

# The Contractors Critic

Reporting on Safety, Productivity and Honesty in the Construction Industry

CARGILL HEATING & AIR CONDITIONING, INC., AN ABC MEMBER

## Suits, Admitted Wrongdoing & Excuses

### Cargill v. Quality

Cargill Heating and Air Conditioning Company, Inc. is not a large company in the wider universe of heating, ventilation and air conditioning (HVAC) industry: They employ 41 people and had \$5 million in sales last year, as reported by Dun and Bradstreet.

But it's a behemoth in the little world of the Wisconsin County Circuit Courts where it has been involved in some 195

lawsuits, closed or pending, in three counties, primarily La Crosse.

It has also acquired a bad reputation for poor quality work, as displayed by uncounted snipes expressed in countless letters of correspondence.

Complaints about its work lodged by agencies ranging from local school districts to the federal Department of Commerce have gone unabated over the last decade or more.

*See Litigation pg 7*

### Hapless Cargill still not out of (North) Woods

Cargill was responsible for, among other things, boiler and ductwork at the La Crosse School District's troubled North Woods Elementary School Project.

As early as July 23, 1991, at construction meeting #7, primary contractors were already complaining about Cargill's work, or lack thereof: "Still waiting on Cargill to get shop drawings on openings for mechanical work in the mechanical room."

In late 1991, Wold Architects began grouching about Cargill working shorthanded on the school project. Earlier construction meeting

*North Woods cont'd pg 6*

### Irked customer prevails in epic saga of Cargill incompetence

Out of the 195 cases filed in La Crosse county one case stands out – *Judith A. Loomis v. Cargill Heating, Plumbing, Air Conditioning and Water Conditioning Company* filed June 20, 2002 in La Crosse County Circuit Court—provides a good example of Cargill's approach to life, business and things in general.

Ms. Loomis sued Cargill in small claims court seeking \$2,731.62. This was not a princely sum, to be sure, but the lengthy five-page,

single-spaced typed narrative, which was attached to her pleading, reveals that it wasn't the money but the principle of the matter that was so thoroughly infuriating.

Ms. Loomis's painstakingly documented story begins, "In approximately August of 1998, my original ... furnace in my mobile home required replacement due to a perforated burner. I took bids from two companies, Paul's

*Incompetence cont'd pg 2*

### In this issue

<i>Incompetence Cont'd.</i>	. . . . .	.2
<i>Humidifier.</i>	. . . . .	.3-4
<i>Banner Year.</i>	. . . . .	.3,7
<i>Prairie Du Chien.</i>	. . . . .	.4-5
<i>North Woods Cont'd.</i>	. . . . .	.6
<i>Osha.</i>	. . . . .	.6
<i>Corporate Information.</i>	. . . . .	.7
<i>Litigation.</i>	. . . . .	.7-10
<i>Lawsuit Details.</i>	. . . . .	.8-10
<i>Laser Praised.</i>	. . . . .	.11
<i>Source Notes.</i>	. . . . .	.12
<i>Laser Information.</i>	. . . . .	.12

# Incompetence

*Cont'd from pg 1*

Heating and Air Conditioning and Cargill Plumbing and Heating... Both bids were moderately comparable but I decided to purchase from Cargill... because my coworker's son was the sales representative for Cargill.... Cargill... sold me a new Coleman Oil Furnace, Model #COAT-084, for \$1,915." From there, it seems, everything went down hill.

Cargill technicians installed the furnace on August 26, 1998 and things seemed okay until December 1998 when she discovered that, "one inch of the floor along the front of the furnace was not closed off to the outside of the mobile home.... exposed to the winter elements, it made the floors and rooms... extremely cold." So Ms. Loomis, "took it upon [herself] to put weather stripping around the bottom of the door to the furnace closet to try to seal off the cold air."

"On September 7, 1999, I had Cargill technicians come to perform a yearly maintenance and cleaning to the furnace ... The technician stated that the floor area must have been overlooked, commenting that the installer must have forgotten to do that during the installation of the furnace, and he proceeded to cover the open strip with a piece of metal."

The technician did not charge Ms. Loomis for the metal piece, but she did purchase an "Energy Saving Agreement, (ESA)" from Cargill at the time for \$63.30.

In the wintry months and frigid years to come, Ms. Loomis was to find herself at home without heat some nine times. Each time she would call Cargill to "fix" the

problem. Each time a new Cargill technician would arrive with a new diagnosis for the failure. Each time the furnace would revive. Each time it would fail again, sometimes within a day or two. More importantly, Ms. Loomis would pay for the billed work and save a copy of the invoice. At least, she kept a copy for the first dozen or so visits until Cargill stopped providing her with invoices or explanations of what they had done and started refusing to honor the ESA.

Ms. Loomis' saintly patience eventually wore out. She called for a second opinion from another furnace company – Schneider Heating and Air Conditioning. Not surprisingly, the mystery of why the furnace never really worked suddenly became clear.

"The Coleman authorized techni-

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cian from Schneider found a large crack in the heat exchanger which he said looked like it had been there for quite some time," Ms. Loomis wrote to the court.

The heat exchanger was under warranty as a part, but the installation was not.

She continued, "I decided, since

the furnace Cargill had installed in 1998 had never worked properly and continually had problems with producing an oil smell in the house, I would have no other option but to replace the furnace with a new Coleman oil furnace. The cost for replacement of the furnace by Schneider totaled \$1,750 plus a \$60 diagnostic charge."

Ms. Loomis went on to state, "After reviewing the original documents and operating manual for the oil furnace Cargill had installed, I discovered, with verification from the Schneider technician, that the furnace had never been installed correctly in 1998. The combustion air and flue tube assembly had never been installed by Cargill. This is a mandatory requirement as part of installation by Coleman for proper operation of the furnace. Without the required assembly and flue shielding, Coleman warns in writing of the possibility of 'premature deterioration ... resulting in equipment malfunction, fire or asphyxiation.'"

