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TONY R. MOORE, CLERK  
WESTERN DISTRICT OF LOUISIANA  
SHREVEPORT, LOUISIANA

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF LOUISIANA

CARL BERNOFSKY and  
SHIRLEY G. BERNOFSKY

VERSUS

THE ROAD HOME CORPORATION,  
ICF EMERGENCY MANAGEMENT  
SERVICES, LLC, LOUISIANA RECOVERY  
AUTHORITY, and LOUISIANA DIVISION  
OF ADMINISTRATION THROUGH THE  
OFFICE OF COMMUNITY DEVELOPMENT

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CIVIL ACTION NO.  
5:09-CV-01919-TS-MLH

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MOTION IN OPPOSITION TO DEFENDANT ICF'S  
MOTION TO DISMISS

NOW INTO COURT, *in propria persona*, come plaintiffs Carl Bernofsky and Shirley G. Bernofsky (collectively "Bernofsky"), who respectfully oppose the Motion to Dismiss by defendant ICF Emergency Management Services, LLC ("ICF"). As detailed in the accompanying Memorandum in Support, plaintiffs will demonstrate in particularity the negligence of ICF, which is responsible for the injury from which plaintiffs' seek relief. Plaintiffs will also lay to rest the unfounded assertion of defendant that ICF, a publically-traded

corporation, is somehow shielded from liability because its business was conducted with a state agency. Accordingly, defendant's Motion to Dismiss should be DENIED in its entirety.

Respectfully submitted,



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CARL BERNOFSKY

*In propria persona*

SHIRLEY G. BERNOFSKY

*In propria persona*

109 Southfield Road, Apt. 51H  
Shreveport, Louisiana 71105  
Tel: (318) 869-3871

**CERTIFICATE OF SERVICE**

The undersigned certifies that on this 18th day of February 2010, a copy of the above and foregoing was delivered to the Clerk of Court for use in the CM/ECF System for filing and for transmittal of a Notice of Electronic Filing upon all CM/ECF registrants.

  
\_\_\_\_\_  
CARL BERNOFSKY

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CIVIL ACTION NO.

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**MEMORANDUM IN SUPPORT OF PLAINTIFFS' OPPOSITION TO  
DEFENDANT ICF'S MOTION TO DISMISS**

NOW INTO COURT, *in propria persona*, come plaintiffs Carl Bernofsky and Shirley G. Bernofsky (collectively "Bernofsky"), who respectfully oppose the Motion to Dismiss by defendant ICF Emergency Management Services, LLC ("ICF").

**At All Times Pertinent, Defendant ICF was Obligated by the Terms of Its Contract**

1.

On June 12, 2006, ICF entered into a contract with the State of Louisiana through the Division of Administration, Office of Community Development to provide services related to the Road Home program. [Exhibit A]<sup>1</sup>

ICF agrees to serve as Louisiana's Road Home Housing Manager, acting as the State's agent to operate Housing Assistance Centers, conduct outreach, accept and process applications for financial assistance, verify applicants' eligibility, determine amounts of assistance in accordance with State guidelines, provide advisory services to property owners, negotiate purchases and sales of properties, assist the State in handling land title issues, create/maintain a comprehensive management information system, develop and provide a process for mediation of disputes between vendors and homeowners, and perform other duties as required to manage the program and comply with all federal, state and local laws, regulations, and contractual requirements (the "Project").

The contract was in effect for three years, and ended on June 11, 2009.<sup>2</sup>

2.

Among its duties, ICF was obligated to "Design and launch a public education and outreach campaign ... for the purpose of encouraging all eligible homeowners and qualified small rental property owners to apply for assistance."<sup>3</sup> ICF was also obligated to "Establish Housing Assistance Centers ... in order to take and process rental and homeowner applications ... [and] consider mobile outreach centers as appropriate to reach the displace[d] homeowners."<sup>4</sup>

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<sup>1</sup>Contract, Sec. 1.1, Concise Description of Services.

<sup>2</sup>Contract, Sec. 2.1, Term of Contract.

<sup>3</sup>Contract, Internal Exhibit A, Sec. 1.12, Statement of Work, Scope of Services.

<sup>4</sup>Contract, Internal Exhibit B, Sec. 3, Start-up of Homeowner and Small Scale Rental Program.

Moreover, ICF was to “Begin taking full applications from applicants that have pre-registered through the state’s call center and web site.”<sup>5</sup>

3.

Bernofsky was unaware of any ICF outreach campaign or assistance center in Shreveport, the third largest city in Louisiana. Plaintiffs never received notification from ICF, even though they had properly registered for the program on May 7, 2006 through the state’s web site.<sup>6</sup> ICF had a duty to contact plaintiffs after its contract became effective on June 12, 2006. According to an August 9, 2006 newspaper report, “homeowners who pre-registered for the Road Home will receive application materials in the mail and must submit the application online or by mail.” [Exhibit B] Despite ICF’s clear mandate, plaintiffs were never contacted.

4.

ICF’s obligations to its contract and amendments remained in force until June 11, 2009.<sup>7</sup> Thus, it had an affirmative duty to respond to plaintiffs’ inquiry of August 1, 2008.<sup>8</sup> Bernofsky maintains that any rationale later employed by the Road Home Program to deny plaintiffs the benefits to which they are entitled is a direct result of ICF’s utter failure to meet its contractual obligations toward registered applicants and specifically to them.

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<sup>5</sup>Contract, Internal Exhibit A, Sec 1.17, Statement of Work, Scope of Services.

<sup>6</sup>Complaint, ¶ 11 and Complaint, Internal Exhibit A.

<sup>7</sup>See FN #2.

<sup>8</sup>Complaint, ¶ 13 and Complaint, Internal Exhibit E.

5.

On August 6, 2008, Louisiana Recovery Authority Director Paul Rainwater stated that the Road Home contractor (ICF) will carefully review each case affected by the deadlines and extend them for anyone pursuing proof of ownership or occupancy or with *any other reasonable explanation for their delays*. [Exhibit C, Emphasis added] On August 28, 2008, Rainwater reported that November 1, 2008 would be the new deadline for homeowners to select their benefit option. [Exhibit D] Yet, Bernofsky's letters of August 1 and August 12, 2008 and the appeal of August 19, 2008 to the Road Home program remained unanswered.<sup>9</sup> The failure of ICF to meet its obligations was apparent when, at the time ICF's contract ended on June 11, 2009, Rainwater reported that about 4,000 cases still need to prove eligibility. [Exhibit E]

**"Pre-registration" Is a Misnomer Intended to Confuse the Court**

6.

The defendant's use of the term "pre-registration" to describe the process of Bernofsky's registration appears to be an attempt by ICF to diminish the validity and legitimacy of plaintiff's registration with the Road Home program. Examination of the pages reprinted from the plaintiffs's registration with the state<sup>10</sup> will reveal ten (10) instances of the word "registration" and no (0) instances of the word "pre-registration." ICF and media reports routinely employ the terms "preregistration," or "pre-registered" to refer to what the state has officially titled "registration."

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<sup>9</sup>Complaint, Internal Exhibits E, F & G, respectively.

<sup>10</sup>Complaint, Internal Exhibit A.

7.

One month after ICF signed its contract with the state, the company opened a pilot office “in Baton Rouge to test the system, using 400 randomly selected homeowners.” ICF also opened a call center that “*will be responsible for calling those who have registered for the program...*” [Exhibit F, Emphasis added] According to information furnished to Senator Mary Landrieu by a Road Home representative, the current plaintiffs “were actually registered with the pilot registration program.”<sup>11</sup> Plaintiffs neither received a call despite being properly registered, nor were they contacted in any other way. According to ICF’s contract, “preregistered” applicants were to be processed in accordance with ICF’s operational plan. [Exhibit A]<sup>12</sup>

**42 U.S.C. Section 1983 Claims Against ICF for Deprivation of Rights**

8.

As contractor for the State of Louisiana, defendant ICF was obligated to provide equal treatment to all Katrina victims who were duly registered with the state’s Road Home program. The failure of ICF to act on Bernofsky’s registration in accordance with its mandate, or to respond to Bernofsky’s later inquiries, constitutes disparate treatment. To the extent that it acted under color of law, ICF deprived plaintiffs of rights and privileges in violation of 42 U.S.C. Section 1983 of the Civil Rights Act, which states, in pertinent part:

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or

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<sup>11</sup>Complaint, Internal Exhibit N.

<sup>12</sup>Contract, Section 1.2.2, Goals and Objectives.



immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress...<sup>13</sup>

9.

By April 13, 2006, about 65,000 homeowners had already registered for the Road Home program. [Exhibit G] Bernofsky registered on May 7, 2006,<sup>14</sup> and by the time ICF's contract with the state ended on June 11, 2009, approximately 124,000 homeowners, including those who had registered on-line, received their grants. [Exhibit E] These facts serve to highlight the inequitable treatment of plaintiffs by defendant ICF, who not only neglected to follow through on its obligation to plaintiffs, but acted with wanton disregard to plaintiffs' inquiries and rights.

**Appellate Courts Have Struck Down the Immunity Defense in Cases Against the State**

10.

In 1994, Louisiana State University was sued by five (5) female students for violation of Title IX of the 1972 Education Act that requires equal access to athletics. The University invoked the Eleventh Amendment immunity defense and claimed that the discrimination was not intentional. The Fifth Circuit dismissed LSU's immunity defense and ruled that LSU had waived such immunity by accepting federal funds. [Exhibit H]<sup>15</sup>

The Civil Rights Remedies Equalization Act, 42 U.S.C. Section 2000d-7(a)(1), provides, in pertinent part:

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<sup>13</sup>Cornell Legal Information Institute,  
[http://www.law.cornell.edu/uscode/html/uscode42/usc\\_sec\\_42\\_00001983----000-.html](http://www.law.cornell.edu/uscode/html/uscode42/usc_sec_42_00001983----000-.html).

<sup>14</sup>Complaint, Internal Exhibit A.

<sup>15</sup>The case is *Pederson v. Louisiana State Univ.*, 213 F.3d 858 (5th Cir. 2000).

A State shall not be immune under the Eleventh Amendment of the Constitution of the United States from suit in Federal court for a violation of ... any other Federal statute prohibiting discrimination by recipients of Federal financial assistance.<sup>16</sup>

11.

Following Hurricanes Katrina and Rita in 2005, the Federal Government provided the State of Louisiana with \$6.2 billion dollars in Community Development Block Grants (CDBG) for disaster recovery and rebuilding efforts, and supplemental awards of \$4.2 billion and \$3 billion in CDBG funds, respectively, brought the total amount awarded to the State to \$13.4 billion. The Road Home program is the plan developed by the state for disbursement of these CDBG funds to property owners affected by Katrina and Rita.<sup>17</sup>

Because CDBG funds from the federal government were used to pay ICF for the services it rendered in assisting the state to implement the Road Home program, ICF is subject to all federal laws that prohibit discrimination.

Plaintiffs were clearly subjected to unequal treatment by ICF in the performance of its contract for identifying homeowners who would be eligible for assistance from the federal government. Plaintiffs aver that the de facto discrimination against them by ICF makes moot any immunity ICF or the state might possibly claim in these proceedings.

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<sup>16</sup>Cornell Legal Information Institute,  
[http://www.law.cornell.edu/uscode/html/uscode42/usc\\_sec\\_42\\_00002000---d007-.html](http://www.law.cornell.edu/uscode/html/uscode42/usc_sec_42_00002000---d007-.html).

<sup>17</sup>See the Opening Statement of Senator Mary Landrieu, Chairman, Subcommittee on Disaster Recovery, "The Role of the Community Development Block Grant Program in Disaster Recovery," May 20, 2009. Her remarks are available at [http://hsgac.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing\\_id=f7448914-51a5-41dc-8f75-1e820a008a80](http://hsgac.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_id=f7448914-51a5-41dc-8f75-1e820a008a80) (delete space).

12.

Many cases against state agencies are moved from state court to federal court in the mistaken belief by defendant's attorneys that they will automatically prevail by claiming Eleventh Amendment immunity. However, in 2002, in the case of *Lapides v. Board of Regents of Univ. System of Ga.*, the U.S. Supreme Court ruled that, "if a state voluntarily moves a lawsuit to federal court from state court, it essentially waives its guaranty of immunity from suit in federal court." [Exhibit I]<sup>18</sup>

13.

The University of California is a contractor for the U.S. Department of Energy, for which it operates several national laboratories. Between 1977 and 2003, the university invoked immunity in eight (8) of about 35 cases brought against it. Only two (2) of the eight (8) cases were dismissed because of their immunity defense, whereas the immunity defense was rejected or disregarded in the majority (75 percent) of those eight (8) cases brought against the university. [Exhibit J]

Clearly, wide latitude of judicial discretion is permitted on a case-by-case basis when state immunity is invoked by a defendant contractor who is employed by the state; no hard-and-fast rules apply.

14.

In *Rhodes v. State of Louisiana*, the plaintiffs alleged negligence and liability on the part of the Department of Transportation and Development and the Department of Public Safety and Corrections in connection with an incident that resulted in an automobile accident. Upon appeal,

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<sup>18</sup>The case is *Lapides v. Board of Regents of Univ. System of Ga.*, 535 U.S. 613 (2002).  
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the Louisiana Supreme Court ruled<sup>19</sup> that the state's invocation of sovereign immunity was unconstitutional because La. Const. art. 12, § 10 provides:

**§ 10. Suits Against the State**

Section 10. **(A) No Immunity in Contract and Tort.** Neither the state, a state agency or a political subdivision shall be immune from suit and liability in contract or for injury to person or property.

[Emphasis in original]

Defendant ICF's claim that it is protected from suit by state immunity is thus baseless.

**ICF, a Citizen of Delaware, Is a Publically-Traded Corporation**

15.

In its brief, defendant ICF misleads the Court with its assertion that "ICF *is a private corporation...*" Doc. 20-1, p. 10, para. 2 (Emphasis added). ICF *is a publically-traded corporation*. Its Chairman and CEO, Sudhakar Kesavan stated, "I am pleased to present our first annual report as a public company," in a letter to stockholders published in ICF's Annual Report for 2006. [Exhibit K]<sup>20</sup>

After signing its contract on June 12, 2006 with the State of Louisiana (initially, for \$756 million), ICF issued an Initial Public Offering in September, 2006 and became publically traded on the NASDAQ under the symbol "ICFI." [Exhibit K]<sup>21</sup> ICF immediately distributed \$2.7 million in one-time bonuses to its top 30 managers. [Exhibit L] In 2007, ICF derived 63%

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<sup>19</sup>See [www.lasc.org/opinions/95ca1848.opn.pdf](http://www.lasc.org/opinions/95ca1848.opn.pdf). Also, *Rhodes v. State, DOTD*, 95-1848 (La. 5/21/96); 674 So.2d 239.

<sup>20</sup>ICF, 2006 Annual Report. For the source of ICF's 2006, 2007 and 2008 Annual Report and its 2008 Highlights Brochure, see <http://investor.icfi.com/phoenix.zhtml?c=201331&p=irol-reportsAnnual>.

<sup>21</sup>ICF, 2006 Annual Report, *Ibid.*, Letter to Stockholders.

of its revenue from its Road Home contract with the state. [Exhibit M]<sup>22</sup> The contract eventually cost the state \$912 million [Exhibit N, also P].

### **ICF Can Be Sued**

16.

The Louisiana State Constitution provides, in pertinent part, "...that every corporation shall have authority ... [t]o sue and be sued in its corporate name." R.S. 12 §41 B(3). Thus, the present suit against ICF is both permissible and proper.

17.

On January 21, 2010, a U.S. Supreme Court decision established that corporations enjoyed the same First Amendment rights as individuals. As Justice John Paul Stevens explained in his written opinion in *Citizens United v. Federal Election Commission*:<sup>23</sup> "The basic premise underlying the Court's ruling is its iteration ... of the proposition that the First Amendment bars regulatory distinctions based on a speaker's identity, including its 'identity' as a corporation." Speaking for the majority in his written opinion, Justice Anthony Scalia discussed the freedom of the press that individual editors and printers have as individuals, even though they acted through newspapers, which behaved much like corporations and did not have their activities "stripped of First Amendment protection simply because they were carried out under the banner of an artificial legal entity." Moreover, Scalia continued, "The authorized spokesman of a corporation

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<sup>22</sup>ICF, 2008 Annual Report, *Ibid.*, p. 4.

<sup>23</sup>*Citizens United v. Federal Election Commission*, 558 U.S. \_\_\_\_ (2010).

is a human being, who speaks on behalf of the human beings who have formed that association...”

Thus, ICF has the same protection provided by the Bill of Rights as an individual, and because of this it can be sued as an individual.

### **ICF Was Sued in Federal Court by Its Own Employees without State Involvement**

18.

In 2008, Laila Kuperman, Catherine Lyles and Jason Ricks filed suit against ICF on behalf of themselves and 144 other employees in a dispute over unpaid overtime compensation.<sup>24</sup> The class action suit, filed January 15, 2008, against ICF, two of its subsidiaries and a subcontractor, was ultimately dismissed on October 7, 2009, following a confidential settlement agreement among the parties, which U.S. District Judge Carl Barbier of New Orleans considered to be “fair and reasonable under the Fair Standards Act.” The case did not involve the state in any way.

### **ICF Has a History of Failing to Meet Its Contractual Obligations**

19.

In 2008, ICF was fined more than \$1 million for its failure to meet performance benchmarks [Exhibit O], and in 2009, the state withheld another \$4 million in travel and overtime expenses that ICF improperly tried to collect. [Exhibit P] In all, the state withheld more than \$14 million from ICF for these and other failures. [Exhibit E] ICF’s poor

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<sup>24</sup>*Kuperman et al v. ICF International et al*, Civil Action No. 08-565 (U.S. District Court for the Eastern District of Louisiana).

performance record, particularly in the early stages of its contract, imposed additional hardships on homeowners already suffering from the storm-related damage of Hurricane Katrina. Among those hardships was ICF's failure, through negligence or malfeasance, to maintain or secure records of at least one Road Home registrant, for which plaintiffs now seek monetary relief.

**ICF's Contract Indemnifies the State for 'Certain Liabilities'**

20.

In its 2008 Annual Report, ICF acknowledges that it is responsible for fulfilling its contract with the state, that it is liable for its failures, and that it will indemnify the state for performance failures that could expose the state to certain liabilities. [Exhibit Q]<sup>25</sup>

The Road Home contract has been amended to include performance measures, with financial penalties for failure to achieve these measures. We have, in fact, been subject to some of these penalties.

Although much of the work under the contract has been and will be performed by subcontractors, **the State of Louisiana considers us responsible for the timely, satisfactory performance of all aspects of the contract**, as is typical for prime contractors.

We and our subcontractors gather and maintain sensitive information concerning potential and actual program participants. **Failure to maintain and secure such information properly and failure to take appropriate action to prevent fraud could result in substantial liability for us.**

Although the contract provides that, with several exceptions, we may charge as an expense under the contract reasonable costs and fees incurred in defending and paying claims brought by third parties arising out of our performance, there can be no assurance that all of our costs and fees will be reimbursed. **The contract also provides that we will indemnify the State of Louisiana for certain liabilities.** Such liabilities could be

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<sup>25</sup>ICF, 2008 Annual Report, p. 18. For source, see FN #20.

substantial and exceed the amounts of, or may not be covered by, available insurance.

[Exhibit Q, Emphasis added]

ICF's indemnification of the state indicates that it agrees to make good any loss, damage or liability that the state may incur as a result of ICF's actions. ICF's acceptance of responsibility for its performance failures and its release of the state from certain liabilities render joinder an unnecessary requirement for plaintiffs' recovery for damages.

**Plaintiffs' Claim Does Not Require the Participation of the State of Louisiana,  
Which is Not an Indispensable Party, Even Though Joinder is Possible**

21.

Defendant ICF creates an argument involving Rule 19 (Required Joinder of Parties), that is irrelevant to the prosecution of this case. Moreover, defendant ICF improperly provides the Court with its interpretation of the rule instead of quoting it directly. Doc. 20-1, p. 12.

Rule 19(a) states, in pertinent part:<sup>26</sup>

(a) Persons Required to Be Joined if Feasible.

(1) Required Party.

A person who is subject to service of process and whose joinder will not deprive the court of subject-matter jurisdiction must be joined as a party if:

(A) in that person's absence, the court cannot accord complete relief among existing parties; or

(B) that person claims an interest relating to the subject of the action and is so situated that disposing of the action in the person's absence may:

(i) as a practical matter impair or impede the person's ability to protect the interest; or

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<sup>26</sup>Quoted from: Cornell University Legal Information Institute,  
<http://www.law.cornell.edu/rules/frcp/Rule19.htm>.



(ii) leave an existing party subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations because of the interest.

As attested to by the caption to this lawsuit, joinder with an entity of the State of Louisiana is feasible. However, joinder is not a necessary condition upon which complete relief can be sought because defendant ICF alone can be considered wholly responsible for plaintiffs' damages. ICF has assumed responsibility for its failures, and it has indemnified the state for certain liabilities such as those including, but not limited to, its failure to obtain, maintain and secure information from Road Home registrants as required by the terms of its contract with the state. Furthermore, excluding the other defendants would not in any way impede the ability of those defendants to protect their interests, while joinder would not in any way relieve defendant ICF of its liability in the matter at hand.

