

CPM clients Hunters Point Shipyard homeowners announce lawsuit against developer, say ‘we were duped’

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Homeowners at the Hunters Point Shipyard have filed a lawsuit against the developer of the former naval base in response to reports of fraud that have cast doubt over an ongoing toxic cleanup at the site.

The lawsuit, filed Tuesday, names landowner Lennar, developers Five Point Holdings and civil engineering firm Tetra Tech, which has been accused of fraud in radiological remediation work conducted over the course of a decade at the shipyard, where plans for a massive residential and commercial development have only been partially realized.

Internal reviews by the U.S. Environmental Protection Agency and Navy found potential fraud and called for retesting on at least two sites at the former shipyard last year, but not before some 350 homes were developed and sold— some for upwards of \$1 million — on Parcel A, an area previously deemed contamination-free by regulatory agencies.

Plaintiffs including Parcel A resident Theo Ellington, a candidate in the District 10 Supervisorial race, his wife Victoria Seray Ellington, Linda Parker Pennington and her husband Greg Pennington claim that they and other homeowners were kept in the dark about the extent of the contamination at the U.S. Environmental Protection Agency designated Superfund Site.

“We were told that this would be a community of 10,000 residents, that there would be food over here, like a supermarket, and that there would be a community built over time and that everything was fine as far as the cleanup of the Superfund site,” said Parker Pennington, whose family bought a home on the shipyard in 2016. “Over the last several months, it’s been clear that we were duped and that really, corporate greed overtook the safety of the people who chose to move out here based on

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a dream.”

She added that efforts launched last week by the California Department of Public Health to scan publicly accessible areas of Parcel A such as sidewalks and parks – but not residents’ homes – for radiological contamination felt like “window dressing.”

The lawsuit allege that the developers failed to disclose to prospective homeowners that there was “rampant fraud” in the testing and cleanup process and knowingly sold “badly contaminated land,” according to the lawsuit.

On Wednesday, the Ellingtons said that they felt “stuck” on the property, citing damages related to dropping property values and the halting of further development. Retesting is planned for several sites at the shipyard and is currently underway at Parcel A.

“If we tried to sell our unit we would get fractions of what we paid for it. We don’t want to sell something that’s toxic to somebody else, that’s not responsible either,” said Victoria, who is pregnant. “As a ... future parent, you feel kind of out of control of the situation. You want the best for your child and already I feel like we’ve done him a disservice.”

For decades, the shipyard was used to clean ships returning from atomic bomb testing in the Pacific Ocean. A U.S. military nuclear-warfare research lab operated there from 1946 to 1969.

Until 2016, Tetra Tech held a \$250 million contract to clean the shipyard in order to allow the U.S. Navy to transfer land parcels to The City for development.

Whistleblowers came forward about fraud in the Shipyard cleanup as early as 2012. Land transfers were halted in 2016 by former Mayor Ed Lee, and the Navy severed ties with Tetra Tech at the Shipyard then, although the company continues to be contracted by the Navy for other projects.

Lawyers for the plaintiffs allege that developers were aware of reports of fraud that included the swapping of contaminated soil samples for clean ones.

“Lennar and the developers of the property have had presence on these properties since 2004,” said Alison Cordova, an attorney with Cotchett, Pitre and McCarthy, the law firm representing the plaintiffs. “It’s very hard to say that they would somehow just be completely ignorant about tests that were being falsified on a large and expansive scale.”

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In May of this year, two former Tetra Tech supervisors were sentenced to eight months in prison, after pleading guilty to falsifying records.

To date, Tetra Tech has denied allegations of widespread fraud among its employees.

The Navy contractor is also facing a class action lawsuit filed in May on behalf of Bayview residents alleging environmental racism and health defects perpetuated by the alleged fraud. They are seeking \$27 billion in damages and a halt on all development at the shipyard until remediation work is completed.