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GEORGIA MILITARY HOUSING OVERSIGHT

Since taking office, Senator Ossoff has led vigorous oversight of the Department of Defense and privatized military housing companies to ensure military families in Georgia and nationwide have access to safe and healthy housing on installations.

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Executive Summary

Since taking office, Senator Ossoff has led vigorous oversight of the Department of Defense (“Department”) and privatized military housing companies to ensure military families in Georgia and nationwide have access to safe and healthy housing on installations. The present investigation continues Senator Ossoff’s efforts to hold private military housing companies accountable for their performance and to drive improvements in how they and the Department manage on-base homes

In April 2022, as Chair of the Senate Permanent Subcommittee on Investigations (“PSI”), Senator Ossoff concluded a bipartisan investigation (the “PSI Investigation”) into the mistreatment of military families in privatized housing at Fort Gordon, which is managed, through a subsidiary, by Balfour Beatty Communities (“Balfour Beatty”). The PSI Investigation revealed numerous examples since late 2019 of poor conditions in Balfour Beatty’s military housing at Fort Gordon, as well as disregard of safety concerns and environmental hazards that put military families at risk. These included: failure to evaluate whether mold was present in homes, failure to remediate mold growth, and failure to otherwise accurately document and report the status of work orders to residents and the Army.

Senator Ossoff subsequently conducted a follow-up investigation to examine whether Balfour Beatty and the Army have implemented reforms to address the deficiencies identified by the PSI Investigation and improve housing conditions for military families at Fort Gordon. Senator Ossoff also conducted this investigation to identify potential legislative solutions to enhance protections for military families who reside on installations nationwide.

The Office of Senator Ossoff reviewed thousands of pages of non-public documents, including internal reports the Army commissioned to assess Balfour Beatty’s performance following the PSI Investigation, as well as third-party assessments and documentation provided by current and former Fort Gordon residents. Additionally, the Office conducted more than 20 interviews with current and former Fort Gordon residents, senior Balfour Beatty executives, and Army leadership.

KEY FINDINGS

The present investigation revealed that there are preliminary reasons to be encouraged by purported improvements in Balfour Beatty's practices. Nevertheless, there have been numerous instances since April 2022, based on reports from current and former Fort Gordon residents, where Balfour Beatty failed to properly respond to repairs or to handle environmental hazards, like mold growth.

Following the PSI Investigation, Balfour Beatty has improved operations by:

- Increasing the number of maintenance staff at Fort Gordon and increasing the number of call center staff available to respond to maintenance requests
- Expanding training and education for employees
- Implementing a new quality assurance plan for gas and venting work orders

The Army has demonstrated progress, too. Following the PSI Investigation, it announced that it would conduct unit-by-unit inspections of Fort Gordon housing, which commenced on April 11, 2023. The Army has stated it also expanded its oversight over Balfour Beatty, requiring more comprehensive quality assurance plans and more vigorously enforcing the terms of its lease agreement with Balfour Beatty.

Despite these improvements, this inquiry identified numerous examples of Fort Gordon residents facing ongoing housing challenges, including persistent mold and shoddy workmanship by maintenance staff. Multiple tenants reported recurring problems with mold that put them and their families at risk of serious health consequences, including several instances where independent, third-party inspectors deemed their homes unfit for habitation. Residents also described low-quality repairs and maintenance work, including one family whose bathtubs filled with raw sewage less than 24 hours after moving into their home.

RECOMMENDATIONS

The investigation found that Balfour Beatty must urgently improve in the following areas:

- Ensuring the technical quality of maintenance work
- Consistently identifying and remediating mold in tenant homes
- More effectively planning for the medium- and long-term sustainability of the project by leveraging data to plan for maintenance.

Likewise, the Army needs to improve planning for the medium- and long-term sustainability of the project by leveraging its extensive data, such as work orders, to better predict and allocate resources for future maintenance and repairs.

Senator Ossoff will continue to engage in robust oversight to ensure that Balfour Beatty and the Department make sustained, tangible improvements to their processes, and to protect military members and their families who reside in privatized housing in Georgia and around the country.

Report

I. Background

2022 PSI INVESTIGATION

Beginning in 1996, after Congress enacted the Military Housing Privatization Initiative,¹ the Department of Defense leased land and conveyed ownership of existing housing on military installations to private-sector housing entities.² Under these leases, the housing entities must build, upgrade, and maintain housing facilities in exchange for collecting rent in the form of Basic Allowance for Housing that servicemembers traditionally receive.³ The intent was to improve quality of life for servicemembers and their families.⁴ Since 2008, Balfour Beatty Communities (“Balfour Beatty”), one of the largest private housing providers on military installations, has co-owned Fort Gordon Housing, LLC, which is responsible for operating and managing the on-base homes at Fort Gordon, Georgia.⁵ Nationally, Balfour Beatty operates more than 43,000 on-base homes at 55 separate Army, Navy, and Air Force installations across the United States.⁶

In April 2022, as Chair of the Senate Permanent Subcommittee on Investigations, Senator Ossoff concluded an eight-month bipartisan investigation into the mistreatment of military families in privatized housing at Fort Gordon, Georgia.⁷

The PSI Investigation found that Balfour Beatty staff and executives failed to evaluate whether mold was present in homes, failed to properly address positive mold findings, and failed to otherwise accurately document and report the status of work orders to the Army and residents.⁸ Prior to the PSI Investigation, Balfour Beatty reached a settlement with the Department of Justice (“DOJ”) over claims the company had defrauded the United States.⁹

Senator Ossoff subsequently conducted a follow up investigation, which has identified both progress and persistent issues with Balfour Beatty’s Fort Gordon housing.