**When Needed, Rule 19(b) Is Intended to Assist Plaintiffs with Recovery**

22.

Rule 19 states, in pertinent part:<sup>27</sup>

(b) When Joinder Is Not Feasible.

If a person who is required to be joined if feasible cannot be joined, the court must determine whether, in equity and good conscience, the action should proceed among the existing parties or should be dismissed. The factors for the court to consider include:

(1) the extent to which a judgment rendered in the person's absence might prejudice that person or the existing parties;

(2) the extent to which any prejudice could be lessened or avoided by: ...

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<sup>27</sup>*Ibid.*

(C) other measures;

(3) whether a judgment rendered in the person's absence would be adequate;  
and

(4) whether the plaintiff would have an adequate remedy if the action were  
dismissed for nonjoinder.

In the matter at hand, the "person" to which Rule 19(b) refers is the State of Louisiana, and joinder is already feasible as indicated by the caption to this lawsuit. However, joinder is not a necessary condition upon which recovery from ICF can be plead because 1) defendant ICF can be considered wholly responsible for plaintiffs's damages, 2) ICF has assumed responsibility for its failures, and 3) ICF has indemnified the state for certain liabilities such as those that would include its failure to obtain, maintain and secure information from Road Home registrants as required by the terms of its contract with the state. [Exhibit Q] Finally, plaintiff would not have an adequate remedy if the action against ICF were dismissed for nonjoinder.

**Plaintiffs' Claims for Relief Are Not Prescribed**

23.

This lawsuit also follows the refusal of defendants to acknowledge and heed the recommendation of Senator Mary Landrieu, Chair of the Subcommittee on Disaster Recovery,<sup>28</sup> which provides congressional oversight into the manner in which federal disaster funds are used. Congress is responsible for funding the Road Home program and has the authority to access the program's compliance to its rules and efficacy in practice.

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<sup>28</sup>See FN #17.

24.

On August 6, 2009, Senator Landrieu informed plaintiffs of her request to the Office of Community Development (OCD) that Bernofsky be allowed to complete an application.<sup>29</sup> Landrieu later verified to Bernofsky that an “OCD Exception form” had been forwarded to the Office of Community Development.<sup>30</sup> This procedure was intended as a remedy to accommodate plaintiffs for ICF’s failure to incorporate them into the Road Home program for which plaintiffs had properly registered. The refusal of OCD to follow through on Landrieu’s request contributed to the deprivation of plaintiffs’ rights and was in defiance of a U.S. senator’s recommendation. In a telephone conversation with Ms. Judy Johnson-White of the Road Home program on July 28, 2009, Bernofsky was informed that OCD was the proper entity with which to negotiate.

25.

Whereas OCD is responsible for handling the finances of the Road Home program, the Louisiana Recovery Authority (LRA) is responsible for developing the program’s policies. The LRA has set, altered and made exceptions to various deadlines, and has announced the Road Home “program’s final closing deadline in June of 2010 and that extensions will be given on a case-by-case basis...” [Exhibit R] On January 5, 2010, John Georges, a New Orleans mayoral candidate and former member of the Louisiana Board of Regents, noted that \$3 billion in federal recovery grants remain in the coffers of the Louisiana Recovery Authority. [Exhibit S]


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<sup>29</sup>Complaint, Internal Exhibit N.

<sup>30</sup>Complaint, Internal Exhibit O.

Despite earlier telephone conversations with Road Home representatives, it was not until Bernofsky received the written notice of rejection, dated October 30, 2009, that Bernofsky was able to act on that information. This lawsuit was filed on November 13, 2009, at a time when LRA is still attending to unfinished business, and well before the program's final closing deadline above. The defendants may invoke technicalities such as arbitrary deadlines to rationalize their deficiencies, but their abysmal performance and dereliction of duty toward plaintiffs is undeniable. Plaintiffs are entitled to an appropriate and just remedy.

Respectfully submitted,

  
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CARL BERNOFSKY  
*In propria persona*  
SHIRLEY G. BERNOFSKY  
*In propria persona*

109 Southfield Road, Apt. 51H  
Shreveport, Louisiana 71105  
Tel: (318) 869-3871

**CERTIFICATE OF SERVICE**

The undersigned certifies that on this 18th day of February 2010, a copy of the above and foregoing was delivered to the Clerk of Court for use in the CM/ECF System for filing and for transmittal of a Notice of Electronic Filing upon all CM/ECF registrants.

  
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CARL BERNOFSKY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF LOUISIANA

CARL BERNOFSKY and  
SHIRLEY G. BERNOFSKY

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5:09-CV-01919-TS-MLH

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**ORDER**

After considering the *Motion in Opposition to Defendant's Motion to Dismiss*, filed *in propria persona* by plaintiffs Carl Bernofsky and Shirley G. Bernofsky:

**IT IS HEREBY ORDERED** that defendant ICF Emergency Management Services, LLC's Motion to Dismiss is **DENIED**.

Shreveport, Louisiana, this \_\_\_\_\_ day of February 2010.

\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

## CONTRACT

### STATE OF LOUISIANA CONTRACT

Effective the 12th day of June, 2006, the State of Louisiana, through the Division of Administration, Office of Community Development (hereinafter sometimes referred to as the "State" or "OCD") - and ICF Emergency Management Services, LLC, 9300 Lee Highway, Fairfax, VA 22031 (hereinafter sometimes referred to as the "Contractor" or "ICF") do hereby enter into a contract under the following terms and conditions (the "Contract").

#### 1.0 SCOPE OF SERVICES

##### 1.1 CONCISE DESCRIPTION OF SERVICES

ICF agrees to serve as Louisiana's Road Home Housing Manager, acting as the State's agent to operate Housing Assistance Centers, conduct outreach, accept and process applications for financial assistance, verify applicants' eligibility, determine amounts of assistance in accordance with State guidelines, provide advisory services to property owners, negotiate purchases and sales of properties, assist the State in handling land title issues, create/maintain a comprehensive management information system, develop and provide a process for mediation of disputes between vendors and homeowners, and perform other duties as required to manage the program and comply with all federal, state and local laws, regulations, and contractual requirements (the "Project").

##### 1.2 STATEMENT OF WORK

###### 1.2.1 INTRODUCTION

The Statement of Work attached hereto as **Exhibit A** defines the full scope of services that are to be provided as Phase One under this Contract. The State and ICF expect to amend this Contract over its three-year term to provide for subsequent phases. The amendments will identify the specific tasks to be performed, the deliverables, the completion criteria, estimated completion dates, estimated costs and each party's respective responsibilities for accomplishing the tasks required in each subsequent phase. Upon execution of this Contract and each subsequent amendment, the Contractor will be authorized to perform work specified in this Contract and each amendment. All work will be performed on an hourly fee or unit price basis, as set forth in this Contract, unless specified otherwise. **Exhibit B** sets forth the deliverables and completion date requirements.

### **1.2.2 GOALS AND OBJECTIVES**

The goals and objectives of this Contract are as follows:

- Opening of Housing Assistance Centers in various locations within and outside the State to serve displaced residents.
- Development of a MIS system which meets State specifications and internal control requirements.
- Development and initiation of an outreach and public education campaign designed to provide information on the Road Home Program and Housing Assistance Centers.
- Successful completion of training sessions developed for home inspectors, financial institutions, and building professionals.
- Initiation and completion of a pilot program which processes a sample of preregistered applicants to a final award in accordance with the operational plan developed by the Contractor.
- Execution of Memoranda of Understanding with state and federal agencies to facilitate the transmission of data necessary for program implementation.

### **1.2.3 PERFORMANCE MEASURES**

The performance of this Contract will be measured by the State Project Manager (the "SPM"), who shall be the Director of OCD or her designee as appointed in writing, authorized on behalf of the State, to evaluate the Contractor's performance pursuant to the requirements of the Contract, including without limitation, the requirements of the Statement of Work.

### **1.2.4 MONITORING PLAN**

The Commissioner of Administration or his designee (the "Commissioner") as appointed in writing will monitor the services provided by Contractor and the expenditure of funds under this Contract. The Director of the OCD will be primarily responsible for the day-to-day contact with Contractor and day-to-day monitoring of Contractor's performance. The monitoring plan is the following:

- Meetings as specified in the Statement of Work will be held with Contractor's team to discuss time schedule, deliverables due, progress on deliverables, weekly work flow, challenges, etc.



- The SPM will ensure all deliverables are delivered on or before the time scheduled for completion. The SPM will be responsible for review and acceptance of deliverables in accordance with Section 1.2.6 below.
- The SPM will provide guidance to the Contractor and provide the oversight of the implementation of the Statement of Work to ensure quality, efficiency and effectiveness in fulfilling the goals and objectives of the Road Home Program, including providing guidance and oversight to the Contractor on all financial transactions. Guidance will be provided in a timely manner.

### **1.2.5 CONTRACTOR TASKS AND RESPONSIBILITIES**

The Statement of Work attached as **Exhibit A** describes the services to be performed pursuant to this Contract. Changes in the scope or schedule of the services, either by the State's request or necessitated by other events or conditions (including, without limitation, changes in law or regulation), that would increase the cost or alter the time needed to perform the services may be cause for an equitable increase in the Contract fees and/or extension of the Contract schedule past the anticipated termination date. Such changes to the Contract shall be made in accordance with the process specified in Section 10 below.

### **1.2.6 ACCEPTANCE OF DELIVERABLES**

Should the SPM determine that all or part of any deliverable delivered by Contractor does not satisfy the requirements established by the Contract, the SPM shall promptly deliver to Contractor written notice of his or her rejection of the deliverable and reasons therefor. Each deliverable that is not rejected in writing by the State within twenty (20) days of delivery in accordance with the preceding sentence shall be deemed accepted.

### **1.2.7 SUBSTITUTION OF KEY PERSONNEL**

ICF's key personnel assigned to this Contract are listed in **Exhibit C** attached hereto and may not be replaced without the written consent of the SPM. Such consent shall not be unreasonably withheld or delayed, provided an equally qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to projects outside this Contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, as the case may be, shall be responsible for providing an equally qualified replacement acceptable to the other party in time to avoid delays in completing tasks.

### **1.2.8 SUBCONTRACTORS**

ICF may, with prior written permission from the SPM, 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 responsibility of

the Contractor to the State and/or State Agency for the performance of the requirements of the Contract.

The following subcontractors are accepted by the State:

Shaw Environmental & Infrastructure, Inc.  
The First American Corporation  
KPMG LLP  
Quadel Consulting Corporation  
Microsoft Corporation  
STR, L.L.C.  
Providence Engineering and Environmental Group LLC  
Deltha Corporation  
Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.

## **2.0 ADMINISTRATIVE REQUIREMENTS**

### **2.1 TERM OF CONTRACT**

This Contract shall begin on June 12, 2006, and shall end on June 11, 2009.

### **2.2 STATE FURNISHED RESOURCES**

Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned SPM shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract. The State will provide Contractor with reasonable facilities (to the extent available) and timely access to data, information, and personnel of the State.

Contractor shall make reasonable efforts to notify the SPM of meetings and conference calls with HUD, Louisiana Recovery Authority, or other governmental agencies concerning the implementation or operation of the Road Home Program. SPM and Contractor will determine whether Contractor's participation in such meetings or conference calls is appropriate. Additionally, Contractor shall make reasonable efforts to provide SPM with copies of any correspondence or e-mails with HUD, Louisiana Recovery Authority, or other governmental agencies concerning the implementation or operation of the Road Home Program.

### **2.3 TAXES**

Contractor is responsible for payment of all applicable taxes from the funds to be received under this Contract. Contractor's federal tax identification number is 68-0551646.

## **3.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

### 3.1 PAYMENT TERMS

In consideration of the services required by this Contract during the first four months ("Phase One"), State hereby agrees to pay to Contractor a maximum fee of \$87.18 million.

In consideration of the services performed under this Contract on an hourly fee basis, payments will be made on the basis of invoices submitted by Contractor to the SPM, documenting hours expended multiplied by the applicable hourly rate. The labor categories and rates for hourly fee services are as specified in **Exhibit D**, attached hereto and incorporated herein by reference.

In consideration of the services performed under this Contract on a unit price basis, payments will be made on the basis of invoices submitted by Contractor to the SPM, documenting the number of unit price tasks performed multiplied by the applicable unit price per task.

The unit prices are as specified in **Exhibit E**, attached hereto and incorporated herein by reference.

In consideration of the other direct costs ("ODC's") incurred under this Contract, the State shall pay the Contractor on a fixed price basis. The fixed price for ODC's during Phase One of the Contract is Forty-three million eight hundred eighty-eight thousand dollars (\$43,880,000).

The list of the ODC's to be acquired during Phase One are as specified in **Exhibit F**, attached hereto and incorporated herein by reference. Due to the expedited time requirements for deliverables under Phase One, compliance by the Contractor or subcontractors with the State travel regulations is not required hereunder.

Any revisions or additions to the labor categories, rates, unit prices, or ODC's must be approved by the SPM.

Upon execution of this Contract, receipt of Contractor's initial invoice and HUD's approval of such advance payment, the State shall pay to the Contractor an initial payment of Eight million one hundred seventy thousand dollars (\$8,170,000) to cover the portion of the fixed price specified above which must be paid out by Contractor immediately.

For subsequent invoices, the State will make every reasonable effort to make payments within 25 days of the receipt of an invoice.

The Contractor shall provide invoices two times per month (on or about the first and fifteenth day of each month) for hourly fee services and unit price tasks performed and the remainder of the Phase One fixed price (pro-rated equally in the invoices to be sent during Phase One). Payment shall be made upon approval of the Commissioner.

In accomplishing the work during a phase of the Contract, the Contractor may acquire, subject to SPM approval, obligations such as office leases, whose costs extend beyond the term of Phase One. Any reasonable costs and expenses incurred by Contractor related to such obligations will be paid by State.

Contractor shall notify the SPM when 75 percent (75%) of the maximum fee for Phase One has been expended in order to maximize the effective use of the remaining authorized funds.

#### **4.0 TERMINATION**

##### **4.1 TERMINATION FOR CAUSE**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms of the Contract; provided that the State shall give the Contractor written notice specifying the reasons for termination. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Unless caused by a force majeure event or other causes beyond Contractor's reasonable control, failure to perform within the time specified in Section 1.2.1 of this Contract or as subsequently agreed to by the parties will constitute a default and may cause cancellation of the Contract.

Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily; obligations that have been incurred that extend beyond the date of termination; and reasonable contract close-out costs.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms of this Contract provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect.

##### **4.2 TERMINATION FOR CONVENIENCE**

State may terminate the Contract at any time without penalty by giving ninety (90) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily; obligations that have been incurred that extend beyond the date of termination; and reasonable contract close-out costs.

##### **4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this Contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the Contract by the legislature. If the legislature

fails to appropriate sufficient monies to provide for the continuation of the Contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the Contract, the Contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily; obligations that have been incurred that extend beyond the date of termination; and reasonable contract close-out costs.

#### **5.0 INDEMNIFICATION & LIMITATION OF LIABILITY**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under the Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

Contractor will indemnify, defend and hold the State harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) the State's unauthorized modification or alteration of a Product; ii) the State's use of the Product in combination with other products not furnished by Contractor; iii) the State's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the State's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For any deliverable or service which is not accepted pursuant to Section 1.2.6 above, upon request from the State, the Contractor shall re-perform the Services at no additional charge. If Contractor is unable to re-perform the Services in an acceptable manner, the State shall be entitled to recover the fees paid to Contractor for that portion of the Services which failed to be accepted.

Neither Contractor nor any of its subcontractors shall have any responsibility and/or liability for any claim brought by any third party arising out of or relating to the design, development, and/or validity of the Louisiana Road Home Housing Recovery Program.

Except as provided above in the second and third paragraphs of this Section 5, Contractor shall be allowed to charge as an expense under this Contract, all reasonable costs and fees incurred by it in defending and/or paying any claim brought by any third party against it arising out of, directly or indirectly, Contractor's performance of its obligations under this Contract.

The parties agree that: (i) this Contract is not a "public contract" as defined in La. R.S. 38:2211(A) (10); (ii) the scope of work hereunder is not "public work" as defined in La. R.S. 38:2211(A) (12); and (iii) the prohibitions of La. R.S. 38:2195 are not applicable to any matters or claims arising out of Contractor's performance of its obligations under this Contract.

For all other claims against the Contractor where liability is not otherwise set forth in this Contract as being "without limitation," and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, or the dollar amount of the specific portion of the Contract in dispute. Neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

## **6.0 CONTRACT CONTROVERSIES**

Any claim or controversy arising out of the Contract shall be resolved by the provisions of Louisiana Revised Statute 39:1524-26.

## **7.0 FUND USE**

Contractor agrees not to use Contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

## **8.0 ASSIGNMENT**

No contractor shall assign any interest in this Contract by assignment, transfer, or novation, without prior written consent of the SPM. This provision shall not be construed to prohibit the Contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **9.0 RIGHT TO AUDIT**

The State Legislative auditor, federal auditors and internal auditors of the Division of Administration, or others so designated by the Commissioner, shall have the option to audit all accounts directly pertaining to the Contract for a period of five (5) years from the date of the last payment made under this Contract. Records shall be made available during normal working hours for this purpose.

## **10.0 CONTRACT MODIFICATION**

No amendment or variation of the terms of this Contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the Contract is binding on any party.

## **11.0 CONFIDENTIALITY OF DATA**

All of the reports, information, data, etc., prepared or assembled by the Contractor under this Contract are confidential and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the State.

All financial, statistical, personal, technical and other data and information relating to the State's operation that are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or that become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data

and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information that is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the Contract, or is rightfully obtained from third parties.

## 12.0 NOTICES

All notices to be given to either Party under this Agreement shall be written and addressed to the State and to the Contractor at the contact information provided below:

### TO THE STATE:

Ms. Susan Elkins, Director  
Office of Community Development

Louisiana Division of Administration  
Claiborne Building, Suite 7-270  
Baton Rouge, Louisiana 70802  
Phone: 225-342-7412  
Facsimile: 225-342-1947  
E-mail: [suzie.elkins@la.gov](mailto:suzie.elkins@la.gov)

### TO CONTRACTOR:

Mr. Michael Byrne  
ICF Emergency Management  
Services LLC  
9300 Lee Highway  
Fairfax, Virginia 22031-1207  
Phone: 703-934-3480  
Facsimile: 703-934-3675  
E-mail: [mbyrne@icfi.com](mailto:mbyrne@icfi.com)

## 13.0 OWNERSHIP

No materials, to include but not limited to reports, maps, or documents produced as a result of this Contract, in whole or in part, shall be available to Contractor for copyright purposes. Any such materials produced as a result of this Contract that might be subject to copyright shall be the property of the State and all such rights shall belong to the State.

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this Contract. All records, reports, documents, or other material related to this Contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this Contract.

Notwithstanding the preceding paragraphs, the term "Contractor Property" shall mean all pre-existing material, including, but not limited to, any products, software, materials and methodologies proprietary to Contractor or provided by Contractor or its suppliers and any trade secrets, know-how, methodologies and processes related to Consultant's



products or services, all of which shall remain the sole and exclusive property of Contractor or its suppliers. Subject to the terms of this Contract, Contractor grants to the State a non-exclusive, non-transferable, perpetual license to use the Contractor Property contained in the deliverables provided hereunder for the purposes of this Contract.

#### **14.0 COMPLIANCE WITH CIVIL RIGHTS LAWS**

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246 and all rules and regulations by the Secretary of Labor in Section 201 of E.O. 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its employment practices, and will render services under this Contract without regard to race, color, religion, sex, national origin, sexual orientation, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this Contract.

#### **15.0 INSURANCE**

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-:VI. This rating requirement shall be waived for Worker's Compensation coverage only.

Contractor's Insurance: The Contractor shall not commence work under this Contract until it has obtained all insurance required herein. Certificates of Insurance, fully executed by an authorized representative of the Insurance Company, shall be filed with the State of Louisiana. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. Said policies shall not hereafter be canceled, permitted to expire, or be changed without the insurance companies endeavoring to provide thirty (30) days' notice in advance to the State of Louisiana.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the Contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the Contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

Commercial General Liability Insurance: The Contractor shall maintain during the life of this Contract such Commercial General Liability Insurance that shall protect the Contractor, the State, and any subcontractor during the performance of work covered by the Contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the Contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the State. Such insurance shall include the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$5,000,000.

Licensed Motor Vehicles: The Contractor shall maintain during the life of the Contract, Automobile Liability Insurance in an amount not less than combined single limits of \$2,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any licensed motor vehicles engaged in operations within the terms of the Contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

#### **16.0 APPLICABLE LAW**

This Contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this Contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

#### **17.0 CODE OF ETHICS**

The Contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et seq., Code of Governmental Ethics) applies to the Contractor and subcontractors in the performance of services called for in this Contract. The Contractor agrees to immediately notify the State if potential violations of the Code of Governmental Ethics arise as to the Contractor or subcontractors at any time during the term of this Contract.

