

# HORIZONS

Office of Cerro Grande Fire Claims



Federal Emergency Management Agency

March 30, 2001

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## CONTACT US!

**INFORMATION:** 888-748-1853

Hours: 9 a.m. - 6 p.m. M-F  
9 a.m. - 12 p.m. Sat.

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### WEBSITE:

[www.fema.gov/cerrogrande](http://www.fema.gov/cerrogrande)

### CUSTOMER SERVICE CENTERS

**M-F 9 a.m. to 6 p.m.,**

**Sat. 9 a.m. to noon**

**Espanola:** Johnson Controls Bldg.  
1027 N. Railroad

**Los Alamos:** IT Bldg.,  
235 Central Park Sq.

**White Rock:** 134 State Road 4

**Santa Clara Pueblo:** Behind Health  
Clinic

**San Ildefonso Pueblo:** TEWA  
Visitors Center

## Ombudsman:

### Espanola

Veronica Verde  
Office: 747-4204  
Cell: 505-934-9728

### Santa Clara and San Ildefonso

Joseph Hesbrook  
Office: 424-5908  
Cell: 505-934-9699

### Los Alamos and White Rock Businesses

Bill Lehman  
Office: 661-3121  
Cell: 505-934-9698

### Los Alamos and White Rock Individuals, M-Th, 10 a.m.-4 p.m.

Dorothy Hamory  
Office: 661-3121  
Cell: 505-934-9719

## Bingaman Notes Congressional Compensation Efforts

In the months since the devastating Cerro Grande Fire, many New Mexicans, including myself, have watched with awe how this community has begun to rebuild itself. Los Alamos residents' ability to come together in the time of need will forever be a hallmark of this community.

If there was a way to undo what was done by the federal government last May, we in Congress would have legislated it in no time. What we were able to do was to enact a \$455 million package to compensate those who lost homes, personal belongings and wages, and those who suffered business losses as a result of the horrible blaze. The Federal Emergency Management Agency agreed to take on the tremendous responsibility for compensating Los Alamos for its losses. This was a new role for FEMA, and I am pleased with the effort and commitment shown in the early days.

There is no question there have been a few bumps in the road. But there is good news to report. Newly confirmed FEMA Director Joe Allbaugh was on the job just a few weeks when he toured the areas most affected by the fire and met with survivors. Mr. Allbaugh has demonstrated to me that he will continue to make the Cerro Grande Fire Assistance Act a top priority for his agency.

In another move forward, the regulations governing compensation payments have been finalized. This has taken some of the uncertainty out of the claims process. While the pace for settling claims was slow at first, it has accelerated in recent weeks. FEMA has paid out nearly \$60 million and will pay out millions more in the coming weeks and months.

There is still some uncertainty for survivors of the Cerro Grande Fire, however. Among the most pressing

concerns are questions about how compensation payments should be taxed.

It was clear to all of us who crafted the CGFAA that this law was intended to reimburse those who suffered losses — not to create a tax burden for those seeking compensation. However, as the federal tax filing deadline approached, questions posed by survivors made it clear that we needed to clarify our intent.

In a meeting earlier this month with Treasury Department officials, I discussed the urgency of resolving outstanding tax concerns. The department responded quickly, issuing a nine-month tax filing extension for Cerro Grande survivors. Instead of having to file federal tax returns by April 16, individual tax filers are not required to file their returns until January 16, 2002. The deadline for corporate filers is December 17, 2001.

The Treasury Department has assured me it will, by March 31, resolve tax concerns, such as whether to tax the reimbursement of costs and expenses associated with preparing and making a claim.

In the meantime, Senator Domenici and I introduced legislation that would, if needed, make all compensation payments non-taxable. We will work to advance this bill, or one similar to it, and we hope to get immediate support from the Bush Administration.

Should you have any additional concerns on the tax issue or on any other issue related to the fire, please do not hesitate to contact my staff at 988-6647.

*Senator Jeff Bingaman*

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## Bilingual Espanola Customer Service Representative Takes Care of Hometown Claimants' Unique Needs

A popular hometown Customer Service Representative in a local office of Cerro Grande Fire Claims (OCGFC) is playing a key role in getting the word out about federal assistance and helping residents of the Espanola area file claims.