Ms. Loomis listed other parts and assemblies that Cargill had neglected to install with the furnace and ended by asking the judge to order Cargill to refund \$1,915 for the original cost of the furnace.

She also asked that Cargill be ordered to refund \$711.12 for the many unwarranted service calls, all court costs and the \$105.50 for the most current ESA, "which they never honored." Furthermore, adding salt to Cargill's wounds, the irate Ms. Loomis asked the judge to make Cargill dismiss a collection action of \$63.56 for a visit that, "their Service Manager verbally waived."

The judge agreed, and on July 11, 2003 ordered Cargill to hand over \$2,808.62 to Ms. Loomis.

# A humidifier that never worked

In 1995 and 1996, Cargill got itself involved in the plumbing, heating, cooling and ventilating equipment installation at the National Weather Service (NWS) in La Crosse, and the complaints about some elements of its work seemed endless, especially in regards to a certain humidifier.

On May 12, 1995, at the conclusion of a final inspection, Edward H. Mische wrote, "There was some major concerns regarding the mechanical portion [of the contract]." The subcontractors (including Cargill) were summoned to the site to review the punch list's suspect items.

"It was determined that the facility was not acceptable for transfer to the government . . . air ducts were not insulated . . . Humidifier was not operational . . . Electric Duct Heaters [EDH] are not operating properly . . . Five other EDH's have a similar (sic) or same problem," Mische wrote.

On January 22, 1996 a memo was sent from Michael S. Struver, a government electronic systems analyst, to Olympic Builders, prime contractor on the NWS office, about a problem with the PAC Unit 2.

"A failure of one unit without the other automatically coming on line could lead to a catastrophic system failure. During one such failure while evening shift was on duty the equipment room temperature reached 86 degrees," Struver warned.

Two months later, Struver fired off another memo for Olympic Builders and carbon-copied to a few high-ranking officials at the NWS and Department of Commerce.

"This will confirm a telephone conversation I had with . . . Olympic

Builders regarding (sic) the non operation of the building humidifier," Struver wrote on March 11, 1996.

"According to the control contractor when the controls are calling for humidification, the unit is failing to come on line. The unit also does not recover after a power loss. I had a request for Cargill to come out and look into the problem."

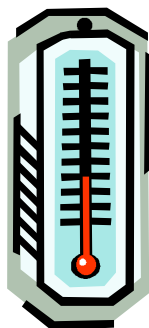
On May 15, 1996, a couple of months later, the "humidifier appears to still be inoperative," according to Sector Facilities Technician Patrick M. Stevens.

"The General Contractor is responsible for proper Workmanship to provide a facility and equipment free of defects for a one year warranty period ending May 25, 1996." (*a mere 10 days away: Editor's note.*)

Edward Mische, the contracting officer's tech representative, sent off his own letter to Olympic on May 23, 1996, two days before the warranty period is set to expire, stating, "The humidifier appears to be still inoperative."

When the warranty period had come and gone, Struver was no happier. On November 19, 1996, he wrote to Olympic again, with copies to Mische and others involved in the project.

Struver wrote, "This letter is in reference to continuing problems with the humidifier at the Weather Service office. After many hours on the part of Cargil (sic) troubleshooting the system, Jim Nottestad determined the problem to be the



*Humidifier cont'd pg 4*

# 1992: Not a banner year for Cargill

In 1991, Cargill undertook more work for the federal government, including installing a 1,500-gallon underground fuel tank at the National Fisheries Research Center at 2630 Fanta Reed Road, La Crosse, Wisconsin.

By May 18, 1992, Charles A. Knower of Midwest Electro Tech Corporation (METCO), which supplied the tank to Cargill, was writing cautionary letters to local fire prevention officials and to Scott Halstead of the U.S. Fish and Wildlife Service (USFWS) to voice concerns about the apparent lack of interest or expertise by Cargill. He also went to great lengths to distance his company from anticipated problems from Cargill's work.

"We supplied a tank and tank monitoring equipment to Mike Galstad of Cargill Heating . . . and Cargill Heating acted as the general contractor and tank installation contractor for a . . . project that began in the summer of 1991," Knower wrote.

"The purpose of this letter is to make it clear that METCO in no way participated as a tank installation contractor for this project," Knower said, clearly to divorce his company from possible outcomes from Cargill's workmanship.

"It has come to my attention that Cargill did not receive State

*Banner Year cont'd pg 5*

# Humidifier

Cont'd from pg 3

steam canister. This is the second canister installed by Cargill (sic). The unit failed within three days. I made a request for Cargill to come out and look into the problem on the 12<sup>th</sup> [of November] and again this morning. Mr. Nottestad did not return my call and was dispatched to another location. I do not believe the problem resides with the canister. . . .”

By October 9, 1998, two years later, the U.S. Department of Commerce National Oceanic and Atmospheric Administration was still grappling with problems and upgrades for the NWS Weather Forecast Office in La Crosse, Wisconsin.

“The humidifier hasn’t worked up until a week before our arrival. The humidifier will need some additional control valve work. . . . The site has experienced a considerable number

of refrigerant losses due to faulty piping connections. The loss of refrigerant has caused some space temperature problems. . . . Humidification for AHU-2 not working properly.”

Did they ever fix the humidifier? Who knows for sure, since that’s where the work records trail off, but consider this if you live in LaCrosse, Wisconsin: Has the morning weather forecast been more often wrong than right? That could be your answer.

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## The latest and not the least: Cargill at Prairie du Chien

Cargill took on some HVAC work in 1997 for P. A. McGuire Construction, Inc. of Highland, Wisconsin, a prime contractor for work at the Prairie du Chien School project.

Three years later the two companies, the school district and law firms were still exchanging acrimonious letters about the quality of Cargill’s work and what seemed to be an unconscionable number of change orders and extra cost requests that were submitted by Cargill.

The first evidence that the relationship between Cargill and the prime contractor was on the rocks emerged in an angry letter from Patrick McGuire to Dennis Nachreiner, Cargill’s project manager for the grade school job.

