



Homeland  
Security

OCT 6 2005

The Honorable Jerry Lewis  
Chairman  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to Public Law 109-62, attached is a report, prepared by the Federal Emergency Management Agency (FEMA), which details obligations and allocations for the Disaster Relief Fund (DRF). FEMA is responsible for administering the Federal Government's disaster assistance programs. Through the DRF, the Department of Homeland Security (DHS) provides a significant portion of the total Federal response to victims in Presidentially-declared major disasters and emergencies.

The attached report includes data through October 5, 2005. It is important to note that at the end of each fiscal year (September 30), FEMA's financial system closes its books. As part of this process, all allocations in excess of corresponding obligations are pulled back and reallocated in the new fiscal year. FEMA's operations and financial staff are reviewing these allocations and reallocating these funds to the field as necessary. This end of year review helps ensure integrity to the agency's financial system and permits FEMA to ensure resources are not misallocated or overallocated. This accounting practice does not in any way result in the slowing of allocations or spending to support recovery efforts. On the contrary, on October 6, FEMA reallocated approximately \$1 billion. We expect that FEMA will complete this reallocation in the coming days and will be reflect in coming reports. Since the two storms, FEMA has allocated nearly \$20 billion to response and recovery.

The attached report also includes a report on mission assignments to other government agencies. It should be noted that while in some areas the data may suggest obligations have not been expended; this does not reflect a status of the work performed as a result of the mission assignment. Rather, this reflects the status of the billing process between other Federal agencies and FEMA.

The Department is aware of the additional reporting requirements set forth in Section 548 of the Conference Report on HR 2360, Department of Homeland Security Act 2006. The Department is working to gather this information to include in subsequent reports. We are

also working to respond to the other information requests made by the Committees on Appropriations. The Department appreciates your interest in DHS programs and your support of assistance for victims of Hurricane Katrina and other disasters. If I can be of assistance on this or other matters, please contact me on (202) 205-4613.

Sincerely,



Janet Hale  
Under Secretary for Management

Enclosure