

## **Mistaken Assumptions and Misinformation About the Road Home (RH) Program**

### **1. It is assumed by many that applicants who went to closing have been given their fair award.**

To the contrary, many have used the term “**forced to go to closing**” in describing receiving their award.

Those who know that the closing grant amount was wrong have to navigate post-closing resolution or the appeal process and then many still wait for second closing money promised months ago.

Pushing applicants to closing with mistakes in grants satisfies the need of ICF to meet their target goals to avoid fines but not the needs of applicants to get the award they are entitled to so that they can rebuild.

This may also satisfy the wishes of the new administration to conclude the program swiftly – but fast without fair is a bad deal for disaster victims.

### **2. State and federal officials often act as if applicant fraud is a major concern**

The amount of questioned (not proven) applicant fraud is less than half of one percent.

In contrast, so very many obvious mistakes by RH staff remain uncorrected for many months after applicants try to get them fixed and can persist even in the closing papers.

*(i.e., subtracting HO and flood insurance benefits but nonetheless being mistakenly penalized for no insurance; appraisal on the house next door by mistake instead of the applicant's; comparables for BPOs on the same house twice; BPOs on houses chosen a mile away in a completely different type of neighborhood)*

When CHAT proposed the concept of tender that allowed people to accept their awards and then appeal, we never expected to see cases where obvious mistakes would not be fixed prior to closing and people told their only choice was to sign and take it to appeal – or worse still, people being told if you don't sign a clearly wrong grant offer, your application is made inactive.

So many applicants were recently shoved into the ineligible category or had their grants inexplicably downsized after waiting for their rebuilding money for over a year.

**These are not isolated cases or aberrations.** We have seen a marked increase in the last several months of these reports and clearly it seems as if the program has gotten worse, not better for many of the applicants.

It is as if one goal were to spread the money to applicants as thinly as possible, perhaps to fund elevation grants from CDBG funds and use HMGP funds for other purposes

### **3. Another mistaken notion held by some (but not by many of the >800 applicants who have contacted us) is that mistakes in applicants' award calculations are fixed by a rigorous process of dispute resolution and appeals.**

In fact, dispute resolution and appeals are vague and sometimes arbitrary without correcting even simple mistakes.

**ICF and OCD have still not cleared up their claim on Aug. 1 that were no applicants in dispute resolution more than 2 months at that date and currently. We have data to show that it is wrong for them to claim this.**

With this claim, ICF avoided a fine that would have been associated with the 2,933 applicants reported by ICF as still in dispute resolution 6 days earlier.

We know of many applicants still not informed of the response to their dispute for more than 6 months.

What kind of dispute resolution is it when only one side (ICF and OCD) know the “outcome” of the dispute?  
How can an applicant take a dispute resolution to appeal when they have not been notified of the resolution and given the details in writing?

Unfortunately, for many applicants, the appeals process is not much better or fairer than dispute resolution.

**As to misinformation or lack of information, RH does not tell applicants and staff enough about its rules and is not following some of its own rules that are intended to benefit the applicants.**

**Lack of information-** The Working Group of the Housing Task Force tried unsuccessfully for over 8 months to find out how many applicants from 2006 had not yet obtained their grant. Finally, on January 11, 2008 we learned that the number was over 15,000 applicants.

**Another example:** OCD’s and LRA’s Policy # CP100C states that applicants have to be notified of new policies that might significantly benefit them and has to then extend its appeals deadline.

Two important new policies have been implemented that CHAT has advocated over the last year. They were publicized briefly at CHAT’s urging but, insufficiently and not in direct mailings to applicants, although there have been opportunities to include them in other mailings.

**In contradiction to RH’s own rules,** the program has thus far refused to extend its 90-d appeals deadline for people even though one of these new policies for the first time provides applicants with the data they need for meaningful dispute resolution and appeal.

**Lately, we have heard that case management will be the panacea for RH’s ills.**

That too is likely to be, at best, overstated because several applicants at our CHAT meeting last week told us that they have recently been assigned case managers in the RHP but still cannot thereby get even simple problems solved and phone calls returned.

