

Contaminated Contracting in Post-Katrina New Orleans

By Rita J. King

How is it possible that soil samples from St. Bernard Parish in New Orleans have been found to reveal a serious health threat by countless environmental groups, but the Environmental Protection Agency (EPA) continues to insist that the area is safe, despite massive spills of oil and toxic chemicals?

“The first step in solving any problem is admitting that you have one, but the government is pretending there’s no problem,” says Anne Rolfes, Executive Director of the Louisiana Bucket Brigade (LABB), a non-profit that measures air and soil quality for residents near Exxon Mobil’s Chalmette power plant. After Katrina, LABB empowered residents to measure the contamination stemming from the toxic stew of chemicals and oil saturating the parish from 44 spills and Murphy Oil’s Meraux refinery.

A Toxic Recipe for a Toxic Situation

At the request of the Federal Emergency Management Agency (FEMA), the EPA took soil samples from the temporary housing areas and found a roster of toxic substances—arsenic, benzene, the pesticide Dieldrin, diesel, organic chemicals, and thallium, used in pesticides—in volumes exceeding standards set by the Louisiana Department of Environmental Quality’s Risk Evaluation / Corrective Action Program (RECAP). So, it’s curious why the EPA website says exposure to each of the substances in such doses increases an individual’s lifetime risk of getting cancer—but at rates which “the EPA has found acceptable in other contexts.”

A FEMA employee who works in the field of recovery support and requested anonymity because “others have been fired for speaking on the record,” stated that the post-Katrina leadership has been nothing but “dog and pony shows.” In the end, it is poor people who are paying the price of the Army Corps of Engineers’ negligence that led to the flooding, the anonymous FEMA informant noted.

In the wake of Hurricane Katrina, poor and working-class neighborhoods were covered in a poisonous gumbo of petrochemical by-products and debris. The executive director of the Center for Corporate Policy, Charlie Cray, told *Race Poverty & the Environment (RPE&E)* that this problem is doubly devastating for the poor because firstly, those who grow their own food out of economic necessity can no longer do so because of the soil’s high toxicity; and secondly, the toxic condition of the soil can be “used politically” to keep poor people from returning to their homes. “The contamination issue is an important one,” Cray said, “but just as important is the long term issue of restoring the wetlands. There are more hurricanes coming down the road.”

May 30, 2006 was the last day to “opt out” of a class action lawsuit for those living in the Murphy Oil spill area of St. Bernard Parish. Though the company has been making settlements of up to \$30,000 on average, affected property owners say the amount is not nearly enough.

Soil samples from St. Bernard Parish taken by LABB, Natural Resources Defense Council, other environmental entities, and various universities indicate the presence of arsenic, heavy metals, pesticides, diesel, benzene, and other toxic compounds. Ten of the 14 soil samples taken by LABB have been found to contain benzene, arsenic, and chromium.

“People need information to make decisions about their lives,” says Rolfes, who feels that the EPA has failed to consolidate data in a user-friendly format and draws parallels between the EPA’s current attitude and its post 9/11 attitude when it declared the air quality in downtown Manhattan safe.

A Free-for-all That's Costly for Some

According to the current president of the Esplanade Ridge Neighborhood Association, Pam Dashiel, New Orleans has become a “free-for-all for corporations.”

“The big money, as usual, is reserved for the big corporations,” says Dashiel, 58, a resident of the Ninth Ward. “The usual suspects, including Halliburton and the Shaw group, are getting the big contracts from FEMA and the Army Corps of Engineers.”

Other companies that have scored contracts for various aspects of debris removal, hauling, and other interim measures, include Ashbritt, Phillips & Jordan, CERES Environmental Services, Inc., Environmental Chemical Corp, Bechtel, CH2M Hill Inc., Fluor Group, and Kellogg, Brown and Root (a Halliburton subsidiary). The corporations turn around and subcontract the work to smaller outfits, many of which then do the same. The actual workers and small companies executing the jobs are paid very little in comparison to the corporations doing the subcontracting, according to Dashiel, who lost her house after the storm.

