

# Congress of the United States

Washington, DC 20515

October 24, 2002

The Honorable Joe M. Allbaugh  
Director  
Federal Emergency Management Agency  
500 C Street, SW  
Washington, DC 20472

Dear Director Allbaugh,

We are writing to follow up on our letter of September 27<sup>th</sup>, respectfully requesting that FEMA assume full responsibility for the processing of applications for the IFG program and the dissemination of information regarding those applications. Despite our earlier letters and the extension of the IFG program until November 30, 2002, our concerns with the implementation of the IFG program by the New York State Department of Labor persist.

We appreciate the N.Y.S. Department of Labor's new efforts to speed the processing of applications by increasing staff and addressing technical processing problems but, despite these efforts, the large backlog and low approval rate continue while the number of applications increases. However, in a recent briefing, when asked about the reason for the processing difficulties, the N.Y.S. Department of Labor blamed FEMA for the large backlog and low approval rates stating that they are a result of FEMA's computer software, phone system, and incorrect statistics regarding approval rates. Rather than placing blame, we are hopeful that the appropriate agency will address the problems our constituents are having in receiving the funds to which they are entitled. Accordingly, we reiterate our belief that applicants for the IFG program would be better served if the responsibility for processing their applications was assumed by FEMA.

We have several questions regarding the approach to the processing difficulties:

- Was FEMA alerted by the N.Y.S. Department of Labor of their concerns that FEMA was causing the problems with processing the IFG? If so, when did that occur?
- When did FEMA offer to provide assistance to the State in processing the backlog?
- Was it a result of a request for help or because FEMA staff realized the difficulties that the State was experiencing in running the program?

The IFG program was established to "provide funds to disaster victims as expeditiously as possible to cover those necessary expenses or serious needs for which other governmental assistance is either unavailable or inadequate." However, as noted in our earlier letters, it appears that the N.Y.S. Department of Labor has been unable to implement the IFG program to help the greatest number of people. While representatives from the N.Y.S. Department of Labor assured the staff of elected officials that the approval rate for this disaster is actually high, statistics we have obtained show otherwise:

- The number of approvals and money distributed fall below the rate and size of awards

made by other states that have run similar joint programs to address emergencies in recent years. For example, in 21 of 27 disasters in 23 states in the 2001 fiscal year, similar state-federal programs averaged \$16 million per disaster, and \$2,586 per claim, with a 55% approval rate, compared to a total of \$10.5 million and \$1,039 per claim for this disaster.

- Representatives from the N.Y.S. Department of Labor assert that the IFG approval rate for this particular disaster is higher than the IFG approval rate for other disasters in New York State. They submit that FEMA misstated the 13% approval rate for the IFG applications and suggest that the number is closer to a 26% approval rate. Even if the 26% approval rate is accurate, the approval rate is significantly lower than is typical for disasters even in New York State. For example, as a result of the ice storm in Upstate New York, more than 29,000 applications were filed, of which 14,701 were approved. This was more than a 50% approval rate, with over \$9 million awarded.
- Huge numbers of qualified individuals have never applied for disaster assistance, largely because of poor outreach. According to the October 10, 2002 briefing paper from "Beyond Ground Zero", in zip code 10002, 14% of total households applied for the IFG assistance and only 12.58% of the applicants were approved in the IFG program, while in zip code 10007, 46% of total households applied and 29.57% of the applicants were approved for IFG assistance. Both zip codes are located in lower Manhattan.
- Does FEMA have any statistics that would back up the State's contentions, or are the statistics that we have cited above accurate?

Furthermore, the representatives from the N.Y.S. Department of Labor failed to address the following concerns raised in our earlier letters:

- The distribution of information regarding the IFG program is inadequate. Furthermore, the only brochures that N.Y.S. Department of Labor has produced contained outdated information.
- The backlog persists. Despite having more than quadrupled the number of State employees assigned to the IFG program to address the current backlog, to date, barely half of the applications filed have been processed.
- The N.Y.S. Department of Labor's rejection of 85% of applications because of the lack of documentation is high. We believe that in many instances, the N.Y.S. Department of Labor's processing of IFG applications is contrary to the guidelines enumerated in the Code of Federal Domestic Assistance, as is noted in our earlier letter.

