

COMMONWEALTH OF MASSACHUSETTS
STATE ETHICS COMMISSION

SUFFOLK, ss.

COMMISSION ADJUDICATORY
DOCKET NO. 25-0004

IN THE MATTER

OF

NORTHEAST MATERIAL HANDLING, INC.

ORDER TO SHOW CAUSE

1. The State Ethics Commission (Commission) is authorized by G.L. c. 268B to enforce G.L. c. 268A, the state conflict of interest law, and to initiate and conduct adjudicatory proceedings.

2. On April 29, 2025, the Commission found reasonable cause to believe that Northeast Material Handling, Inc. (Northeast) violated G.L. c. 268A, § 4(b) and authorized the initiation of adjudicatory proceedings.

FACTS

3. Northeast is a waste removal company with its principal place of business until recently in Lowell and, until 2023, in Ayer.

4. Northeast has recently moved its principal place of business from Lowell to Derry, New Hampshire.

5. James O'Boyle (O'Boyle) of Londonderry, New Hampshire has, at all relevant times, been the owner of Northeast.

6. O'Boyle has, at all relevant times, been an officer of Northeast.

7. Since at least 2012, Northeast has been a vendor to the Massachusetts Bay

Transportation Authority (MBTA).

8. Thomas Daly (Daly) was at all relevant times an Environmental Compliance Manager for the MBTA.

9. O'Boyle was friends with Daly from at least April 2017 until at least December 2024.

10. In 2022 and 2023, Daly and O'Boyle sometimes commuted together from their residences in New Hampshire to their workplaces in Massachusetts.

11. Northeast had a significant relationship with Daly from or before April 2017 until at least December 2024.

12. Daly was an employee of Northeast beginning not later than April 2019.

13. Northeast paid Daly more than \$81,000 between March 2020 and September 2023.

Northeast's Bid on an MBTA Procurement for Comprehensive Waste Management

14. On March 10, 2017, Daly forwarded to O'Boyle at his Northeast email address an internal email among personnel and consultants of the MBTA and attached technical specifications for an MBTA waste management Request for Proposals (RFP).

15. O'Boyle knew or had reason to know that his receipt of such communications and specifications was an unfair competitive advantage for Northeast.

16. On March 29, 2019, the MBTA issued an RFP for a Comprehensive Waste Management Program (CWMP).

17. The RFP included language in its scope of work which was nearly identical to the specifications Daly shared with O'Boyle via email dated March 10, 2017.

18. On April 30, 2019, Northeast submitted its bid for the MBTA CWMP RFP (CWMP RFP).

19. O'Boyle signed Northeast's bid.

20. In its April 30, 2019 bid, in response to an RFP question about its experience with "similar function in the past," Northeast listed its experience with the MBTA and no other examples.

21. Northeast provided the names of company clients other than the MBTA only upon follow-up from the MBTA after April 30, 2019.

22. Northeast did not provide any letters of recommendation from any customers for its bid on the CMWP RFP at any time.

23. Northeast's Federal tax returns showed gross receipts of less than \$1.7 million in each of the three most recent years preceding the 2019 CMWP procurement.

24. Daly was a member of the MBTA's three-person selection committee for the CWMP procurement.

25. O'Boyle knew or had reason to know at the time that Daly was on the selection committee.

26. In addition to Northeast, there was one other bidder (Other Bidder) for the CWMP RFP.

27. As a member of the selection committee, Daly scored Northeast and Other Bidder on seven "tech" factors.

28. O'Boyle knew or had reason to know that Daly scored the bids.

29. Daly, in scoring the CMWP RFP bidders on tech, unfairly favored

Northeast.

30. Due in part to Daly's scores, Northeast received a higher average tech score than Other Bidder.

31. O'Boyle knew or had reason to know that Daly, in scoring the bids for tech, would unfairly favor Northeast.

32. Daly was involved in other aspects of the procurement process for the MBTA CWMP contract (CWMP Contract).

33. O'Boyle knew or had reason to know that Daly was involved in other aspects of the procurement process for the CWMP Contract.

34. A matrix created by the MBTA calculated each bidder's total price for the CWMP Contract, based on the bidder's price inputs for individual services required under the contract.

35. Throughout the procurement process, Northeast's total price changed.

36. Throughout the procurement process, Northeast's total price decreased.

37. Daly and other members of the procurement team met with staff from Northeast, including O'Boyle, on May 21, 2019.

38. In or around June 2019, the MBTA awarded Northeast the CWMP Contract for three years at over \$1.3 million per year with two one-year options.

