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# Change in Rules Barred Many From Sept. 11 Disaster Relief

By DIANA B. HENRIQUES and DAVID BARSTOW

Almost eight months after the Sept. 11 attacks on the World Trade Center, the Federal Emergency Management Agency has doled out less than \$65 million to help needy families in the disaster area pay their bills, avoid eviction and buy food — only a fraction of what the nation's frontline relief agency distributed in the months after other major catastrophes.

Agency officials say one reason their payouts have been low is that thousands of people were denied housing aid after the agency decided to limit benefits to those who could prove that their lost income was a "direct result" of the attacks. That standard, which some FEMA officials now say may have been ill defined, goes beyond the laws and regulations that have traditionally governed disaster relief efforts.

As well, some agency officials acknowledge that their efforts have been plagued by management blunders and poor coordination with the vast array of private charities that responded last fall. For example, some 15,000 people got faulty aid applications that increased the risk they would be denied help. Hundreds

of other victims were turned down because their claims were judged under outdated eligibility requirements, officials acknowledge.

Both because of decisions they defend, and problems they regret, agency officials today concede that their attempts to reach all who need help in the New York region have fallen far short of its initial public promises and its own expectations. Government officials have estimated that about 75,000 jobs and \$4.5 billion in income were lost to people in the New York disaster region.

While agency officials said they could not say exactly how many people might have been unfairly denied aid, they say it is certainly true that thousands of deserving families in the disaster zone in New York may lose their homes or apartments if they do not get FEMA's help.

The agency ultimately spent more than \$1.4 billion on similar direct financial help to families affected by California's Northridge earthquake in 1994; at least \$1 billion in Hurricane Georges, which struck Puerto Rico in 1998; and \$220 million for

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## Winnowing Down Requests for Help

Cases pending initial review: 28

The Federal Emergency Management Agency has only approved 29 percent of the New York area applications to its Mortgage and Rental Assistance program, a crucial safety net for those thrown out of work after the World Trade Center attack. Here is how the applications had been processed as of April 8.

M.R.A packets returned by app

**Applicants sent Mortgage and Rental Assistance (M.R.A) packets  
31,578**

Loss

M.R.A packets not returned  
20,610

Source: Federal Emergency Management Agency

The New York Times

### FEDERAL AID

# Many 9/11 Needy Denied Help as A

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storms and floods in Michigan two years ago. While those amounts were paid out over years, relief experts say the bulk of the payments occurred in the first months after the disasters.

Officials at the agency, including its director, Joseph Allbaugh, said they were doing everything possible to reach more victims, although they defended the new "direct result" requirement as fiscally responsible. "You have to draw the line somewhere or all 289 million Americans would be eligible," Mr. Allbaugh said in an interview yesterday.

Mr. Allbaugh warned against making payment comparisons between individual disasters the sole measure of how well the agency had responded. "There are always extenuating circumstances," he said, like the number of applicants and the geographic extent of the damage.

He also attributed the low numbers of people receiving aid at least in part to legislative limits and "proud New Yorkers" who have been reluctant to seek help. "I wish the numbers were higher quite

program's potential usefulness by inserting a single word into its eligibility guidelines. The phrase "as a result" was changed to "as a direct result," which substantially raised the burden of proof on jobless workers trying to qualify.

Agency officials say the revision provoked fierce debate within the agency, a debate in which some officials, particularly those in New York City, argued that the program's rules should rather be stretched to the limit to accommodate an explosion of joblessness. "We lost that fight to the bosses in Washington," one agency official in New York said, speaking on condition of anonymity.

The concern that thousands of needy families would be unable to meet the tightened standard has been borne out, the agency's records show. Seven of every 10 people who applied for the mortgage and rental program have been turned down, most commonly because they could not prove to the agency's satisfaction that their plight was a "direct result" of the disaster. The rejection rate is far higher than in other major relief efforts, records show.

Among those denied the agency's

help after Sept. 11, according to interviews and records, were hundreds of Chinatown seamstresses, Manhattan hotel workers and taxi drivers. In one typical case, the agency refused to help a disabled veteran who sold hats and gloves on the sidewalks of lower Broadway, though he provided sworn statements from shopkeepers confirming that he was a regular vendor in the area.

