



City of Cambridge

89.

IN CITY COUNCIL

July 31, 1995

COUNCILLOR TOOMEY
COUNCILLOR GALLUCCIO
MAYOR REEVES
VICE MAYOR RUSSELL
COUNCILLOR SULLIVAN
COUNCILLOR TRIANTAFILLOU

WHEREAS: Rhode Island based Diversified Steel Erections, Inc. was hired and performed work relating to the erection of steel beams on the Agassiz School construction project that is currently underway; and

WHEREAS: The company's owner, Steven Allard, had been sentenced to 10 months in federal prison after being convicted of demanding kickbacks from employees of a company he owned; and

WHEREAS: Steven Allard had been barred from working on federal construction projects until November of 1997 and state law prohibits people barred from federal projects from working on state funded projects such as the Agassiz School project; and

WHEREAS: Diversified Steel Erections, Inc. was recently ordered off two separate school construction projects in the cities of Northhampton and Somerville by the city chief executive; and

WHEREAS: Diversified Steel Erections, Inc. also had a "certificate of revocation" issued against it by the state of Massachusetts because it failed to file annual reports and corporate fees as required by Rhode Island state law; and

WHEREAS: The City of Cambridge should always properly investigate the background of companies doing business in and for the City of Cambridge; now therefore be it

ORDERED: That the City Manager be and hereby is requested to implement a process by which all companies doing business with the City are properly cleared by appropriate state and federal agencies including but not limited to the state Division of Capital Planning and Operations, the Department of Labor and Industries and the state and federal office of the Attorney General; and be it further

ORDERED: That the City Manager be and hereby is requested to seek legal redress against companies that violate federal, state and municipal law and secures work on a City sponsored contract under false pretenses.

In City Council July 31, 1995

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- *D. Margaret Drury*

D. Margaret Drury
City Clerk



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News

United States
Department
of Labor



Office of Information

Boston, MA 02114-2021

EMPLOYMENT STANDARDS ADMINISTRATION

BOS 94-169

CONTACT: John M. Chavez
OFFICE: (617) 565-2075
AFTER HOURS: (617) 837-6865

FOR IMMEDIATE RELEASE
Wednesday, June 29, 1994

SCITUATE, RHODE ISLAND, EMPLOYER SENTENCED TO FEDERAL PRISON FOR CRIMINAL VIOLATION OF FEDERAL ANTI-KICKBACK LAW IN CASE INVOLVING MASSACHUSETTS POST OFFICE CONSTRUCTION PROJECT

The U.S. Department of Labor announced today that Steven M. Allard, 32, of 840 Plainfield Pike, Scituate, Rhode Island, was sentenced yesterday in U.S. District Court to 10 months in federal prison as the result of his conviction on six counts of demanding kickbacks from public works employees.

According to Walter P. Parker, New England regional administrator for the Labor Department's Wage and Hour Division, Allard was also ordered by the court to pay restitution in the amount of \$10,000 to the employees involved and to pay a \$10,000 fine. In addition, Senior U.S. District Judge Raymond J. Pettine placed Allard on three years of supervised release following his incarceration.

Allard was found guilty of violating the Copeland Anti-Kickback Act by a jury on February 16, 1994. The evidence at trial showed that Allard operated a company called Welding Jobs Unlimited of Glendale, Rhode Island. His company obtained a contract to perform steel work in the construction of a new post office in Bellingham, Massachusetts. Since the post office was a federal job financed by the United States Government, federal law required that all tradesmen on that job, including the defendant's ironworkers, be paid the prevailing wage.

A 1991 investigation by the Wage and Hour Division in Providence, R.I., revealed that Allard had not been paying employees on the post office job prevailing wages and therefore owed several employees back wages. The subsequent criminal investigation showed that Allard went through the motions of paying the back wages but then met with the employees on the Bellingham job and had them sign over a portion of their wages, threatening them with dismissal if they failed to do so.

(more)

Jobs help youths grow

EATING

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30 youths,
Somerville,
to take the
page L14



PHOTO BY JANE TVORNA

Casey Malloy and Jessica Liborio of Somerville weed a tomato patch in Lincoln.

Company ordered off Cutler School site

BY TIMOTHY LUNDERGAN
Journal staff

Mayor Michael Capuano has ordered a subcontractor building the new Cutler School to be taken off the job after learning that the man who owned the firm until last week has been barred from working on federal projects after serving time for seeking kickbacks.

On Tuesday, City Solicitor Joan Langsam sent a letter ordering Eastern Contractors, Inc., the lead contractor, "to cease doing business with Diversified Steel Erections, Inc." Diversified, its crew and equipment must be ordered off of the construction site for the Cutler School immediately.

"It's more of a morality issue than it is anything else," Capuano said Tuesday. Someone "requiring kickbacks from working people is certainly someone I want nothing to do with."

Capuano anticipated the decision would not delay construction of the school for more than a week or two.

Diversified, which was hired to erect steel beams on the Cutler School site, had begun working on the project late on Friday. On Monday, Bernard A. Evers Jr., the business agent of Ironworkers' Local 7 in Allston, notified Somerville officials that the Rhode Island company had been ordered off a school construction job in Northampton last week after officials there discovered that the company's recent owner, Steven Allard, had been barred

CUTLER, page 18

's race no contest as rivals drop out

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fired by Capuano for political reasons, announced his decision to drop out last week.