**Lastly, we have heard talk about a possible surplus of funds.**

It is totally unacceptable to use RH grant money for anything else if there are RH grants that have been under-funded. It is premature to put policies in place for the use of these funds while serious problems with the grant program are swept under the carpet. For example:

1. Besides the problems mentioned above about appeals’ deadlines, some independent body (e.g., as proposed by Sen. Crowe of Slidell) should verify for applicants without the skills or resources to be pro-active that RH has accurately checked their files to detect and correct grant downsizing or grant ineligibility mistakes and that ICF gives complete grant data to applicants upon request.
2. Applicants who have been told that they can only get their grant if there is a surplus should be put back in line, most notably those who had to sell their home at a loss in 2006.
3. The RH should create for low-to-moderate income applicants whose rebuilding costs exceed their pre-storm values, more affordable or forgivable loans, as stated in LRA’s own Statement of Principles.

Melanie Ehrlich and Frank Silvestri, Co-Chairmen, Citizens’ Road Home Action Team (CHAT)  
<http://chat.thinknola.com>; <http://ChatForFairness.org>; [chatlra@yahoo.com](mailto:chatlra@yahoo.com)

## Some of the Major Road Home Problems and Requests for LRA and OCD From CHAT

1. **Disappearing Dispute Resolution Cases**- data from not only ICF but also KPMG raise serious questions about ICF's accounting for how it "made" its target for dispute resolution cases on 7/31/07 and thereby avoided a large fine.

KPMG's Dec. report on the Road Home Program had many deficiencies, but it did give important insight into two areas:

KPMG's Report States That on 8/16/07 There Were 6,059 Resolution Cases, Almost 2000 More Resolution Cases than ICF Stated and That the Number of Resolution Cases Dropped by Over a Thousand from Friday, Aug. 17 to Monday, Aug. 20, 2007.

Number of applicants in dispute resolution as of 8/16/07 according to ICF's report (pipeline report) posted at [road2la.org](http://road2la.org): grand total of 4,211

Number of applicants in dispute resolution as of 7/25/07 according to a table from ICF sent to the Working Group of the LRA Housing Task Force (HTF) grand total of 7642

On Jan. 4 at the HTF meeting, OCD reported that it still had not decided if ICF met its target for dispute resolution six months ago to avoid fines specified by its amended contract. To our knowledge, this is still undecided.

2. **Just One Likely Example of Too Much Discretion for ICF Overriding RH Data Entries, Jarvis DeBerry, Times-Picayune.** This newspaper editorial board member and columnist got almost \$97,000 more than he thought he was supposed to get for his award. See two of DeBerry's columns in the Times-Picayune raising serious questions about improprieties

Man Bites Road Home, Jarvis DeBerry, Times-Picayune, Jan. 20, 2008  
<http://www.nola.com/timespic/stories/index.ssf?/base/News/1200810112239510.xml&coll=1>

Plot thickens on the Road Home, Jarvis DeBerry, Times-Picayune, Feb. 03, 2008  
<http://www.nola.com/timespic/stories/index.ssf?/base/News/1202020211295070.xml&coll=1>

More than 140 members of the Dispute Resolution team from ICF can override values or application data in the ICF grant management program without the employee stating a comment or reason for the change.

From the KPMG Dec. assessment of the RHP, p. 38

The eGrants calculator may not reflect the correct closing amount due to manual application processing during month-end closing pushes. ICF manually completes the final closing instructions based on supporting documentation attached as a PDF document to the applicant's file in eGrants. **ICF does not immediately update the values corresponding to the supporting documents in the eGrants calculator due to program acceleration, also documentation may lag.** As such, the eGrants calculator does not reflect the correct closing amount immediately.

During the period of our assessment, **over 140 resolution team members have the ability to override values in eGrants. Though some audit trail functionality exists for tracking changes, it is not robust enough. When Program operations employees override values or change applicant data, the system does not require the employee does to input a comment or reason for the change.**

3. **We have been told that it is unlikely that appeals deadlines will be waived despite applicants only recently having a policy specifying that they can get all their grant data so that they can appeal with information about their case in their hands and not just in the hands of the RHP.**

Nonetheless, the Road Home Change Policy document CP100C states the following.

"If the Road Home Program adopts after the homeowner closed, a significant policy that impacts homeowners who have already signed the form, these homeowners have the ability to appeal if the policy change is designated by the

Road Home Program as significant. This will require the Road Home program to identify and notify certain homeowners of significant policy changes."

When the Housing Task Force asked OCD at the last meeting if the deadline for appeals would be extended so that applicants could get their written documentation, the answer was maybe not.

4. It is inexcusable that as of Jan. 11, an ICF document transmitted by OCD indicated that 15,995 eligible applicants who applied 13-16 months ago have not yet obtained their grant.