ARMY INTERNAL INVESTIGATION

Following the PSI Investigation, the Army took steps to address the issues that had been raised regarding the mistreatment of military families in privatized housing at Fort Gordon. It ordered an internal investigation and issued an Army Regulation 15-6 Report (“Army Report”). The Army Report identified persistent shortcomings across several facets of Balfour Beatty’s management and operations.¹⁰ The Army Report found that, for the time period of its review, Balfour Beatty did not apply mold remediation guidance consistently, did not use data on the housing stock to predict and plan for maintenance needs, did not hire and retain sufficient skilled trade workers, and lacked a formal quality control program.¹¹

The Army also commissioned a third-party independent analysis (“Third Party Assessment”) to assess Balfour Beatty’s performance at Fort Gordon. The Third Party Assessment indicated several areas of performance where Balfour Beatty fell short of expectations. For instance, the Third Party Assessment found deficiencies regarding Balfour Beatty’s quality controls, its staffing of maintenance personnel, its work order backlog, and communication with tenants and installation leadership at Fort Gordon.¹²

Additionally, the Third Party Assessment recommended that Balfour Beatty should train staff at the Army’s housing office at Fort Gordon—which is responsible for overseeing Balfour Beatty and supporting military families living on and off the installation—on the company’s work order management system, known as Yardi.¹³ This would allow the Army housing office to more timely identify backlogs and oversee work orders.¹⁴

The U.S. Army Corps of Engineers (“Army Corps”) also identified problems with Balfour Beatty’s operations and performance. The Army Corps conducts annual reviews, known as Annual Lease Compliance Reviews (“ALCRs”),¹⁵ of Balfour Beatty’s performance and compliance under its agreement with the Army. The most recent four reviews demonstrate ongoing failures by Balfour Beatty to adequately and timely remediate their noncompliance with their contractual obligations to the Army year-over-year.¹⁶ Over the course of these annual reviews, the Army Corps consistently rated Balfour Beatty’s maintenance and protection of Fort Gordon housing as either “marginal” or “unsatisfactory.”¹⁷

To ascertain what progress has been made since the PSI Investigation, the Office of Senator Ossoff obtained and reviewed these reports, as well as technical guidance on mold remediation. Additionally, the Office of Senator Ossoff interviewed over 20 current and former Fort Gordon housing tenants,¹⁸ experts on military housing at Fort Gordon and other installations, officials at Balfour Beatty, and officials at multiple commands within the United States Army.

II. Investigation Findings

The present investigation identified preliminary reasons to be encouraged by improvements in Balfour Beatty's practices. Nevertheless, there have still been numerous instances, based on reports from current and former tenants, since April 2022 where Balfour failed to properly respond to repairs or to handle environmental hazards, like mold growth.

Balfour Beatty has made positive steps toward improving its housing management at Fort Gordon, suggesting that Balfour Beatty is taking seriously the PSI Investigation, U.S. Army oversight, and their guilty plea settlement with the Justice Department. Since the PSI Investigation, Balfour Beatty has:

- Increased the number of maintenance staff at Fort Gordon and increased the number of call center staff available to respond to maintenance requests
- Expanded training and education for employees
- Implemented a new quality assurance plan for gas and venting work orders

Additionally, the investigation shows that the Army has expanded its oversight over Balfour Beatty.¹⁹ According to Army officials, The Army required that Balfour Beatty provide it with more comprehensive quality assurance plans and, moreover, the Army has more vigorously enforced the terms of its lease agreement with Balfour Beatty.²⁰

Despite these improvements, Fort Gordon residents report ongoing challenges, including persistent mold and shoddy workmanship by maintenance staff.²¹ Multiple tenants reported recurring problems with mold that put them and their families at risk of serious health consequences, including several instances where independent, third-party inspectors deemed their homes unfit for habitation.²² Residents also described low-quality repairs and maintenance, including one family whose bathtubs filled with raw sewage less than 24 hours after moving into their home.²³

RECOMMENDATIONS

The investigation found that Balfour Beatty needs to continue making improvements in the following areas:

- Ensuring the technical quality of maintenance work;
- Consistently identifying and remediating mold in tenant homes; and

- More effectively planning for the medium- and long-term sustainability of the project by using data to plan for maintenance.

Likewise, the Army needs to better plan for the medium- and long-term sustainability of Fort Gordon housing by leveraging its extensive data, such as work orders, to better anticipate and plan for maintenance needs, using data on repairs to predict where more repairs will be needed.

III. Findings of Improvement

Balfour Beatty has demonstrated some progress in improving its operations and tenant quality of life since the PSI Investigation. In interviews with the Office of Senator Ossoff, Balfour Beatty officials cited to several operational improvements the company has instated in the wake of the PSI Investigation.

BALFOUR BEATTY HIRED MORE MAINTENANCE STAFF AND FILLED VACANCIES

The PSI Investigation found that Balfour Beatty failed to perform necessary, preventative maintenance on homes.²⁴ Indeed, the Third Party Assessment also found that, for the period of its review, Balfour Beatty “appears to have employed too few maintenance personnel at Fort Gordon” to “meet the demand for maintenance services.”²⁵

To address this shortcoming, Balfour Beatty increased the number of maintenance staff at Fort Gordon; the company reported hiring 18 maintenance technicians since April 26, 2022.²⁶ As of March 3, 2023, the company reported having only one current vacancy on its Fort Gordon maintenance staff.²⁷ In addition to bolstering the maintenance staff, Balfour Beatty stated that it has added a manager and two call center employees on site to be more responsive to tenants and better fulfill customer-facing tasks.²⁸

BALFOUR BEATTY HAS EXPANDED TRAINING AND EDUCATION FOR ITS EMPLOYEES

According to interviews with Fort Gordon residents, and as documented in reports commissioned by the Army, Balfour Beatty has struggled to ensure the consistency and quality of its maintenance staff’s workmanship.²⁹

However, Balfour Beatty has represented that in the past year, it has expanded the training and education

available for its maintenance staff.³⁰ According to responses provided to the Office of Senator Ossoff, the company has “added or enhanced more than 130 training courses for its employees over the past year.”³¹ Further, company representatives have stated that as part of its effort to improve the technical capabilities of its maintenance personnel, Balfour Beatty has added interactive software training.³² According to Balfour Beatty, these interactive trainings have been integrated into Balfour Beatty University, a suite of programs and courses intended to provide continuous training to its personnel.³³

BALFOUR BEATTY HAS SUBMITTED MORE DETAILED QUALITY CONTROL AND ASSURANCE PLANS TO THE ARMY SINCE THE PSI INVESTIGATION

Until recently, Balfour Beatty’s lack of quality assurance protocols has been a significant point of contention with Army officials. Indeed, the Army Report, the Third Party Assessment, and Army Corps reviews of Balfour Beatty’s performance at Fort Gordon have all identified a lack of quality assurance for maintenance and repair work as a concern.³⁴