Mark Bates, the 18-year-old working in the music department of a major chain store, decided not to go through with a bid to manage a \$100 million budget. He did not return a telephone call seeking comment.

papers notarized and turned in by the 5 p.m. deadline. Mansfield, who dashed into City Hall at quarter to five, said, "Boy, nothing like getting here at the last moment."

Mansfield said he had the requisite number of signatures. The only problem was he had not gotten his papers stamped by a notary public, which is

left at 4:30 p.m., closing time.

Mansfield sprinted across the street to a nearby law office, but when he got there he realized that he had forgotten his ID.

"The first page of the nomination papers has to be stamped by a notary signifying that you will accept the

11/27/10 09:12:00 AM

evoted mother, friend



PHOTO BY JANE TYSKA

the scene of her mother's murder at 71 Boston St.

It's disgusting."

years ago that Downing
rted from Baptist to the
ic faith. Rev. Joseph Mur-
ho is now assigned to St.
ce Catholic Church in
ield, remembers Downing
is years at St. Joseph's.

was a person who reached
God in her days of need and
ok care of her," he said.
re, he's taking care of her

ds at HCHP have set up a
ial fund for Downing's
n. Checks can be sent to:
net Downing Memorial
C/O Medford Savings
29 High Street, Medford,
55. Attn: Anna Baudoin.
funeral will be held today
lay) at 10 a.m. from the
neral Home, 2175 Mass.
ambridge, at 10 a.m., fol-
y a Mass at St. Joseph's
in Union Square at 11

Free teacher training offered

Applications are being accepted for the Early Childhood Teacher Training Program sponsored by the Elizabeth Peabody House. Employment Resources, Inc., and Bay State Skills Corporation. Classes will begin in September. The program is looking for "natural caregivers" who would like to become daycare professionals.

A.F.D.C. recipients, persons on other types of public assistance, and low income people are encouraged to apply for this free training. They may also qualify for child care and transportation. Assistance with child-care arrangements will also be provided.

For more information contact Sandra Kilpatrick at 623-5510 or Bonny Carroll at 625-6600, ext. 2400. Enrollment is limited.

Subcontractor ordered off Cutler School site

CUTLER, from page 1

from working on federal construction projects. After further checking, Capuano decided to demand that Diversified be taken off the Cutler project.

State law prohibits people barred from federal projects from working on state-funded projects. The city is receiving about \$12 million in state reimbursements for the Cutler project.

Because Diversified was hired by a subcontractor, Novel, to do its job, city officials didn't know in advance that Diversified would work on the project, Capuano said. Mayor Mary Ford said a similar situation occurred in Northhampton.

After Northhampton officials began looking into Allard's past, he sold the company to Robert Guiliano, "one of the other two guys listed as officers" of the company, for \$15,000, Ford told the Journal Monday. "That's not enough to post a good performance bond."

Ford decided to ban the company from the Northhampton site anyway on the grounds that Allard "brought the company into the city work site. That company is his."

Capuano had a similar reaction, questioning how "in one day, he completely divested himself" for \$15,000 from a company Allard had owned.

"I have vast reservations whether or not this sale to Mr. Guiliano was a sham transaction," Langsam wrote. "Accordingly, prior to letting Diversified back on site, the city must have in its possession documentation from Diversified, satisfactory to myself, that this transaction was not a sham."

Perhaps anticipating that Diversified may argue that it is no longer associated with Al-

lard and should be allowed to work on the project, Langsam wrote that Diversified also should be barred because it does not have the proper certificate to do business in Massachusetts. Also "I was advised that Diversified incorporated in December of 1993 and since that time has failed to file annual reports and corporate fees as required by Rhode Island state law. Due to Diversified's failure to comply with Rhode Island's filing requirements for corporations, the state has issued a 'certificate of revocation' against the corporation," Langsam wrote.

Allard had been sentenced to 10 months in federal prison after being convicted of demanding kickbacks from employees of another company he owned, Welding Jobs Unlimited of Glendale, R.I. According to the U.S. Department of Labor, Allard was ordered to pay employees building a post office back wages to comply with the prevailing wage law, but then threatened them with dismissal if they failed to sign over a portion of those wages back to him. Allard has been barred from federal projects until November 1997, according to Langsam's letter.

Ramesh Motwane of Framingham, the owner of the lead contractor, Eastern, was indicted in April on 33 counts of falsifying payroll records, failure to pay overtime and worker's compensation insurance and violating the prevailing wage law. DPW Commissioner Robert Trahan said at the time Somerville could not dismiss Eastern from the project because Motwane has not been convicted of anything.

Calls to Eastern and Novel, the company that subcontracted with Diversified, were not returned and the Journal was unable to reach Diversified by press time.

Gallucci Robert Russell
Sullivan Transfella

CM-332

Consent Order #89

Councillor Toomey re: Investigate
background of Diversified Steel
Erections.

In City Council July 31, 1995

Order adopted