

BP spill claims czar throws out thousands of applications

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The Independent Claims Facility responsible for distributing money to those who lost their homes and jobs as a result of the BP oil blowout in the Gulf of Mexico has tossed out 20,000 applications, up from 150 at the end of September, while many other applicants say that they are getting only a fraction of what they have requested.

“Claims czar” Kenneth Feinberg, who runs the escrow, told the Associated Press on Monday that almost all of the claims have been thrown out because of a lack of documentation. Only 30 potentially fraudulent claims have been found and sent to the Justice Department for investigation.

The revelations makes clear that the Independent Claims Facility, established with the backing of both the Obama administration and BP, was never designed to make whole the people of the Gulf. Instead its purpose is to divert popular anger while shielding BP from a threatened avalanche of lawsuits from residents, fishermen and business owners whose livelihoods, homes and health were damaged as a result of the April 20 blowout aboard the Deepwater Horizon.

Feinberg indicated that the claims facility is using shotgun methods to quash the applications, suggesting that he will discriminate against any claim that came in past the last week in August.

“A true emergency claim one would have expected would have come in shortly after August 23,” Feinberg said, referring to the date he assumed responsibility from BP for the claims process. “But two-thirds of the claims have come in since October 1, and (many of) those claims are undocumented.”

In fact, the eligibility period for emergency six-month payments expires on November 23. There had never been any previous indication that claims coming in after August would be treated with greater suspicion.

After November 23, Gulf residents can file for a final payment, which will be granted only under condition that they waive in perpetuity their right to sue BP and the other corporations implicated in the Deepwater Horizon explosion and subsequent oil spill.

Feinberg has repeatedly stressed that his preoccupation is to protect BP from “illegitimate” claims. According to the AP, Feinberg “speculated that some who don’t deserve a payment sense a gold rush and are inundating the facility with illegitimate requests.”

So far 315,000 claims have been made to the facility. Given the size of the spill—the largest in human history and affecting the coasts and waters of five states—this is hardly an outsized number. Only \$1.7 billion of the \$20 billion fund has been awarded to 92,000 claimants.

Even among those whose claims have been approved, many say they have received only a fraction of what they requested. The AP interviewed Sheryl Lindsay of Orange Beach, Alabama, whose beachfront wedding business has been destroyed by the spill. She requested \$240,000, but received a check for only \$7,700.

“Why can’t they just explain why they denied me? Why are they so secretive?” she asked. “I have three weddings booked for next year. That’s it. Normally, by this time, I would have 50 on the books. I’m at my breaking point. I don’t know what else to do except file bankruptcy.”

Feinberg is no independent arbiter. He is in fact on BP’s payroll, and has refused to reveal how much the oil giant is paying him. The powerful Washington, DC, attorney has a long track record of protecting the rich and powerful—from the Agent Orange poisoning of US soldiers in Vietnam, to the Dalkon Shield birth control device that injured tens of thousands of women and

killed 20; from his role in charge of the 9/11 victims fund, to the Obama administration “pay czar” responsible for approving the seven-figure salaries for the very Wall Street executives whose reckless speculation triggered the financial collapse of 2008.

The juxtaposition of how the Obama administration has shielded BP, whose negligence led to one of the worst ecological disaster in human history, with its zealous prosecution of those accused of “defrauding” the claims facility is telling.

Not a single BP executive has been arrested, punished or even fired. But Charlotte Johnson of Fayetteville, North Carolina, who allegedly falsely claimed to have lost \$15,500 in wages as an employee of a New Orleans oyster company, has been jailed and charged with federal wire fraud. She faces up to 20 years in prison.

As for “improper documentation,” the Obama administration has turned a blind eye to the major banks’ systematic counterfeiting of hundreds of thousands of legal papers in order to evict foreclosed families from their homes. Yet its hand-picked man for the BP claims facility, Feinberg, dismisses tens of thousands of distressed families for incomplete applications.

BP, meanwhile, has already returned to profitability, its third quarter earnings report reveals. The London-based firm took in \$1.8 billion in profits from July through September, marking a dramatic reversal for a company whose survival as an independent concern was in doubt until Obama’s announcement of the Independent Claims Facility in mid-June.

“These results demonstrate that BP is well on track for recovery after the tragic accident on the Deepwater Horizon drilling rig and subsequent oil spill,” BP’s new chief executive officer, Bob Dudley, said in a statement.



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