However, officials from Balfour Beatty represented that the company has submitted to the Army a new quality assurance protocol for specific types of high-risk repairs, specifically, those involving gas and venting.³⁵

According to Balfour Beatty, under the plan, the Facility Manager/Director or designee would receive a daily report of any work orders pertaining to gas or venting repairs from Yardi, the company’s work order management system. If the review of the work order reveals that an inspection is required, the Facility Manager/Director or their designee will be assigned to complete a quality inspection. If the inspection is successful, the facility management team would progress the work order through its completion process in Yardi. If the inspection is not successful, the work order would be escalated to the Facility Manager/Director and the Regional Facility Director for further action. The Facility Manager/Director would reinspect the work completed in the home and address any deficiencies discovered.³⁶

This program was submitted to the Army after an acute incident involving a faulty repair in June 2022 that threatened the life of a tenant.³⁷ Balfour Beatty has stated that the company has completed 128 total gas and venting assurance inspections at Fort Gordon since it instituted a database for compiling such inspection events on August 23, 2022.³⁸

Balfour Beatty officials also stated that the company recently obtained a nearly 100% pass rate of their

inspections of homes following between occupancy maintenance.³⁹ The Army independently verifies Balfour Beatty's home inspections that occur before a service member's family is permitted to move into a new home.⁴⁰ Additionally, Balfour Beatty officials claimed that they had installed a company-wide compliance team that more effectively identifies alleged wrongdoing, like work order manipulation.⁴¹

THE ARMY HAS IMPROVED ITS OVERSIGHT OF BALFOUR BEATTY

Following the PSI Investigation, the Army announced that it would conduct unit-by-unit inspections of all military housing nationwide starting—starting with Fort Gordon.⁴²

In addition, Army officials have stated they have expanded oversight over Balfour Beatty's performance and operations. After the incident in June 2022 referenced above, when an improperly installed gas water heater endangered a tenant on Fort Gordon, the Assistant Secretary of the Army for Installations, Environment, and Energy notified Balfour Beatty that it was noncompliant with its contractual obligations to the Army to provide safe and adequate housing on Fort Gordon.⁴³ The Army then demanded Balfour Beatty answer questions about the incident and provide a more thorough quality assurance plan.⁴⁴

According to Army officials, Balfour Beatty then provided a detailed quality assurance plan to the Army and submitted a quality assurance protocol specifically focused on gas and venting work orders.⁴⁵

IV. Findings of Continuing Deficiencies

Despite the examples of progress above, the Office of Senator Ossoff identified numerous areas where further improvement and changes are needed to protect Fort Gordon residents' quality of life.

BALFOUR BEATTY HAS LACKED SUFFICIENT QUALITY ASSURANCE CONTROLS IN MAINTENANCE WORKMANSHIP

Balfour Beatty struggles to ensure that maintenance and repair work is completed to the appropriate standard, according to interviews with current and former Fort Gordon tenants, as well as interviews with a former subcontractor and the Third Party Assessment.⁴⁶

A startling example of a failure to oversee technician workmanship causing a direct threat to resident safety occurred on June 14, 2022. The resident was napping on the couch in her living room when her smart watch woke her up and alerted her that her heart rate was abnormally low.⁴⁷ She later reported feeling dazed and smelling gas.⁴⁸ After calling emergency services, she went outside to her yard, which is where fire and emergency personnel found her lying unconscious minutes later.⁴⁹ An Army-led inquiry then found that a Balfour Beatty maintenance worker had improperly installed a natural gas water heater that morning by not adequately sealing the gas line.⁵⁰

Balfour Beatty has acknowledged that, at the time of the incident, it did not have protocols in place to conduct quality assurance inspections for this work, leaving the maintenance technician's work unchecked.⁵¹ Company officials stated that Balfour has since submitted quality assurance protocols for repairs involving gas and venting, although not for other work orders that implicate life, health, and safety.⁵² The development of the quality assurance protocol for gas work orders is encouraging; however, the protocol is still new and it is unclear based on information provided to the Office of Senator Ossoff the extent to which it has been implemented in practice. Moreover, Balfour Beatty developed the new protocol only after the Army held it to account for this incident.⁵³ Accordingly, the June 2022 incident remains illustrative of deeper, ongoing concerns over quality assurance.

The investigation highlighted further problems with Balfour Beatty's failure to ensure the quality of inspection and maintenance, including between occupancies. One resident, Joy Viera, stated that she and her family had to move out of their home the day after moving in because of raw sewage, including fecal matter, backflow into their bathrooms, as well as sewage water leaking into their kitchen and dining room.⁵⁴ These issues were not fixed before the family's move in, although Ms. Viera stated that Balfour Beatty technicians she spoke with acknowledged that the company knew about the home's sewage and plumbing issues before her family moved in.⁵⁵



Figure 1: Picture of sewage backflow into the Viera's bathtub less than 24 hours after the family moved into the home.

Other residents interviewed as part of the investigation also experienced quality assurance issues. For example, one Fort Gordon resident, Erin Greer, reported that the HVAC ducts in her home were not properly connected to vents.⁵⁶ Ms. Greer stated that the HVAC system was not circulating air throughout the house and that she believed the gap allowed condensation to pool in the vents, exacerbating mold growth.⁵⁷ The experiences of these Fort Gordon residents raise ongoing concerns about the quality of Balfour Beatty's repairs and maintenance workmanship.⁵⁸



Figure 2: HVAC ducts disconnected from subfloor and from the vents in Erin Greer's home, which potentially exacerbated mold growth. The picture shows the gap between the HVAC metal ducts and the actual vent in the floor.⁵⁹

Tenants' reports of shoddy maintenance work are corroborated in part by information provided to the Office of Senator Ossoff from a subcontractor, Joe Nirenberg. Mr. Nirenberg, who conducted repairs at Fort Gordon as recently as January 2023, reported significant quality control issues with repairs to on-base housing.⁶⁰ Mr. Nirenberg repaired homes on Fort Gordon in the aftermath of a late December cold snap that resulted in burst pipes.⁶¹ He stated that the company that hired him as a subcontractor used ineffective repair equipment and methods to stop leaks, even when those parts would likely degrade over the course of a year.⁶² Moreover, Mr. Nirenberg stated that Balfour Beatty failed to conduct sufficient oversight and quality assurance over this maintenance work, allowing the contractors to pass off short-term fixes as long-term solutions, setting the stage for future mold growth.⁶³ A key example, according to Mr. Nirenberg, was that contractors instructed the subcontractors to use couplings on damaged water pipes rather than replacing damaged sections of water pipes,