Northeast's Assistance from Daly on the CWMP Contract

39. Throughout the CWMP Contract, Daly acted as an intermediary between Northeast and the MBTA.

40. O'Boyle knew or had reason to know that Daly would look after

Northeast's interests with the MBTA.

41. On August 31, 2022, Daly texted O'Boyle about a person or persons dumping bags filled with urine into a wood dumpster at the MBTA's Cabot location.

42. Daly told O'Boyle that he would investigate.

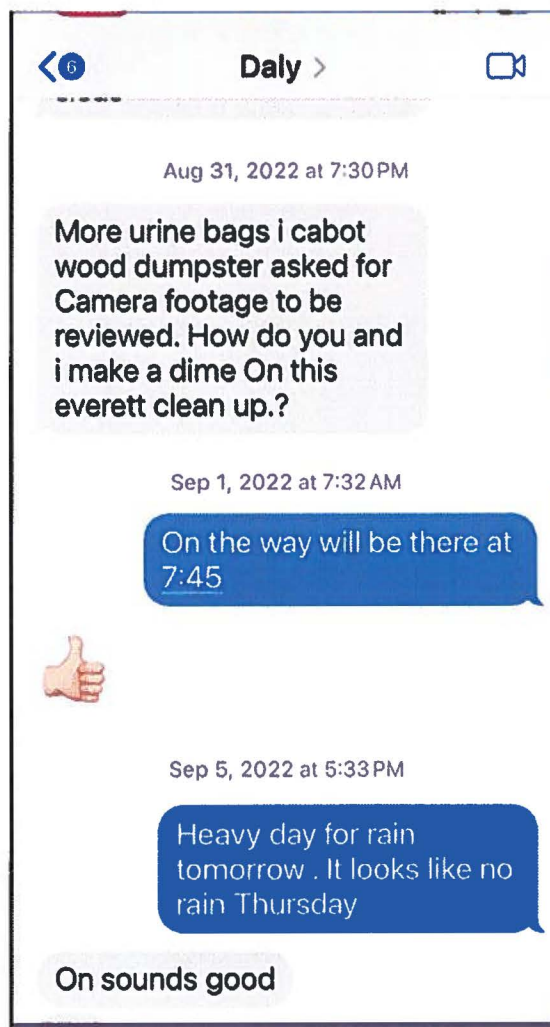
43. Daly investigated, including by requesting a review of camera footage for the area.

44. O'Boyle knew or had reason to know that, in so doing, Daly advanced Northeast's interests.

45. Daly and Northeast both stood to lose money from the urine bag contamination of the wood dumpster.

46. This was because the urine bags cut into the efficiencies of single-stream wood recycling.

47. Daly wrote to O'Boyle: "More urine bags i [sic] cabot wood dumpster asked for Camera footage to be reviewed. How do you and i make a dime On this Everett clean up?"



48. More than once during the CWMP Contract, Daly offered to O'Boyle that he could put pressure on MBTA staff to pay Northeast's invoices faster.

49. O'Boyle knew or had reason to know that in so doing, Daly was advancing Northeast's interests.

50. In 2022, Daly signed a requisition to recommend or approve the MBTA's exercise of the first option year of the CWMP Contract.

51. Daly texted O'Boyle that he signed this requisition.

52. O'Boyle knew or had reason to know that in so doing, Daly was advancing Northeast's interests.

53. In 2023, Daly signed a requisition to recommend or approve the MBTA's exercise of the second option year of the CWMP Contract.

54. Daly texted O'Boyle that he signed this requisition.

55. O'Boyle knew or had reason to know that, in so doing Daly was advancing Northeast's interests.

Northeast's Receipt of Other Companies' Bids for an MBTA Procurement for Disposal of Orange Line Cars

56. In 2022, the MBTA issued an RFP for the disposal of Orange Line cars.

57. June 1, 2022 was the estimated date for contract execution for this procurement.

58. On that day, Daly texted O'Boyle: "I have that flash drive with those three bids on it and I can drop off let me know."

59. O'Boyle texted back: "Sure I just got back."

60. Later that day, Daly texted O'Boyle: "Hey dropped off the flash drive...."

61. Bids on an open procurement are confidential.

62. O'Boyle knew or had reason to know that such bids are confidential.

63. Daly gave O'Boyle the bids via flash drive to keep the exchange of information a secret.

64. O'Boyle knew or had reason to know that Daly delivered the bids to him via flash drive to keep the exchange of information a secret.

65. O'Boyle knew or had reason to know that his receipt of the bids provided

Northeast with a competitive advantage over and unavailable to other companies.