No member, officer, or employee of the Contractor, or its designees, or agents, no consultant, no member of the governing body of the Contractor or the locality in which the program is situated, and no other public official of the Contractor or such locality or localities, who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project or in any activity or benefit, which is part of this Project.

Contractor will disclose, within fifteen days of the time they arise, any related party affiliations between any Louisiana elected official or employee of the Office of Community Development or the Louisiana Recovery Authority.

Upon written request of the Contractor, the State may agree in writing to waive a conflict otherwise prohibited by this provision whenever there has been full public disclosure of the conflict of interest, and the State determines that undue hardship will result either to the Contractor or the person affected by applying the prohibition and that the granting of a waiver is in the public interest. No such request for waiver shall be made by Contractor which would, in any way, permit a violation of State or local law or any charter provision of the Contractor.

#### **18.0 SEVERABILITY**

If any term of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms or applications which can be given effect without the invalid term or application; to this end the terms of this Contract are declared severable.

#### **19.0 COMPLETE CONTRACT**

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this Contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understandings changing or modifying the terms. This Contract shall become effective upon final approval by the Division of Administration, Office of Contractual Review.

#### **20.0 ORDER OF PRECEDENCE**

This Contract shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the Contract, excluding the SFO, its amendments and the Contractor's Proposal in response thereto; second priority shall be given to the provisions of the SFO and its amendments; and third priority shall be given to the provisions of the Contractor's Proposal.

#### **21.0 SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974**

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

#### **22.0 "SECTION 3" COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES**

(a) The work to be performed under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

(d) The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

(g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for

training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

**23.0 DRAFTING PARTY**

Each party has participated in the drafting of this Agreement and any question of interpretation shall not be resolved by any rule of interpretation providing for interpretation against the drafting party. This Agreement shall be construed as though drafted by both parties.

**24.0 CHANGES**

The State may, from time to time, request changes in the Statement of Work to be performed. Such changes, including any increase or decrease in the amount of the compensation, which are mutually agreed upon by and between the Contractor and the State, shall be incorporated in written amendments to the Contract.

**25.0 COMPLIANCE WITH FEDERAL, STATE AND LOCAL GUIDELINES**

The Contractor hereby binds itself, certifies, and gives its assurance that it will comply with all federal and State regulations, policies, guidelines and requirements, as they relate to the application, acceptance and use of state and federal resources for the State assisted project. The Contractor further agrees to comply with applicable laws, ordinances, and codes of the State and federal and local governments.

**26.0 COVENANT AGAINST CONTINGENT FEES AND CONFLICT OF INTEREST**

The Contractor warrants that no person or selling agency or other organization has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warrant the State shall have the right to annul this contract without liability or, in its discretion, to deduct from the Contract or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee, or to seek such other remedies as legally may be available.

THUS DONE AND SIGNED on the date(s) noted below:

Kenneth B. Kolosky  
CONTRACTOR'S SIGNATURE  
6/30/2006  
DATE

Jerry Luke LeBlanc  
STATE'S SIGNATURE JERRY LUKE LEBLANC  
6/30/06 DIVISION OF ADMINISTRATIVE SERVICES  
DATE

## **Exhibit A**

### **Statement of Work Scope of Services**

The selected Program Manager will act as the State's agent to operate Housing Assistance Centers, conduct outreach, accept and process applications for financial assistance, verify applicants' eligibility, determine amounts of assistance in accordance with State guidelines, provide advisory services to property owners, negotiate purchases and sales of properties (or assignments or options), assist owners in clearing land titles, create/maintain a comprehensive management information system, provide for a process for mediation of disputes between vendors and homeowners, and perform other duties as required to manage the program and comply with all federal, state and local laws, regulations and contractual requirements.

#### **PHASE 1 – START-UP OF HOMEOWNER AND SMALL-SCALE RENTAL PROGRAM**

- 1.1 Complete operational plan and cash flow projections in coordination with the State, complete the operational plan and cash flow projections for the expenses of the program and assistance payments, using both Community Development Block Grant (CDBG) funds and FEMA Hazard Mitigation (HM) funds for expected program operations, but also including operational plan amendments and cash flow projections that address situations that may arise if certain programmatic assumptions and conditions are not fulfilled; to include controls to avoid fraud, waste and mismanagement of funds, controls to eliminate duplication of benefits from insurance companies, Federal Emergency Management Agency, etc., and identify methods for verifying other sources of funds, processes for determining damage assessment and value of homes, methods for ensuring that titles are free and clear, review legal covenants, and a process for monitoring compliance with the agreed upon covenants. All procedures and systems shall be in accordance with federal and state regulations and in conformance with the State's contractual agreement with HUD. All procedures shall anticipate a full integration with internal financial monitoring staff allowing them easy access to all required systems and documents.
- 1.2 Create a management information system (MIS) based on requirements developed by the State, and to which designated personnel of the State will have full access during the entire term of the contract. Tasks for developing the MIS are as follows.
  - 1.2.1. Contractor will review, recommend modifications and accept the draft software requirements for:
    - 1.2.1.1. Workflow processes, data fields, data collection and data verification requirements, both at a rudimentary level for accepting and processing a pilot group of applications during Phase 1, and for Phase 2.

- 1.2.1.2. Business rules for automated determination of eligibility and calculation of assistance amounts.
  - 1.2.1.3. Financial accounting of program financial activities, including contractor and subcontractor billing and payments;
  - 1.2.1.4. Data security, backup and privacy features;
  - 1.2.1.5. All necessary interfaces with the relevant State MIS systems, in particular, the MIS systems for tracking payments to property owners. The system must be compatible with the State's Advantage Financial System (AFS) for making disbursements. All necessary interfaces with the relevant federal MIS systems for the purposes of evaluating non-duplication of benefits (such as the NEMIS, SBA and NFIP systems).
  - 1.2.1.6. Reports that will be produced by the automated system for the benefit of applicants for assistance, program personnel, program managers, the State, and all federal agencies that require reports.
  - 1.2.1.7. Business rules for tracking applications and cases for whom eligibility and assistance amounts calculation cannot be automated (cases that are under appeal or represent special cases that are exceptions to regular business rules).
  - 1.2.1.8. Business rules for making all necessary data spatially enabled to allow for the integration of necessary data elements into a geographic information system.
  - 1.2.2. Complete software development and/or purchase for Phases 1 and 2.
- 1.3 Secure building leases and equipment for all front-office and back-office operations. There will be approximately 20 Housing Assistance Centers through the initial application phase, and approximately 15 thereafter, unless otherwise directed by the State. The Contractor will propose strategies for mobile outreach as well as outreach to out-of-state homeowners seeking to participate in the homeowner assistance program. Contractor will be responsible for all costs of operating the Centers, including lease payments, maintenance costs, and program operations costs of the centers. During the start-up phase, Contractor may enter into leases that are conditional upon State receiving sufficient funding from HUD. Secure temporary housing if needed for program staff of the offeror firm and subcontractors.
- 1.4 Secure the necessary personnel, equipment and telecommunications services to be able to take applications in-person and over the phone.
- 1.5 Develop procedures for obtaining privacy releases, both in-person at Housing Assistance Centers and from applicants who reside in remote locations.
- 1.6 Complete the hiring of at least 40% of the personnel (including personnel of subcontractors) required to operate the programs. These personnel must include one or more Mitigation Advisors that are experts in the implementation of hazard mitigation methodologies and can advise homeowners that are confronted with mitigating their structures.
- 1.7 Enter into contracts which are approved by the State with all subcontractors required to operate the program and ensure that subcontractors are in compliance with Section 2.15 of Exhibit D.

- 1.8 Establish and maintain for the life of the contract a web-based Rebuilding Professional Registry that provides applicants with contact information for the following: architects, home inspectors, surveyors, renovation contractors, homebuilders, manufactured and modular housing dealers, and lending institutions offering Rebuilding Escrow Accounts.
- 1.9 Conduct at least five orientation meetings in different locations to familiarize design and building professionals with the policies and procedures of the program.
- 1.10 Conduct at least five one-day training sessions for home inspectors who are willing to write biddable repair specifications and offer bidding and contract management services to homeowners who receive assistance from the program. Such sessions should be concluded with a written test to determine competency of inspectors to perform such tasks. Home inspectors who pass the test will be given a Certificate of Completion, which will be a requirement for each home inspector who wishes to be listed in the Rebuilding Professional Registry. Inspectors brought on by the contractor should have necessary training and be able to write biddable specifications, which is a key and required deliverable of the Contractor to the homeowners as well as inspections of these repairs according to the bid specifications before payment is made to homeowner.
- 1.11 Conduct at least five training sessions of at least three hours each with personnel of financial institutions that offer, or are willing to offer, Rebuilding Escrow Accounts to owners that are part of the program. The training will cover the standard terms and fees associated with escrow accounts that are approved by the State as Rebuilding Escrow Accounts. (The State will encourage industry associations to have developed these standard terms and fees before the program is launched.)
- 1.12 Design and launch a public education and outreach campaign which will begin within 10 working days after the start of the program and continue actively for six months, for the purpose of encouraging all eligible homeowners and qualified small rental property owners to apply for assistance. The outreach campaign must reach out into national markets wherever there is a concentration of displaced Louisiana citizens.



- 1.13 Through a new website or subsidiary pages of an existing State website, provide information about the programs (posting any major changes within two working days) and automated application forms for both homeowners and small rental property owners.
- 1.14 Make ready all paper forms and paper filing capacity for physical recordkeeping, with necessary protections of privacy. Provide for an electronic imaging system to scan and keep track of all documents related to each application. Maintain a secure offsite location for storing all electronic files.
- 1.15 Develop, or where procedures have already been drafted by the State, review, recommend modifications and approve the State's proposed methods for verifying other sources of funds, processes for determining damage assessment and value of homes, procedures for safeguarding assets and managing assets, procedures for property disposition, procedures for mitigation grants, procedures for affordable loans, methods for ensuring that titles are free and clear, developing legal covenants, a process for monitoring compliance with the agreed upon covenants, and processes for ensuring compliance with NEPA and other laws to further NEPA, Davis Bacon, etc..
- 1.16 Make available senior managers of the offeror firm or subcontractor firms for media interviews, meetings with federal officials, and other necessary external meetings, each instance of which must be approved by a designated representative of the State.
- 1.17 Begin taking full applications from applicants that have pre-registered through the state's call center and web site.
- 1.18 Begin evaluating eligibility, calculating assistance payments, and making awards for a sample pilot program.
- 1.19. As necessary, sign memorandums of understanding in coordination with the State with all relevant partners (FEMA, banks, private insurers, other federal agencies, other state agencies etc...) to facilitate the transmission of necessary data required for program implementation.

#### PH ASE 2(a) – FULL-SCALE OPERATION OF HOMEOWNER ASSISTANCE PROGRAM

Take applications from homeowners via web forms, telephone and face-to-face interviews.

- 2(a)1. Provide applicants with technical assistance from qualified Rebuilding Advisors, who will advise owners on the following:
  - 2(a)1.1. The implications of choosing the various options under the program.
  - 2(a)1.2. How to understand and manage financial matters such as insurance payments, FEMA payments, outstanding secured loans, liens, etc.
  - 2(a)1.3. If the repair, replace or buyout/relocate options are selected, an initial advisory session about the tasks involved for the owner will be conducted addressing issues such as: how to avoid being defrauded, professional design and survey services that may be required, how to identify services providers and building contractors through the Rebuilding Professional Registry, and how to manage engagements with those service providers and contractors.

- 2(a)2. Through personnel acting as Rebuilding Advisors or Intake Specialists, provide information about the program and answer applicants' questions.
- 2(a)3. Verify the ownership of each property subject to the application. Assure that the owner has right title and interest to the property, identify all lien holders, and assist the owner in preparing a plan of action to satisfy all lien holders.
- 2(a)4. Verify sources of funds that were paid to applicant as compensation or other settlements or write-offs in connection with the applicant's disaster related property losses, which must be deducted from the amount of the State's assistance, namely: property and hazard insurance payments, flood insurance payments, and the portion of any FEMA Individual (household) Assistance Payments received by applicants to compensate for real property losses.
- 2(a)5. Calculate the amounts of assistance due to qualified applicants, including incentive grants, mitigation grants, and affordable loans, prepare all documents related to the commitment and disbursement of this assistance by the State, and forward this documentation to the State agency responsible for making commitments of funds and disbursements.
- 2(a)6. For some or all assistance transactions, file documents in the public records as instructed by the State.
- 2(a)7. Provide applicants with technical assistance from qualified Rebuilding Advisors, who will advise owners on the following:
  - 2(a)7.1. The implications of choosing the various options under the program.
  - 2(a)7.2. How to understand and manage financial matters such as insurance payments, FEMA payments, outstanding secured loans, liens, etc.
  - 2(a)7.3. If the repair, replace or rebuild/relocate options are selected, an initial advisory session about the tasks involved for the owner will be conducted addressing issues such as: how to avoid being defrauded, professional design and survey services that may be required, how to identify services providers and building contractors through the Rebuilding Professional Registry, and how to manage engagements with those service providers and contractors.
  - 2(a)7.4. Establishment of escrow accounts with financial institutions for holding the owner's available funds for repairing, building or buying a home and paying the costs of professional service providers.
  - 2(a)7.5. If a client is seeking to obtain a new mortgage loan, or to refinance, in order to carry out a rebuilding plan, Rebuilding Advisors will obtain credit reports (with the client's permission) and assist clients in determining their eligibility and likely amount of the loan by using standard automated pre-qualifying software packages used in connection with first-time homebuyer programs around the country.
  - 2(a)7.6. In accordance with protocols and time limits that are part of the operational plan, Rebuilding Advisors will offer continuing assistance to qualified homeowners as they continue through the repair, rebuilding and relocation options. It is assumed that Rebuilding Advisors will spend an average of 2 hours per client advising an applicant whose qualifications and property ownership have not been determined, and an average of 20

more hours with an applicant who has been determined to be eligible for financial assistance from the program. It is the responsibility of the Contractor to develop management systems that limit the time that Rebuilding Advisors spend in the aggregate providing services to program clients.

- 2(a)7.7. If a client is required to undertake mitigation methods during the course of the repair of their home, the Rebuilding Advisor with the assistance of the Mitigation Advisor will provide assistance and guidance to the client on what are the best mitigation techniques and how to acquire the necessary services to conduct the appropriate mitigation.
- 2(a)8. If the "buyout/relocate" or "sell" options are chosen by an applicant, the case will be assigned to a Property Disposition Specialist, who will advise the owner on the steps involved in selling the property, demolishing any existing structures as necessary, receiving compensation from the State, and negotiating with secured lenders and other lien holders to clear liens on the property. Property Disposition Specialists are expected to spend an average of 2 hours advising clients and as much additional time as necessary to conclude the transfer of the property to the State or its designee.
- 2(a)9. Provide legal services as necessary to determine the amount of compensation to be provided to the homeowner in accordance with the processes and systems described above. Provide legal opinions as needed relative to eligibility and funding decisions or compensations made to homeowners, and if needed, to attest that the processes utilized were in conformance with state and federal law.
- 2(a)10. Develop and manage internal quality control processes to ensure consistency among a large number of Rebuilding Advisors.
- 2(a)11. Develop and manage processes to protect against possible fraud, waste and mismanagement
- 2(a)12. Report regularly to OCD on data and trends requested by OCD, and as requested by the OCD to other agencies such as LRA and HUD.
- 2(a)13. Develop a mediation process to resolve disputes between vendors participating in the program and homeowners.
- 2(a)14. Develop an "ombudsman" type program that will receive and deal with any complaints homeowners may have regarding the program implementation.
- 2(a)15. Provide the State with activity, financial and progress reports as required to support billing for services and preparation of reports for State monitoring agencies and HUD.

#### PHASE 2(b) – FULL-SCALE OPERATION OF SMALL RENTAL PROPERTY REPAIR PROGRAM

- 2(b)1. Conduct a series of at least 6 applications rounds for owners of small-scale rental properties who will apply for assistance in a competitive process under criteria to be determined by the State.
- 2(b)2. Provide technical assistance to applicants via a staff of qualified Rental Rehab Advisors. Advice and assistance will be offered for:
- 2(b)2.1. Completing the application form;

- 2(b)2.2. Determining which income-rent category and accompanying second mortgage funding amounts are most suitable for particular rental units,
  - 2(b)2.3. Completing iterations of pro formas for sources and uses of capital and a cash flow projection for 10 years of project revenues and operating costs;
  - 2(b)2.4. The owners' completion of, or retaining professionals for competing construction plans and specifications, construction budgets, and bids;
  - 2(b)2.5. The owners' retaining professional assistance to certify that there is clear and marketable title to the properties; and
  - 2(b)2.6. Compliance with federal requirements for lead hazard abatement, historic preservation requirements, and other requirements that will be tied to the funding of the second mortgages.
- 2(b)3. Select applications that conform to program rules and forward recommended packages to the appropriate State agency for approval of commitment letters and funding the second mortgages, as follows:
- 2(b)3.1. Complete underwriting;
  - 2(b)3.2. Determine that other sources of funds needed for repair (owner cash, insurance payments, additional senior debt, etc.) are escrowed or otherwise firmly committed;
  - 2(b)3.3. Calculate the allowed amount of second mortgage funding; and
  - 2(b)3.4. Prepare draft closing documents including deeds of trust and promissory notes;
- 2(b)4. Post-approval tasks will be performed as follows:
- 2(b)4.1. Upon receiving the State's approval of a closing package, notify the owner of the steps involved in closing the second mortgage loan and receiving disbursements from the state;
  - 2(b)4.2. Monitor the construction work to assure completion of the scope of repair work committed to in owners' applications and to assure compliance with program requirements;
  - 2(b)4.3. Approve draws from escrow accounts of the State's funding;
  - 2(b)4.4. Provide technical assistance to owners regarding compliance with the program's marketing and occupancy requirements, including limitations on rents and incomes of occupants throughout the compliance period; and
  - 2(b)4.5. Upon completion of the construction work and initial occupancy of the rental units, provide the State with a close-out package for each project indicating and documenting compliance with program requirements.
  - 2(b)4.6. Monitor compliance of rent requirements until the end of close-out phase.

**Phase 3-CLOSE-OUT OF HOMEOWNER AND SMALL-SCALE RENTAL PROGRAM**

- 3.1. Complete post-award rebuilding advisory services to homeowners continuing to repair or rebuild their homes (up to Month 44).

- 3.2. Complete monitoring of owner-occupancy requirements and turn over remaining responsibilities to the State (Month 47)
- 3.3. Close out files for all applications and closed transactions, including electronic and paper files related to all stages of processing applications for assistance from the Homeowner Assistance and Small Rental Property Repair programs, documenting:
  - 3.3.1. Contractor and assisted property owners' compliance with all requirements pertaining to the contract as well as state and federal regulations governing the compensation;
  - 3.3.2. The fulfillment of all obligations by owners that were conditions of receiving assistance;
  - 3.3.3. Applications that were denied and the reasons for denial; and
  - 3.3.4. All referrals to the state of appeals by owners.
- 3.4. Provide final program activity and financial reports.
- 3.5. Provide all other documentation and certifications required by the contract and terms of the federal funding.

## Exhibit B

### Start-up of Homeowner and Small Scale Rental Program

1. Prepare operational plan and cash flow projections in coordination with State to include all processes included in the Scope of Services Section 1.1 and Section 1.15 to include FEMA Hazard Mitigation funds.

**Deliverable:** Operational Plan for rental and home ownership programs will be due two (2) weeks from the signature date of the contract. Cash Flow projections commencing within four (4) weeks of contract signature on a bi-weekly basis.

2. Development of MIS system based on the agreed upon operational plan to include all items identified in the Scope of Services under Section 1.2 and 2(a).

**Deliverable:** MIS specifications shall be completed within two (2) weeks upon receipt of the final draft modifications. Beta version of MIS system shall be brought on line throughout the pilot for the Home Ownership program. Final and fully functional version of the MIS system shall be ready at the end of 2 months after contract signature. Final and fully functional version of the MIS system for the Rental Program shall be ready within 120 days from contract signature. Certification that the MIS system meets internal control requirements shall be provided at the start of Phase 2.

3. Establish Housing Assistance Centers for building advisors and staff in order to take and process rental and homeowner applications. The Contractor shall consider mobile outreach centers as appropriate to reach the displaced homeowners.

**Deliverable:** Within ten (10) days of the contract signature date, the Contractor must submit a plan on the locations and staffing of the Housing Assistance Centers. Within sixty (60) days of the contract signature date, the Housing Assistance Centers are to become operational.

4. Subcontractor contracts prepared and approved by the State. A minimum of 40% of personnel must be hired including the staff of subcontractors. These personnel must include one or more Mitigation Advisors that are experts in the implementation of hazard mitigation methodologies and can advise homeowners that are confronted with mitigating their structures.

