

BILL POSEY
8TH DISTRICT, FLORIDA

COMMITTEES:
SCIENCE, SPACE, AND TECHNOLOGY
SPACE SUBCOMMITTEE
OVERSIGHT SUBCOMMITTEE

FINANCIAL SERVICES
FINANCIAL INSTITUTIONS SUBCOMMITTEE
MONETARY POLICY AND TRADE SUBCOMMITTEE

MEMBER OF:
HOUSE AEROSPACE CAUCUS
REPUBLICAN STUDY COMMITTEE
CONGRESSIONAL AUTISM CAUCUS
MILITARY VETERANS CAUCUS

Congress of the United States
House of Representatives
Washington, DC 20515

May 10, 2016

www.posey.house.gov
WASHINGTON OFFICE:
120 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3671
FAX: (202) 225-3516

MAIN DISTRICT OFFICE:
2725 JUDGE FRAN JAMIESON WAY, BLDG. C
MELBOURNE, FL 32940
(321) 632-1776
FAX: (321) 639-8595

DISTRICT OFFICE:
INDIAN RIVER COUNTY ADMIN. BLDG. A
(772) 226-1701

DISTRICT OFFICE:
BREVARD COUNTY GOVERNMENT OFFICES
IN TITUSVILLE
(321) 383-6090

Secretary Anthony Foxx
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Secretary Foxx,

I have been contacted by a constituent who has brought to my attention news reports of illegal and unethical behavior by the Louis Berger Group, Inc., and some of its affiliated entities, while working as a contractor to various U.S. government agencies. My understanding is that the Louis Berger Group is a current contractor with the U.S. Department of Transportation (DOT).

According to a statement released last year by the World Bank, the Louis Berger Group was debarred by the Bank for "engaging in corrupt practices under two Bank-financed projects in Vietnam." The Bank also imposed a one-year conditional non-debarment on Berger Group Holdings, Inc., the Louis Berger Group's corporate parent.

Furthermore, news reports indicate that the Asian Development Bank debarred the Louis Berger Group in 2006 for misconduct that included forging signatures on documentation, falsifying documentation, and replacing proposed consultants with less qualified candidates without prior notification.

I was also surprised to read that just two years ago, the now former CEO and Chairman of the Board of the Louis Berger Group, Derish Wolff, plead guilty to conspiring to defraud the U.S. Agency for International Development in a scheme that involved overbilling the U.S. government. In fact, in 2010 the company paid nearly \$70 million in criminal and civil penalties for violating the False Claims Act.

As disturbing as this news is, just last month the United States Court of Federal Claims found that Louis Berger Aircraft Services, a Louis Berger Group entity, "is part of a family of corporations that has intentionally hidden its history of public corruption scandals through misrepresentations, false certifications, and a scheme to avoid reporting requirements." **Is your office aware of the Louis Berger Group's history of public corruption?**

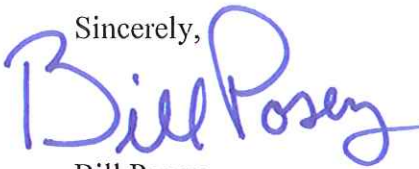
It is my understanding that the same Louis Berger Group performed a ridership and revenue study for All Aboard Florida (AAF) which was used by the DOT to determine eligibility for \$1.75 billion private activity bond allocation, and may be used as a basis for approving a future \$1.65 billion RRIF loan. You may be aware that an independent analysis conducted by Dr. John

Friedman, a Brown University Professor and former Economic Advisor to President Obama, concluded that even under all optimistic assumptions, AAF will generate annual losses of more than \$100 million and will be unable to service its debt burden.

Will the Department of Transportation rely on the ridership and revenue study conducted by the Louis Berger Group to sustain the \$1.75 billion private activity bond allocation or use the study as a basis to approve a renewed \$1.65 billion RRIF loan application for All Aboard Florida, or to approve any other federal transportation grants?

Given its history of defrauding the U.S. government, do you feel that the Louis Berger Group can be a responsible and reliable contracting partner with the Department of Transportation?

Thank you for your attention to this matter. I look forward to your response.

Sincerely,

Bill Posey
Member of Congress