After complaining about Cargill’s acquisition or, more specifically, non-acquisition of some critical fans, curb, hoods and the difficulties entailed in establishing such elementary matters a clearly irate Mr. McGuire fumed to Nachreiner:

“I was informed by your secretary that you do not return calls or have voice mail. I suggest you turn this project over to someone that

does return phone calls, or you stay in your office from 8 a.m. to 5 p.m., 5 days a week, so I can communicate with someone on this project. . . .”

A couple of weeks later on October 13, 1997, Michael Galstad of Cargill was informing Kory Deavers of the Prairie du Chien School District, that “due to circumstances beyond our control” Cargill would be experiencing cost increases and, “As a result of this increase and delay we will no longer accept a contract on the amount of our original bid.”

A blizzard of faxes and letters ensued between McGuire, Cargill, the school district and McGuire’s indemnity company. Suffice to say, McGuire was still rankling over Nachreiner’s – and hence, Cargill’s – business manners. “I am getting very tired of this B.S. generated by you in an attempt to get someone else to do your work,” McGuire said in a March 31, 1998 letter to Nachreiner.

“Why do you bid on work if you don’t intend to perform according to plan, specification and schedule? . . . Your constant pursuit of change

orders or someone else to do ‘your’ work is getting tiresome. . . . We will never get this job done if you answer every fax with a question over and over again. Please provide the following A.S.A.P. Only answers – No questions!” Mr. McGuire begged.

But answers (not questions) apparently were not forthcoming from Nachreiner, since McGuire quickly followed up with a two-page April 2, 1998 letter to him, with more complaints. Here is a sampling of Mr. McGuire’s anger and frustration:

“If you don’t have better mechanics on this project than were on the high school project, you will need a dozen of each. We are not asking you to work overtime, but you will need to man the job properly with **mechanics**,” McGuire complained. (*His emphasis*)

He continued, “I feel the gym ductwork should have been addressed by Cargill long before March 23, 1998. Cargill could have resolved the problem without turning it into a major time delaying, expensive change order issue.”

A list of 25 unfurnished materials

*Prairie du Chien cont'd on pg 5*

# Prairie du Chien

Cont'd from pg 4

and work followed with the suggestion that Cargill pay more attention to the tasks at hand, rather than framing up excuses for not completing them.

"Less smoke and more action is a better solution to getting the project done on time," Mr. McGuire said, adding, "I don't have time for letters on this subject anymore, just read your contract and specifications, all the answers are there."

Two days later, on April 2, 1998, Nachreiner dashed Mr. McGuire's hopes of more work, less letter writing done with a two-page "Dear Pat" missive larded with condescension and Who-me? disavowals.

"I give you full credit for being consistent," Nachreiner said. "Your pattern of entering into a situation with good intentions, becoming distracted, allowing it to deteriorate and attempting to shift the blame for the deterioration to a second party continues unblemished...."

He continued, "Granted, you have provided us with original plans, three pre-bid addenda and one post-bid addendum, plus four partially redrawn plan sheets.... However, it seems foolhardy to build a multimillion dollar facility with documents that appear to have been developed by a cartoon artists."

On May 11, 1998, Mr. McGuire – by then surely close to apoplexy – fired off another letter to Nachreiner, this time with "Certified Mail, Return Receipt" demanded, and no "Dear" in front of the "Dennis."

"This letter will serve notice that all roof curbs you have supplied for the Prairie du Chien 3-8 [grades] school

have been rejected. The roof curbs must be replaced by May 18, 1998, in order to prevent holding up the roofing of the building... [certain flanges will be added to some roof curbs]... The cost of this modification will be deducted from your contract, because you were asked to do this and refused... After May 18, 1998, Cargill will be charged \$1,000 per day for the delay...."

No stranger to litigation (remember that Cargill has been involved in some



Cargill informed the school district that they would be experiencing cost increases and delays and that they could, "no longer accept a contract on the amount of [their] original bid."

195 lawsuits, concluded or pending in one Wisconsin county alone) Nachreiner sicced the Cargill lawyers and on the magic date of May 18, 1998 when the penalties were supposed to start, attorney James G. Curtis wrote a three-page letter to McGuire on behalf of Cargill.

Curtis reiterated many of Cargill previous excuses, adding only that Cargill "does not have additional manpower to devote to this project and since the primary commence of the HVAC work had been substantially by the conduct of [McGuire], the completion of the work will experience a similar delay."

Safe to say, Cargill hung on to the job because a year later on May 5, 1999, it was sending yet another change order to McGuire, this one for \$1,428.25 relating to a pump motor.

More faxes and letters ensued, including correspondence dated August

13, 1999 from McGuire to the indemnity company, Klein Insurance Group of LaCrosse, Wisconsin listing a dozen items or work that Cargill had failed to provide or complete.

"We have made multiple requests to have this items completed and now are left with no option but to file a claim against their bond," Mr. McGuire said.

Another year passed and on May 19, 2000 the work Cargill did (or didn't do) on the Prairie du Chien elementary/middle school continued between the affected parties.

The DLR Group wrote to the Prairie du Chien district administrator Dr. Victor Rossetti regarding "outstanding issues" with the school project.

It seems that in the start up phase of the project, concerns were raised by the chemical

treatment supplier regarding the level of oil in the hydronic heating system lines. Cargill was called on this and asked if the system had been cleaned. Cargill responded that the work had been done, but suspicions were strong that it hadn't in fact been done.

The letter stated, "... This work is the responsibility of Cargill. However, we are beyond the warranty period for the work and would need some form of documentation that the work was not completed properly." The sad news that something was wrong with Cargill work and that McGuire would have to clean up the problem was ordered sent to P.A. McGuire.

Meanwhile, in another part of the boiler project it was found that Cargill had installed vents where no vents were called for and had used inferior vents, to boot. As a result, DLR complained, "small amounts of water are leaking down into the boilers."