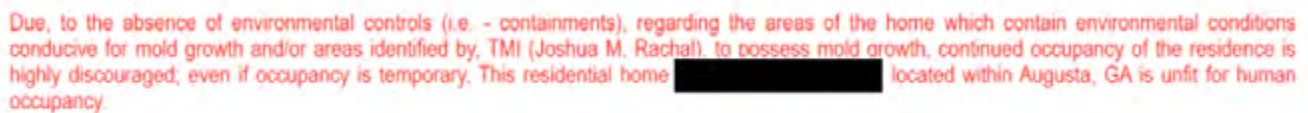
and then sealing a wall, despite the risk that those couplings could degrade, leak into the walls, and induce mold growth.⁶⁴

The Army Report,⁶⁵ Third Party Assessment,⁶⁶ and recent Army Corps reviews of Balfour Beatty's performance at Fort Gordon⁶⁷ corroborate the finding that Balfour Beatty must do more to sufficiently ensure the quality of maintenance and repair work performed at Fort Gordon. For example, the Army Report found that during the period covered by its investigation, Balfour Beatty did not provide a quality control program that ensured that repairs and maintenance were being performed to an acceptable industry standard, and that Balfour Beatty lacked the licensed skilled trades workers to diagnose and correct maintenance deficiencies.⁶⁸ Likewise, the Third Party Assessment noted that, for the time period in its review, there was "a lack of robust technical quality control of maintenance work performed" by Balfour Beatty at Fort Gordon.⁶⁹

BALFOUR BEATTY DOES NOT CONSISTENTLY IDENTIFY AND REMEDIATE MOLD

The PSI Investigation found that Balfour Beatty had, in numerous instances, failed to respond promptly or appropriately to conditions such as the presence of mold and leaks.⁷⁰ The failure to address mold promptly and consistently remains a key area of concern.

Numerous tenants interviewed for the current investigation reported that they have recently struggled to get Balfour Beatty to acknowledge or adequately remediate mold growth.⁷¹ Several tenants who suspected mold growth in their homes reported during this investigation that they faced strong pushback from Balfour Beatty, skepticism that there was mold in the homes, and reticence to test for mold.⁷² In one case a resident, Ashley Porras, reported that Balfour Beatty was initially reluctant to test for mold; the resident resorted, through her attorney, to hiring an independent, third-party inspector.⁷³ That inspector not only confirmed that mold was present but determined that the home was "unfit for human occupancy."⁷⁴



Due, to the absence of environmental controls (i.e. - containments), regarding the areas of the home which contain environmental conditions conducive for mold growth and/or areas identified by, TMI (Joshua M. Rachal) to possess mold growth, continued occupancy of the residence is highly discouraged, even if occupancy is temporary. This residential home [redacted] located within Augusta, GA is unfit for human occupancy.

Figure 3: Assessment from independent, third-party mold inspector deeming Ashley Porras' family home at Fort Gordon unfit for human occupancy (address redacted for interviewee privacy).

Another tenant, Erin Greer, also experienced significant water intrusions in her home from leaks in her HVAC system and from her utility closet throughout the summer of 2019, which she believes exacerbated the growth of black mold in her home.⁷⁵ Ms. Greer stated that she asked Balfour Beatty to remediate the mold growth but that the company’s maintenance technicians only cleaned surfaces without addressing underlying mold growth in walls.⁷⁶ She stated that, between 2019 and 2022, she repeatedly cleaned the floors and walls when mold growth appeared because she believed, based on Balfour Beatty’s responses to her prior work orders, that the company would not resolve the underlying cause of the mold.⁷⁷

In September 2022, through an attorney, Ms. Greer finally engaged an independent third-party mold inspector who recommended that she and her family vacate the home immediately.⁷⁸ According to documentation provided to the Office of Senator Ossoff, the third-party inspector examined the HVAC system and found a large subunit to be “completely covered with self-originating mold growth” that the inspector described as a “carpet” of mold.⁷⁹ The third-party inspector concluded that the home was “unfit for human occupancy.”⁸⁰



Figure 4: Inside of HVAC system in Erin Greer’s home showing extensive, carpet-like mold growth.⁸¹

Ms. Greer stated that after the third-party mold inspector determined her home was unfit for occupancy due to mold, she felt unsafe staying in the home until the mold was remediated.⁸² She stated that she and her family slept in their backyard for approximately two weeks until Balfour Beatty provided her family with hotel accommodations.⁸³

Ms. Viera, who experienced a sewage backflow in the first home Balfour Beatty provided her family, moved into another Balfour Beatty home a month later.⁸⁴ Ms. Viera has stated that in the second home, she noticed black spots, which she believed to be mold, around air vents near her front door and around her home, as well as in

an upstairs bathroom. When she approached the vent, the air coming from the vent caused her throat to burn.⁸⁵ Fearing for her family’s safety from exposure to mold, Ms. Viera and her husband moved out of the second home.⁸⁶



Figure 5: Picture of air vent in Ms. Viera’s second home on Fort Gordon.

