



Office of the Inspector General Commonwealth of Massachusetts

Investigations Contribute to Planned \$100 Million Big Dig Lawsuit, December 2004

The Massachusetts Turnpike Authority's Big Dig Cost Recovery Team announced in December 2004 that they are preparing at least a \$100 million lawsuit against Big Dig manager Bechtel/Parsons Brinckerhoff (B/PB).

The lawsuit contends that B/PB has made design and construction management errors that led to project cost increases. The lawsuit seeks compensation for these errors. However, this lawsuit does not include issues or costs related to the recent discussions of tunnel leaks and failed waterproofing. This issue is still under review.

This \$100 million lawsuit is based on nearly two years worth of work conducted by the Turnpike Authority's Cost Recovery Team led by Judge William Ginsburg. During this period, the team performed a look-back review, identifying potential cost recovery issues from both open and closed Big Dig contracts.

During his review, the Inspector General provided the Team with Big Dig-related work completed by the Inspector General since 1990. Since 1990, the Inspector General has issued more than 50 reports and letters that have identified more than \$1 billion in questionable Big Dig costs.

During the past two years, the Inspector General has issued five reports that have been specific cost recovery referrals to the Cost Recovery Team. These reports identified specific management lapses on the part of B/PB that have possibly led to nearly \$200 million in project cost increases.

The issues we referred to the Cost Recovery Team were included in the look-back review, which has generated this pending \$100+ million lawsuit. This would be the second cost recovery lawsuit filed against B/PB. The Cost Recovery Team has filed 11 other lawsuits against other Big Dig firms.