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# **Office of the Inspector General**

Commonwealth of Massachusetts

**Gregory W. Sullivan**  
Inspector General

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## **Contractor Gifts to Taunton Municipal Lighting Plant Employees**

October 2002

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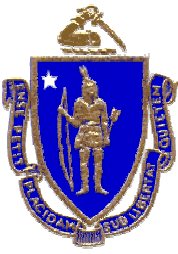
## ***Contractor Gifts to Taunton Municipal Lighting Plant Employees***

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This Office issued a letter to the Taunton Municipal Lighting Plant (TMLP) on October 2, 2002 summarizing findings of fact and law resulting from an extensive documents review by this Office. (See attachment.) The letter issued by this Office informed the TMLP Board of Commissioners of numerous items of substantial value that were bestowed upon TMLP's general manager and other TMLP employees by vendors under contract with TMLP for professional services. The letter also informed the TMLP Board of Commissioners about the state conflict of interest law, which provides penalties for public officials who accept anything of substantial value from people with whom they conduct official business. Massachusetts Courts and the State Ethics Commission have held that substantial value is equivalent to \$50 or more.

This Office cited several instances of gifts bestowed upon TMLP employees from 1998 to 2002. For example, Power Line Models, Inc., an electric power engineering firm with an office in Hopkinton, MA, paid for several golf outings, meals, and major league baseball tickets for TMLP employees. R.W. Beck, Inc., an engineering and consulting firm with an office in Framingham, MA, also paid for golf outings and meals with TMLP employees.

This Office recommended that the TMLP Board of Commissioners take measures to correct these practices. This Office was informed that the TMLP Board has halted the practice of employees accepting gratuities from vendors and initiated an internal review to establish new policies for employee conduct.



The Commonwealth of Massachusetts  
Office of the Inspector General

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October 2, 2002

Mr. Robert Treano  
Chairman of the Taunton Municipal Lighting Plant Board  
Taunton Municipal Lighting Plant  
55 Weir Street  
Taunton, MA 02780

Dear Mr. Treano:

As you know, this Office conducted a review related to the receipt of vendor-initiated gifts and gratuities. Pursuant to our meeting, I am submitting this letter to you concerning the conduct of certain vendors and employees of the Taunton Municipal Lighting Plant (TMLP). This Office recognizes that the Taunton Municipal Lighting Plant Board (Board) was not aware of such behavior. Furthermore, this Office commends you and the Board for expressing commitment to implementing self-corrective measures to address the conduct outlined in this letter. It is clear to this Office that the TMLP Commissioners have not authorized and do not condone this type of conduct.

This Office has received incomplete information from the TMLP General Manager pursuant to a request for documents. Specifically, TMLP failed to list items of value provided by energy-related consulting firms to TMLP employees as requested by this Office.<sup>1</sup> This lack of cooperation on the part of TMLP is troubling to this Office.

The information summarized below was obtained from sources other than TMLP. The information outlined below could possibly violate M.G.L. c. 268A, the Commonwealth's conflict of interest law. Two vendors, Power Line Models, Inc. (PLM) and R.W. Beck, Inc. (Beck) are the focus of this letter, but the concerns outlined herein inure to all TMLP vendors. The time period for this review spanned from January 1998 to January 2002.

M.G.L. c. 268A, §3(a) states:

“Whoever otherwise than as provided by law for the proper discharge of official duty, directly or indirectly, gives, offers or promises anything of substantial value to any present or former state, county or municipal employee . . . for or because of any official act performed or to be performed by such an employee . . . shall be

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<sup>1</sup> Requested items of value should have included entertainment, food, drink, lodging, travel, drink, sporting events, golf outings or any other items(s) provided to TMLP employees from energy-related consulting firms.

punished by a fine of not more than three thousand dollars or by imprisonment for not more than two years, or both.”

M.G.L. c. 268A, §23(b) states in part:

“No current officer or employee of a state, county or municipal agency shall knowingly, or with reason to know:

(2) use or attempt to use his official position to secure for himself or others unwarranted privileges or exemptions which are of substantial value and which are not properly available to similarly situated individuals.

(3) act in a manner which would cause a reasonable person, having knowledge of the relevant circumstances, to conclude that any person can improperly influence or unduly enjoy his favor in the performance of his official duties, or that he is likely to act or fail to act as a result of kinship, rank, position or undue influence of any party or person. . .”

Massachusetts courts and the State Ethics Commission have deemed “substantial value” to be \$50 or more. The State Ethics Commission has also determined that “gifts” could include the following: waived fees, discounts, gift certificates and entertainment.<sup>2</sup> Private parties and in this case, TMLP vendors who offer such inducements or rewards are also subject to penalties under the conflict law.<sup>3</sup>

Specifically, documents indicate numerous items of value were bestowed upon TMLP’s general manager and several other TMLP employees by vendors under contract with TMLP for professional services. Certain gifts from PLM and Beck were over the \$50 threshold. In other cases, gifts from PLM and Beck were received but the value of the gifts was not provided to this Office. However, even if the vendor gifts were less than \$50.00, the frequency of the gift giving is notable in light of the fact that the State Ethics Commission considers a pattern of bestowing gifts valued at even less than \$50.00 to be a violation of M.G.L. c. 268A.