Mr. Nirenberg, the subcontractor discussed above who worked on Fort Gordon housing in the aftermath of the December 2022 cold snap, corroborated tenants’ reports regarding challenges they faced when trying to address mold in their homes.⁸⁷ Mr. Nirenberg stated that the company that hired maintenance subcontractors like him instructed the subcontractors not to describe what they saw as “mold”⁸⁸ in any conversations about the work performed. Instead, according to Mr. Nirenberg, when subcontractors saw apparent mold during the repairs, they were told by their supervisors to describe what they saw as “discoloration.”⁸⁹ Additionally, Mr. Nirenberg stated his supervising contractor instructed him to stop leaks with temporary fixes, such as couplings which could cause further leaks in the walls when the couplings degrade in the next year, versus longer-term solutions like replacing the section of pipe.⁹⁰

Independent reports from the Army Corps, which evaluates Balfour Beatty’s performance and its compliance with its agreement with the Army, underscore similar concerns. In 2021, the Army Corps stated that “There

has and continues to be extensive water intrusion and mold in legacy homes that could potentially implicate life, health, and safety (“LHS”) concerns.”⁹¹

The Army Report also found that mold remediation guidance was not consistently applied or consistently shared with Balfour Beatty.⁹² To be clear, some interviewees who experienced mold in their houses reported that their complaints were taken seriously and remediated in a matter of weeks.⁹³ One tenant, BP, discovered moisture seeping into her living room.⁹⁴ Upon closer inspection the same day, Balfour Beatty discovered an entire wall was waterlogged and laden with mold. Balfour Beatty moved the family out of the home and into a temporary living facility within two weeks of discovery while the mold was removed, and the wall and flooring replaced.⁹⁵

However, experiences reported by residents, as corroborated by outside reports and information obtained from a subcontractor who performed work at Fort Gordon as recently as January 2023, suggest that mold remediation remains a key area of concern at the installation.

BALFOUR BEATTY AND THE ARMY ARE NOT SUFFICIENTLY PLANNING FOR THE LONG-TERM HEALTH OF THE HOUSING AT FORT GORDON

Interviews with tenants, experts, Balfour Beatty, and the Army, as well as reports commissioned by the Army, indicate that Balfour Beatty and the Army are not sufficiently planning for the long-term health of housing at Fort Gordon, to the detriment of residents.

For instance, officials from both Balfour Beatty and from the Army noted that data from on-base housing, such as work orders, are not being used to their fullest extent to conduct repairs proactively.⁹⁶ Reports commissioned by the Army came to similar conclusions. The Army Report found that Balfour Beatty does not use analytical data to plan or predict the replacement of appliances, hiring of staff, or shaping of the maintenance effort, despite the availability of analytical data.⁹⁷ The report also stated that the Army should consider this data before recommending approval of Balfour Beatty’s annual operating budget plans.⁹⁸ The Army has experience conducting data analysis from repairs on equipment, like vehicles, to predict when troops might need to conduct repairs on other equipment of the same kind.⁹⁹

Additionally, the Army Corps has previously found that that the maintenance issues and backlog could be avoided if Balfour Beatty set aside enough revenue for repairs and replacement,¹⁰⁰ indicating that Balfour Beatty

can improve its long-term focus and how it plans for conducting repairs.

Lastly, Army officials acknowledged in an interview that, in the past, they have failed to use the results of Army Corps ALCRs to hold housing companies like Balfour Beatty accountable for their short-term and medium-term deficiencies, which can compound into longer-term problems.¹⁰¹ Failure to use the information harms the long-term sustainability of the housing because the Army Corps reports track how the company has performed over time, which would provide ready analysis of long-term issues plaguing the project. The Army officials acknowledged that the Army was overlooking this crucial annual analysis of the health of the housing at Fort Gordon and other installations.¹⁰²

Officials from the Army have communicated to the Office of Senator Ossoff that “the Army, in conjunction with Balfour Beatty, is exploring several options for long-term sustainment and revitalization of the Fort Gordon housing project.”¹⁰³ According to the Army, such measures include the Army recently requesting that Balfour Beatty develop project books that consist of a detailed analysis of the needs of the housing inventory on a by-neighborhood basis.¹⁰⁴ Additionally, the Army has requested \$50 million from Congress for the fiscal year 2024 budget, specifically to invest at Fort Gordon.¹⁰⁵

However, these are efforts that the Army could have also undertaken or requested prior to the current year, suggesting a previous lack of sufficient forward-planning on the Army’s part.

V. Recommendations

BALFOUR BEATTY SHOULD IMPROVE QUALITY ASSURANCE CONTROLS

Balfour Beatty should expand its on-site quality assurance and control processes to all work orders, but especially to those work orders related to life, health, and safety concerns.¹⁰⁶ The present investigation found that Balfour Beatty has recently submitted to the Army a general quality assurance plan and a specific quality assurance protocol for work orders relating to gas and venting repairs but has not yet expanded it beyond those types of work orders, even for other types of repairs that could pose serious health hazards if done incorrectly.¹⁰⁷

The recommendation is further supported by the Army Report, which found that “Balfour Beatty should formally present its quality control plan to the Army to address their fundamental responsibility of quality for

the work they perform; this includes communicating this plan to tenants and the staffing of necessary skilled trade's expertise to diagnose home repair and maintenance issues effectively and efficiently. Balfour Beatty should also ensure all its employees are aware of its quality control plan."¹⁰⁸

BALFOUR BEATTY MUST DEMONSTRATE THAT IT IS RESPONSIVE TO RESIDENTS' CONCERNS ABOUT MOLD

Balfour Beatty must demonstrate that it is responsive to residents' concerns about mold and that the company is willing to test for and remediate mold.

It is encouraging that some tenants who were interviewed stated that Balfour Beatty responded promptly to tenant complaints of mold, took these concerns seriously, and remediated mold where it was identified.¹⁰⁹ However, multiple residents expressed frustration with a clear disjunction between how they perceived the dangers of mold and how Balfour Beatty viewed the threat posed by mold. Multiple tenants have provided examples where concerns over mold were met with skepticism and reluctance by the company to test for mold, only, in some instances, to have their suspicions of mold confirmed by third-party inspectors.¹¹⁰ Residents should not have to contract with a third-party inspector to test to determine whether there is mold in their home.

As the Army Report recommended, Balfour Beatty must ensure that it is obtaining the most current mold remediation guidance from the Army.¹¹¹ Equally importantly, the company must demonstrate to residents that it is following this guidance consistently. Balfour Beatty should also proactively expand the company's communication efforts towards tenants to ensure they are aware of standards for testing and remediating mold.

BALFOUR BEATTY AND THE ARMY SHOULD UNDERTAKE MORE LONG-TERM PLANNING FOR PROJECT MAINTENANCE

Both Balfour Beatty and the Army are responsible for the long-term health of the housing project at Fort Gordon. Additionally, Balfour Beatty and the Army must collaborate regarding short-term operations and long-term planning. In order to better prepare for the long-term health of the project, Balfour Beatty and the Army must undertake several steps.

