How “Dateline NBC” Used Incendiary Techniques to Implode EIFS Home Values Across the United States

Pity the poor “investigative reporter” who has to skip carefully over all the facts that do not fit the script. Like the “investigation news show” that just could not get the pick-up truck’s tank to explode. Frustrated, they put a spark plug in the tank so it would blow—and blow it did, making life miserable for the manufacturer and everyone who owned a truck like that. Except, as we all know, the manufacturer caught them in their lie, and the “investigative” program had to eat crow.

You would think the board at NBC would have changed its policy after such an embarrassing incident; but no, their employees are up to their usual tricks again. Maybe the hundreds of upset EIFS homeowners will slap NBC with a suit anyway. And maybe the public in general doesn’t fall for the distortions anymore.

There is one thing a reporter should realize: that when people open up to them, it is because they trust they will receive a fair shake. When enough people have had that trust betrayed, the reporter finds no one wants to talk to him or her anymore. It lowers everyone’s trust in the media, and funnily enough, the reporter’s trust in himself.
or herself. Look in the prisons and in the gutters around the world—you’ll find people who’ve lost any belief in themselves.

But let’s look at how this “Dateline investigation” engineered the truth to fit their script on EIFS in the March 22 broadcast. This is not to excuse any issues with EIFS, but to insist only that objective reporting of the facts will reveal the actual situation or situations behind water intrusion, so they can be remedied. That is the job of investigative reporting, not filling airtime with sensationalism.

**AN “F” FOR TECHNIQUE**

David Fyfe, president at Senergy, spent hours with the Dateline crew, providing them with facts and figures. “I told them there are really two problems,” he explains. “Falling construction standards for EIFS in the residential segment; and a big change in construction practices over the last five years, particularly in the Southeast, with the substitution of oriented strand board for plywood.

“I gave them samples Synergy had accumulated from studies on water absorption, retention and damage from identical exposure conditions. These studies showed conclusively that OSB is a vastly inferior material to plywood. I even gave them a copy of a class action suit against Louisiana Pacific, which showed that quality standards on OSB manufacturing are being very poorly applied by the American Plywood Association. There is a whole story there. If you look at most of the damaged homes that Dateline showed, it was OSB sitting behind the EIFS. Everyone in the industry knows the same problems are appearing behind brick and siding. NBC had the opportunity to contribute to a much deeper debate on the res-
idential construction business today, but they didn’t even mention it.

“Joe Rhee, the editor [of the Dateline segment], also ignored my information on the need for windows that don’t let in water as a matter of course. Water penetrates buildings for a number of reasons: a poorly-made set of windows: wood in the windows that warps because it has not been dried properly; caulk that splits because it hasn’t been applied under the right weather conditions, and so on.

“Finally, one other piece of misinformation in the Dateline piece concerned Vancouver. Pierre Gallant made a good point about water intrusion problems in apartment buildings there. What Dateline edited out was that the majority of the problems in Vancouver have been with a [different cladding system], not EIFS problems.”

As with Senergy, “Dryvit spent a tremendous amount of time and effort providing Dateline’s producer with information regarding the moisture intrusion issues that surround EIFS products,” according to Peter Balint, president at the company. Almost none of that made it into the program.

“The 1984 Dryvit memo they quoted had nothing to do with water intrusion and rot. [It was strictly related to] adhesive attachment vs. mechanical attachment to paper-based gypsum. Dateline knew it had nothing to do with the water intrusion issue, and, adding insult to injury, even though we gave them the memo, they presented it as if it were a smoking gun they had uncovered.

“Apart from the obvious inaccuracies, a more critical misrepresentation was that the areas of defect were widespread. Yet the images themselves clearly showed to the trained eye that areas of no defect were much larger than areas of defect; and those defective areas were where the industry has been saying they always are: underneath windows and overhangs and areas
that are not detailed correctly. This obvious point was deliber-
ately ignored by Dateline. Lastly, they neglected to mention,
in quoting the National Association Home Builders report,
the part where it says that, of the homes that do have a prob-
lem, only 3 - 5 percent of the building is affected, and that the
repairs are usually easy and inexpensive to affect. Based on the
testing of just three homes, Dateline blew the situation into a
national problem, which it is not.

