



OKLAHOMA CITY
COMMUNITY FOUNDATION

Helping you help the community

Dear Donors and Friends,

We wanted to inform you that the forensic investigation into the administration of the Oklahoma City Disaster Relief Fund has concluded and a report is now public. The 151-page report is the result of a three-month independent review conducted by BKD, LLP, and was in response to recent claims and allegations made by several survivors regarding the administration of the fund. Below is a news release we have distributed to the media regarding the report and our response to the findings. Please do not hesitate to contact us if you have any questions or need additional information. To read the report in its entirety, please visit www.occf.org/bkdreport.

Steven C. Davis, Chairman

Nancy B. Anthony, President

Oklahoma City Community Foundation releases the independent report on the Disaster Relief Fund

The Oklahoma City Community Foundation today released the forensic investigation report conducted by BKD, LLP in response to questions and allegations about the administration of the Oklahoma City Disaster Relief Fund.

“Since 1995, the overriding goal of all involved has been to assist families, individuals and the community in dealing with the effects of the bombing,” says Steven C. Davis, board chairman of the Oklahoma City Community Foundation. “The Community Foundation’s Trustees and staff are passionately committed to assisting survivors and their families, fulfilling donors’ intent and providing certainty that the fund is properly administered in accordance with the law.”

The Disaster Relief Fund (DRF) was established following the Murrah Federal Building bombing in 1995. Since that time, the fund has paid \$11.2 million to assist more than 1,000 survivors.

“Because of questions being raised by certain persons in media reports, BKD’s national forensic audit team was asked to conduct a complete review of the Disaster Relief Fund’s operations,” Davis adds. “The very comprehensive review they conducted clearly refutes any allegations about alleged misuse of funds contributed to the Disaster Relief Fund, but also provides a balanced analysis of any areas where improvements could be made. The Oklahoma City Community Foundation will consider those recommendations, with a view toward continuing to provide the best service possible to survivors, donors and the community.”

The BKD report confirms that “nothing in the governing documents indicates its purpose was to be a compensation fund to be shared among the survivors.” The report also states that “some of those who indicated they had been denied assistance have received thousands of dollars in financial assistance from the DRF and other agencies since 1995” and that “the overwhelming majority of requests for assistance we reviewed were approved.”

The report also confirms the following key findings:

- The administration of the DRF, including practices and procedures, are consistent with the Internal Revenue Service (IRS) guidance for disaster relief funds to which private donations have been made.

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405 235 5603 fax 405 235 5612 www.occf.org [Facebook.com/occf.org](https://www.facebook.com/occf.org) [Twitter.com/occforg](https://twitter.com/occforg)

P.O. BOX 1146 73101-1146 | 1000 N. BROADWAY AVE. OKLAHOMA CITY, OK 73102



Confirmed in Compliance with National Standards
for U.S. Community Foundations

- The DRF policies and practices are the result of the original practices established by the Resource Coordinating Committee, a voluntary group representing more than 40 Oklahoma City charitable organizations that worked together to coordinate services and distribute millions of dollars in funds following the bombing.
- The DRF received \$14.6 million in contributions and, to date, has paid out \$11.2 million to assist 1,033 survivors since 1995.
- The report found no improper or undocumented payments and confirmed that funds had been used as designated by donors, with appropriate documentation in survivors' case records.
- The Oklahoma City Disaster Relief Fund's governing documents, IRS pronouncements and regulations, and donor documentation never suggested that the fund was established to be divided among survivors or others affected by the bombing, other than for specified education funding and to satisfy otherwise unmet needs related to the bombing.
- Allegations related to the use of the DRF for purposes other than survivor education and assistance, for the direct costs of administration and caseworker support, were unfounded. This definitively refutes claims that the DRF helped fund the construction and furnishings for the Oklahoma City Community Foundation offices or pay the salary of the President of the organization. Further, no Trustees of either the Oklahoma City Community Foundation or the DRF ever received any amounts from the fund.
- The report states that some of the survivors who alleged that they had been denied assistance have actually received thousands of dollars of assistance from the fund and also from other agencies since 1995. The forensic accounting team reviewed 56 cases and the report includes an analysis of each of those cases. The reviewed cases include all cases mentioned in calls made to the confidential information line BKD established as part of its investigation. The Oklahoma City Community Foundation Trustees, staff and Disaster Relief Trustees were not involved in the selection of cases BKD reviewed.
- The Survivors' Education Fund accounted for approximately 50 percent of all contributions received into the Disaster Relief Fund. To date, the Survivors' Education Fund has disbursed \$3.92 million to assist 171 students and more than 90 degrees have been earned by those recipients. Currently, 36 students are enrolled in post-secondary education and receiving education benefits through the fund.
- Investment earnings have been approximately \$10.9 million on the donor contributions. Earnings were generated to support the long-term needs of the Survivors' Education Fund and to ensure that funding would be available for even the youngest of eligible children.
- The reallocation of investment earnings into a separate fund to support the Oklahoma City Memorial was consistent with a 1995 IRS letter that is cited in and attached to the BKD report. The IRS letter states "a charity may certainly establish a fund within a community foundation aimed specifically at providing resources for future disasters within a specified area." The report also confirms that the reallocated investment earnings are still available to the DRF if needed for unmet survivor needs. The report does, consistent with the Oklahoma City Community Foundation's plan, recognize that the reallocation question can and should be periodically revisited.

The report included recommendations related to communications, coordination, policy clarification and future planning to ensure the Disaster Relief Fund continues to effectively respond to the unmet needs of survivors and complete its education and support missions for survivors and the community. The Oklahoma City Community Foundation Trustees will consider these recommendations as they plan for the future of the DRF.

The Oklahoma City Community Foundation was founded in 1969, administers more than 1,200 funds and manages more than \$630 million in assets. Following the bombing in 1995, both then Gov. Frank Keating and Oklahoma City mayor Ron Norick asked the Oklahoma City Community Foundation to assist with addressing the unmet needs related to the bombing and administering scholarship funds for eligible children. In the fall of 2012, both Keating and Norick agreed with the Oklahoma City Community Foundation that questions and allegations being raised in the media regarding the DRF would be best answered by an independent third party investigation conducted by a national accounting firm with experience in issues of public accountability.

During the three-month investigation, the BKD forensic investigative team reviewed all policies, governance, accounting and financial reporting information regarding the DRF since it was established in 1995. The auditors had full access to survivors' individual case files, contribution and distribution records as well as all other records of the Oklahoma City Community Foundation as needed. In addition, BKD personnel separately investigated each complaint registered by callers on the confidential information line or aired in the media. The costs associated with the BKD review were paid by the Oklahoma City Community Foundation's administrative fund, not the DRF.