

# Chinese Drywall and Insurance Fraud Concerns

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In recent years many Chinese-manufactured products imported into the United States have been recalled due to a variety of serious health and life-safety concerns. The short list of those products include lead painted toys, poisonous dog food and a never-ending list of electrical appliances that have the potential to cause fires or serious injury to consumers. Now we find that another Chinese-made product is causing American homeowners to become sick and is causing hundreds of thousands of dollars in damage to homes, mostly in South Florida and along the Gulf Coast of Louisiana. What's worse, as a result, many of these innocent homeowners seem stuck with homes they can't live in and can't sell. This seems certain to cause some of these homeowners to resort to arson as a way out.

Beginning in 2004, drywall manufactured in China was imported into the United States due to a shortage of a US-made product, caused in large part due to four hurricanes that slammed into the Florida coastline and a building boom that was on-going at that time. This problem was exacerbated further the following year when Hurricane Katrina struck the Gulf coast in Mississippi and Louisiana. US shipping records show that over 500 million pounds of drywall were imported from China between 2004 and 2008. It is estimated that over 100,000 homes in South Florida alone may contain Chinese drywall. Investigators now say the tainted drywall may be found not only in Florida and along the Gulf coast but also in Arizona, Colorado, Georgia, Maryland, Nevada, New Jersey, New Mexico, North and South Carolina, Texas and Virginia. The true numbers aren't known, and it may be some time before they are, since many homes are now in foreclosure and sit empty.

The problem is still being investigated, but what is known is that the Chinese made drywall contains trace levels of strontium sulfide and elemental sulfur. In humid regions, like that found in Florida and along the Gulf coast, the strontium sulfide off-gases a rotten-egg odor that is not only unpleasant to smell, but also causes eye and respiratory irritations. In addition, it reacts with air to corrode certain metals, the primary of which is copper. This corrosiveness is causing homeowners to replace HVAC coils in their homes, sometimes twice a year, as well as refrigerators, washing machines and electronic devices such as computers. What is more, a heavy copper oxide is forming on copper wiring as shown on the included photograph. This oxide may be yet another problem as high-resistance connections develop when oxides form on electrical wiring. This could be problematic on the contact surfaces of switches that are usually open and become closed after the oxides form on the contact surfaces.

Many of the homeowners involved will have their homes repaired by their builders or contractors but others will not be so lucky. With the US economy being what it is, many builders and contractors have entered bankruptcy and are not able to remedy problems resulting from their use of Chinese drywall. For affected homeowners, there is no immediate solution to their dilemma. Continuing to live in a home that is causing health problems and continually having to replace expensive appliances is not an appealing option. Some, however, will have no other choice.

Symptoms of a house built with Chinese drywall:

Strong rotten egg (sulfur) odor.

Homes built or repaired from 2004-2008.

Homes built by the following builders: Taylor Morrison, WCI Communities, Meritage Homes, Ryland Homes, Standard Pacific Homes and Aubuchon Homes.

HVAC system has needed an untimely replacement.

Appliances such as refrigerators, washing machines, microwaves and computers have mysteriously failed.

Copper wiring, especially ground conductors and copper tubing, has dark oxide on its surface.

Metal picture frames, wall switch covers and light fixtures may show tarnishing on exposed surfaces.

Occupants report eye irritations, headaches, chronic coughing and nosebleeds.

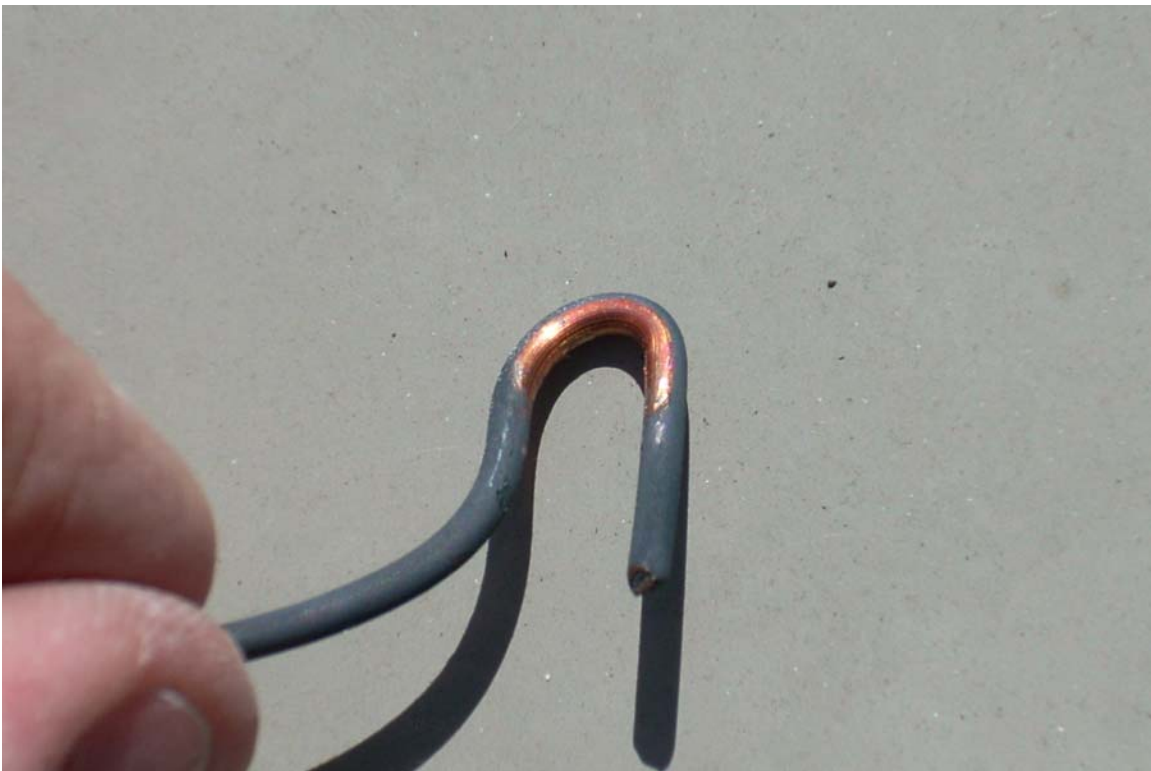
A manufacturer's stamp may or may not be found on the back. Company names to look for include but are not limited to: Knauf Gips (KG), Knauf Plasterboard Tianjin, Taishan Gypsum, L&W Supply and USG.

Those working in insurance claims, SIU and fire investigation need to be aware of the Chinese drywall situation and recognize that it has created yet a new financial motive for arson or other destruction of a home. A recent newspaper quote from a Louisiana woman who is faced with owning an affected home sums it up best. "We will welcome the next hurricane with open arms, open doors and open windows. This drywall has got to go."

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The bare copper ground conductor shows a heavy oxide coating



The area protected by the terminal screw shows the oxide contrasted with the natural color of copper

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The backside of drywall may have a manufacturer's stamp making identification possible