

August 1, 2009

Dear Friend of Citizens' Road Home Action Team,

Today's Main Topics:

1. State Attorney General's Office and the Plight of Homeowner Victims of Hurricane/Floods Katrina and Rita

There has been a recent effort of the AG to thwart CHAT's advocacy and the public's right-to-know. This, as well as the article below, raises serious questions about the role of the AG in protecting the rights of Louisiana citizens who were disaster victims. (More about the public's right-to-know in future newsletters.)

2. Gov. Jindal stated "we weren't going to create all these rules and red tape." How well is Gov. Jindal's creation of the HMGP elevation grant program working for you? Tell us in an email to chatra@yahoo.com. Please put "HMGP elevation" in the subject line.

1. Contractor Fraud and the State Attorney General's Office

<http://www.nola.com/news/t-p/otheropinions/index.ssf?/base/news-0/1249104752283580.xml&coll=1>

Justice elusive in contractor fraud

Saturday, August 01, 2009

Melissa Wile

A recent survey by LSU, PolicyLink and LouisianaREBUILDS.info found that approximately 9,000 households in the greater New Orleans area have been affected by contractor fraud over the past three years. As a case manager for a New Orleans neighborhood association, I encounter residents each and every day who have had their lives turned upside down, yet again, by post-Katrina contractor fraud.

Nearly four years after the storm, I often accompany residents to a family home sitting vacant and half-repaired, a haunting reminder of the day that their contractor skipped town with their insurance or Road Home dollars.

In our neighborhood alone, 82 families have reported contractor fraud at an average loss of approximately \$30,000 each. The fact that these fraudulent contractors swooped into post-Katrina New Orleans with calculated scams -- including fake permits and license numbers, fictitious names and purposefully confusing contracts -- is undeniably atrocious. But perhaps equally atrocious is the way that residents were treated as they attempted to report their contractor fraud.

Upon realizing that they had been swindled out of thousands of dollars, residents often tried to report the crime at their local police station, where they were often refused a basic police report. From there **residents often found their way to the state attorney general's office, whose response often was to send out generic letters informing residents that the office would contact the company and ask it to "review the problem and respond."**

Predictably, a letter was not enough to scare fraudulent contractors into submission, and for many residents the reporting trail ended here as they were given no further information on how to pursue their cases.

Because the attorney general's office seems to be the main reporting office to which residents were directed, I recently inquired about data that it had kept on contractor fraud. I was shocked to find that the office had kept no data on the number of contractor fraud cases that had been reported since Hurricane Katrina, nor could it provide any dollar amount of financial loss related to contractor fraud in the state of Louisiana.

As a result, our state government currently has no idea how many people have been affected by this epidemic, in which some contractors have stolen government-allocated rebuilding funds such as Road Home grants.

Recently, residents seeking to report contractor fraud have been directed to the New Orleans district attorney's office, which appears to be the most organized reporting process as of yet. However, with very little resources directed to processing cases, the DA's office has a three- to six-month waiting period for cases to be processed -- giving contractors plenty of time to make a clean escape from New Orleans with a resident's rebuilding dollars padding their wallets.

In addition, the DA's office only takes on cases that are deemed to be criminal, which leaves thousands of civil cases with no way to be processed.

Given the nearly four years that contractors have been allowed to prey on vulnerable, distraught home owners without any coordinated response effort, the question remains: When will our government take action to prosecute more of these criminals and deter them from defrauding additional homeowners?

.....

Michelle Wile is a case manager for the Broadmoor Improvement Association.

The association will host a contractor fraud forum Monday at 7 p.m. at the Gloria Dei Lutheran Church, 2021 S. Dupre St., New Orleans.

New Orleans District Attorney Leon Cannizzaro will discuss current reporting and prosecuting methods.

2. The Governor's Statement About Not Creating "All These Rules And Red Tape" That Interfere With Post-Hurricane Recovery

Among the rules and regulations new to the Jindal administration for Road Home applicants are the following:

1. The HMGP elevation grant program was designed after FEMA finally made a ruling in Jan. 2008 allowing the \$1.4 billion of HMGP money that the state received because of Hurricanes Katrina and Rita to be used for Road Home applicants with very few restrictions. It is more than 1 ½ years later and only a very small (unpublicized) number of applicants have received HMGP elevation grants.

I applied and sent in all the voluminous documentation required for elevation work completed in Sept. 2006 for our house that we have been living in since then. It has been more than 6 months and no one from the state's HMGP elevation program will answer our calls.

How well is Gov. Jindal's creation of the HMGP elevation grant program working for you?

Tell us in an email to

chatlra@yahoo.com.

Please put "HMGP elevation" in the subject line.

