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**FORMER STATE SENATOR THOMAS BROMWELL PLEADS GUILTY TO RACKETEERING
CONSPIRACY AND FILING A FALSE TAX RETURN****Agrees to Forfeit Over \$2 Million;
Mary Patricia Bromwell Pleads Guilty to Mail Fraud**

BALTIMORE, Maryland - Former Maryland State Senator Thomas L. Bromwell, Sr., age 58, of Baltimore, pleaded guilty today to racketeering conspiracy and filing a false tax return, announced United States Attorney for the District of Maryland Rod J. Rosenstein. The charges relate to former-Senator Bromwell's corrupt use of his official position and influence in exchange for payments and other benefits. Bromwell's wife, Mary Patricia Bromwell, age 44, pleaded guilty to one count of mail fraud arising from a related minority-contracting fraud scheme.

U.S. Attorney Rod J. Rosenstein said, "These convictions and the resulting sentences will send a powerful message that government officials who betray the public trust should expect to be caught, prosecuted and sentenced to serve lengthy terms in federal prison. Thomas Bromwell betrayed the citizens of Maryland by brazenly trading his political influence for money. Mary Patricia Bromwell participated fully in the scheme by taking nearly \$200,000 for a no-show job and deceiving state inspectors. Millions of dollars worth of state government contracts were affected by the corrupt scheme. Federal prosecutors and agents overcame this web of corruption, fraud and deceit through a diligent and professional investigation that has resulted in the convictions of nine defendants."

"No corrupt public servant is exempt from FBI scrutiny," stated Special Agent in Charge (SAC) William D. Chase, of the Baltimore Field Office. "This is an unfortunate event for all citizens of Maryland. It is extremely disappointing that Mr. Bromwell used his position to line his pockets, and the pockets of his friends, at the expense of the public who trusted in him. The citizens of Maryland deserve upstanding and ethical public officials serving in their state legislature. The FBI will continue to work with local, state and federal partners to combat public corruption."

Special Agent In Charge, Francis L. Turner, IRS - Criminal Investigation stated "Crimes committed by public officials violate the public trust. Part of IRS-CI's mission is to assure honest taxpayers that EVERYONE pays their fair share."

As set forth in the attached stipulated statements of facts, Thomas Bromwell, Mary Patricia Bromwell, David Stoffregen, who was the president of Poole and Kent Corporation (P&K), and others conspired to engage in a criminal money-making enterprise in which former-Senator Bromwell and Mary Patricia Bromwell accepted benefits from Stoffregen and others in exchange for Senator Bromwell using his official influence and position to intervene in business disputes on behalf of P&K. The benefits provided to the Bromwells included the following:

- \$192,923 paid to Mary Patricia Bromwell for a no-show job;
- construction work valued at more than \$85,000 on the Bromwells' home;
- the award of a \$1.3 million contract to a company that paid Bromwell to bring in business; and
- free labor and materials provided to Thomas Bromwell's construction company.

In exchange for these benefits, then-Senator Bromwell used his influence in the following ways, among others:

- to help Stoffregen and P&K win a multi-million dollar bid over a competitor with a lower bid, and thereby earn a \$1.8 million profit, on the construction of the UMMS Weinberg Building in downtown Baltimore;
- to expedite monthly payments from the Maryland Comptroller's Office to P&K for work performed on the Juvenile Justice Center project; and
- to intervene on P&K's behalf in contract payment disputes relating to the UMMS and Juvenile Justice Center projects.

The conspiracy further involved the creation of a minority front company, Namco, to obtain construction contracts for P&K. Stoffregen used the front company to disguise payments made to the Bromwells in the course of the conspiracy. Mary Patricia Bromwell posed as an employee of Namco in order to deceive state inspectors.

Thomas Bromwell also admitted that he had filed false tax returns in which he failed to report both personal and business income for the 2000 and 2001 years, and that he had made false statements to federal investigators.

As part of the plea agreement, Thomas Bromwell agreed to forfeit up to \$2,088,219 in cash and property. The Bromwells both agreed to forfeit their interest in certain financial accounts and in their Baltimore County residence.

Thomas Bromwell faces a maximum penalty of 20 years in prison for the racketeering conspiracy, and three years in prison for filing a false tax return. Mary Patricia Bromwell faces a maximum penalty of 20 years in prison for mail fraud.

The parties agreed in the plea agreement that the Sentencing Guidelines level applicable to Thomas Bromwell is 28, which would result in a sentence of 78 to 97 months (approximately 6 ½ to 8 years). The United States contends that the Sentencing Guidelines level applicable to Mary Patricia Bromwell is 19, which would result in a sentence of 30 to 37 months (approximately 2 ½ to 3 years). The judge will make the final determination about the applicable Sentencing Guidelines level. Because the Sentence Guidelines are no longer mandatory, the judge will make the final determination of what sentence to impose.

