

Congress of the United States

House of Representatives

Washington, DC 20515-3006

March 3, 2015

REPLY TO:

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W. Craig Fugate
Administrator
Federal Emergency Management Agency
U.S. Department of Homeland Security
500 C Street SW
Washington, DC 20472

Dear Administrator Fugate,

I write today regarding reported widespread fraud perpetrated by private insurance companies servicing National Flood Insurance Program (NFIP) claims in response to Superstorm Sandy. I am deeply troubled by the reports of intentionally altered engineering reports leading to underpayment and even denial of NFIP claims in New Jersey and other Sandy affected states.

As of the end of February, 74,052 NFIP claims have been filed in New Jersey stemming from Sandy damage. While over 1,100 Sandy victims are suing their insurance companies for perceived underpayments or denials, the vast majority of those who have filed NFIP claims are likely unaware of the recently uncovered fraud in which engineering reports have been intentionally doctored.

I respectfully request that the Federal Emergency Management Agency (FEMA) provide notification to those who have filed NFIP claims pursuant to Superstorm Sandy detailing the prevalence of fraud with respect to engineering reports. FEMA must detail for these Sandy victims how they can obtain copies of these engineering reports and also establish a pathway to easily file an appeal if they feel that they have been victims of a fraudulently altered engineering report. This pathway should be provided for all NFIP claimants regardless of whether they have already settled a claim dispute, as many settled their claims before this fraud was uncovered.

We must ensure that disaster victims get the resources they deserve and need to recover from this historic storm. Any attempts by private insurance companies to undercut or deny payments to those who rightfully deserve them must be dealt with swiftly and fairly. I look forward to your prompt reply to this critical issue.

Sincerely,


FRANK PALLONE, JR.
Member of Congress