

than one-third of those funds to actual September 11th relief efforts. The ARC announced that more than half would be spent to increase the organization's ability to prepare for and respond to future catastrophes instead.

Angry outcries prompted a U.S. congressional hearing in November 2001. Healy attempted to defend the use of the money, saying it was clear to donors that not all gifts would go directly to immediate relief efforts. To this Representative Billy Tauzin replied, "It was specially funded for this event, for September 11, and we're also being told parenthetically, 'by the way, we're going to give two thirds of it away to other important Red Cross needs.'" The ethical issue of asking for funds for 9/11 relief efforts, and then appropriating those funds for other purposes, created an explosive debate. At the time of the hearing, Healy had already been forced to resign as ARC president. The ARC subsequently announced that all Liberty Funds monies would go to September 11th victims and their families.

HURRICANE KATRINA

ARC and FEMA Miscommunication

During August and September of 2005 the American Red Cross responded to the disastrous effects of Hurricanes Katrina and Rita, the largest national emergencies in the history of the organization. Katrina hit New Orleans on August 23 as a category 3 storm, making it the sixth strongest hurricane ever recorded in the Atlantic. It was also the costliest hurricane in history. Hurricane Rita hit the coast of Louisiana and Texas only a month later and was an even larger category 3 storm. The ARC raised more than \$2 billion in private donations to fund massive relief efforts for both these disasters.

Yet again, following this outpouring of charitable giving, the American public was left largely unsatisfied by the inadequate and untimely relief efforts depicted in the media. These subpar emergency responses were the outcome of a host of fraudulent, questionable, and inefficient decisions made by the ARC, as well as its federal, state, and local disaster relief counterparts. As a result of these faulty responses, and at the request of various congressional committees, the Government Accountability Office (GAO) wrote a report detailing the inadequacies of the ARC and the Federal Emergency Management Agency (FEMA).

The GAO found that the National Response Plan written by the Department of Homeland Security (DHS) in December 2004 was not properly followed and that coordination between the ARC and FEMA was not satisfactory. The DHS plan depicted the ARC as the primary agency responsible for coordinating federal mass care assistance in support of state and local governments and other voluntary organizations in charge of meeting needs such as shelter, food, and emergency first aid. During their disaster relief efforts, FEMA and ARC officials disagreed about their roles and responsibilities and failed to communicate appropriate points of contact for each agency. Additionally, ARC staff was criticized for rotating support positions every two to three weeks. This made it difficult for ARC staff to maintain working relationships with counterparts or to gain expertise in their job functions. Lastly, FEMA failed to implement a comprehensive system to track requests for assistance received from the ARC. One of the ARC's main objectives is properly categorizing and responding to requests for specific goods or necessary services by state and local governments as well as other voluntary organizations.