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### Pastor's business got big sewer contract

Firm incorporated after work began

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A multimillion-dollar subcontract involving the inspection of the city's damaged sewer system was awarded in October to a company organized by a politically active minister who incorporated the firm months after the work began.

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State records show the company, Management Construction Consultant Inc., was formed Dec. 20 by Bishop O.C. Coleman of Greater Light Ministries and two of Coleman's associates.

The company was incorporated nearly three months after the firm began sending invoices to Montgomery Watson Harza, the prime contractor overseeing the job for the Sewerage & Water Board. In total, MCCI was given subcontracts worth \$2.5 million for work on the city's water and sewer systems.

The company also was a subcontractor on a separate \$24 million contract awarded by the city's Department of Public Works to assess the drainage system, according to Sal Mansour, a vice president at Montgomery Watson. Mansour could not provide the amount of that subcontract, and it could not be obtained by The Times-Picayune by the close of business Friday.

Coleman has been a vocal supporter of Mayor Ray Nagin. Nagin said he had "no knowledge" of the subcontracts landed by Coleman, and said he hadn't intervened on the minister's behalf.

"The bishop (Coleman) hangs around City Hall quite a bit and was there before I became elected," Nagin said in an e-mail. "I have never lobbied on behalf of him" or his companies, he said.

Thus far, FEMA has paid only a fraction of the \$14 million contract given to Montgomery Watson for the sewer analysis, though the work is complete. A "working document" prepared by FEMA said much of the work performed by subcontractors, including that done by MCCI, is "not eligible for reimbursement" because of a lack of a "clear scope of work."

According to Mansour, most of MCCI's work involved taking off manhole covers to visually assess damage. Records show the company billed between \$90 and \$106 per hour for such labor.

Mansour of Montgomery Watson said the back-and-forth with FEMA over record-keeping is routine and is likely to be resolved. MCCI, as well as all the other subcontractors, did everything expected of it, he said.

"Unfortunately, this is what it means to work with FEMA," Mansour said. "It's torture."

'A private matter'

How MCCI came to be hired -- given that it didn't exist on paper and still lacks a listed phone number -- is something of a mystery.

Coleman, who was one of a group of African-American ministers to express support for Nagin midway through his first term after the mayor came under fire from another powerful group of black ministers led by Bishop Paul Morton, declined to discuss the contract, calling it a private matter.

"I don't feel I need to explain myself," he said, adding that his lawyers had advised him not to talk to the media.

Mansour said Montgomery Watson largely relied on subcontractors or individuals it had previously done business with, but said he is not sure if MCCI fell into that category.

Mansour said he was not surprised or bothered to learn that MCCI didn't exist on paper at the time it was hired by Montgomery Watson. In the post-Katrina chaos, he said, everyone was focused on getting work done rather than filling out paperwork; in fact, he noted, Montgomery Watson's contract with the S&WB wasn't actually signed until March.

He said he believes someone from MCCI called his company after learning about the contract and offered to help.

"I don't recall how we found them," he said. "We were short on labor, and we tried to go to different places. This company was able to provide us with manpower."

Friendly relationship

The answer may lie in the person of Benjamin Edwards Sr., a longtime member of the water board who also is a politically active minister and a friend of Coleman.

Edwards, who was originally appointed to the water board by former Mayor Sidney Barthelemy -- and who was retained by Barthelemy's successor, Marc Morial -- has long been known for his activism in the board's contracting practices. Nagin has never appointed Edwards, but has allowed him to continue serving even though his term expired in late 2003.

Edwards has long been a staunch advocate for minority-owned businesses getting a fair slice of the board's work. He said he became aware of MCCI's existence last year, but has no relationship with the firm. "I've heard of every company that comes to the Sewerage & Water Board," he said.

Edwards described his relationship with Coleman as friendly, saying Coleman attends services at his 9th Ward ministry, Third Shiloh Missionary Baptist Church, about once a year. But they've never done business together, Edwards said.

However, there is a pattern of coincidences between Edwards and Coleman. The two men, or entities they control, donated money in recent months on the same day and in the same amount to both Nagin and several City Council candidates.

In most cases, the donations are listed consecutively on campaign finance forms, suggesting they were received simultaneously.

