

The Contractors Critic

Reporting on Safety, Productivity, and Honesty in the Construction Industry.

CAJUN INDUSTRIES

Cajun/Grigsby = Litigation & Controversy

Cajun Industries CEO Grigsby's libel suit blows up in his face

After Hurricane Katrina, the Jefferson Parish Council needed considerable reconstruction and flood prevention construction, including flood proof "safe rooms" to protect their pump stations and wastewater treatment plant.

Jefferson Parish hired local engineering firm, Kyle Associates, to design safe rooms. Grigsby's Cajun Constructors won the \$9.9 million contract, although their bid was triple Kyle's estimated project cost. Problems arose when Kyle Associates disclosed that Cajun actually owned 26% of Kyle. Due to the conflict of interest, Parish officials moved swiftly to boot the two contractors from the job.

Gray Sexton, head of the State Ethics Commission, appeared before Parish officials, to testify that Grigsby

LIBEL SUIT
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DON'T TAKE OUR WORD FOR IT

**A reader's response to
Cajun Industries Issue #1**

SEE PAGE 4

How Grigsby swaggers through Louisiana politics and the Gulf Coast construction industry

Meet L. Lane Grigsby, boss of Cajun Industries, one of the biggest construction companies on the Gulf Coast. Arguably, he is one of the most influential and possibly one of the most hated participants in Louisiana politics.

Honored and maligned

A thicket of allegations contained in court suits and campaign contribution reports hint at the scope of Grigsby's activities. Allegations of stock fraud, shoddy construction work, improper bidding practices, an unwritten deal three decades ago with a racketeer, and claims of double-dealing in the political arena have dogged Grigsby. He has angrily responded that he has earned his good name through decades of leadership, his involvement in a host of civic and religious activities, his fraternity memberships, and his membership in the Louisiana State University Engineering Hall of Distinction.

Profited from Katrina

L. Lane Grigsby and his construction

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EDITORIAL OPINION



Grigsby and Cajun Industries: integrity impossible to separate

The intertwined relationship of Lane Grigsby and Cajun Industries is very hard, if not impossible, to separate. It is, to some degree, a classic case of a personality company. Merriam/Webster's dictionary states: Personality is the condition of fact of relationship to a particular person; which describes Cajun Industries business history and/or character as that of Lane Grigsby.

The *Contractors Critic* has found contracting companies that have sordid business histories, including litigation, unethical practices, crimes and many similar problems as Cajun Industries. In Cajun's case, it appears that Cajun's unscrupulous business model is that of Mr. Lane Grigsby's unscrupulous character. One could argue that most companies reflect the philosophy of their owners and/or CEO, but you would be hard pressed to find a company and/or owner (who supposedly does not involve himself in the day to day operations of the company) like Lane Grigsby and Cajun Industries, which have indistinguishable business, personal character and integrity.

The relationship of Lane Grigsby and Cajun Industries is hard, if not impossible, to separate. Grigsby and his company have indistinguishable character and integrity.

The *Contractors Critic* made several attempts to communicate with Cajun Industries and Mr. Lane Grigsby, and even provided draft copies of this and prior *Contractors Critic*, which reports on Cajun Industries and Mr. Grigsby's business dealings, in an effort to be fair and forthright in our reporting, (also because of Cajun Industries and Mr. Grigsby's propensity for litigation). That is exactly why it is important to have not-for-profit organizations like LASER publishing the *Contractors Critic* and other publications in an effort to help improve safety, honesty and productivity in the construction industry.

company, Cajun Constructors, received construction contract after contract. After thousands of unlucky folks were killed, injured or driven from their homes by Hurricane Katrina, Grigsby's companies, including Cajun Constructors and its protégées, raked in "millions and millions in revenue" from the government, sometimes from no-bid contracts, for Katrina-related reconstruction work. "(If) these enormous revenues were made known, the public could well wonder if Grigsby was the philanthropic soul he proclaims himself to be," charged one lawsuit.

Allegations of improper bidding in Jefferson Parish

Grigsby's effort to obtain a Katrina-related contract in Jefferson Parish backfired. Allegations of Cajun's "intentional" failure to obey Parish contract bidding laws caused the company to get kicked off the bid list. Grigsby later sued the Parish for libel, but the lawsuit blew up in his face.

