

September 19, 2008

Mr. J. M. Bernhard, Jr.  
Chairman, President and Chief Executive Officer  
The Shaw Group, Inc.  
4171 Essen Lane  
Baton Rouge, LA 70809

RECEIVED

SEP 23 2008

J.M. Bernhard, Jr.  
The Shaw Group Inc.

Dear Mr. Bernhard:

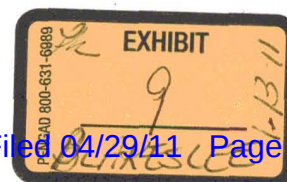
I recently received an e-mail on the Shaw E-mail Network encouraging any employee to report any illegal or adverse practices existing in the organization. In that light, there are events taking place by Shaw employees in Alaska at Fort Richardson and Fort Wainwright Army Bases that should be brought to your attention.

First, the business partner of the Shaw Group contract project manager is currently under investigation by the FBI for theft of government property to the tune of approximately \$250,000 in building materials and equipment. Steven J. Helstrom is the business partner who has been charged with this theft. Rumor has it, they planned to build rental property in the Fairbanks area.

This same individual, Steven J. Helstrom, was paid to fly from Fairbanks to Anchorage to drive a vehicle back to Fairbanks. His lady friend accompanied him on this trip. It is suspected that this female's transportation and expenses were charged to Shaw, even though she was not a Shaw employee.

The next area of business to investigate is the Project Manager, Richard Lantz. He is a business partner with two other individuals, Steven Helstrom and Alvin Whitney, who lease equipment to Shaw, such as a sewer vacuum truck for \$9,000 per month. The business name is American Leasing, LLC in Fairbanks, AK. Normally, when equipment is leased, the leasing company is responsible for all necessary maintenance on the leased equipment such as oil change, equipment part replacement, repairs, etc. However, Shaw has paid expenses and performed maintenance on this vacuum truck. There is probably other equipment of this nature involved that I have no knowledge of at this time.

Richard Lantz hired Thomas Stockmaul as Site Manager at Shaw's Fort Richardson office. In my opinion, Mr. Stockmaul is the worse unqualified, incompetent supervisor/manager I have ever encountered in my 50 years of supervisory/managerial experience. There have been numerous complaints by employees concerning Mr. Stockmaul's behavior and lack of respect for fellow employees.



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The following are examples of some of Tom Stockmaul's poor performance:

1. Shaw employed a young lady, a stellar employee, who went on maternity leave. Since her co-workers were concerned about her well being, she sent an e-mail stating "No baby yet. But keep your fingers crossed." Mr. Stockmaul remarked in front of all of her co-workers, "If she kept her legs crossed she wouldn't be having this problem."
2. Since coming off maternity leave, Jennifer Bertoliz, has been doing computer work at home. She was in need of a better computer. She approached Mr. Lantz concerning Shaw purchasing a computer for her home use. Mr. Lantz then encouraged her to submit 4 hours of over time each day without actually working the hours, until she earned enough money to purchase the computer. This amounts to a manager, with payroll and fiscal responsibilities, condoning the practice of falsifying time records. Three employees witnessed this incident.
3. Mr. Stockmaul rides with a female Shaw employee whom he associates with after hours, mainly riding motorcycles. One morning, this woman arrived at an employee meeting dressed in motorcycle garb, which was a leather vest with no undergarment, i.e., no tee shirt or blouse. The workers at the meeting complained to me about her dress mode and made remarks relating to a motorcycle club. I went to Mr. Stockmaul's office to inform him that this employee was not appropriately dressed to represent Shaw in a business office. His reply to me, "What is wrong with the way she looks?" Shortly after I spoke to him, this woman was wearing a jacket over the motorcycle vest in the office.
4. Tom Stockmaul told an employee, who is an outstanding electronic alarm mechanic, that he could get any number of plumbers to do his job. The employee came to me complaining about Mr. Stockmaul's highly insulting remarks. On another occasion, he insulted the same employee by inferring that the man was getting too fat and needed to visit the swimming pool to work out.

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In addition to the above, on Sept. 08, 2008, at 0830, I was called to a meeting by Tom Stockmaul in Richard Lantz's office (Anchorage Ft. Richardson office). At this time, Mr. Lantz asked me, "What are your intentions concerning your job?" I informed him I intended to keep my job and continue working. Richard Lantz made the statement that because of my age, he thought I might want to go out in a blaze of glory. I informed him that I had no intention of resigning. He then said they were thinking of abolishing my position. There was some conversation about my attendance. I informed him I was always available, on time and always carry a cell phone.

It is my firm belief, a total and complete investigation on these matters is warranted. However, if you do conduct an investigation, please be advised that Mr. Lantz's supervisor is Gary L. Barkhurst, from Monroeville, PA. Mr. Barkhurst has been aware of various problems and situations with personnel in this area and has not taken any action to date. Therefore, it would be fruitless to include him in any of your investigations.

Sincerely,



Paul Blakeslee,  
Assistant Site Manager  
Fort Richardson Army Base  
Alaska

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Enclosures: American Leasing, LLC documentation  
Alaska Trial Court Cases (Steven J. Helstrom) documentation