

Study finds link between political corruption and FEMA money

December 11 2008

Where natural disasters strike, political corruption is soon to follow, say the authors of a study in the Journal of Law and Economics. But it's not the wind and rain that turns good folks bad; it's the money that floods in afterwards from the Federal Emergency Management Agency.

"We find each \$100 of FEMA-provided disaster relief increases the average state's corruption by nearly 102 percent," write Peter Leeson (George Mason) and Russell Sobel (West Virginia U.). "Our findings suggest that notoriously corrupt regions of the United States, such as the Gulf Coast, are in part notoriously corrupt because natural disasters frequently strike them. They attract more disaster relief, which makes them more corrupt."

Leeson and Sobel base their conclusions on a statistical model that measured the relationship between FEMA allocations and corruption in each U.S. state. The researchers quantified corruption as the number of per capita convictions of public officials for crimes such as embezzlement, accepting bribes or kickbacks, extortion and unlawful dealings with private vendors or contractors.

Hurricane-prone states like Florida, Mississippi and Louisiana, which receive large amounts of FEMA money, tend to have more corruption convictions per capita. States like Nebraska and Colorado, which receive almost no FEMA dollars, have least corruption.

Leeson and Sobel also found notable spikes in corruption convictions in

the year following influxes of FEMA money in a given area. For example, in 1997 Minnesota received around \$300 million from FEMA after the Red River Flood. In 1998, corruption convictions in Minnesota spiked to 14 per 100,000 citizens from less than two per 100,000 the year before.

The data used in the study were from 1990 to 1999, so the Katrina and Rita disasters of 2005 are not included. But Leeson and Sobel say the preliminary numbers indicate the aftermath of those disasters appears consistent with their finding. Federal prosecutors have thus far charged 700 individuals with crimes related to the nearly \$33 billion FEMA allocated to deal with the disasters, they say.

Source: University of Chicago

Citation: Study finds link between political corruption and FEMA money (2008, December 11)
retrieved 2 May 2024 from

<https://phys.org/news/2008-12-link-political-corruption-fema-money.html>

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