The Parish counterattacked by interrogating Grigsby about several privately filed federal stock fraud civil suits and a federal investigation against Grigsby and others, related to their service on the board of directors for construction company Shaw Group. Grigsby eventually withdrew his libel suit, the Security and Exchange Commission ended its stock fraud investigation without indictments, and the civil suits faded away.

Grigsby's supercharged political activities

When most men near 70 years of age,

they play more golf or watch more TV. Not L. Lane Grigsby. He interrupts his golf to appear in Baton Rouge when the Louisiana state legislature is in session, to keep an eye on his legislators. Perhaps he wants to watch his tens of thousands in campaign contributions at work.

Since much of his construction work is for government agencies, his political involvement also helps protects his hundreds of millions in annual construction revenue.

Some legislators claim they pay little attention to Grigsby's involvement in politics. Yet Grigsby's often-vindictive political actions and his borderline ethical political tactics insure he is seldom ignored.

Although 90% of his \$70,000 in direct political contributions — and other vast sums given through political action committees (PACs) — has been to Republicans, it was his thousands of dollars in donations to an "independent" candidate that recently aroused suspicion. It seemed odd for a conservative like Grigsby and his associates to give over \$23,000 to a former Democrat, Michael Jackson, who was running as a "No Name Party" congressional candidate after losing in the Democrat Party primary in 2008.

Grigsby's apparently quixotic contributions had a deadly effect. Jackson's candidacy, although

L. LANE GRIGSBY
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CAJUN INDUSTRIES { <http://www.cajunusa.com>
Ken Jacob, CEO/President

Cajun Constructors	Cajun Deep Foundations	Cajun Maritime	Cajun Equipment Services
<p>CONTACT P.O. Box 104 Baton Rouge, LA 70821</p> <p>Ph: 225-753-5857 Fax: 225-753-9688</p>	<p>CONTACT 1940 Cheryl Drive Abbeville, LA. 70510</p> <p>P.O. Box 806 Abbeville, LA. 70510</p> <p>Ph: 337-893-3686 Fax: 337-893-3683</p>	<p>CONTACT 15635 Airline Hwy. Baton Rouge, LA. 70817</p> <p>P.O. Box 104 Baton Rouge, LA 70821</p> <p>Ph: 225-753-5857 Fax: 225-282-0082</p>	<p>CONTACT 15089 Airline Hwy. Prairieville, LA 70769</p> <p>P.O. Box 104 Baton Rouge, LA 70821</p> <p>Ph: 225-677-8134 Fax: 225-744-3226</p>

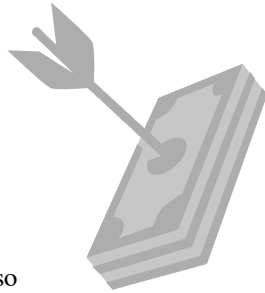
doomed, ended up drawing 8% of the vote. That split the Democratic vote, crippling Democratic candidate Dan Casayoux, and assisted Republican candidate Bill Cassidy's victory. Grigsby said he supported Jackson because the Democrats had slighted Jackson.

Accusations against Grigsby's PAC

Some Louisiana politicians also deplore Grigsby's take-no-prisoners approach, and cite his actions against William Daniels in a recent state senate race. According to published accounts, Grigsby gave the maximum cash contribution to Daniels' opponent, but also channeled \$400,000 into negative ads and literature against Daniels, paid for by Grigsby's own PAC. Daniels filed a formal

complaint charging violation of election rules because Grigsby's PAC ads were coordinated with Daniels' opponent's campaign.

While Grigsby made a point to explain



Since much of his construction work is for government agencies, his political involvement also helps protect his hundreds of millions in annual construction revenue.

that everything in his mailing campaign against Daniels was “documented and true,” his ads incorrectly accused Daniels of switching his position on same sex marriage and then widely publicized Daniels' old divorce. Grigsby bragged that his negative ads knocked 8 points off of Daniels' lead in the polls.

Punish thine enemies

There are indications that Grigsby's political involvements are directly tied to whether particular politicians are willing to approve bids for public works construction

projects. A 2007 article titled “Citizen Lane” cited Grigsby's campaigns against former Baton Rouge Mayor Bobby Simpson, who sought to change the way that sewer construction contracts are structured, and Grigsby's activities to unseat former Baton Rouge mayor Pat Screen, whom Grigsby had originally supported.

