Theatre purchased beds and asked its Board members to buy pillows and blankets. For the entire month of October *FANFARE* operated a hotel within the theatre's auxiliary spaces, with a men's dorm downstairs in the conference center and a women's dorm upstairs in the dance studio. The theatre purchased a bigger hot water heater for its three showers. In addition to making beds,

doing laundry, preparing food (most caterers were unavailable), FANFARE presented approximately 55 events. Artists who slept backstage included the Harlem Gospel Choir (New York City, NY), Toxic Audio (Orlando, FL), Capitol Steps (Washington, DC), Odyssey Dance Theatre (Salt Lake City, UT) and Aquila Theatre Company (New York City, NY).

Cultural tourism is a major force in these local economies and tourism will not rebound until arts and culture rebound.

A vital performing arts community is necessary for the recovery of the Gulf Coast region. Unfortunately, performing arts organizations are not eligible for two forms of vital emergency relief. Under current Federal Emergency Management Agency (FEMA) policy, performing arts facilities are not eligible to receive FEMA relief as a private nonprofit facility. All nonprofit organizations are not eligible for economic injury loans from the Small Business Administration that help with operations costs. The U.S. Small Business Administration can make federally subsidized physical disaster loans to nonprofit organizations to repair or replace disaster-damaged property not covered by insurance, but economic injury loans appear to be only available to for-profits businesses.

Conclusion

Performing arts organizations are a vital component of community life, allowing citizens to appreciate our nation's culture and heritage through excellent artistic programming. The arts illuminate the human condition, our history, contemporary issues and our future. Arts organizations in the Gulf Coast region have a strong commitment to serving their communities, and are dedicated to being a part of the rebuilding efforts. There is a misconception that federal resources are available for the nonprofit performing arts in the hurricane-affected regions. For the nonprofit performing arts to return to the Gulf Coast region in a robust way, communities will need access to significant, ongoing support from all sectors.

Statement of Audrey Alvarado, National Council of Nonprofit Associations

Introduction

The National Council of Nonprofit Associations (NCNA), the Louisiana Association of Nonprofit Organizations (LANO), and the Mississippi Center for Nonprofits (MCN) respectfully submit this testimony to the Subcommittee on Oversight of the House Committee on Ways and Means.

The National Council of Nonprofit Associations (NCNA) is the network of state and regional nonprofit associations serving over 22,000 members in 46 states and the District of Columbia. NCNA links local organizations to a national audience through state associations and helps small- and mid-sized nonprofits:

- Manage and lead more effectively;
- Collaborate and exchange solutions;
- Save money through group buying opportunities;
- Engage in critical policy issues affecting the sector; and,
- Achieve greater impact in their communities.

LANO is a statewide network of over 800 nonprofits, foundations and individuals dedicated to improving the nonprofit sector to provide quality services to Louisiana citizens. While much of the attention in the hurricane recovery has focused on the damage to the state's physical infrastructure and business enterprises, the damage to the infrastructure of private, nonprofit institutions has been at least as great and perhaps even more devastating. These institutions care for the poor, enrich cultural life, extend educational opportunities, develop communities, and train the unemployed—all functions that are especially critical to the recovery effort that is now underway. LANO is working with the Urban Institute to survey all Health and Human Service providers in the affected area. The data gathered will provide a clearer picture of the status of the nonprofit sector and the needs of the community.

MCN is the only nonprofit management center in Mississippi that serves over 6,000 community and faith-based nonprofit agencies. In the past four months, it has become clear that the nonprofit and faith-based communities have become the heroes in recovery efforts, continuing to do their mission work despite no electricity, food, water or, often, shelter for their own staff and volunteers. In response to Katrina's devastation, MCN has organized meetings, conducted assessments and launched a childcare recovery initiative that has led to the opening of a Gulf Coast office of the Center. Additionally, MCN is in constant contact with its organizations

who were most affected by Katrina in order to inform the public, funders, leaders and others regarding the state of these groups as their needs change.

