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WASHINGTON, DC 20510-6250

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March 25, 2013

Lt. Gen. Thomas P. Bostick
Commanding General and Chief of Engineers
U.S. Army Corps of Engineers
441 G St, Washington, DC 20314

Dear Lt. Gen. Bostick,

It has come to our attention that the Army Corps of Engineers (Corps) conducted eight studies on flooding in Granite City, Illinois between 1973 and 1995 without taking any action to implement the studies' recommendations. Furthermore, the Corps penalized a Granite City resident for taking action on the recommendations. This is troubling because it indicates mismanagement and poor communication within the Corps, and a lack of coordination between the Corps and Environmental Protection Agency (EPA).

Congress directed the Corps to mitigate flooding in Granite City in 1965. In 1979 the Corps spent \$1.1 million on a study that recommended the Corps create lakes and channels to drain and transport excess water. The Corps issued seven more studies over the next 20 years without implementing any of its own recommendations. The Corps has been unable to provide our offices with the cost of these studies, or rationale as to why eight studies were necessary.

In the fall of 1990, Stephen Lathrop attempted to alleviate the flooding in his Granite City neighborhood. He obtained the necessary permits to buy and convert the neighborhood dump into a lake. This allowed excess water to drain into the lake without flooding the neighborhood. He planned to create jobs by building homes around the lake. Mr. Lathrop spent \$100,000 of his own money on the project. His neighbors were so grateful that their flooding problem had been mitigated that they started a letter campaign.

Unfortunately, the Corps issued a Cease and Desist order to Mr. Lathrop in December 1990. The Corps informed him that the dump was a "wetland" under Section 404 of the Clean Water Act. The Corps, ignoring the benefit to the community, required that Mr. Lathrop restore the lake back to its original state and promise to stay off it in the future. Mr. Lathrop could not afford to comply with the order and informed the Corps that his lake was similar to recommendations from the Corps' own studies. The Corps refused to reconsider the benefits of the lake in terms of flood mitigation. Instead, the Corps referred Mr. Lathrop to the EPA for prosecution.

In 1995, Granite City and the surrounding county were declared a disaster area by the federal government because of severe flooding. The Federal Emergency Management Agency (FEMA) provided the county with more than \$3.5 million in disaster relief. Mr. Lathrop's neighborhood, however, was spared because the floodwaters drained into his lake.

In 1995, Mr. Lathrop discussed his project with the EPA. The EPA declined to prosecute him. Instead, Mr. Lathrop would follow EPA guidelines and mitigate his project by expanding his lake on an adjacent farm.

Mr. Lathrop spent \$200,000 in 1998 to apply for a Corps 404 Permit to purchase the adjacent farm. In November 2000, the Corps informed Mr. Lathrop that they would not process his permit because there were charges pending against him. This was in direct contradiction to EPA's disposition of the case.

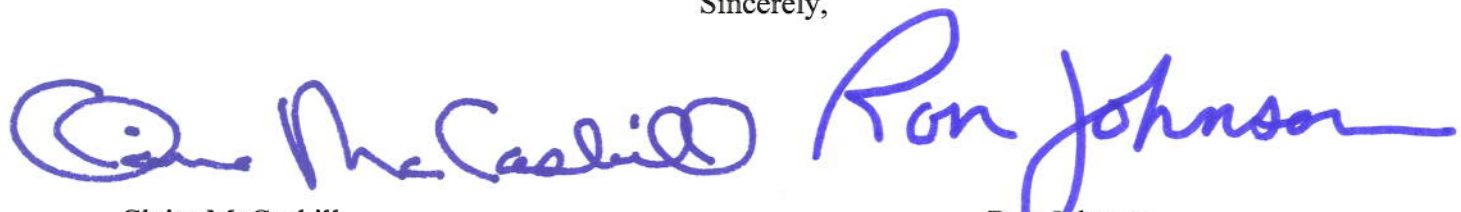
In 2001, the Corps finally lifted its Cease and Desist order on Mr. Lathrop's land. But a permit still had not been granted. Mr. Lathrop lost the deposit he had placed on the land as well as the financing he had secured for the project. The Corps also informed him that lifting the order did not mean he could use his land in the future. Mr. Lathrop lost more than \$300,000 on the project and is now on the verge of bankruptcy.

Mr. Lathrop has attempted to comply with the EPA wetland regulations for the past 23 years. He applied for all of the necessary permits and corrected a problem that the Corp itself had highlighted in eight studies. The lack of coordination at the Corps and injudicious application of wetland regulations has cost Mr. Lathrop and his family their life savings.

There are concerns that previous public attention brought to his case resulted in negative actions against him. There are additional concerns that future progress may be delayed should the details of his case become public again. We write to inform you that we have taken an interest in this matter and to ask for your assistance in seeking a speedy resolution.

We would like to schedule a meeting with the appropriate staff from your office to discuss this matter in further detail. Please contact Ritika Rodrigues at (202) 224-2210 or Ritika_Rodrigues@hsgac.senate.gov, or Margaret Daum at (202) 224-7155 or Margaret_Daum@hsgac.senate.gov by April 5, 2013 to arrange this meeting. Any questions may be directed to Ms. Rodrigues.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Financial and
Contracting Oversight

Ron Johnson
Ranking Member
Subcommittee on Financial and
Contracting Oversight

cc: The Honorable Bob Perciasepe
Acting Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave N.W.
Washington, DC 20460