L. LANE GRIGSBY

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This letter, from a Louisiana contracting company, is an example of the many responses LASER received about Cajun Constructors after the publication of the Contractors Critic Cajun Industries #1.

March 3, 2009

Dear Mr. Wilson,

Congratulations on your exposing the underhanded dealings of Cajun Constructors and Industries. It appears they enter into every contract with the mind set to cheat at every turn.

Your article was right on except you left out the main character in their schemes – the lawyer Gray Sexton. Mr. Sexton was head of the ethics board for the State of Louisiana and consequently every attorney and judge feared him.

He has only a couple of clients with Cajun being his main one and obviously they keep him very busy.

Again, keep up the good work. People need to know.

Grigsby's beginnings

Grigsby still strides boldly into the twilight years of his dynamic life. Most of the intriguing details of his earlier years are drawn from previously published accounts, such as a 2007 article "Citizen Lane".

Grigsby burst onto the Louisiana construction industry scene in the early 70s, soon after he reached an accommodation with a convicted extortionist on behalf of Cajun Contractors, to allow his construction company to operate non-union.

Grigsby started his life by heading down a far different path. He was enrolled in West Point but was kicked out after his secret marriage was exposed. He went on to receive an engineering degree from Louisiana State University and took the engineering road into the construction

industry. After a company he worked for went bankrupt, he started Cajun Contractors.

Grigsby explained that his use of

Grigsby burst onto the Louisiana construction industry scene in the early 70s, soon after he reached an accommodation with a convicted extortionist on behalf of Cajun Contractors.

"Cajun" in his company's name was to honor the Cajun heritage and traditions of some of the areas in Louisiana where he did work. To real Cajuns, this potential misappropriation of their heritage may have been as offensive as sports teams called "Redskins" are to Native Americans.

In the mid-seventies, the Louisiana

construction industry was heavily unionized. Grigsby's non-union construction work in Livingston, Louisiana faced tough union opposition. Grigsby has said "I could not hire union carpenters or Pipefitters or anyone else. If you were non-union you could not work in the metropolitan areas."

Grigsby's deal with a convicted extortionist and racketeer

At that juncture, Grigsby had choices. One was meeting with legitimate unions and signing a contract that would give his employees a wage boost and health benefits. Instead, Grigsby's response was a deal with the devil, Edward Grady Partin, arguably one of the most corrupt union bosses in Louisiana history.

Partin was a hulking Teamster leader in Baton Rouge with an oily

Cajun's large industrial customers

Grigsby's growing business was ideally positioned to take advantage of a Gulf-wide decision by major industrial companies, including refineries, chemical companies, paper and steel mills and other large facilities, to divert construction spending to non-union companies, including Cajun Contractors. Cajun's customers include such industrial giants as Dow Chemical, Exxon and Shell Oil.

BEGINNINGS
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L. LANE GRIGSBY CONT'D FROM PAGE 4

The article also noted Grigsby's recent involvement in Jefferson Parish politics, which was likely linked to Grigsby's public works construction bidding debacle. Grigsby sued the Parish and one of its directors for libel.

"Citizen Lane." Seth Fox. *Greater Baton*

Rouge Business Report. 2 July 2007

"Cajun Constructors." *Greater Baton Rouge Business Report.* 2 July 2007

American Contractors Insurance Group Ltd, 2005 Annual Report

"The \$20 Million Director." Michelle Leder. Footnoted.org. 12 July 2006

pompadour adding a couple of inches to his already towering frame. No one came tougher than Partin. At the time Grigsby met with him, Partin had just finished a federal court appeal of his conviction over extortion charges.

Partin had narrowly avoided an assassination attempt over a decade earlier, when unknown parties fired shotgun blasts into his room at the Shamrock Motel near Baton.

Partin's extortion conviction, according to court records, resulted

from a \$21,000 payoff from a concrete pipe manufacturer. The manufacturer wanted his competition, the Bergeron piping company, put out of business after Bergeron won a contract at the Jumonville Subdivision in Plaquemine, Louisiana. The competing pipe manufacturer had made other payoffs to Partin in the past.

Partin met with the sheriff to insure there would be no interference by the police. He originally wanted to take a machine gun and 'shoot up' Bergeron's equipment, but Partin's attorney

convict former Teamster President Jim Hoffa of jury tampering in the early 1960s.