# North Woods

Cont'd from pg 1

notes mentioned, "Cargill has been progressing on plumbing and piping but ductwork is really falling behind. Dennis Nachreiner said he would have 3 men here starting 12-4-91."

On January 16, 1992, colleagues were still waiting, "Mike Galstad [of Cargill] said more men would be coming now that mechanical rooms can be started."

By January 23, the project people worried about Cargill obtaining the shop drawings for the mechanical rooms found they had every reason to fret.

"Cargill received a chiller this week and found it wouldn't fit through door into boiler/electrical room. Unit was lowered through opening made in roof between bar joist."

One can easily imagine Larry, Moe and Curly of the *Three Stooges* scratching their heads under their Cargill hard-hats and wondering why they didn't think to put in the chiller in first and then build the room around it.

Wold Architects and Fowler and Hammer, Inc., were no happier with

Cargill at the February 20, 1992 construction meeting #35, "Cargill continues working on [another item] ... [but Don McFee] was very concerned with lack of work in mechanical rooms."

In March 1992, as construction meeting #38 rolled around, folks were still getting irritated with Cargill's work: "Roof units not all installed, protecting these from leaking into finished building is Cargill's responsibility," one meeting attendee griped.

Meeting #46: "Cargill needs to submit shop drawings on LP tanks, breaching chimney and stacks."

Meeting #48: "Cargill still needs to provide a date for putting traffic topping in fan room."

Meeting #49: "Cargill still hasn't finished roof units."

By construction meeting #50, on June 4, 1992, Fowler and Hammer were still sitting around, drumming their fingers, waiting, "still no tanks and no information on burying tanks."

A pattern seems to be developing with Cargill and it could probably summed up in one word: Still – as in "Cargill still needs to," "Cargill still hasn't," and "Cargill still must. ..." Which begs the question: why were they still doing business with Cargill?

Perhaps the highlight of the correspondence in connection with this project was a response to a request by Cargill for \$4,485.92 for boiler work on the project. It was followed by an April 16, 1993 "Dear Mike" reply from Robert Nelson, a principal associate with Michaud Cooley Erickson, the consulting engineers on the project, which deserves being quoted at length:

"It appears that the required boiler work is not getting done." Nelson opened in his missive to Galstad. He continued on for a paragraph or two on what was supposed to have been done and the problematic work on the boilers not done by Cargill and Trane (another contractor on the job) before continuing, "At this late date, any opportunity for you to plead ignorance of specification intent seems to be gone."

"During our January 5, 1993 meeting, it was discussed that Trane and Cargill would get together and accomplish the Owner's needs. I don't think sending a request for an additional \$4,485.92 satisfied that intent. Please contact Trane, get Curt [Murray of LaCrosse School District] and Jim [Fowler of Fowler and Hammer] satisfied and lick the wounds later," Nelson ended.

## OSHA violations

*The following is a partial list of Cargill Plumbing & Heating Company's OSHA history.*

Inspection #	Location	Date	Violation	Fine
122462088	Range Maintenance Building, Fort McCoy, WI	7/13/94	2 serious	\$5,000
102506102	Cth B & Sablewood Dr., La Crosse, WI	8/14/91	4 serious, 2 other	\$6,500
002428944	Wisconsin Air National Guard Base, Volk Field Building, Camp Douglas, WI	10/30/85	3 other	

**Cargill racked up 11 violations, 6 of which were serious and \$11,500 in OSHA penalties on only three jobs!**

## Banner year

*Cont'd from pg 3*

permits for this installation; in addition, I personally viewed this installation and noticed that the proper flexible connections were not installed where the piping meets the tank. Also, METCO did not participate in either tank testing or line testing before this tank was put into service. I am not aware of Cargill completing this work or contracting with someone else to do so," Knower finished.

A December 9, 1992 letter from Halstead to Galstad regarding Cargill's unsuccessful attempts to bring the tank to code clearly illustrates the USFWS's growing distrust of Cargill's work promises and its unwillingness to accept their word on what work had been done.

True, Halstead had previously denied several unjustified claims by Cargill for extra work and delays in archly worded notes to the company, including one for "rainy day"

delays, but the December letter showed how especially leery Halstead had become with their claims.

"The new sensors have not corrected the problem and the alarm continues to go off," Halstead said. "Per my letter dated October 5, 1992, Cargill remains liable for making the repairs. . . . Please take the appropriate corrective action to remedy the failure within 10 calendar days of receipt of this notification. Provide us with copies of your purchase orders. Any corrective action or testing shall be taken in the

presence of the facility engineer. . . ."

Records of subsequent telephone conversations with USFWS officials showed their continuing concerns about Cargill's attitude toward quality of work.

"I talked to the [Cargill] bookkeeper/receptionist? about tank installation. I told her that based on John Ramsour's on site inspection, the installers do not appear to know and understand proper procedures . . . and also that I wanted 48 hours notice prior to pipe installation in order to have an inspector on-site," a Jim Kelley reported.

## *Corporate Information*

### **Cargill Heating & Air Conditioning Company, Inc.**

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Telephone: (608) 782-2630

Michael E. Galstad, President  
Erin Colsch, Vice President

## Cargill frequently embroiled in civil court lawsuits

*Here is a partial list of the parties who have sued or have been sued by Cargill in La Crosse County. The Critic will present additional details from these court suits in our next issue.*



Tubs of Suds  
Encompass Electrical  
Technologies- Midwest  
Holmen Plumbing  
Verona & Doug Ingle  
Paul & Connie Krause  
Lane Fox  
Rod Buck  
Jean Hegge  
Dave Hanson  
Thomas R. Pribek  
Scott & Susan Volenec

Ann Van Atta  
Shelly & Jade Lamberth  
Troy Kellog  
Larry Callaway  
Robert Campbell  
4th Street Music & Loan  
Mrs. Ulrich  
Lightfoot Mechanical  
Charles & Jacquelyn Lopiccolo  
State of Wisconsin  
Shelly Selig  
Jennifer Updike

Scott Walsh  
Doug & Marie Seymour  
Stan Fudala  
Joe Arsenault  
Tom Weisbecker  
WA Roosevelt Company  
Theresa Rosen  
Dennis Fater  
Sign Language Custom Signs  
Scott & Tracy Anderson  
B&R Tavern

*Litigation cont'd on pg 8*

# Revealing sampler of Cargill lawsuits

There is not enough room in this publication to describe every one of the nearly two hundred cases in which records show Cargill figured, but here is a random sampler from court records which should be representative of the whole. (See box on page 7 for a more extensive listing of parties who have sued or been sued by Cargill in La Crosse County).

