

June 6, 2008

Washington Group International
720 Park Blvd.
Boise, ID 83712

Dear Sir or Madam:

Sometime in the next few weeks, the Project On Government Oversight (POGO) will update its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including Washington Group International. On April 11, 2007, we sent Washington Group International information regarding findings in POGO's database. As of today, we have not received a response from you. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Washington Group International, please be assured that any response received by POGO will be posted on the website along with the data.

The biggest change we will be making to the database is the inclusion of more federal contractors (the top 100). We are also adding new instances that we have found in recent months and updating instances already in the database with new information. Please note that the database also includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Neil Gordon
Investigator

Enclosure

Instances

1. Violations of the Employee Retirement Income Security Act (ERISA)

Date: 10/01/2003 (Date of Settlement - approximate)

Misconduct Type: Labor

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$3,480

Disposition: Settlement

Synopsis: In October 2003, Washington Group settled allegations that the company "breached certain fiduciary duties under the Employee Retirement Income Security Act of 1974 (29 USC § 301 et. seq.)". According to a 2005 SEC 10-K filing, a charge of \$3,480 was recorded for settlement costs and legal expenses.

2. Violating Nuclear Safety Requirements (Idaho National Environmental and Engineering Lab)

Date: 10/31/2003 (Date of Proposed Civil Penalty)

Misconduct Type: Environment

Enforcement Agency: Energy

Contracting Party: Energy

Court Type: Civil

Amount: \$55,000

Disposition: Fine

Synopsis: On October 31, 2003, the Department of Energy's Office of Environment, Safety and Health announced a proposed civil penalty of \$55,000 to Washington Group International (WGI) for "violating federal nuclear safety requirements associated with the procurement of and inspection documentation for glovebox components [at the Idaho National Environmental and Engineering Laboratory]...WGI was cited for failing to properly establish adequate surveillance and oversight for the work."

3. Release of Nerve Agent at the Johnson Atoll Chemical Agent Disposal Facility

Date: 05/26/2004 (Date of Settlement)

Misconduct Type: Environment

Enforcement Agency: EPA

Contracting Party: Defense - Army

Court Type: Administrative

Amount: \$51,699

Disposition: Settlement

Synopsis: On May 26, 2004, the Environmental Protection Agency announced a settlement with the U.S. Army and its contractor, Washington Group International. Under the settlement, WGI will pay \$51,699 "for the August 2002 release of a nerve agent at the Johnston Atoll Chemical Agent Disposal System facility...The EPA found that the Army and its contractor failed to maintain and operate the facility to minimize the possibility of a release, and failed to implement the contingency plan during an imminent emergency situation."

4. Racial Harassment and Retaliation

Date: 03/17/2008 (Date of Settlement)

Misconduct Type: Labor

Enforcement Agency: EEOC

Contracting Party: None

Court Type: Civil

Amount: \$1,500,000

Disposition: Settlement

Synopsis: The Equal Employment Opportunity Commission (EEOC) settled with Washington Group International, Inc. for \$1.5 million dollars and injunctive relief on behalf of African American workers who were allegedly subjected to racial harassment and retaliation at the Sithe Mystic Power Plant construction project in Everett, Mass., which WGI managed as general contractor from 2001 to 2003. The EEOC charged that WGI created a racially hostile work environment for African American employees that included racially offensive language and graffiti, failed to take appropriate steps to remedy the discriminatory conduct, and targeted the victims for retaliatory measures, including termination.