

November 15, 2006

Fluor Corporation  
Attn: General Counsel's Office  
One Enterprise Drive  
Aliso Viejo, CA 92656-2606

Dear General Counsel of Fluor:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database ([www.pogo.org/db/index.cfm](http://www.pogo.org/db/index.cfm)), a compilation of information from public resources regarding government contractors, including Fluor. You have already responded to a previous letter, which is greatly appreciated. I have enclosed findings relevant to Fluor that have been added since the first letter and am requesting verification or refutation of the data from you.

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

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

Sincerely,

Scott Amey  
General Counsel

Enclosure

## New Instances

1.

Coleman v. Fluor (Violations of the False Claims Act)

Date: 10/31/2005 (Date of Settlement)

Misconduct Type: Government Contract Fraud

Contracting Party: Government Civilian

Court Type: Civil

Amount: \$12,500,000

Disposition: Settlement

Synopsis: Fluor agreed to a "\$12.5 million settlement for... a suit filed under the Federal False Claims Act (False Claims Act, 31 U.S.C. § 3729) ... The suit filed on behalf of Cosby Coleman, a 15- year employee who worked in the company's government contracting office, contended that from 1995 to 1998 Fluor knowingly over billed the government under the many cost-reimbursable contracts held by its Fluor Daniel subsidiary (now known as Fluor Enterprises) with the Departments of Energy and Defense. "The costs disputed by Coleman included multi-million dollar bonuses paid to Fluor's management, \$13.2 million invested in raw land, \$7.3 million spent for improvements to office buildings Fluor leased to other companies, \$2.6 million spent for construction of a parking garage Fluor leased to another company, \$410,000 spent for luxury condos in Palm Springs, \$1.8 million spent on a fine art collection, \$75,000 spent for a Mercedes Benz convertible driven by the company's President and \$20,000 spent for an antique Chippendale chair. Coleman alleged that he made numerous attempts to point out the violations to senior management, but no action was taken."

Document(s):

Attorney Press Release

2.

Holbrook, et. al. v. Fluor Daniel Northwest, Inc. (Violations of the Energy Reorganization Act)

Date: 03/24/1998 (Date of Settlement Approval)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Civil

Amount: \$0

Disposition: Settlement

Synopsis: "This case arises under the Energy Reorganization Act of 1974 (ERA), as amended, 42 U.S.C. §5851 (1988 and Supp. V 1993). The parties submitted a Settlement Agreement seeking approval of the settlement and dismissal of the complaint. The Administrative Law Judge issued a Recommended Order of Dismissal on March 2, 1998 approving the settlement."

Document(s):

Settlement Agreement

3.

Project Dispute

Date: 05/04/2004 (Date of Settlement)

Misconduct Type: Non-governmental Contract Fraud

Contracting Party: International

Court Type: Criminal

Amount: \$123,000,000

Disposition: Settlement

Synopsis: "Fluor Corporation (NYSE: FLR) announced today that Fluor Australia Pty Ltd. has resolved its dispute with Anaconda Operations Pty Ltd. on claims related to the Murrin Murrin nickel cobalt project in Australia. Fluor Australia will pay the equivalent of approximately US\$123 million to end all remaining claims, including those covered under Phase II of an ongoing arbitration of the dispute."

Document(s):

Fluor Press Release

4.

Violations of Technical Safety Requirements

Date: 12/16/2005 (Date of PNOV)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$206,250

Disposition: Fine

Synopsis: On December 16, 2005, the Department of Energy issued a Preliminary Notice of Violation to Fluor Hanford, Inc. for violations of Technical Safety Requirements from September 2003 to July 2005. The violations included an event "in which several personnel received low level radioactive exposure". The total civil penalty for these violations was \$206,250.

Document(s):

DOE PNOV

5.

Emergency Planning and Community Right-to-Know Act Violations

Date: 02/27/2003 (Date of Violation Disclosure)

Misconduct Type: Tax

Contracting Party: N/A

Court Type: Administrative

Amount: \$0

Disposition: Pleaded Guilty

Synopsis: “Duke/Fluor Daniel Operating Services LLC self-disclosed EPCRA violations at the McKee Run Generating Station in Dover, Delaware. The company reportedly failed to submit annual reports of releases of two hazardous chemicals – polycyclic aromatic compounds (“PAC’s”) and benzo (g,h,i) perylene in 2000. Penalty waiver: \$36,936.”

Document(s):  
EPA Press Release