## *Cargill Heating & Air Conditioning Co., Inc. v. Sonag Company, Inc.*

This suit was filed January 28, 2003 in Vernon County. Sonag allegedly failed to pay Cargill as a subcontractor the amount of \$10,581.96. The case was ordered to arbitration March 21, 2003. (Case #03CV13)

## *Cargill Heating & Air Conditioning Co., Inc. v. Jean Hegge*

Filed December 4, 2002, Cargill sued Hegge for failing to make payments for an installation. Hegge was ordered to pay \$1,089.81. (Case #02SC3267)

## *Cargill Heating & Air Conditioning Co., Inc. v. Rod W. and Kay V. Buck*

This case was filed December 4, 2002. Cargill sued the Bucks who withheld partial payment on a HVAC job due to incompetent work by Cargill. In January 2003, the court ordered the Bucks to pay \$940, but rejected an interest claim by Cargill. (Case #02SC3268)

## *Cargill Heating & Air Conditioning Co., Inc. v. Dave Hanson, LMB Construction*

On December 4, 2002, Cargill filed a notice of construction lien against the two parties in the amount of \$2,636.31. (Lien #02SL24)

## *Encompass Electrical Technologies v. Cargill Plumbing & Heating*

Filed October 29, 2002, Encompass alleged that Cargill failed to pay \$1,750 for electrical work performed at the Prairie du Chien Correctional Boiler House. Cargill agreed on November 15, 2002 to pay Encompass a total of \$1,822, with the check written to Faith Technologies. (Case #02SC2959)

## *Thomas Pribek v. Cargill Heating & Plumbing*

Filed October 24, 2001, Pribek sued Cargill for \$1,950 for faulty and improper installation. Cargill admitted wrongdoing, saying, "We are fully aware that we experienced problems in workmanship and materials that resulted in damage to Mr. Pribek's property." However, Cargill complained that Pribek had "reacted hastily in moving the situation to court action." Cargill agreed to deduct \$1,063.72 from Pribek's bill and have their insurer pay Pribek \$1,500 for damages. (Case #01SC2938)

Lawsuit Details cont'd on pg 9

## Litigation

Cont'd from pg 7



Pat Halverson  
Hubert Miller  
Jeff Anderson  
Marilyn Deer  
Amy Knudtson  
Jeff Hagen  
Richard Daniels  
Lourdes Durack  
Doreen Duerkop  
Anna Aberg  
Bill Niles  
Richard Klar  
Mrs. William Venske  
Don Olson  
Andrew Tesar  
Anthony & Karen Dalton  
Bodega Brew Pub, Inc.  
Shakey's Pizza  
Jennifer Zielke  
TD Trapline  
Caroline Sheehan  
Bill Cook  
Susan Clark  
Taco Time  
Yee Siong  
Cindy Pinorsky  
Kevin Scott  
Clyde Pettygrove  
Jolivette Cleaners  
Vicki Stevens  
Fish Tavern  
Shery Swan  
Dennis & Cindy Riley  
Sara Moldenhauer  
Jackpot  
Mr. Richard Bell  
Jackie Martin  
Charlene Wolf  
Nates Super Club  
Mike Evenson  
David Johnson  
Phil Addis  
Sara Christian  
Pam Fisher

Litigation cont'd on pg 9

# Lawsuit Details

Cont'd from pg 8

## *Kent Warnke v. Brian James Mauss and Brian & Cari Stremcha v. Mauss*

Filed in Winona County, Michigan on January 7, 2001, with Cargill listed as the garnishee. This was a juvenile matter adjudicated when Mauss became an adult. Mauss was ordered to pay \$32,440 to Warnke and \$10,001.09 to the Stremchas in connection with a trailer fire. (Cases #01FJ000005 & #01FJ000004)

## *Wisconsin Department of Revenue v. Cargill Plumbing, Heating & A/C*

The State Department of Revenue filed a tax lien in amount of \$8,703.05 against Cargill on February, 27 2001. (Case #01TW000165)

## *Cargill Heating & Air Conditioning v. Scott & Susan Volenec*

Filed October 10, 2000, Cargill sued Volenec for \$199.34 for furnace repair. Volenec was ordered to pay \$206.84. (Case #00SC2707)

## *Cargill Heating & Air Conditioning v. Shelly & Jade Lamberth*

Filed August 20, 1999, Cargill sued Lamberth for \$415.17 for furnace repairs. Lamberth counter-sued claiming Cargill had been "hired on five different occasions in three years to fix the same problem. Each time [Cargill came, Lamberth] paid the bill and the problem persisted." Lamberth said \$983.46 was paid over the three years to fix the same problem, without success. (Case #99-SC-2161)

## *Cargill Heating & Air Conditioning v. Paul and Connie Krause*

Filed June 11, 1999, Cargill placed a construction lien upon property owned by Krauses for \$1,400. The case was settled and dismissed June 22, 1999 for an undisclosed sum. (Case #99-SC-1481)

## *Cargill Heating & Air Conditioning v. Larry Callaway*

Filed May 28, 1999, Cargill settled with Callaway for \$195 for an unpaid bill. (Case #99SC1322)

## *Cargill Heating & Air Conditioning v. Holmen Pumping*

Filed January 7, 1999, Cargill settled with Holmen for \$1,200 for unpaid bill. (Case #99SC21)

