

April 11, 2007

Washington Group International
Attn: Rich Parry, Legal Department
720 Park Blvd.
P.O. Box 73
Boise, ID 83729

Dear Mr. Parry:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database (www.pogo.org/db/index.cfm), a compilation of information from public resources regarding government contractors, including Washington Group International. I have enclosed the findings relevant to your company and am requesting verification or refutation of this data.

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

Changes to the database include the addition of more current instances and removal of information that could not be verified with official documents. Additionally, pending cases will still be included, but this information will be kept separate from the resolved cases and will not be included in the totals.

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

Sincerely,

Neil Gordon
Legal Fellow

Enclosure

Instances of Misconduct

1.

Violations of the Employee Retirement Income Security Act

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

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Civil

Amount: \$3,480

Disposition: Settlement

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

2.

Violating Nuclear Safety Requirements

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

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Civil

Amount: \$55,000

Disposition: Fine

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

Engineering Laboratory]...WGI was cited for failing to properly establish adequate surveillance and oversight for the work."

3.

Failure to Maintain Chemical Agent Safety Facilities

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

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Administrative

Amount: \$51,699

Disposition: Settlement

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