



Department of Justice

FOR IMMEDIATE RELEASE
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**MASSACHUSETTS PAVING COMPANY AND ITS
PRESIDENT INDICTED FOR FRAUD**

WASHINGTON, D.C. -- A federal grand jury in Boston today indicted a Massachusetts firm and its owner for participating in a conspiracy to use a front company to obtain minority business contracts on federally funded construction work at three New England airports.

Richard T. Singleton of Manchester, Massachusetts, and his firm, Sealcoating Inc. of Hingham, Massachusetts, were charged with conspiring to defraud the United States and submitting false statements in a conspiracy that began in October 1988 and continued through July 1992, according to the Department of Justice's Antitrust Division.

Count one of the indictment charges that Singleton and Sealcoating participated in a conspiracy to defraud the United States in connection with the administration of Disadvantaged Business Enterprise programs by the U.S. Department of Transportation on construction projects. Disadvantaged Business Enterprise firms must be owned and controlled by one or more minorities or women. The Transportation Department designates a

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certain percentage of federal funds for contracts to certified Disadvantaged Business Enterprise firms.

The indictment charges that Singleton and Sealcoating obtained subcontracts intended for certified Disadvantaged Business Enterprise firms by using a front company to pass through those subcontracts to Sealcoating.

The indictment also charges Singleton and Sealcoating with three counts of making false statements in connection with obtaining and performing three contracts on federally funded New England airport projects.

Count two charges the defendants with submitting a false statement on or about April 24, 1990, to the City of Concord, New Hampshire, and the Department of Transportation involving a project for emulsified asphalt slurry seal and sawed control joints at the Concord Municipal Airport.

Count three charged the defendants with submitting a false statement on or about March 24, 1992, to the Martha's Vineyard Airport involving a project at the airport.

Count four charged the defendants with submitting a false statement on July 8, 1992, to the Lawrence Municipal Airport Commission and the Department of Transportation involving crack repair, micro-surfacing and pavement markings at Lawrence Municipal Airport.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges arose in connection with

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a federal grand jury investigation into collusive and fraudulent practices by asphalt paving companies in New England. The investigation is being conducted by the Antitrust Division's New York Field Office with the assistance of the United States Department of Transportation and is continuing.

The Department of Transportation provides federal funding on construction projects to improve roads and airports. As a condition for receiving these federal funds, public entities undertaking construction projects are required to seek participation of Disadvantaged Business Enterprise firms.

The maximum penalty for an individual convicted of defrauding the United States or making false statements is five years imprisonment and a fine of \$10,000 per count.

The maximum penalty for a corporation convicted of the same offenses is a fine of \$10,000 per count.

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