



The Commonwealth of Massachusetts
Office of the Inspector General

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Ms. Navjeet K. Bal
Commissioner
Massachusetts Department of Revenue
100 Cambridge Street
Boston, MA 02114

Mr. David B. Perini
Commissioner
Division of Capital Asset Management
One Ashburton Place
Boston, MA 02108

Dear Commissioners:

The purpose of this letter is to bring to your attention certain information pertaining to Thomas W. Hannigan, an elected Water Commissioner for the Joint Abington/Rockland Water Works; Gregory K. Thomson, the former Superintendent of the Rockland Sewer Department; and Albanese Brothers Inc., Dracut, Massachusetts. The information pertaining to Messrs Hannigan and Thompson raises questions concerning whether they reported certain amounts of money they received in 2002 as income on their 2003 tax returns. The information pertaining to Albanese Brothers Inc. raises questions concerning whether this company should continue to receive certification from the Division of Capital Asset Management (DCAM) which would allow them to continue to bid on state and municipal construction jobs within the Commonwealth. The basis of our concerns regarding these individuals/entity is set forth below.

Report of a Confidential Source

A confidential source (source) informed a Senior Investigator of this Office that, a number of checks drawn on the bank account of Thomas W. Hannigan were deposited into former Town of Rockland (Town) Sewer Superintendent Gregory Thomson's checking account. The source advised that these checks amounted to approximately \$21,000.00. Thomas W. Hannigan is an elected member of the Abington/Rockland Joint Water Works Board of Commissioners. It was the belief of the source that Hannigan was hired by a sub contractor who performed work for the Rockland Sewer Department. The source further expressed the belief that the sub contractor furnished to Hannigan proceeds from Town payments to the sub contractor and Hannigan passed them on to Thomson. Source advised that in effect, Hannigan was a conduit for payoffs to Thomson by the sub contractor.

Initiation of Investigation

Based upon the serious nature of the information provided by the confidential source and the fact that Gregory Thomson's penchant for engaging in serious criminal activity in connection with his official duties as Rockland Sewer Superintendent was well known to this Office, I authorized an investigation of the source's allegations to commence. At the outset of our investigation, this Office knew that Gregory Thomson had been indicted by a Plymouth County grand jury for embezzling thousands of dollars of Town funds while serving as Sewer Superintendent. Thomson subsequently pleaded guilty to the embezzlement charges and received a two and one half year prison sentence (18 months suspended). A current official at the Rockland Sewer Department has informed this office on 10/31/07 that Thomson is known to have embezzled approximately \$335,000 dollars in Town funds while serving as Sewer Superintendent.

Review of Thomas W. Hannigan's Bank Records

Based upon the information provided by the source, this Office issued a subpoena for Thomas W. Hannigan's bank account information which was located at the Rockland Trust bank. A review of Hannigan's Rockland Trust checking account information, maintained under account number 4-716-451 disclosed the following significant information:

- Check # 1047, signed Thomas Hannigan, payable to Greg Thomson, dated on or about 1/11/00, amount \$900.00.
- Check # 1059, signed Thomas Hannigan, payable to Greg Thomson, dated 2/10/00, amount \$2000.00.
- Check # 1098, signed Thomas Hannigan, payable to Greg Thomson, dated 5/22/00, amount \$7800.00.
- Check # 1125, signed Thomas Hannigan, payable to Greg Thomson, dated 7/13/00, amount \$2000.00.
- Check # 1158, signed Thomas Hannigan, payable to Greg Thomson, dated 8/29/00, amount \$1000.00.
- Check # 1159, signed Thomas W. Hannigan, payable to Thomas W. Hannigan, dated 8/31/00, amount \$5000.00.
- Check # 1161, signed Thomas W. Hannigan, payable to Gregory Thomson, dated 9/6/00, amount \$13,000.