The “most egregious situation” she found was the indiscriminate hauling of debris with hazardous materials. Dashiel once watched haulers scoop up the gutted remains of a house, without separating out the asbestos tiles and paint cans from the structure.

While the Army Corps of Engineers and FEMA are free to dish out funds to their own roster of subcontractors, the FBI was quick to investigate the hiring of the Unified Recovery Group (URG) by St. Bernard Parish—which, along with Plaquemines Parish, found its own haulers—five days after Katrina. Controversy ensued over the no-bid contract, so 11 firms were later invited to bid for the job, but URG was ultimately awarded the staged re-bid at \$369.7 million.

Following the council's vote, Lamont “Whip” Murphy, owner of Murphy Construction and one of the local bidders, filed a protest with the parish, claiming URG's bid was nearly \$150 million higher than Murphy's. URG officials dispute the figure and the Times Picayune of March 30, reports that in “a parish analysis of the two offers that considers the volume of debris to be collected, URG's initial offer amounted to \$806.6 million, while Murphy's totaled

\$426.5 million.” The cost estimates for the work were later lowered.

Last December, Murphy filed a complaint with U.S. Senator Mary Landrieu, D-La., stating, “It is criminal to allow FEMA and St. Bernard Parish to spend over \$137 million, far more than is required to clean up the storm debris in St. Bernard Parish. With money being so tight in Washington, these millions could be a windfall for the residents of St. Bernard.”

This started FEMA quibbling over costs and on March 11, with arrears amounting to nearly \$70 million, URG's work ground to a halt. The state of Louisiana then jump-started the process by offering to pick up the tab on a portion of the work.

The Red Badge of Irresponsibility

Some of the debris removal required specialized skills. An icon of the storm, a massive red barge mired in the Lower Ninth Ward, had to be torched and removed in pieces. Obscene graffiti had been painted on the side of the vessel, but that was the least of the controversies surrounding its presence in that decimated neighborhood.

Although chartered by Lafarge North America, the barge was owned by Ingram, a company that had filed a civil action suit to be exonerated of all responsibility, despite claims that the barge had been abandoned and may have breached the levee.

As time goes by, the people of New Orleans hope for the best, but fear the worst, especially the notion that developers are planning to remake the city into a den of casinos and luxury digs. The word “Disneyland” is often used to describe the city's possible future, even as poor residents are discouraged from returning to their water-logged homes in contaminated neighborhoods without basic services that are in danger of being lost.

“This damage,” Dashiel told *RP&E* a day after it was announced that the levees have been restored to ‘pre-Katrina’ levels, “is the result of 25 years of pleas to fix the coastal wetlands being ignored. The erosion of the Mississippi Gulf River outlet and the poor design of the levees are to blame for the destruction of all these peoples' lives.”

Rita J. King (www.ritajking.com) is authoring a report for CorpWatch.org about post-Katrina corporate profiteering.

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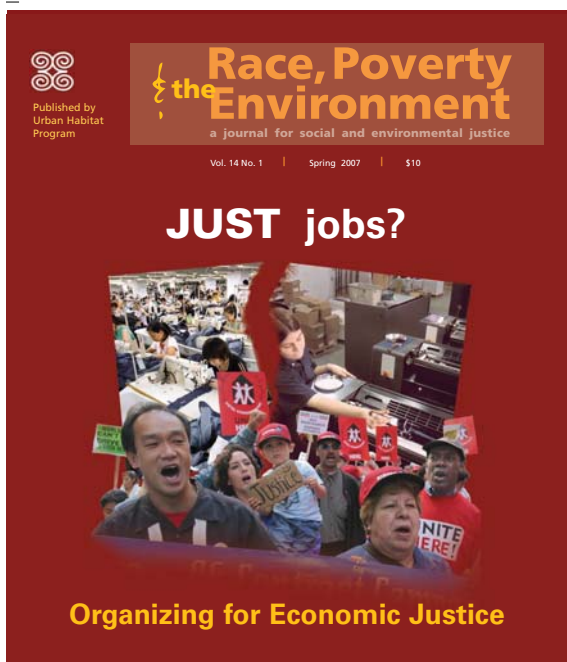
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