

MONEY

NOLA.COM/BUSINESS COMPLETE FINANCIAL COVERAGE

MARKETS • C-7

PAGE

C-6

Tuesday
March 31, 2009

Suit traces home ills to drywall

Sulfur compounds linked to corrosion

By Kate Moran
Business writer

Some unseen force was corroding Jill Donaldson's house. Almost immediately after she and her husband moved

into the home they built in Pearl River in 2007, the coils in their air-conditioning system blackened and fizzled. The faucets in the master bathroom began to pock and rust. Three of their television sets burned out within a year.

A repair technician finally suggested that their home might be filled with the same sort of drywall imported from China that had spawned controversy and class action lawsuits

across Florida, where residents complained it was emitting noxious odors and spoiling air-conditioners and other household appliances.

Donaldson and her husband, Jared Oertling, responded with a suit of their own. The class action they filed in federal district court in New Orleans this month accuses Knauf Plasterboard Tianjin and its parent company of manufacturing defective wallboard that corrupted their

"This defective Chinese drywall represents an attack on our homeowners, a defrauding of our homebuilders and another obstacle on our road to recovery," MARY LANDRIEU, D-La.

home and caused allergies and other health problems.

The Chinese drywall suit in many ways recalls the scare over formaldehyde fumes inside the travel trailers that housed thousands of storm victims after Hurricane Katrina.

Louisiana residents, cast out of their homes by the storm, in both cases found their sense of security jarred again by new living quarters constructed of potentially hazardous material.

See DRYWALL, C-7

Senate bill seeks recall of drywall

DRYWALL, from C-6

Donaldson and Oertling hired veteran litigator Daniel Beonel Jr., the same attorney who brought the formaldehyde suit against the federal government. Beonel said in an interview that he believes the New Orleans area was "inundated" with the tainted drywall after the 2005 storms. The national housing boom, then at its height, had created a demand for drywall that domestic producers simply could not meet, creating an opening for the imported building material.

Beonel's suit claims that the drywall, produced in China by a subsidiary of the German firm Knauf Gips, emits sulfur compounds that combine with mois-

ture in the air to form sulfuric acid. The suit alleges that the acid corrodes copper wires and other materials, gives off an odor reminiscent of rotten eggs and can cause irritated sinuses and other allergic reactions. It also contends that Knauf mixed coal ash into the drywall, though it offers no proof of the claim.

For its part, Knauf denies that it produced the drywall inside the Donaldson home. In a statement issued through a public relations firm in Florida, the company said it has become a whipping boy in the recent controversy although it manufactures only 20 percent of the wallboard imported from China.

Knauf also said it is conducting its own tests of the compounds released by the drywall and is cooperating with a study by Florida health officials. The company said it believes the sulfur compounds do not pose a health risk to consumers. "The company is committed to assuring the health and safety of the ultimate customers of its products," the statement said.

The Florida Department of Health released a study last week that found distinct differences in the amount of sulfur released by drywall manufactured in China and in the United States. It also found the sulfur compounds combined with moisture in the

atmosphere to deposit a layer of black corrosion on copper pipes.

In response to the study and to consumer outcry, Sens. Mary Landrieu, D-La., and Bill Nelson, D-Fla., introduced a resolution Monday that presses the Consumer Products Safety Commission to recall drywall imported from China and to impose civil penalties on the manufacturers to help cover the costs of the recall. The legislation also urges a ban on further importation.

A second bill filed by the two senators would require the Consumer Product Safety Commission to conduct tests of drywall imported between 2004 and 2007 and determine whether Congress needs to pass a consumer safety standard to regulate the contents of drywall.

Landrieu and Nelson, citing an analysis by the Sarasota Herald-Tribune, said 60 percent of the drywall imported from China since 2006 went to Florida, while Louisiana received the second-highest amount. The Florida newspaper determined that Louisiana received 60.2 million pounds of imported Chinese drywall, which may have been used in 7,000 homes in this state.

"This defective Chinese drywall represents an attack on our homeowners, a defrauding of our homebuilders and another obstacle on our road to recovery," Landrieu said in a statement.

LuAnn White, the director of the Tulane Center for Applied Environmental Public Health, said health authorities do not yet have enough information about the contents of the imported drywall to determine whether it might pose a long-term threat to the health of consumers. The Florida officials who conducted the recent study do not even know whether it is the paper coating on the drywall or the gypsum core that is causing the issue. Both were found to emit sulfur compounds.

Donaldson, the plaintiff in the Louisiana case, said her family suffered chronic sinus problems while they lived in the Pearl River house. She, her husband and their three children have moved into her mother's house while they gut the brand-new house down to the studs to remove the drywall. Her insurance company has made a preliminary decision not to cover the cost of the repairs.

The class action she initiated, Jill M. Donaldson and John "Jared" Oertling v. Knauf Gips et al, is No. 09-2981 in U.S. District Court in the Eastern District of Louisiana. The case could be consolidated with several similar cases pending in Florida.

Kate Moran can be reached at kmoran@timespicayune.com or 504.826.3491.