**Deliverable:** Contracts submitted to State for approval within ten (10) days of contract signature date. A listing of personnel hired should also be submitted with each contract. An assurance that all subcontractors meet Section 14.0 of exhibit D in the SFO must be submitted to the State at the same time.

5. Establish and maintain a web-based Rebuilding Professional Registry that provides applicants with contact information on the professions listed in Section 1.8.

**Deliverable:** State approved website up and running within sixty (60) days of the contract signature date.

6. Five training sessions for home inspectors and financial institutions.

**Deliverable:** Agenda for the five sessions must be submitted for approval by the State within fifteen (15) days of the contract signature date.

Two of the five trainings completed within sixty (60) days of the contract signature date and a summary of the evaluations received, a listing of the attendees, and how many attendees received certifications of completion must be submitted to the State within seventy-five (75) days of the contract signature date. The remaining three trainings shall be scheduled based on project demand.

7. Five (5) meetings should be held to ensure that the building professionals are adequately familiar with the design, policies and procedures of the Road Home Program.

**Deliverables:** ICF should submit agendas and locations of the meetings for State approval within fifteen (15) days of the contract signature date. Two of the five meetings shall be completed within sixty (60) days of the contract signature date. The remaining three meetings shall be scheduled based on project demand.

The Contractor should submit a summary of the evaluation by attendees and a listing of the attendees within seventy-five (75) days of contract signature date.

8. For Home Ownership Program, design and commence outreach and public education campaign ten (10) days prior to the start-up of the housing centers. This campaign will continue for six (6) months from that date.

**Deliverables:** Summary of media campaign and copies of brochures produced for outreach shall be submitted to the state for approval at least fifteen (15) days prior to the opening of the centers.

Development of a State approved website with information on the program for homeowners. Major changes in homeowner program must be posted within two (2) working days of the change.

Website shall be designed, developed and online within twenty (20) days of the contract signature date.

9. For small rental properties, design and commence outreach and public education campaign fifty (50) days form contract signature date. This campaign will continue for six (6) months from that date.

**Deliverables:** Summary of media campaign and copies of brochures produced for outreach shall be submitted to the state for approval forty-five (45) days from the contract signature date.

Development of a State approved website with information on the program for landlords of small rental properties. Major changes in rental program must be posted within two (2) working days of the change.

Website shall be designed, developed and online within fifty (50) days of the contract signature date.

10. Preparation and development of paper and electronic forms and a system of record retention and security to ensure the protection of applicant privacy and conformity to the business processes developed.

**Deliverables:** **For the Home Ownership Program,** forms such as homeowner applications, verification, covenants, title, etc. shall be submitted to the State for approval. The package of forms shall be submitted by twenty (20) days from the contract signature date.

**For small rental properties program,** forms such as rental applications, verification, covenants, title, etc. shall be submitted to the State for approval. The package of forms shall be submitted by ninety (90) days from the contract signature date.

11. Begin evaluating eligibility, calculating assistance payments and making awards for a pilot Home Ownership Program program. Full applications received from applicants who have pre-registered through call centers and the State's website shall be processed through the final award stage in accordance with the operational plan. This pilot project must begin no later than thirty (30) days from the contract signature date.

**Deliverables:** Submittal of a State approved pipeline report from the Contractor on a weekly basis providing information on number of applications taken, verified, options selected, compensation assistance granted, dates of title clearance, biddable specs, resolution cases, inspections, amount of loan, etc.

Contractor shall submit within seventy-five (75) days from the contract signature date an evaluation of the pilot program with suggested changes relative to quality, efficiency and effectiveness of meeting the program's goals and objectives made a part of this Contract. This report shall include an evaluation of the locations and options selected by homeowners.

12. In coordination with the State, signed Memorandums of Understanding with all relevant partners (FEMA, SBA, private insurers, other federal agencies and other state agencies, etc.) in order to facilitate the transmission of necessary data required for program implementation.



**Deliverables:** Arrangements to share data, which may be evidenced by signed Memoranda of Understanding (MOUs) are due thirty (30) days from the contract signature date.

## EXHIBIT C

### Key Personnel

**Mike Byrne (Chief Program Executive):** Ultimately responsible to OCD for the successful conduct of the project. Duties include providing corporate support; ensuring that program receives the highest level of attention and priority; allocating and dedicating sufficient resources; conducting necessary media interviews, meeting with federal officials, and other high-level meetings.

**Susan Hughes (Communications Director):** Responsible for development of the communications plan to generate applications, developing outreach materials to assist homeowners and rental unit owners make informed decisions in the program, and maintain internal communications within the project team.

**Dave Cogar (MIS Manager):** Responsible for designing and implementing the Management Information Systems (MIS) including the e-grants and case management software, achieving necessary interfaces with relevant State MIS systems, particularly as related to tracking payments to property owners; and ensuring that the implemented system is compatible with the State's Advantage Financial System

**Anita Rechler (Policy and Plans Director):** Responsible for developing all policies, plans, and procedures to ensure smooth and effective implementation of both the homeowner and rental programs. Work closely with OCD to ensure key CDBG and HMGP requirements are reflected in all aspects of program implementation

**Kris Guido (Human Resources Director):** Responsible for coordinating project HR requirements among team members. Responsible for establishing hiring profiles, reviewing resumes, and supporting the program management office in determining the qualified staff to hire. Provides the framework for performance appraisals of project personnel, and attends to all personnel issues, to include disciplinary actions up to and including dismissal of the individual.

**George Lowden (Administrative Officer):** Responsible for managing all administrative functions for the project including facilities and IT support, human resources, training, legal support and budget and finance.

**Perry Franklin (Community Outreach and Government Liaison):** Responsible for building relationships with community and parish leaders to provide an ongoing link to the program and secure their support to ensure program success.

**Scott Ball (Professional Services Registry Director):** Responsible for development of the building professionals registry, including raising awareness among the building industry of the registry and providing information on how to participate. Develop and maintain a website to house the Registry.

**Carol Hector-Harris (Public Information Officer):** Provides senior program management with a daily report of media reporting and events involving or impacting the program. Serves as direct liaison with media representatives. Drafts and issues press releases. Schedules media interviews for project senior management. Provides media interview training and rehearsal for senior program managers in preparation for media interviews.

**John Casbon:** Manage the title clearance process for all properties as required.

**Carl Bauchle:** Manage the title clearance process for all properties as required.

**Peter Keenan:** Manage the title clearance process for all properties as required.

**Michael Schwartz (Anti Fraud Manager):** Responsible for overall anti fraud program, oversight of policies, procedures, and controls to avoid fraud, waste, and management of funds; and eliminate duplication of benefits from insurance companies. Will ensure that all procedures developed are in accordance with federal and state regulations, and in conformance with the State's contractual agreement with HUD.

**Fred Tombar (Homeowner Assistance Program Manager):** Responsible for overall operation of homeowner program. Manages the follow-up process of full applications from pre-registered applicants, and evaluates eligibility, calculates assistance payments, and makes awards.

**Kathy Trainor (Homeowner Assistance Program Deputy Manager):** Assist the Homeowner Assistance Program Manager in implementing the program and coordinate with rental program, MIS, and communications. Lead planning and operation of advisory services activities of the program on an end-to-end basis and provide input to and approval of the training program for advisory personnel working in the Homeowner Assistance Centers.

**Scott Myer (Grants Processing Manager):** Directs a team of developers involved in the analysis, design, development and implementation of software applications. Determines user requirements, leads application design, plans projects, establishes priorities and monitors progress. Generates applications development policies, standards and procedures. Advises MIS Manager on system requirements.

## EXHIBIT D

**Louisiana Bond Home  
Labor Category**

<u>On-Site Rates</u>	<u>Rate (\$/HR)</u>
Administrative Assistant 1	20
Administrative Assistant 2	35
Administrative Assistant 3	50
Analyst 1	40
Analyst 2	50
Analyst 3	70
Analyst 4	85
Application Analyst 1	75
Application Analyst 2	90
Billing/AR Specialist	50
Budget and Financial Manager	125
Budget/Finance Specialist 1	50
Budget/Finance Specialist 2	60
Chief Program Executive	300
Communications Graphic Artist	70
Director 1	100
Director 2	125
Director 3	150
Facilities and Office Manager	90
Human Resources Manager 1	80
Human Resources Manager 2	100
Human Resources Professional 1	60
Human Resources Professional 2	75
Marketing Specialist 1	50
Marketing Specialist 2	65
Marketing Specialist 3	80
Program Manager 1	180
Program Manager 2	200
Program Manager 3	225
Program Manager 4	250
Program Manager 5	300
Project Administrator 1	75
Project Administrator 2	85
Public Relations 1	60
Public Relations 2	70
Recruiter 1	75
Recruiter 2	100
Report Specialist 1	70
Report Specialist 2	85
Requirements Analyst	70
Research Analyst	60
Safety and Security Manager	75
Subcontract Specialist 1	75
Subcontract Specialist 2	85
Supervisor 1	75
Supervisor 2	100
Supervisor 3	110
Supervisor 4	125
Systems Integrator	100
Tester 1	75
Tester 2	100

<u>Off-Site Rates</u>	<u>Rate (\$/HR)</u>
<b>ICF</b>	
Executive Consultant/Project Director/Principal	\$295.00
Senior Consultant/Technical Expert	\$295.00
Staff	\$275.00
<b>Jewes Walker</b>	
Senior Partner	\$375.00
Partner	\$320.00
Special Counsel	\$350.00
Senior Associate	\$260.00
Associate	\$225.00
Paralegal	\$150.00
<b>ICF and all other sub-contractors</b>	
Executive Consultant	\$280.00
Project Director	\$247.00
Senior Consultant	\$200.00
Technical Expert	\$175.00
Consultant	\$129.00
Junior Consultant	\$117.00
Research Assistant	\$75.00

Exhibit E

Per Unit Price List

Real Estate, Title and Inspections

Activity	Cost per Unit (\$)
Real Estate Solutions Parcel Data	\$ 0.35
Flood Data Services	\$ 8.05
First American CREDCO Tax Return Verification	\$ 28.75
Real Estate Solutions Automated Valuation Methodology	\$ 11.50
Broker Price Opinion	\$ 86.25
CREDCO Property/Real Estate Appraisal	\$460.00
Inspection and Biddable Specifications	\$750.00

**Exhibit F -- Phase One -- Other Direct Costs (ODCs)**

**Facility**

**HQ**

Real Estate  
Modular Furniture  
Space Improvements (e.g., Carpet, Paint, Refinishing, Public Bathrooms, etc.)  
Facility Operating Costs (Janitorial Services, Repair/Maintenance, Etc.)  
Facility Labor for Set Up & Administration

**Anchor Center 1**

Real Estate  
Modular Furniture  
Space Improvements (e.g., Carpet, Paint, Refinishing, Public Bathrooms, etc.)  
Facility Operating Costs (Janitorial Services, Repair/Maintenance, Etc.)  
Facility Labor for Set Up & Administration

**Anchor Center 2**

Real Estate  
Modular Furniture  
Space Improvements (e.g., Carpet, Paint, Refinishing, Public Bathrooms, etc.)  
Facility Operating Costs (Janitorial Services, Repair/Maintenance, Etc.)  
Facility Labor for Set Up & Administration

**Anchor Center 3**

Real Estate  
Modular Furniture  
Space Improvements (e.g., Carpet, Paint, Refinishing, Public Bathrooms, etc.)  
Facility Operating Costs (Janitorial Services, Repair/Maintenance, Etc.)  
Facility Labor for Set Up & Administration

**Anchor Center 4**

Real Estate  
Modular Furniture  
Space Improvements (e.g., Carpet, Paint, Refinishing, Public Bathrooms, etc.)  
Facility Operating Costs (Janitorial Services, Repair/Maintenance, Etc.)  
Facility Labor for Set Up & Administration

**8 Satellite Centers**

Real Estate  
Modular Furniture  
Space Improvements (e.g., Carpet, Paint, Refinishing, Public Bathrooms, etc.)  
Facility Operating Costs (Janitorial Services, Repair/Maintenance, Etc.)  
Total Per Satellite Center

**Facility IT Support**

Anchor Center and Satellite Center Hardware (servers, networks, etc.)  
Anchor Center and Satellite Center Monthly Cost  
Computer Purchases & Leases (Desktops, Laptops, etc.)  
Equipment Leases (copiers, scanners, fax machines)  
Phone Equipment Purchases  
Phone Monthly Cost (local and long distance)  
Microsoft Software

**MIS**

EGrantsPlus License & Maint  
EGrantsPlus Configuration  
EGrantsPlus Enhancements

**Communications**

Media Buys  
Outreach Materials and Community Outreach  
Includes: Meeting rooms, audiovisual equipment, signage, supplies, exhibit booth, shipping, direct mail, postage, direct mail, educational materials, stationery, research

**Relocation and Travel (includes relocation and travel expenses for start up team, and mobile center staff)**

Startup Travel  
Mobile Units  
Permanent Relocation  
Local Travel

**Insurance**

**Taxes**

**Training - non labor costs (space, manuals, materials, etc.) training for Professional**

**Registry Contractors, members of the financial community, etc.). 15 sessions total.**

Includes: meeting rooms, binders, audiovisual equipment, certificates, name badges, signage, educational materials, postage

**Call Center**

**Data Center**

**Miscellaneous (i.e., copying, ES&H plans, supplies, security assessments)**

## FIRST AMENDMENT TO CONTRACT

THIS FIRST AMENDMENT TO CONTRACT (the "Amendment") is made and entered into as of the 24th day of July, 2006, by and between the State of Louisiana, through the Division of Administration, Office of Community Development (hereinafter sometimes referred to as the "State" or "OCD") and ICF Emergency Management Services, LLC (hereinafter sometimes referred to as the "Contractor" or "ICF"). Capitalized terms used in this Amendment but not defined herein have the meanings ascribed to them in the hereinafter defined Contract.

WHEREAS, the State and Contractor have heretofore executed and entered into that certain Contract with an effective date of June 12, 2006 (the "Contract") in which ICF agreed to serve as Louisiana's Road Home Manager and otherwise obligated itself to complete the Project; and

WHEREAS, the State and Contractor desire to amend and modify the Contract to reflect more accurately their intentions and to do so by entering into this Amendment.

NOW THEREFORE, for and in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the State and Contractor agree as follows:

SECTION 1. "Section 1.2.4 Monitoring Plan" is deleted in its entirety and the following is substituted in lieu thereof:

The Commissioner of Administration or his designee (the "Commissioner") as appointed in writing will monitor the services provided by Contractor and the expenditure of funds under this Contract. The SPM will be primarily responsible for the day-to-day contact with Contractor and day-to-day monitoring of Contractor's performance. The monitoring plan is the following:

- Weekly meetings will be held with Contractor's team to discuss time schedule, deliverables due, progress on deliverables, weekly work flow, challenges, etc.
- The SPM will ensure all deliverables are delivered on or before the time scheduled for completion. The SPM will be responsible for review and acceptance of deliverables in accordance with Section 1.2.6 below.
- The SPM will provide guidance to the Contractor and provide the oversight of the implementation of the Statement of Work to ensure quality, efficiency and effectiveness in fulfilling the goals and objectives of the Road Home Program, including providing guidance and oversight to the Contractor on all financial transactions. The Contractor shall notify the SPM that a deliverable is or will be late

and explain in writing the reasons therefore. Guidance will be provided in a timely manner.

- All financial records and transactions will be submitted in a format stipulated by the SPM and are subject to review by SPM. Financial transactions will be reviewed to ensure compliance with all applicable federal and State regulations.

Section 2. The second sentence of the fifth paragraph of "Section 3.1 Payment Terms" is deleted in its entirety and the following sentence is substituted in lieu thereof: "The fixed price for ODC's during Phase One of the Contract is forty-three million eight hundred eighty thousand dollars (\$43,880,000)."

Section 3. The last sentence of the tenth paragraph of "Section 3.1 Payment Terms" is deleted in its entirety and the following sentence is substituted in lieu thereof: "Payment shall be made upon approval of the Commissioner or his designee."

Section 4. Exhibit B of the Contract, which sets forth the deliverables and completion date requirements, is deleted in its entirety and the replacement Exhibit B attached hereto is substituted in lieu thereof and incorporated herein as a part hereof.

Section 5.

(a) Except as and to the extent expressly modified and amended herein, State and Contractor ratify and affirm the Contract in accordance with its terms and acknowledge that the Contract remains in full force and effect.

(b) This Amendment shall be binding upon the parties hereto and their respective successors and permitted assigns.

(c) This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one agreement.

(d) For purposes of this Amendment, signatures delivered by facsimile or electronic mail shall be as binding as originals upon the parties so signing.

(e) The use of headings, captions and numbers of the contents of particular sections are inserted only for the convenience of identifying and indexing various provisions in this Amendment and shall not be construed as a part of this Amendment or as a limitation on the scope of any of the terms or provisions of this Amendment.



The State and Contractor have caused this Amendment to be executed by their respective duly authorized representatives on the dates below but effective as of the date first set forth above.

George J. Lowenthal, EVP      [Signature]  
CONTRACTOR'S SIGNATURE      STATE'S SIGNATURE

July 24, 2006  
DATE

7/25/06  
DATE

[AMENDED EXHIBIT B IS ATTACHED HERETO AND MADE A PART HEREOF.]

**Exhibit B**

(REVISED AND INCORPORATED INTO FIRST AMENDMENT TO CONTRACT)

**Start-up of Homeowner and Small Scale Rental Program**

1. Prepare operational plan and cash flow projections in coordination with State to include all processes included in the Scope of Services Section 1.1 and Section 1.15 to include FEMA Hazard Mitigation funds.

**Deliverable:** Operational Plan for rental and home ownership programs will be due two (2) weeks from the signature date of the contract. Cash Flow projections commencing within 4 weeks of contract signature on a bi-weekly basis.

2. Development of MIS system based on the agreed upon operational plan to include all items identified in the Scope of Services under Section 1.2 and 2(a).

**Deliverable:** MIS specifications shall be completed within two (2) weeks upon receipt of the final draft modifications. Beta version of MIS system shall be brought on line throughout the pilot program for the Home Ownership Program. Final and fully functional version of the MIS system shall be ready at the end of two months after contract signature. Final and fully functional version of the MIS system for the Rental program shall be ready within 120 days from contract signature date. Certification that the MIS system meets internal control requirements shall be provided by the Start of Phase 2.

3. Establish Housing Assistance Centers for building advisors and staff in order to take and process rental and homeowner applications. The contractor shall consider mobile outreach centers as appropriate to reach the displaced homeowners.

**Deliverable:** Within ten (10) days of the contract signature date, the Contractor must submit a plan on the locations and staffing of the Housing Assistance Centers. Within sixty (60) days of the contract signature date, the Housing Assistance Centers are to become operational.

4. Subcontractor contracts prepared and approved by the State. A minimum of 40% of personnel must be hired including the staff of subcontractors. These personnel must include one or more mitigation advisors that are experts in the implementation of hazard mitigation methodologies and can advise homeowners that are confronted with mitigating their structures.

**Deliverable:** Contracts submitted to State for approval within ten (10) days of contract signature date. A listing of personnel hired should also be submitted with each contract. An assurance that all subcontractors meet Section 14.0 of Exhibit D in the SFO must be submitted to the State at the same time.

5. Establish and maintain a web-based Rebuilding Professional Registry that provides applicants with contact information on the professions listed in Section 1.8.

**Deliverable:** State approved website up and running within sixty (60) days of the contract signature date.

6. Five training sessions for home inspectors and financial institutions.

**Deliverable:** Agenda for the five sessions must be submitted for approval by the State fifteen (15) days prior to the scheduled training.

Two of the five trainings completed within sixty (60) days of the contract signature date and a summary of the evaluations received, a listing of the attendees, and how many attendees received certifications of completion must be submitted to the State within seventy-five (75) days of the contract signature date. The remaining three trainings shall be scheduled based on project demand.

7. Five (5) meetings should be held to ensure that the building professionals are adequately familiar with the design, policies and procedures of the Road Home Program.

**Deliverables:** ICF should submit agendas and locations of the meetings for State approval within fifteen (15) days of the contract signature date. Two of the five meetings shall be completed within sixty (60) days of the contract signature date. The remaining three meetings shall be scheduled based on project demand.

The Contractor should submit a summary of the evaluation by attendees and a listing of the attendees within seventy-five (75) days of contract signature date.

8. For Home Ownership Program, design and commence outreach and public education campaign ten (10) days prior to the start-up of the housing centers. This campaign will continue for six (6) months from that date.

**Deliverables:** Summary of media campaign and copies of brochures produced for outreach shall be submitted to the state for approval at least fifteen (15) days prior to the opening of the centers.

Development of a State approved website with information on the program for homeowners. Major changes in homeowner program must be posted within two (2) working days of the change.

Website shall be designed, developed and online within twenty (20) days of the contract signature date.

9. For small rental properties, design and commence outreach and public education campaign fifty (50) days from contract signature date. This campaign will continue for six (6) months from that date.

**Deliverables:** Summary of media campaign and copies of brochures produced for outreach shall be submitted to the state for approval forty-five (45) days from the contract signature date.

