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HEADLINE: New details emerge in FBI's kickback sting on Broward School Board;
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BODY:

At the Broward County school district, he was known as Pat Foster, a straight-laced asset manager trying to secure contracts for a client list that included a Hialeah glass company.

But his name wasn't Foster, and he wasn't a businessman. He was an undercover FBI agent who spent more than a year sniffing out the backroom dealmaking at the School Board.

From interviews and public records, new details have emerged describing how this agent immersed himself in the back-slapping politics and bureaucracy of school construction, in a probe that ultimately led to the arrest last month of School Board member Beverly Gallagher on bribery charges -- with more arrests expected.

Gallagher has pleaded not guilty. She is scheduled to appear in federal court on Friday.

Using the name Foster, the undercover agent told schools officials he worked for a company called Le Bec Asset Management, and said he represented contractors seeking work at the school district.

In January 2008, Foster approached Gallagher and asked for her help on behalf of a client, Continental Glass Systems of Hialeah. At the time -- and at the agent's urging -- the company was trying to get qualified as a contractor on future district projects.

The agent paid Gallagher \$2,000 after she agreed to "work behind the scenes" for the glass company, according to the criminal complaint. Gallagher stuffed the money in her doggie bag after meeting the agent for lunch at a Plantation restaurant, the complaint says.

Le Bec was a front: The office suite listed as its corporate address is actually a post office box in a Davie strip mall. Continental Glass, however, is real; company executives say they met the man known as Foster a handful of times, but they never knew their company name was being used in the FBI sting.

"My clients had no idea their names were being used in this way," said Peter Heller, a lawyer for Continental Glass. "We didn't give any money to anybody."

INTRODUCTIONS

New details emerge in FBI's kickback sting on Broward School Board; BY SCOTT HIAASEN AND PATRICIA MAZZEI The Miami Herald October 22, 2009 Thursday

But Gallagher knew about Continental Glass: On Jan. 22, 2008, she made a note in her electronic calendar to call schools construction chief Michael Garretson about Continental's application, records show.

On Feb. 20 -- five days after Gallagher allegedly received the \$2,000 payoff -- Garretson met with the undercover agent, records show. That same day, Continental's application was scheduled for review at a School Board meeting. Garretson's staff recommended the board decline Continental's application until the company supplied more information, and the board agreed. (Gallagher was absent from the meeting.)

Between March and June 2008, Garretson met three more times with the man he knew as Pat Foster about the Continental application, according to the construction chief's calendar. Garretson said he suspected there was something amiss about Foster: The construction chief said he could find no background information on Le Bec, and the glass company's application continued to run into technical problems.

"There was no substance. There was no there there," Garretson said of his discussions with Foster. But Garretson said he never suspected the man was a federal agent. Garretson has not been accused of wrongdoing.

CONTRACTOR TALKS

The managers of Continental Glass were no less baffled by Foster.

Another contractor introduced Foster to Continental's executive director, Oskar Valmana, and others at the company around November 2007. Valmana said the contractor and Foster encouraged Continental to apply for school district work.

"He said he was going to help us," Valmana recalled. "There are a lot of contracts we could take advantage of coming out of that board."

Valmana said he planned to pay Foster a fee out of any school district contracts the company received. But the undercover agent never discussed using kickbacks to get contracts, he said.

"We didn't do anything wrong," Valmana said.

With Foster's assistance, Valmana filed the papers with the School Board to get qualified as a contractor. Foster sent Valmana an e-mail on Feb. 20 -- the same date that Foster met with Garretson -- saying the company would be qualified by the end of the month, Valmana said.

But Valmana never heard from Foster again. Valmana said he assumed Foster failed to get the company approved, and he simply forgot about the arrangement. "They didn't bring anything, and I never saw anything," Valmana said.

Continental's owners and lawyer say the FBI has unfairly smeared the company's name by using Continental as a prop in the sting. The FBI declined to comment for this article because the investigation is still ongoing.

The investigation took a new course in the fall of 2008, when Foster told Gallagher he was representing a new client, an unnamed construction company seeking work as a subcontractor on school building jobs.

Before Christmas last year, the agent invited Gallagher to a party on a cruise along the Intracoastal Waterway on a yacht, and told her to bring along influential people who could help get construction companies work. Along with Gallagher, the guest list included School Board member Phyllis Hope, Sunrise City Commissioner Sheila Alu -- who was secretly acting as an FBI informant -- and Bill Ellis, a vice president with James B. Pirtle Construction Co., one of the school district's largest contractors.

'ON BOARD'

According to the criminal complaint, Gallagher assured Foster that Ellis was "on board" to hire Foster's client as a subcontractor to a \$71 million construction project at Hollywood Hills High School -- a project later scrapped.

The undercover agent known as Pat Foster paid Gallagher another \$10,500 in kickbacks for her role on the construction company's behalf, the criminal complaint says.

Miami Herald staff writer Hannah Sampson contributed to this story.

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