



## Office of the Inspector General Commonwealth of Massachusetts

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### **Joint Investigation Leads to Guilty Pleas in Boston Housing Authority Bid Rigging Case, September 2009**

Joint investigative efforts by the Massachusetts Office of the Inspector General and the Massachusetts Office of the Attorney General resulted in guilty pleas for bid rigging by two former employees of the Boston Housing Authority (BHA) and a third party contractor.

Former BHA employee, Mark Collins pled guilty to Procurement Fraud (10 counts), Conflict of Interest by a Municipal Employee, and Wanton Destruction of Property over \$250. Collins's wife, Gisela Collins who is also a former BHA employee, pled guilty to the charge of Conflict of interest by a Municipal Employee. Jayson Tracey, a West Bridgewater business owner, pled guilty to Procurement Fraud (7 counts).

The joint investigation focused on the owners of two flooring companies who fraudulently won contracts at the BHA from May 2006 through October 2007. It was alleged the owners and their companies rigged the bidding process, and in some instances submitted fake bids, in order to win these contracts.

The company, Flooring Designs, Inc., based in West Bridgewater and owned by Jayson Tracey, won 18 BHA contracts between May 2006 and March 2007. Investigators discovered that Tracey was able to win seven of these jobs by allegedly submitting fake bids in the name of a friend's business. Investigators discovered that because of this fraudulent scheme, Tracey won contracts to install flooring in the BHA buildings worth approximately \$33,000.

Investigators also discovered that a company named Citypoint Construction Inc. (Citypoint) based in Jamaica Plain was owned by BHA employee Mark Collins. Between July 2007 and October 2007, Citypoint submitted bids and won 15 flooring jobs at the BHA worth over \$47,000. Although Collins participated as a BHA employee in soliciting bids from vendors and submitting bids to his BHA managers, he did not disclose his ownership interest in Citypoint. In addition to improperly using inside information to help Citypoint win flooring contracts, Collins created and submitted fake bids for several of these jobs. It was also alleged that Collins's wife, Gisela, improperly used her position as a manager at the BHA to help her husband's company to win a contract.

The BHA later fired Mark and Gisela Collins for the alleged misconduct. They were ordered to move out of the BHA apartment in which they had been living. While leaving the property, Mark Collins recklessly caused over \$250 in damage to the apartment.

Mark Collins was sentenced to serve one year in the House of Correction on the Procurement Fraud (10 counts), and one year in the House of Correction on the charge of Conflict of Interest

by a Municipal Employee. The sentences will run concurrently. On the charge of Wanton Destruction of Property over \$250, Collins was ordered to serve 2 years of probation upon completion of his House of Correction sentence. A restitution hearing to determine the amount of money owed to the BHA will be scheduled at a later date. Gisela Collins was sentenced to one year of probation. Jayson Tracey was sentenced to 18 months probation. As a condition of his probation Tracy is barred from bidding on any BHA contracts.