The conduct of TMLP employees in instances where gifts were accepted undermines the integrity of the working relationships between TMLP and its vendors. Moreover, ratepayers are not assured that objectivity is guiding TMLP contracting decisions, or whether personal relationships with vendors have unduly influenced TMLP’s contracting practices.

Set forth below are several examples of questionable conduct by employees and vendors, as well as vendor-initiated invitations to events that if attended by TMLP employees would constitute possible conflict of interest law violations.

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<sup>2</sup> Massachusetts State Ethics Commission pamphlet, “Guide to the Conflict of Interest Law for Municipal Employees.”

<sup>3</sup> Id.

**1998:**

On June 28<sup>th</sup>, the general manager and six other TMLP employees were invited to a golf outing at the Brae Burn Country Club, Newton, MA sponsored by PLM. The total non-PLM participants invited to the outing were 91 and the cost of the outing to PLM was \$12,350.

**1999:**

On May 18<sup>th</sup>, a TMLP employee was given two Red Sox tickets by PLM valued at approximately \$26.00 a piece; and,

On June 4<sup>th</sup>, a TMLP employee was given two Red Sox tickets by PLM valued at approximately \$26.00 a piece.

**2000:**

On January 14<sup>th</sup>, a Beck consultant's expense report indicated that a \$100.00 deposit was made for "TMLP Golf trip deposit."

On April 1<sup>st</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup>, the general manager and seven other unidentified people dined at undisclosed locations paid for by a Beck consultant. The Beck consultant's expense statements disclosed that expenses for golf were also included totaling \$605.45;

On April 6<sup>th</sup>, the general manager accepted an opening day Red Sox ticket from PLM valued at approximately \$28;

On July 9<sup>th</sup>, a TMLP employee was given two Red Sox tickets by PLM valued at approximately \$28 a piece;

On August 3<sup>rd</sup>, the general manager played golf and dined with a PLM consultant and another person at the Sterling County Club in Sterling, MA. The golf outing paid by PLM totaled \$383.21. It should be noted that the bill included \$83.02 charged for beverages;

On September 22<sup>nd</sup>, two tickets were given to a TMLP employee for a Red Sox game courtesy of PLM. The tickets were valued at approximately \$28.00 a piece;

On October 24<sup>th</sup>, the general manager played golf and dined with a PLM consultant and another person at the Sterling County Club in Sterling, MA. The golf outing totaled \$327.75. It should be noted that the bill included \$56.32 charged for beverages; and,

In December 2000, the general manager and four other TMLP employees and their guests were invited to attend a Christmas party at the Brae Burn Country Club, Newton, MA sponsored by PLM. The cost of the party to PLM was \$15,411.44.

**2001:**

On April 6<sup>th</sup>, the general manager attended the opening day Red Sox game courtesy of PLM. The ticket was valued at \$30.00;

On June 27<sup>th</sup>, two tickets were given to a TMLP employee for a Red Sox game courtesy of PLM. The tickets were valued at \$30.00 a piece; and,

On September 22<sup>nd</sup>, two tickets were given to a TMLP employee for a Red Sox game courtesy of PLM. The tickets were valued at \$30.00 a piece.

**2002:**

On April 1<sup>st</sup>, the general manager accepted a Red Sox ticket from PLM for the opening day ball game valued at \$32;

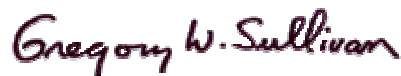
In August, PLM sent two Red Sox tickets to TMLP for the August 11<sup>th</sup> baseball game. The tickets were valued at \$32.00 a piece; and,

In September, PLM sent two Red Sox tickets were sent to TMLP for the September 13<sup>th</sup> baseball game. The tickets were valued at \$32.00 a piece.

This Office's review revealed that the Board must provide more effective oversight on behalf of the ratepayers regarding compliance with Massachusetts law and avoiding appearances of impropriety. This Office recommends that the Board make its own inquiry into the propriety of conduct between TMLP vendors and employees. In addition, this Office recommends that the Board strengthen internal rules and policies pertaining to conduct with vendors by prohibiting the receipt of gifts by TMLP employees. This Office also recommends that the Board directly apprise TMLP vendors that TMLP employees are prohibited from accepting gifts.

This Office looks forward to cooperating with the Board in its efforts to correct the problems identified in this letter and commends it for taking affirmative action. For your review, I have attached the Massachusetts State Ethics Commission's Fact Sheet for business and entertainment expenses and a sample Code of Conduct for Public Employees written by this Office. If you have any questions regarding this letter, please do not hesitate to call.

Sincerely,



Gregory Sullivan  
Inspector General

cc: Thaddeus Strojny, Mayor, City of Taunton  
The Massachusetts State Ethics Commission  
encls.