

# CHEYENNE HERALD

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## Are FEMA "scrap" mobile homes being illegally sold for housing in Laramie County?

In an ironic twist, new rules regulating mobile homes in Laramie County - enacted to prevent a guy from establishing a mobile home park on Chalk Bluffs Road with older mobile homes - has come back to bite the county commissioners squarely on their posteriors. Rules were put in place to favor new(er) mobile and manufactured homes and those rules may have been manipulated to play an important role in allowing a Laramie County mobile home park owner to avoid FEMA's edict that certain trailers and mobile homes purchased to house Hurricane Katrina and Rita victims and no longer needed could only be sold as scrap. No habitation.

As was long placed at the top of the front page of each Cheyenne Herald, "Anything two people know is not a secret." And at least two people knew about an attempt to use FEMA scrap mobile homes for housing - which is strictly verboten. And, while contacts with government officials who should have been concerned about this attempt were ignored, as was a contact with the daily newspaper in town, one to the Cheyenne Herald was not.

Sometimes my tips come from inside an organization, sometimes from outside. But there are many, many conscientious, law-abiding citizens in this great land and something as obvious as a mobile home with the word "scrap" painted in red paint across the side or end of the unit was bound to draw attention. Without knowing exactly why the mobile homes brought into Laramie County were designated as scrap, the mere fact that they were and the labeling was so obvious should have caught the attention of many more people than it did. But it caught the attention of at least one. And he/she called me.

It's not unusual for concerned residents to scattergun their attempt to get someone's attention. And, you'd think that what appeared to be illegal activity would have drawn more attention but it didn't.

The source had countless pictures of mobile homes in a single mobile home park (mhp) with the word "scrap" spray painted on them. It was easy to determine just what that word meant on FEMA surplus mobile homes. What it means is those trailers can not be used for housing.

After a great deal of research on the internet, as an added precaution I made contact with the FEMA office in Cheyenne and, at their suggestion, the FEMA regional office in Denver. I asked if there were any exceptions to the order that those mobile homes (and trailers) could not be used for "habitation" (housing). Any exceptions? Could they be repaired, restored, fumigated, ventilated - anything - to once again make them inhabitable?

There are no exceptions. Once labeled as "scrap" by FEMA and surplus to GSA for sale or auction, those mobile homes can only be used for salvage. Those units were determined by FEMA to "have no value above the basic material content." It doesn't matter if you agree or disagree. Whether you believe the government has made a mistake with that restriction or not. Whether you're willing to assume the risk of living in a mobile home filled with formaldehyde or not. There is no way around the scrap designation.

Yet, unscrupulous and dishonest people have taken the scrap mobile homes into parks in Missouri and Georgia - possibly

now into Wyoming - and sold or leased them to unsuspecting buyers or tenants.

Why here and why now?

Here because they can sneak across the state line with the scrap mobile homes by avoiding the Port of Entry. The Port triggers a report to the Assessor's office that a mobile home has come into Laramie County and now because these mobile homes were built within the past five years so no "visual" inspection on them is required for a building permit to be issued.

In the window below, you will see a Laramie County building permit. It is posted within four feet of the "scrap" designation for this mobile home - a designation that prohibits that mobile home from being used for habitation but the building permit does just that. In addition to tying down the trailer, the permit allows for steps to be placed and utilities run to the unit. There can be no question that this trailer is being set up to be occupied for long term residency. Within days of this photo being taken, the word "SCRAP" was painted over so it cannot now be read.

There were steps taken by FEMA to try to prevent circumventing the prohibition of selling or leasing the mobile home for housing purposes. The buyer has to sign an agreement that he will not resell the unit for habitation and that he will inform, in writing, any buyer of the restriction. There should also be a HUD sticker on units that can be occupied for housing. If there is none, buyers should be told the mobile home is unfit for occupancy. The scrap units can be used for limited purposes - construction trailer, etc., but people cannot live in them. Formaldehyde levels in some of the FEMA scrap mobile homes exceed 70 times the safe level.

To put one of these scrap units into use as housing takes effort and the government tried to prevent that but cannot catch all deceit, deviousness and dishonesty.

Because the ones in Cheyenne have been painted or paneled over, law enforcement (the FBI has been at the mobile home park) must enter all of these identical units and record the serial numbers and contact GSA to determine if the units were sold as scrap. I can't do that.