That Grigsby sought a meeting with Partin, rather than meeting with legitimate union officials is puzzling. According to "Citizen Lane," Grigsby begged Partin to allow him to stay in business. For some unexplained reason, Partin agreed. Although Partin was convicted on multiple occasions of taking payoffs for labor peace from other employers, the *Contractors Critic* has no evidence of any illegal arrangements between Partin and Grigsby.



The government prosecuted Partin over allegations including payoffs, extortion, kidnapping, and embezzlement. The conviction was upheld on appeal, for witness tampering, conspiracy, embezzlement and racketeering.

Cajun employees sued for traffic accidents

Cajun claims they have devoted considerable resources to training its workers in construction skills. Perhaps the company should also require driver's education classes for its employees? In at least eight instances, Cajun employees have been sued for traffic accidents involving company vehicles.

apparently persuaded him to use shotguns instead.

Partin dispatched thirty or forty men armed with bats and chains, to 'put a beating on Bergeron and his employees'. Bergeron, his brother, and sixty-three-year-old father were hit by shotgun pellets.

For eleven years, the federal and local government prosecuted Partin over these and other allegations including payoffs, extortion, kidnapping, and embezzlement culminating in a conviction that was upheld on appeal, for witness tampering, conspiracy, embezzlement and racketeering.

Partin avoided earlier conviction on several charges and had some convictions overturned, because his testimony helped

Freed of union pressure, Grigsby's Cajun Contractors hauled in millions in business, in part greatly aided by his ability to vastly undercut union wages. Grigsby remarks that the whole affair turned him into a union hater.

"Citizen Lane." Seth Fox. *Greater Baton Rouge Business Report*. 2 July 2007

"Edward Partin, 66; Union Aide Befame Anti-Hoffa Witness," Associated Press Obituary, *New York Times*. 13 March 1990

United States of America v. Edward Grady Partin. Case #493 F.2d750. Filed in the US Court of Appeals, 5th Circuit

Cajun Industries recent litigation history

The following list is only a partial record of litigation involving Cajun Industries and its related companies.

The next issue of the Contractors Critic will feature a more complete record of the company's extensive legal history.

File Date	Case #	Case Name	Courthouse Name & Location
00/00/2005	M05-50673	Brazos River Authority v. Ge Ionics, Inc./Cajun Constructors	Texas Court of Appeals 5th Circuit
10/24/08	6:08-CV-1597	Construction Resources Link, Inc. v. Cajun Maritime	US Dist. Court Western /Dist. Of Louisiana
09/23/08	510961	Louisiana Crane Co. v.Cajun Constructors	East Baton Rouge Parish District Court, LA
06/06/08	3:08-CV-00337-JJB-DLD	Cajun Maritime, Llc v. Indemnity Insur. Co. of North America	US Dist Court-Baton Rouge, LA
02/26/08	564426	Land Coast Insulation v. Cajun Constructors	East Baton Rouge Parish District Court, LA
11/26/07	06CV212	Sunflower Bank NA	US District Court Riley County, KS
10/26/07	C-544810	Cajun Constructors v. Jennifer Heebe	East Baton Rouge Parish District Court, LA
10/02/07	559845	Ricky J. Pouncy v. Joseph Ballard, Cajun Constructors	East Baton Rouge Parish District Court, LA
09/02/07	552060	Cajun Const. v. Gar-Tex Construction	East Baton Rouge Parish District Court, LA
05/14/07	4:07-CV-01631	Jean Phillip v. Cajun Constructors, Inc.	US Dist. Court Souther Dist. Of Texas
02/23/07	2:07-CV-00377-PM-KK	Lee, et al v. B.C. Equipment Sales, Inc, et al	US Dist. Court-Tangipahoa County, LA
02/21/07	3:07-CV-00126-RET-DLD	Ecoproducts Solutions LP v. Cajun Constructors, Inc.	US Dist. Court, LA
01/23/07	4:07-CV-00347	Hare v. Cajun Constructors, Inc.	US Dist. Court - Angelina, TX
11/27/06	3:06-CV-00902-JVP-CN	Cajun Constructors v. Ecoproduct Solutions, LP, et al	US Dist. Court- East Baton Rouge, LA
11/08/06	4:06-CV-03546	Solutions, LP v. Cajun Construction, Inc.	US Dist. Court - Harris County, TX
07/05/06	9:06-CV-00139-TH	Danny Ware Hare v. Cajun Constructors, Inc.	US Dist. Court - Tyler County, TX
02/07/06	540417	Cajun Const. v. Bobby Lane & Joniece Coon	East Baton Rouge Parish District Court, LA
12/21/05	2:05-CV-06655-MVL-KWR	Kostmayer Const. Co, LLC v. Carline's Geismer Fleet, Inc.	LAED-New Orleans, LA
11/21/05	106423	Oscar A. Perez, et al v. Cajun Constructors	Iberia Parish Dist. Court, Iberia, LA
11/18/05	6:05-CV-00407-WSS	Cajun Constructxors v. Brazos River	US Dist. Court - McLennan County, TX
11/15/05	502747	Cajun Conststructors v. Fleming Const. & Travelers of America	Louisana Court of Appeal 1st Circuit
11/02/05	6:05-CV-01994-RFD-MEM	Perez et al v. New Iberia et al	US Dist Court, LA
09/28/05	536754	Cajun Constructors v. Russ Engineering Group, Inc.	East Baton Rouge Parish District Court, LA
07/30/05	533955	Cajun Constructors v. Rober Archer dba Drilling Services	East Baton Rouge Parish District Court, LA
07/15/05	5344-22	Cajun Constructors, Inc. v. Trison Constructors	East Batron Rouge Parish District Court, LA
03/17/05	530400	Cajun Constructors v. Contractors supply & Equip. Co.	East Baton Rouge Parish District Court, LA
03/11/05	530207	Chem-Pruf Door Co. v. Cajun Constructors	East Baton Rouge Parish, LA
01/13/05	3:05-CV-0031-JJB-DLD	Cajun Constructors v. S&B Engineers & Co.	US Dist. Court-East Baton Rouge, LA
12/15/04	527417	Cajun Constructors v. S&B Engineers & Constructors	East Baton Rouge Parish District Court, LA

