



City of Cambridge

R-71.

IN CITY COUNCIL

January 8, 2001

COUNCILLOR DECKER
COUNCILLOR BORN
COUNCILLOR DAVIS
VICE MAYOR MAHER
COUNCILLOR SULLIVAN
COUNCILLOR TOOMEY

WHEREAS: It has come to the attention of this City Council that Robert J. Cordy has been confirmed by the Governor's Council in his appointment by Governor Cellucci as an Associate Justice of the Supreme Judicial Court in Massachusetts; now therefore be it

RESOLVED: That the City Council go on record congratulating Robert J. Cordy on his appointment as an Associate Justice of the Supreme Judicial Court; and be it further

RESOLVED: That the City Clerk be and hereby is requested to forward a suitably engrossed copy of this resolution to Robert J. Cordy on behalf of the entire City Council.

In City Council January 8, 2001.

Adopted by the affirmative vote of seven members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script, reading "D. Margaret Drury".

D. Margaret Drury
City Clerk

MD

by the Governor's
Council

R-11

R/A: It has come to the attention of the
City Council that Robert J. Condy has
been confirmed in his appointment
to the ~~Supreme~~ by Governor Callahan
as an Associate Justice of the
Supreme Judicial Court in
Massachusetts; now therefore be it

R: That the City Council go on
record congratulating Robert J.
Condy on his appointment as an
Associate Justice of the Supreme
Judicial Court; and be it further

R

SEC

Board expected to sell property

Proceeds to pay off Fraine loans

By Thomas C. Palmer Jr.
GLOBE STAFF

Three South Boston properties that were part of a controversial development deal between a convicted racketeer and the MBTA Retirement Board will be sold for \$7.9 million, a source close to the board said last night.

If the sale is completed, the proceeds would more than pay off \$5.6 million in loans outstanding to Francis K. Fraine, a developer who years ago was involved in two arson cases and who over the last two years was given \$7 million in loans from the pension fund.

Fraine and the board's executive director, John J. Gallahue Jr., became friends, getting Gallahue in hot water when the Boston Herald recently published a series of articles about their relationship and Fraine's past.

The source, who asked not to be identified, said that the board would get a 10 percent return on its controversial \$7 million investment. The purchaser of the three properties wasn't disclosed, but it's one of seven parties who were interested and is from out of state, the source said. Loans are expected from the Bank of Scotland.

An agreement to sell the land and recover the loan money for the board may help Gallahue survive, as he fights for his professional life at what promises to be an uncomfortable meeting of the board this morning.

The six board members who oversee more than \$2 billion in retirement investments for Mass-



GLOBE FILE PHOTO/FRANK O'BRIEN

MBTA Pension Fund director John J. Gallahue Jr. in 1996. Gallahue is under fire for his alleged dealings with an arsonist.

achusetts Bay Transportation Authority employees are at odds over whether to suspend Gallahue for his alleged business relationship with an admitted arsonist, according to observers. It would take four votes to discipline Gallahue.

MBTA Retirement Board member James Lydon, president of the Carmen's Union Local 589, said yesterday that he will introduce a motion this morning to place Gallahue on paid leave until a full investigation of the charges against him can be completed.

But William F. Sheckleton, treasurer of the Carmen's Union and chairman of the retirement board, is a longtime friend of Gallahue, and sources say Sheckleton may not vote to suspend him.

The Carmen's Union's 10-member executive board voted unanimously to recommend that Lydon and Sheckleton vote to suspend Gallahue.

The board has three union members and three members appointed by MBTA management. To be adopted, a motion requires the vote of two members representing each side. The third union member, William A. Irvin, is related by marriage to Gallahue and is expected to support him. Consequently, Gallahue's fate may rest with Sheckleton's vote. Sheckleton also was named in the Boston Herald as having had financial dealings with Fraine; he denied it.

MBTA management represen-

tatives on the retirement board are also divided, with Janice Loux, president of the Local 26 Hotel Workers Union, reported to be supporting Gallahue. The other two MBTA appointees, Baron Martin and Joseph Trolla, are apparently willing to suspend Gallahue if a preliminary investigation suggests wrongdoing.

For more than a decade, Gallahue has managed the pension fund, the investments of 11,000 workers and former employees.

This week he sent a letter to pension fund members seeking support and attacking a series of articles in the Herald that detailed his alleged business relationship with Fraine. Fraine received \$7 million in housing development loans from the board.

"Unfortunately, certain individuals have used the Boston Herald to discredit me, undermine the fund's board of directors, and tarnish our accomplishments on your behalf," the letter, obtained by the Globe, said. "Their goal is clear: Take control of the fund and its \$2 billion portfolio."

Though he did not mention anyone by name, Gallahue, according to his spokesman, was referring to Transportation Secretary Kevin J. Sullivan. As chairman of the MBTA board of directors, Sullivan has expressed concern about the bad publicity surrounding Gallahue and has asked the FBI to investigate.

Council confirms Cordy for SJC

By Frank Phillips
GLOBE STAFF

Robert J. Cordy, a former federal prosecutor turned wealthy private attorney, won easy confirmation yesterday to become an associate justice on the state's Supreme Judicial Court.

Cordy, who will be leaving a law practice in which he earns nearly \$1 million a year, in part by tapping his Beacon Hill insider contacts, was approved by the Governor's Council in an 8-0 vote.

His new salary will be \$127,000 a year.

Governor Paul Cellucci's nomination of Cordy, 51, who advocated for the death penalty and abortion rights when he was legal counsel to former governor William F. Weld, was criticized by some as being pushed too fast; Cordy was nominated on Dec. 12.

Cellucci has praised Cordy's intellect, conservative legal philosophy, and commitment.

"He is a true public servant," said Cellucci, who presided over yesterday's vote. "Here's someone who is making a lot of money in the private sector who is coming back into the public sector because that is really his calling."

Cordy, a Harvard Law School graduate who is the managing partner of the Boston office of McDermott, Will & Emery, was not available for comment.

While Cordy's nomination received no opposition when the vote was called, two councilors — Edward O'Brien, a Democrat from Easthampton, and Marilyn Petitto Devaney, a Democrat from Watertown — said they felt the nomination had been rushed.

In recent years, the SJC nomination process has taken far longer, often from six to eight weeks.

Devaney said she had only two days to study Cordy's resume and background before the Dec. 20 hearing. She said she later interviewed Cordy and was satisfied with his answers.

Cordy was asked about his lobbying of his former colleagues in

AG did not disclose tie to arsonist

► INVESTIGATION
Continued from B1

have said his office has subpoenaed investment in the outcome, then

Councillor Decker

9:58
1-4-01

Robert J. Cordy
Confirmed to SJC

Article in Globe
Section B2

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COUNCILLOR DECKER

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RESOLVED: That the City Clerk be and hereby is requested to forward a suitably engrossed copy of this resolution to Robert J. Cordy on behalf of the entire City Council.

71R

Resolution #71

Congratulations to Robert J. Cordy on his confirmation by the Governor's Council as an Associate Justice of the Supreme Judicial Court.

Councillor Decker

In City Council January 8, 2001

ORDER ADOPTED