In this and related cases, Stoffregen, age 54, of Towson, Maryland, pleaded guilty on November 28, 2006 to the racketeering conspiracy, mail fraud and filing a false tax return.

Geraldine Forti, age 57, and Michael Forti, age 59, both of Maryland, pleaded guilty on September 6, 2005 to filing a false tax return which failed to report income received from labor and services provided by P&K, Forti, Poole and Kent and Namco for the construction of the Fortis' home. Michael Forti also pleaded guilty to mail fraud in connection to his participation in the Namco minority contracting fraud scheme.

Jeanie Ashfield-Testa, age 64, of Ashburn, Virginia, Stoffregen's office manager, pleaded guilty on October 20, 2006 to concealing a felony from federal law enforcement in connection with the false expense reports submitted by Stoffregen. Ashfield-Testa admitted that she failed to disclose the fraudulent expense reports or her role in altering credit card statements during an FBI interview and at her federal grand jury testimony.

David M. Jackman, age 50, of Perry Hall, Maryland, pleaded guilty on October 26, 2005 to making a false statement to the FBI, when he falsely stated that he had always intended to bill Bromwell for the P&K work performed at his residence.

James Eick, age 49, of Perry Hall, Maryland, pleaded guilty on November 18, 2005 to mail fraud in connection with kickbacks on construction projects at the downtown Baltimore building.

James B. Digman, Sr., age 63, of Forest Hill, Maryland, pleaded guilty on January 29, 2007 to lying before a federal grand jury, when he falsely denied any recollection of sending a second, back-dated invoice to the Bromwells for ductwork installed at their residence.

United States Attorney Rod J. Rosenstein commended the Federal Bureau of Investigation and the Internal Revenue Service - Criminal Investigation for their investigative work, and thanked Assistant United States Attorneys Kathleen O. Gavin and Michael J. Leotta, who are prosecuting the case.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
UNITED STATES OF AMERICA :
v. : CRIMINAL NO. JFM-05-0358

THOMAS L. BROMWELL, SR. :
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GOVERNMENT'S STATEMENT OF FACTS

If this case had proceeded to trial, the government would have offered evidence to prove the following facts.

The defendant, Thomas L. Bromwell, Sr. ("T. Bromwell" or "the defendant") was first elected to the Maryland Senate in 1983, and continued to serve in the Senate until he resigned in May 2002. From 1995 until his resignation, Bromwell was the Chairperson of the Senate Finance Committee. The Finance Committee, which was responsible for considering

proposed legislation relating to banking and financial institutions, economic and community development, health and welfare matters, insurance, and labor and employment issues, was one of the most powerful committees in the Maryland General Assembly.

As a State Senator, T. Bromwell owed a duty of honest services to the citizens and to the State of Maryland in the performance of his public duties. T. Bromwell was required to adhere to certain state laws, including Section 9-201, Md. Crim. Law, which prohibited him from demanding or receiving a bribe, fee or reward to influence him in the performance of his duties or to neglect or fail to perform his duties. Pursuant to Maryland's Public Ethics law, T. Bromwell was also required to file an annual Financial Disclosure Statement form in which he was required to disclose, among other things, his interests in any corporations or other companies, certain gifts received, debts owed to persons doing business with the State, offices, directorships and similar interests held by him or his spouse with entities doing business with the State, and places of employment for him or his spouse.

At all times relevant, the Poole and Kent Corporation and the Poole and Kent Company (collectively referred to as "P&K") was a large commercial construction company with headquarters in Baltimore, Maryland. P&K specialized in mechanical contracting work and served as the general contractor or the mechanical subcontractor on various government and private projects in the mid-Atlantic region. Prior to April of 1999, P&K was privately owned by Monumental Investment Corporation ("Monumental"). In April of 1999, EMCOR Group, Incorporated ("EMCOR"), a publicly traded Delaware corporation headquartered in Connecticut, purchased Monumental.

From the time of the EMCOR purchase until March, 2005, W. David Stoffregen was the president and chief executive officer of P&K. Prior to April of 1999, Stoffregen had been a vice-president of P&K.

Forti, Poole and Kent ("FP&K") was formed in November of 1995 with its headquarters in Baltimore, Maryland. Michael Forti ("M. Forti") was the Executive Vice-President and Chief Operating Officer of FP&K and Stoffregen was the president. M. Forti owned 35% of the company and P&K owned the remaining 65%. FP&K was a commercial construction company that performed steel work and often served as a subcontractor to P&K.