First, Balfour Beatty and the Army should develop a plan to better use data currently collected by Balfour Beatty and the Army to undertake proactive maintenance.¹¹² Both Balfour Beatty and the Army acknowledged during

interviews that they do not make full use of the extensive data available to them, such as work order history, to make repairs.¹¹³

However, the Army presently conducts data analysis to implement proactive maintenance for other assets maintained by the Army, like helicopters and troop carriers; Balfour Beatty should apply the same data analysis to the housing stock to predict when repairs may be necessary for components such as roofs, HVAC units, home foundations, and subflooring, and then to maintain those components.

Additionally, as recommended in the Third Party Assessment,¹¹⁴ Balfour Beatty must ensure that all relevant personnel at the Fort Gordon housing office are properly trained to use Yardi, the company's work order management system. Army housing officials could then conduct more effective oversight of work orders,¹¹⁵ and can access the extensive data to collaborate with Balfour Beatty to predict which home repairs may be needed next.

VI. Conclusion

In 2022, the PSI Investigation reviewed Balfour Beatty's practices and its mistreatment of military families living on Fort Gordon. The PSI Investigation found numerous examples of Balfour Beatty's failure to make basic repairs or address conditions that threatened families' health and safety.

Senator Ossoff has conducted a follow-on investigation into the progress that Balfour Beatty and the Army have made to ensure military members and their families have access to safe and healthy housing on Fort Gordon. Senator Ossoff also conducted this investigation to identify potential legislative and policy solutions to enhance protections for military families who reside on installations nationwide.

Following Senator Ossoff's continued engagement on this issue, the Army has committed to a unit-by-unit inspection of all housing on Fort Gordon, which began on April 11, 2023.

This investigation has found signs of progress. For instance, in the year since the PSI Investigation, Balfour Beatty has reported that it added maintenance staff at Fort Gordon, introduced additional training and

education for its maintenance personnel, and submitted a new quality assurance protocol for work orders related to gas and venting to the Army.

Nevertheless, there are remaining concerns and multiple areas left for significant improvement. First, Balfour Beatty should extend new quality assurance protocols beyond gas and venting to other work orders; multiple interviewees have informed us that Balfour Beatty struggles to ensure consistent quality of technical work and that a holistic quality assurance program is necessary.

Further, interviews with Fort Gordon residents indicate that Balfour Beatty does not consistently identify and remediate mold in tenants' homes. Although there are encouraging examples of Balfour Beatty responding promptly to complaints of mold and remediating the problem, numerous tenants reported that they struggled to get Balfour Beatty to test for or remediate mold in their homes. Some tenants resorted to hiring third-party mold inspectors to assess their home and to induce Balfour Beatty to conduct its own mold inspections.

Senator Ossoff will continue to conduct oversight and monitor progress to ensure that Balfour Beatty makes sustained, tangible improvements to its processes, and to protect military members and their families who reside in privatized housing at Fort Gordon. Senator Ossoff will continue to pursue policies and legislation to protect military families nationwide.

Endnotes

- 1 See Pub. L. No. 104-106, §§ 2801-2802 (1996), codified as amended at 10 U.S.C. §§ 2871-885.
- 2 Matthew C. Godfrey, *et al.*, *A History of the U.S. Army's Residential Communities Initiative, 1995–2010*, Office of the Assistant Secretary of the Army, Installations, energy & Environment at xxiii, available at https://www.asaie.army.mil/Public/ih/rci/programinformation/docs/RCI_history.pdf.
- 3 See Congressional Research Service, *Military Privatized Housing: Status of Legislative Reforms* (Dec. 14, 2022), available at <https://www.crs.gov/reports/pdf/IF12287/IF12287.pdf>.
- 4 See Matthew C. Godfrey, *et al.*, *A History of the U.S. Army's Residential Communities Initiative, 1995–2010*, Office of the Assistant Secretary of the Army, Installations, energy & Environment at xxiii, available at https://www.asaie.army.mil/Public/ih/rci/programinformation/docs/RCI_history.pdf.
- 5 In 2008, Balfour Beatty acquired GMH Military Housing and its portfolio of properties on military homes, including on Fort Gordon. See PSI Report at 14-15.
- 6 See Balfour Beatty Communities, Find Your Home–Military, <https://www.balfourbeattycommunities.com/find-your-home/military>.
- 7 See *Mistreatment of Military Families in Privatized Housing: Hearing Before the Permanent Subcomm. on Investigations of the S. Comm. on Homeland Sec. and Governmental Affs.*, 117th Cong. (2022) available at <https://www.hsgac.senate.gov/subcommittees/investigations/hearings/mistreatment-of-military-families-in-privatized-housing>; see also STAFF OF S. PERMANENT SUBCOMM. ON INVESTIGATIONS, 117TH CONG., *MISTREATMENT OF MILITARY FAMILIES IN PRIVATIZED MILITARY HOUSING* (Subcomm. Print 2022), [hereinafter referred to as the PSI Report] available at <https://www.hsgac.senate.gov/wp-content/uploads/imo/media/doc/2022-04-26%20PSI%20Staff%20Report%20-%20Mistreatment%20of%20Military%20Families%20in%20Privatized%20Housing.pdf>.
- 8 See *Mistreatment of Military Families in Privatized Housing: Hearing Before the Permanent Subcomm. on Investigations of the S. Comm. on Homeland Sec. and Governmental Affs.*, 117th Cong. (2022) available at <https://www.hsgac.senate.gov/subcommittees/investigations/hearings/mistreatment-of-military-families-in-privatized-housing/>. Balfour Beatty officials dispute the findings and conclusions of the PSI Investigation. Email from Balfour Beatty (Apr. 6, 2023).
- 9 *Justice Department Announces Global Resolution of Criminal and Civil Investigations with Privatized Military Housing Contractor for Defrauding U.S. Military*, DEP'T OF JUST. (Dec. 22, 2021), <https://www.justice.gov/opa/pr/justice-department-announces-global-resolution-criminal-and-civil-investigations-privatized>.
- 10 See Army Report at 58-62.
- 11 See Army Report at 58-62.
- 12 See Third Party Assessment at 4-8.
- 13 See Third Party Assessment at 10, 35.
- 14 See Third Party Assessment at 10, 35.
- 15 Portfolio and Asset Management Handbook, U.S. Army Residential Communities Initiative at 7 (Aug. 2021), available at <https://dcs9.army.mil/installationservices/assets/docs/RCI%20Updated%20PAM%20Handbook%206.1%2026%20August%202021.pdf> (“Annual Ground Lease Compliance Inspections (GLCI) are used to ensure good management of the land under Army jurisdiction and compliance by the Lessee with the terms of use, as set out in the terms and conditions of the Ground Lease”).
- 16 See ALCRs FY 19-22.
- 17 See ALCRs FY 19-22 (showing recurring deficiencies in the Support Leases and Protection of Project components year after year).
- 18 Many individuals interviewed expressed concerns for their privacy and expressed fears of retaliation, as some of the interviewees, or their spouses, are active-duty military members and currently live in Balfour Beatty-administered housing. To protect their privacy, this report refers to interviewees by their initials unless interviewees agree to be named.
- 19 See Interview with Department of the Army Echelons (Mar. 3, 2023).
- 20 Interview with Department of the Army Echelons (Mar. 3, 2023).
- 21 See Part IV, *infra*.
- 22 See Part IV, *infra*.