Development of a State approved website with information on the program for landlords of small rental properties. Major changes in rental program must be posted within two (2) working days of the change.

Website shall be designed, developed and online within fifty (50) days of the contract signature date.

10. Preparation and development of paper and electronic forms and a system of record retention and security to ensure the protection of applicant privacy and conformity to the business processes developed.

**Deliverables:** For the Home Ownership Program, forms such as homeowner applications, verification, covenants, title, etc. shall be submitted to the State for approval. The package of forms shall be submitted by twenty (20) days from the contract signature date.

For small rental properties program, forms such as rental applications, verification, covenants, title, etc. shall be submitted to the State for approval. The package of forms shall be submitted by ninety (90) days from the contract signature date.

11. Begin evaluating eligibility, calculating assistance payments and making awards for a pilot Home Ownership Program. Full applications received from applicants who have pre-registered through call centers and the State's website shall be processed through the final award stage in accordance with the operational plan. This pilot project must begin no later than thirty (30) days from the contract signature date.

**Deliverables:** Submittal of an State approved pipeline report from ICF on a weekly basis providing information on number of applications taken, verified, options selected, compensation assistance granted, dates of title clearance, biddable specs, resolution cases, inspections, amount of loan, etc.

Contractor shall submit within seventy-five (75) days from the contract signature date an evaluation of the pilot program with suggested changes relative to quality, efficiency and effectiveness of meeting the program's goals and objectives made a part of this Contract. This report shall include an evaluation of the locations and options selected by homeowners.

The Contractor shall provide to the State a copy of the mediation process for applicant complaints within thirty (30) days from the contract signature date.


12. In coordination with the State, signed Memorandums of Understanding with all relevant partners (FEMA, SBA, private insurers, other federal agencies and other state agencies, etc.) in order to facilitate the transmission of necessary data required for program implementation.

**Deliverables:** Arrangements to share data, which may be evidenced by signed Memoranda of Understanding (MOUs) are due thirty (30) days from the contract signature date.

13. The contractor will complete policies and procedures needed to guide program startup and implementation. The contractor will work with the client, on an ongoing basis, to update the design of homeowner and rental housing programs supported with CDBG funds to respond to the evolution of the programs. This work will include, but not be limited to, information on best practices from other locations, development of procedures and communications with relevant stakeholders, identification and review of relevant legal documents, development of selection criteria for projects and review of applications, enforcement regimes, and performance benchmarks. The contractor will work with the client to support the revisions, as needed, of program narratives related to the Action Plan for Housing Programs Disaster Recovery.

As part of this work, the Contractor will support the collection and summarization of comments received on revised Action Plans. The Contractor will work with the State's Office of Emergency Preparedness to develop guidelines and procedures to integrate HMGP funds awarded to the OCD into the Road Home Program. Work will include but not be limited to: Assisting OCD with preparation of a draft application; incorporating procedures for the HMGP Program into procedures for the Road Home Homeowner Program; working with OCD and Emergency Management staff to integrate environmental and other federal requirements associated with the HMGP into the Road Home Program.

The Contractor will be required to document and maintain records detailing program compliance with Federal regulations, including, but not limited to, the Uniform Relocation Act, Lead Paint Regulations, Environmental, Fair Housing, Davis-Bacon, CDBG, Section 3 and other applicable regulations. In addition, the contractor will attend meetings and coordinate with relevant stakeholders, including, but not limited to, State Legislative Auditors, and federal and State officials. Support will also include development of monitoring procedures to ensure homeowners and rental housing owners comply with legal obligations. Support will also include development of monitoring procedures that ensure that OCD staff can determine whether vendors, contractors, and subrecipients receiving funds for those housing programs contemplated by or included in that certain contract between ICF and OCD dated March 10, 2006 (which has now been terminated) meet all CDBG federal requirements. The State requires that the design and implementation of those programs have in place controls for fraud, waste and mismanagement.



**Deliverable:** Deliverables due dates will be identified when the contractor is tasked to conduct specific research and analyses, develop or revise new policies, and begin drafting the HMGP application. The deliverables will consist of memorandums or background papers summarizing research and analyses requested. In addition, the contractor shall submit a draft HMGP application within 3 months of contract signature date.

SPM will verify that monitoring procedures are delivered on schedule.

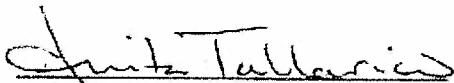
**ICF EMERGENCY MANAGEMENT SERVICES, LLC  
CONSENT IN LIEU OF A SPECIAL MEETING  
OF THE SOLE MANAGER  
JULY 24, 2006**

The undersigned, being the Sole Manager of ICF Emergency Management Services, LLC, a Delaware limited liability company (the "Company"), hereby consents to the adoption of the following resolution, in lieu of a Special Meeting.

**DELEGATION OF AUTHORITY**

RESOLVED, that George T. Lowden, III is hereby authorized to bind the Company to all terms and conditions of the Louisiana Road Home Housing Management Contract and other specific actions that may be directed by the Director of Contracts, Director of Administration and Contracts, or the Chief Financial Officer and has authority to sign any and all documents necessary to complete the aforementioned.

**EXECUTED AND DELIVERED** with effect as of July 24, 2006.



Anita Tallarico  
Sole Manager





## Applicants for Louisiana's Road Home program surpass 100,000 mark

New Orleans CityBusiness (LA) - Wednesday, August 9, 2006

*Author: CityBusiness Staff Report*

More than 100,000 people have registered for aid through the state's Road Home program, Governor Kathleen Babineaux Blanco announced today. "I am delighted with this response. It reflects the yearning of our citizens to access the assistance they need to return to their homes and communities. Let me again take this opportunity to remind the thousands of additional citizens who have not registered that now is the time to pursue The Road Home by getting in touch with us," said Governor Blanco.

Beginning this month, homeowners can apply to the Road Home program by going to [www.road2LA.org](http://www.road2LA.org) or by calling 1-888-ROAD-2-LA (1-888-762-3252).

According to the program's objectives, homeowners who pre-registered for the Road Home will receive application materials in the mail and must submit the application online or by mail. Those who did not pre-register may apply online or by calling 1-888-ROAD2LA to have an application sent to them. Once an application has been submitted and reviewed, qualified homeowners will receive instructions by mail on how to schedule an appointment at one of the Housing Assistance Centers in the state.

Beginning the week of Aug. 21, 10 such Housing Assistance Centers will open around the state, staffed by financial counselors who will help applicants speed up the process of receiving aid.

According to a release from the Governor's office, homeowners will be asked to supply records about ownership, flood and homeowners' insurance, mortgage balances, and estimates for rebuilding costs. The program is free, and no credit card information will be requested by Road Home counselors.

The Road Home is a recovery program initiated by Governor Blanco. It is the largest single housing recovery program in U.S. history. Through The Road Home, eligible homeowners affected by Hurricane Rita or Katrina may receive up to \$150,000 for uncompensated damages to return to their homes.

**Index Terms:** Government activity; News

**Record Number:** 185389

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**Exhibit B**  
Bernofsky v. Road Home





## Drop deadlines, Road Home urged - Lawyers say plans too confusing to some

Times-Picayune, The (New Orleans, LA) - Thursday, August 7, 2008

Author: David Hammer Staff writer

Legal assistance groups are calling on the state to rescind new Road Home deadlines, alleging they are discriminatory and will keep thousands of homeowners from collecting the rebuilding money they have been trying for as long as two years to secure.

But state recovery chief Paul Rainwater said Wednesday the deadlines are necessary to unclog the final stages of the multibillion-dollar homeowner compensation program and to figure out which of about 14,000 stalled applicants are still serious about collecting grants.

The Louisiana Recovery Authority recently established a Sept. 5 deadline for two groups of applicants. The first includes about 5,300 people who sold their properties before the Road Home began in 2006. State officials decided days ago to reserve grant money for this group; they want such applicants to provide more information and make it clear they still want the help.

The second group includes an estimated 7,700 applicants who may not have done their part to complete the grant process, often failing to establish legal proof that they owned or lived in damaged properties at the time of Hurricanes Katrina or Rita.

For example, some applicants have been unwilling to go to Entergy to get a utility bill from the time of the storms because they have outstanding balances, Rainwater said.

The LRA on Wednesday also imposed a new deadline on 2,822 applicants facing title, succession, power-of-attorney and mortgage problems, giving them until Oct. 1 to resolve their legal issues or become ineligible for grants. Also, 505 applicants who, according to the state, "refuse to close" for other reasons face the Oct. 1 deadline.

Two years after the Road Home program began, 116,009 homeowners have collected at least a part of their compensation grant, records show. Some 18,797 more have selected the type of grant they want and are still eligible but are waiting for a closing.

Rainwater said the deadlines don't affect anyone with an active appeal. He promised that his staff and the Road Home contractor's 1,500 employees will carefully review each case affected by the deadlines and extend them for anyone actively pursuing proof of ownership or occupancy or with any other reasonable explanation for their delays.

But lawyers from Southeast Louisiana Legal Services and Loyola University Law School worry that the Road Home's famously arcane rules are more to blame for delays than anything the applicants are, or are not, doing. They also don't trust the program, which has had a reputation for ignoring advocates' requests for documents, to fairly dole out extensions.

"Many clients will not understand the need to apply for extension, or even more importantly, how to explain their circumstances well enough to justify the extension," legal advocates David Williams, Davida Finger and Bill Quigley wrote in a letter sent to Rainwater and Gov. Bobby Jindal this week.

They also said the deadlines will have an inordinate impact on minority, low-income, elderly and disabled applicants, and state lawyers are reviewing those claims.

Rainwater said he is sensitive to the advocates' concerns and the public sense of distrust.

"I committed to 100 percent transparency and we're working towards that, but there are some issues that we'll never be able to solve and there's a history here I never will be able to undo," he said. "So, we're sitting down and talking with people and trying to help them understand what went wrong in the program. It's time to set realistic expectations of what this program can or can't do."

To that end, the state has started a series of outreach meetings to help applicants address specific obstacles to closing. The first was held Wednesday in Houma, and 298 applicants received help, Rainwater said. The first of five meetings in the New Orleans area is scheduled for Saturday, from 10 a.m. to 3 p.m. at the University of New Orleans Lindy Boggs Conference Center. No pre-registration is required.

"This is an interactive process," Rainwater said. "The goal is not to drop people out of the program unnecessarily."

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Section: METRO

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Record Number: 423616734

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**Exhibit C**  
Bernofsky v. Road Home



## Road Home deadlines are rescinded - Thousands of applicants have encountered technical obstacles

Times-Picayune, The (New Orleans, LA) - Thursday, August 28, 2008

Author: David Hammer Staff writer

Thanks to a living room chat with a cancer-stricken 9th Ward resident and other recent face-to-face meetings with Road Home applicants or their advocates, the state's recovery chief has agreed to rescind looming deadlines.

Louisiana Recovery Authority Director Paul Rainwater said individual encounters with beleaguered residents made him realize that Sept. 5 and Oct. 1 deadlines he imposed early in August -- ostensibly to compel Road Home applicants to provide missing documentation and resolve legal issues -- would end up hurting too many people who have no control over the program's delays.

"I realized the legal pipe is not big enough to handle all of the people who would have been cut out by the deadlines," Rainwater said.

That means there's no longer an ultimatum hanging over the following groups of applicants: about 2,800 with legal, title, financial and power-of-attorney issues; 2,700 who haven't been able to prove to the Road Home program that they owned their homes at the time of Hurricanes Katrina or Rita; 1,200 who haven't proved occupancy at the time of the storms; 900 whose files are missing other documents, such as Social Security cards; and 5,400 who sold their homes before the Road Home was launched and were recently made eligible for a grant.

Only one deadline will remain in place: a directive for about 3,000 applicants to select what kind of grant they want -- to rebuild their home or for a state buyout of their property -- by sending in what's called the Benefit Option Selection Form. And that deadline, originally set for Sept. 5, will be pushed back to Nov. 1, officials said.

More than 117,000 families have collected Road Home grants since the program began two years ago. About 15,000 other applicants have made it most of the way through the process, but are still waiting for grant closings and are hung up for various reasons.

Legal advocate Davida Finger took Rainwater last weekend to meet one of them, an 80-year-old woman identified only as Ms. Annie. Sitting in Ms. Annie's living room, Rainwater heard how the Road Home used a hand-scrawled Post-It note to inform the cancer patient that she needed a lawyer and something called an heirship affidavit, a new directive that only confused her more.

"I was told I need a succession, then I was told I didn't, then they sent me a letter in the mail with a note, and it says, 'Get a lawyer.' Well, I can't afford a lawyer," Finger recalled Ms. Annie saying.

Legal advocates say there are thousands more like her who can't afford a private lawyer. But Southeast Louisiana Legal Services, a legal-aid consortium hired by the Road Home to help applicants through the process, has only enough financing to take care of about 550 cases by the end of the year, said co-director Mark Moreau.

Moreau and others told Rainwater in a meeting Tuesday that the deadlines actually made it harder to get lawyers to handle unserved applicants because they didn't leave enough time to handle the task -- "even if the lawyer has a heart of gold," Moreau said.

As soon as the state announced the deadlines earlier this month, groups such as the New Orleans Legal Assistance Center, Loyola Law Clinic, All Congregations Together and Citizens Road Home Action Team complained that the deadlines were only exacerbating applicants' stress, just as the third anniversary of Katrina was conjuring painful memories.

Still, Rainwater wouldn't say the deadlines were for naught.

He said they helped motivate 3,000 Road Home applicants to show up at a series of outreach sessions, where LRA, Office of Community Development and Road Home agents from contractor ICF International were all available to work through issues. In all, 800 participants were able to advance in the application process, Rainwater said.

"What I learned from (Ms. Annie) is we need a more individualized system," he said. "So, we're going to start doing outreach with smaller groups of folks, and we're going to have attorneys there pushing people through."

Finger said she was glad she was able to help Rainwater come around on the deadlines. But she said rescinding them hasn't resolved issues that applicants were facing with systemic legal problems and erroneous grant calculations.

"In reviewing files, we see mistake after mistake," she said.

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Record Number: 423667806

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**Exhibit D**  
Bernofsky v. Road Home



## ROAD HOME ENDING - In three years, ICF International chalked up hundreds of thousands of Road Home grants, but thousands of frustrated clients, too

Times-Picayune, The (New Orleans, LA) - Thursday, June 11, 2009

Author: David Hammer Staff writer

Three years after state officials hired a Virginia company to run the largest disaster recovery program in U.S. history, the Road Home can be seen as a force for both ruin and rebuilding.

As ICF International's contract ends today, the company is generally reviled by Louisianians and essentially banned from new business with the state, but walks away \$900 million richer and holding lucrative contracts with governments across the country.

The program's slow start and poor initial performance torpedoed former Gov. Kathleen Blanco's political career, but because of that delay, the last year has seen a burst of home-building that has buffered Louisiana from some national economic forces, something that hasn't hurt Blanco's successor, Gov. Bobby Jindal.

And while sky-high expectations led to homeowner disappointment in the first two years after Hurricanes Katrina and Rita, the Road Home eventually came through for most. **It has paid more than 124,000 homeowners** a total of \$8.1 billion, with nine in 10 using the money to rebuild.

As angry as applicants were in 2006 and 2007, when they struggled with the program's onerous verification procedures and constantly changing rules as well as the sinking realization that they couldn't count on politicians' promises, their attitudes in many cases mellowed by the time their grants finally started to come in 2008.

The public's tacit approval for a program that was once so roundly despised could be seen this month at a federal trial involving Road Home fraud. In questioning 50 prospective jurors, U.S. District Judge Sarah Vance asked if any of them got Road Home money and whether their experience would prejudice them.

Twenty-seven people said they had collected grants. Only one said he had a negative experience that could affect his judgment at trial.

--- Series of hurdles ---

Three years ago, ICF signed a \$756 million contract to run two Road Home programs: the homeowner effort and a small-rental repair program.

The agreement was the culmination of a year of wrangling between Baton Rouge and Washington, and the delay put Louisiana behind Mississippi in doling out aid. But it was only the beginning of the struggle.

Blanco promised quick payments, but it took seven months to serve just 1 percent of those eligible. Homeowners complained that the program treated them like criminals. Under pressure to move faster, the LRA started tinkering with eligibility rules.

Amid all that confusion, in March 2007, the federal government dropped a bombshell: The Road Home's process of paying homeowners in installments as they completed repairs violated federal rules. As a result, grants were no longer tied to rebuilding.

Within days, Blanco announced she would not seek re-election.

Later that year, Louisiana succeeded in getting another \$3 billion to cover shortfalls in the program. In December 2007, as Blanco's tenure wound down, she quietly gave ICF a \$156 million raise. When Jindal took office, he handed the reins to Paul Rainwater, who declared that the state had negotiated a bad contract and ICF took advantage.

**Since then, the state has withheld more than \$14 million from ICF, claiming the firm failed to meet performance measures and charged the state for unapproved overtime and attorneys fees.**

"It's hard for me to say nice things about that corporation," Rainwater said.

For all the bad publicity and fines, ICF parlayed its Road Home experience into lucrative deals elsewhere. At the end of 2005, it held a total of \$227 million in contracts. It immediately quadrupled that by inking the Road Home deal, then went public a few months later. In the past year alone, it won more than \$500 million in contracts involving such agencies and programs as the National Institutes of Health, the Environmental Protection Agency and Head Start.

ICF spokeswoman Melissa Walker declined to comment on the complaints, but did offer a farewell.

"It has been our honor to serve Louisiana homeowners over the past three years," she said. "ICF has worked diligently, under the direction of the state, to execute all policies of the program, and we continue to work closely with the state and their follow-on contractors to ensure a professional transition of the program."

--- Grants being awarded ---

Nearly four years after the storm, the homeowner program has almost run its course. Rainwater said 1,200 to 2,000 applicants should get grants by the end of the year, leaving just 510 applicants in appeals. **About 4,000 others still need to prove eligibility.**

But the small-rental program is another story. When it launched in March 2007, the state promised it would run more smoothly than the homeowner program. It hasn't.

It was supposed to ease rents by reimbursing landlords for more of their costs if they found low-income tenants and charged them less. It hasn't.

The goal was to help restore 18,000 units. More than two years later, it has financed about 1,500.

The program was doomed by a design flaw. It paid landlords only after repairs were complete. Most of the applicants were small-time property owners who couldn't front the money. Commitment letters from Road Home did little to sway loan officers.

When Rainwater took over in 2008, just five applicants had been paid. Many landlords dropped out. ICF earned \$42 million to pay out just \$50 million.

Three months ago, ICF was replaced by ACS State & Local Solutions, and Louisiana agreed to make advance payments to applicants in need. In less than three months, the program has paid to restore 500 units, a 50 percent increase over ICF's two-year total.

Rainwater regrets not making changes to the program earlier.

But even with a new contractor in place, applicants still face delays. More than 200 landlords are waiting for the new contractor to perform final inspections so they can collect.

For them, the contractor's identity doesn't matter. Years of inaction with ICF at the helm is yesterday's news.

"All they can tell me is I'm on the list" for final inspection, said Firdeal Davis-Breure, who spent \$250,000 fixing up the four-plex she and her husband own in Mid-City. "Well, we just cannot afford to wait anymore. Two months is plenty enough time for that company to get itself together."

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David Hammer can be reached at dhammer@timespicayune.com or 504.826.3322.

**Section:** NATIONAL

**Page:** 01

**Record Number:** 424406531

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## LRA revises formula for Road Home benefits - Damage above 50% may mean 'totaled'

Times-Picayune, The (New Orleans, LA) - Saturday, July 22, 2006

*Author: Laura Maggi Capital bureau*

BATON ROUGE -- As they begin to implement the state's much-anticipated Road Home program, the Louisiana Recovery Authority and the contractor hired to manage it say they have tweaked the benefit packages in a way that will give the owners of hurricane-damaged houses enough money to go home.

Homeowners will still be allowed to sell their houses to the state, relocate within Louisiana, rebuild on a lot from scratch or repair damaged structures. But under changes agreed to by ICF International and the LRA, grant amounts will be determined by the level of damage to a house, state officials said.

If a house is declared more than 50 percent damaged by local authorities and categorized as having "severe" damage by the Federal Emergency Management Agency, the exact level of damage to the house will not figure into the grant calculation.

Instead, the house will be considered totaled and the grant will be based on the pre-storm value of the home, minus insurance and FEMA payments, up to a grant cap of \$150,000, said Andy Kopplin, executive director of the recovery authority. A technician will be sent to the house to double-check the parish damage estimate, he said.

A house with less than 50 percent damage will prompt an ICF inspection to estimate the cost of repairs. That estimate, minus insurance and FEMA awards, would be used to determine the size of the grant, Kopplin said. All grants are limited by the pre-storm value of a house and the \$150,000 cap.

### Realistic level of aid

Under the \$7.5 billion program, owners inside a FEMA-determined flood plain who did not carry flood insurance will still have their grant reduced by a 30 percent penalty. And the grant for homeowners who sell their houses to the LRA and move out of state will still be set at only 60 percent of the pre-storm value of the property, with the maximum again set at \$150,000.

