

SPECIAL Report



NATIONAL ROOFING CONTRACTORS ASSOCIATION

February 3, 1998

Dear Member:

Earlier this month, we received two independent inquiries from contractor members concerning an organization calling itself the National Review Board.

This organization, according to its marketing literature we have secured, solicits hospitals for reroofing and energy retrofit projects, offering private "grants" to help fund "energy conservation roof projects." The hospitals are asked to supply information about their utility costs, their anticipated reroofing needs, and the size of the roof to be repaired or replaced.

We have seen several samples of the proposals that the National Review Board submits to interested hospitals. They estimate the cost of reroofing to be either \$13 or \$15 per square foot; they require the hospital to use an approved vendor, approved manufacturer, approved energy auditor, and approved maintenance contractor. Their "Vendor Qualification List" includes the names and phone numbers for three contractors, and for one firm in each of the other categories. Each firm has an 800 number; we have called all of the numbers and believe that they are being answered by the same individual.

We have been unsuccessful in locating any of the firms, other than by post office boxes listed on the form. In addition, we have attempted to contact Steven Weidner, Administrator of the National Review Board, but our phone calls have not been returned. The National Review Board's letterhead lists an "Eastern Regional Office" at 2020 Pennsylvania Avenue, Suite 997, Washington, DC. The building at that address is occupied by a service called Mail Boxes Etc.

The National Review Board offers hospitals that use their "approved" vendors grants, in the form of rebates, up to 70 percent of the value of the reroofing project. Obviously, \$13-15 per square foot is significantly above the market value of a new roof, so the "grant" appears to be nothing more than a refund of a substantial overpayment. Under this program, it appears that one of the National Review Board's "approved" contractors applies a layer of sprayed polyurethane foam over an existing roof.

We have turned all of our information over to appropriate legal authorities, and we hope and expect that there will be a full and immediate investigation.

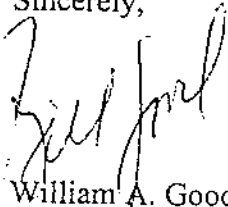
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We are asking all members to let us know immediately if you have encountered firms operating under any of the following names, or if you have any additional information about this situation:

National Review Board
American Utilities, Audit Division
Atlas Construction
National Construction
United States Construction
American Inspection Company
American Maintenance
AMPAC

We intend to pursue an investigation of this situation as vigorously as possible, and, as always, appreciate any help you can provide.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Good".

William A. Good, CAE
Executive Vice President