

United States Senate

WASHINGTON, DC 20510

February 19, 2015

Acting Attorney General John Jay Hoffman
Office of the Attorney General
RJ Hughes Justice Complex
25 Market Street, Box 080
Trenton, NJ 08625-0080

Dear Acting Attorney General Hoffman:

We are writing to ask that your office consider conducting a formal investigation into what U.S. Magistrate Judge Gary Brown refers to as "reprehensible gamesmanship" being perpetrated by engineering firms on behalf of Write Your Own (WYO) insurance companies against disaster victims covered under the National Flood Insurance Program (NFIP). As revealed by the Court, WYOs have engaged in a practice of tasking firms to issue "baseless report[s]" in order to reduce the amount of money provided to policyholders. The Attorney General in the State of New York has initiated a criminal investigation, and we strongly believe it merits your consideration to determine if similar actions are appropriate in New Jersey.

The recently exposed actions to limit the proceeds for policyholders reaffirms what Sandy victims have long been telling us, as well as the concerns expressed at the hearing chaired by Senator Menendez on July 30, 2014. At this hearing, FEMA Administrator Fugate heard about FEMA's unbalanced penalty structure that punishes WYOs for making overpayments far more than it punishes them for making underpayments. As a result of these hearings, as well as several follow-up letters and meetings, FEMA agreed to significant reforms, including: conducting its own internal investigation; constituting a task force led by Senator Menendez to realign the unbalanced penalty structure; reopening 270 policyholder appeals; and providing policyholders in litigation with all engineering report permutations.

Yet these recent events have led us to believe more is needed to protect homeowners. As Judge Brown noted, the practice of engineering firms, hired by the WYO, altering the original adjuster's report without ever having visited the property "journeyed beyond misleading into the realm of misrepresentation."

In addition to the State of New York's investigation, the U.S. Department of Homeland Security Inspector General has also initiated an investigation. Given the seriousness of the allegations, the effect they are having on Sandy victims, and the very similar circumstances facing New York and New Jersey, we believe a concurrent investigation from your office should be seriously considered.

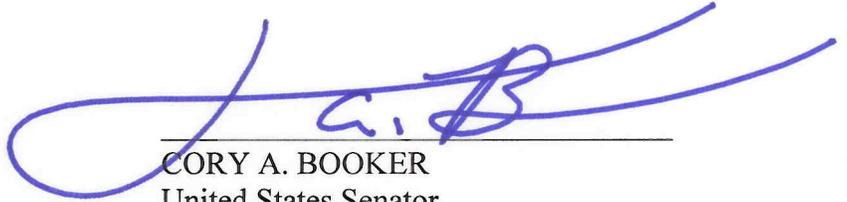
If left unaddressed, these practices threaten to stunt our State's recovery from Superstorm Sandy and leave many families without the ability to rebuild their homes and move on with their lives.

They are not asking for a handout - only what they deserve and what they've been paying premiums for.

Sincerely,



ROBERT MENENDEZ
United States Senator



CORY A. BOOKER
United States Senator