## *Cargill Heating & Air Conditioning v. Charles and Jacquelyn Lopiccolo*

Filed January 9, 1999, Cargill sued the Lopiccolos for failing to pay for work done. The Lopiccolos were ordered to pay a total of \$3,714.56 (Case #98SC88)

## *Cargill Heating & Plumbing v. Lightfoot Mechanical, Inc.*

Filed January 9, 1998, Cargill sued the Texas firm for failing to pay a bill. Lightfoot was ordered to pay a total of \$2,011.43. (Case #98SC89)

Lawsuit Details cont'd on pg 10

# Litigation



Cont'd from pg 8

Tammy Hegge  
Eve Steinmetz  
Kevin Campbell  
Aaron Bendel  
Steve Nelson  
Greg Harlos  
Paul Robinson  
Roger Hammer  
Kathy Manninger  
City Looks  
Mark Crady  
Mary Dearman  
Best Homes & Carl Mulky  
Discovery Child Care  
Mike Heberlein  
Best Homes & Don Meyers  
Dru Enterprises  
LaVerne Nuttleman  
Vera Stephan  
Ronald Pataska  
Larry Cooper  
Randy Kneifl  
Cindy Jeffers  
Beverly Dahl  
Jeff Lezotte  
JoAnne & Dennis Olson  
Robert Rutz  
Wade Welper  
Earl Madary  
Reuben Halverson  
K-Mart Stores, Inc.  
Lorrie Nelson  
LaCrosse Inn  
Deborah Vink  
Jane Taylor  
Mike Spah  
Francis Schiffer  
Dennis Graupe  
Eugene Ghelfi  
Gary & Mona Sunday  
Gordon & Dianne Betts  
Glenda Bell  
Tim Peterson  
Marinuka Nursing Homes  
Ken & Sherryl Riley

Litigation cont'd on pg 10

# Lawsuit Details

Cont'd from pg 9

## *First Federal Savings Bank v. Ross Perry Ellefson, et al.*

Filed January 16, 1998, with Cargill listed as a party in interest; Ellefson allegedly failed to make payments on a mortgage valued at \$46,550. Ellefson was ordered on March 11, 1998 to pay \$47,252.51. (Case #98-CV-39)

## *Cargill Heating, Plumbing & Air Conditioning v. Bodega Brew Pub, Inc.*

Filed January 23, 1997, Bodega Brew Pub allegedly failed to pay invoices totaling \$10,114.66. Bodega Brew Pub responded with the counter complaint that Cargill "breached its contract... by failing to perform work in a good and workman-like manner and in compliance with all applicable building codes." The counter claim further asserted that the heating, ventilation and air conditioning system Cargill installed was defective, violated building codes and that Cargill had refused to cure the problems. The case was dismissed December 11, 1997. (Case #97CV48)

## *Donna L. Lea v. Dean G. Siler, d.b.a. as Siler Plumbing, et al.*

Filed August 27, 1997 in Vernon County, with Cargill and Dennis Nachreiner (of Cargill) listed as parties in interest. Siler allegedly failed to make payments on a land contract valued at \$30,241.23. (Case #97 CV 111)

## *La Crosse Plumbing Supply v. Dean and Karin Siler; et al*

Filed August 13, 1997, with Cargill listed as a party in interest. The Silers allegedly failed to make monthly payments or pay taxes on a land sale contract in the amount of \$21,400. The Silers were ordered on November 7, 1997 to pay \$12,512.39. (Case #97CV22)

## *Trane Federal Credit Union v. David W. and Peggy S. Deere, et al.*

Filed August 23, 1996, with Cargill listed as a party in interest. The Deere's allegedly failed to make payments on a \$45,417.17 mortgage. The case was dismissed April 2, 1997 when the Deere's brought all their payments current. (Case #96CV523)

## *Wisconsin Housing and Economic Development Authority v. Joanne L. Olson, Cargill Air Conditioning, Plumbing & Heating Co., et al.*

Filed August 5, 1996, the Wisconsin Housing and Economic Development Agency successfully foreclosed on a unpaid mortgage held by Olson valued at about \$24,800, with Cargill listed as a party in interest. (Case #96CV482)

## *Debra Sobkowiak v. Gordon L. and Dianne L. Betts, et al.*

Filed December 11, 1995, with Cargill listed as a party in interest, Sobkowiak alleged that the Betts failed to make payments on a land contract valued at about \$56,000. They couple was ordered on March 14, 1996 to pay a total of \$60,566.51 or lose the property. (Case #95-CV-763)

# Litigation



Cont'd from pg 9

Monte Lockington  
Mary Dearman  
Ray Graybar  
Tom Weisbecker  
Howard & Suzie Kneifl  
Alice Lehrke  
Rick Brown  
Robert Campbell  
Laurie Arentz  
Ross Ellefson  
Dick Everson  
Michael Husak  
Philip Jensen  
Wron Corporation  
Todd Linneman  
Charles Matlock  
Chong Chang  
Dean Silver  
Doreen Kraft  
Ron Arentz  
Keirn Scott  
Floyd Larson Construction  
Shirley Anny  
Ted Johnston  
Norm Rowe  
Fossum Funeral Home  
Ralph Herbst  
Property Management  
Concept  
First Evangelical Lutheran  
Steve & Lois Banks  
Richard Zeitler  
Kay Robinson  
Bob Larson  
John Henry Foster Minnesota  
Employment Specialists  
Ken Smith  
Kathy Thiede  
Raymond Sweeney  
Steve Rolaff  
Mrs. M Pollach  
Lloyd Lea  
Alison Boilington  
Pat Moglasky  
Jerry Pedretti

# LASER: Praised by Faint Damnation

*Jim Pease apparently never tires of reminding HVAC contractors that the best way to respond to LASER's criticisms is to straighten their act. In a 2003 issue of the ABC of Wisconsin newsletter, Mr. Pease reiterated his expensive advice that, "The best preparation for LASER is for an employer to get its house in order."*

"Damned by faint praise" is a timeless expression summarizing the tactic of praising someone so modestly as to cast doubt on both the sincerity and intent of the compliment. How LASER has had the good fortune of experiencing the reverse: it seems we've been "praised by faint damnation."

