

Our Experience With Privatized Housing on Ft. Meade

Testimony of Colonel Scott Gerber and Mrs. Sandy Gerber
for the House Appropriations Committee
Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

Submitted March 1, 2020

Thank you for inviting us to testify. My wife Sandy and I lived in Corvias housing on Ft. Meade and wish to share our experiences with on-base housing, as well as the conclusions we drew from that experience.

Our family is one of many from across the country who came together in 2018 and 2019 to shine the light on unacceptable housing conditions on Fort Meade and elsewhere. Service members, spouses, lawyers, journalists, and residents of the local community brought a national spotlight on unacceptable housing conditions that drew the Secretary and Chief of Staff of the Army to engage the problem personally. While some conditions have improved since then, I agree with General Gustave Perna of Army Materiel Command when he said last week that “we aren’t there yet,” not by a longshot. To achieve permanent change, we must provide local leaders and families a level playing field.

While we see some progress, for the reasons set forth in our testimony, we strongly encourage Congress and the Services to expand the inclusion of service members, their families, and military advocacy groups in the ongoing conversations about reforming and fixing our privatized on-base housing, especially with regard to the Tenant Bill of Rights. Congress and the Services should also employ independent inspectors to verify that the private housing contractors are, in fact, fixing the existing homes.

Understanding the work that remains begins by acknowledging the role of the housing providers in creating these issues and realizing the importance of strict oversight to ensure they remedy the faults. In the military, when we see people behave in ways that fall short of expectations, we hold them and their leaders accountable.

These contractors promised to deliver clean, safe housing and to improve the quality of existing housing. They made these commitments to the Services; to our families and to us; and to you and your colleagues in Congress. But in many cases, problems have gotten worse. Privatization occurred at the time when America entered its longest-running war. The private sector companies should have provided support on the home front in exchange for a reasonable profit, enabling our commanders to focus on warfighting and readiness. Through our basic housing allowances, we paid the housing contractors hundreds of millions of dollars. But the failures of the contractors to deliver on their obligations have forced the people responsible for national defense—the Congressional defense committees and senior Department of Defense officials—to intervene. For over a year now, senior civilian and military leaders have spent countless hours attempting to correct the military housing scandal. Secretary McCarthy has placed a four-star general, General Gustave Perna, the commander of Army Materiel Command, in charge of fixing the disaster. The situation with on-base housing has turned out to be the opposite of Congress’ goals when it authorized the privatized housing initiative.

Service members and their families have lost trust in the housing contractors. As Soldiers, trust is the coin of our realm. You literally trust your brothers and sisters—the mechanics who make equipment work, the medic who keeps you alive, and your wingman who follows you into the breach—with your life. But what Sandy and I witnessed lead us and many families like us, to conclude that faith was misplaced. The privatized housing contractors must meet their obligations to our service members, their families, and the government to regain our confidence.

To ensure they meet their obligations and regain our trust, we need to have *all* of the provisions promised in the Tenant Bill of Rights delivered. If the private firms were serious in saying that they support the Bill of Rights, let's get it done. Congress can help that process go faster by asking the hard questions of the Services and private firms and verifying their responsiveness to ensure issues are being addressed. The U.S. Government should consider bringing in external housing inspectors who can provide a legitimate assessment of the homes on Ft. Meade and elsewhere. External inspection also ensures that service members receive safe houses, and that local families and commanders have reliable, unbiased assessments of military housing in the long-term. We must work together at leveling the playing field between providers and tenants to ensure that this never happens again. Our service members and their families deserve the peace of mind that when we call them into harm's way, their families are in safe, clean housing.

Our Experience With Housing

In the Summer of 2018, we leased 4542 English Avenue on Ft. Meade. We were not provided with habitable housing for the duration of our time living on-base. The house had numerous pre-existing mold and maintenance issues that had not been addressed. My wife and I spent hundreds of hours finding the root of issues and overseeing repairs.

Our problems began on day one and continued throughout our time on Fort Meade. On our first day in the house, we walked in the door to find the kitchen had flooded because a water line to the refrigerator broke. The water soaked through the floor and flooded parts of the garage below. A maintenance technician told us that the water line was obsolete, and that workers should have replaced it during the maintenance period between tenants.