Larry Kushner, vice president at STO, provides more insight
on the windows issue: “One of our sales people asked an archi-
tect what he thought of the Dateline program. He said it is not
a manufacturer’s problem, but a building problem. It’s not
exclusive to EIFS, but any type of cladding. Interestingly
enough, in the last two years, window manufacturers have
come out and said their windows could leak from the nailing
flange forward. In the past, manufacturers have assembled
windows in the factory But today, people buy components
and assemble windows at a distribution location. In the resi-
dential-homes market, the package with the highest margin is
the windows package, so it’s big business, and the number of
manufacturers doing this has exploded into the hundreds. But
are the windows code compliant? Are they sealed? Are they
welded at the joints? We’ve bought windows that a home
builder would buy here typically, and if you hold it up against
the light, you can see gaps at the miter at the bottom of the
window where water can enter.”

AN “F” FOR RESULT

What has the feedback been from those who viewed the Date-
line piece? Dryvit posted a response to the Dateline show on its
web site; in the first two days, 400 responses flooded in. They
broke down into three categories: “There’s a group of people
out there who own a Dryvit home,” says Peter Balint, “and they
are wondering how they can find out if they have a problem.
Another group is in the process of building a house. They picked the EIFS material because they like the aesthetics that it provides; they are asking for information to ensure their project is done correctly, and the systems they pick are correct for the application. The third group is homeowners who have never had a problem with the EIFS homes, and who are very angry with NBC because they feel they have degraded or devalued their property value and unfairly tainted the product. Not one response said, ‘My house is falling apart and it’s all your fault.’

According to Kushner at STO, “The Dateline program made people feel their houses were going to collapse around them. We’ve been receiving calls from homeowners, 90 percent of whom are mad as hell. ‘I have had my house inspected three times, I do not have water damage. This program has taken the value of my house and dropped it by I don’t know how many thousands of dollars.’ Real estate people have also called us to say, ‘There is nothing wrong with these houses, but we can’t sell them.’ They are basically looking for someone to sue to try and recoup the losses that they are incurring because of the way the Dateline show was presented.”

**MONKEY-BUSINESS INVESTIGATING**

This kind of response is not surprising, when you consider how Dateline went about its work. “Dateline interviewed Russ Kenney for six hours in the Virginia housing development that they featured,” adds Kushner. “He took them to EIFS houses with no damage, and to houses with other cladding that had water damage. Dateline chose to ignore
what he had shown them and picked only EIFS houses with water damage.

“I believe Dateline also blurred out the dates on the video of the French’s home to hide the fact that the tape was made in 1994 or 1995.

“Mr. Remmelle’s memo that Dateline showed,” Kushner continues, “was from an industry meeting eight years ago, discussing whether water could penetrate new systems. We did extensive testing following that meeting and have documentation to prove that water does not penetrate the system. Yet Dateline asserted that water does penetrate it.

“In fact, Peter Verna, a building engineer in Ohio who does forensics work on houses, published an article in December 1998. He stated that, regardless of cladding, if you don’t build it properly or you have leaky windows, water intrusion problems will result. He has documentation of brick homes, wood-sided homes and vinyl homes that have as much dry rot and damage as has been found on EIFS homes. Yet, because of Dateline’s irresponsible journalism, people whose houses were built properly have had their houses devalued for no good reason.

“The unfortunate Frenches, for instance, who experienced a minimal amount of damage, had the EIFS stripped off their house and re-clad the house in wood siding, but did they not flash under their windows? If not, they will have the same problem in a couple of years from now, because the water can still get in—they didn’t uncover the root cause of the problem. In any quality management or ISO system, you determine the root cause of the problem
and fix it. The Frenches may not be fixing the problem, they’re covering it up.