Northeast's Receipt of Assistance from Daly on MBTA Procurement for Grade Crossing Rubber Disposal

66. In 2023, the MBTA issued an Invitation For Bids (IFB) for the disposal of grade crossing rubber.

67. After the MBTA published this IFB, Daly emailed an MBTA Procurement Manager on March 9, 2023, telling him that Northeast “would be interested in participating” and that rubber was in Northeast’s contract “as a line item for disposal.”

68. Daly then forwarded this email and other internal MBTA emails to O’Boyle.

69. Daly texted O’Boyle about those emails on the same day.

70. On April 5 and 6, 2023, Daly sent O’Boyle the following text messages in succession:

I dont have the price written down anywhere from keolis...

Just sent you email on some rubber facts and after speaking with Christine she told me what janis is looking for.

Also sent link to MaDep regs on solid waste

Ian added an addendum to the rubber spec that prior to the contract being executed that a site visit is required

71. O’Boyle knew or had reason to know that in providing him with this insider MBTA information, Daly was advancing Northeast’s interests.

72. The MBTA awarded the rubber disposal rights to Northeast by purchase order, as Daly suggested in his March 9, 2023 email to the MBTA Procurement Manager.

73. As of February 2025, the MBTA had paid Northeast more than \$13,000

for this rubber disposal, out of a \$16,000 purchase order, on top of the CWMP contract.

74. O'Boyle knew or had reason to know that Daly steered the MBTA grade crossing rubber disposal rights to Northeast.

MBTA Request for Information and Planning for Subsequent Comprehensive Waste Management Contract

75. In 2023, the MBTA issued Request for Information (RFI) number 224-23.

76. This RFI was for "Waste-Recycle management."

77. On November 27, 2023, O'Boyle texted Daly: "We should talk about a time and place to sit and talk about a response to the RFI."

78. Daly responded: "All good, ill [sic] get a draft response done and send to you, im [sic] going to focus on what is now for each waste stream and how to make them better, for T and you."

79. Daly and O'Boyle met on December 19, 2023 at Mary Ann's in Derry, New Hampshire to write Northeast's response to the RFI together.

80. On December 27, 2023, O'Boyle texted Daly, asking: "Hi Tom you happen to see or hear what [competitor's] responses were to the questions or any feedback on ours?"

81. Daly replied that he had not, but that O'Boyle could have a member of his staff follow up with staff at the MBTA.

82. The next day, Daly texted O'Boyle: "Hey, I just sent forwarded [sic] you an email which is [competitor's] response I haven't read [it] but I'll take a look when I get a minute."

83. O'Boyle knew or had reason to know that Daly provided him with the

competitor's response as an advantage for Northeast.

The Next CWMP Contract

84. The CWMP Contract expired in June 2024, after the MBTA had exercised the two one-year options.

85. The MBTA retained Northeast to perform waste management services in July 2024 and beyond.

86. The MBTA is still developing a successor CWMP procurement.

87. Prior to his retirement, Daly was working on this successor CWMP procurement.

88. In 2023, Daly worked to rig this successor CWMP procurement in favor of Northeast.

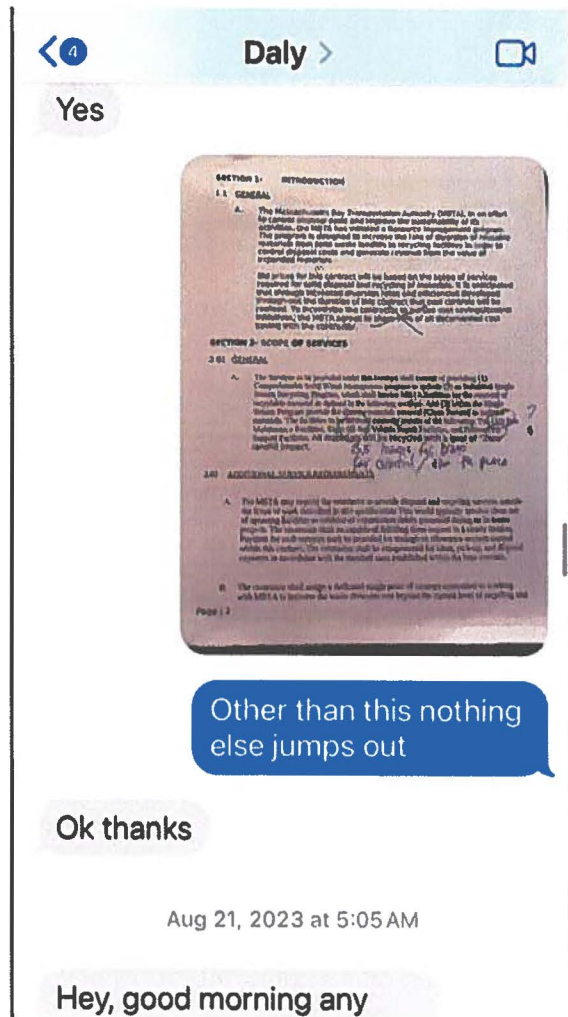
89. O'Boyle knew or had reason to know that Daly worked to rig the successor CWMP procurement in favor of Northeast.