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# More on the FEMA mobile Homes

Hurricane Katrina displaced hundreds of thousands of Americans in 2005. The federal government took several steps to try to help those who were forced out of their own homes by the hurricanes (Rita also) and their aftermaths - at a cost of over \$80 billion. It was a project beyond almost any of the past. Housing was a critical need and the Federal Emergency Management Agency (FEMA) coordinated efforts to provide services to those affected. In spite of a president's verbal support ("Brownie, you're doing a heckuva job") the Agency was much criticized and maligned for their efforts.

A major mobilization of temporary housing units was mounted. Travel trailers and mobile homes came in from all over the country and others were ordered from manufacturers. A major problem in many manufactured with no notice and probably little oversight was a high level of formaldehyde. Health risks beyond those of the storms were faced by some displaced.

As people were able to return to their homes or relocate, the temporary housing units became a huge financial cost for storage. In an effort both to end the mounting costs of storage and to provide values to those living in the units or wanting to buy them, FEMA "excessed" many units to the GSA for sale. Many of the units had been determined to be "scrap" - having value only of the material content - and were deemed uninhabitable. Obviously, the trailers and mobile homes were very new - some never occupied.

There have been countless news articles about the issue of "scrap" mobile homes and trailers. Those in the business, including mobile home park operators, are surely informed about the designation of scrap by FEMA.

Yet, these trailers can be bought at fire sale prices (and were) and resold or leased at great profit. And that has been done. Is it now being done in Laramie County, Wyoming? It looks like it. Even brokers for these trailers and mobile homes cleverly suggest that they could be used for housing but don't recommend it - saying that they can be used for office space, storage and construction command posts, etc., seemingly while winking an eye toward altering the appearance and using them for housing.

There are six or seven mobile homes in a local mobile home park that were clearly marked with the red word "SCRAP" on the side or end of each unit. There was no mistaking that the mobile home was one of those so designated by FEMA and sold as such by GSA. There are another dozen, give or take, of identical trailers in the same mobile home park that were not so marked so far as could be determined.

Few of the mobile homes have been completely altered or made ready for occupancy as of today (September 10, 2010). None have been registered as sold to a new owner even though some may have been as of this date. If those marked as "scrap" are sold for housing, whomever does that will probably face criminal charges. It is not inadvertent. It is not an honest mistake. It is deliberate. Laramie County's Building Department did not visually inspect the trailers or they would have seen the markings. In one window of a mobile home, the Building Permit is right above the word "scrap" on the side of the mobile home. The permits must have been issued in bulk and sight unseen.

The Assessor's Office does not have a record of some of these units being brought into the County. It appears they

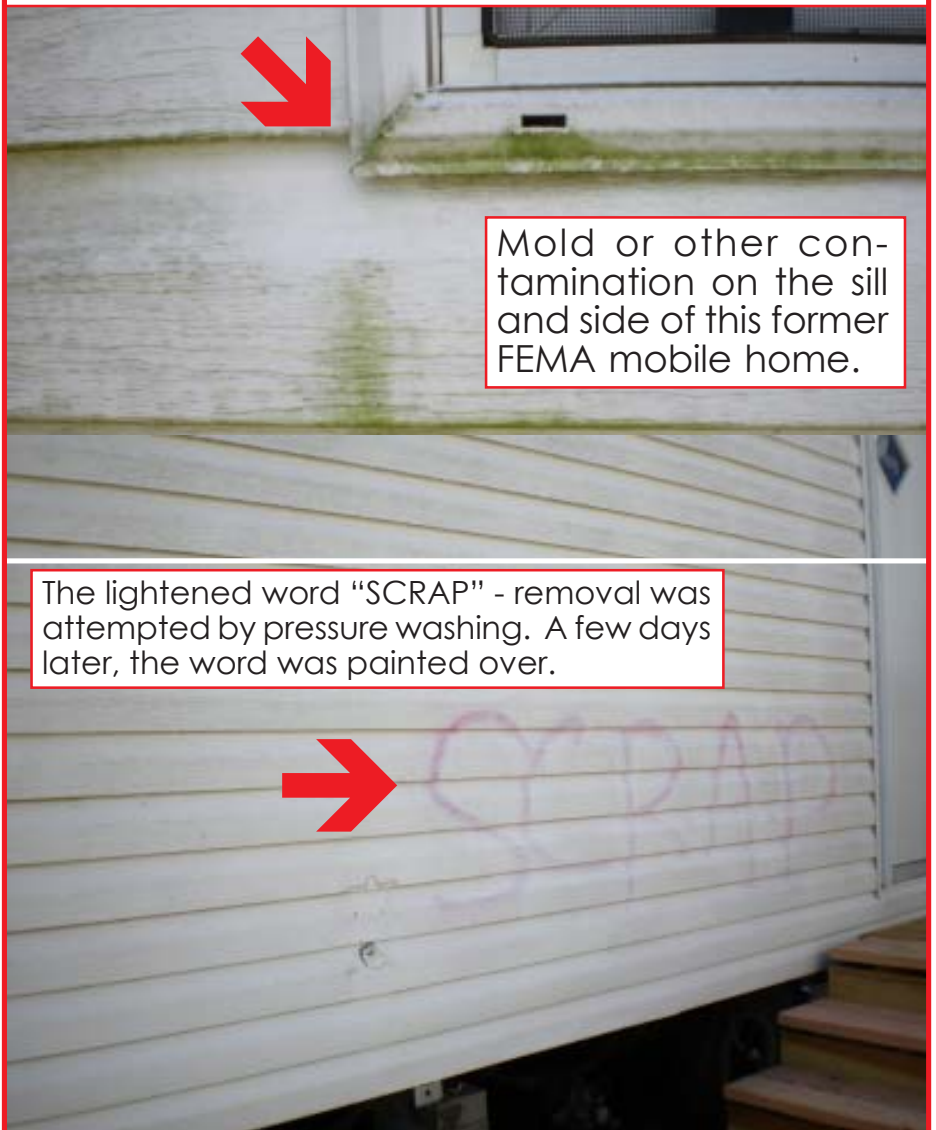
were transported past the Port of Entry when it was closed. Deliberately? You judge. Could these marked mobile homes actually be safe for habitation? Perhaps. But, federal rules do not allow that risk to be taken. Scrap mobile homes cannot be used for habitation. Period. Whether they would pose a health risk or not is immaterial. It may be safe to fly aboard a commercial aircraft without your seat belt fastened but FAA rules do not allow you to take that risk. It may be safe to stand during takeoff and landing. But, you can't.