“All this trouble in North Carolina started with an inspector by the name of Allen Golden, who built his own house with EIFS. He found most of the water problems were occurring below the windows and where the wall intersects with the roof line. Brick has just as many water intrusion problems, with documented cases of 40 to 50 people being killed by bricks falling off buildings.”

For any who knows Stephan Klamke, executive director of the EIFS Industry Members Association, he would never in a month of Sundays answer a question with “Absolutely, absolutely,” and then ‘Absolutely not, absolutely not” and a shrug. “David Fyfe from Senergy was filmed for more than three hours,” explains Klamke, “and the USG representative was filmed for more than two-and-a-half hours, and neither of them made the air. Given the slant of the program, I am surprised I was on as long as I was!”

If the over-ambitious use of the scissors by the editor prevented any real facts from being included about the issues he was investigating, the visual images in the program made sure that viewers got the “right idea.” In Klamke’s words, “The visual emphasis of the camera work, if it were to be translated into the type size of print media, would have the couple walking on the beach at the beginning of the show in 85-point type, and my explanation of construction practices and the lack of good windows and so forth, in 8-point type.”

Unfortunately, the kind of things Klamke says do not make sensational viewing—just level-headed, plain boring facts. For the record, let’s give Klamke, as the industry representative, his say:

“Dateline’s report contained numerous factual errors in describing EIFS: It referred to EIFS as a type of stucco. In reality, EIFS only resembles stucco in appearance, but it is a far more flexible and energy-efficient product. It also erroneously referred to a “Styrofoam” basecoat and a “wire” mesh. Yet insulating foam board is typically made of polystyrene, while the mesh is fashioned of fiberglass. After an eight-month investigation, you’d think Dateline could at least name properly more than half of the components in an EIF system.

“Dateline NBC focused its report on a handful of worst-case scenarios and suggested these were typical residential EIFS installations. The vast majority of EIFS homes are problem-free. In those few cases with water damage, it can be easy and is inexpensive to repair.

“Dateline misled its viewers in reporting that EIFS is banned in North Carolina and Georgia. Only barrier EIFS has been banned in those states. The new generation of EIFS with drainage is fully compliant with the North Carolina and Georgia building codes.

“Nowhere in the NBC report was there a hint that moisture intrusion is a problem that is as likely to plague homes clad with brick, wood or conventional stucco as those with EIFS. In the Dateline segment, only EIFS homes were tested for moisture. Had brick homes also been tested—a far more difficult task—we believe there would have been ample evidence of moisture intrusion as well.

“We’re also disappointed that Dateline chose not to interview any of the many
reputable builders who have had no problem with EIFS, or any of the EIFS homeowners whose walls have been tested for moisture and show no evidence of damage.

“In attempting to vilify the EIFS industry, Dateline succeeded only in creating a new category of victims—owners of perfectly sound EIFS homes whose values are likely to plummet in the wake of their superficial report.”

Appearing slightly out of step with the rest of the industry, “USG has no quarrel with the fact that the Dateline segment focused on problems with barrier EIFS construction—USG exited the barrier EIFS business in 1996 because we believe that barrier EIFS does not fully address construction realities.” So says Jim Reicherts, product line business manager, exterior systems for United States Gypsum Company.

“The EIFS industry must realize that by continuing to maintain that the barrier concept is anything less than a perfect exterior cladding,” continues Reicherts “we’re setting ourselves up for continuing public relations disasters and, ultimately failure in the marketplace.

“Rather than complain about ‘unfair’ media coverage, we must improve our product to eliminate the types of problems profiled on Dateline. The future of EIFS lies in the water-managed or drainage concept. We are confident in our water-managed policy . . . and we applaud the industry for the steps already taken in this direction.