23 See Part IV, *infra*.
24 See PSI Report at 19.
25 See Third Party Assessment at 4.
26 See Interview with Balfour Beatty (Mar. 3, 2023).
27 See Interview with Balfour Beatty (Mar. 3, 2023).
28 See Interview with Balfour Beatty (Mar. 3, 2023).
29 See Army Report at 58; Third Party Assessment at 4, 15.
30 Interview with Balfour Beatty (Mar. 3, 2023).
31 Email from Balfour Beatty (Mar. 31, 2023).
32 Interview with Balfour Beatty (Mar. 3, 2023).
33 Interview with Balfour Beatty (Mar. 3, 2023).
34 See Army Report at 58; Third Party Assessment at 4, 15; ALCR FY19 at 2; ALCR FY20 at 5; ALCR FY21 at 7-8.
35 See Interview with Balfour Beatty (Mar. 3, 2023); Interview with Department of the Army Echelons (Mar. 3, 2023).
36 Email from Balfour Beatty (Mar. 31, 2023).
37 See Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
38 See Email from Balfour Beatty (Apr. 14, 2023).
39 See Interview with Balfour Beatty (Mar. 3, 2023); Interview with Department of the Army Echelons (Mar. 3, 2023).
40 See Interview with Department of the Army Echelons (Mar. 3, 2023).
41 Interview with Balfour Beatty (Mar. 3, 2023).
42 See Interview with Department of the Army Echelons (Mar. 3, 2023).
43 See Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
44 See Interview with Department of the Army Echelons (Mar. 3, 2023).
45 See Interview with Department of the Army Echelons (Mar. 3, 2023).
46 See Third Party Assessment at 4.
47 Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
48 Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
49 Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
50 Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
51 See Interview with Balfour Beatty (Mar. 3, 2023); Letter from Rachel Jacobson, The Assistant Secretary of the Army Installations, Energy, and Environment, The Department of the Army, to Chris Williams, Fort Gordon Housing LLC (July 12, 2022).
52 See also Army Report at 58; Third Party Assessment at 8. Army officials and Balfour Beatty officials also indicated that Balfour Beatty had submitted a broader quality control/quality assurance plan to the Army. Interview with Balfour Beatty (Mar. 3, 2023); Interview with Army Echelons (Mar. 3, 2023); Email from Army, Attachment at 2 (Apr. 10, 2023). Nevertheless, during interviews, Balfour Beatty officials acknowledged the company had not developed specific protocols similar to the new gas/venting protocols for other types of work orders. Interview with Balfour Beatty (Mar. 3, 2023).
53 See Interview with Department of the Army Echelons (Mar. 3, 2023).
54 See Interview with Joy Viera (Feb. 6, 2023).
55 See Interview with Joy Viera (Feb. 6, 2023). Balfour Beatty officials dispute that this incident reflects lack of quality assurance on the company’s part. See Email from Balfour Beatty (Apr. 6, 2023). In support of their claim, company officials point to a U.S. Army checklist clearing Ms. Viera’s home for occupancy. Email from Balfour Beatty, Attachment at 7 (Apr. 6, 2023). This checklist, however, does not eliminate Balfour Beatty’s responsibility. When referencing the plumbing system, the checklist only assesses whether the unit is free of visible signs of leaks at plumbing fixtures, whether the plumbing is insulated, and whether the sinks in the kitchen and bathrooms are working. Email from Balfour Beatty, Attachment at 7-12 (Apr. 6, 2023). Indeed, the Army checklist only assesses for visible issues, stating, “The condition of the unit is clean, with no visible damage other than the items noted on this form.” Email

from Balfour Beatty, Attachment at 9 (Apr. 6, 2023). This checklist does not refute Ms. Viera’s claim that Balfour Beatty technicians knew about plumbing issues, which were not visible to the naked eye, in her home before she moved into it.

56 See Interview with Erin Greer (Mar. 9, 2023).

57 See Interview with Erin Greer (Mar. 9, 2023).

58 See Interview with Erin Greer (Mar. 9, 2023).

59 Third Party Mold Assessment Report and Mold Remediation Protocol for Erin Greer at 43.

60 See Interview with Joe Nirenberg (Feb. 8, 2023).

61 See Interview with Joe Nirenberg (Feb. 8, 2023).

62 See Interview with Joe Nirenberg (Feb. 8, 2023).

63 See Interview with Joe Nirenberg (Feb. 8, 2023).

64 See Interview with Joe Nirenberg (Feb. 8, 2023). Balfour Beatty disputes Mr. Nirenberg’s characterization of the work he performed and the materials he used. See Email from Balfour Beatty, Attachment at 2 (Apr. 6, 2023) (stating that Mr. Nirenberg performed only carpentry and painting, and thus cannot speak to other maintenance work). However, Mr. Nirenberg has reconfirmed that he performed plumbing work in addition to carpentry and painting; he has further reaffirmed his characterization of the materials used and work performed. Interview with Joe Nirenberg (Apr. 7, 2023).