For instance, City Councilman Oliver Thomas reported receiving \$5,000 apiece on March 2 from Coleman's Management Construction Consultant Inc. and Third Shiloh Housing Inc., a nonprofit run by Edwards.

Moreover, Thomas' report notes that both were cashier's checks -- the only two contributions Thomas received that were so designated. The checks bear similar numbers as well, though they are not consecutive.

Nagin, meanwhile, reported receiving \$5,000 apiece from the same two firms on March 27. The contributions are not listed consecutively -- Nagin's reports are filed electronically, in alphabetical order. The address Nagin's campaign listed for Third Shiloh, Edwards' nonprofit, is 4948 Chef Menteur Highway. That is the same address MCCI gives as its home base in state corporate filings.

Edwards said he has no idea why a check would have been recorded by the Nagin campaign that way. Nagin adviser David White said the campaign enters the address based on what's listed on the check, but he could not locate the actual checks late Friday.

Another detail shows that many of MCCI's employee time sheets, which were submitted to Montgomery Watson to back up its billing invoices, were signed by a supervisor whose name appears to be "B. Edwards."

Ben Edwards said he did not sign any invoices, and a check of Third Shiloh corporate documents he has signed shows a signature that is not similar to his. Coleman would not say who "B. Edwards" was. He referred questions to a cousin, who also said he did not have the answers.

Edwards said he does not know who "B. Edwards" is but said it is not his son, Benjamin Edwards Jr., who he said is a financial adviser based in Atlanta. Edwards added that he has "400 or 500 relatives" and does not know of any who work for MCCI. But he said he couldn't be sure that none did, either.

#### Independent spending

In total, MCCI has given Nagin's campaign \$10,000, while Third Shiloh Housing Inc. has kicked in another \$5,000 to the mayor's war chest. Neither firm has donated to Nagin's runoff opponent, Lt. Gov. Mitch Landrieu.

Edwards has acknowledged that the contributions from Third Shiloh, which is exempt from federal taxes, violates the housing group's nonprofit charter, which prohibits it from making

political donations. He said he has asked some of the candidates who received the checks to return the money as a result.

White, Nagin's treasurer, said Edwards asked the campaign Thursday to return his \$5,000 contribution because of the violation. White said he planned to send the money back, and noted that it's not the candidate's job to determine whether a corporation making a contribution is violating its tax-free status.

Even with his money being returned, Edwards has gone well beyond the traditional cap of \$5,000 on individual donations to help Nagin's re-election campaign.

Last month, Edwards said he and other family members had spent more than \$100,000 on pro-Nagin billboards in Atlanta, Houston and other hubs of Katrina evacuees. He said he planned to sponsor radio ads outside the city as well. By Friday, Edwards said his family's efforts had topped \$171,000, and would exceed \$200,000 by the May 20 runoff.

Nagin has raised only about \$500,000 on his own behalf since Jan. 1.

"It's been a good run, and it's not over with yet," Edwards said. "I haven't spent this kind of money and been this excited about a race since I ran a campaign in 1985. I'm very excited about the direction this city is heading. I'm excited about the mayor and what he's doing."

Such spending is allowed under state law provided it is "independent," meaning the person or group paying for the ads does not collude or coordinate with the campaign. Both Edwards and Nagin campaign staffers said there has been no coordination between the two camps.

Under state law, individuals or groups who engage in such "independent expenditures" are required to file reports with the state showing where the money came from and how it was spent. Edwards said last month he was not aware of that law. He said Friday, however, that he planned to visit the state Ethics Commission, which supervises campaign-finance laws, to clarify the situation.

Edwards stressed that his strong backing of Nagin springs not from any sense of debt to the mayor but from a strong feeling that Nagin is the right man for the job.

Edwards also said he has spent about \$700,000 of his own money since the storm offering rental assistance and free gutting to homeowners around the 9th Ward.

"My character and integrity speaks for itself," he said.

Edwards said he was able to bankroll the nearly \$1 million cost of supporting both Nagin and his neighbors through a combination of hard work and wise investments.

In a long career at BellSouth, Edwards said he racked up thousands of hours of overtime, in part by working storm-damage details. After he left, he said, he formed a company called Edwards Telecommunications that was "very successful." Since then, the money has continued to accrue because of sound investments, he said.

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