This is a troublesome number for several reasons.

A. It is so unfair to these applicants to be delayed for so long.

B. It is so difficult to get data from ICF or OCD. We are still waiting for a meaningful breakdown of appeals and dispute resolution data, including not only the total numbers in those categories, but also the breakdown of whether these were resolved in the applicants favor. In addition, we have been unable to obtain second disbursement data requested at HTF Working Group conference calls many months ago and several times since.

C. On Jan. 23, it was reported in the Times-Picayune that 13,452 of those eligible early applicants had not gone to closing. In the meantime, we are hearing of more and more applicants shunted into the "ineligible" category. Several told us that when they vociferously complained about this, they were put back in the eligible category. Were applicants summarily moved out of the eligible category partly to make the numbers look better, as appears to be the case for dispute resolution?

D. We had been told during an HTF Working Group conference call that only about 200 of the applicants from the first three months of the program were still awaiting a grant. While most of these are now in in pre-closing, it can take months to go from pre-closing to obtaining a grant.

5. Applicants' data are still being withheld from them. An independent body is needed to check that complete data are mailed to applicants promptly upon request with no veiled threats of grant processing delay resulting from filling this request.

CHAT received the following email from an applicant last week as well as other reports from applicants of denial of their right to get their records this week. CAD reports (for how Type 2 Damage Estimates were calculated by detailed evaluation of storm damage were supposed to be mailed to applicants without question (and certainly without delaying their grant processing) according to a change in policy in June.

--- Original Message ---

Good afternoon,

Unfortunately, you will not be able to obtain the requested information because most of it is for program use only. You can obtain a CAD (Cost Allowance Document) regarding your damage assessment, however; if you are not disputing the estimated cost of damage, I would not recommend requesting this document because it will mean that you are disputing the damage assessment which will delay your process. Please call the # below regarding your small rental application.

The Road Home Team

PO Box 4549

Baton Rouge , LA 70821

1-888-ROAD-2-LA (1-888-762-3252) or

TTY: use 7-1-1 relay or 800-846-5277 (TTY) / 800-947-5277 (V)

-----Original Message-----

From: @gmail.com]

Sent: Sunday, January 20, 2008 9:34 AM  
To: inquiry  
Subject: Request for information: #06HHxxx

Dear Sirs:

I am writing to request all information in the files for the applications made by my wife and myself xxx.. We are the

sole co-owners of these properties.

Please send us:

All information in your file for determining our grant

A report of what might be missing from our file and/or holding up our grant(s)

Any and all other information that may be pertinent to the completion of the grants to which we have applied.

Your prompt attention to these matters are greatly appreciated.

Thank you,

6. It takes much too long for RH to implement improved policies at the level of getting a CP and then of implementing it.

7. Policy needs to be straightened out so that the damage never is <50 for someone with >3 ft of water in 1-story house or 8 ft in a 1 and 1/2 story house. The arbitrary and often incorrect classifications into Type 1 and Type 2 damage should not be made for those with major flooding that can be documented in city records, satellite photos, and insurance records.

8. The deadlines for applicants sending in information requested by staff from the appeals department have to be changed. Applicants have been reporting to us (have several just this week) that they sent information in time in compliance with the 2-week time limit for appealing applicants to provide documentation (and have certification of receipt by RH on time) but RH says that they did not receive on time and so they are booted out of that level of appeal and have to go the higher, more difficult one. Moreover, it is unfair to give only 2 weeks for applicants to provide information to RH when RH takes so long for each of its steps and when the 2 weeks includes mailing time. Often applicants get their request for documentation only 1-3 days before receipt of the information is due.

AS OF THURSDAY, FEB. 7, WE ARE TOLD BY THE STATE AGENCY, OCD, THAT THE DEADLINE FOR SENDING DOCUMENTATION TO APPEALS IS NOW EXTENDED FROM 2 WEEKS TO 45 DAYS. WE ASSUME THAT THEY SHOULD APPLY THIS TO APPLICANTS IN CURRENTLY APPEALS WHO WERE TOLD THAT THEY MISSED THE DEADLINE IN THE PAST.

9. The title companies need to really help people at closing instead of rushing them through and having the trap of applicants not realizing that they must both check a box on a closing paper to appeal and send an appeal letter.