Geraldine Forti ("G. Forti") was M. Forti's wife. G. Forti owned a small commercial mechanical construction company known as Namco Services, Inc. ("Namco"). Established in about 1990, Namco was a certified woman-owned business enterprise ("WBE") under applicable state and local laws and regulations. In order to be certified as a WBE, at least 51% of the company had to be owned by a woman or group of women and a woman or group of women had to manage and control the daily operations of the business. Sometime in the mid-1990s, the defendant and M. P. Bromwell met Stoffregen. By that point in time, T. Bromwell was a prominent and powerful State Senator by virtue of his chairmanship of the Senate Finance Committee. Over the course of the next several years, T. Bromwell, Stoffregen, M. P. Bromwell, M. Forti, G. Forti, and others developed a relationship that evolved into a criminal money-making enterprise. The goals of the enterprise included conducting business through a pattern of racketeering activities, enriching the members of

the enterprise by fraudulently obtaining contracts from various corporate and government entities, and concealing T. Bromwell's participation in and enrichment from the enterprise.

I. The Corruption Scheme.

From about 1999 until about June, 2003, Stoffregen and T. Bromwell, along with other members of the enterprise, agreed that Stoffregen would provide a variety of services, funds and other things of value to the Bromwells in exchange for T. Bromwell's use of his official position and influence as a State Senator in ways that benefitted Stoffregen and P&K. The benefits and other things of value given to the Bromwells included the following:

A. Awarding of a Subcontract to Network Technologies Group.

In the spring of 1999, the Maryland Department of General Services awarded P&K the general contract for the construction of the Juvenile Justice Center ("JJC") in Baltimore, Maryland. Stoffregen knew that T. Bromwell had a sales position with a company known as Network Technologies Group ("NTG"). In order to provide a benefit to T. Bromwell, Stoffregen awarded to NTG a subcontract in the amount of \$1.3 million for security work on the project in May of 1999. Stoffregen would not have awarded that subcontract to NTG but for T. Bromwell's connection to NTG.

B. Free and Reduced Construction Services for the Bromwells' Residence.

In 2000, the Bromwells began construction of a new residence on Ravenridge Road in Baltimore County, Maryland. Stoffregen provided labor, materials and equipment for various aspects of the construction of the residence in 2000 and 2001. Stoffregen and T. Bromwell expected that P&K and related companies controlled by P&K would not bill the Bromwells for the true value of that work.

To that end, Stoffregen directed David Jackman, a P&K project manager, to post the costs for the house construction under the University of Maryland Medical System ("UMMS") project that Jackman was managing at the time. Throughout most of the construction on the Bromwell house, P&K did not issue any invoices to the Bromwells or otherwise request any payment from them. Then, in the early fall of 2001, when the work on the house was largely completed, Jackman, at the direction of Stoffregen, prepared an invoice for T. Bromwell for \$19,476. Contrary to his ordinary practice, Jackman did not send that invoice to T. Bromwell nor did he send a copy to the P&K accounting department. Instead, Jackman gave the original invoice to Stoffregen. At the time, Stoffregen knew that the costs incurred by P&K for the house were actually more than \$85,000. Stoffregen and T. Bromwell never intended for T. Bromwell to pay the full costs nor did Stoffregen expect T. Bromwell to pay the \$19,476 invoice. The purpose of the invoice was to create a record in the event that the relationship between Stoffregen and T. Bromwell and the work on the house was ever questioned.

In March of 2002, T. Bromwell sent P&K a check for \$5,000. Stoffregen accepted the \$5,000 as payment for the work on the Bromwell house and caused the October, 2001 invoice to be entered into the accounting system at P&K. Pursuant to their agreement, Stoffregen had no expectation that

the Bromwells would pay anything further nor did he plan on billing the Bromwells for any of the other costs incurred for the construction work. T. Bromwell, who had expected to pay only a small fraction of the full value of the work on the house, made no effort to make any other payments to P&K until after he learned in the fall of 2002 that he was under investigation by the Federal Bureau of Investigation.

And, it was only after Stoffregen also learned of the FBI investigation in the fall of 2002, that he directed Jackman to prepare a second invoice to T. Bromwell in an effort to conceal the fact that P&K had done work for free or at a reduced cost on the Bromwell house. Stoffregen also directed James Digman, who was the president of Regional Air Services ("RAS"), a company P&K controlled, to prepare an invoice for work RAS had done on the Bromwell residence for which RAS had not previously billed T. Bromwell.

C. Free Steel at the Candler Building.

At all times relevant, T. Bromwell owned and operated a small construction business known as Dallas Construction, Inc. ("Dallas"). In about March of 2000, Dallas began work on a construction project in the Candler Building in downtown Baltimore as a subcontractor to Arch/Con Development. Arch/Con was a construction company owned and operated by T. Bromwell's acquaintance, Paul Matthews.

As part of the Candler Building project, T. Bromwell asked M. Forti to provide FP&K laborers and materials to install a steel battery support system. M. Forti sent the workers and materials to perform the work as requested.