had acted ethically during the bid process. Gray Sexton also happened to be Grigsby and Kyle's attorney, casting considerable doubt on his objectivity. Sexton later resigned from the State Ethics Commission rather than reveal the extent of his ties to Grigsby, Kyle, and others, according to published accounts.

"For them (Cajun and Kyle) to intentionally not obey the law is shocking, said Parish Council member Jennifer Sneed told the *Times-Picayune* in a March 21, 2006 article, "It is especially shocking considering how important and time-sensitive his project is. For them to flagrantly ignore state law at the expense of east bank residents is beyond comprehension."

Grigsby took offence at Sneed's remarks. He filed a libel suit against her, citing his lengthy history of construction company experience, membership in several fraternities, his attendance at West Point Military Academy, and what he considered to be the stellar record of Cajun Constructors.

Grigsby claimed he suffered damages to his personal and professional reputation and charged that Cajun Constructors suffered financial losses also.

It was not long after that his lawsuit began unraveling. Sneed's attorney promptly served some probing questions that Grigsby was legally obligated to answer. Some of these questions gave pause to Grigsby, who sought to avoid responding.

Among the probing list were questions related to:

- A website that had attacked Sneed and the Jefferson Parish Council and whether or not Grigsby's son-in-laws were involved

- 25 privately filed stock fraud federal lawsuits against Grigsby and his fellow directors of the Shaw Group, including cases that were currently pending in a New Orleans federal court

- Details about a Federal SEC investigation of Grigsby and the other directors of the Shaw Group

"For them to intentionally not obey the law is shocking ... considering how important and time-sensitive his project is. For them to flagrantly ignore state law at the expense of east bank residents is beyond comprehension."

- Jennifer Sneed, Jefferson Parish Council Member

- Grigsby's and Cajun's tax returns as proof that they had actually suffered financial damages and for names of any mental health care providers, who could document Grigsby's claims of mental anguish caused by Sneed's remarks.

For the first time in decades, Grigsby wilted under the legal heat.

He provided some older tax returns, but only under "seal," out of public eye.

Then he filed a "surrender" motion, to dismiss his suit, before the deadline to provide his current tax returns for Parish inspection, but wanted his suit dismissed "without prejudice," meaning he could re-file it should he choose.

Sneed's attorney Peter Butler responded in court filings that "Grigsby greatly ballyhooed the filing of the lawsuit ... to intimidate the defendant. Instead, she called Grigsby's bluff. Grigsby could not ... take the heat ... (and) walk(ed) away from the lawsuit, no matter how embarrassing. Grigsby knew the jig was up. Grigsby knew or should have known that he could not prove (his case). No credible evidence was produced. Grigsby is now attempting to extricate himself and his company from an untenable position.