The total amount of money paid to Thomson from Hannigan for the time period of January to September 2000 was \$26,700.00. Records provided by Rockland Trust show that on 5/15/00 check # 1757, drawn on the account of Albanese Brothers, Inc., 28 Loon Hill Road, Dracut, MA at Eastern Bank was paid to T. W. Hannigan Company in the amount of \$12,000. This check was signed by Marco Albanese. On 5/18/00, Hannigan deposited this check into his Rockland Trust account. Four days later, on 5/22/00, Hannigan wrote check # 1098, in the amount of \$7800.00 from his Rockland Trust account to Greg Thomson. During the time that these financial transactions occurred, Albanese Brothers, Inc. was in the process of performing a significant Sanitary Sewers and Appurtenant Work contract for the Rockland Sewer Department. It should be noted that the beginning balance for Hannigan's account for the month of May, 2000 was \$2,094.24 and the ending balance for the month of May 2000 was \$2,194.67. This demonstrates that a major portion of the money deposited into the account by Hannigan came from Albanese Brothers, Inc. Likewise, the major source of the money paid to Thomson from Hannigan's account came from Albanese Brothers, Inc as well.

The contract between the Town and Albanese Brothers, Inc. was documented as contract 99-1 and was in the amount of \$574,959.15. Albanese Brothers, Inc. submitted a sealed bid to the Town of Rockland pertaining to contract 99-1 on August 25, 1999 and was subsequently awarded the contract as low bidder. Along with their bid, they submitted a "Certificate of Non-Collusion" signed by Albanese brothers, Inc. President Marco Albanese. This document certified under "penalties of perjury" that no collusion or fraud took place with regard to the bid. Contract 99-1 was executed between the Town and Albanese Brothers, Inc. on January 4, 2000. Town records show that Gregory Thomson, acting as Sewer Superintendent, approved numerous progress payments to Albanese Brothers between January and September 2000.¹

Further review of Hannigan's Rockland Trust bank records disclosed that Albanese Brothers, Inc. issued check # 1961 in the amount of \$15,000.00 dollars to T. W. Hannigan Co. for the "Rockland Job." The check was dated 8/30/00 and appeared to be signed by Marco Albanese. On the following day Hannigan deposited that check into his Rockland Trust account. Significantly, a few days later, Hannigan issued check # 1161, dated 9/6/00, payable to Greg Thomson in the amount of \$13,000.00. It should be noted that records of the Town reflect that on 9/15/00 Gregory Thomson, acting as Rockland Sewer Superintendent approved a final payment to Albanese Brothers, Inc. for their work on sewer contract 99-1 in the amount of \$41,736.94.

Hannigan's Rockland Trust bank records show check # D45183 issued by the Town, dated 8/31/00, payable to T. J. Hannigan Co., in the amount of \$2557.50. Hannigan's Rockland Trust account further reflects that on 9/1/00 the bank posted check # 1158 written by Hannigan to Greg Thomson in the amount of \$1000.00. On 10/31/07, an official of the Rockland Sewer Department provided to this Office, copies of Town records regarding Town check # D45183. The records reflect that T. W. Hannigan Co. was hired by the Rockland Sewer Department on 8/2/00 to install a sewer pump and connect a sewer line from the street to a private residence located at 548 Webster Street, Rockland, Massachusetts. The records further reflect that this payment to Hannigan was authorized by Gregory Thomson, Rockland

¹ Town records disclose that Albanese Brothers, Inc. had another contract (96-1) with the Rockland Sewer Department during the time frame of 1997-1999. Contract 96-1 was in the amount of approximately 1.5 million dollars. Gregory Thomson approved numerous Town payments to Albanese Brothers under contract 96-1.

Sewer Department Superintendent, on 8/23/00, pursuant to Town purchase order 16870. The money used to pay Hannigan for this work was taken from the Town appropriation for contract 99-1. This contract involved the sewer work performed for the Rockland Sewer Department by Albanese Brothers Inc. The Rockland Sewer Department official that provided the records to this Office stated that he could not understand why Greg Thomson hired Hannigan to perform work on a private residence and pay him with public funds appropriated for a public sewer project.