In order to provide a benefit to T. Bromwell, Stoffregen directed M. Forti to not charge T. Bromwell or Dallas for the work or materials provided by FP&K. Accordingly, FP&K never issued an invoice for the work nor did the company ever receive any payment for that project.

T. Bromwell subsequently received \$9,150 on May 5, 2000 from Arch/Con as payment for that steel work.

D. \$192,923 Disguised as Namco Salary Payments to M. P. Bromwell.

In the fall of 2000, Stoffregen and M. Forti learned that for financial reasons, T. Bromwell intended to take a position in the private sector and to resign from his position as a State Senator. In order for the criminal enterprise to not lose the use of T. Bromwell's official influence and ability to act on P&K's behalf, it was agreed that if T. Bromwell would stay in the Senate, Stoffregen would pay T. Bromwell \$80,000 per year by putting M. P. Bromwell on the Namco payroll. T. Bromwell and M.P. Bromwell agreed to that arrangement. T. Bromwell then remained in the Senate until the end of May, 2002, while M. P. Bromwell received salary payments from Namco that totaled \$192,923 between January, 2001 and May, 2003. M. P. Bromwell performed no work or other services for Namco in exchange for that salary.

M.P. Bromwell deposited the Namco salary payment checks into a bank account over which she had sole control and signature authority. She then

used those funds to pay for various personal expenses incurred both by her and by, or on behalf of, T. Bromwell.

E. Membership in International Partners Construction, LLC.

In the late fall of 2000, T. Bromwell became a member of International Partners Construction, LLC ("IPC"). Stoffregen, along with T. Bromwell and others, formed this company in November of 2000 for the purpose of doing construction work in Russia. The members of IPC were Stoffregen, T. Bromwell, M. Forti, another employee from P&K, and an individual from Germany. T. Bromwell received a 15% interest in the company, but had no identified role in the company.

Stoffregen and T. Bromwell concealed or otherwise did not disclose T. Bromwell's involvement in the company in some instances. For example, T. Bromwell did not include any mention of IPC or his interest in the company in his Financial Disclosure forms for the years 2000 and 2001. And in the early fall of 2002, when meeting with an accountant to prepare tax forms for IPC, Stoffregen and his attorney told the accountant that the identities of the members of IPC were confidential. In grant applications and other documents relating to IPC, Stoffregen intentionally omitted any mention of T. Bromwell in the description of the founders and members of the company.

In exchange for these various benefits and items of value, T. Bromwell used his position and his influence as a State Senator on Stoffregen's and P&K's behalf in a number of ways, including the following:

A. Expedited Payments on the JJC Project.

From 1999 until approximately 2003, P&K submitted monthly payment requests to the Maryland Department of General Services ("DGS") for work performed to date on the JJC project. After DGS reviewed and approved a P&K request, DGS would forward the request to the Maryland Comptroller's Office. The Comptroller's Office would then process the request and issue payment to P&K. This process often took several weeks. EMCOR closely monitored profitability and cash flow at P&K. Stoffregen's eligibility for a bonus from EMCOR was also directly linked to whether or not P&K met certain monthly cash flow and profitability goals set by EMCOR. Accordingly, it was important for P&K to receive its payments from the Comptroller's Office before the end of each month.

In late June of 2000, Stoffregen learned that P&K's monthly payment request was still being processed and that the Comptroller's Office did not expect to issue the payment until the first week of July. After trying unsuccessfully to persuade officials at DGS to cause the Comptroller's Office to expedite the payment, Stoffregen contacted T. Bromwell and asked him to intervene on P&K's behalf. T. Bromwell agreed to do so. T. Bromwell immediately directed one of his Senate staff members to contact the Comptroller's Office to see if the P&K check could be expedited. As a direct result of that intervention, the Comptroller's Office expedited the processing of P&K's payment request and issued a check to P&K in the amount of \$2,960,999.90 on June 30, 2000.

Similar payment delays arose over the course of the next several years

while P&K was working on the JJC. Stoffregen repeatedly asked T. Bromwell to intercede on P&K's behalf with the Comptroller's Office. And in each such instance, T. Bromwell directed someone from his office to contact the Comptroller's Office and cause that office to expedite the payment for P&K so that the check would be issued before the end of the month.

B. The JJC Equitable Adjustment Dispute.

On or about August 10, 2001, P&K submitted a claim to DGS for additional costs on the JJC project in the amount of \$6,500,915. Known as a Request for Equitable Adjustment, the claim arose out of disputes between P&K and DGS over the costs associated with delays and other problems on the project.

Stoffregen asked T. Bromwell to use his influence to resolve the dispute in P&K's favor. Accordingly, in about February of 2002, T. Bromwell contacted the Secretary of DGS and urged her to authorize payment to P&K of the amounts set forth in the Request for Equitable Adjustment.