90. On February 15, 2023, Daly wrote: "Hey good morning just sent an email to you and [Northeast staff member] with the list of facilities. I'm working on the waste spec double check it when you can, let me know if I missed something [or] I need to add something to it. I should have a good spec probably middle of next week that you can start to review. I want to keep it simple but confusing."

91. O'Boyle knew or had reason to know that Daly wanted to make the specifications for the successor CWMP procurement "simple but confusing" to favor Northeast.

92. O'Boyle knew or had reason to know that Daly provided Northeast and/or

95. Daly replied: "Ok thanks."



96. O'Boyle had obtained the original language from Daly.

97. O'Boyle provided such edits to the specification language for the successor CWMP procurement to Daly to obtain a competitive advantage for Northeast.

Northeast's Payments and Other Things of Value to Daly

98. From March 2020 through September 2023, Northeast paid Daly more than \$81,000 through a series of more than 40 checks.

99. Neither Northeast nor Daly have any invoices which correspond to these payments to Daly.

100. Northeast made these payments to Daly for his actions as an MBTA Environmental Compliance Manager in connection with Northeast, including as described above in paragraphs 14-97.

101. In or around 2021 and 2022, O'Boyle provided Daly with use of Northeast's company discount at Home Depot to buy materials for his personal use.

102. In December 2022, O'Boyle texted Daly that his significant other, who owned a spa in New Hampshire, had a gift certificate for Daly to try salt therapy.

LAW

103. Section 4(b) of the conflict of interest law prohibits a person from knowingly, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly giving, promising, or offering compensation to any state employee in relation to any particular matter in which the commonwealth or a state agency is a party or has a direct and substantial interest.

104. Northeast was, at all relevant times, a person for purposes of the conflict

of interest law, G.L. c. 268A.

105. As an MBTA Environmental Compliance Manager, Daly was, at all relevant times, a state employee as defined by G.L. c. 268A, § 1(q).

106. Pursuant to G.L. c. 268A, § 1(a), compensation is any money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by himself or another.

107. Pursuant to G.L. c. 268A, § 1(k) a contract, decision, recommendation, or submission is a particular matter.

108. The MBTA is a state agency pursuant to G.L. c. 268A, § 1(p).

109. The decision to award the CWMP Contract to Northeast was a particular matter in which the MBTA had a direct and substantial interest.

110. The MBTA was a party to the CMWP Contract, itself a particular matter under section 1(k) of the conflict of interest law.

111. The MBTA's decisions to issue the 2022 RFP, the 2023 IFB, and the 2023 RFI were particular matters in which the MBTA had a direct and substantial interest.

112. As described above in paragraphs 98-100, Northeast paid Daly over \$81,000 from March 2020 through September 2023 via over 40 checks.

113. Northeast knowingly gave, promised, or offered Daly this compensation in relation to the assistance and/or insider information he provided to Northeast on the

CWMP Contract and/or MBTA procurements which comprised these particular matters.

114. Daly's receipt of this compensation was not as provided by law for the proper discharge of his official duties as an MBTA Environmental Compliance Manager.

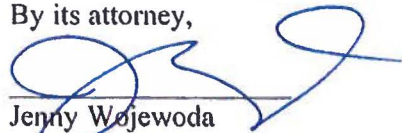
115. Therefore, by giving, promising, or offering compensation to Daly from 2020 to 2023 in relation to the MBTA's decision to award the CWMP Contract, the CWMP Contract itself, and/or the MBTA's decision to award the 2022 RFP, the 2023 IFB, and/or the 2023 RFI, Northeast repeatedly violated G.L. c. 268A, § 4(b).

WHEREFORE, Petitioner asks that the Commission:

1. find that Northeast Material Handling, Inc. violated G.L. c. 268A, § 4(b); and
2. levy such fines, issue such orders, including for damages and/or restitution pursuant to G.L. c. 268A, § 9, and grant such other relief as may be appropriate.

Respectfully submitted,

Petitioner State Ethics Commission
By its attorney,



Jenny Wojewoda
Assistant Enforcement Counsel
Enforcement Division
State Ethics Commission
One Ashburton Place, Room 619
Boston, MA 02108
(617) 371-9500
BBO# 674722
Jenny.L.Wojewoda@mass.gov

Date: May 21, 2025