



One Hundred Twelfth Congress  
U.S. House of Representatives  
Committee on Homeland Security  
Washington, DC 20515

November 21, 2011

The Honorable W. Craig Fugate  
Administrator  
Federal Emergency Management Agency  
U.S. Department of Homeland Security  
500 C Street, SW, Suite 714  
Washington, D.C. 20472

Dear Administrator Fugate:

We are writing regarding the Federal Emergency Management Agency's (FEMA) efforts to recoup disaster payments from individuals who erroneously received financial assistance after Hurricanes Katrina, Rita and Wilma. We are troubled that FEMA, years after these devastating disasters, is attempting to recoup these funds from financially-distressed Americans who received this money through no fault of their own. That said, it has come to our attention that FEMA's approach to recoupment fails to confer adequate due process protections to impacted individuals. Fortunately, FEMA has the power to remedy the basic due process encumbrance, as discussed below, immediately—without Congressional action.

Our specific concern relates to FEMA's distribution of *Notice of Debt* recoupment letters. Specifically, we learned from FEMA that since June, 15,954, or over 19 percent of the roughly 83,415 *Notice of Debt* recoupment letters sent thus far, have been returned "undeliverable" after the first mailing. As a result, thousands of people have no notice that FEMA is pursuing payments from them. It is our understanding that for each undeliverable letter, if FEMA is unable to obtain a new address, the debt is referred to the Department of Treasury for collection. Once the debt is with the Department of Treasury, that person no longer has any opportunity to appeal. The damage is compounded by the fact that after ninety (90) days, FEMA will assess a 6 percent penalty charge per year in addition to interest and administrative fees already charged.

Both Republicans and Democrats on the House Committee on Homeland Security acknowledge that the current FEMA recoupment process does not provide adequate due process. On October 13, 2011, the full House Committee on Homeland Security unanimously adopted an amendment offered by Mr. Richmond to the Department of Homeland Security Authorization Act for Fiscal Year 2012 (HR 3116) that would require FEMA to certify to the U.S. Department of the Treasury that each recipient received notice of the debt and was given an opportunity to appeal before the debt can enter the collection process. Though we look forward to this provision being enacted into law, we recognize that time is of the essence and therefore ask that FEMA exercise its administrative authority and, at a minimum, adopt this requirement. Further, we urge that FEMA review all undeliverable letters that were referred to Treasury to provide due process to these individuals, as well.

As we said, we believe that it is unfair for FEMA to ask for recoupment of disaster assistance from more than 155,000 American citizens years after they were affected by devastating hurricanes through no fault of their own. Putting that fundamental concern aside, should FEMA intend to continue pursuing recoupment, there needs to be fairness in the process. It is unfair to penalize individuals without any assurance that they received notice or were afforded an opportunity to appeal. We very much look forward to your timely reply.

Respectfully yours,

A handwritten signature in blue ink that reads "Bennie G. Thompson". The signature is written in a cursive style with a large, prominent "B" and "T".

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Bennie G. Thompson  
Ranking Member  
Committee on Homeland Security

A handwritten signature in blue ink that reads "Cedric L. Richmond". The signature is written in a cursive style with a large, prominent "C" and "R".

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Cedric L. Richmond  
Member  
Committee on Homeland Security