Formaldehyde was not the only determinant in designating units as "scrap." A photo below suggests mold. Or, mildew. If mold exists, it will not always be visible.

Mobile homes in the local park that were labeled as "scrap" are being altered - vinyl siding is being applied, the word "scrap" is being removed and/or being painted over. Some have been altered already.

But, the Cheyenne Herald has a number of photos taken before the alterations and can identify the "pad" number upon which they sat. Also, the serial number of each unit can be traced to determine if the unit was designated scrap before being sold by GSA. An intentional act of using these homes for occupancy of families, including adults and children with respiratory problems, is detestable and should be prosecuted to the fullest extent of the law.

## 2 other scrap mobile homes in a Laramie County mobile home park



## FEMA Q. and A.

Q. How can I buy a FEMA trailer?  
 A. ... However, due to problems with some of the trailers which has (sic) resulted in lawsuits, people can acquire some trailers but there are significant limitations. There cannot be any "habitation."

Q. What units will be designated as "scrap?"  
 A. ... housing units that are determined to have no value beyond their basic material content can be sold as scrap.

-- Wholesale buyers from the auction must sign contracts attesting that trailers will not be used, sold or advertised as housing, they said, and that trailers will carry a sticker saying, "Not to be used for housing." (Note: The Property Exchange has one of the FEMA mobile homes listed - whether it is a scrap unit or not is still to be determined.)

-- "FEMA's sale of ... more than 9,300 pad-mounted mobile homes drew high bids totaling \$133 million, or about seven (7) cents on the dollar compared to what the government paid."

-- "... FEMA units could be resold many times, including over the Internet, and that unscrupulous sellers could remove warning labels or withhold information about the dangers." (In fact, Ebay has a listing for several 14'x70' FEMA mobile homes - at \$12,500 each plus cost of transportation.)

-- A reason to suspend sales before resuming them was, "Buying 'scrap' units not intended for human habitation and then returning them to the housing pool."

-- "But although the word 'scrap' is prominent on all sales information and documentation provided to purchasers, and the terms clearly indicate that the units are 'not intended for habitation,' more than two dozen of the units have turned up in recent weeks at mobile home parks in Missouri and Georgia." (Note: A building inspector in Missouri discovered those units in his home state.)

-- "When I looked at the documents, they clearly said, 'not to be occupied; for scrap only.'" "FEMA also has been spray-painting the word 'scrap' on the sides of units ..." (Note: There is also a HUD label on habitable units. If not present, beware!)

Sources of some of the above, a March 20, 2010 RVBusiness article and an MSNBC report

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