We point to a recently discovered opinion column by Jim Pease published way back on June 13, 2001 in the Wisconsin-based construction industry news organ, *The Daily Reporter*. (More later on this tardy discovery.)

Officials of the construction companies we report on sometimes criticize LASER. By and large, we ignore them. The occasional complaint is only to be expected, considering the natural antipathy between the watchdog and the watched. After all, the alert bulldog can generally rely on poor reviews from the cat burglar.

If the criticism has merit — happily a rare occurrence — we respond. Otherwise, we ignore them.

However, in this case, because Mr. Pease's article is so unintentionally complimentary to LASER's goals and services, we think it deserves special mention.

In his article, Mr. Pease first lays out his premise: research organizations — also known as "think tanks" — compile data on specific issues, analyze the data, write reports and distribute them to concerned parties.

Mr. Pease, who is affiliated with construction industry management, concludes that some of these groups are "pro-union," because the final reports issued are not always flattering to non-union construction employers. He calls these reports, "attacks."

You can tell by the title, "Are you ready for LASER?" he is particularly worried about us.

He correctly points out that the information we collect on companies includes:

- complaints, citations, charges and

lawsuits involving the employer

- claims that prevailing wage obligations have not been met
- Fair Labor Standards Act, tax, licensing and safety violations
- criminal activities; names and addresses of current and former employees
- past and present clients
- a list of all hazardous or toxic materials used
- copies of all financial statements,

“The best preparation for LASER,” Mr. Pease says, “is for an employer to get its house in order.”

profits and losses, liabilities and inventories of vehicles and equipment

- environmental permits issued to or applied for by the employer
- complaints of poor workmanship, delays, mistakes and overruns on job sites
- breakdowns of all minority employees versus nonminority employees by craft, man-hours, hourly wage, health benefits and pension benefits
- reports of fires, accidents and injuries
- bankruptcies of the employer or any of its owners or officers
- violations of immigration laws

"An example of one of these pro-union research organizations is already operating on the borders of Wisconsin and may soon be operating within the state. It's called Labor and Safety Employer Research or LASER," Mr. Pease warns.

Mr. Pease's implied argument seems to be that the mere act of broadcasting facts taken from the public record to the wider community so informed decisions can be made is somehow reprehensible.

Reprehensible, perhaps, in the same way a watchdog barking at a midnight prowler constitutes a public nuisance because we also wake the neighbors.

"Attacks by these research groups can be very insidious because a targeted employer may not know the attack is occurring," Mr. Pease alleges.

He goes on to claim that, "Organizations like LASER hide behind a shroud of secrecy."

Mr. Pease is not being entirely frank here. He knows that, in the interests and spirit of fairness, accuracy and full disclosure, LASER has a strict policy of

providing notice well in advance of everything we expect to report about the employer. We give the parties ample time to respond and, if necessary, point out any errors that may have been made.

Mr. Pease reveals this later in his article when he advises his construction industry readers to make sure they "Carefully review LASER's correspondence..."

Those most interested in maintaining secrecy are clearly the employers with all those "complaints, citations, charges and lawsuits" hidden in their closets.

And here we'd like to point out the sweet irony of Mr. Pease's accusation. We only learned about his article in May 2003, two years after it was first published in the construction industry newspaper.

Had he followed our policy of open disclosure in the interests of fairness and accuracy, we would have gotten a letter from him and a copy of his article several weeks before June 1, 2001. But that is water under the bridge.

Where we take the greatest pleasure in Mr. Pease's left-handed compliments is in his final recommendation to construction employers on dealing with what he ominously calls, "The threat of LASER."

**"The best preparation for LASER," Mr. Pease says, "is for an employer to get its house in order and to avoid the type of conduct that LASER can use in an apparent effort to destroy an employer's reputation. An employer should develop and maintain a serious safety program designed to eliminate violations of all safety laws. Pay practices should be administered to strictly comply with federal and state wage and hour laws and federal, state and local prevailing wage laws. Violations of environmental, immigration, labor and employment, taxation and other business laws should be avoided. And, positive personnel practices that encourage a diverse work force that is treated with respect should be developed and implemented by the employer. If these things are done, LASER won't have anything to write about."** (*emphasis added*)

We wholeheartedly agree. It is, indeed all they have to do.

So in the final analysis, it appears LASER may have had some influence upon the construction industry over the last decade — and that impact seems to be for the good. Of that we are proud.

Mr. Pease, we offer you our belated thanks. And, please keep up the good work.

# Source Notes

## LITIGATION:

All litigation filed in La Crosse County, Wisconsin unless otherwise noted.

**Consolidated Court Automation Programs (CCAP), Wisconsin Circuit Court Access** case search results. 6/18/03. <http://wcca.wicourts.gov/>  
**Judith A. Loomis v. Cargill Heating, Plumbing, Air Conditioning and Water Conditioning Company.** Case #03SC1654. 6/20/03.