"Grigsby and his company, as it is

said in Texas, are all "Big Hat and No Cattle." Butler continued, "In Grigsby's case, he fired only blanks. The Court order required Grigsby to put up or shut up. Grigsby has now elected to shut up."

The Court dismissed Grigsby's suit.

"Jeff Killing 'Safe Room' Contracts." by Kate Moran. *New Orleans Times-Picayune*. 21 March 2006.

L. Lane Grigsby and Cajun Constructors, Inc. v Jennifer Sneed Heebe, Case #062981. 26 October 2007. Filed in the 19th Judicial Dist. Court, Parish of East Baton Rouge, State of Louisiana.

"Ethics Administrator Quits, Then is Rehired to avoid Law's Requirements." Robert Travis Scott. *The Times-Picayune*. 12 July 2007

Sea disaster casts doubt on Cajun's approach to safety

Cajun Maritime is currently suing the Indemnity Insurance Company of North America (IINA) in federal court for refusing to pay a claim arising out of a storm-related sinking of barges at an oil-field rig in the Gulf of Mexico in June 2007.

Briefly, IINA has refused to pay portions of the claim in part on the grounds that Cajun Maritime began the recovery of the sunken barges without advising the insurance company a timely manner. IINA also claims that not all of the vessels and craft involved were covered by the insurance policy.

The dramatic tale Cajun relates in *Cajun Maritime LLC v. IINA*, filed in US District Court, Middle District Louisiana as case #08-CV-00337 also raises doubts

about Cajun's concern for crew safety and its judgment in emergency situations.

The US Coast Guard was none too happy with the way Cajun dealt with the disaster, either.

In its complaint, Cajun described itself and its services as including, "deep and shallow foundations, bridge construction and repair, oil field construction and services, pipeline installation and repair, shore stabilization, and stevedoring."

Court documents go on to describe the ordeal.

In June 2007 Cajun was engaged to construct a flow line between two oil drilling platforms in the Gulf of Mexico, located about one mile offshore just west of the Mermantau River.

Cajun dispatched three barges to the oilrig project. It owned one of the barges and leased two others. This three-barge "tow" manned by Cajun's tugboat Cajun Vision. The tow included barges CSB01, owned by Cajun, and leased barges H1 and U-146.

The Cajun crew went to sleep on the evening of June 6, 2007 in seas that were three to four. But they were awakened at about 2:30 a.m. June 7, 2007 by six to eight foot seas with "waves coming over the front of all three barges," documents stated.

SEA DISASTER
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Ejected from work site Cajun sues for \$1.2 million

Cajun Constructors sued a Texas company for more than \$1.2 million in 2004 in a dispute whether Cajun had begun work without first getting authorization.

In *Cajun Constructors, Inc v. S&B Engineers & Constructors, Ltd.*, filed in the Louisiana 19th Judicial District, Parish of East Baton Rouge as case #527,417 on Dec. 1, 2004, Cajun demanded \$1,216,375.46 for work it allegedly performed based on a "Notice to Proceed."

Cajun contended that based on its understanding it would later get a

formal contract to perform work at the so-called "M-Line Conversion Project" in Lake Charles, La. It started work on or about Aug. 12, 2004.

However, "No definitive subcontract was ever between S&B and Cajun," Cajun admitted in its court pleadings.

Cajun subsequently claimed that S&B then hindered and interfered with its work repeatedly and made only one small payment against work performed.

Then, on Oct. 25, 2004, S&B notified Cajun that it was being "Terminated for Convenience" and

instructed to discontinue work immediately.

The state lawsuit was removed to US District Court, Middle District of Louisiana on Jan. 13, 2005 where it was thereafter cited as case #05-31-D-M3.

On March 8, 2005, US Judge James J. Brady tersely "ordered, adjudged and decreed that all claims filed by all parties are hereby dismissed with prejudice, each party to bear its own cost."

This language suggests that Cajun had decided to withdraw its million-dollar lawsuit.

The crew radioed in their situation, but it was determined they could not return to dock so they were told to move the tow away from the drilling platform and “spud down’ and ride out the storm.”

Spuds are long steel beams that are inserted into the sea floor to hold barges in place.

“This action was taken because weather conditions would not allow for safe transport back to the harbor without imminent threat of life and/or assets.”