“Our only disappointment with the Dateline segment is that it didn’t deliver a stronger endorsement of the tested solutions available,” Reicherts adds. “We asked Joe Rhee, producer of the segment, why he didn’t provide viewers more information about drainable systems. He told us that most of the building industry professionals, consultants and third-party experts he talked to felt that water-managed systems did provide a logical alternative. However, those experts also told Dateline that there was still a lack of empirical evidence that water-managed systems, do indeed, work”

Although USG doesn’t agree with Rhee on this point, some of their industry colleagues do. “There are real problems with water intrusion that a balanced approach is needed to resolve. Devaluing EIFS property doesn’t solve the
problem,” says STO’s Kushner. “Two of the industry players, USG and Senergy, have offered systems that will drain water. Their position is that the barrier systems, which we have been installing successfully in Europe for more than 50 years and in the United States for 25 years, [are more susceptible to water intrusion from related building components]. But do people really want to divert water to run behind a cladding system? The evidence shows that water damage occurs when water is diverted from behind the system.

“Two years ago, we knew that 45 percent of the water intrusion problems in houses occurred below the window. We have a PVC flashing product called Sill Sentry that will evacuate or drain water underneath windows, and we will warn against water intrusion, even on barrier systems, for 10 years (20 years in North Carolina).”

It is true that barrier EIFS, when properly installed, experiences no water intrusion problems. But given the deteriorating quality of the work force and the drive for speed and profits at the expense of craftsmanship and pride in work (not by all crews, by any means, but by a significant portion), it is not realistic to expect that EIFS will be installed properly.

Fyfe at Senergy provides an overview on the problem: “I don’t support barrier-type EIFS—it’s too vulnerable. Even if the number of intrusion problems is 10 percent, that’s 10 percent too many. That’s 10 percent of people who are worried sick and not sleeping at night and are having to renovate homes that are only a couple of years old. That is not acceptable. The industry must take the position that nothing short of 100 percent is acceptable.

“I think every manufacturer recognizes that they have to provide safeguards against abuse of their products,” Fyfe continues. We can’t hold up our hands and say, ‘Well, you have to install perfect windows and do perfect caulking, and by the way you have to make sure this owner re-caulks his windows two years afterward, when the caulking starts to split.’ That’s not the real world. Our product has to be robust enough to cope with the real world, not the world that we would like it to be.”

Exactly how this is done is up to the players to work out. Addressing the problem should include reforming adjacent industries (window and OSB
manufacturers) that appear to be letting down the whole construction industry. In the meantime, to calm the waters after the irresponsible Dateline piece, Balint at Dryvit offers the following: “From an industry standpoint, I urge all of us to help these customers allay their fears and be compassionate. I know this is an old story to us in the industry. But to some of these people it’s a shock because it’s brand-new to them. They are unduly scared, and some of their messages to us said they couldn’t sleep that night because they were concerned. As professionals in this industry, whether we’re a manufacturer, contractor or distributor, we need to take it seriously and help them alleviate their fears and do what we can to make sure they get the right information and that they regain their sense of security. So, don’t put off these people—give them a good ear and help them over this hurdle.”

AND WHAT OF THE TITTLE-TATTLE?

What all this noise boils down to is that Dateline NBC seems to think the only way it can attract an audience is by scaring people. Maybe they should try interesting viewers with some well-done investigations that actually reveal something useful, and so help all concerned solve their problems. As a note, Lea Thompson, the reporter on the show, didn’t comment when challenged on the points mentioned above. Telephone messages left by Construction Dimensions went unanswered.

If you consider that the EIFS segment, “Is your home crumbling around you?” was one of four parts in the Dateline show that evening, and the segment that followed was about people who strangle themselves, it doesn’t take too much intelligence to realize that Dateline obviously isn’t an investigative show so much as an upper-end, TV-tabloid; and one should not for a moment be fooled by its assertions to the contrary—next time you see a Dateline program, just think of spark plugs.

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Comments?

Have your say! Write to the editor of Construction Dimensions at porinchak@awci.org (or fax to 703-534-8307), and we’ll publish your responses in an upcoming edition.