

NEWS & INSIGHTS

LIGHTFOOT FILES \$225M LAWSUIT AGAINST SIEMENS ON BEHALF OF CITY OF JACKSON

Lawsuit seeks compensation for city's failed water system

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Lightfoot, Franklin & White LLC has filed a lawsuit on behalf of the City of Jackson, Mississippi against the international company Siemens, along with several local subcontractors. The suit seeks \$225 million in damages for a water meter and billing system designed and installed by Siemens and those subcontractors that has failed, costing the city more than \$20 million a year.

"Siemens and those working with the company failed to deal honestly with the City of Jackson, manipulated the city's policies for creating business and job opportunities for its citizens, and burdened the city with one of the most expensive municipal water metering and billing systems in the country," Jackson's mayor, Chokwe Antar Lumumba, said today during a press conference announcing the lawsuit. "In spite of the shocking cost, the system does not work."

The lawsuit notes that while Jackson's contract with Siemens promised the city would save \$120 million with the new water system, those savings have not materialized. Instead, the system has cost the city significantly. New water meters were not installed properly, and more than 10,000 do not work at all. The billing system provided by Siemens has dramatically overcharged some residential customers while not issuing any bills to some institutional water users.

In addition to problems with the water system itself, the lawsuit alleges Siemens selected unqualified local subcontractors to perform the most critical aspects of the project. That included the handling and installation of the meters and electronic billing system, as well as quality assurance. Siemens had promised it would follow a city policy encouraging the hiring of minority businesses and the employment of local citizens. The lawsuit alleges that, while the subcontractors were minority-owned by Jackson residents, they were not qualified and, in some cases, were merely pass-throughs for other businesses. In all, the subcontractors received \$50 million but none of the systems they were responsible for function properly.

"The citizens of Jackson deserve a water system that works and compensation for the negligence of Siemens and the other defendants named in this lawsuit," said Lightfoot partner **John M. Johnson**, who leads the firm's team for the case. "We look forward to securing relief for Jackson and its taxpayers."

Along with Siemens, the defendants named in the complaint include the company's local representative on the project, Chris McNeil, as well as the subcontractors: U.S. Consolidated, MAC & Associates LLC, Ivision IT Consultants LLC and Garrett Enterprises Consolidated, Inc.

The Lightfoot team includes Johnson, along with partners **Brian C. Boyle** and **Brandon K. Essig**, as well as associates Zachary P. Martin and Charles M. Stam. Winston J. Thompson, III is local counsel.