



Save the Cape, Inc.

For Immediate Release

CITIZEN GROUP CHARGES CORPS OF ENGINEERS VIOLATED FEDERAL LAW, DELIBERATELY MISCALCULATED BENEFITS

Southport, NC-- In further action to prevent construction of an economically irresponsible and environmentally dangerous marine container terminal in Southport, a citizen action group - Save the Cape – provided technical assistance and supported a complaint by Colonel (Ret.) Al Willis to Gordon Heddell, Office of Inspector General for the Department of Defense. The complaint states that the Corps violated section 904 of the Water Resources Development Act of 1986, which **“prohibits the inclusion in project benefits of any thereof involving the transfer of economic activity ... from other regions.”** The Inspector General of the Corps of Engineers had refused to act on an earlier complaint by Colonel Willis.

CORPS DELIBERATELY EXAGGERATED BENEFITS

Colonel Willis originally had complained to the Corps of Engineers about a violation of section 904 by the Wilmington District of the Corps in its section 905(b) draft analysis (Reconnaissance Study) for dredging for the terminal, to be called the North Carolina International Terminal. The Wilmington District included substantial benefits derived from capture of container movements from ports in other regions of the country, explicitly prohibited by law, to show false benefits exceeding costs. This conclusion led to a recommendation to proceed with a full feasibility study for the project at an estimated cost of \$10 million, approximately half of which would be borne by the State of North Carolina.

The complaint contends that had benefits been calculated without inclusion of such prohibited benefits, the benefits would be less than the costs, Federal interest could not be supported, the determination that the project should proceed to the feasibility phase would fail, and the waste of \$10 million in state and Federal funds would be prevented.

FINDING OF FRAUD URGED

"The clear intent of the Engineer Inspector General's response, fortified by the report prepared by the Wilmington District, is to push the project from the reconnaissance phase to the feasibility stage regardless of the merits and regardless of legal restrictions," states Mike Rice of Save the Cape. Toby Bronstein, also of Save the Cape adds, "The result would be to waste Federal and State funds to the extent of \$10 million or more and mislead the taxpayers of the State of North Carolina and the citizens of the United States of America."

For more information contact: Toby Bronstein (toby@savethecape.org) 910-933-4132.

Attachments: full complaint and supporting memorandum

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