During the winter of 2002, T. Bromwell also contacted the Chairperson of the Senate Budget and Taxation Committee in an effort to intervene in the dispute between P&K and DGS. The Budget and Taxation Committee had authority over both DGS' funding as well as the JJC construction project itself. T. Bromwell told the Chairperson that DGS was not treating P&K fairly and urged her to convene a meeting between DGS and P&K to discuss the disputed claim. As a result of that contact, the Chairperson did hold a meeting with Stoffregen and the Secretary of DGS in an effort to resolve the dispute.

C. The UMMS Phase III Mechanical Subcontract.

UMMS was a non-profit corporation created by Maryland statute to operate and manage the University of Maryland Hospital in Baltimore. UMMS received significant capital and operating funds from the State of Maryland. Those funds were authorized and approved on an annual basis by the Governor of Maryland and the Maryland General Assembly.

The Senate Finance Committee, chaired by T. Bromwell, was responsible for handling substantive legislation that often affected UMMS's financial and operational interests. In order for such legislation to come before the full Senate for a vote, the legislation first had to be approved by T. Bromwell's Finance Committee. T. Bromwell was a longtime supporter of UMMS and officials at UMMS viewed that support and their relationship with T. Bromwell as crucial to UMMS's ability to continue to receive financial and other benefits from the State.

In the late spring and summer of 2000, at the same time that P&K was beginning work on the Bromwell house, P&K was bidding for the mechanical subcontract on the UMMS Phase III project. The Phase III project involved the construction of the Weinberg Building, which was funded in part by \$100 million awarded by the State of Maryland. Turner Construction Company served as the general contractor on the project. Turner officials selected the subcontractors for the job with input from UMMS's own project managers.

P&K and John J. Kirlin, Inc., one of P&K's largest competitors in the Baltimore market, competed to get the mechanical contract for the Phase III project. Anxious to get the job, Stoffregen contacted T. Bromwell early in the bidding process and asked him to use his influence to help P&K win the UMMS contract. In response to that request, T. Bromwell repeatedly contacted and otherwise communicated with high-ranking officials at UMMS over a period of several months in an effort to ensure that P&K got the contract if possible.

On August 8, 2000, after several rounds of bidding by P&K and Kirlin, Kirlin was the low bidder, as it had been throughout the bidding process. Moreover, officials at Turner Construction believed that Kirlin would be a better contractor for the job. Because of T. Bromwell's repeated contacts, however, officials at UMMS were keenly aware that T. Bromwell wanted P&K to get the job. Accordingly, an UMMS official directed the Turner officials to offer the contract to P&K for \$13,175,000, which was \$50,000 below Kirlin's last bid. Later that same day, Stoffregen faxed a letter to the Turner officials from the P&K offices in Baltimore to Turner's offices in Virginia in which he accepted Turner's offer to enter into the contract at the price of \$13,175,000.

T. Bromwell also interceded on P&K's behalf when disputes arose between P&K and Turner Construction over change orders and other construction related issues. Those disputes involved significant sums that P&K claimed were owed to it because UMMS and Turner had changed the contract specifications during the construction.

In late 2001 or early 2002, Stoffregen contacted T. Bromwell and asked him to use his influence to help P&K resolve the ongoing payment dispute. T. Bromwell agreed to help by organizing a dinner meeting with a high-ranking UMMS official to discuss the dispute. On January 17, 2002, Stoffregen and David Jackman, who was the project manager for the job, met with T. Bromwell, M.P. Bromwell and the UMMS official at a restaurant in Baltimore City. Stoffregen and Jackman brought to the dinner a binder of materials, including an executive summary, which they reviewed with the UMMS official. T. Bromwell told the UMMS official at the dinner that if P&K was correct in its position, then UMMS should pay P&K the disputed funds.

P&K ultimately resolved its claims and realized a final profit on the UMMS project of approximately \$1.8 million.

II. The Minority Contracting Fraud Scheme.

Many of the construction projects performed by P&K and FP&K required the contractor to meet specified levels of WBE and minority participation on the job. For that reason, P&K and FP&K routinely hired Namco as a subcontractor on various construction projects.

Beginning in approximately the spring of 1999, after Namco completed work under a subcontract agreement with P&K for construction work on the Ravens Stadium in downtown Baltimore, G. Forti decided that she no longer wanted to run Namco and began preparations to close the company. Stoffregen, by then president of P&K, did not want to lose the ability to use Namco to help P&K meet the minority contracting requirements on its various projects. Stoffregen, M. Forti and G. Forti agreed to keep Namco

in business as a minority front for P&K. In particular, it was agreed that P&K would secretly operate, manage and control Namco in exchange for regular payments to G. Forti that would be disguised in the form of a Namco salary.