We had to fight tooth-and-nail to try and get maintenance to correct the deficiencies. At first, even though the flood water had leaked through the floor into the garage below, the maintenance teams did not want to pull up the flooring. Then, we found water-damaged wood that was decayed under the vinyl floor that they never replaced. Finally, they wanted to re-install water damaged cabinetry.



Left: Rotted wood subflooring in 4542 English Avenue that was not replaced or repaired.
Right: Water damaged cabinets that the provider wanted to replace back in the kitchen after a flood.

The home was also infested with mold when we moved in, and the housing provider never remediated it effectively. *Stachybotrys* (Black mold) infested the garage before the flood. The smell was unmistakable. Subsequently, we found mold in the kitchen, basement, attic, master bathroom, guest bathroom, master bedroom, entryway, and upstairs HVAC.

The housing contractor never fully remediated the *Stachybotrys* in the garage. The last air quality test that they ran revealed elevated levels of *Stachybotrys*, but they told us that since the number had gone down, it was ok. Elevated black mold in a home is never ok.

I had to go into the attic to identify the mold and roof leaks - the roof had twelve holes in it. I did so *after* several maintenance personnel had gone into the attic and failed to identify the problem. Visible mold growth remained in the basement and attic months after identification. Finally, when a worker removed the mold-infested kitchen fan, he did not contain the area. The mold spores spread through the house, making Sandy ill to the point where she had to leave to house.

Every mold air quality test taken in the home revealed unacceptably high levels of dangerous molds. The outside “experts” that the housing company brought in failed to conduct routine exploratory steps, such as executing an air quality test on the HVAC system. No one found the large gash or the mold in the HVAC, located in the attic, until November 20, 2018. After we identified this damage, the housing provider refused to test the air in the attic. We had to hire a local home inspector to conduct the tests. He found extreme levels of dangerous mold in both the attic and the HVAC system in the attic. For five months, the upstairs HVAC blew mold spores and insulation on us as we slept.

Moreover, the mold and water damage were preexisting conditions that the housing provider should have identified because they were supposed to service the HVAC between tenants. We later learned from the prior occupant of 4542 English Avenue that when they lived in the home, several ceilings collapsed due to water leaks in the roof.

The house was uninhabitable. It took us five months of suffering to come to this conclusion. Although we were eventually moved to temporary quarters, the nightmare did not end. Those quarters also had issues, beginning with a gas leak and a leak in the kitchen sink. When my wife became ill, we also found mold in the home. Both bathrooms had a massive *Aspergillus/Penicillium* mold infestation. We moved out of those quarters, and into a hotel off of Fort Meade, that day.

When we moved out, the housing company’s Project Manager on Fort Meade offered us \$40,000, but only if we would sign a non-disclosure agreement releasing them from all liability. However, by this time Sandy and I knew there was a major problem with on-base housing, and Soldiers expect their leaders to stand up for them. For this reason, we declined this offer so that we could continue to help other families and share our story.

Our Experience Helping Other Families With Their Housing

Sadly, our experience in privatized housing was not unique. When we lived in the temporary quarters, the home was in a junior enlisted housing area. As we began to meet our neighbors, we saw the massive scope of the scandal. The junior enlisted families were living in unsafe homes with mold, mice, bed bugs, and persistent flooding, but the contractor consistently refused to address health and safety problems.

The problems our neighbors experienced alarmed us. Three of our neighbors adjacent to our temporary quarters all informed us that they had mold in their home. All three admitted they were scared that if they raised the issue, they would face retaliation. These families, and others we encountered, lived in fear for several reasons. First, most could not afford to live off post because prices on the local economy are very high, so the young families could not afford to walk away from their lease as we did. They also lived in fear that they might be unable to renew the contract for their home when it came up for renewal.

Moreover, they were afraid that the privatized housing provider would contact their chain of command. The men and women of Ft. Meade predominantly work at the National Security Agency or U.S. Cyber Command. I work with many of these people. They are our nation's silent warriors, fighting critical battles, such as U.S. Cyber Command's successful effort in 2018 to shut down Russia's Internet Research Agency that the Kremlin employs to attack our elections. To fight these battles, service members are required to hold Top Secret clearances and they know if someone made allegations about their lifestyle, finances, or temperament, they could lose their clearance and their job.

