



## RJ Construction: The Facts

*August 15, 2022: Update from Court of Appeals Second Appellate District of Texas at Fort Worth - The court has been notified that a petition for bankruptcy has been filed by Robert Jordan Construction, LLC on August 9, 2022, in the United States Bankruptcy Court for the Northern District of Texas, Cause No. 22-41804-elm7. Accordingly, this appeal is suspended. See Tex. R. App. P. 8.2. For administrative purposes, this cause is **STAYED** and will be treated as a closed case.*

Following an unexpected and devastating winter storm that impacted Texas in February 2021, major flooding occurred at more than 20 Arlington ISD schools causing nearly \$7 million in damage. The district hired multiple contractors to assist with clean-up efforts. All of those contractors have been paid except RJ Construction, which sued the district in June 2021. Since September, RJ Construction has spearheaded a campaign to spread false information about the case and disparage the reputation of Arlington ISD employees and board members. Contrary to what has been shared on social media and broadcast media, here are the facts:

**CLAIM:** RJ Construction performed \$1.2 million worth of clean-up work at Sam Houston High School and Arlington ISD refuses to pay the bill.

**FACT:** RJ Construction billed the district's insurance carrier for \$1,245,600 on March 5, 2021 indicating that 450,000 square feet of the school was dried out by their company – essentially the entire square footage of the Sam Houston High School campus. The fact is that 191,000 square feet of the school was damaged by floodwaters and that is all that RJ Construction was asked to dehumidify or dry.

According to a professional insurance adjuster with Engle, Martin and Associates, RJ Construction performed work valued at \$179,520.54. When the adjuster made the district aware of this amount, a certified check dated Oct. 26, 2021 was sent to RJ Construction, along with a letter stating that more amounts could be paid upon receipt of additional documentation. To date, RJ Construction has not deposited the check.

**CLAIM:** RJ Construction submitted all of the necessary invoices to be paid but the District has refused to do so.

**FACT:** Repeated requests for proper documentation of the work performed have been submitted to RJ Construction by Arlington ISD's insurance carrier and attorney. RJ Construction has not provided the appropriate documentation. All other contractors working on winter storm repairs went through and satisfied the

same documentation and verification process as RJ Construction. If RJ Construction were to provide additional documentation, it would be reviewed by the insurance adjuster to see if adjustments to the payment are appropriate.

**CLAIM:** Arlington ISD refuses to mediate or settle the lawsuit filed by RJ Construction.

**FACT:** Arlington ISD made the first proposal to mediate and has repeatedly offered to mediate since then, but RJ Construction has refused. Arlington ISD was still informally attempting to resolve the dispute when RJ Construction sued. Arlington ISD requested only that RJ Construction dismiss the two individual District employees from the lawsuit as a condition to formal mediation. When RJ Construction sued, it asserted claims against two AISD employees, even though the District has agreed that those employees were acting within the scope of their employment and that the District would answer for any claims against them. It is not clear to Arlington ISD why RJ Construction demands that it be able to sue and get money from everyday employees; attorneys for RJ Construction have admitted in court and in briefing that the employees should be let out of the case.

**CLAIM:** RJ Construction was the only company available to help, they did the work quickly and then the district didn't pay them.

**FACT:** More than 20 Arlington ISD facilities suffered damage caused by Winter Storm Uri. RJ Construction reached out to the district to offer its services. Five vendors were hired to help dry out flooded schools and perform other necessary services to get students and staff back in their buildings. All other vendors had their invoices reviewed and approved by the adjuster and have been paid in full, including the other vendors who worked at Sam Houston High School.

**CLAIM:** Arlington ISD is trying to bankrupt RJ Construction.

**FACT:** Arlington ISD has never had any desire or motivation to bankrupt RJ Construction. At the same time, Arlington ISD has a duty to ensure that taxpayer money is spent only on actually performed and documented services. Language in a brief filed by Arlington ISD's attorneys referenced RJ Construction (eventually) "losing everything" as it relates to the appeals process and lawsuit. It was not a statement in any way reflecting a desire by Arlington ISD to bankrupt RJ Construction.

**CLAIM:** The district claims they have immunity from paying their bills because they are a government organization.

**FACT:** Arlington ISD has already paid RJ Construction for its services in an amount determined to be appropriate after review of all information provided by RJ Construction and standard District vendor documentation and verification policies. Arlington ISD is utilizing the defenses that are available to the district under the law, including immunity from paying inappropriate amounts that do not reflect the scope of services actually provided.

**CLAIM:** Contractors shouldn't do business with Arlington ISD because they don't pay their contractors.

**FACT:** The Arlington ISD pays out millions of dollars in contract fees every year without incident. Since 2014, the district has paid out \$1.5 billion to contractors supporting 2014 and 2019 bond implementation efforts. All other vendors who supported clean-up efforts from Winter Storm Uri have been approved by the insurance adjuster and paid. Arlington ISD has no shortage of contractors bidding for its work.

**CLAIM:** The Arlington ISD silenced the press by not allowing RJ Construction to host a press conference on school district property.

**FACT:** Members of the media are present at school board meetings regularly. In October 2021, RJ Construction called a press conference on Arlington ISD school district property without authorization from the district. The Arlington ISD does not allow individuals, businesses or organizations to host press conferences on school district property without prior knowledge and approval.