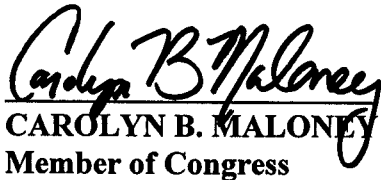
We believe that the continuing inaction by the N.Y.S. Department of Labor regarding the low approval rate, high backlog, and the pending expiration of the application deadline, is preventing individuals who need assistance from obtaining help. When similar flaws were found in FEMA's processing of the Mortgage and Rental Assistance (MRA) program, by contrast, FEMA worked hard to correct problems with the individual assistance program and we commend you for taking those actions.

The difference in attitude reinforces our belief that our constituents would be better served if FEMA were administering the IFG program. We hope that FEMA will have the same

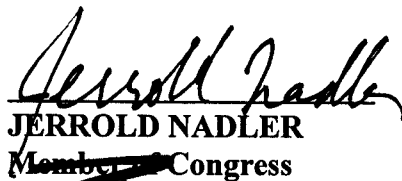
success with the implementation of the IFG program. Accordingly, as set forth in our enclosed letter to Governor George Pataki, we respectfully request that FEMA assume responsibility for the complete processing of IFG applications. At the very least, we would urge FEMA to extend the deadline from November 30, 2002, to January 31, 2003, as the Governor had originally requested.

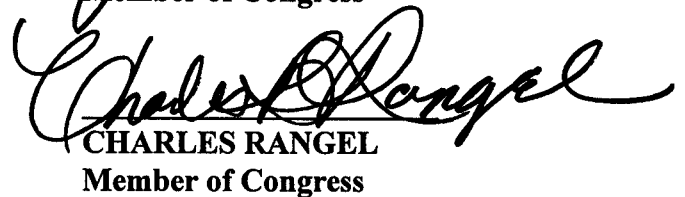
We look forward to your prompt response.

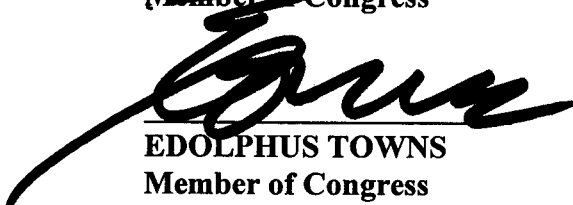
Sincerely,

  
CAROLYN B. MALONEY  
Member of Congress

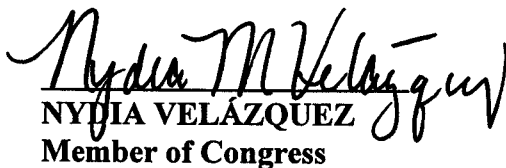
  
JOSÉ SERRANO  
Member of Congress

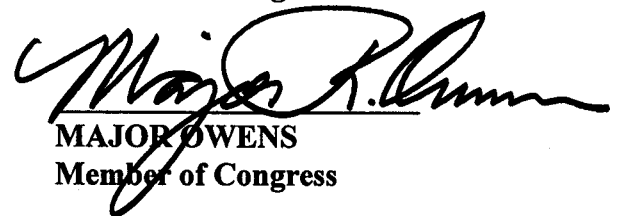
  
JERROLD NADLER  
Member of Congress

  
CHARLES RANGEL  
Member of Congress

  
EDOLPHUS TOWNS  
Member of Congress

  
STEVE ISRAEL  
Member of Congress

  
NYDIA VELÁZQUEZ  
Member of Congress

  
MAJOR OWENS  
Member of Congress

cc:  
The Honorable George Pataki  
The Honorable Michael Bloomberg