### Policy Change Defended

Mr. Allbaugh, who had publicly pledged to help "everyone affected by the tragic events," said that the policy change was necessary to make it clear that the program was not intended for the Las Vegas croupier laid off in the subsequent tourism slump. But many charity officials argue that the official disaster area designation gave Mr. Allbaugh all the leverage he needed to limit the program to New York and parts of northern Virginia affected by the attack on the Pentagon.

Increasingly frustrated by the agency's performance, some leaders of the large Sept. 11 charities assert that at virtually every turn victims

frankly," he said, urging the region's needy families to register with the agency before the deadline of Sept. 30. "FEMA is going to be there as long as we need to be there," he said.

### Charities Cutting Back Aid

The agency's role in the continuing relief efforts is critically important because major charities have for months been sharply curtailing assistance to economic victims of the attacks, and unemployment benefits will soon expire. As documented in a study released this week by the United Way of New York City, evictions are surging and new requests for federal help are climbing.

Many FEMA programs — emphasizing stopgap aid to repair homes and businesses — were ill suited to the unusual nature of the Sept. 11 disaster. Unlike a flood or hurricane, where property destruction is widespread but economic effects are typically short-lived, these attacks brought physical devastation to a concentrated area but caused widespread and prolonged economic damage.

Yet the agency's arsenal did include a heretofore little-used program that everyone, including the agency's own officials, agreed was seemingly ideal for this calamity.

The program covers up to 18 months of mortgage or rent payments for anyone in a major disaster area who lost at least 25 percent of his income "as a result" of the catastrophe. It offered just the sort of safety net that many people in New York and Virginia were seeking.

But almost immediately, senior agency officials limited the pro-

### CHARITIES

## Sorting Out Why U.S. Agency S

By DAVID BARSTOW  
and DIANA B. HENRIQUES

One reason the Federal Emergency Management Agency has spent comparatively little on financial aid to victims of the Sept. 11 attacks is that private charities have spent so much, agency officials said.

According to these officials, the leading charities often failed to coordinate with FEMA and instead bowed to intense public pressure, hastily disbursing money to the same victims FEMA was ready to help. The unfortunate result, they said, was that tens of millions of dollars in donations were spent to provide help that was available from existing federal programs. "The whole cart got put before the horse," a senior FEMA official said, speaking on condition of anonymity.

Charity officials are livid at that criticism. "Let me get this straight," said Joshua Gotbaum, chief executive of the Sept. 11 Fund, the second largest charity responding to the attacks. "FEMA is saying, in effect, that the victims of Sept. 11 should be penalized and not get benefits that other disaster victims have gotten because the charities were quick to supply aid?" He and other charity offi-

cials said that that it was FEMA's lack of communication that led to confusion.

Despite numerous meetings and consultations with FEMA officials, the charities said the agency never informed them that it was sharply limiting its mortgage and rental assistance, a program that offers up to 18 months of housing payments to those who lost jobs as a result of the disaster. Consequently, they said, they believed FEMA was distributing aid throughout the 15-county disaster area — as its public service announcements indicated — while they focused their more limited resources on the most direct victims.

Instead, FEMA gave attention to the very same victims the charities were already helping — the families of those who were killed or injured or who lived and worked near the World Trade Center. But because many of those victims had already received help from the charities, they wound up ineligible for FEMA assistance.

Just two tiny new charities formed by a homebuilders' trade group and a realtors' association, then, have together provided more mortgage and rent assistance than FEMA, which has so far spent roughly \$13 million on such aid.

Charities said they had to help

### AIR QUALITY

## Expert Says Asbestos Slightly Raised Risks for

By KIRK JOHNSON

The risk of asbestos-related disease, including cancer, has risen slightly for tens of thousands of people in Lower Manhattan as a result of the collapse of the World Trade Center, a prominent New York physician said yesterday.

The risk is higher, he said, for those who worked under the most hazardous conditions, and much of the danger could have been reduced or eliminated entirely if proper preventive action had been taken.

But the physician, Dr. Stephen M. Levin, the medical director at the Mount Sinai School of Medicine's Irving J. Selikoff Center for Occupational Health and Environmental Medicine, which has treated more patients for trade center-related respiratory complaints than perhaps any other hospital, also had some re-

assuring news.

In a presentation in Manhattan before a panel of the American College of Preventive Medicine, Dr. Levin said that for the vast majority of people exposed to asbestos — from being caught in the dust cloud of the collapsing towers, for example, or from cleaning up their apartments or offices — the risk of ever getting sick was "very, very small."