Shortly after we moved into temporary quarters, another young mother reached out to Sandy because their child was having severe rashes from bed bugs. That family had endured many health and safety problems with their housing and the provider. They shared their experience with a group of us who helped force the housing company to move the young family to a new home and reimburse them for some of their damages. However, the company demanded that they sign a non-disclosure agreement as part of that deal.

They rented the home in May of 2018 and moved in to find it was filthy. The previous tenants warned them that the house had been problematic, to include electrical problems.

After a series of problems with their water heater, they came home to find their living room flooded. The housing provider refused to replace the carpet, and the family had to pay to have it professionally cleaned. When a maintenance supervisor came to the home, the family pointed out visible mold growing in the garage; the supervisor said it was dirt. The provider never sent an environmental specialist to examine the mold.

In October, the family started smelling gas in the house. They called the fire department, who confirmed the leak. Maintenance workers claimed they could not find the source. Later, a maintenance worker approached the spouse at her job and informed her that he had received a code from the furnace indicating a severe leak, but that the company had not taken it seriously. In November, they had an electrical fire from a socket arcing. Finally, the family endured an infestation of bed bugs, which attacked their infant child. The provider refused to address the problem until we had the garrison command intervene on the family's behalf. At that point, after insisting on a non-disclosure agreement, the housing company moved the family to a new home, where they are experiencing new problems. However, since they signed a non-disclosure agreement, they are afraid to seek help.

These are just a few examples. We have worked with well over a dozen families who were experiencing terrible conditions in their privatized housing, with mold infestation being the most

prevalent. One young enlisted service member had to take a second job at night after working a full military duty day to pay for a carpet cleaner and dehumidifiers as he and his family tried to battle black mold. This family kept reporting flooding issues, but the housing provider never corrected the leaks causing the flooding and refused to acknowledge, let alone remediate the mold. Eventually, rotting beams in the floor and wall were discovered—but not repaired:



Rotting wood on the floor (L) and in the wall (R)

Multiple families had observable mold growing in and around their HVAC units:



The housing provider was telling these families that there was no concern. Based on what we saw, we paid out of our own pocket for an independent mold inspector and certified master housing inspector to assess multiple houses. His findings were alarming.

Of the sixteen homes that he tested, thirteen of those homes registered “elevated” levels of toxic mold, which is the term to describe dangerous levels of mold. One registered “slightly elevated” levels of toxic mold. One of the three “acceptable” homes had a mouse infestation. Six of seven

New Heritage Park Homes—newer homes constructed by the housing company—had “elevated” levels of mold and the seventh had “slightly elevated” levels of mold.

Our Takeaways from Our Experiences on Fort Meade

What we observed on Fort Meade through our experiences and through helping others indicates that more oversight and accountability is needed to truly address the problem. Representatives of the housing providers have admitted that they took their collective “eye off of the ball,” but the larger picture overwhelmingly suggests an approach that sought to maximize profits rather than perform the necessary maintenance.

First, we observed serious mold problems in the newer homes, which was a particular concern that the Ranking Member raised in a hearing last year. In the newer junior enlisted quarters, we observed a pattern of water damage and mold in the same place, suggesting that the homes may contain design or construction flaws:



Water penetration in the same corner of New Heritage Park homes

This concern is particularly important for Ft. Meade because the housing provider is preparing to break ground on new homes.

The housing inspector we hired also identified safety and building violations that placed families in danger and would create maintenance issues in the homes. For instance, in new homes, electrical meters were placed on a wooden board placed in the siding rather than a proper mount required by code. When this issue was identified, the housing provider just swapped out the wood, failing to fix the problem.

Second, we observed repeated failures to fix identified problems properly or safely. For example, the hospitality suite to which we were relocated had a gas leak “fixed” with duct tape:



Other examples include contractors failing to contain lead paint and spreading lead dust all over our home, leaving attics and garages without insulation, and failing to identify and fix leaks causing repeated flooding.

Third, we observed a troubling culture of not addressing reported problems. After a while, people got tired of fighting and paid out of their pockets. The provider wore the residents out.

This culture was pervasive. Senior representatives from the housing provider would question whether there was really a maintenance issue. They regularly told us that the problem with the English Avenue house might be my wife's allergies. Even after we had found mold in the HVAC, the Project Manager for Ft. Meade still claimed to see no medical evidence that the home was unsafe.