NCNA represents and serves small- and mid-sized nonprofits with budgets of less than \$1,000,000. These organizations are the face of the nonprofit sector; they make up 75 percent of the nation's nonprofits and are on the front lines of some of the nation's most pressing social problems and solutions. *Most recently, small- and mid-sized nonprofits have been at the forefront of efforts to rebuild the Gulf Coast region* in the aftermath of Hurricanes Rita and Katrina. Small- and mid-sized nonprofits have direct experience with the enormous challenges that communities face after hurricanes and have vital information regarding how to address immediate and long term needs to improve the quality of life and preparedness in communities across our country. However, they are least likely to have adequate resources to meet and articulate the needs of their constituents. Their experience and voices are needed to ensure that we learn from our most recent experience and prepare for future disasters.

Nonprofits are an important resource that many families and individuals turn to for direct assistance. Nonprofits have stepped up and served local communities and helped improve the lives of people in the region. Unfortunately, the existence of these organizations is threatened by dwindling budgets, damaged facilities and a fleeing workforce. **Like the business community, nonprofits need the support of the federal government to rebuild and sustain their efforts.**

NCNA, through its state associations in Louisiana and Mississippi, has gathered information from nonprofits and identified three legislative actions that would increase nonprofits' ability to serve and meet the growing demands for services.

We urge Congress to enact the following legislation.

- Allow nonprofits a two-year reprieve of the requirement to secure matching funds in order to receive local, state, and federal grants. This will provide relief to nonprofit organizations that state and local governments currently rely on to deliver much-needed services to local communities without requiring the allocation of additional resources.
- Direct the Small Business Administration (SBA) to revise its regulations to allow nonprofits to qualify for economic injury loans, not just physical disaster loans.
- Direct FEMA to revise its directional guidance in order to clarify and expand the eligibility of certain private nonprofit organizations for disaster assistance.

Two-Year Reprieve to Secure Matching Funds.

Congress can help nonprofits continue to deliver much-needed services to local communities without requiring the allocation of additional resources.

We urge Congress to allow nonprofit organizations a two-year reprieve of the requirement to secure matching funds in order to receive local, state, and federal grants.

A reprieve from match-requirements would:

- Allow nonprofits to continue to receive government grants that have already been allocated;
- Alleviate the burden of fundraising for nonprofits in the disaster areas;
- Support services in the disaster areas by allowing organizations to focus on serving rather than on fundraising; and,
- Enable the nonprofit sector to maintain a critical portion of its employment base.

Request that FEMA Clarify Eligibility of Private Non-Profit (PNP) Organizations for Certain Disaster Assistance.

The Public Assistance Program, administered by FEMA, provides supplemental Federal disaster grant assistance for the repair, replacement, or restoration of disaster-damaged, publicly owned facilities and the facilities of PNP organizations. Currently, certain PNP organizations cannot qualify for this assistance, due to FEMA's directional guidance rules.

We urge Congress to enact legislation that directs FEMA to revise Recovery Division Policy Number: 9521.3 in order to clarify the eligibility of PNP organizations for certain disaster assistance and have the rule conform to the statutory definition indicated below.

The formal regulatory definition of a PNP organization and facility used for disaster relief,¹ as defined by congressional statute, is less restrictive than the FEMA

¹ 44 C.F.R. § 206.221.

guidance in regards to “PNP facility eligibility” rules. The regulatory definition indicates that:

- There is no specific exclusion of recreational facilities in the Public Assistance Eligibility Rules;
- “Community centers” are included in the category of facilities providing essential governmental services; and
- Eligible “public facilities” specifically include public buildings used for “educational, recreational, or cultural” purposes.

Request that the Small Business Administration (SBA) Amend Regulations to Allow Nonprofits to Be Eligible for Economic Injury Loans.