It is interesting to note that the balance of Hannigan's Rockland Trust account on 8/30/00 was only \$942.60. That balance rose significantly with his deposit of the \$15,000.00 check from Albanese Brothers Inc. and the \$2557.50 check from the Town. During the identical time frame, as described above, Hannigan issued two checks directly to Thomson for \$13,000.00 and \$1000.00 respectively. There can be no doubt that the money paid to Thomson came directly from the payments Hannigan received from Albanese Brothers Inc. and the Town.

In addition to the above, it should be noted that Rockland Trust records reflect that on or about 8/31/00 Hannigan wrote check # 1159 to himself from his account in the amount of \$5000.00. This check was written on the same day that Hannigan deposited the \$15,000.00 check from Albanese Brothers and the \$2557.50 check from the Town into his Rockland Trust account. It is clear that a significant portion of the \$5000.00 Hannigan withdrew for himself as described above came from Albanese Brothers Inc. and the Town of Rockland.

In summary, between January and September 2000, Thomas Hannigan, an elected Commissioner of the Abington/Rockland Joint Water Works, issued six checks to Gregory Thomson, Superintendent of the Rockland Sewer Department in the amount of \$26,700.00. Two of these checks, #1098 and #1161 total \$20,800.00. These two checks were issued to Thomson by Hannigan, immediately after Hannigan received payments of \$12,000.00 and \$15,000.00 from Albanese Brothers, Inc. During that identical time period, Albanese Brothers Inc. was performing a large sewer contract for the Rockland Sewer Department and Thomson was approving regular payments to Albanese Brothers Inc. for their work on the sewer contract. A third check, # 1158, in the amount of \$1000.00 was given to Thomson by Hannigan immediately after Hannigan received a check from the Town in the amount of \$2,557.50 for work he did for the Rockland Sewer

Department. Our review of Hannigan's bank records appears to provide substantial corroboration for the report of the confidential source set forth earlier in this letter.

Interviews with Thomas W. Hannigan

An Investigator from this Office interviewed Detective Sergeant John Wentworth, Rockland Police Department concerning his knowledge of the checks issued to Thomson by Hannigan. Sergeant Wentworth was the principal investigator regarding the embezzlement of Town funds by Thomson which resulted in Thomson's conviction. Sergeant Wentworth advised that during the Thomson embezzlement investigation, he discovered five checks, totaling \$18,900.00 that were drawn on Hannigan's Rockland Trust account and were payable to Greg Thomson. The five checks are included among the Hannigan Rockland Trust checks described previously in this letter. They include #1161(\$13,000.00); #1158(\$1000.00); #1059(\$2000.00); #1125(\$2000.00) and #1047(\$900.00).

Sergeant Wentworth advised that he spoke to Thomas Hannigan about these checks during his investigation regarding Thomson's embezzlement of Town funds. Hannigan informed him that the checks were for repayment of a loan Thomson made to him; for payment to Thomson for electrical work Thomson did for him; and for work Thomson did on Hannigan's barn. A review of check #1161 payable to Thomson from Hannigan, dated 9/6/00, in the amount of \$13,000.00, shows on the check that it was for "Repayment of loan." Check #1125 payable to Thomson by Hannigan, dated 7/13/00, in the amount of \$2000.00, shows on the check that it was paid for "work on barn." Check #1059 payable to Thomson by Hannigan, dated 2/10/00, in the amount of \$2000.00 shows that it was for "Electrical" work.

