

State of Louisiana OCD-DRU ignores homeowners complaints regarding out of control subcontractor outsourcing



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The State of Louisiana, Division of Administration, Office of Community Development, Disaster Recovery Unit OCD-DRU creates uncontrollable subcontractor hiring practices with Innovative Emergency Management, Inc.

Homeowner after Homeowner have complained about the subcontractors Innovative Emergency Management, Inc. (IEM) has hired. Some have reported more than 5 different companies and workers have been assigned to their repairs under the solution 1 program.

One homeowner shared with us that the subcontractors were told not to tell the homeowners who they worked for. Not to share license information and not to speak with the homeowners.

Many homeowners became concerned when their repair projects now going on more than 1 year in the works were no closer to being completed when the main contractor would start saying they are ready for closing.

Homeowners even tried to contract the state regarding the issue of being forced into finals with a promise that the contractor would return and complete the work.

When homeowners reached out to us at Truck and Tools we found that the states contract allows the contractor to request a final payment and to be granted the final payment even if the homeowner states the work is not complete.

The state then notes that the contract needs to return to the job site, but homeowners are saying they would rather not be put through any more abuse and shoddy workmanship that is being offered to Solution 1 homeowner.

One homeowner reported the following hiring practices by Roy Anderson.

- Roy Anderson listed as IEM Inc. sub-contractor on states contract.
 - Roy Anderson then subcontracted to Magellan Construction (Baton Rouge Office).
 - Magellan Construction subcontracted to Timberland out of Alabama.
 - Timberland Construction subcontracted to Kevin Sellers out of Alabama.
 - Kevin Sellers subcontracted the work to a person only identified as Jerry and his girlfriend with two helpers from Alabama.

Homeowners expect some type of information from the main contractor that is assigned to them. Many complaints about the subcontractors have been reported in a Facebook.Com group called "[Restore LA Program Info Exchange](#)". Some of the homeowners fear the workers and have had verbal abuse from them as well. On one occasion a homeowner reported when the planning and zoning inspector was on site an argument between the inspector and the subcontractor and two additional subcontractors broke out. The inspector sent away two of the 3 contractors to continue the inspections. If planning and zoning officials are having issues with these contractors we can only imagine homeowners are having even more issues.

Homeowners reported workers had entered closed rooms where they placed signs to not enter. Homeowners even reported activity of urinating in front of the home near the front door which was caught on video by the homes security system stated one homeowners.

Homeowners that complained to Restore about the service reported that a Mr. John Mellanzo of Roy Anderson and a Mr. Andy with Magellan Construction on at least one occasion called the homeowner and verbally insulted them for calling Restore about their subcontracted workers. The homeowners were told to stop calling the state because that is getting them in trouble with the state of Louisiana OCD-DRU.

We have just picked up this story and this issue and have had time to request updates to the IEM Inc. contract with the state that is to list vetted subcontractors from our understanding of Section 12 of the states contract with IEM Inc. that reads.

12 SUBCONTRACTORS

"The Contractor (IEM Inc.) may, with prior written permission from the State (OCD-DRU), enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of neither the Contractor nor the Subcontractor to the State and/or State Agency for any breach in the performance of the Contractor's or Subcontractors duties. Contingent on verification that no Subcontractor has been debarred, the State hereby approves the following Subcontractors to provide or perform any part of the Services under the Contract as provided for in the Offer:

- Baker, Donelson, Bearman, Caldwell & Berkowitz, APC
- BBR Creative, Inc.
- Bruno & Bruno LLP
- Core Construction Services, L.L.C.
- Crawford & Company
- Denmon Engineering Company, Inc.
- Emergent Method, LLC
- Gilbane Building Company
- Pan American Engineers LLC
- Postlewaite & Netterville
- Providence Technical Services, LLC
- Ramboll Environ US Corporation
- Ratcliff Construction Company, L.L.C.
- Roy Anderson Corporation
- Sparkhound, LLC
- Tetra Tech, Inc.

- TKTMJ, Inc.
- Waggoner Engineering, Inc.
- WTAA Engineers, LLC

Neither the Contractor nor any of its subcontractors shall also contract for services under the separate Quality Assurance/Quality Control (QA/QC) contract entered into by State for program monitoring services. The Contractor shall not contract with any other subcontractor(s) without the express written approval of the State."

.... **Research**

In an effort to better understand the State of Louisiana's Outsourcing and Subcontracting services a document request was sent to Catherine Fairchild and Dan Rees both DOA OCD-DRU and CDBG Compliance state employees.

12-11-2018 Email to Catherine Fairchild and Dan Rees:

I respectfully request the written permission from the state of Louisiana allowing IEM Inc. to enter into subcontracts with third parties named

- Dynamic Construction
- Design and Build

Response from the State of Louisiana DOA OCD-DRU on 12-12-2018

"Your public record request dated December 11, 2018, below, was received by the Division of Administration on December 11, 2018. The premise of your request, that the addition of subcontractors by IEM for work on the Restore Louisiana Homeowner Assistance Program requires or results in an update or amendment of the contract with the Office of Community Development, is incorrect. This is to advise that there are no documents responsive to your request.

Thank you.

Public Records Requests
Division of Administration
State of Louisiana"

The reply is very clear, the Restore Louisiana Homeowners Assistance Program managed by IEM Inc. for the state of Louisiana OCD-DRU does not have to update the contract to reflect authorized sub-contractors.

This was one of the issues a group of homeowners discussed. If the state had no method of vetting contractors and known felons are hired the homeowner will be under false security that they are safe around the workers and when not around their property is safe from the workers of the subcontracted projects.

We do not appreciate the state allowing IEM Inc. listed contractors to abuse homeowners verbally over the phone and in person with inspectors. The lack of oversight by the state of Louisiana brings to light the lack of quality and controls the state has in place and enforced.

We will continue to report homeowner issues and work with them and the states licensing board to bring to light an issue that should have never come to pass.

Not only are we seeing unskilled day labor we are seeing outsourcing to the level of unlicensed contractors which IEM Inc. should be well aware of the laws being they were also unlicensed at the time of their bid on

the 2016 flood recovery projects.

If the state of Louisiana OCD-DRU was seriously looking out for the disaster victims best interest they would at least advise disaster victims on how to confirm that the contractor has a Contractors license, General Liability Insurance, Workers Compensation Insurance, Professional Liability Insurance, Insurance covering Special Hazards, Licensed and Non-Licensed Motor Vehicles Liability Insurance and Bonding/Builder's Risk Insurance.

If the State of Louisiana doesn't publish who has been vetted homeowners are at serious risk for any unlicensed and uninsured injury claim against the property and project.

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