Nonprofit organizations are eligible for some forms of federal disaster relief assistance if they are located in a county declared a Major Disaster Area (within Alabama, Louisiana, and Mississippi) or in a state that is hosting evacuees from Hurricane Katrina (Arkansas, Colorado, District of Columbia, Florida, Georgia, Oklahoma, North Carolina, Tennessee, Texas, Utah, and West Virginia).

The SBA can make federally subsidized physical disaster loans available to nonprofit organizations to repair or replace disaster-damaged property not covered by insurance, including inventory and supplies. Nonprofit organizations, however, are not eligible for economic injury loans from the SBA that help with operational costs. Under current federal rules, economic injury loans are only available to for-profits.

We urge Congress to enact legislation that directs the SBA to amend its regulations to support the original intent of the statute and allow certain charitable organizations to qualify as “small business concerns” for the purposes of receiving economic injury disaster loans.

The limitation to nonprofit eligibility for economic injury loans is due to the SBA definition of who may qualify for such loans. The congressional statute governing the SBA provides that the SBA may make such loans as it determines necessary to any “small business concern” located in an area affected by a disaster if the SBA determines that the concern has suffered a substantial economic injury as a result of the disaster.² SBA regulations define a “small business concern” as a business entity organized for profit.³ This needlessly restricts some crucial nonprofits from qualifying for assistance.

Summary

Nonprofit organizations are on the front lines of the battle to help our communities in need. The charitable or nonprofit sector has long been viewed as a significant resource for the social support system in the United States. In partnership with government and the private sector, charities have come to fill the gap for needs in a wide range of areas. Small- and mid-sized nonprofit organizations in particular have the best experience and expertise to provide cost-effective services—and to do so locally without multiple layers of bureaucracy. In the wake of Hurricanes Rita and Katrina, many charitable organizations are struggling to meet the increased needs of the people in the Gulf Coast region, without having the necessary resources to do so. NCNA, LANO and MCN urge Congress to suspend the matching requirement for nonprofits to receive grants; clarify FEMA eligibility rules to allow certain nonprofits to qualify for aid; and, change SBA rules to allow nonprofits to qualify for economic injury loans. These actions will help ensure that nonprofits are able to fulfill their missions in partnership with government—and rebuild and sustain communities devastated by Hurricanes Rita and Katrina.

Statement of the National Fraternal Congress of America

Mr. Chairman and Members of the Subcommittee:

On behalf of the National Fraternal Congress of America (NFCA) and our 76 member-societies, representing 10 million fraternalists nationwide, we appreciate the opportunity to provide this statement to the Subcommittee’s, as it reviews the response of charities to Hurricane Katrina.

By way of background, the NFCA represents fraternal benefit societies (fraternals), which are organized under section 501(c)(8) of the Internal Revenue Code. The governing statute requires that fraternals meet two requirements that embody the concept of mutual aid. First, fraternals must operate under a lodge system for the exclusive benefit of their members and, second, they must provide for

² See 15 U.S.C. § 636(b)(1)(B)(2).

³ See 13 C.F.R. § 121.105.

the payment of life, sick, accident, or other benefits to their members and their beneficiaries. While fraternal organizations are not charities, they nonetheless are structured and operated to support national and local charitable activities in communities throughout the country and they always are at the forefront of disaster relief.

Fraternal organizations are unique organizations with many having been in existence since the Civil War. In essence, fraternal organizations use the revenues received from providing insurance and other benefits to members to support the lodge system, one of the greatest forces for public good in America today, and to support charitable activities. While fraternal mutual aid primarily is achieved by providing personal and family financial security to members, fraternal organizations, through the lodge system, support local communities throughout the year and provide special assistance in times of crisis. For example, the lodge system is what made it possible for fraternal organizations to be a first responder to the Hurricane Katrina disaster.

In effect, each fraternal organization has an existing, organized network of its members that meets regularly to consider and implement community-based projects. This includes mobilizing quickly to respond to crises. In 2004, our member societies expended approximately \$400 million on charitable and fraternal projects—excluding special relief efforts—and volunteered more than 91 million hours nationwide.