Kopplin said the changes to the grant calculations are based on conversations with ICF's staff as they try to determine how to implement the policy guidelines approved by the recovery authority.

While ICF International does not expect to open housing centers across the state where homeowners will submit their applications until the end of August, a pilot office recently opened in Baton Rouge to test the system, using 400 randomly selected homeowners.

Walter Leger, who heads up the recovery authority's housing task force, said the latest incarnation of the program offers people a realistic level of assistance.

"We have always said from day one that we wanted to calculate the amount of money to repair a house," he said. For example, Leger said owners of a house flooded to the rooftop will likely need money equivalent to its pre-storm value to pay for repairs or rebuild, even if local officials estimated the damage at 80 percent.

Leger said estimating repair costs also is a more homeowner-friendly way of dealing with less-damaged structures.

The previous method of determining the grant amount called for multiplying the damage percentage by the pre-storm value of the house, and then subtracting various payments already received by the homeowner. The inspection method will provide homeowners with a quality estimate to give to a contractor, he said.

'Moderate' costs are base

**Exhibit F**  
Bernofsky v. Road Home

Bob Santucci, ICF's program manager in charge of the inspection process, said the company intends to employ three levels of inspectors: those internally trained to inspect houses; people who have inspection experience, perhaps with insurance companies; and inspectors trained as engineers or with other extensive higher education. There are currently 12 of the top-tier inspectors evaluating houses for the pilot program, Santucci said, while the less-experienced staff should be used more as the program gets off the ground.

The home evaluations will be based on a database of cost estimates tailored to "hurricane recovery situations" and the local parish, Santucci said. All of the estimates will also include a 10 percent contingency figure to cover unforeseen costs.

Prices will be based on "moderate" costs of replacing household components.

Santucci said the inspectors also will estimate the cost of elevating houses, as the LRA will require houses with more than 50 percent damage to meet new FEMA advisory base flood elevations. The recovery authority has indicated it would provide elevation assistance for less-damaged houses if it is cost-effective to raise them.

Advisers to help

Once completed, the evaluation will be sent to a homeowner's housing adviser, who will determine the grant amount, figuring in the insurance and other payments. The advisers also will be expected to help families figure out whether it makes more sense to rebuild or relocate, based on how much money they will be receiving, Santucci said.

Mike Byrne, the chief program executive of the Road Home program for ICF, said the company wants to open a call center to offer homeowners guidance on their options before the housing assistance centers open at the end of August.

The call center will be responsible for calling those who have registered for the program to set up appointments to meet with advisers.

According to deadlines set by the state, ICF has five months to get all of the initial applications completed. While the company "is trying to be creative," Byrne acknowledged that it could be "some months" before some homeowners can submit their applications. Officials believe it will take six to eight weeks to process standard applications and longer for those with title or other documentation problems.

Homeowners can make their initial registrations for the Road Home program by calling a 24-hour toll-free hotline at (888) 762-3252, or online at [www.louisianarebuilds.info](http://www.louisianarebuilds.info).

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Laura Maggi can be reached at [lmaggi@timespicayune.com](mailto:lmaggi@timespicayune.com) or (225) 342-5590.

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## N.O. residents have concerns about LRA plan

Advocate, The (Baton Rouge, LA) - Thursday, April 13, 2006

Author: JOE GYAN JR., New Orleans bureau

NEW ORLEANS - A plan drafted by Gov. Kathleen Blanco's Louisiana Recovery Authority to help storm victims repair, rebuild or sell houses damaged or destroyed by hurricanes Katrina and Rita is dubbed "The Road Home," but displaced eastern New Orleanian Doris Paige said Wednesday she sees no map on the horizon.

"Right now I'm at a blockade because the road home hasn't been built yet," Paige, who is living with a nephew in LaPlace, said at an LRA-hosted open-house meeting at the New Orleans Center for the Creative Arts.

A similar open house sponsored by the LRA was held Wednesday in Lake Charles.

Paige, whose home in the Pine Village subdivision near the eastern New Orleans lakefront took on 9½ feet of water during Katrina, wants to return to her neighborhood.

"I'm ready to rebuild, but I'm on hold because where is the money coming from, how much money will I get?" she said. "Give me the grants so I can start rebuilding."

The \$7.5 billion LRA housing plan would limit individual aid to \$150,000, minus insurance payments and federal government assistance.

Several New Orleans residents' organizations said Wednesday in a written statement that the plan "as is" will not give residents their city back.

"It undermines the right to return by denying residents access to the resources needed to rebuild their lives," the Lower 9th Ward Homeowner's Association, New Orleans Survivor Council and other local residents' groups said in the statement. "The state plan reduces grant amounts by insurance proceeds received, although many homeowners used these funds to pay their mortgages in the aftermath of the storm."

The state is scheduled to receive \$6.2 billion in federal Community Development Block Grants approved by Congress late last year, but Blanco wants to wait until federal lawmakers make a decision on an additional \$4.2 billion in aid before she starts spending money - meaning it will be at least late summer before homeowners get help from the state.

So for now, Paige said she will continue to "wait and see."

"I don't see (a road home) at this point, but I'm hopeful," she said. "I want to come home. I don't want to go nowhere else and break in a new home."

Blanco, who stopped by the New Orleans open house before heading to Lake Charles, said the road home has been "very difficult."

"It's been a tough battle. The road home is not paved in gold," she said. "It's a rocky road."

Blanco said she was looking for positive feedback on the housing plan, but message boards for residents to post their comments were littered with numerous negative remarks. One board that asked what residents liked most about the plan contained the remark, "As an insured homeowner, NOT MUCH!" Another resident wrote, "At this point, not anything." Still another wrote simply, "It's a plan." And another said, "At least somebody is doing something FINALLY."

A board that asked what was least liked about the plan contained these comments: "Too complicated of a program," "Penalizing homeowners with insurance" and "No questions answered." A board that asked how to improve the plan attracted this remark: "A house without furniture is not a home. It's a cave."

Another board where homeowners could place green dots to indicate whether they plan to repair, rebuild, relocate or sell lured an equally large number of dots in the repair and rebuild sections, far more than the relocate or sell sections.

Jackie Miller, whose home in the Gentilly area of New Orleans was ravaged by 8 feet of flood water when the London Avenue Canal breached, is renting a house for \$900 a month in Evans, Ga., a suburb of Augusta.

"I would like to rebuild, but I haven't quite figured out if we can afford it," she said at the open house.

Miller said she was unable to find out at the meeting what her home's all-important pre-Katrina value was.

"They haven't determined it yet - how they're going to determine pre-Katrina value," she said. "I need a starting number. I have the exact same questions I came with because they don't know, what is my house worth."

Miller said her house appraised for \$185,000 in 2003. She received a \$133,000 flood insurance check after Katrina and a \$9,000 homeowner's insurance check.

"You don't have enough to rebuild," she said.

"It's going to be at least another year before I can even consider rebuilding," Miller added.

The public has until Monday to comment on the housing proposal, which was unveiled in February. Residents can view the plan and comment on it at the Web site: [www.LouisianaRebuilds.info](http://www.LouisianaRebuilds.info).



The Legislature and the U.S. Department of Housing and Urban Development have final approval of the plan, which includes a blueprint for rebuilding rental property in addition to the homeowner proposal. HUD has final approval on all of the state's proposals to spend federal Community Development Block Grants.

The homeowner proposal offers insured homeowners and those who were flooded outside the flood plain up to \$150,000 - less insurance proceeds and Federal Emergency Management Agency awards - to help them repair or tear down a house and rebuild in place, as well as to relocate within the state.

People who want to leave the state would be limited to a buyout worth 60 percent of their house's pre-storm value. Homeowners who lived inside the flood plain and did not have flood insurance would have to take a 30 percent reduction on their grant package, but state officials have stressed that affordable loans would be available to ensure those families can rebuild.

In terms of rental properties, the state wants to create affordable rental units through \$1.7 billion in low-income tax credits and \$1.5 billion in funding.

The rental plan focuses on landlords who owned 10 or fewer units, which characterizes the majority of landlords in New Orleans. The state wants to offer no-interest loans with the amount determined by the level of rent a landlord plans to charge.

Property owners who agree to charge the lowest rents would be eligible for up to \$75,000 per unit. The next tier would be up to \$50,000 per unit, and the final tier would be up to \$25,000 per unit.

"The funding is insufficient to replace the stock of rental housing needed to permit most residents to return," the statement from the residents' organizations said.

The hurricanes destroyed or severely damaged 123,000 owner-occupied homes and 82,000 rental properties.

Blanco has committed \$7.5 billion in federal funds to the homeowner assistance program and more than \$1.6 billion for rental reinvestment. Unless Congress approves the additional \$4.2 billion in aid, only homeowners outside the flood plain or those who live on low incomes might be eligible for assistance.

Under the housing portion of the plan, state or local authorities might limit or ban rebuilding in areas where a "high proportion" of homeowners choose not to return. That would allow the state to drive decisions on which neighborhoods to raze.

The plan does not define "high proportion." LRA executive director Andy Kopplin has said he thinks people should be allowed to rebuild unless about 80 to 90 percent of homeowners in their area want to move.

"Instead of allowing residents in the most impacted communities who are receiving the least resources to participate in the program by their choice, the state's proposal allows the state or city to declare entire communities to be non-viable and then deny residents in those areas assistance to rebuild," the statement from the local residents' groups said.

So far, about 65,000 people have pre-registered for the state's housing plan. Of the 15,000 who registered through the Internet, 59 percent said they want to repair their damaged homes, 15 percent want to rebuild, another 15 percent are undecided, and the remaining 11 percent want the state to buy their property.

Telephone registrations also are being accepted. The number is (888) 762-3252. Residents also could register at the open houses.

"Please register," Blanco requested.

The local residents' groups also criticized the housing plan's open houses in New Orleans and Lake Charles and the plan's 10-day public comment period, which began last Thursday.

"To only have two days of hearings devoted to the plan for allocation of the biggest chunk of money towards disaster relief to date is unconscionable," the organizations' statement said. "Moreover, to only have a public commenting period of ten calendar days ... works to deny poor and black people a voice or input."

"A plan about us, without us, is not for us," the groups added.

**Caption:** Color photos (by Liz Condo): James and Sandra Lewis, who own a home in the Gentilly neighborhood of New Orleans, said Wednesday they have gutted the flood-damaged first floor, which they rented before Hurricane Katrina. The Lewises, who lived on the second floor, were attending a meeting sponsored by the Louisiana Recovery Authority. Sandra Lewis said she is worried that the current proposed LRA plan will punish them because they have insurance.; Jackie Miller of Gentilly writes her comments on the Louisiana Recovery Authority's proposed housing plan during a meeting Wednesday in New Orleans.

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## LSU WOMEN WIN COURT RULING - DECISION UPHELD THAT UNIVERSITY DISCRIMINATED

Times-Picayune, The (New Orleans, LA) - Friday, June 2, 2000

**Author:** Derrick Goold Staff writer

### BATON ROUGE

In response to LSU attorneys' request for rehearing, a federal appeals court affirmed Thursday its January decision that the university had intentionally discriminated against female athletes and that the plaintiffs and perhaps more students could seek monetary damages.

The U.S. 5th Circuit Court of Appeals' three-judge panel changed little of its original, unanimous opinion that was released Jan. 27. Thursday's opinion, also written by Justice Carl E. Stewart, repeated that the LSU athletic department's "outdated attitudes about women amply demonstrate intention to discriminate" and a clear violation of Title IX in this 6- year-old case.

"It sounds very familiar to the original," said Atlanta-based attorney Nancy Rafuse, who represents the five LSU students who sued the school in 1994 for not being in compliance with Title IX of the 1972 Education Amendment Act that requires equal access to athletics.

"Obviously, I wanted to see that the intent finding held. Guess we'll be going back to the district court," Rafuse said.

The circuit court upheld its reversal of U.S. District Judge Rebecca Doherty's decision that LSU's violations were not intentional. The circuit court's finding that LSU "persisted in a systematic, intentional, differential treatment of women" opens the way for the plaintiffs -- three soccer players and two softball players -- to seek unlimited monetary damages.

Because of the ruling, the plaintiffs could be joined by an undetermined number of other students in a class-action lawsuit against LSU. Regardless of the class action's status, the five plaintiffs will seek damages, Rafuse said.

The appeals court decision will be sent back to Doherty and the district court for the certification of such a class. The appeals court ruled that the plaintiffs had proved that the students affected by LSU's intentional discrimination were too numerous to be included name by name.

LSU attorney Shelby McKenzie said the university did not have an official statement as of Thursday evening.

Since the case was first filed in 1994, LSU has added women's soccer and softball, which recently held an NCAA regional on the Baton Rouge campus. Guided by Doherty's decision, the university established a compliance plan and had to make several reports to the district judge.

After January's decision, the university's attorneys filed a request in early February for rehearing. They asked the appeals court to reconsider its ruling on two primary issues -- the university's immunity from paying damages under the 11th Amendment and the university's claim that discrimination was not intentional.

The circuit court denied LSU attorneys' request for a hearing concerning the state sovereignty clauses in the U.S. Constitution, which protects a state from being sued by a citizen in federal court. LSU attorneys argued that the university was an extension of the state and therefore protected by this amendment. **The circuit court ruled that LSU had waived such immunity by accepting federal funds.**

The request for rehearing exhausted LSU's appeal at this level, the final judicial step before the Supreme Court.

**Section:** SPORTS  
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**Exhibit H**  
Bernofsky v. Road Home



## LSU grades case likely to stay in federal court

**The Advocate (Baton Rouge, La.)** - Thursday, July 11, 2002

**Author:** BRETT BARROUQUERE

Two lawsuits related to allegations that teachers were pressured to change LSU football players' grades seem likely to stay in federal court.

A U.S. Supreme Court decision issued in a Georgia case in May is the reason.

The high court ruled that, if a state voluntarily moves a lawsuit to federal court from state court, it essentially waives its guaranty of immunity from suit in federal court.

The ruling came in the case of a Kennesaw State University assistant professor who sued the school in March 2000.

Paul D. Lapedes, the teacher in question, accused the school of defaming him and violating his civil rights when it launched an investigation into what he called baseless allegations of sexual harassment.

The Supreme Court didn't address the merits of Lapedes' claims, only the issue of whether the university could have the case heard in federal court.

The high court, in a nutshell, said state agencies can't have it both ways by moving a suit to federal court, then claiming immunity from being sued there under the 11th Amendment.

Under the 11th Amendment to the Constitution, a state cannot be sued in federal court without its permission.

By moving a case to federal court, a state gave itself a better chance of having the lawsuit dismissed.

Many lawsuits against the state moved to U.S. District Court in Baton Rouge have been dismissed or the plaintiffs have had to get by an attempt to dismiss the state as a defendant under that clause.

Right now, the legal battle in the LSU cases is over which court will hear the suits.

Two teachers, kinesiology instructor Tiffany Mayne and former kinesiology graduate student Caroline Owen, sued the university separately in 19th Judicial District Court in Baton Rouge.

Owen was a graduate assistant at the school and seeking a master's degree in kinesiology. Mayne was a full-time and part-time kinesiology instructor at LSU for about 10 years before leaving the school.

Both claim they were pressured into changing players' grades and hiding academic misconduct during the 2000-2001 school year to keep players eligible for the 2000 Peach Bowl.

The university has denied the allegations and says it is investigating the academic fraud claims.

The university moved both cases to U.S. District Court in Baton Rouge, claiming the allegations in the lawsuit are questions of federal law and should be heard there.

Aidan Reynolds, the attorney for Owens and Mayne, immediately sought to return the cases to state court, saying LSU and its attorneys were not authorized to waive the state's 11th Amendment immunity.

Reynolds' motion for remand says, "The Eleventh Amendment is a jurisdictional bar to suit in federal court absent a valid and express waiver of immunity." LSU contends that, with or without the Supreme Court decision, the case can and should be heard in federal court.

**Exhibit I**  
Bernofsky v. Road Home

A state law allows a state agency, such as the university, to move cases into federal court without a formal, written waiver of immunity, wrote Jennifer Siglar, an attorney for LSU.

"The state is afforded the flexibility to look to a federal forum on its own initiative," Siglar wrote in a motion to keep the case in federal court.

U.S. Magistrate Stephen Riedlinger, ruling in Owen's case, said Siglar is right - the state has the right to move the case to federal court and the Supreme Court's decision in May undercuts Reynolds' argument that the state can then claim immunity.

Riedlinger's decision still must be approved by U.S. District Judge Ralph Tyson, and Reynolds will get a chance to object to it.

Given that the allegations and law in Mayne's case are similar to those in Owen's, Riedlinger might well issue the same ruling again.

And that would be enough to give LSU a pair of courtroom victories early in the legal game.

Brett Barrouquere covers federal court for The Advocate.

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## U.S. agency foots contractor legal bills

**The Advocate (Baton Rouge, La.)** - Tuesday, December 30, 2003

**Author:** PETE YOST

WASHINGTON - The Energy Department spent \$330 million in taxpayer money to reimburse its private contractors for legal bills during a 5 1/2-year span, including for lawsuits they lost and settlements of sexual harassment and whistleblower allegations, congressional investigators reported Monday.

The department said the reimbursements were legal and it scrutinizes each legal bill before deciding to pay.

A key congressman said the reimbursements amount to a "get-out-of-court free" card for contractors who engage in wrongdoing.

"When a contractor for the DOE gets sued, 95 percent of the time its legal fees and settlement costs get reimbursed by the federal government," said Rep. Edward Markey, D-Mass., a member of the House Energy and Commerce Committee.

The Energy Department is somewhat unique among federal agencies because private contractors run so many of its facilities, including national defense labs and former sites where nuclear weapons production activity took place.

The department's reimbursements came in 1,895 cases from late 1997 through March, according to a report released by the General Accounting Office.

There were 814 cases involving workers' compensation, 268 on equal employment opportunity, 100 from whistleblowers, 99 stemming from personal injury, 50 on wrongful termination of employment, 40 on radiation and different types of toxicity and 524 on other matters, the GAO said.

Of those, 563 cases are pending, including 290 on workers' compensation and 56 on equal employment opportunity, the investigators reported.

The University of California is one of the department's contractors, operating three labs including the one at Los Alamos, N.M.

Drawing fire from Markey, UC has in some cases invoked the 11th Amendment providing for state immunity from lawsuit by a private party in federal court.

"UC identified eight out of about 35 federal cases where it invoked immunity," the GAO report stated.

"Two were dismissed without further litigation because of this argument."

"Officials at the University of California estimated that the university, in its role as a DOE contractor, has asserted other immunity-related defenses in at least 62 of about 137 cases, predominantly to defend against punitive damages," the GAO said.

Markey said underwriting the costs of defending against lawsuits provides little incentive for Energy Department contractors to act within the law.

Markey said one case of contractor reimbursement involved a \$1 million jury award to a woman who sued Lawrence Livermore National Laboratory for wrongful termination.

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**Section:** News

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**Exhibit J**  
Bernofsky v. Road Home



## LETTER TO STOCKHOLDERS

# ICF International 2006 Annual Report

## Message from the Chairman and Chief Executive Officer

On behalf of ICF International and our staff of more than 2,000 employees worldwide, I am pleased to present our first annual report as a public company.

This has been a very exciting period for our company, and we look forward to taking full advantage of opportunities to leverage the extensive domain expertise that ICF has developed over the past 38 years. In particular, we believe that our company is well positioned to benefit from what we believe to be the most favorable market trends the company has seen in many years, including:

- *growing global interest in climate change issues and methods to reduce carbon emissions*
- *continued growth in U.S. federal and state efforts to improve homeland security*
- *challenges of developing and implementing health care solutions*
- *increasing U.S. federal interest in establishing and maintaining information clearinghouses in government and industry*
- *significant requirements for human capital and business transformation services in U.S. government agencies*

In order to address these and other significant market opportunities, we have moved forward with strategic and financial plans that we believe give ICF important competitive advantages.

### OUR STRATEGY:

ICF is executing a two-pronged growth plan. The cornerstone of our strategy is to accelerate our organic growth by winning larger enterprise-wide assignments and to use our valuable business development dollars more efficiently and effectively. We already have begun this effort by providing end-to-end solutions to our customers. This means that we will work on solving client problems all the way from developing the advisory framework for the solution, to implementing our recommendations, and then improving upon the solution as we get the results. We intend to continue to leverage our strong client relationships at the advisory level to win additional long-term, enterprise-wide implementation assignments. This strategy has served ICF well. In mid-2006, ICF won The Road Home Program contract in Louisiana—the largest award in the firm's history.

