



Department of Justice

Acting United States Attorney Michael K. Loucks
District of Massachusetts

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WWW.USDOJ.GOV/USAO/MA

CONTACT: CHRISTINA DiIORIO-STERLING

PHONE: (617)748-3356

E-MAIL: USAMA.MEDIA@USDOJ.GOV

EMPLOYEES OF BIG DIG CONTRACTOR CONVICTED OF FRAUD

Boston, MA... Six former managers of Aggregate Industries N.E., Inc.'s concrete division, the largest asphalt and concrete supply company in New England, were convicted of conspiracy to defraud the United States by a jury in U.S. District Court in Boston late yesterday.

Acting United States Attorney Michael K. Loucks; Theodore L. Doherty III, Special Agent in Charge of the New England Regional Office of the United States Department of Transportation, Office of Inspector General; Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation - Boston Field Division; and Colonel Mark Delaney, Superintendent of the Massachusetts State Police announced today that **ROBERT PROSPERI** age 64 of Lynnfield, MA, **GREGORY A. STEVENSON**, age 53 of Furlong, PA, **JOHN J. FARRAR**, age 43, of Canterbury, CT, **MARC BLAIS**, age 36 of Lynn, MA were convicted late yesterday of conspiracy and fraud charges following a three week trial in U.S. District Court in Boston. **PROSPERI** and **STEVENSON** were convicted of Conspiracy to Commit Highway Project Fraud and Mail Fraud; Conspiracy to Defraud the Government with Respect to Claims; and Making False Statements in Connection with Highway Projects and Mail Fraud. **FARRAR** was convicted of Conspiracy to Commit Highway Project Fraud and Mail Fraud and Making False Statements in Connection with Highway Projects and Mail Fraud. **BLAIS** was convicted of Making False Statements in Connection with Highway Projects and Mail Fraud. Co-defendants, **KEITH H. THOMAS**, age 51 of Billerica, MA and **GERARD M. MCNALLY**, age 54, of Rockland, MA pled guilty prior to trial on July 8, 2009, to Conspiracy to Commit Highway Project Fraud and Mail Fraud; Conspiracy to Defraud the Government with Respect to Claims; and Making False Statements in Connection with Highway Projects and Mail Fraud.

Between 1996 to 2005 **PROSPERI**, **STEVENSON**, **MCNALLY**, **BLAIS**, **FARRAR** and **THOMAS** were all employed in managerial positions in Aggregate's concrete division. They were charged with highway project fraud and related offenses for their participation in a scheme to provide concrete to Big Dig projects that did not meet contract specifications, and to conceal the true nature of the concrete through false documentation. Between 1996 and 2005 the defendants delivered approximately 5,000 truckloads of non-specification concrete to the Big Dig. Each truckload comprised approximately ten yards of concrete. This concrete included recycled concrete that was over ninety-minutes old, concrete that had been adulterated with the addition of excess water, and concrete that was not batched pursuant to Big Dig project specifications.

The defendants recycled “leftover concrete,” i.e. concrete that had not been used by other customers, mixed the leftover concrete with Big Dig project concrete, and delivered this adulterated concrete to the Project. The leftover loads of mixed concrete were dubbed “10-9 loads” by the defendants, and did not meet Big Dig project specifications. The defendants concealed this fraud by falsifying concrete batch slips delivered to Big Dig inspectors and/or representatives of the general contractors at the various construction sites. These false batch reports were relied upon by the Government to determine the quality and amount of concrete placed by the general contractors on the project.

Big Dig project specifications required that concrete must be placed or poured within ninety minutes of batching. In most instances involving these “10-9 loads,” the concrete had exceeded the ninety minute time limit. In order to conceal the true age of the concrete, the defendants directed truck drivers and other Aggregate employees to add water, as well as other ingredients, to the “10-9 loads” to make those loads appear to be freshly batched. Big Dig project specifications also prohibited the addition of water to concrete after the concrete had been batched except under tightly controlled circumstances. The defendants also directed that fly ash be eliminated from the concrete mix specifications on the occasions when Aggregate Industries ran short of fly ash. Fly ash is an essential ingredient in concrete that makes the it more durable and prevents the infiltration of water.

The defendants face maximum penalties of 20 years’ incarceration on each of the mail fraud counts, 10 years’ incarceration on the conspiracy to make false claims against the United States, and 5 years’ incarceration on the conspiracy to commit highway project fraud and mail fraud count, as well as on each highway project fraud count. Each count also carries a period of 3 years’ of supervised release and a maximum fine of \$250,000 fine. The defendants could also face an alternative fine in excess of \$10 million which is twice the loss or, in this case, the amount billed to project contractors by Aggregate pursuant to the fraud.

Aggregate Industries N.E., Inc pled guilty in July 2007 and agreed to pay \$50 million to the federal and state government, to resolve its criminal and civil liabilities in connection with a fraudulent scheme to deliver adulterated concreted to the Central Artery/Tunnel Project (“Big Dig”). The plea and settlement agreements also required Aggregate provide up to \$75 million in insurance coverage for potential future structural maintenance costs related to their conduct.

The case was worked jointly with the Massachusetts Attorney General’s Office and included the execution of search warrants obtained by that Office. Evidence obtained in those searches was presented at the federal trial. Acting United States Attorney Michael K. Loucks commented that the joint federal and state collaboration in this investigation was critical to the verdicts achieved.

The case was investigated by the United State Department of Transportation, Office of Inspector General, the Federal Bureau of Investigation and the Massachusetts State Police Assigned to the Massachusetts Attorney General’s Office . It is being prosecuted by Assistant U.S. Attorneys Fred M. Wyshak, Jr., Anthony E. Fuller and Jeffrey M. Cohen of Loucks’ Public Corruption Unit.

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