There was a related troubling lack of transparency and accountability. Residents were not given information about prior maintenance issues, and were kept in the dark about the results of testing. For example, we were repeatedly told by the Project Manager that our mold test results were fine, when the actual documentation reported "elevated" levels of mold. Finally, while helping a family where the mother was recovering from cancer, we went to a home the provider wanted to move the family into, to observe the provider's air quality test. When we arrived, the housing provider was running air scrubber in the house prior to taking air samples for the test.

Sadly, this culture has not changed. Service members and their families on Fort Meade still tell us that they are not treated with respect by the housing provider, nor kept informed of the status of repairs or results of tests. At all levels, tenants in need of services are treated as problems, rather than as paying customers entitled to top-quality service. A maintenance worker told Sandy that the running joke among workers responding to service calls on Fort Meade was that Fort Meade was "Section 8 Behind the Gate," a tasteless reference to low-income public housing.

Our Concerns About the Response to the Crisis

Once Secretary Esper and General Milley engaged the housing provider about the maintenance problems on Ft. Meade, the housing provider's leadership agreed to hire a third-party firm to conduct "independent inspections" of homes. However, we observed many irregularities that lead us to question whether these inspections captured the full extent of the crisis.

First, to my knowledge, the full results of home inspections were never released to all of tenants. In two cases, we knew families who were removed from their homes immediately upon completion of the inspection, but no one told them why, leaving the families to wonder which health hazards they had been exposed to in the homes.

We also observed practices that raised questions about the validity of these inspections. In one case, we walked into a home where, once again, an industrial air scrubber was running in the house prior to an air quality test. The third-party inspector reached over, turned off the air scrubber, and started the air quality test.



We also observed a failure to follow up on some inspections. In three cases, the housing provider claimed to remediate homes, but families returned to find visible mold or to have mold reappear within weeks. These results convinced us that these inspections failed to identify the full scale of the problem and did not correct many deficiencies identified.

When we heard recently that these inspections revealed that over 85% of the homes on Fort Meade required mold remediation, we were not surprised. That incredibly high percentage is consistent with what we had observed with our own mold tests discussed above. But we also would not be surprised to learn that these inspections greatly *understate* the full scope of the problem given the issues we observed.

At a recent townhall, the housing company announced that it was planning to replace 1,500 HVAC units and weatherproof 1,500 homes. That is consistent with the issues we observed with frequent water intrusions and mold in and around the HVACs. We are glad to hear that things may finally be getting fixed, but we also can't help but wonder why has this taken so long.

Next Steps

The spouses and service members who have endured these terrible conditions and treatment are not victims; they are warriors we placed in an impossible position. Ensuring that this problem is fixed permanently and correctly requires returning a reasonable amount of power to the families to level the playing field with the housing providers.

In my view, the Army is heading in the right direction. Army leadership moved decisively when the scandal broke. Secretary Esper and General Milley came to Ft. Meade and toured homes, to include 4542 English Avenue. General Milley ordered the military chain of command to inspect every post home under Army control. The Secretary appointed General Perna to oversee the Army's actions to address the crisis. In a recent interview, General Perna acknowledges that much work remains to be done. He discusses monitoring the number of displaced families and working on the culture of housing. He speaks with the housing provider CEOs every month. I've served off and on with General Perna since 2005, and I trust his judgment and his leadership.

The military's behavior stands in stark contrast to the practices of the housing providers. They have claimed that those of speaking out do not account for all that has changed in the last year. They point to investment and action over the last twelve months. Yet these actions have not remedied years of neglect and only occurred because the military and Congress called the private

housing providers to task. Continued attention, and more transparency and accountability, are necessary to remedy this problem permanently.

The core of that accountability, the Tenant Bill of Rights, is missing critical elements in the document released by the Department of Defense last week. The Department noted that “[i]n some cases, more work is required before the benefits of these rights are fully available to tenants.” This means that service members and their families still lack a dispute resolution process, the ability to withhold their BAH, and access to a ten-year maintenance history for a home. When testifying before Congress last fall, the Service Secretaries indicated that they were ready to release the Tenant Bill of Rights but that they wanted to wait for Congress to pass the NDAA. Based on these statements, many military families are disappointed that the key rights that level the playing field with the private companies remain unresolved. The recent statements by Chairman Inhofe and Ranking Member Reed of the Senate Armed Services Committee, and by Chairmen Smith and Garamendi and Ranking Members Thornberry and Lamborn in the House, capture many of our feelings. As the Senate leaders summarized:

[T]he Department led our military families to believe these protections were in the Bill of Rights when they circulated a draft for comment as early as May 2019 with those items included. This goes directly against the promises made by the Department and the housing companies that they would work to regain the trust of our military families.