He also said, after examining test results and cleanup records in some schools in Lower Manhattan, including Stuyvesant High School and Public School 150, that students and parents in those schools should have little concern about long-term health effects.

In general, he said, people who regularly walked by the disaster site on their way to or from work in the days and weeks afterward were exposed to lower asbestos levels, which

should not worry them.

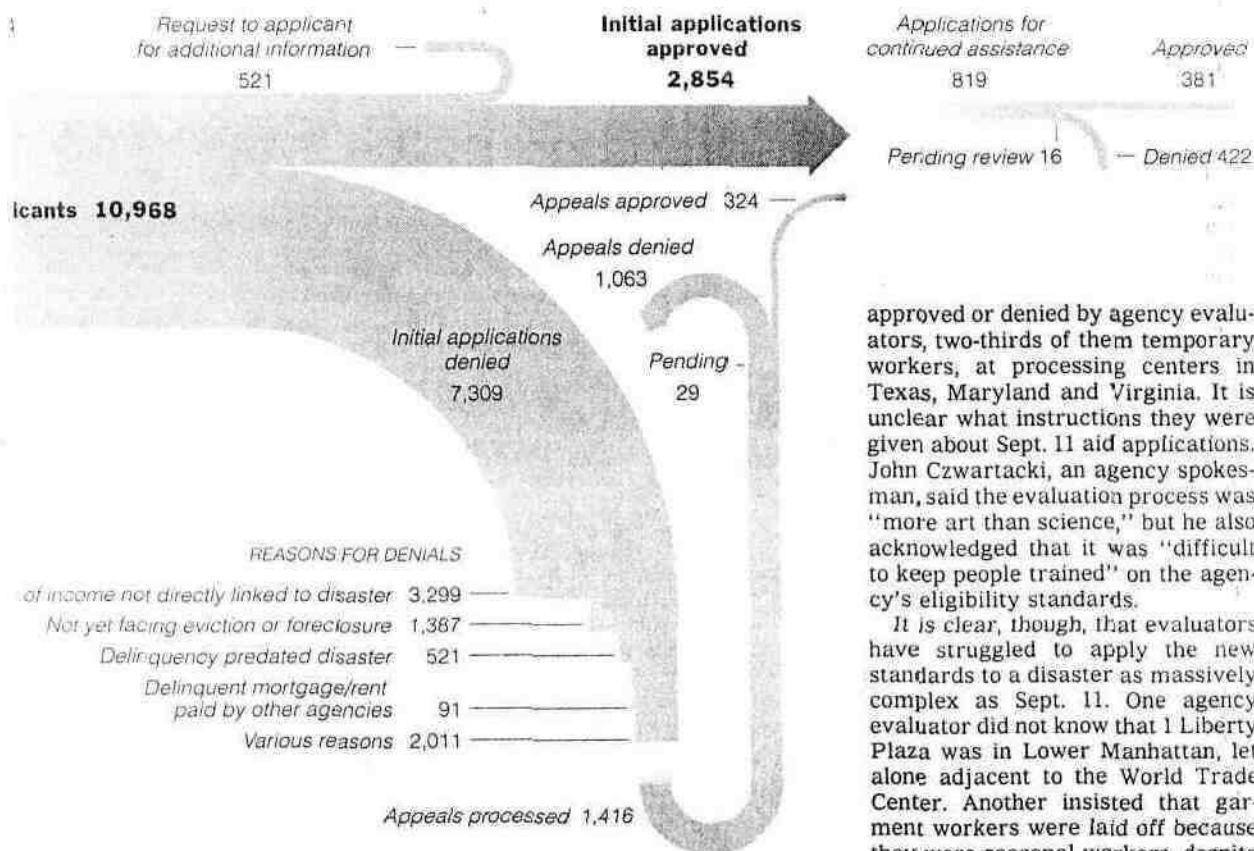
"It's important to keep this risk in perspective," he said. "It's not a zero increase in risk, but it's not a magnitude of risk that I think people ought to be terrorized by or fearful of on a day-to-day basis."

Asbestos, a fibrous mineral that was used for decades in the insulation of buildings, including parts of the twin towers, was not the only material that people were exposed to after the Sept. 11 attack. The billowing dust cloud contained pulverized concrete, fiberglass and other materials. Acrid smoke from the fires that burned for more than three months at the site irritated the lungs and sinuses of thousands.