10. ICF needs to get its computer files straightened out with expert help so that applicants are not told that they won their dispute resolution, only to have a reversal later because the proper documents were lost

11. ICF needs to stop doing unjustified repeated re-appraisals of PSV or Est. Damage not requested by the applicant and then take the lower of the values for grant calculation. Similarly, the title companies need to stop re-evaluating some applicants titles up to 6 times when there is nothing complicated about the title and no challenge to it.

12. LRA and LRA Board themselves need to work proactively to make their May 2007 Statement of Principles a reality by working actively to put into effect those that are now ignored; many of the above problems are violations of those principles (<http://road2la.org/about-us/principles.htm>)

13. Important data from ICF/OCD on applications, dispute resolution, appeals, second disbursements should not withheld for months until the data look a little better.

14. An ombudsman whose foremost responsibility would be to help the most desperate applicants has still not been appointed although this was promised in a report from ICF to OCD in Nov. of 2006! See details about the promise and need for an ombudsman at <http://chat.thinknola.com>.

<http://www.nola.com/news/t-p/metro/index.ssf?/base/news-26/119951405276410.xml&coll=1>

Road Home will add case workers

Customer service now is focus for LRA Saturday, January 05, 2008, By David Hammer

Road Home applicants who have been stuck in the homeowner assistance program for more than 90 days will now have a dedicated case manager under a plan announced Friday by the state agency overseeing the program.

The state promised a new focus on customer service at the meeting of the Louisiana Recovery Authority's housing task force, 18 months after the Road Home program began and in response to continued complaints from people hung up in the program's maze-like verification system.

Road Home has closed 90,000 grants, but some of those are still waiting for disputed award money, and as many as another 70,000 applicants still await money.

ICF International, the program's lead contractor, has said the state's initial emphasis on speed prevented it from dedicating staff to managing files consistently. Although the program was roundly criticized for moving too slowly in 2006 and the first half of 2007, the company said state overseers directed it to dedicate its staff to moving applicants to grant closings, rather than more hands-on customer service.

Mike Spletto, senior housing manager for the state Office of Community Development, said now that all eligible applicants have held an initial appointment, and now that ICF has met its contractual goal of 90,000 closings by the end of 2007, about 500 Road Home employees have been freed up to be case managers, dedicated for the first time to specific applicants.

Spletto said the program would immediately begin sending written notification to anyone in the system longer than 90 days introducing them to an individual case manager. He also said that whenever a case manager stops working for the program, his or her applicants will be notified and connected with a replacement.

The hope is the new emphasis on case management will help applicants such as Homer Branch, who is still trying to work through problems with his application after applying to the Road Home's pilot program in June 2006.

"I don't feel I have input into my process; I feel like I'm just out there, hung out to dry," Branch said. "Every time I call ICF, it's a different person. My problem with my award isn't as important as the feeling that nobody ever calls me back."

Road Home's critics have blasted the program for poor communication with applicants, and pressure by advocates only recently led to a policy change requiring written documentation of major decisions affecting applicants.

Spletto said the new customer service effort would satisfy a contractual requirement for an ombudsman, an independent overseer to clear the way for applicants having the most difficulty with Road Home. He and OCD Executive Director Suzie Elkins said a single overseer would have been overwhelmed by the demand for help.

But task force Chairman Walter Leger said there isn't enough advocacy for homeowners. "You call it an ombudsman's program, but it's really just a case-management program," Leger said.

Melanie Ehrlich, a task force member and founder of the advocacy group Citizens Road Home Action Team, or CHAT, said **the contract calls on ICF to develop a true ombudsman program and case management is a basic service the program should have offered from the beginning.**

Ehrlich followed up on the task force's request from its last meeting in October for an explanation of why several specific files were held up. ICF's Al Blankenship responded by updating the status of the individual applications, but didn't answer what systemic issues were causing the delays.

Blankenship also acknowledged that some recent policy changes may not have filtered down to all Road Home employees. Specifically, he promised that anyone denied their right to a review of their home's pre-storm value gets what is called a field-review appraisal.

The state made a concerted public effort last month to emphasize that any applicant who submits a certified Louisiana appraisal more than 20 percent higher than the property value the Road Home had been using to calculate their award may demand the field-review appraisal, paid for by the program. But Ehrlich said CHAT has heard from applicants who said they were denied that review when they requested one.

David Hammer

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/120046453758810.xml&coll=1>

Help Road Home watchdogs

Wednesday, January 16, 2008

Re: "The road to service," Our Opinions, Jan. 8.

