



## NEWS RELEASE

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### **FEDERAL JURY AWARDS OVER \$36 MILLION TO COMPENSATE GOVERNMENT FOR LOSSES SUFFERED DURING 2002 COPPER FIRE**

***In First Jury Verdict of its Kind, Construction Companies Ordered  
to Pay Nearly \$29 Million for Losses Suffered by National Forest***

A federal jury in Los Angeles this afternoon ordered two construction companies to pay nearly \$36.5 million to reimburse the government for costs associated with a massive wildfire near Santa Clarita in 2002.

After a weeklong trial in United States District Court, the jury deliberated for about one day before ordering the Texas-based CB&I Constructors, Inc. (CB&I) and the now-defunct Merco Construction Engineers, Inc. (Merco) to pay \$36,437,145.68 for fire suppression and other costs associated with the Copper Fire that scorched 18,000 acres of the Angeles National Forest in June 2002. The majority of the award – \$28.8 million – was ordered to compensate the government for damages suffered by the environment. This is the largest such jury award ever in a federal firefighting cost-recovery case and the first time a jury has awarded damages for environmental harm caused by a wildfire.

The United States Attorney's Office last year filed a lawsuit against CB&I and Merco to recover costs associated with fire suppression, Burned Area Emergency Response (BAER) costs, future resource damage costs and environmental harms

caused by the Copper Fire, which burned from June 5-11, 2002 in San Francisquito Canyon in the Angeles National Forest.

Merco was the general contractor hired by the Newhall County Water District to construct four steel water reservoirs needed for a planned community housing project in Santa Clarita. Merco awarded a subcontract to CB&I to construct the steel water reservoirs. An employee of CB&I started the Copper Fire when hot metal sparks and slag thrown from his electric grinder landed in nearby grass and brush. The fire then spread to the Angeles National Forest, about half a mile away. The government alleged that CB&I caused the fire through its employee's negligence in directing the sparks from his grinder toward a hillside that was covered in dry brush. The lawsuit also alleged that Merco's negligence allowed the fire to be set because a Merco employee who was supposed to water down the construction site to prevent fire failed to adequately perform that task.

Today's jury verdict ordered CB&I and Merco to pay \$6,592,664.16 for the cost of fire suppression; \$528,840.52 for BAER costs; \$515,641 for future remedial work such as replacing burned signs and markers; and \$28.8 million for environmental damages to San Francisquito Canyon and its watershed. The eight-person jury unanimously determined that CB&I was 65 percent liable and that Merco was 35 percent liable.

"The jury clearly appreciated the value of the Angeles National Forest and understood the severe damage caused by the fire," said Acting United States Attorney George S. Cardona. "As a result of the fire, both the wildlife of the forest and its human users are faced with issues that include increased erosion, increased risk of future fires and the loss of the use of the forest by the public. In addition, irreparable harm was done to the habitat of the threatened Red-legged frog and the historic Hazel Dell Mining Camp."

The United States Forest Service and the United States Geological Survey provided substantial assistance during the investigation and litigation of this case.

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