

Courtesy of [The Tennessean](#) 6/14/06

# GAO says U.S. paid out \$1.4 billion for bogus claims after hurricanes

## AMONG ITEMS BOUGHT WITH TAXPAYER DOLLARS

Among items purchased with the FEMA-issued debit cards:

- An all-inclusive, one-week Caribbean vacation in the Punta Cana resort in the Dominican Republic.
- Five season tickets to New Orleans Saints professional football games.
- Adult erotica products in Houston and "Girls Gone Wild" videos in Santa Monica, Calif.
- Dom Perignon champagne and other alcoholic beverages in San Antonio.
- A divorce lawyer's services in Houston.

By **LARRY MARGASAK**  
*Associated Press*

**WASHINGTON** — The government doled out as much as \$1.4 billion in bogus assistance to victims of Hurricanes Katrina and Rita, getting hoodwinked to pay for season football tickets, a tropical vacation and even a divorce lawyer, congressional investigators have found.

Prison inmates, a supposed victim who used a New Orleans cemetery for a home address, and a person who spent 70 days at a Hawaiian hotel all were able to wrongly get taxpayer help, according to evidence that gives a new black eye to the nation's disaster relief agency.

Agents from the Government

**"This is an assault on the American taxpayer."**

**— Rep. Michael McCaul, R-Texas, chairman of the subcommittee that will conduct the hearing**

Accountability Office, the investigative arm of Congress, went undercover to expose the ease of receiving disaster expense checks from the Federal Emergency Management Agency.

The GAO concluded that as much as 16 percent of the billions of dollars in FEMA help to individuals after the two hurricanes was

unwarranted.

The findings are detailed in testimony that is to be delivered at a hearing today by the House Homeland Security subcommittee on investigations.

To dramatize the problem, GAO provided lawmakers with a copy of a \$2,358 U.S. Treasury check for rental assistance that an undercover agent got using a bogus address.

The money was paid even after FEMA learned from its inspector that the undercover applicant did not live at the address.

"This is an assault on the American taxpayer," said Rep. Michael McCaul, R-Texas, chairman of the subcommittee that will conduct the hearing.

"Prosecutors from the federal level down should be looking at prosecuting these crimes and putting the criminals who committed them in jail for a long time."

FEMA spokesman Aaron Walker said Tuesday that the agency, already criticized for a poor response to Katrina, makes its highest priority during a disaster "to get help quickly to those in desperate need of our assistance."

"Even as we put victims first, we take very seriously our responsibility to be outstanding stewards of taxpayer dollars, and we are careful to make sure that funds are distributed appropriately," he said.

FEMA said it has identified more than 1,500 cases of potential fraud after Katrina and Rita and has

referred those cases to the Homeland Security inspector general. The agency said it has identified \$16.8 million in improperly awarded disaster relief money and has started efforts to collect the money.

The GAO said it was 95 percent confident that improper and potentially fraudulent payments were much higher — between \$600 million and \$1.4 billion.

The investigative agency said it found people lodged in hotels often were paid twice, since FEMA gave them individual rental assistance and paid hotels directly.

FEMA also could not establish that 750 debit cards worth \$1.5 million even went to Katrina victims, the auditors said. ■