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## Hotline Call to OIG Results in Assembly Square Station Contractors Paying More Than \$420,000 for Submitting False Claims to the MBTA, February 2017

A New Hampshire-based general contractor and one of its subcontractors have agreed to pay more than \$420,000 for submitting false and inflated payment requests in connection with construction of the Assembly Square Station on the Massachusetts Bay Transportation Authority's (MBTA) Orange Line in Somerville.

S&R Construction Enterprises, S&R president Stephen Early, subcontractor A&S Electrical LLC and its manager, Gregory Lane, agreed to resolve allegations that they violated the Massachusetts False Claims Act by knowingly submitting false and inflated pay estimates to the MBTA in order to get paid earlier than they were entitled to under their contract. In addition, S&R Construction and A&S Electrical are barred from bidding on and accepting new public contracts in Massachusetts for five years and one year, respectively.

The case began with a call to the OIG's Fraud Hotline. The OIG's investigation found evidence that both S&R and A&S were submitting inflated bills to the MBTA to front load their payments for the Assembly Square project. The OIG referred the case to the Attorney General's False Claims Division and assisted with the investigation that lead to the \$420,380 settlement.

For additional information about the settlement, see the Attorney General's Office's press release at: <u>Contractors for Assembly Square Station in Somerville to Pay More Than \$420,000 for Submitting False Claims.</u>