The Road Home program has been plagued by many well-documented problems resulting in homeowners being underassisted or in many cases not assisted at all.

A lack of transparency and true program accountability have remained two major issues that are only getting worse.

**The creation of a contractually required ombudsman's office to investigate homeowner complaints, independent of both the state and ICF, would be a much-needed step in clearing away the layers of aggravating bureaucracy and ending residents' games of "telephone roulette."**

In the meantime, though, the state must buttress the nonprofit groups and community advocates that have been playing a de-facto case management role since the Road Home began.

We applaud their wisdom, hard-won expertise and dedication, and we urge the state to invest in the sustainability of community groups that have assisted thousands of homeowners and will remain a vital part of local communities throughout the state to help with rebuilding needs long after the Road Home is dismantled.

Rhonda M. Jackson

Oxfam America

Dominique Duval Diop

PolicyLink

From the Times-Picayune:

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/1201587689241850.xml&coll=1>

Cases languish in 'inactive'

Tuesday, January 29, 2008

Re: "Early bird gets the wait," Our Opinions, Jan. 25.

Count mine among the 10,000 old files that are languishing in the "Road Homeless" program.

My initial interview was Dec. 1, 2006. The grant amount was determined by June 2007 and my case was sent to the title company in July 2007. Here I remain in January 2008 without a closing appointment.

Eight pages of logged telephone calls to Road Home and the title company (predominantly messages left with no return calls) and an advisory appointment with Road Home Jan. 17, 2008, have resulted in the announcement that my case is "inactive."

I suspect that thousands of languishing cases are categorized similarly through no fault of the long-waiting, long-suffering homeowners.

JoAnn Williams

New Orleans

Now in Geismar

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/1201156554244670.xml&coll=1>

Whose fault we're 'inactive'?

Thursday, January 24, 2008

Re: "Many early applicants waiting on Road Home: Homeowners blamed for some delays," Page 1, Jan. 23.

Why are applicants being blamed when the yahoos hired to run the Louisiana Road to Hell program aren't doing their jobs?

We have been in this meat-grinder for 15 months. A year went by and nothing, so I started an e-mail campaign to find out why.

Starting Nov. 7, 2007, I sent 23 e-mails and made no fewer than 20 phone calls to anyone who would listen. I found out we had been put in an "inactive" file. Why? Because someone thought we had sold our flooded home to people with the exact same names as my husband and I, except the "other people" had Jr. behind the man's name. My husband is the Junior on all paperwork. There were no calls to verify this transaction.

So we languished in "inactive" for 10 months.

This whole process is worse than a death in the family. When a loved one passes, you grieve and then hopefully move on. But this mess is never-ending.

The applicants are now being blamed for the slow pace. I wonder what the next new excuses will be.

Linda Ricks

Covington

Not online but in the print version of the Times-Picayune:

Jan. 27, 2008: Don't you dare "expedite" me

I read with interest about Road Home's new commitment to send written documentation to applicants explaining its eligibility determination and requesting that a grant option be selected.

Since I have never received such a letter, despite having submitted my application 18 months ago (Aug., 2006), I called Wednesday and requested that a letter be sent to me consistent with the new policy. I was told that the reason they had never sent me a letter was because my application had been selected for "expedited processing." I'm not joking.

I then was told that, if I insisted on their sending me a letter, I would be taken out of the "expedited processing queue, and this would delay my case by at least an additional two months, resulting in thousands of other applicants leaping ahead of me.

Needless to say, presented with this choice, I did not insist that a letter be mailed to me.

Whoever thought up this scheme at the Road Home is a real genius.

Jeff Morgan, New Orleans

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/1202625115150270.xml&coll=1>

No road map to Road Home

Sunday, February 10, 2008

As someone who applied to the Road Home more than a year ago, who has been offered a zero award and has been attempting to challenge the program's conclusions for months, the problem is that it is like trying to hit a moving target inside a black box into which you can not see.

You can never find answers to specific questions you have about your calculations so that you can navigate through to a successful conclusion. You talk only to intermediaries on the phone or even at an appointment.

You never get access to the people who do the calculations, and the people you do talk to don't have access to those people or any useful answers.

It appears that the program is intentionally clouded in secrecy and confusion so that the Road Home can manipulate the awards and the available money as it sees fit.

There is no transparency, no consistency in awards to houses even in the same neighborhood, no published formula. There is no road map to the Road Home.

Louis Shepard

New Orleans