The second component of our strategy is to expand and strengthen the breadth and depth of ICF's professional services by acquiring businesses that are highly regarded in markets we understand. In 2006, we successfully completed integrating two acquisitions from 2005—Synergy, Inc., and Caliber Associates, Inc. Synergy added significantly to our presence in the U.S. Air Force, and Caliber gave us a substantial footprint in the U.S. Department of Health and Human Services, U.S. Department of Education, and U.S. Department of Justice. Although ICF was active in these markets, the Synergy and Caliber acquisitions expanded our presence in these U.S. government agencies. Last year, we negotiated two small yet strategic acquisitions that were completed in January 2007. The first, Energy and Environmental Analysis, Inc., specializes in energy market analyses and environmental advisory services, especially global natural gas markets, complementing our existing commercial and governmental offerings. The second, Advanced Performance Consulting Group, provides specialized services in strategic planning to U.S. government agencies and enhances our end-to-end solution offerings.

**FINANCIAL STRUCTURE:**

Over the past year, we have grown our business significantly and increased profitability. ICF's fully diluted earnings per share increased from \$.21 in 2005 to \$1.10 in 2006. Our revenues rose from \$177 million in 2005 to \$331 million in 2006, and we generated \$17.5 million in cash from operations. The company successfully concluded an initial public offering of our stock, which began trading on the NASDAQ national market on September 28, 2006, under the symbol "ICFI." We raised aggregate proceeds of \$46.4 million net of expenses by offering 4,359,948 shares, including an overallotment option of 700,500 shares that was exercised. These resources, together with the cash generated from the business, enabled us to repay our debt in full by the end of 2006 and retain substantial financial capacity for investment and potential acquisitions.

**OUR EMPLOYEES:**

ICF's success has been due largely to the unwavering commitment and extraordinary dedication of our employees to do an outstanding job for clients. In turn, the company's commitment to its employees and its reputation as a great place to work continue to be reflected in our relatively low turnover of personnel, the exceptionally long tenure of our senior staff, and our ability to attract and recruit the best and the brightest talent from outside the firm. In fact, in a 2006 *Consulting Magazine* survey of "The 10 Best Firms to Work For," ICF placed in the top 10 in three categories. In addition, ICF was honored by *Environmental Finance* magazine in 2006 as the Best Carbon Advisory Company in three categories: European Union Emissions Trading Scheme, North American Greenhouse Gas Market, and Kyoto Project Credits.

**CONTRACT AWARDS:**

ICF's 12 largest contract wins in 2006 have an aggregate value of close to \$1 billion over their contract life. They include:

- The three-phase Louisiana Housing Management Services contract valued at up to \$756 million over three years. After a four-month start-up phase in which statewide housing centers and a pilot program were established, ICF and its team of more than 20 companies moved into the production phase of this contract in October 2006.
- A \$45 million contract with the U.S. Department of Justice, Office of Justice Programs, to help strengthen the capacity of federal, state, and local programs to prevent delinquency and support victims of crime.
- A \$32 million contract with the U.S. Environmental Protection Agency (EPA) to manage the Environmental Services Assistance Team program providing on-site analytical support at EPA's Regional Laboratory in Richmond, California.
- A \$31 million contract with the U.S. Department of Health and Human Services (HHS), Administration on Children, Youth, and Families, to further develop and manage Children's Bureau information clearinghouse services in the areas of child abuse and neglect, child welfare, and adoption.
- A \$20 million contract, also with HHS, to continue to develop the National Child Care Information and Technical Assistance Center, dedicated to enhancing the quality, affordability, and availability of child care for all families.



## LETTER TO STOCKHOLDERS

- A \$16.5 million contract with the EPA, Office of Solid Waste, to provide technical, outreach, and voluntary program support regarding hazardous, industrial, municipal, and special wastes.
- A \$14 million contract to continue our 15-year support of the EPA's ENERGY STAR® program. ICF provides technical and analytical support to the labeling and residential aspects of the program to reduce greenhouse gas emissions by identifying and labeling energy-efficient products in the marketplace.
- An \$11.5 million subcontract to The Pennsylvania State University to establish a mid-Atlantic regional laboratory for research into best educational practices and to coordinate all 10 regional labs for the U.S. Department of Education.
- Four additional contracts with EPA valued at \$40 million for programs designed to reduce greenhouse gas emissions for cleaner air, assist in mitigating the air pollution from motor vehicles, enhance environmental stewardship across all industrial sectors, and support EPA's stratospheric ozone protection initiatives.

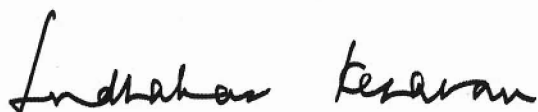
In addition to these larger contracts, we also secured numerous smaller multimillion dollar contracts that we believe are strategically significant and reaffirm our leadership in important growth markets. For example, we were awarded:

- A contract to serve as a manager of the new Multilateral Carbon Credit Fund launched by the European Bank for Reconstruction and Development and the European Investment Bank. During this new seven-year contract, ICF will help develop a portfolio of carbon credit projects. This win continues to demonstrate our leadership in carbon management and global climate change issues.
- The first \$2 million task order under a new HHS blanket purchase agreement to support the expansion of department capabilities in public health and medical response operations.
- A contract worth up to \$2.5 million with the U.S. Department of Homeland Security, Transportation Security Administration, for the Registered Traveler Program, to document and establish program standards.

**OUR FUTURE:**

As we move forward, ICF will continue to address many of the most important challenges of our time—helping clients develop new approaches to energy supply and demand issues on a global basis; tackling the impact of global climate change and implementing carbon trading solutions; addressing the increased demand for human and social services in an era of an aging U.S. federal workforce and increased budget constraints; and enhancing the homeland security of the United States and its allies. We are confident that these markets will provide growth opportunities for the right firms, and that ICF is one of those firms. Our employees have the passion and expertise to tackle these complex issues and deliver the results that our clients demand.

I look forward to keeping you apprised of our progress.



Sudhakar Kesavan

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 001-33045

**ICF INTERNATIONAL, INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**22-3661438**  
(IRS Employer  
Identification Number)

**9300 Lee Highway**  
**Fairfax, VA**  
(Address of principal executive offices)

**22031**  
(Zip Code)

**Registrant's telephone number, including area code:**  
**(703) 934-3000**

**Securities Registered Pursuant to Section 12(b) of the Act:**

<u>Title of Each Class</u>	<u>Name of Exchange on which Registered</u>
<b>Common Stock, \$0.001 par value</b>	<b>The NASDAQ Stock Market LLC</b>

**Securities Registered Pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was approximately \$67.2 million based upon the closing price per share of \$12.25, as quoted on the Nasdaq Global Select Market on September 28, 2006, the day the Registrant's common stock commenced trading. Shares of common stock held by each executive officer and director of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 15, 2007, 13,881,816 shares of the Registrant's common stock, \$0.001 par value, were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III incorporates information by reference from the definitive proxy statement for the Annual Meeting of Stockholders expected to be held in June 2007.





## State blasts Road Home firm - But top exec defends ICF's performance

Times-Picayune, The (New Orleans, LA) - Sunday, December 24, 2006

*Author: Jeffrey Meitrodt Staff Writer*

On June 23, less than two weeks after ICF Emergency Management Services signed a deal to run the state's Road Home program, the state administrator in charge of overseeing the company's work blasted the contractor for repeatedly ignoring her requests for information on an urgent mortgage issue.

"This program can't afford this kind of management," Suzie Elkins, director of the state's Office of Community Development, said in an e-mail to ICF executive Anita Rechler. "People want to get in their homes and without resolving these issues, they can't. I know that you are very busy but ICF has to understand that this is a big project and that we need expert people working with us on solving these issues NOW."

Though Elkins finally heard back from the company that day, her e-mail offers early evidence that discontent over ICF's performance long preceded the firestorm that last week prompted legislators to vote for the company's removal. Indeed, state officials have been complaining for months about handling of the Road Home program, the gist of their criticism being that the company doesn't understand the urgency of the situation.

While more than 90,000 homeowners have applied for a Road Home grant in the past four months, as of last Thursday just 94 families had received money. ICF has until July to complete the awards process.

Tempers reached full boil on Dec. 15, when the state House of Representatives voted 97-1 to approve a resolution demanding that Gov. Kathleen Blanco cancel ICF's three-year, \$756 million contract. Lawmakers repeatedly questioned the company's competence, while the bill's sponsor, Rep. J.P. Morrell, D-New Orleans, called ICF's performance "morally reprehensible."

"In Lakeview, in Gentilly, in the 9th Ward, this is a road to nowhere," said Rep. Peppi Bruneau, R-New Orleans, who spoke in favor of the measure.

### An angry governor

Though Blanco quickly rejected calls for the company's ouster, one of her top administrators said late last week that the governor remains dissatisfied with ICF's performance and is pressuring the company to hire more workers and speed things up.

"They have always failed to understand the magnitude of this undertaking or commit the amount of resources they need to get the job done," said Sam Jones, deputy director of the Governor's Office of Community Programs.

ICF Senior Vice President Mike Byrne, who runs the Road Home program, disputes the idea that he or his staff are failing to fulfill their mission or pinching pennies to fatten their fees.

Though Byrne acknowledges that the company had to beef up hiring in certain areas to solve bottlenecks, he said ICF deserves credit for being so quick to implement course corrections in what are basically uncharted waters.

"We have created a learning organization," Byrne said. "We have done things that haven't been perfectly smart and maybe we've alienated some people, but we've changed those things. We're asking people to give us a second chance."

ICF is hardly new to government work, however. The company is a wholly owned subsidiary of ICF International, a consulting company in Fairfax, Va., that has gotten 72 percent of its work in recent years from federal agencies, including the Department of Homeland Security and the Department of Housing and Urban Development.

But the company has never tackled a job as complicated as Louisiana's recovery from the twin hurricanes of 2005.

Typical contracts, according to the company's public filings, involved work such as conducting training exercises and drills each year to test emergency preparedness in regions with nuclear power plants. The company also implemented an energy efficiency system for the U.S. Environmental Protection Agency and helped create an electronic procurement system for the Department of Defense.

ICF has previous disaster experience, but not at this level. For instance, ICF was hired to help local officials in Grand Forks, N.D., come up with a recovery strategy after a flood swamped the city in 1997. It also collaborated on community housing plans after Hurricane Charley struck Florida in 2004.

The best choice for job?

But like much of the company's work, those jobs were consulting contracts that didn't require major hiring efforts.

Despite the company's lack of experience in handing out disaster relief, ICF's proposal to run the Road Home program easily topped its competitors when the state ranked the bids early this year.

Part of the attraction was the experience level of the company's subcontractors, which are expected to handle 50 to 65 percent of the work, public filings show. To physically set up 10 housing assistance centers, which is where hurricane victims go to complete their applications, the company hired Shaw Environmental and Infrastructure, a Baton Rouge company that already had 20 prime contracts for emergency, rapid-response and housing work.

Quadel Consulting, described in ICF'S proposal as the nation's largest housing management firm, was brought in to recruit and train staff for the housing assistance centers.

Other companies were hired to do everything from housing inspections to title searches. Altogether, the company has hired more than a dozen subcontractors.

In its proposal, ICF boasted that those subs would provide the kind of "surge capacity" that would enable the company to quickly process applications and get relief to weary homeowners.

But ICF, which raised \$49 million in October through a public stock offering, struck a different note in recent filings with the Securities and Exchange Commission.

"Effectively organizing and managing this number of subcontractors, particularly during the first phase of the contract, will be challenging," ICF said in a Sept. 28 filing.

In fact, ICF said, the entire contract is fraught with risks, and there is no guarantee that it will ultimately be profitable for the company, even though it will represent the largest piece of work in ICF's portfolio for the next three years.

Though the contract is believed to be the largest nonconstruction-related contract ever awarded in Louisiana, Byrne said the company's fees will probably work out to no more than 3 percent to 4 percent of the \$756 million contract, or about \$30 million. Most of the money will be funneled to subcontractors or used to cover other costs, such as leasing real estate and paying salaries, he said.

"Any adverse publicity surrounding this contract could damage our reputation and our ability to win future assignments," the company said in the September filing.

Big executive bonuses

So far, however, the contract has been very good for ICF. After the company went public, it distributed \$2.7 million in one-time bonuses to 30 of its top managers. Byrne said he was not one of the recipients, but he declined to reveal his salary or say what any other executives in charge of the Road Home contract are making.

"It is private information and we won't disclose that," ICF spokeswoman Gentry Brann said. "It wouldn't be fair to the employees."

According to ICF'S most recent securities filing, the Road Home contract, which contributed \$55 million in revenue in the third quarter, was largely responsible for boosting quarterly revenue 73 percent. Profits more than doubled, from

\$1.2 million to nearly \$3 million.

Byrne said the company, which was paid a total of \$66 million through Dec. 5, is working hard for its money.

"There is a sense of urgency," Byrne said. "None of us are working 9 to 5. We're all working seven days a week."

To state officials, Byrne seemed like the perfect person to run the Road Home program for ICF. A former New York City fireman, Byrne joined FEMA in 1999 and served as the Federal Emergency Management Agency's operations chief at Ground Zero following the terrorist attacks of Sept. 11. In ICF's proposal, the company said Byrne was "directly responsible" for overseeing the delivery of \$2 billion in public assistance in the first two months after the attacks.

While Byrne was at FEMA, ICF said, he led the federal response to Hurricane Lenny, a storm that killed 17 people and caused more than \$300 million in damage to U.S. territories in the northeastern Caribbean in 1999. While supervising the recovery, Byrne "reduced disaster fund processing from the normal six months to six weeks," ICF said.

Byrne said his experience in those disasters taught him that failure is not an option.

"Things didn't always go well in the beginning, but they always worked out," Byrne said. "I didn't fail then and I don't intend to fail now."

For the present, Byrne's job seems safe. Despite the state's dissatisfaction with ICF'S performance, Jones said it would be a big mistake to try to change contractors. At a minimum, he said, it would delay the delivery of relief to homeowners by another three to four months.

"Does anybody want this process to come to a screeching halt and rebuild this or transfer the records to another company at this stage of the game? That is just not practical," Jones said. "You just have to make them do what they're supposed to do and make them do it faster."

#### Understaffed

Jones, who was mayor of Franklin for 22 years before joining the Blanco administration two years ago, has been one of the company's leading critics, based on a review of hundreds of e-mails released recently by state officials in response to public record requests from The Times-Picayune.

His main concern has been the company's willingness to hire enough people to manage the process. At every stage, Jones said, staffing levels were inadequate until state officials complained.

"When you have a catastrophe of this magnitude, you pump in as many resources as you can," said Jones, who was mayor when three hurricanes struck Franklin. "You want to overfill your needs because the alternative is underfilling and leaving people stranded. That is what we keep telling ICF."

But too often, Jones said, ICF underestimates its manpower needs. He said that became obvious quickly, when residents were told they would have to wait as long as two months to book an initial appointment with an adviser at an ICF housing assistance center. No work can be done on an application until such a face-to-face meeting takes place.

Initially, ICF and its subcontractors hired just 250 advisers for its 10 centers in Louisiana. It added another 150 as applicants swelled to about 90,000, but a third of them are still waiting for a first interview.

A recent progress report showed applicants were waiting 56 days to see a housing adviser in Jefferson Parish, though company officials claim the wait has now dropped to about a week.

By not having enough advisers, ICF was unable to reach its goal of conducting 1,000 initial interviews per day by Oct. 31, Jones said. That goal wasn't reached until Nov. 16, records show.

Another problem involved the Road Home's call center, where residents can schedule an appointment or get assistance in filling out an on-line application.

Initially, the call center had just 85 agents and they were overwhelmed by the volume. Through mid-October, the

center handled about 150,000 calls, but nearly 30,000 people hung up because they had to wait so long to talk to an agent. To cut down on the problem, the call center added another 50 to 60 agents.

Frustrated by such staffing problems and the slow pace of awards, Jones fired off an angry e-mail to Byrne on Nov. 12.

"Although we have been assured by you that you have adequate staff in place or available, we frankly don't see the evidence of it nor the productivity that would come of it," Jones wrote. "Mike, I must tell you that additional information points to the conclusion that ICF has been and continues to hoard resources at the expense of speeding assistance to our citizens."

A good talent pool

Byrne responded six hours later, noting that ICF had already hired an additional eight subcontractors and expected to hire another 42 advisers within 10 days. He also claimed that ICF has no incentive to hoard resources.

"The contract allows us to bill the state for all the staff we have on board the program," Byrne noted in his e-mail to Jones. "This is not a fixed-price contract such that if we spend less we keep the balance moneys. Why would we not want to hire people if we think it is necessary? There is every economic incentive for us to do so."

In an interview, Byrne said he was pleasantly surprised by how easy it has been to recruit talented staffers for what could essentially be a three-year job.

"We have no problem recruiting," Byrne said. "I was scared to death, because normally with FEMA you have a group of virtual part-time employees who you can tap into. I didn't have that bench coming here . . . But we are hiring people. I hope and I pray that this isn't our last project in Louisiana because I want to keep all these good people working here in Louisiana."

Byrne rebutted the criticism that ICF underestimated manpower needs. The company had enough people on hand to meet its contracted duties; what changed, he said, were the state's demands.

"We had enough people for the model we built, based on what we thought we needed to be doing," Byrne said. "But the perception of what we needed to deliver changed."

Under the company's contract, Byrne said, ICF had until July 22, 2007, to send out all award letters. Now, he said, the company expects to finish that task in early June, if not sooner.

"We are ahead of what we said in our contract we would meet," Brann said.

Jones said ICF officials are making a "false argument."

"To meet their contractual obligations, there are benchmarks you have to meet and they were not meeting them," Jones said. "That's it. Our bells first went off when they weren't meeting even the earliest projections. We don't need to find out six months from now that they are going to fail to meet the contract expectations. We can't wait until then."

. . . . .

Jeffrey Meitrodt can be reached at [jmeitrodt@timespicayune.com](mailto:jmeitrodt@timespicayune.com) or (504) 826-3497.

**Caption:** Sam Jones Blanco aide says governor is pressuring company [2925183]

**Memo:** SCCOUT

**Section:** NATIONAL

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## PART I

## ITEM 1. BUSINESS

## COMPANY OVERVIEW

We provide management, technology, and policy consulting and implementation services to government, commercial, and international clients. We help our clients conceive, develop, implement, and improve solutions that address complex economic, social, and national security issues. Our services primarily address four key markets: energy and climate change; environment and infrastructure; health, human services, and social programs; and homeland security and defense. Increased government involvement in virtually all aspects of our lives has created opportunities for us to resolve issues at the intersection of the public and private sectors. We believe that demand for our services will continue to grow as government, industry, and other stakeholders seek to understand and respond to geopolitical and demographic changes, budgetary constraints, heightened environmental and social concerns, global climate change, and increasing globalization.

Our clients utilize our services because we combine diverse institutional knowledge and experience in their activities with the deep subject matter expertise of our highly educated staff, which we deploy in multi-disciplinary teams. Our federal government clients have included every cabinet-level department, including the Department of Health and Human Services (“HHS”), Department of Defense (“DoD”), Environmental Protection Agency (“EPA”), Department of Homeland Security (“DHS”), Department of Transportation (“DOT”), Department of Justice (“DOJ”), Department of Housing and Urban Development (“HUD”), and Department of Energy (“DOE”). U.S. Federal government clients generated approximately 36% of our revenue in 2008 and 27% of our revenue in 2007. Our largest state and local government client is the state of Louisiana. State and local government clients generated approximately 47% of our revenue in 2008, and approximately 65% of our revenue in 2007. The Road Home contract with the State of Louisiana accounted for approximately 38% of our revenue in 2008, and approximately 63% of our revenue in 2007. We also serve commercial and international clients, primarily in the air transportation and energy sectors, including airlines, airports, electric and gas utilities, oil companies, and law firms. Our commercial and international clients, including government clients outside the United States, generated approximately 17% of our revenue in 2008, and 8% of our revenue in 2007. We have successfully worked with many of our clients for decades, with the result that we have a unique and knowledgeable perspective on their needs.

Across our markets, we provide end-to-end services that deliver value throughout the entire life of a policy, program, project or initiative:

- **Advisory Services.** We help our clients analyze the policy, regulatory, technology, and other challenges facing them and develop strategies and plans for responding. Our advisory and management consulting services include needs and markets assessment, policy analysis, strategy and concept development, change management strategy, enterprise architecture, and program design.
- **Implementation Services.** We implement and manage technological, organizational, and management solutions for our clients, often based on the results of our advisory services. Our implementation services include information technology solutions, project and program management, project delivery, strategic communications, and training.
- **Evaluation and Improvement Services.** In support of advisory and implementation services, we provide evaluation and improvement services to help our clients increase the future efficiency and effectiveness of their programs. These services include program evaluation, continuous improvement initiatives, performance management, benchmarking, and return-on-investment analyses.

As of December 31, 2008, we had more than 3,000 employees, including many who are recognized thought leaders in their respective fields. We serve clients globally from our headquarters in the metropolitan Washington, D.C. area, our more than 50 domestic regional offices throughout the United States, and our international offices in London, Moscow, New Delhi, Rio de Janeiro, and Toronto. In January 2009, we announced the opening of our office in Beijing.



