

**United States Senate**  
WASHINGTON, DC 20510-2003

April 8, 2004

Honorable Clark Kent Irvin  
Inspector General  
Department of Homeland Security  
245 Murray Drive, SE, Building 410  
Washington, DC 20528

Dear Inspector Irvin:

I am concerned by recent allegations that have been raised by a number of my constituents about inappropriate and possible illegal conduct by National Flood Insurance Protection (NFIP) staff and a contractor with the NFIP. Specifically, these accusations allege questionable conduct in connection with claims adjusting following the disaster of Hurricane Isabel. These are serious charges, which I believe should be investigated fully by the Department of Homeland Security Inspector General.

The allegations made by victims of Hurricane Isabel have been twofold:

First, several constituents have claimed that they were offered financial incentives to keep quiet about their individual claims arising out of damage to their property or businesses in the wake of Isabel. One victim has reported being asked "what will it take to shut you up." He claims he was then offered a specific sum of money and was told the money would be sent to him.

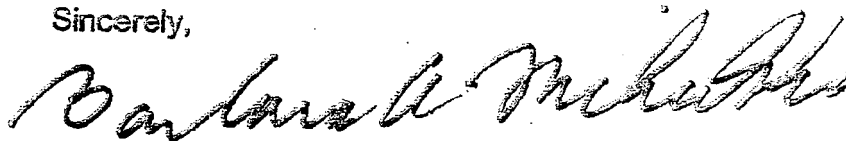
Second, victims of Isabel believe that there has been inappropriate conduct on the part of NFIP to low ball settlement offers arising out of Hurricane Isabel. Specifically, these individuals claim that there are no standards in place to determine the proper remedy for each claim. My constituents have charged that, as a result, there is no consistency in claims – people are given different amounts, not based on the damage they incurred, but based on the amount of complaining they have done. Additionally, these constituents have also raised the concern that those doing the claims adjusting may be getting paid an incentive to keep claims under a certain dollar amount, and as a result, they believe that NFIP is settling claims for far less than is appropriate or fair.

Obviously, I do not know the veracity of these allegations, but if true they raise very serious questions involving potential violations of state and federal law and those responsible should be held accountable. I urge FEMA's Inspector General to conduct a thorough review of these charges to determine if they are factual and if government employees or government contractors have violated the law. The victims of Isabel are

working hard to get their lives and businesses back on track and they deserve to be treated fairly and receive the full protection of the law to which they are entitled.

Thank you for your prompt attention to this matter. Please see the enclosed individuals that you may contact to follow-up on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara A. Mikulski".

Barbara A. Mikulski  
United States Senator

BAM:dlg  
Enclosure