

THAW, United Way: No help for utility shutoffs

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In the aftermath of the deaths of 14 Detroiters as a result of utility shutoffs over the last two months, the media, the utility company and state and local officials have attempted to shift the blame onto the victims, claiming they failed to seek the help that is readily available.

Michigan Public Service Commission spokeswoman Judy Panlau told the *World Socialist Web Site*, “There are a number of shutoff programs available, such as the Winter Protection Plan. The utility is also happy to take calls.”

Detroit Mayor Dave Bing’s spokesman said, “We also want to remind the community that there are resources available in times of need: Our Department of Human Services, THAW, and United Way’s 2-1-1.”

In the coverage of these tragic incidents, the media has repeatedly pointed to THAW as a source of assistance.

One might believe from these statements that help is just a phone call away. That could not be further from the truth.

What is this purported assistance?

The Winter Protection Plan is available to senior citizens 65 older, as well as certain categories of low-income households, during the period December 1-March 31. Bills continue to accrue during that four-month period and customers are responsible for payment once their account comes due on April 1. Many shutoffs take place as a result.

Only the elderly are protected from utility shutoffs in Michigan during this period, although their bills continue to accrue.

Every household in the metro Detroit area receives regular solicitations for DTE Energy’s charity, the Heat and Warmth Fund (THAW), in the name of “Neighbors Helping Neighbors In Need,” and many workers donate monthly.

THAW is a 501(c) (3) nonprofit organization. Founded in 1985, it serves part of the state of Michigan with utility assistance. It is similar to organizations established by utility companies around the country, such as the Dollar Energy Fund in Pennsylvania, Oregon HEAT, Energy Outreach Colorado, and Operation Fuel in Connecticut.

United Way’s 2-1-1 is a national referral system for health and human services and nonprofit organizations.

How do you get help from THAW?

The WSWs investigated what THAW is doing for families living through Michigan’s harsh winter with no heat.

The THAW web site lists the requirements for aid:

- * You must live in the right part of the state; the entire state is not covered.

- * Your service must be shut off, having been cut during the past year, not earlier.

- * Your balance must be more than \$125 for single accounts or \$250 for combined accounts.

- * You must have verifiable income, and it must not exceed 250 percent of the federal poverty level. If your income is 150 percent of the poverty level, you are to apply not to THAW, but to the Michigan Department of Human Services.

- * If you have received help in the last year, you are ineligible.

Below this list of qualifications there is a note: “IMPORTANT: Applicant MUST keep a budget agreement with their utility provider. If the applicant calls to remove their account from the budget, the THAW cash and/or utility match (if applicable) will not be applied or will be removed from customer account.”

In other words, if during the ensuing year you are unable to meet the DTE-set budget amount, the aid will be retracted retroactively and added back to the bill!

Once you determine that it is worth applying, you call the THAW helpline, 800-866-8429, which is an automated referral system based on ZIP code. Your geographic location prompts the system to provide the phone numbers for the “partner agencies” to contact in order to apply to the program. THAW contracts with more than 100 different agencies that screen applicants and determine the level of assistance. That level can vary greatly from agency to agency.

The WSWs began a series of phone calls on March 5 to investigate. We started with Detroit ZIP code 48215 and were directed to call the Metro CAA Region 1 in Highland Park. This number was disconnected. We were also given the Neighborhood Service Organization at the Harper Gratiot Service Center. A recording said, “We have reached our quota at this time, call back in a few weeks.”

Next, we tried ZIP code 48219 and reached Motor City Blight Busters, whose voice mail said to leave a message. Then we tried Michigan Neighborhood Partners, but the number was no longer in service.

Oakland County ZIP code 48034 generated the number for Oakland Livingston Human Services. A recording stated, “The following requirements must be met for your utility assistance: proof of income for everyone that receives income in the household (it has to be current, within the last 30 days), Oakland County ID or driver’s licenses for everyone 18 years and older (it has to be current), Social Security cards for all members of the household, a shutoff notice in your name or spouse’s name, a copy of the money order or actual receipt for the payment made in this emergency, DHS’s [Department of Human Services] decision notice based on your shutoff (it has to be current within 30 days). We cannot service you without all necessary documentation.”

Finally, by trying a number of additional Detroit ZIP codes, we were

able to find an agency worker. She agreed to speak confidentially to the WSWS.

Asked about the application process, she stated there was no application process at present. “Well, actually, the funds are depleted right now,” she said. “We’re in a waiting stage. There was only \$5 million allocated by the State of Michigan this year, instead of \$6 million last year, and there were a lot more requests for aid.”

We asked when funds would be made available. “They’re in a fund-raising mode right now,” she replied, adding, “I don’t know when.”

She continued, “There are many people who need help. It’s bad. We get quite a few calls every day. We can’t tell them anything. We ran out by the end of February, but stretched it a bit by capping the amount we gave out, so that it would extend a bit.”

