



Office of the Inspector General Commonwealth of Massachusetts

Massachusetts Attorney General Files Suit against 40B Developer Following Inspector General Investigation, September 2009

Massachusetts Attorney General Martha Coakley has filed a lawsuit against Crossroads Development LLC of Acton, MA and against its owners James Fenton and Michael Jeanson. A related contractor, James Fenton and Son Contracting, Inc., was also named in the suit. The lawsuit alleges that the parties violated the Commonwealth's False Claims Act by falsifying cost statements and profits on a Chapter 40B affordable housing development in Acton.

Chapter 40B is Massachusetts' affordable housing law. The purpose of the law is to encourage the development of affordable housing in certain communities by allowing contractors to bypass certain zoning and ordinance requirements. In most cases, however, contractors are required to cap their profits at 20 percent of their development costs. Under program guidelines any excess profits are required to go back to the affordable housing fund of the municipality in which the project is located.

The Attorney General's complaint alleges that the defendants violated the False Claims Act by submitting false cost certifications to the Town of Acton. By submitting false cost certifications, the defendants were allegedly able to fraudulently conceal large profits that should have gone to the town's affordable housing fund.

The referral of the case to the Attorney General's Office for litigation was a result of a multi-year investigation into Chapter 40B developments throughout the Commonwealth by the Massachusetts Office of the Inspector General.

For more information, see:

- [Developer Profits- Crossroads Development, LLC and an Acton M.G.L. Chapter 40B Project, Letter to Peter Ashton, Chairman, Board of Selectmen and Don P. Johnson, Town Manager May 2006](#)
- [Review of Actual Site Development Costs as Reported by Crossroads Development, LLC on a Chapter 40B Project in Acton, MA, June 2008](#)

A list of other office reports and recommendations related to Chapter 40B is available at [Chapter 40B Publications](#)