



Department of Justice

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Big Dig \$458.2 Million Global Agreement

The following is an overview of the agreement between the United States, the Commonwealth of Massachusetts, the United States, Bechtel/Parsons Brinckerhoff, and certain other contractors, announced on January 23, 2008.

- **Global resolution of criminal and civil claims.** The agreement resolves all pending criminal and civil claims by the federal government and the Commonwealth involving Bechtel, PB, and the SDCs, including potential charges relating to the July 10, 2006 ceiling collapse, defects in slurry wall construction, use of out-of-specification concrete by certain contractors, failure to disclose financial information, and various cost recovery matters for deficient work.
 - The agreement does not release Bechtel, PB or the SDCs from liability for potential future problems that are not related to specific pending claims (i.e., discovery of a new problem with the Zakim Bridge).
 - The Commonwealth will dismiss pending lawsuits against these defendants.
 - The Commonwealth agrees not to seek debarment of Bechtel and PB based on the covered conduct.
- **Total payment of \$458.2 million.** Bechtel, Parsons Brinckerhoff (PB), and 24 Section Design Consultants (SDCs) agree to pay a total of \$458.2 million, including interest. A full breakdown of payments and where the funds will go is attached.
- **Funds for Big Dig repair and maintenance.** \$414.9 million of the funds will be placed into a new state Central Artery/Tunnel Project Repair and Maintenance Trust Fund to provide for future non-routine repairs and maintenance of the Project. Another \$17 million will be placed in the state's Central Artery and Statewide Road and Bridge Infrastructure Fund to be used for Big Dig or other road and bridge purposes throughout the Commonwealth.
- **Reopener for future catastrophic events.** If a future catastrophic event relating to the Big Dig causes more than \$50 million in damages, the federal and state governments retain the right to sue Bechtel and PB. For the next 10 years (through October 2017), Bechtel and PB waive their right to statute of limitations and other time-based procedural defenses to a catastrophic event claim. If the government sued based on a future catastrophic event, damages would be capped at \$100 million per event and the suit would be resolved by binding arbitration.
- **Project safety review.** Under the agreement, Bechtel and PB will conduct an internal review to determine whether any design, construction or material defects existed as of 2005 that may be expected to pose a significant public safety risk or cause a future catastrophic event. Within 180 days, senior company officers will submit a written report of the review.
- **Corporate compliance agreements.** As part of the agreement, Bechtel and PB both agree to full reviews of their corporate business ethics and quality assurance programs, in order to strengthen those programs, improve ethics and quality training for employees, and prevent the types of lapses that occurred on the Big Dig from happening again in future projects.
- **Public findings on contractor responsibility.** The agreement includes a Statement of Facts concerning Bechtel and PB's conduct and their responsibility for the tunnel ceiling collapse, slurry wall defects, and other Big Dig problems. The Statement of Facts does not address the culpability of other entities, including Powers Fasteners, Inc.