



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

November 1, 2005

Mr. Frank Ellis  
Engineer Inspector General  
U.S. Army Corps of Engineers  
Office of the Engineer Inspector General  
Kingman Building  
7701 Telegraph Road  
Alexandria, VA 22315-3863

Dear Inspector General Ellis:

Since Hurricane Katrina made landfall on August 29, 2005, families all over the country have been inundated with images of its utter devastation. Of the buildings still standing, many have significant roof damage or no roofs at all. As you may know, the Army Corps of Engineers was delegated the authority from FEMA to ensure that Katrina-damaged roofs are repaired, and to procure the necessary contracts to attain this end.

From the project's onset, "Operation Blue-Roof" as the program has been named by FEMA, was designed to dispatch construction crews to repair damaged homes. News reports estimate that "as many as 300,000 homes in Louisiana alone may need roof repairs... [And] the bill could reach hundreds of millions of dollars"<sup>1</sup>. With a project of such great importance and potential expense, strong management and oversight is essential.

Yet, this doesn't seem to be the case. According to the same news report, contractors are being paid in excess of what the commercial value of their work is worth. Published reports indicate that the government is paying \$2,980 to \$3,500 to nail blue plastic tarps in place on damaged roofs, a job that would normally cost \$300. In essence, if these reports are accurate, it appears that the government is paying nearly ten-fold the market rate for this type of work. In many instances, the cost of applying a temporary plastic covering is equal to the cost of affixing a permanent roof. Moreover, reports indicate that contractors are not paying any costs for materials, thereby increasing their profit margin.

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<sup>1</sup> "U.S. pays a premium to cover storm-damaged roofs" KRT News Service, October 16, 2005.

In addition to the troubling news of exorbitant payments, I have been informed that some of Katrina's prime contractors also worked on similar roof tarping projects after Hurricane Ivan. Given the investigation by the U.S. Attorney for the Northern District of Florida into issues surrounding Operation Blue Roof in Florida following Hurricane Ivan, I am concerned that the Department is not conducting adequate oversight of Operation Blue Roof in the post-Katrina recovery period

Therefore, I urge your office to ensure that there is accountability and oversight of the current Operation Blue Roof contracts. Specifically, I request that you provide to my office any and all information that you and FEMA may have regarding the following:

- The Request for Proposal (RFP) for the "blue-roof" project.
- The responses, detailing their winning bid submissions from The Shaw Group, LJC Construction, Simon Roofing, and their subcontractors.
- Any documents you may have concerning complaints or negative performance evaluations of prime contractors of Katrina's "Blue-Roof."
- The rationale by which the Department determined that Operation Blue Roof contracts could not be awarded to small, minority or locally owned firms as prime contractors.

I look forward to your response by December 12, 2005. If you have any questions, please do not hesitate to contact Jessica Herrera-Flanigan, Democratic Staff Director, at 202-226-2616.

Sincerely,



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Bennie G. Thompson  
Ranking Member  
House Committee on Homeland Security



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Bill Pascrell, Jr.  
Ranking Member,  
Subcommittee on Emergency  
Preparedness, Science and  
Technology