Accordingly, P&K personnel subsequently handled all of Namco's administrative and bookkeeping functions. P&K personnel routinely used a G. Forti signature stamp to sign Namco's checks and consulted with the P&K comptroller or other P&K high-level employees on issues relating to Namco's operations. P&K personnel also took over all aspects of Namco's construction and field work, including supervising workers on the job site, hiring and firing employees, and making all purchasing decisions. Stoffregen, or other P&K personnel acting at Stoffregen's direction, decided when Namco would be used on a P&K job, how much of a particular job to subcontract in the name of Namco, and the amount of profit that Namco would generate at any given time.

G. Forti played no substantive role in the control, operation or management of Namco under this arrangement. Her activities consisted of signing subcontracts between Namco and P&K when directed by Stoffregen or other high-ranking P&K personnel, appearing at a few subcontractor meetings as directed by Stoffregen, and occasionally delivering or picking up paperwork from P&K's offices and participating in minor administrative matters.

In exchange for allowing Stoffregen and P&K to use Namco as a minority front, Stoffregen paid the Fortis between June of 1999 and about the fall of 2003 approximately \$224,776. These payments were disguised as weekly salary checks and a monthly automobile allowance from Namco to G. Forti. Namco also paid for G. Forti's use of a cell phone.

The purpose and effect of this arrangement with the Fortis was to deceive and trick the contracting owners on various projects into believing that Namco was a legitimate minority business enterprise whose presence on the job helped meet certain minority contracting goals or requirements. At all times, Namco was actually controlled, operated and managed by P&K rather than G. Forti. Also as a result of this arrangement, Stoffregen was able to provide the payments to T. Bromwell, disguised as the Namco salary for M.P. Bromwell, in exchange for the use of T. Bromwell's official position and influence, as described above.

In the spring of 2003, Stoffregen used Namco to meet minority contracting requirements on a terminal expansion project at the Baltimore-Washington International Airport ("BWI"). The Maryland Aviation Administration ("MAA"), which had oversight of that project for the State of Maryland, initiated an investigation of Namco during that same time frame in order to determine whether Namco was operating as a legitimate minority business. As part of the investigation, inspectors contacted G. Forti and arranged for an on-site inspection of Namco's offices.

Namco, however, had no functioning offices, because all of Namco's administrative functions were performed at P&K by P&K employees. In order to give the appearance that Namco had its own office, Namco leased some unused space in the basement of an office building in Baltimore County. When he learned of the impending Namco site visit, Stoffregen directed employees at P&K to deliver and set up office furniture, documents and

computers in the largely empty Namco office in order to make it appear that Namco was a viable business operating out of that location. While the P&K employees were setting up the office, M.P. Bromwell and G. Forti came to the office space to review the arrangements and to prepare for the site visit.

Stoffregen also directed a P&K employee to help G. Forti create a Namco company brochure to provide to the inspectors in order to make it appear that Namco actively advertised its services when in truth and fact it did not. G. Forti obtained from M.P. Bromwell a copy of her resume for the purpose of including her as an officer of the company in the brochure. With the help of the P&K employee, G. Forti revised M.P. Bromwell's resume to include false information that identified M.P. Bromwell as the Chief Operating Officer of Namco. G. Forti then provided that brochure to the state inspectors.

Finally, on June 2, 2003, the day of the site visit, M.P. Bromwell posed as a receptionist while G. Forti met with the state inspectors. T. Bromwell, as well as M. Forti and Stoffregen, each called the Namco office number several times during the site inspection. Those calls had the effect of making it appear that M.P. Bromwell was in fact fielding business calls for the company. As a result of these various deceptions and actions, the state inspectors ruled that Namco was acceptable for purposes of meeting the minority contracting requirements on the BWI project.

During the time period that the Bromwells received the Namco salary payments, and as a direct result of the deception of the state inspectors in June of 2003, P&K successfully used Namco to satisfy some of the minority contracting requirements on the following contracts:

Project	Contract Award Date	Namco Subcontract	Amount
Johns Hopkins Broadway Research Building	11/24/01	\$ 381,150	
Towson University 7800 York Road Building	03/6/02	\$ 258,563	
Johns Hopkins Broadway Research Building C.O. #1	10/09/02	\$ 40,000	
500 East Pratt Street	01/24/03	\$ 139,542	
Baltimore County Detention Center	05/23/03	\$ 206,167	
BWI Terminal A/B Expansion	08/25/03	\$ 2,256,800	
Total		\$ 3,282,222	

III. False Statement.

In the fall of 2002, agents from the Federal Bureau of Investigation contacted T. Bromwell and requested permission to conduct an interview with him regarding his past employment at NTG. T. Bromwell agreed to speak with the agents. During the interview, which took place on October 25, 2002, T. Bromwell intentionally lied to the agents about his employment at NTG. T. Bromwell told the agents that in his employment at NTG, he did not play any role in developing business or sales for the company, but rather, that he focused on operations and construction related tasks for the company. He further insisted that he did not participate in any contract-related matters for the company. In fact, however, T. Bromwell's primary role and function at NTG was to develop new business for the company through his contacts as a State Senator.