2. Applicants and CHAT are waiting for a year and still do not know whether LRA will waive the rule that applicants can't get HMGP money if their new house 10% larger (or more) than the original house.

3. In 2008, LRA made rules for the sold-home applicants that deprive them of additional compensation

grants no matter how low their income and how desperate they were to sell their house before the program began. In addition, those grants have been awarded at an extremely slow pace after delays of very many months after applicants sent in all the newly required paperwork.

The article with Gov. Jindal's quote follows.

http://www.nola.com/politics/index.ssf/2009/07/gov_bobby_jindal_issues_millio.html

Gov. Bobby Jindal issues millions in storm grants to two parishes

by Victoria St. Martin and C.J. Lin, The Times-Picayune

Friday July 31, 2009, 8:07 PM

Gov. Bobby Jindal made a visit to two southeast Louisiana parishes Friday to hand out millions of dollars in federal grants for hurricane protection and other recovery projects.

St. John the Baptist Parish received \$8.7 million, and Plaquemines Parish got \$2.4 million for hurricane recovery and hazard mitigation, Jindal announced during his "Louisiana Working Tour."

"Right after Gustav, one of the commitments I made then was that we weren't going to create the kind of bureaucracy the state did in 2005, " Jindal said. "We weren't going to create a Road Home program, we weren't going to create all these rules and red tape, but instead, the second the state got recovery dollars, we'd give those directly to the parish."

St. John's \$8.7 million is part of three grants that were awarded to the parish during a River Region Chamber of Commerce luncheon at the St. John Civic Center in LaPlace.

St. John Parish President Bill Hubbard said the money also will go toward infrastructure improvements and flood prevention.

Hubbard already has one project in mind.

Hubbard, who last year asked Jindal for money to start a project that would use flap valves to prevent storm surges from flooding neighborhoods said last September's wishes could be a reality.

Several streets throughout the parish were flooded after Hurricane Ike, so much so that exits on Interstate 10 were closed because of the rising water.

Plans are to install the valves on main drainage canals near the interstate. The valves, which would let water flow in one direction, would cost about \$4 million, Hubbard said.

He said the parish will hold town hall meetings, the first of which will be held Thursday, to get public input on how the money will be spent.

A.J. "Pete" Landry of LaPlace said he's glad Jindal gave money directly to the parishes.

"We have the capability to use it in the areas where we know what our priorities are, " Landry

said. "We can put it to work where our needs really are."

Jindal spent the latter part of the afternoon at the Belle Chasse Public Library in Plaquemines Parish addressing the Plaquemines Association of Business and Industry, during which he signed a \$2.4 million ceremonial check to parish officials for two grants for hurricane recovery and hazard mitigation.

The first grant, totaling \$1.92 million, will aid the parish's recovery efforts for housing and infrastructure damage from Hurricanes Gustav and Ike. The second, a \$491,404 grant, will support local projects that will help prevent damage from future hurricanes.

"It certainly allows us to help rebuild some of that damage from Gustav and Ike, but even more importantly, it allows the parish to start getting ready for future storms, " Jindal said. "I'm praying for a quiet storm season. We don't need a busy storm season."

.....

Victoria St. Martin can be reached at vstmartin@timespicayune.com or 985.652.0952. C.J. Lin can be reached at clin@timespicayune.com or 504.826.3796.

3. The Latest Filming of a CHAT Meeting Aired For Six Weeks on Public Access TV

Wed., June 10, Noon-1:30 PM; Fri., June 12, Noon-1:30 PM; Sun., June 14, 10:00-11:30; Mon., June 15, 8:00-10:00; Thurs., June 18, 8:00-10:30; Sat., June 20, 11:00-1:00; Mon., June 22, 12 - 2 PM; Fri., June 26, 8-10 AM; Wed., July 1, 3 PM; Thurs. July 2, 2:30 PM; Fri., July 3, 3 PM; Sun., July 5, 9 AM; Mon., July 6, noon; Tues., July 7, 1:30 PM; Wed., July 8, noon; Mon., July 13, 4 PM; Wed., July 15, 3 PM; Thurs., July 16, 3:30 PM; Mon., July 20, 3 PM; Mon., July 27, 3:30 PM; **Wed., Aug. 5, 3 PM; Fri., Aug. 7, 8 AM and 2:30 PM**

4. Temporary Malfunctioning of Our Online Survey Site

Please note that I just learned that we are having temporary trouble with our survey website. In the meantime, you can reach us with descriptions of ongoing problems with RH at our email address chattra@yahoo.com. Please put "Road Home Concerns" or some other informative title in the subject line.

I apologize for any inconvenience this caused.

Best wishes,

Melanie Ehrlich
Founder, Citizens' Road Home Action Team (CHAT)
<http://chatushome.com>