With the seas intensifying to 10 feet all three barges and the tugboat collided violently and were damaged.

At about 5:30 a.m. that day, the crew

radioed in to Cajun supervisory personnel to advise that the tow was in distress.

The crew was ordered to abandon the living quarters on barge CSB01 and board the Cajun Vision. Shortly thereafter, all non-essential personnel were evacuated from the site, with essential crewmembers remaining on site to tend the tow and ride out the storm.

Then, about 10:30 a.m., barge U146 broke free and began drifting toward the drilling platform. The Cajun Vision was able to intercept U146 approximately 50 feet from the drilling platform. It was again spudded down, but was severely damaged and later engulfed by the intense storm

to change course and avoid striking the drilling platform.”

The severely damaged barge cleared the platform. It was allowed to drift to the beach in order to keep it from sinking in the Gulf of Mexico.

About 3 p.m. the only remaining barge, the H1, was heavily damaged and was taking on water. The H1 was listing to starboard and the spuds were no longer holding. The crew was instructed to connect a towline to the H1 and pull it toward the beach to avoid another sinking.

At about 4 p.m. “the Cajun Vision, the sole surviving vessel in the tow,

Cajun’s OSHA history

08/30/2004

Inspection No: 306656869
Lauder Rd., Hernando, MS
Violations: 1 serious
Initial fine: \$1300

06/13/2002

Inspection No: 304314453
3101 River Rd., Summit, MS
Violations: 2 serious
Initial fine: \$2600

10/26/1999

Inspection No: 302377270
2120 Riverside Dr., Gainesville, GA
Violations: 1 other
Initial fine: n/a

The U146 was severely damaged and later engulfed by the intense storm and sunk into the Gulf of Mexico.

and sunk into the Gulf of Mexico.

At 11 a.m. the two barges, CSB01 and H1 had trouble maintaining their positions, ropes broke and the two barges began to collide together resulting in severe damage to them.

At noon the CSB01 broke free and the barge began drifting toward the nearby drilling platform. The Cajun Vision tugboat attempted to intercept the CSB01 but could not connect with it due to the rough seas. The Vision “was forced to run into the side of the CSB01 to cause it

began the trip back to Crain Brothers Dock in Cameron Parish.”

The company waited until 1 p.m. June 7, 2007 to advise the US Coast Guard of the on-going wreck. The Coast Guard dispatched representatives to the site on that date and immediately called for Cajun to devise and submit a salvage plan to remove the sunken barge and the two beached barges from the site.

“The Coast Guard threatened a monetary penalty of \$25,000 per day and possible imprisonment if the barges were not removed in a timely fashion,”

SEA DISASTER
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Grigsby's links with Shaw Group

These days, Grigsby's company, now called Cajun Constructors, a subsidiary of Cajun Industries, generates annual revenues that sometimes exceed \$200 million. He does business across the Gulf Coast and as far away as Kansas and Colorado, with offices in Baton Rouge and three Texas locations.

As much as 10% of Cajun's business may have resulted because of Grigsby's past membership on the Shaw Group board of directors. Shaw is the third largest engineering/construction company in the world. Shaw apparently provided about \$20 million in contracts to Grigsby's companies, according to published accounts referencing Shaw's 2006 proxy reports. Grigsby's seat on the Shaw Board may have raised some eyebrows, since Grigsby was in direct competition with Shaw for construction contracts.

Shaw's hiring of former Federal official Joe Allbaugh, former Federal Emergency Management Agency (FEMA) director, led to charges that Allbaugh exercised

cronyism to garner FEMA-related Katrina cleanup work for Shaw. Shaw subcontracted considerable portions of the work to Cajun.

In 2004, Grigsby's membership on the Shaw Group board attracted attention when several privately filed federal law suits charged Grigsby and the rest of the board with stock fraud and financial wrongdoing. A federal Securities and Exchange Commission (SEC) investigation followed.

Although the SEC investigation sputtered out and the civil suits were dismissed, Grigsby recently left the Shaw board of directors.

There are indications that Cajun's growth has slowed. The company closed offices in Atlanta and North Carolina. Cajun was sued by a former company officer, shareholder and consultant, R. Jerome Ducote, alleging that Cajun improperly sought to enforce a non-compete agreement against Ducote when he acquired an equipment rigging

contractor that did business in the Carolinas. The suit was later settled.