Furthermore, the Department noted in the Tenant Bill of Rights document that it will continue to work with “MHPI companies and, as necessary, Congress to ensure the benefits of these rights are fully available ...” That process is far more likely to be successful if the Department works with service members, their families, and military advocacy groups as regularly as they engage MHPI companies and Congress.

Judge Carter and Congressman Bishop, we especially appreciated language in the bipartisan legislation you sponsored, the Better Military Housing Act of 2019, that explicitly required the Secretary of Defense to consult with “members of the Armed Forces and their families” in developing and implementing a plan to improve privatized military housing. Despite your clear intent, we remain concerned that the voices of service members and their families are under-represented in the conversation about a Tenant Bill of Rights intended for their benefit. While we are confident senior Department leaders discuss housing with families during their travels, we believe bringing service members, their families, and military advocacy groups into more formal discussions seems an essential ingredient to ensuring a successful outcome.

Expanded engagement with families and advocacy groups, coupled with the full Tenant Bill of Rights ensures that our service members and their families have a level playing field, and that privatized housing improves the readiness of our military rather than degrades it. We also need to ensure that MHPI companies properly repair and maintain the American taxpayers’ inventory of homes. Achieving these goals requires answering two questions:

1. Do we really understand the full scope of the problem?
2. Does the current structure ensure that this problem does not occur again?

The answer to the first question, for Ft. Meade, appears to be that we do not understand the scope of the problem. While efforts, like the Military Family Advocacy Network's surveys, have started to identify significant issues, we have reason to be skeptical of the inspections sponsored by the housing providers. We know families living in unsafe homes today, and major issues still remain, such as the Ft. Meade homes' compliance with Maryland code. Furthermore, what assurances are there that, at the end of the leases, the Government will not receive under-maintained houses in need of critical, expensive repairs?

On the second question, while I believe that the military will remain focused on housing for years to come, a system that requires this level of senior leader oversight is not tenable in the long-run. Local commanders and families need the power to hold the housing providers accountable to achieve long-run stability in the quality of our housing.

From my perspective, the best way to scope the problem and provide local leaders and families an equal footing is two-fold: fully implementing the Tenant Bill of Rights and developing a pool of local, military-sponsored housing inspectors who can evaluate military housing. As stated earlier, it is time to deliver on maintenance history, a dispute resolution process, and a method for *service members* to withhold their rent. The easiest way is to allow service members to control their rent is to stop forcing families to sign allotments to the provider that they cannot turn off.

However, independent inspectors are another critical component of leveling the playing field between tenants and the military housing companies. The history of these projects to date suggests that external verification of the work is necessary. The military could bring in local professional inspectors to verify providers' work. An external set of eyes providing the Secretary, the Chief of Staff, General Perna, the Ft. Meade garrison commander, and the families an independent assessment would also go a long way to restoring trust in the system.

Perhaps most importantly, until we understand the true status of housing, we cannot begin to ask how we will address the costs of bringing homes up to standard or taking care of medical bills for service members and their families. Some of the children exposed to the conditions on Ft. Meade will require medical care for the remainder of their lives. We owe them a clear answer.

General Perna is correct: while we have made strides, more work remains. That said, we can do this if we install a system that empowers the families and local commanders to prevent another housing crisis. The lack of transparency and continued problems still raise concerns. However, if we level the playing field, the service members, their families, and the local commanders can deliver. I have watched these young men and women low crawl through canals to guide fire onto Al Qaeda positions, drive ISIS forces from the Tigris River, and outfox the Iranian Quds Force. At home, I've watched our military spouses handle some of the most stressful and heart-breaking situations a human can face with grace, determination, and compassion. In the Army, we say our strength is our people. Empower these young men and women by giving them an equal footing with the housing providers and they will be our first—and best—line of defense in securing military housing.