Thomas W. Hannigan was interviewed by investigators from this office at the Abington/Rockland Joint Water Works. Hannigan advised that he is a Water Commissioner for the Abington/Rockland Joint Water Works and also owns the T.W. Hannigan Company in Rockland. He stated that his company is an excavation contractor which replaces water lines and makes sewer connections. He stated that he has done work for P. A. Landers Company as a subcontractor² but claimed that he had done no work for any

² Hannigan advised that P. A. Landers won the contract to expand the Town of Rockland's reservoir in 2000.

other contractor that was associated with the Towns' of Rockland or Abington. It should be noted here that Hannigan failed to disclose that he had an apparent work relationship with Albanese Brothers Inc. from which he received a total of \$27,000.00 between May and September, 2000.

Hannigan stated that he has known Greg Thomson for many years. He stated that Gregory Thomson had never done any work for him with the exception of inspecting smoke detectors in Hannigan's home. He stated that he did not pay Thomson for the inspection. He stated that Thomson never did any other work for him on his (Hannigan's) home. Hannigan advised that he borrowed \$5000.00 or \$6000.00 from Thomson in or about the year 2000. He advised that Thomson gave him the money in cash. He stated that this was the only money that he ever borrowed from Thomson.

Hannigan was shown a copy of his Rockland Trust check #1161, dated 9/6/00, payable to Greg Thomson in the amount of \$13,000.00. Hannigan advised that this check was given by him to Thomson as a donation to assist Thomson in purchasing Christmas trees. Hannigan explained that Thomson was soliciting donations from local contractors to buy Christmas trees. Thomson told him that the Christmas trees would then be sold and the proceeds would be donated for the construction of an in-line skating rink for the children in Rockland. An investigator pointed out to Hannigan that the check #1161 had written on it "Repayment of loan." and asked him to explain. Hannigan responded that he could not recall the reason that he wrote that on the check. Hannigan denied giving any other donations to anyone for any reason.

Hannigan was shown check #1125, payable to Thomson in the amount of \$2000.00. This check had written on it "Work on barn." Hannigan could not recall the reason he wrote the check. Likewise, he was shown check #1059, payable to Thomson in the amount of \$2000.00. This check had written on it the word "Electrical." He stated that it might have been given to Thomson as payment for inspecting smoke detectors in Hannigan's home. Earlier, in the same interview Hannigan told the investigators that he did not pay Thomson for inspecting the smoke detectors in his (Hannigan's) home.

Hannigan was shown check #1158, payable to Thomson in the amount of \$1000.00. Hannigan said that the check might have been given to Thomson as a donation for the skating park. Earlier, in the same interview, Hannigan stated that other than the \$13,000.00 donated to Thomson for the Christmas

trees that were to be sold to help construction of the skating rink, he had not donated anything else to anyone for any reason. Hannigan was shown check #1047, payable to Thomson in the amount of \$900.00. He stated that he could not recall the reason he gave this check to Thomson. After this interview, Hannigan retained counsel and this office had no further meetings with him.

Analysis of Thomas Hannigan's Statements

In summary, when Hannigan was initially questioned by Detective Wentworth regarding the reason as to why he gave the checks to Thomson, he explained that he did so to repay a loan; to pay Thomson for electrical work he did for Hannigan; and to pay Thomson for work Thomson did on his (Hannigan's) barn.

Later during interview with this Office, Hannigan's explanation for the payments to Thomson dramatically changed. With respect to the \$13,000.00 check he gave to Thomson, he explained that Thomson had solicited it from him to purchase Christmas trees in order to build an in-line skating rink for children. This was his story in spite of the fact that the check itself contains the notation in his handwriting, "Repayment of loan." Hannigan was unable to explain the contradiction when asked to do so. Moreover, his explanation to Detective Wentworth that one of the reasons for the payments to Thomson involved repayment of a loan falls by its own weight when considered in the light of his statement to investigators of this Office. Specifically, Hannigan informed this Office that he borrowed \$5000.00 or \$6000.00 thousand dollars from Hannigan in or about 2000 and this was the only money he ever borrowed from Thomson. However, the check for \$13,000.00 to Thomson was earmarked by Hannigan as "Repayment of loan." This amounts to seven or eight thousand dollars more than Hannigan claimed to have borrowed from Thomson.