In 2007, Cajun Constructors reorganized. A new, umbrella company was formed, Cajun Industries. Cajun Constructors became a Cajun Industries subsidiary, along with three other "Cajun" companies that specialized in different aspects of marine related work and equipment services. Grigsby kept command of the parent Cajun Industries, while his son, Todd Grigsby took over management of Cajun Constructors.

While Cajun boasts it has performed over \$1 billion in construction, some of the jobs have not turned out well, according to several lawsuits. Grigsby credits part of Cajun's success to self-performance of 85% of its work, rather than relying on subcontractors. In fact, Grigsby said in a 2001 article, the reason he changed his

SHAW GROUP
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court documents stated. Cajun had a complete plan by June 11, 2007 and the work of removal was completed on or about June 24 at a cost, Cajun claimed, of \$550,000 — \$450,000 damage to the CSB01 and \$200,000 to the Cajun Vision.

Cajun submitted on July 18, 2007 an initial claim for the salvage/removal in the amount of \$372,575. IINA issued a check to

Cajun only for \$245,000 on Aug. 7, 2007. Cajun then submitted "supplemental claim raising the total claim to \$550,268.26.

Thereafter the challenged claim became the subject of further arguments with IINA raising the question whether the two leased barges were covered by the policy.

Ultimately, the dispute wound up in

court. So far as the *Contractors Critic* can determine, that court case is still pending.

Cajun Maritime, LLC v Indemnity Insurance Company of North America, Case # 3:08-cv-00337-JJB-DLD, 6 June 2008. Filed in the 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

company's name from Cajun Contractors to Cajun Constructors was to reflect that his company no longer contracted out its work.

Yet, several lawsuits contain assertions that Cajun did hire construction, engineering and materials subcontractors and disputes arose about the quality of work, supplies, or designs. In several cases there were withheld payments, according to the court complaints.

While Cajun has sued several of its subcontractors, suppliers and engineers charging them with substandard work; in many cases Cajun was counter-sued, with claims that the whole debacle was Cajun's fault.

One recent example took place in 2004 when Cajun Constructors hired Russ Engineering to design a concrete pump station for the City of New Iberia's wastewater treatment plant.

Cajun claimed that after they dug out the site and "sank" the pump station into the excavation, the walls on the pump station bent and cracked, "causing the

structure to fail and rendering it useless."

Cajun sued Russ for \$394,914 and other costs, claiming Russ' design work was defective.

Russ counter-sued Cajun, alleging that Cajun "fail(ed) to construct the pump lift station in accordance with plans, fail(ed) to excavate to the proper design depth, and fail(ed) to properly excavate and place earthwork excavated."

The suit was eventually settled.

Cajun also touts its low on-the-job injury rate. That may be true, but at least five lawsuits have been filed against Cajun over job-related injury issues. The company was refused \$960,000 worth of work in 2004 from International Paper because of its high worker injury rate (called the Experience Rate Modifier) according to court records.

Cajun insists that its injury rate spiked for only one year because of a 2001 incident beyond its control. In 2001, 268 Cajun workers at a Shell Geismar refinery were injured from three

toxic gas releases from the neighboring Vulcan Chlor-Akali plant. The incident drove up the medical costs for Cajun's employee insurance company and skewed Cajun's accident rate, the company claimed in court filings.

Cajun Constructors, Inc v Russ Engineering Group, Inc and Houston Casulty Ins. Co. , Case #536,75426, 28 September 2005 Filed in the 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

Cajun constructors, Inc v. vulcan Materials Company, Case #511030 D, 22 August 2003 Filed in the 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

The next issue of the *Contractors' Critic* will discuss details of additional court suits involving Cajun.



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The information contained in The Contractor's Critic does not reflect a complete history of the business practice of Cajun Industries and/or its related companies. LASER is publishing information that contractors do not and will not publish about themselves. LASER has relied on the public record to present this information to the public in an effort to promote safety, productivity, honesty, and environmental compliance in the construction industry.

Cajun Industries has been given the opportunity to review this material for errors and inaccuracies. As of publication, Cajun Industries has not made any specific suggestions or refuted any of the specific information in this publication.

LASER, Inc. will continue to seek and publish additional data. For more information, please contact James Wilson at (530) 846-6352 or online at laserinc@laser-inc.com. For past issues of The Contractor's Critic on this company and others, please visit LASER's website at www.laser-inc.com