65 Army Report at 58.

66 Third Party Assessment at 4, 15.

67 See ALCR FY19 at 2; ALCR FY20 at 5; ALCR FY21 at 7-8.

68 Army Report at 58-59.

69 Third Party Assessment at 4, 15.

70 See PSI Report at 19.

71 See e.g., Interview with Joy Viera (Feb. 6, 2023); Interview with LR (Feb. 8, 2023); Interview with Erin Greer (Mar. 9, 2023).

72 See, e.g., Interview with Joy Viera (Feb. 6, 2023); Interview with LR (Feb. 8, 2023).

73 Interview with Ashley Porras (Mar. 13, 2023).

74 See Third Party Mold Assessment Report and Mold Remediation Protocol for Ashley Porras at 4 (stating the home is “unfit for human occupancy”). Balfour Beatty disputes the veracity of this third-party mold inspection report for Ms. Porras and for a similar analysis and report performed for Ms. Greer. See Email from Balfour Beatty (Apr. 6, 2023). To support their claim rebutting the analyses and reports completed by Mr. Joshua Rachal of Texas Mold Inspectors, Balfour Beatty claims that the company conducted its own mold inspections of these properties (through Alternative Construction and Environmental Solutions, Inc., or ACES). Balfour Beatty did not provide the Office of Senator Ossoff with the ACES reports. Instead, Balfour Beatty provided two reports from a company called Exponent, which purported to compare the ACES reports and the reports from Mr. Rachal for the Porras and Greer homes. See Email from Balfour Beatty, Attachment at 14-30 (Apr. 6, 2023). The Exponent analyses criticize Mr. Rachal’s reports for lacking any sort of supporting analysis; however, the Exponent report notes that it is only considered a one-page summary letter from Mr. Rachal and did not review the full reports from Mr. Rachal, each exceeding 100 pages. Accordingly, the Exponent analyses appear to be incomplete and do not on their own undermine the claims of mold being present in the Greer or Porras homes.

75 See Interview with Erin Greer (Mar. 9, 2023).

76 See Interview with Erin Greer (Mar. 9, 2023).

77 See Interview with Erin Greer (Mar. 9, 2023).

78 See Interview with Erin Greer (Mar. 9, 2023).

79 Third Party Mold Assessment Report and Mold Remediation Protocol for Erin Greer at 2.

80 Third Party Mold Assessment Report and Mold Remediation Protocol for Erin Greer at 5.

81 Third Party Mold Assessment Report and Mold Remediation Protocol for Erin Greer at 78, 80.

82 See Interview with Erin Greer (Mar. 9, 2023).

83 See Interview with Erin Greer (Mar. 9, 2023).

84 See Interview with Joy Viera (Feb. 6, 2023).

85 See Interview with Joy Viera (Feb. 6, 2023).

86 See Interview with Joy Viera (Feb. 6, 2023).

87 See Interview with Joe Nirenberg (Feb. 8, 2023).

- 88 See Interview with Joe Nirenberg (Feb. 8, 2023).
- 89 See Interview with Joe Nirenberg (Feb. 8, 2023); C.A. Bridges, *Georgia sees coldest Christmas in 33 years*, THE AUGUSTA CHRONICLE (Dec. 25, 2022), available at <https://www.augustachronicle.com/story/weather/2022/12/25/georgia-cold-arctic-blast-brings-coldest-christmas-in-three-decades/69755929007/>.
- 90 See Interview with Joe Nirenberg (Feb. 8, 2023). Balfour Beatty disputes Mr. Nirenberg’s characterization of the work he performed and the materials he used. See Email from Balfour Beatty, Attachment at 2 (Apr. 6, 2023). However, Mr. Nirenberg has reconfirmed that he performed plumbing work in addition to carpentry and painting; he says he stands by his characterization of the materials used and work performed. Interview with Joe Nirenberg (Apr. 7, 2023).
- 91 ALCR FY 21 at 8.
- 92 See Army Report at 4.
- 93 Interview with BP (Jan. 31, 2023).
- 94 See Interview with BP (Jan. 31, 2023).
- 95 See Interview with BP (Jan. 31, 2023).
- 96 Interview with Balfour Beatty (Mar. 3, 2023); see also Interview with Department of the Army Echelons (Mar. 3, 2023).
- 97 Army Report at 53-54.
- 98 Army Report at 60-61.
- 99 See e.g., The Verge, “The US Army is using machine learning to predict when combat vehicles need repair” (June 26, 2018) available at <https://www.theverge.com/2018/6/26/17506170/us-army-machine-learning-ai-predict-vehicle-failure-uptake-technologies>; National Defense Magazine, “Army Using Big Data to Make Divestiture List” (Oct. 13, 2020), available at <https://www.nationaldefensemagazine.org/articles/2020/10/13/army-using-big-data-to-make-divestiture-list>.
- 100 ALCR FY 19 at 4.
- 101 Interview with Department of the Army Echelons (Mar. 3, 2023).
- 102 Interview with Department of the Army Echelons (Mar. 3, 2023).
- 103 Email from Army, Attachment at 4 (Apr. 10, 2023).
- 104 Email from Army, Attachment at 4 (Apr. 10, 2023).
- 105 Email from Army, Attachment at 4 (Apr. 10, 2023).
- 106 See Interview with Balfour Beatty (Mar. 3, 2023); see also Third Party Assessment at 32 (recommending that Balfour Beatty “should develop more rigorous on-site quality assurance and control processes over life, health and safety and other higher-risk services performed at the residences”).
- 107 See Interview with Balfour Beatty (Mar. 3, 2023).
- 108 See Army Report at 58-59.
- 109 See Interview with BP (Jan. 31, 2023).
- 110 See, e.g., Interview with Ashley Porras (Mar. 13, 2023).
- 111 Army Report at 60.
- 112 Army Report at 60-61.
- 113 Interview with Balfour Beatty (Mar. 3, 2023); see also Interview with Department of the Army Echelons (Mar. 3, 2023).
- 114 See Third Party Assessment at 35.
- 115 See Third Party Assessment at 35 (“Relevant Army Housing Office personnel should receive training from BBC on Yardi data/reporting tools, along with data export and analytical Routines to validate incentive fee submissions as well as timely identify backlogs and open and closed higher-risk work orders.”).