



U.S. Department of Justice

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PRESS RELEASE

FALSE CLAIMS SCHEME CHARGED ON BIG DIG CONTRACT

Boston, MA. A Fairhaven man was charged today in federal court with submitting false time and materials slips on a Big Dig contract. The scheme involved the systematic, fraudulent billing of apprentice electricians at the higher rate of pay for journeymen, resulting in continuing overpayments by the Central Artery/Tunnel project to the subcontractor.

United States Attorney Michael J. Sullivan, Theodore L. Doherty III, Special Agent in Charge of the Department of Transportation Inspector General's Office in New England, and Gordon S. Heddell, Inspector General for the U.S. Department of Labor/Office of Labor Racketeering announced today that **STEVEN M. BOWERS**, age 54, of 6 Silver Shell Beach, Fairhaven, MA, was charged in a multi-count Indictment with conspiracy to defraud the United States with respect to claims, submitting false claims, conspiracy to commit fraud on a federal highway project and submitting false statements with respect to work performed on a federal highway project.

Additionally, two former co-workers of Bowers at Mass. Electric Construction Company ("MECC"), **BRIAN DI RE**, of Winchester, MA and **RICHARD JOYCE**, of Norwood, MA have entered into plea agreements with the U.S. Attorney's Office as a result of their roles in the scheme. Both **DI RE** and **JOYCE** have agreed to plead guilty to an Information alleging one count of conspiracy to submit false claims.

The Indictment alleges that beginning in or about January 2003 through June of 2005, **BOWERS**, the Senior Project Manager for MECC on the I-93 tunnel finishes contract, along with **DI RE**, the Project Manager, and **JOYCE**, the General Foreman, engaged in a scheme of over-billing the Central Artery/Tunnel Project by falsely categorizing apprentice electricians as journeyman on work MECC performed. The work was performed on a time and materials basis, which meant the contractor, MECC, was paid for the time spent by each employee, as opposed to a fixed price for the work under contract. MECC was also paid 10% of its total time and materials billings to cover overhead, plus an additional 10% of that total for a profit margin. The scheme involved more than 500 instances of over-billing during the course of the conspiracy and

resulted in false claims for more than \$80,000.

United States Attorney Michael Sullivan said, "Today's indictment demonstrates our commitment to intensively investigate the Big Dig and prosecute illegal conduct when we find it. The submission of false claims to defraud the United States, as alleged in the indictment, is unacceptable in any context. No amount of fraud or corruption will be tolerated. The Big Dig Task Force, comprised of agents from the U.S. Department of Transportation, Massachusetts State Police, U.S. Department of Labor and Federal Bureau of Investigation, will continue its investigation and I would encourage anyone with relevant information to contact federal authorities."

If convicted on these charges, **BOWERS** faces up to ten years imprisonment, to be followed by three years of supervised release, and a \$250,000 fine.

The case was investigated by the Department of Transportation, Inspector General's Office and the Department of Labor/Office of Labor Racketeering. It is being prosecuted by Assistant U.S. Attorneys Fred M. Wyshak, Jr., Anthony E. Fuller and Jeffrey M. Cohen of Sullivan's Public Corruption Unit.

The details contained in the indictment are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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