



## Following the Money Donated in the Aftermath of Hurricane Katrina

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### FOX NEWS

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**BILL O'REILLY, HOST: JOHN KASICH, GUEST HOST:** In the "Factor" Follow-Up" segment tonight, following the money donated in the aftermath of Hurricane Katrina. Last year's storm caused an estimated \$75 billion of damage to the Gulf Coast. And more than \$4 billion was raised in charitable donations to help in the relief effort.

The question, of course, where did all that cash go? With us now is Trent Stamp, executive director of Charity Navigator. Four billion people donated [money to Katrina victims] in this country, is that unbelievable? Where did the bulk of it go?

**TRENT STAMP, CHARITY NAVIGATOR EXECUTIVE DIRECTOR:** The bulk of it went to the [Red Cross](#). And that's why they've received so much scrutiny. You know, to whom much is given, much is expected. But the [Red Cross](#), combined with the [Salvation Army](#) accounted for about two-thirds of all of the money.

**KASICH:** And how did the Red Cross do?

**STAMP:** We're giving the Red Cross a "B." You know, they had some relatively well known failures, but you know, if you want to grade them...

**KASICH:** So what'd they do wrong?

**STAMP:** The debit cards too often ended up in the hands of people who didn't deserve the debit cards. I think the Red Cross didn't do a nice enough job *in advance* of Hurricane Katrina of having entre into the low income neighborhoods, the minority neighborhoods.

So when those neighborhoods got ravaged like they were they were unable to get in there and didn't know who to deal with. They were too isolationist. So, too often the cards got in the wrong hands and too often they didn't partner and play well with others.

**KASICH:** Well, what does that mean? They didn't partner well?

**STAMP:** The Red Cross is historically relatively arrogant. They are the congressionally chartered first responder. And they like to believe they are the best and they are the brightest. And they are going to get it done. And in many cases a little humility would have done them a lot of good.

**KASICH:** With the Bush-Clinton fundraising they raised a ton of money, didn't they? How much?

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**STAMP:** They raised close to \$200 million.

**KASICH:** And what happened with that money?

**STAMP:** That was the problem. Is that they went around the country raising the money and they didn't really tell people what they were going to do with it. I had a problem then that you should never give to a charity that's vague or deceptive in what they're raising money for. It's like investing in a for-profit company without knowing what they are going to do with it.

Today, just three weeks later — just three weeks ago, I'm sorry, [William Gray](#) and [Pastor T.D. Jakes](#) from Texas and the Religious Advisory Committee has resigned from the [Clinton-Bush Katrina relief fund](#) because they are not even sure that the charities and churches they are giving to exist.

**KASICH:** How can that be?

**STAMP:** I don't have any idea. I don't know why this isn't a bigger story. These people have phenomenal reputations. They are ex-presidents, obviously but I think they are making their charitable decisions based on *politics* as opposed to effective philanthropy.

**KASICH:** What about a couple of the scams, the outright scams that we saw down there?

**STAMP:** It was amazing. The FBI predicts there are around 4,000 fraudulent Web sites that came about.

**KASICH:** How can anybody have a — listen — the Lords of Leather Mardi Gras Krewe, it helped victims who were into S&M — it's unbelievable. Who were into S&M.

I mean, this really existed?

**STAMP:** It didn't exist, John, and that's a key point.

**KASICH:** It didn't?

**STAMP:** It did exist after the fact but it didn't exist the day before Katrina. And what happens is that anybody who applied to run a non-profit in the days after Katrina was fast tracked by the IRS. They were not vetted and they were sent straight to the front of the line bumping other good charities to the back of the line. And then who knows what's happened. Most of them have disappeared and you can only hope that some of the money got to who they said it was going to get to.

**KASICH:** OK. So we know there was some rip off. You gave it a B, which means a lot of money got to where people wanted it to get to. But when you look at the surveys an overwhelming majority of people think the money just did not get anywhere. What does that mean for future giving? When you look at [tsunami](#) giving and on the back of that, Katrina giving, wow, I mean, people opened up their hearts and their wallets. Does this bode poorly for the future? What's your view?

**STAMP:** It does scare me. What is important to remember about the tsunami giving followed by the Katrina giving was that there was no fall off in 2006. Or 2005. But I worry moving forward with all the media attention, with all of the distrust, with all of the cynicism, people may start backing off.

**KASICH:** Will we locked up the people that ripped off the system, are we going to go after them or let them get away with a little slap on the wrist? Because if you are stealing from people whose homes were washed away we have to go after you.

**STAMP:** There is a special place in Hell, John, for people who steal from charity, but I'm not sure they're going to prison any time soon.

**KASICH:** Are we going to go after some of them?

**STAMP:** I'd like to but I don't make the laws.

**KASICH:** Do you make the recommendation that we do?

**STAMP:** Absolutely.

**KASICH:** Listen, if we don't go after people that have ripped this thing off and stolen from these kids and these defenseless people down there, we are making a huge mistake. — It will hurt charitable giving in the future. We have got to have some follow up on that. Trent, thanks for your work.

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