Hannigan's statement to Detective Wentworth that some of the payments to Thomson were for electrical work and for work Thomson performed on his barn is directly contradicted by statements he made to investigators of this office during a subsequent interview. Specifically, Hannigan stated that, with the exception of inspecting smoke detectors in Hannigan's home, Thomson had never done any work on Hannigan's home. Hannigan stated that he did not pay Thomson for this inspection and never employed Thomson for any purpose.

Further, as described above, Hannigan contradicted himself several times during his interview with investigators of this Office. First, he claimed that, other than his claimed donation of \$13,000 to Thomson for Christmas trees, he never donated anything else to anyone for any reason. Shortly thereafter, when shown his check payable to Thomson for \$1000.00, he claimed that it might have been a donation for the skating park. Secondly, Hannigan initially told investigators that he did not pay Thomson for inspecting smoke detectors in his home. Later when shown his check payable to Thomson for \$2000.00, he claimed that it might have been given to Thomson for inspecting the smoke detectors. Finally, Hannigan claimed that he had done work for P.A. Landers but denied working for any other contractor that was associated with the Towns' of Rockland or Abington. He made this statement with full knowledge that he had received two large payments, totaling \$27,000.00, from Albanese Brothers Inc. who had a major sewer contract with the Town of Rockland during the time he received the payments.

It must not be forgotten that a large portion of money paid to Thomson by Hannigan had its origin with Albanese Brothers Inc. As mentioned above, between January and September 2000, Gregory Thomson, acting in his capacity as Rockland Sewer Superintendent, approved numerous large payments to Albanese Brothers Inc. for work they performed for the Rockland Sewer Department pursuant to contract 99-1.

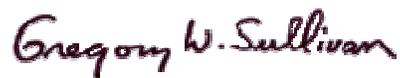
Conclusions and Recommendations

This investigation was initiated upon the report of a confidential source who expressed the belief that Thomas Hannigan, an elected public official, was a conduit for kickbacks from a private contractor, doing business with the Rockland Sewer Department, to Gregory Thomson, the Rockland Sewer Superintendent. The investigation that followed provided corroboration for the report of the confidential source. The explanations provided to investigators by Hannigan regarding the reasons for payments from Hannigan to Thomson were replete with material contradictions. This office is prohibited by law from disclosing the details of our contacts with Gregory Thomson and officials from Albanese Brothers Inc. No criminal prosecution of the parties involved in this matter is currently possible because the criminal statute of limitations (federal and state) has run.

This Office recommends that the Massachusetts Department of Revenue conduct audits regarding the 2003 tax returns of Thomas W. Hannigan, Hannigan's company (T. W. Hannigan Co.) and Gregory K. Thomson. The purpose of the audits would be to determine whether the above described payments made to Hannigan by Albanese Brothers, Inc. in 2002 and payments made to Thomson from Hannigan in 2002 were reported as income on their respective tax returns.

This Office has been in contact with a DCAM official who advised that Albanese Brothers Inc. is currently certified by DCAM to perform work on governmental construction projects within the Commonwealth. This Office recommends that DCAM review the current certification that it has given to Albanese Brothers Inc. DCAM should conduct its review to ascertain whether, in light of the information set forth in this letter, it is appropriate for Albanese Brothers Inc. to continue to receive DCAM certification to perform government construction work within the Commonwealth. This Office stands ready to assist your agencies in whatever way is necessary and appropriate to complete your audit and review. Please feel free to contact Deputy Inspector General Michael Callahan or Senior Investigator James Lavin if you need further assistance.

Sincerely,



Gregory W. Sullivan.
Inspector General

Cc: John Loughlin, Superintendent, Rockland Sewer Department
Mary Parsons, Chairman, Rockland Board of Selectmen
Robert E. Wing, Chairman, Abington Board of Selectmen