There is, in fact, no help from THAW for anyone today, even those who meet all of the requirements of the program. And there hasn’t been for weeks! This fact has never once been mentioned in all of the newspaper reports about the Detroit house fires.

The agency worker explained the apparently arbitrary discrepancies in aid between individuals, “THAW is just a fiduciary institution,” she said. “It allocates funds to various organizations, including churches. If we get money again, every organization may or may not receive funds, and then they receive different amounts of funds. Depending on what you have received, you will help people differently. If you only have \$4,000 altogether, you won’t give out much, but if you’ve received \$40,000, you might.

“The money comes in from the state usually around November, but there was no state budget, so we had to wait until January. Now that money is gone.

“Most definitely, there is less help. It’s terrible. I see them personally. It’s very difficult to tell them there are no more funds for now. Home heating rates are up 9 percent just this year alone.”

We asked about the rest of the money, even if the state’s portion is depleted. “There’s just not enough,” she said. “We received \$400,000 from fund-raisers, and that was used up in two days, very quickly.”

What is THAW?

THAW is a nonprofit agency and serves a number of purposes. It is an industry creation. THAW’s vice president is Linda Blair of ITC Holdings (an electricity transmission firm in the Midwest), and its Treasurer is Mark Stiers of DTE Energy. Sitting on its board of directors is Daniel Forsyth of SEMCO Energy, Paul Livernois of Michigan Gas Utilities and Tom O’Masta of Consumers Energy. Just behind the energy industry—in terms of representation on the THAW board—is the financial industry, with Louise Guyton of Comerica Bank, honorary member Jack Schwab of Flagstar Bank and representatives from Deloitte and KPMG.

THAW provides the energy conglomerates a public relations boost—a way to make them appear charitable, humane and “helpful.” It also provides DTE Energy a handsome tax write-off. DTE provides credit matches to customers, upwards of \$5 million a year, according to its financial statement of June 2009, receiving a tax credit for these funds. DTE restores the recipients as customers who are required to make fixed monthly payments.

However, having given a small subsidy to the indebted customer, DTE will “claw back” the donation if the customer fails any time in the course of the following year to make a monthly payment. The monthly sums are set by DTE based on the highest consumption months, without regard to clients’ actual ability to pay.

Money donated by concerned citizens, supplemented by State of

Michigan tax money, ends up in DTE’s pocket, while DTE’s support of THAW gives the company a “humanitarian” gloss. It’s a win-win deal for DTE Energy.

THAW’s 2009 Financial Statement, posted on its web site, shows that THAW paid DTE \$7.2 million, and DTE provided an additional \$4.9 million credit to customers. This would indicate that DTE received money both ways—netting a tax reduction on nearly \$5 million in the year and gaining \$7.2 million in direct revenue that it could not otherwise realize.

The United Way’s 2-1-1 program

Mayor Bing’s office indicated that there were several options for utility payment help, including THAW and the United Way’s emergency-sounding 2-1-1 program. The WSWS called 2-1-1 to find out what aid it offers.

The automated referral message directs the caller to the local office of the Department of Human Services or the DTE case management office.

We were informed that we could choose to get a “2-1-1 specialist” on the line, which we did. This reporter was then told that United Way has no money for direct financial assistance with utilities.

“Actually, there’s only THAW, who distributes funds through agencies, and it doesn’t take long for those funds to be depleted,” said the utility specialist.

“We don’t have a lot to work with,” she added. “Folks will call in and say they received assistance already through THAW, but is there anything else? We tell them no.”

She continued, “THAW has so many restrictions. It is very important that people be able to maintain their payments once they receive funds from THAW. They must have income: that is very important.

“People will also call in and say that they don’t have a shutoff notice yet [and therefore don’t qualify for THAW]. They don’t want to go into shutoff because then the reconnection fee, from \$150 to \$300, will be added to their bill.

“But nine out of ten will have their service disconnected anyway, because you can’t just call THAW and get money the next day. It’s a process. First they will make you call the Michigan Department of Human Services. They must make a determination. That takes 2-4 weeks alone. The DHS is understaffed and has an enormous case volume.

“If the family can rob Peter to pay Paul, maybe they can hold on until they can reach THAW. But then we get a lot of calls saying that they’ve never contacted the welfare department and they don’t want to. They say, we always gave money to United Way, where’s our money when we need help?

“And once you are on THAW, if you miss one payment, you are removed from the budget plan and you have to pay the entire balance. These are not small bills people are calling us about. It’s \$1,000 to \$10,000.

“Sometimes people have opened accounts in other people’s names, identity theft, and then run up huge bills. It’s heart-wrenching. We receive so many calls for so many situations. I’m not surprised they went through \$400,000 in just a few days. We had to tell many people in ‘early THAW’—that would be around November-December—that THAW was just not distributing.”

The specialist said that she couldn’t be named, but added, “This touches my heart. Every time I hear about one of these tragedies, I wonder if I might have spoken to that family.”



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