During that same interview, T. Bromwell told the agents that he had never given anyone a large sum of cash, defined as a few thousand dollars or

more, for any reason. That statement was false. On May 29, 2001, T. Bromwell had given \$5,000 in cash to a business associate, Paul Matthews, with the understanding that the money be given to another business associate, James Eick, as payment for steering a construction contract to T. Bromwell's company, Dallas. In addition, on May 30, 2001, T. Bromwell gave \$20,000 in cash to Paul Matthews in exchange for a check from Matthews' company which was made payable to Dallas. During that transaction, which was recorded by Paul Matthews at the direction of law enforcement, T. Bromwell indicated that his purpose in making the exchange was to avoid having to pay taxes on the \$20,000.

Finally, T. Bromwell did not respond truthfully when the agents asked him to identify all of his company ownership interests. Specifically, T. Bromwell told the agents that his only company ownership interests were in Dallas Inc. and Tara Construction and he did not mention his interest in IPC.

Each of these statements was false as to a material matter.

IV. Filing of False Tax Return.

Certain proceeds of the fraudulent schemes described in Sections I and II above, including free and reduced work on the residence at 9326 Ravenridge Road which had a value of more than \$85,000, constituted income for T. Bromwell in the years 2000 and 2001. T. Bromwell did not report that income on the joint tax returns which he filed with M.P. Bromwell.

T. Bromwell had an ownership interest in a family business known as Bromwell Inn, Inc. for which he filed the company's tax returns. During the 2000 and 2001 years, T. Bromwell included the business activities for his company, Dallas, on the Bromwell Inn Inc. tax returns. T. Bromwell, however, did not report the majority of the income received by Dallas during those years. Instead, he reported losses for the company, knowing that the company had in fact received income. T. Bromwell also failed to report certain interest income payments that he or the Bromwell Inn received during those same years.

On or about October 14, 2001, T. Bromwell willfully made and subscribed a United States Income Tax Return for an S Corporation, Form 1120S, for Bromwell Inn, Inc., which was the business which had owned the Bromwell Inn property, for the calendar year 2000, under penalties of perjury, in which he reported ordinary income of "\$11,046," that is, a loss of \$11,046, whereas he knew the true ordinary income was in excess of that amount, and in which he failed to report interest income, whereas he knew that there had been interest income in that year.

On or about October 14, 2001, T. Bromwell willfully made and subscribed a joint United States Individual Income Tax Return Form 1040 for the 2000 tax year, under penalties of perjury, in which he reported an adjusted gross income of \$92,272, whereas he knew the true adjusted gross income exceeded that amount.

On or about September 11, 2002, T. Bromwell willfully made and subscribed a United States Income Tax Return for an S Corporation, Form 1120S, for

Bromwell Inn, Inc., for the calendar year 2001, under penalties of perjury, in which he reported ordinary income of "\$888," that is, a loss of \$888, whereas he knew the true ordinary income was in excess of that amount, and in which he failed to report interest income when he knew that there had been interest income in that year.

On or about September 18, 2002, T. Bromwell willfully made and subscribed a joint United States Individual Income Tax Return Form 1040 for the 2001 tax year, under penalties of perjury, in which he reported adjusted gross income of \$182,030, whereas he knew the true adjusted gross income exceeded that amount.

As a result of these willful false statements, the United States suffered a total combined tax loss of more than \$80,000 for the 2000 and 2001 years.

At all times, T. Bromwell was a resident of the State of Maryland and knowingly and intentionally submitted his personal federal income tax returns and the Bromwell Inn, Inc. federal tax returns for the years 2000 and 2001 under penalties of perjury, knowing full well that those returns were false as to a material matter.

Respectfully submitted,

Rod J. Rosenstein
United States Attorney

By: _____
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410/209-4887

I hereby stipulate that the foregoing statement of facts is true and correct. I have reviewed the statement of facts completely with my attorney.

Thomas L. Bromwell, Sr.

Barry L. Pollack, Esquire

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
UNITED STATES OF AMERICA :
v. : CRIMINAL NO. JFM-05-0358

MARY PATRICIA BROMWELL :
...oooOooo...

GOVERNMENT'S STATEMENT OF FACTS

If this case had proceeded to trial, the government would have offered evidence to prove the following facts.

At all times relevant, the defendant, Mary Patricia Bromwell ("M.P. Bromwell" or "the defendant"), has been married to Thomas L. Bromwell,

Sr. ("T. Bromwell"). Beginning in approximately 1999, M.P. Bromwell worked on a part-time basis as a sign language interpreter and had no other employment.