When Hurricane Katrina struck, the lodge system went to work without delay. Within 24–48 hours of Katrina's landfall—and before governmental relief efforts began—fraternal lodge volunteers were on the ground distributing water and food in the affected areas. Within the week, fraternal organizations were providing food, shelter, and supplies to care for babies and children of displaced families. A number of fraternal organizations in the South, most notably Woodmen of the World, opened up their summer camps to displaced families for lodging within a week of the hurricane. By the third week of September, fraternal volunteers began supplying cleaning supplies and assisting families trying to get back into their homes.

Within a month of Hurricane Katrina, fraternal organizations had raised upwards of \$16 million that was specifically targeted to hurricane relief, and that amount continues to grow. Further, through the lodge system, fraternalists already have devoted hundreds of thousands of volunteer hours in support of ongoing hurricane relief efforts.

Fraternal benefit societies provided hurricane relief in two ways. First, through the lodge system our members directed their own relief operations, building on existing facilities in the affected region or using the lodge system to quickly organize relief efforts. For example, the Louisiana Councils of the Knights of Columbus served thousands of meals to hurricane evacuees, and organized efforts to deliver ice, food, water and other supplies through truck convoys to the affected areas. The Modern Woodmen of America collected and delivered books and toys for children who were displaced by Katrina and used their regional network of lodges to organize the delivery of these items. Members of Thrivent Financial for Lutherans devoted thousands of volunteer hours and raised almost \$1 million for hurricane relief in the weeks immediately following the disaster.

Fraternal organizations also work with and support existing charitable organizations. One fraternal organization has pledged \$5 million to Habitat for Humanity towards new homebuilding for Katrina victims, with another \$6 million pledged to directly assist victims in their recovery efforts. Another fraternal organization has been instrumental in contributing funds toward rebuilding local churches, schools and general infrastructure. Still other fraternal organizations raised funds to assist the American Red Cross in its efforts, including funds raised through matching programs in which a fraternal matches funds raised by their members at the lodge level. And hundreds of thousands of fraternalists support the activities of organizations such as Habitat for Humanity through personal volunteer efforts.

It is our understanding that one purpose of the hearing is to “explore areas where service delivery, preparedness and coordination could be improved,” and we would like to offer some observations based on our experience.

Local presence is extremely important in any significant relief effort. When conditions require that relief be delivered quickly and effectively under difficult circumstances, there is no substitute for having volunteers on the ground and the ability to organize them quickly. Fraternal organizations, by statute, must be organized under the lodge system, which means that there is always in place a network of volunteers who are prepared and motivated, both to devote their time and personal efforts to assist victims of a national disaster, as well the ability to very quickly organize fundraising campaigns. Within a day of Hurricane Katrina, fraternal organizations began relief efforts.

Noting the contribution of fraternal organizations to Katrina relief, Senator Rick Santorum (R-Pennsylvania) stated in a recent Senate Finance Committee hearing that “[w]e have seen that within 48 hours of Katrina, the nation's fraternal benefit societies were feeding, housing, providing supplies, clothes, toiletries, cash and beds to those in

need in shelters both in Houston and in New Orleans. During the first week of this effort, fraternal already had expended upwards of \$14 million on hurricane relief, a sum which is expected to increase as those efforts broaden.”

Ten million Americans have chosen to join fraternal benefit societies because they believe that giving back to their communities should be a way of life. Our members’ response to Hurricane Katrina, as well as to Hurricanes Rita and Wilma, demonstrated once again that fraternal are a unique national resource that provides community assistance quickly and effectively.

We urge the Ways and Means Committee to foster and encourage the growth of community-based organizations like fraternal that always will be ready, willing and able to lend a helping hand in time of need. Government efforts are critical and government, of course, has the greatest resources, but there is no substitute for Americans coming together at the local level to help friends and neighbors in time of crisis. This is who fraternal are and what they do and have done for almost 150 years. And with the Congress’ continued support, fraternal will continue their important role for many years to come.

