

## **Robin Hood in Reverse: Corporate and Government Looting of the Gulf Coast**

By Bill Quigley.

Robin Hood stole from the rich and gave to the poor. On the Gulf Coast, the reverse is happening. Federal, state and local governments are teaming up with corporations and developers to systematically steal hurricane relief funds from the poor to enrich themselves.

Billions of dollars were given to help the communities damaged by Katrina. The money was intended to help the working, elderly and disabled people of the Gulf Coast rebuild and restart their lives after Katrina.

The need is still great. More than 300,000 people remain displaced from the City of New Orleans alone. Hundreds of thousands of others on the rest of the Gulf Coast are also not home. About 80,000 families in Louisiana are living in FEMA trailers. The number of displaced people living in Texas is 250,000, and Georgia reports another 100,000. Tragically, money that was supposed to go to those in need is instead being diverted by federal, state and local politicians and corporations for other purposes.

Example one: Congress allocated \$10.4 billion through the Community Development Block Grant (CDBG) program to rebuild Louisiana. By law, more than 50% of these funds are supposed to benefit low- and moderate-income people. As of November 1, 2006, only 22 people have actually received any of this money to fix up their homes, out of almost 79,000 homeowners who have applied for assistance. Yes, only 22!

Louisiana seemingly cannot get the money to those in need, but it has managed to start paying a corporate management company, ICF International, \$756 million over the next three years to run the rebuilding program. This is very big for ICF, whose total revenue in 2005 was \$177 million.

While tens of thousands of homeowners wait for assistance, renters are not even on the list. Not a single dollar of CDBG money is allocated directly to any of the renters devastated by Katrina, despite the fact that over 50 percent of the people in New Orleans were renters.

Example two: Louisiana is giving \$200 million in CDBG federal hurricane relief funds to bail out a private utility corporation, Entergy New Orleans. This corporation pleads poverty despite being a subsidiary of its parent company, Entergy Inc., which reported a net cash flow of \$777 million for the third quarter of 2006.

Worse, Louisiana is saying this \$200 million in CDBG funds counts as a contribution to the low- and moderate-income people of New Orleans - most of whom have not even made it back to the city.

Example three: U.S. Housing and Urban Development (HUD), which has taken over the local Housing Authority of New Orleans (HANO), is seeking millions in hurricane relief tax credits to demolish more than 5000 apartments. Since Katrina, HUD and HANO have barred thousands of families from returning to their apartments. All the renters are African American, most are mothers and grandmothers. Some are elderly and disabled. Private apartments are out of the question for most of these folks, as rent in the New Orleans area has risen nearly 80 percent in the past year. These apartments are safe and could already have been repaired, but almost all the maintenance workers were fired after the hurricane. A professor from MIT recently inspected the apartments and declared they are structurally sound and are in better shape than most of the rest of the housing in New Orleans.

Residents still living in Texas and Georgia are pleading to return to their apartments and promise to clean them up if only the government will take the bars off the doors and windows. Developers and the agencies want to tear these apartments down and build other mixed-income housing. They say there is only a short window of opportunity available to get hurricane tax credits to demolish and redevelop the properties, so it does not make financial sense to repair the apartments.

After taking millions in hurricane relief money, will the developers still provide affordable housing to these 5000 families? Absolutely not. HUD flatly says that everyone who lived in these apartments before Katrina will not have a home after the developers are finished. Public housing residents remember a 1600-apartment development that was demolished before Katrina - only 100 families have been allowed to live in the new place.

A hopeful sign is that Amnesty International USA has joined the side of local residents and affordable housing allies. AIUSA has mounted a campaign calling on people across the country to "stand with Katrina survivors and call for HUD to stop the destruction of housing for low-income residents."

Meanwhile, disaster profiteering continues. The Gulf Opportunity Zone Act of 2005 was established by Congress to rebuild the communities devastated by Hurricanes Katrina and Rita. So far, this has been used to subsidize all kinds of private projects including the building of a mall for Target and JC Penny in Lafayette, expanding an auto dealership in Baton Rouge, and converting a plantation in Livingston into a hotel.

This corporate plundering follows the path taken in the immediate days after Katrina, when politically connected corporations were given hundreds of millions in no-bid contracts. Ashbritt of Florida was awarded a contract for more than \$500 million to clean up debris in Mississippi despite not owning a single dump truck. Ashbritt had paid a GOP lobbying firm \$40,000 right before the storm and another \$50,000 directly to the GOP the year before.

Ceres Environmental of Brooklyn Park, MN was given a \$500 million contract for debris removal in Louisiana by the Army Corps of Engineers. In the previous four years, the company had received a total of \$29 million in government contracts. The Minnesota Office of Environmental Assistance listed the company as a provider of "yard waste compost and horticultural potting soil."

And Circle B Enterprises was awarded \$287 million in contracts by FEMA to build trailers despite not being licensed to build homes in its own state of Georgia and filing for bankruptcy in 2003. The company does not even have a website. Other corporations profiting from the devastation include Bechtel, Blackwater, CH2M Hill, Fluor and Halliburton subsidiary KBR.

There has been no real oversight of these misdeeds. The only criminal charges filed to date have been against individuals who ripped off programs for a couple of hundred or a few thousand dollars. Most recently, the Department of Justice triumphantly announced to the press that they had issued an indictment for abuse of Katrina funds - of a man who illegally received Katrina unemployment benefits while still working! Meanwhile, hundreds of millions are being diverted without a peep from the government.

The people of New Orleans and the Gulf coast are fighting against the robbing of the poor and the looting of hurricane relief funds, but the clock is ticking. Before long, there will be no money left. The generosity of those who contributed to help those harmed by Katrina will be snugly in the pockets of developers and corporations. Affordable housing will remain scarce. The working poor, the elderly and the disabled will remain displaced. The next disaster will occur and this will happen again.

Support the people and community organizations of the Gulf Coast in this fight. Raise righteous and holy hell! Join with Amnesty International USA in the human rights campaign to stop the demolition of affordable housing. Ask your federal elected officials for an immediate investigation into the looting of the Gulf Coast. We need your help, before all the money is gone.

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check out [www.justiceforneworleans.org](http://www.justiceforneworleans.org) and look at the CorpWatch report, "Big, Easy Money: Disaster Profiteering on the American Gulf Coast."