



Office of the Inspector General Commonwealth of Massachusetts

MA Inspector General Joint Investigation- The Department of Justice, Office of Carmen M. Ortiz, United States Attorney Press Release Regarding Former Employee of Non-Profit Indicted in Kickback Scheme, April 2011

A former employee of a non-profit organization that provides support services to developmentally disabled adults was arraigned today in federal court for soliciting, demanding and accepting kickbacks.

CHARLES FEENEY, 56, of North Billerica, the former Facilities Director of non-profits Walnut Street Center (WSC) and Community Alternative Residential Environment, Inc. (CARE), was charged in a two-count indictment for kickbacks in connection with the renovation of a building that now serves, in part, as a day facility for disabled adults.

According to the indictment, FEENEY was one of the principal WSC and CARE representatives administering the renovation on behalf of the non-profits. The indictment alleges that in 2006, FEENEY approached a contractor and proposed to award him/her the general contract to renovate the building. In exchange, FEENEY demanded that the contractor award the electrical subcontract on the renovation to FEENEY's private electrical business.

The indictment alleges that FEENEY ultimately received more than \$180,000 in payments from the contractor in connection with the renovation. It is alleged that these payments included, among others: \$7,500 to reimburse FEENEY for the purchase of a bucket truck that was not required for the renovation but that FEENEY wanted for use in his private business; and \$7,500 for windows, even though the contractor himself purchased the windows and even though he hired a different subcontractor to install them.

It is further alleged that in order to inflate his profits in connection with the electrical subcontract, FEENEY arranged to place some of the individuals whom he had engaged to perform electrical work on the renovation on WSC's payroll. These individuals allegedly continued performing electrical work on the renovation while being paid by WSC. Accordingly, WSC and CARE paid twice for portions of the electrical work on the project: directly via the WSC payroll, and indirectly via the subcontract with FEENEY's company.

If convicted on these charges, FEENEY faces up to 10 years imprisonment, to be followed by up to three years of supervised release and a \$250,000 fine on each count.

United States Attorney Carmen M. Ortiz; Cortez Richardson, Special Agent in Charge of the Department of Housing and Urban Development - Office of Inspector General; Richard DesLauriers, Special Agent in Charge of the Federal Bureau of Investigation - Boston Field Division; and Gregory W. Sullivan, Inspector General of the Commonwealth of Massachusetts.