Statement of Rotary International, Evanston, Illinois

Rotary is an organization of business and professional leaders united worldwide who provide humanitarian service, help build goodwill, and support global peace and international understanding. Founded in 1905 in Chicago with four members, in 2005 Rotary celebrated its Centennial with over 1.2 million members in over 32,000 autonomous Rotary clubs in 168 countries.¹

Rotary clubs responded immediately to the crisis after the devastation of Hurricane Katrina. The first priority was to provide food and shelter to the victims.² Rotary clubs and districts (a group of 50–70 clubs) from throughout the affected Gulf Coast region sprang into action to collect necessary food and supplies, raise money, and provide shelter to evacuees.³

On 31 August, two days after the disaster, Rotary International President Carl-Wilhelm Stenhammar asked all Rotary clubs in affected areas to share information with Rotary headquarters so that Rotary’s global network would know how to best support relief efforts. By 1 September, several Rotary members had already contributed funds to local Rotary districts and donated essential goods.

As evacuees were transported to Texas, Rotary members, particularly from Rotary District 5890 in Texas, served as critically needed volunteers to aid victims in Houston’s Astrodome. Rotary club members worked around the clock, dividing coverage with 20-person teams for every eight hours. Rotary worked alongside the American Red Cross, local police, fire officials, and the Federal Emergency Management Association to provide any assistance that was urgently needed.

One story of Rotary’s immediate relief efforts includes the rescue of a British exchange student stranded at the University of Southern Mississippi. Rotary club members in Ontario, Canada, worked to secure her school transfer to the University of Windsor in Ontario, Canada. A Rotary member in Mississippi waited three hours in line to buy enough gas to drive the student from her dorm room to the closest town with an available flight to Windsor. The student was able to continue her studies with limited interruption to her exchange year.

Within one month of the disaster, Rotary clubs sent and distributed over 1,400 “ShelterBoxes” to the most critically needed areas of the Gulf Coast. ShelterBox is a Rotary grassroots organization that customized its usual emergency boxes for Katrina victims to include two ten-person tents, water purification tablets and miscellaneous tools and equipment. The ShelterBoxes have helped accommodate some 28,000 people with dry shelter and clean water.

Rotary District 6840, in Louisiana and Mississippi, developed several projects to help reconstruct devastated areas, including public libraries, restoration of local child care facilities, repair and restoration of flooded homes, cleanup, laundry services, the development of lockable storage units, and the distribution of Christmas

¹ This sentence stands out too much. I would cut it. If that’s not an option, I would try to incorporate it into the previous sentence by saying over 32,000 autonomous clubs.

² I’m afraid that this could be interpreted by a non-Rotary audience as sounding too exclusive. I would say that “the first priority was to provide food and shelter to the victims” instead.

³ Some people took a lot of flack for using this term.

toys and gifts. The district serves as but one example of the work Rotarians have been doing to serve the victims⁴ of Hurricane Katrina.

District 6840 also joined with Districts 6820, 6880 and 6200 in Mississippi, Alabama, and Louisiana to administer over \$400,000 in donations received for Hurricane Katrina Relief. These funds are available for anyone in need in the affected areas and are not restricted to use by Rotary members.

To help address the large number of donations offered, Rotary clubs in 12 Southern and Midwestern states, including Louisiana and Mississippi, established the Katrina Relief Fund in cooperation with The Rotary Foundation. The fund has streamlined the flow of contributions from Rotarians around the world looking to assist victims of the Hurricane Katrina disaster. More than \$1 million has been contributed through the Katrina Relief Fund in conjunction with The Rotary Foundation.

The latest update on Rotary's efforts in the area can be accessed at www.rotary.org.



⁴Unnecessary.