Lydia Armijo, daughter of longtime family businessman Ismael Vigil, has been involved in a variety of community projects in the past, and is well known by many in the community. Despite her experience, working with fire claimants has been a new experience.

"I've heard so many stories I can't believe," Lydia said. "When evacuation was ordered, there were closed roads and many elderly and disabled who couldn't leave, and even patients in labor when they evacuated the hospital."

Lydia joined the OCGFC in November, 2000, and during her first few weeks there was only a trickle of inquiries from people who had experienced a loss or problem in the wake of the fire. In recent weeks, the number of walk-ins has increased to some 80 daily, along with a soaring number of telephone inquiries.

Thanks to Lydia and her enthusiasm for spreading the word and her knowledge of the program, many Rio Arriba County residents have signed up for fire assistance.

A graduate of Santa Fe's St. Michael's High School in 1981, Lydia attended the College of Santa Fe, where she received a BA degree in Environmental Management and Computer Design. She later worked with the state and for State Representative and current



**Lydia Armijo** grew up in Espanola and knows many of the claimants who come to the Espanola Customer Service Center.

House Speaker Ben Lujan before becoming an outreach representative for Johnson Controls, a major company providing a variety of contractual services for Los Alamos National Laboratory.

Lydia defines her front line role as a customer service representative succinctly: "I deal with walk-ins and explain the Cerro Grande Fire Assistance Act and the applications they need to fill out ... and answer any questions they may have."

Lydia often directs her time and attention to many elderly residents who are uncertain about the program and whether or not they should begin a claims process. Because she is bilingual, Lydia also works with non-bilingual claims processors in communicating to the elderly and others information on time frames and the status of claims.

Although she personally has worked with more than 1,000 of the nearly 8,500 people who have visited the center, Lydia still feels that only a portion of potentially valid claims have been filed from the Espanola area, where there is a population exceeding 15,000.

"People are just starting to understand what is happening," Lydia said, and "the program is very well organized and a very good thing ... and it says to the public that there are people who care about them."

## CGFAA Final Rules Now In Place, Few Changes

The final rules for the Cerro Grande Fire Assistance Act are now in place, eliminating any uncertainty about how loss claims will be compensated.

"Completing the final rules was a major accomplishment," said Don Erbach, director of the OFCGC. "They were very carefully put together, based on comment from the public, New Mexico law and FEMA's years of experience in managing grant programs."

For the most part, the final rules are the same as the interim rules under which OFCGC previously operated. However, there are some significant changes:

Claimants will receive an increased allowance to cover claims preparation expenses. The allowance will be paid at the rate of 5 percent of the total claim amount plus insurance proceeds and other federal disaster-recovery funds up to \$15,000, with a minimum payment of \$100. Those who settled their claims under the interim policy will automatically receive compensation for the additional amounts. Letters are being sent to claimants who have settled, notifying them of what additional compensation to expect.

Mitigation funds are available for homeowners who suffered structural damage, as well as those who experienced a total loss.

Mitigation money will be paid in advance of work being completed. Claimants still should talk with a mitigation specialist to be certain the money is spent appropriately.

Up to \$68.25 million has been designated for community-wide mitigation.

Copies of the final rules are available in the Customer Service Centers for anyone who wishes to read them, and they have been posted on the Cerro Grande website: [www.fema.gov/cerrogrande](http://www.fema.gov/cerrogrande).

### Payments Processed As of 03/23/01

#### Payments Processed:

Individuals	\$ 36,622,888
Businesses	\$ 12,528,904
State/County	\$ 6,165,084
Tribal Government	\$ 3,686,053
Not-For-Profit	\$ 89,063

Total Partial Payments:  
\$ 59,091,992

### If you see fraud, call the OCGFC Inspector General

CGFAA funds are to compensate Cerro Grande fire victims. If you believe fraud is occurring, please call the Office of the Inspector General (OIG), an arm of the Federal Emergency Management Agency (FEMA).

**800-323-8603 or 505-424-5919**