But it is asbestos, perhaps because of the broader public awareness of its risks and the fear its name evokes, that has dominated the debate about the medical and environ-

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approved or denied by agency evaluators, two-thirds of them temporary workers, at processing centers in Texas, Maryland and Virginia. It is unclear what instructions they were given about Sept. 11 aid applications. John Czwartacki, an agency spokesman, said the evaluation process was "more art than science," but he also acknowledged that it was "difficult to keep people trained" on the agency's eligibility standards.

It is clear, though, that evaluators have struggled to apply the new standards to a disaster as massively complex as Sept. 11. One agency evaluator did not know that 1 Liberty Plaza was in Lower Manhattan, let alone adjacent to the World Trade Center. Another insisted that garment workers were laid off because they were seasonal workers, despite government studies showing that the attacks cost the industry thousands of jobs.

## Agency's Rules Changed

encounter new objections from agency workers who have little grasp of New York City's geography and commercial life. That knowledge is often critical to their decisions on granting aid.

FEMA, with its vastly greater resources, "could be a safety net for the tens of thousands who lost their jobs," said Joshua Gotbaum, chief executive of the Sept. 11 Fund, the second-largest charity responding to the attacks. "However, until FEMA makes it easier to apply and clearer who is eligible, most victims won't tackle the paperwork, and most of those who do will continue to be rejected."

Aid to individuals is only one measure of the agency's response to the Sept. 11 attacks. The agency has spent nearly \$1 billion on debris removal and family assistance centers, and \$22 million more on mental health programs.

### How Aid Was Distributed

The \$65 million disbursed to Sept. 11 victims in the New York region includes \$9 million in short-term jobless benefits; \$37 million in tempo-

rary shelter for about 7,600 people; \$5.4 million in small cash grants, and \$13 million on mortgage and rental assistance. A far smaller amount has been spent on similar aid in northern Virginia.

Going forward, mortgage and rental assistance will be the agency's most important tool to help victims, officials agree. But before last fall, the agency actually had little experience with that kind of aid. In the last seven years, FEMA had distributed just \$11.7 million in mortgage and rental aid, and \$10.7 million of that was in a single disaster, a freeze that damaged California fruit orchards in 1998. (Whereas 29 percent of the Sept. 11 applicants were approved, 60 percent of nearly 6,000 Californians were approved.)

And once the agency decided to modify the eligibility rules, the unfamiliar program became even more baffling. There were no guidelines to help applicants, or the agency's own employees, distinguish which job losses were direct results of the attacks. Each attempt to define the key terms generated more confusion, victims and agency workers say.

"I'll be honest with you," said one

### 'They Don't Have a Clue'

"You get these people answering the line, and they are nice people, they mean well, they try hard, but they don't have a clue about New York City," said Andrew Kashyap, a counselor for the Urban Justice Center who has worked with dozens of Sept. 11 families.

The program has been further hampered by its own application form. The form is only available in English, a major obstacle in New York.

Agency officials also failed to change the application form to make it possible for evaluators to determine whether job losses were directly related to the disaster. While the new standard stressed proximity to the World Trade Center as one key requirement, the application form failed to ask people to provide their employer's address. It also failed to provide a place for applicants to explain why their job loss was a "direct result" of the attacks, and lacked any explanation of how the agency defined "direct result."

These lapses produced some strange results. One applicant, who had worked at a restaurant on the concourse of the World Trade Center, supplied the restaurant's name

## vent So Little

families that might have qualified for FEMA's mortgage and rent assistance because the aid was slow in coming, difficult to get and, most important, available only when families faced eviction or foreclosure. "It absolutely puts people in the situation where they've got to stand on the brink," one FEMA official said, acknowledging that the provision almost certainly scared away many potential applicants.

Another FEMA official recalled how one widow tearfully protested that she had never been so much as a day late on her mortgage. If she waited for a foreclosure notice, she asked, what would happen if FEMA turned her down?

In subsequent discussions with charities in New York, FEMA officials have suggested that a late payment notice would be sufficient, a position that FEMA finally made explicit in a public information brochure it began distributing to victims last month.

