

# US: FEMA slashes emergency assistance for future disaster victims

## Family payments to be cut from \$2,000 to \$500

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A month and a half into the 2006 hurricane season, the US Federal Emergency Management Agency (FEMA) has announced an overhaul in core disaster relief programs. The biggest change is a sharp cut in emergency cash assistance to families, which will be slashed under the new rules from the \$2,000 previously allowed per household to \$500.

In addition, states are being asked to foot 25 percent of the bill for the emergency cash, which will only be provided after an affected state signs off on the program. Other changes include more stringent identification of recipients and direct payment of emergency hotel and rental fees to property owners.

Payments to evacuees will no longer be made via debit cards, which FEMA says created conditions for fraud, but will be made either by check, direct deposit to recipients' bank accounts or in cash. The new guidelines take effect immediately.

The cuts are being justified by FEMA as an effort to curb abuse of aid by disaster victims. A Congressional audit of the emergency funds distributed last year following Hurricanes Katrina and Rita estimated that \$600 million to \$1.4 billion of the \$5.4 billion in assistance may have been based on fraudulent, inaccurate or improper claims. FEMA's response to the alleged abuse is to punish future disaster victims, as well as further burden the budgets of states still reeling from the effects of last year's catastrophe.

FEMA director R. David Paulison, who took over after the resignation of former head Michael Brown, heavily criticized for his miserable performance following last year's storms, expressed the federal government's disregard for the effect the changes will have on future hurricane victims. "This is still going to be a compassionate organization," he stated. "We simply have

to do a better job of protecting the tax dollar."

Paulison maintained that the cutbacks should not seriously affect evacuees, and that the money is only intended as a "stopgap" measure in any case. He further added—echoing the Bush administration's perpetual promotion of "personal responsibility"—"When they have a lot of money, the temptation out there is to spend it.... When they receive a small amount at first, they will spend it on what they really need."

While acknowledging that large households would receive the same amount as smaller ones, he dismissed suggestions that the funds would not be distributed equitably and said that provisions existed for dispersal of additional payments under extreme circumstances.

David Garrett, FEMA director of recovery, in response to criticisms of the cuts, commented that the funds are not intended to cover the cost of shelter, but are for emergency needs such as food, clothing and fuel. "Very few people need \$2,000 to take care of those expenses for a week," he claimed arrogantly. Critics have pointed out that tens of thousands of Katrina evacuees were displaced for weeks on end and lost everything. For a family of any size under these conditions, \$2,000 is a small amount to cover such necessities.

The proposal for states to pay 25 percent of these emergency financial payments was met with widespread opposition by state authorities, particularly in Louisiana, the state hardest hit by Katrina. In 2005, the federal government paid all of the \$1.5 billion in expedited assistance for Louisiana evacuees. Under the new regulations, the state would have had to pay \$375 million.

The FEMA overhaul was also not discussed with state officials in advance, but presented as a fait accompli. Mark Smith of the Louisiana Office of Homeland Security and Emergency Preparedness, commented,

“Historically, FEMA doesn’t make major changes until it’s at least talked to the states and tried to assess the impact. That hasn’t been done yet, and these changes need to be stopped in their tracks.”

FEMA officials have shrugged off such criticism from the state governments. Director Paulison reiterated that if the states were unwilling to commit to contribute a quarter of the funds, they would not get anything. “It’s their citizens,” he said during a news conference at FEMA headquarters. “If they don’t agree to it, we won’t do it.”

Mark Smith countered in a comment quoted in the New Orleans *Times-Picayune*, “If a catastrophic event like Katrina hits a poor state like Alabama, Mississippi or Louisiana, they most assuredly won’t be able to pay and the people will suffer. They are citizens of their states, but they are also citizens of the United States. Is [Paulison] saying the federal government will turn its back on its citizens, its taxpayers?”

Under the new rules, states will also not be reimbursed for the entire cost of debris cleanup done by the U.S. Army Corps of Engineers. The new rate will be either 75 percent or 90 percent of the total cost.

Other aid-program changes involve more careful identification of aid recipients. FEMA will begin registering people for assistance before a storm makes landfall, entering their names into the agency’s database to check their information. FEMA has contracted with ChoicePoint, a national data broker, to assist in recipient identification.

ChoicePoint does not come to the project with a distinguished record. Last year the company announced that it had mistakenly sold personal data on 145,000 people to identity thieves, and was fined \$15 million by the Federal Trade Commission. Any mistakes in ChoicePoint’s cross referencing could result in legitimate victims being denied aid.

Other changes affect the manner in which aid is to be distributed. Families will be required to register with FEMA before moving from shelters into hotels. If a family’s name is not the hotel registration list, they will not be allowed to move in.

Shanna L. Smith, president of the Washington, DC-based National Fair Housing Alliance, said this would impose undue hardship on evacuees in an emergency, and that some could fall through the cracks.

“It sounds like we are trusting the government too much to be able to put something in place that quickly,” Smith told the *New York Times*. “Certainly there are some people who may have lied about being from the disaster

zone. But to punish a large group of people for the behavior of a few seems quite harsh to me.”

Another provision of the new rules concerns evacuation plans. Of the estimated 1.2 million people who fled southeastern Louisiana in the wake of Hurricane Katrina, approximately 800,000 have returned. Federal officials say that about 96,000 of these people may not be able to evacuate on their own in another emergency.

The Department of Homeland Security (DHS) has indicated in letter to Louisiana Governor Kathleen Babineaux Blanco that the federal government would be prepared to move as many as 80,000 people by bus from collection points to inland shelters. The state has provided a list of collection points to FEMA where those needing transportation would congregate.

In a related issue, Gov. Blanco has indicated to DHS that during a “catastrophic event,” Louisiana expects there to be 255,000 people in need of shelter. Already well into the hurricane season, the state says it is short by about 150,000 beds and has asked the federal agency to be ready to operate shelters to accommodate this shortfall, as well as staffing and other logistical support. Blanco is awaiting a response from the DHS on this request.

For all its talk of combating fraud by ordinary citizens and protecting US taxpayers, Department of Homeland Security personnel have been the focus of Congressional auditors, who have been investigating a half year of employee credit card records from the DHS, including the months immediately following Hurricanes Katrina and Rita.

More than 9,000 DHS employees spent \$420 million last year charged to government-issued credit cards. Some of the questionable purchases uncovered include \$7,000 spent by Secret Service Officers on iPods (which DHS contended were to serve as data storage devices) and more than 100 computers bought by credit card that have disappeared. Some of these computers have subsequently been recovered.



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