## ICF raise was no secret, report says - Road Home operator's \$156 million justified

Times-Picayune, The (New Orleans, LA) - Thursday, December 11, 2008

*Author: David Hammer Staff writer*

BATON ROUGE -- Former Gov. Kathleen Blanco's 25 percent raise to the operator of the Road Home program went unquestioned and largely unnoticed a year ago, but not because of any intent to conceal the \$156 million increase, according to a state inspector general's report released today.

The change raised the total amount that contractor ICF International Inc. could be paid for its work administering the program to \$912 million. The contract change was made Dec. 7, 2007, about a month before Blanco left office.

Inspector General Stephen Street, an appointee of Gov. Bobby Jindal, said he found no evidence the Blanco administration was trying to hide the raise she gave ICF, though the news media and key state legislators didn't know about it until long after she left office.

He also said the raise was justified because ICF had to handle far more applicants for the homeowner-aid program than initially expected and because 125 policy changes added costs to their work.

But the report says nothing about how ICF's performance, widely derided even by the Blanco team, was itself the cause of many policy changes and increased costs. Street said those questions will be addressed in separate investigations by the legislative auditor.

"The conclusions reached in your investigative report support what I have said from the beginning," Blanco wrote in her official response to the report.

She later wrote that "notwithstanding irresponsible allegations by some who knew or should have known better, there was no effort whatsoever by my administration to conceal Amendment #7 (the raise) from the general public or the legislature."

Street said Blanco's Office of Community Development notified The Advocate in Baton Rouge that the value of the contract would likely be increased, but it offered no specifics. Later, when state staffers were prepared to report on the raise to a legislative budget committee, they were never called to do so.

Rep. John Alario, D-Westwego, then chairman of the committee, told Street that he was unaware of the raise. Sen. Ed Murray, D-New Orleans, another member of the committee and a leading critic of ICF, said he was shocked to hear about the raise when The Times-Picayune discovered and publicized it months later.

--- Internal dissension ---

While ignoring ICF's performance issues, much of Street's report highlights dysfunction in the Blanco administration, saying the ICF contract was poorly managed because the Louisiana Recovery Authority, which oversaw policy, and the Office of Community Development, which controlled the Road Home contract, refused to work together.

Street cites internal state e-mails in which former Community Development Director Suzie Elkins instructed her staff not to share information about the contract amendment with the LRA, saying the LRA would blame her agency in the media. Street argues that the infighting hindered negotiations with ICF and allowed the company to play one state agency off the other.

Current LRA Executive Director Paul Rainwater, who took over Community Development to streamline the state's role after Jindal took office, said ICF acted as though it managed itself. If a raise were necessary, he said, the state should have given the company an incremental increase in its pay cap until it showed it needed more, rather than authorizing the full \$156 million raise at once. That put his team at a disadvantage in negotiations they have tried in 2008, he said.

--- Bloated payments ---

The state has already paid ICF more in two and a half years than the initial contract called for in three. Through Wednesday, the Road Home had been paid \$795 million to administer the homeowner program, plus a small rental program that has produced few tangible results.

In his official response to the audit, former LRA Director Andy Kopplin says many of the "policy changes" were actually restatements of the contract's original intent needed only because of ICF's failure to comply with it.

Kopplin's former LRA spokeswoman, Melissa Landry, represented him at the Capitol on Wednesday and in an interview gave an example of a typical change that should not have justified higher pay. The LRA, she said, had to force ICF to inform homeowners in writing when their grants were changed because Community Development had been allowing the contractor to make major changes over the phone, causing disagreements.

--- Raise's defense affirmed ---

Street also accepted the Blanco administration's argument that the raise was justified because of estimates at the time that 150,000 grants would be paid, rather than the 114,000 envisioned in the original contract.

But as of this month, only 121,000 grants have been paid, and state officials doubt there are even 10,000 eligible applicants still awaiting payment. Rainwater said that's another reason the full raise shouldn't have been given at once.

Rainwater said he is still working to renegotiate labor rates and cut program costs to knock \$20 million off ICF's total bill of \$912 million. Just last week, Legislative Auditor Steve Theriot found more than \$12.7 million in questionable billing by ICF, and Rainwater said some of that is double billing. The LRA director said he's working on recovering that money too.

But negotiations have been difficult ever since the LRA fined the contractor during the summer, Rainwater said. He added that his only real remedy has been to make sure ICF doesn't get more work from the state.

ICF officials declined Wednesday to respond directly to Rainwater's comments, but they did say they are working with the state to adjust administrative costs. They expect to come in under the \$912 million cap.

"We are pleased that the OIG report confirms that the contract amendment was fully justified," said ICF spokeswoman Melissa Walker. "It also confirmed that ICF provided detailed documentation that the original ICF contract was not adequate and was at risk of running out of money, and necessitated a contract amendment."

Bad press about the Road Home hasn't hurt ICF outside Louisiana. The firm continues to land lucrative government contracts as its Road Home work wind down.

ICF's contract ends in June. Rainwater said what Road Home work remains at that point will be either rebid to other contractors or handled in-house.

Road Home provides buyout or repair grants of as much as \$150,000 to homeowners with severe damage from Hurricanes Katrina and Rita. The program is mostly financed with federal money.

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## La. Road Home company fined

Advocate, The (Baton Rouge, LA) - Wednesday, July 16, 2008

Author: MARK BALLARD

The Louisiana Recovery Authority on Tuesday levied a fine of more than \$1 million against the contractor in charge of the program to help homeowners relocate or rebuild houses damaged in the 2005 hurricanes.

The state government entity fined ICF International of Fairfax, Va., \$692,500 for failing to meet a target of 116,000 total Road Home case closings by June 30. The company was also fined \$356,879 for failure to meet other performance measures, according to a prepared statement released by the Louisiana Recovery Authority.

ICF was hired to run the state program, which is called The Road Home.

The company's contract with the state required ICF to close and distribute money in a specific number of cases.

ICF reported closing 114,615 claims as of June 30, which was 105 weeks after the recovery program began. Under the terms of the contract, ICF is required to pay \$500 for each of the 1,385 unclosed claims short of the 116,000 benchmark.

The fine will be subtracted from the payment of the company's next invoice, said Christina Stephens, the Louisiana Recovery Authority press secretary.

A "closing" is the term used to describe the final step of completing the paperwork in order for claimants to receive the money.

Between 15,000 and 25,000 applicants are still waiting for their grants, Stephens said.

Many of those people complained to the Louisiana Legislature that the Road Home program is too slow in handling the paperwork and distributing the recovery funds.

Gentry Brann, director of communications and external affairs for The Road Home Program and vice president of ICF International, said in a prepared statement Tuesday: "We closed 98 percent of all eligible, active, workable files, and therefore have exceeded the intent of the measure, which was to close 95 percent of them by June 30."

Paul Rainwater, Recovery Authority executive director, said in the prepared statement, "We do recognize that many of the homeowners who have yet to close represent the most complicated Road Home cases to close and we are committed to working through the remaining caseload to identify systemic issues and help move to closing."

Most of the cases closed are those in which property ownership papers are in order, Stephens said. Many of the remaining applicants have been more difficult to process, such as property where family members continued to live after the owner died.

"We're not talking about the low hanging fruit anymore," Stephens said.

The Road Home program also announced a previously planned and approved staff layoff, Brann said in another prepared statement Tuesday.

The staff reduction becomes effective Sept. 13 and affects about 550 positions throughout the Homeowner Assistance Program.

In addition, two Housing Assistance Centers, in Chalmette and Harvey, will close Sept. 13. Four Housing Assistance Centers, in New Orleans, Kenner, Baton Rouge and Lake Charles remain open.

**Exhibit O**  
Bernofsky v. Road Home



"This change is part of the overall plan of the program and will not impact the program's ability to continue processing applications, appeals or elevation awards," Brann said in the statement.

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Copyright (c) 2008 Capital City Press, Baton Rouge, La.

**EDITORIAL: Keep watch on ICF**

**Times-Picayune, The (New Orleans, LA) - Wednesday, February 11, 2009**

The state's relationship with Road Home contractor ICF is drawing to a close, and that's certainly a relief.

But the state still needs to keep a careful eye on the company even in these waning days, as a dispute over legal bills proves. The state's legislative auditor found that the Louisiana Recovery Authority paid \$340,000 in bills that ICF incurred defending itself from employee lawsuits.

Those bills aren't the state's responsibility and shouldn't have been submitted to the LRA, recovery chief Paul Rainwater said.

The state is liable for some of ICF's legal bills under its contract, but not for lawsuits filed by employees that include things like age discrimination or overtime disputes.

"That's between them and their employees," Mr. Rainwater said. "We're not going to pay that."

Indeed, the state shouldn't pay ICF one dime more than the company is contractually entitled to receive. ICF's abysmal management of the Road Home program hampered people's recovery from the 2005 hurricanes and caused great misery and hardship.

The state has withheld \$4 million in travel and overtime expenses that ICF tried to collect, and it's also fining the company another \$1 million for failing to meet performance benchmarks. But it's a shame that Louisiana didn't include more benchmarks in its \$912 million contract with the Virginia company.

"They hold up charts of how their stock price drops when I criticize them," Mr. Rainwater said. "That's their mindset."

But Mr. Rainwater should continue to speak his mind. Louisiana officials have no reason to feel sorry for ICF. Dropping stock prices are hardly unique these days. And in any event, ICF chose to go public shortly after it secured the massive Road Home project.

Surely it was in ICF's best interest to do a good job and earn praise instead of censure.

**Memo:** Editorial

**Section:** METRO - EDITORIAL

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**Exhibit P**  
Bernofsky v. Road Home

changed during the course of the performance of the contract, and future negotiations with the state could result in additional changes in such rates and prices during the remainder of the contract, further increasing this risk.

The Road Home contract has been amended to include performance measures, with financial penalties for failure to achieve these measures. We have, in fact, been subject to some of these penalties. Although contract modifications must be agreed to by both parties, in the future, the contract could be further amended in ways that prove to be unfavorable to us. There is, therefore, no assurance that this contract can be performed profitably. Because of the size of The Road Home contract, poor financial results from this contract would adversely affect our overall operating results and the value of our stock.

**The Road Home contract exposes us to many different types of liability, some of which could be substantial.**

- Homeowners, rental housing owners, or others dissatisfied with the amount of money they have received from, or their treatment under, this program may take action against the State of Louisiana and us, including possible class action or other substantial litigation. These actions could disrupt the program significantly by diverting substantial management time and resources and could result in substantial liability for us. Lawsuits have been filed; however, these suits have not disrupted the program to date.
- Due to the acceleration of the program, we have terminated employees working under The Road Home contract earlier than initially anticipated. Some of those former employees have taken action against us, and more actions may be instituted, whether or not merited, including possible class action or other litigation.
- Although much of the work under the contract has been and will be performed by subcontractors, the State of Louisiana considers us responsible for the timely, satisfactory performance of all aspects of the contract, as is typical for prime contractors.
- We and our subcontractors gather and maintain sensitive information concerning potential and actual program participants. Failure to maintain and secure such information properly and failure to take appropriate action to prevent fraud could result in substantial liability for us.
- Although the contract provides that, with several exceptions, we may charge as an expense under the contract reasonable costs and fees incurred in defending and paying claims brought by third parties arising out of our performance, there can be no assurance that all of our costs and fees will be reimbursed. The contract also provides that we will indemnify the State of Louisiana for certain liabilities. Such liabilities could be substantial and exceed the amounts of, or may not be covered by, available insurance.
- There is a risk that reimbursement will be sought from us for any excess amounts paid to grant recipients and for the costs to re-perform certain services.

**Because of its nature, size, and scope, The Road Home contract subjects us to increased public scrutiny and pressure, particularly to operate at a fast pace, as well as to numerous additional audits, reviews, and investigations, all of which divert management attention and increase our costs.**

The Road Home contract may be the largest non-construction contract ever awarded by the State of Louisiana. As a result, members of both the executive and legislative branches of the state government have paid, and will continue to pay, substantial attention to this contract. Both houses of the state legislature have held numerous hearings at which our management has been asked to testify. Changes in the state legislature and the Louisiana Recovery Authority during the term of our contract have also led to increased scrutiny of The Road Home contract and our efforts related to it. We expect that there will continue to be intense public and political pressure associated with The Road Home contract, particularly to continue to operate the program and execute a smooth transition of the program at a fast pace.



## Louisiana's Road Home refuses to budge on deadlines

**New Orleans CityBusiness (LA)** - Friday, August 8, 2008

**Author:** Ariella Cohen

The Louisiana Recovery Authority has no plans to rescind recently instated Road Home Program deadlines that legal assistance groups say could jeopardize thousands of grants for homeowners who have been trying to collect the funds needed to rebuild for as long as two years. "Right now we are sticking with the deadlines," said Christina Stephens, spokeswoman for the LRA. Announced on July 30, the cutoff gives the 8,400 applicants who haven't yet completed all program paperwork until Sept. 5 to turn in all outstanding documentation or lose eligibility for the federally funded grant. Another 2,822 applicants facing problems with title, succession, power-of-attorney and mortgage issues have until Oct. 1 to resolve all legal issues or forgo rebuilding money. Another 505 applicants who haven't closed for other reasons also face the Oct. 1 deadline, said Stephens. While the LRA maintains that deadlines are necessary to push applicants forward in time for the program's final closing deadline in June of 2010 and that extensions will be given on a case-by-case basis, lawyers from Southeast Louisiana Legal Services and Loyola University Law School Clinic say the policy will lock thousands out from collecting the cash they need to return home and create an unnecessary layer of paperwork for those who file for extensions. "Sending people chasing to document that they should get an extension and having ICF and LRA staff reviewing as to entitlement to extensions is an unnecessary and counterproductive waste of time," legal advocates David Williams, Davida Finger and Bill Quigley wrote in a letter sent to Gov. Bobby Jindal on Thursday. The letter came two days after a request from the same legal advocates for a recession of the deadlines to Jindal and LRA Executive Director Paul Rainwater. In that letter, sent Tuesday, the advocates took the LRA to task for implementing an unexpected deadline when there is a shortage of qualified pro-bono attorneys to assist low-income homeowners who are struggling to complete applications. Also criticized was Road Home administrator ICF International. "Leaving applicants with just 30 days to complete submissions is inadequate given how poorly ICF has administered the Road Home Program," Williams, Finger and Quigley wrote. In addition, cultural patterns of oral or informal title transfer have made proving property succession difficult for thousands of homeowners who inherited homes in New Orleans' black neighborhoods, making the new policy especially hard on that particular population. "In our experience about 90 percent of the homeowners with difficult succession matters are African-American. As a result, it is clear that the impact of this change would disproportionately disqualify African-Americans from participating in this program," the legal advocates said in the Tuesday letter. In an interview, LRA Executive Director Paul Rainwater said that his goal was to help people - and the program - move forward. "We are reaching out to people who are having trouble closing," he said. "I am not going to shut down the program, but we do have to set some deadline." As means of providing direct assistance to applicants, the state has initiated a series of outreach meetings. The first, held Wednesday in Houma, attracted 300 applicants, said Stephens. On Saturday, the LRA will host the first of five walk-in meetings in the New Orleans area. The outreach session is scheduled to begin at 10 a.m. and run until 3 p.m. at the University of New Orleans' Lindy Boggs Conference Center.

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**Exhibit R**  
Bernofsky v. Road Home



## Mayoral candidates are throwing elbows - Landrieu targeted in pair of forums

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*Author: Michelle Krupa, Rebecca Mowbray and Frank Donze Staff writers*

After a nearly three-week holiday hiatus, the six major candidates running for New Orleans mayor returned to the campaign trail Tuesday in back-to-back evening forums that revealed what's likely to become a key strategy of the last month before the Feb. 6 primary: attack front-runner Lt. Gov. Mitch Landrieu.

Doing most of the shooting were attorney Rob Couhig and businessman John Georges, who has already hit Landrieu with the campaign's only attack ad so far.

The forums -- focused, respectively, on real estate and youth issues -- offered the first glimpse at a newly reshuffled field that in past weeks has lost a pair of key contenders, including its leading black candidate, state Sen. Ed Murray, potentially setting up a scenario that could give the city its first white mayor since 1978 and fueled Tuesday's steady, low-grade needling among Landrieu, Georges and Couhig, who all are white.

Vying to the fill the vacuum left by Murray, known as an effective if soft-spoken lawmaker, the panel's three African-American candidates -- management consultant Troy Henry, fair-housing advocate James Perry and former Civil District Court Judge Nadine Ramsey -- pushed their own talking points and generally refrained from the attack.

Murray dropped out of the race Sunday, citing difficulty in raising money and a desire to avoid a racially divisive campaign, while education-reform advocate Leslie Jacobs said she could not compete with Landrieu, who jumped into the race on the eve of qualifying last month and instantly became the front-runner thanks to his lengthy political resume and near-universal name recognition.

The night's most heated moment came during the youth forum at Walter L. Cohen High School in Central City, with Couhig and Landrieu engaging in a quick exchange that hit the top of the volume meter.

Couhig and Landrieu are the only two current candidates who tried unsuccessfully to unseat Mayor Ray Nagin in 2006. Couhig finished fourth in the primary, then endorsed Nagin, who edged out Landrieu in the runoff. Term limits bar Nagin from seeking re-election this year.

Asked Tuesday night about the New Orleans Police Department, Couhig criticized Landrieu for declining four years ago to join him in advocating the immediate firing of Police Superintendent Warren Riley.

"I was very disappointed that Mitch thought that was an issue to be studied," he said.

Though it wasn't his turn to speak, Landrieu asked moderator Rachel Wulff, an anchor at WDSU-TV, for a chance to defend himself.

"Rob, you did support the guy who hired Warren Riley," Landrieu said.

"I gave you every opportunity to tell me that you'd do something different than (Nagin), and you didn't!" Couhig erupted before admitting: "It was a mistake supporting him."

Later when candidates were allowed to pose questions to one another, Couhig, seeking an assist from Ramsey, asked the former judge what lesson students can glean from someone who takes a job in government, then uses that time "to run for office repeatedly." Clearly targeting Landrieu, Ramsey pointed out that as a judge, she had to resign to run for mayor, then added that citizens don't like it when elected officials run for other offices without quitting their current jobs.

The dust-ups were by no means the evening's first confrontations.

**Exhibit S**  
Bernofsky v. Road Home

During the earlier housing forum at the Academy of the Sacred Heart in Uptown, Georges noted that \$3 billion in federal recovery grants remain in the coffers of the Louisiana Recovery Authority, and he questioned "the leadership of any individual" in state government for failing to distribute the money.

Landrieu, acknowledging that the jab was aimed at him, stated that the lieutenant governor's office has no control over the LRA. He bit back by questioning why City Hall has not spent all the recovery money in its accounts.

Jumping into the fray, Couhig took issue with an earlier statement by Georges that the New Orleans Redevelopment Authority, of which Couhig was a board member until he declared his candidacy for mayor, should not handle the purchase of single lots in an effort to return blighted and abandoned properties to commerce. Georges said NORA's participation makes the transaction more expensive.

Couhig countered that NORA is the cheapest way to dispose of unwanted properties, and he vowed to create a \$15 million revolving fund to fix up and sell properties.

Perry focused on the need to grow the population to sop up housing, since the city has the capacity to shelter about 600,000 people, but only about half that many residents. Creating an annual housing plan, as required by the City Charter, would be one of the first things he would do as mayor, he said.

Ramsey said that she would enforce blight laws and make sure that code enforcement departments have adequate funding. She also stressed the importance of neighborhoods and promised to use federal block grants to help home buyers when the federal homebuyer tax credits expire next spring.

Henry referred to his experiences in rebuilding Pontchartrain Park and helping to develop the city's energy-efficiency program. By cobbling together soft second mortgages, hazard mitigation grants and energy-efficiency measures, he said it's possible to give people a great deal of equity in their homes and lower their electric bills.

On city finances, Couhig said his administration would enact no new taxes. Georges vowed to cut taxes. Landrieu said that his budget will reflect his priorities of blight, crime, jobs and schools. Henry said he would sell unneeded city assets and streamline government operations to eliminate unnecessary services.

Regarding job growth, Perry and Ramsey said they would help small- and medium-size businesses improve their access to credit. Couhig said the cost of utility rates and insurance needs to drop. Georges said that he would pursue more direct flights from Armstrong International Airport.

In addition to recruiting large companies, Henry said he would ask the White House to send more permanent federal jobs to New Orleans. And Landrieu focused on the importance of public-private partnerships.

After more than two hours of jousting Tuesday night, the candidates split along racial lines when asked the next-to-last question of the youth forum: whether the Recreation Department should be removed from City Hall oversight and turned into a stand-alone agency.

Landrieu, Georges and Couhig said, yes. Henry and Ramsey flatly opposed the suggestion, while Perry said no, though he said he could be convinced.

Despite the evening's rampant conflict, the intense night of debating ended on a conciliatory note, with the mayoral contenders finally agreeing on a question that even organizers conceded was a no-brainer in an auditorium full of students: "Will you include youth in your transition team?" Said Landrieu: "We should all answer this together."

Also running for mayor, though considered long shots, are Jonah Bascle, Manny "Chevrolet" Bruno, Jerry Jacobs, Thomas Lambert and Norbert Rome.

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