Nevertheless, FEMA employees have rejected scores of applicants because they had not yet reached the point of eviction or foreclosure. Even now, FEMA's aid application forms — and its telephone hotline — still advise people that they must be facing eviction or foreclosure before they can get help.

veteran agency official who asked not to be identified. "Some of them I understand and some of them I can't decipher."

As the agency's television announcements promised help to "all those who need it," the confusion over who could qualify for that help was growing. "There's really no guidance anywhere that the public has seen," said Jackson Chin, associate counsel at the Puerto Rican Legal Defense and Education Fund. "There is nothing out there that helps the applicant make the case that their job loss was directly linked to Sept. 11."

Alfred J. Peck Jr., the director of social services for the Salvation Army in New York, is one of many charity officials who believe, incorrectly, that the program is open only to people living south of Houston Street, a cross street in Lower Manhattan.

### Almost Unknown in Virginia

In Virginia, the FEMA program for those economically affected by the Pentagon attacks is virtually invisible. Although the thousands of workers thrown out of work by the temporary closing of Reagan National Airport were specifically included in the program for mortgage and rent help, only 39 people in that area have applied. Five have been approved.

"This is incredible," said Jorge Rivera, the crisis response manager for Local 25 of the Hotel and Restaurant Workers Union in Washington D.C. "I have a database of about 150 members who are in arrears on their mortgage or rent right now."

Applications for the program are

and his supervisor's telephone number at work, just as the application requested. His application records show that he was denied aid because an agency evaluator could not get through on the telephone to the now nonexistent restaurant.

Agency officials discovered the problem and changed the application form on Nov. 14. But by that time, 15,113 of the old mortgage and rental assistance applications had already been mailed out. And the new forms still give no explanation of "direct result."

By now, according to many relief officials, word of the agency's confusing standards has spread so widely that thousands of families do not even apply. In the New York area, for example, the agency has mailed out nearly 31,578 applications to people who had passed an initial telephone screening process. Of those, 10,968 sent in applications — and only 3,178 ultimately got help, numbers that agency officials themselves find alarming.

Mr. Allbaugh urged residents to register with FEMA's hot line, 1-800-462-9029.

On a recent afternoon, six unemployed seamstresses gathered the Chinese Staff and Workers Association in Chinatown. All six had notarized letters from their employer, G.W. Fashion Inc. on Howard Street, stating they were fired in October "due to the tragic disaster of Sept. 11, 2001." All six also had FEMA application forms. They said the experience of co-workers had convinced them it was hopeless.

"It's as if they assume them criminals first," said Wing Lam, the association's director.

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## Disease Among Residents of Lower Manhattan

mental consequences of the attack. Scientists have weighed in on the risks presented by short asbestos fibers and long ones. Some residents and workers have said that they believed there were cover-up conspiracies, perpetrated by the city, the federal government or building owners, to minimize cleanup costs and liabilities.

Dr. Levin's presentation concluded that for most people, the added risks were slight, not because asbestos is less deadly than believed, but because most people did not get the level of exposure that, statistically, has produced disease. One-time exposure that results in cancer many years later is extremely rare, he said, and the scarring of the lungs that characterizes diseases like asbestosis generally requires years of exposure.

The catastrophic collapse of the

towers smashed much of the asbestos in the buildings into tiny fibers, which have been shown in animal tests to be generally less dangerous than longer fibers. (Short fibers, however, have been linked in some studies to a relatively rare cancer called mesothelioma that affects about one in a million people in the general population, Dr. Levin said.)

But the risks from asbestos exposure were also compounded for many people, including rescue and cleanup workers, who did not wear respirators sufficient to protect their lungs at ground zero and nearby. Many day laborers, including large numbers of immigrants who spoke little or no English, were hired to clean up dust-laden buildings, Dr. Levin said, with little or no protection or instruction.

"It's a public health outrage that they were permitted to be exposed

this way," he said.

Other public health experts said that Dr. Levin's presentation reinforced their assessment that the long-term health consequences of the attacks were not likely to be severe for the general population.

"My assessment hasn't changed," said Patrick L. Kinney, an associate professor of public health at the Mailman School of Public Health at Columbia University. "The main health concern was workers around the pile," he said.

But Professor Kinney added that there had been health effects that were not life-threatening, including new cases of asthma and sinusitis in people who were exposed to the dust.

"Beyond that, I'm not aware of any data that has suggested that people off-site have suffered any important health consequences," he said.