**Cargill Heating & Air Conditioning Co., Inc. v. Sonag Company, Inc.** Case #03CV13. 2/28/03. Vernon County, WI.

**Cargill Heating & Air Conditioning Co., Inc. v. Jean Hegge.** Case #02SC3267. 12/4/02.

**Cargill Heating & Air Conditioning Co., Inc. v. Rod W. & Kay V. Buck.** Case #02SC3268. 12/4/02.

**Encompass Electrical Technologies- Midwest v. Cargill Plumbing & Heating.** Case #02SC2959. 10/29/02.

**Thomas Pribek v. Cargill Heating & Plumbing.** Case #01SC2938. 10/24/01.

**Kent Warnke v. Brian James Mauss.** Case #01FJ000005. 1/7/01.

**Brian J. & Cari Stremcha v. Brian James Mauss.** Case #01FJ000004. 2/26/01.

**Wisconsin Department of Revenue v. Cargill Heating & Air Conditioning Co.** Case #01TW000165. 2/27/01.

**Cargill Heating & Air Conditioning v. Scott Volnec & Susan Schwartz-Volnec.** Case #00SC2707. 10/10/00.

**Cargill Heating & Air Conditioning v. Shelly & Jade Lamberth.** Case #99-SC-2161. 8/20/99.

**Cargill Heating & Air Conditioning v. Paul & Connie Krause.** Case #99SC1481. 6/11/99.

**Cargill Heating & Air Conditioning v. Larry Callaway.** Case #99SC1322. 5/28/99.

**Cargill Heating & Air Conditioning v. Holmen Plumbing.** Case #99SC21. 1/7/99.

**Cargill Heating & Air Conditioning v. Charles & Jacquelyn Lopiccolo.** Case #98SC88. 7/9/98.

**Cargill Heating & Plumbing v. Lightfoot Mechanical, Inc.** Case #98SC89. 1/9/98.

**First Federal Savings Bank LaCrosse-Madison v. Ross Perry Ellefson, et al.** Case #98-CV-39. 1/16/98.

**Cargill Heating, Plumbing & Air Conditioning Co. v. Bodega Brew Pub, Inc.** Case #97CV48. 1/23/97.

**Donna L. Lea v. Dean G. Siler, et al.** Case #97 CV 111. 8/27/97.

**La Crosse Plumbing Supply Company v. Dean G. Siler & Karin Siler.** Case #97-CV-22. 2/13/97. Vernon County Circuit Court, WI.

**Trane Federal Credit Union v. David W. & Peggy S. Deere, et al.** Case #96-CV-523. 8/23/96.

**Wisconsin Housing & Economic Development Authority v. Joanne L. Olson, et al.** Case #96CV482. 8/5/96.

**Debra L. Sobkowiak v. Gordon L. & Dianne L. Betts, et al.** Case #95-CV-763. 12/11/95.

## OSHA:

**Inspection #122462088.** 7/13/94. Fort McCoy, WI.

**Inspection #102506102.** 8/14/91. La Crosse, WI.

**Inspection #002428944.** 10/30/85. Camp Douglas, WI.

## CORRESPONDENCE:

**Letter to Dr. Victor Rossetti, Prairie du Chien School District from DLR Group.** Re: Outstanding Issues. 5/19/00.

**Letter to Klein Insurance Group, Inc. from Patrick A. McGuire.** Re: Cargill Heating & Air Conditioning, Inc. 8/13/99.

**Change Order Request.** Re: Pump Motor Starters. 5/5/99.

**Letter to Patrick McGuire, P.A. McGuire Construction from James G. Curtis, Attorney for Cargill Heating, Plumbing & A.C.** 5/18/98.

**Letter to Patrick McGuire, P.A. McGuire Construction from Dennis Nachreiner, Cargill Plumbing & Heating.** 4/4/98.

**Letters to Dennis Nachreiner of Cargill Plumbing & Heating from Patrick McGuire, P.A. McGuire Construction.** 4/2/98, 3/13/98, 9/3/97.

**Letter to Kory Deavers, Prairie du Chien School District from Michael Galstad, Cargill Plumbing & Heating.** Re: Prairie du Chien Elementary/Middle School. 10/13/97.

**E-mail from Edward H. Mische.** Re: Trip Report- LaCrosse Final. 5/12/95.

**Memo from Michael S. Struver to Olympic Builders.** Re: Problem with PAC Unit 2. 1/22/96.

**Memo from Michael S. Struver to Olympic Builders.** Re: Warranty Work on Humidifier. 3/11/96.

**Letter to Olympic Builders from Patrick M. Stevens, National Weather Service.** 5/15/96.

**Letter to Bill Yahnke, Olympic Builders from Edward H. Mische, U.S. Dept. of Commerce.** Re: LaCrosse Weather Forecasting Office (WFO). 5/23/96.

**Letter from Robert Nelson, Michaud, Cooley, Erickson to Michael Galstad, Cargill Co.** Re: Northwoods Elementary. 4/16/93.

**Communication Record to Mike Galstad from R. Nelson.** Re: Heating Water Bypass. 3/12/93.

**Construction meeting notes for Northside (Northwoods) Elementary Project.** Meeting #7, 7/23/91. Meeting #26, 1991. Meeting #30 1/16/92. Meeting #31, 1/23/92. Meeting #35, 2/20/92. Meeting #38, 3/12/92. Meeting #46, 5/7/92. Meeting #48, 5/21/92. Meeting #49, 5/28/92. Meeting #50, 6/4/92.

**Letter to Michael Galstad, Cargill Heating & Air Conditioning, Inc. from Scott W. Halstead, U.S. Fish & Wildlife Service.** 12/9/92.

**Letter to Terry Bauer, Fire Prevention Coordinator, Dist. #4 from Charles A. Knower, METCO.** Re: National Fisheries Research Center. 5/18/92.

**Telephone Conversation Record from Jim Kelley, U.S. Fish & Wildlife Service.** 8/23/91.

## ARTICLES:

**"Are You Ready For LASER?"** Jim Pease. *The Daily Reporter.* 6/13/01

## CORPORATE INFORMATION:

**Business Report on Cargill Heating & Air Conditioning, Inc.** Dun & Bradstreet. 10/1/03. <http://www.dnb.com>

**Associated Builders & Contractors Membership.** Associated Builders & Contractors. 10/1/03. <http://www.abc.org>



# LASER, INC.

LEGAL AND SAFETY EMPLOYER RESEARCH

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*The information contained in The Contractor's Critic does not reflect a complete history of the business practices of Cargill Heating & Air Conditioning, Inc. 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, and honesty in the Construction Industry.*

*Cargill Heating & Air Conditioning, Inc. has been given the opportunity to review and correct any material for errors and inaccuracies.*

*As of publication, Cargill Heating & Air Conditioning, Inc. has been given the opportunity to review and correct any suggestions or refuted any of the information in this article.*

*LASER, Inc. will continue to seek and publish all data.*

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