From 1983 until he resigned in May 2002, T. Bromwell was a Maryland State Senator. From 1995 until his resignation, T. Bromwell was the Chairperson of the Senate Finance Committee. The Finance Committee, which was responsible for considering proposed legislation relating to banking and financial institutions, economic and community development, health and welfare matters, insurance, and labor and employment issues, was one of the most powerful committees in the Maryland General Assembly.

As a State Senator, T. Bromwell owed a duty of honest services to the citizens of Maryland and to the State of Maryland in the performance of his public duties. T. Bromwell was required to adhere to certain state laws, including Section 9-201, Md. Crim. Law, which prohibited him from demanding or receiving a bribe, fee or reward to influence him in the performance of his duties or to neglect or fail to perform his duties. Pursuant to Maryland's Public Ethics law, T. Bromwell was also required to file an annual Financial Disclosure Statement form in which he was required to disclose, among other things, his interests in any corporations or other companies, certain gifts received, debts owed to persons doing business with the State, offices, directorships and similar interests held by him or by M.P. Bromwell with entities doing business with the State, and places of employment for him or M.P. Bromwell.

At all times relevant, the Poole and Kent Corporation and the Poole and Kent Company (collectively referred to as "P&K") was a large commercial construction company with headquarters in Baltimore, Maryland. P&K specialized in mechanical contracting work and served as the general contractor or the mechanical subcontractor on various government and private projects in the mid-Atlantic region. Prior to April of 1999, P&K was privately owned by Monumental Investment Corporation ("Monumental"). In April of 1999, EMCOR Group, Incorporated ("EMCOR"), a publicly traded Delaware corporation headquartered in Connecticut, purchased Monumental.

From the time of the EMCOR purchase until March, 2005, W. David Stoffregen was the president and chief executive officer of P&K. Prior to April of 1999, Stoffregen had been a vice-president of P&K.

Forti, Poole and Kent ("FP&K") was formed in November of 1995 with its headquarters in Baltimore, Maryland. Michael Forti ("M. Forti") was the Executive Vice-President and Chief Operating Officer of FP&K and owned 35% of the company. Stoffregen was the president of FP&K and P&K owned the remaining 65% of the company. FP&K was a commercial construction company that performed steel work and often served as a subcontractor to P&K.

Geraldine Forti ("G. Forti") was M. Forti's wife. G. Forti owned a small commercial mechanical construction company known as Namco Services, Inc. ("Namco"). Established in about 1990, Namco was a certified woman-owned business enterprise ("WBE") under applicable state and local laws and regulations. In order to be certified as a WBE, at least 51% of the company had to be owned by a woman or group of women and a woman or group of women had to manage and control the daily operations of the business. Sometime in the mid-1990s, the defendant and T. Bromwell met Stoffregen.

By that point in time, T. Bromwell was a prominent and powerful state senator by virtue of his chairmanship of the Senate Finance Committee.

Over the course of the next several years, T. Bromwell, Stoffregen, M. P. Bromwell, M. Forti, G. Forti, and others developed a relationship that evolved into a criminal money-making enterprise. The goals of the enterprise included conducting business through a pattern of racketeering activities, enriching the members of the enterprise by fraudulently obtaining contracts from various corporate and government entities, and concealing T. Bromwell's participation in and enrichment from the enterprise.

From about 1999 until about June, 2003, Stoffregen and T. Bromwell, along with other members of the enterprise, agreed that Stoffregen would provide a variety of services, funds and other things of value to the Bromwells in exchange for T. Bromwell's use of his official position and influence as a State Senator in ways that benefitted Stoffregen and P&K.

I. Free and Reduced Construction Services for the Bromwells' Residence.

In 2000, the Bromwells began construction of a new residence on Ravenridge Road in Baltimore County, Maryland. Stoffregen provided labor, materials and equipment for various aspects of the construction of the residence in 2000 and 2001. Stoffregen and the Bromwells expected that P&K and related companies controlled by P&K would not bill the Bromwells for the true value of the work. During the course of the construction, M.P. Bromwell knew generally that some of the work on the house was being provided at a reduced cost or for free as a favor to T. Bromwell because of his official position as a State Senator. M.P. Bromwell did not know any of the specific details or billing arrangements that may have existed.

Stoffregen directed David Jackman, a P&K project manager, to post the costs for the house construction under the University of Maryland Medical System ("UMMS") project that Jackman was managing at the time. Throughout most of the construction on the Bromwell house, P&K did not issue any invoices to the Bromwells or otherwise request any payment from them. Then, in the early fall of 2001, when the work on the house was largely completed, Jackman, at the direction of Stoffregen, prepared an invoice for T. Bromwell for \$19,476. Contrary to his ordinary practice, Jackman did not send that invoice to Bromwell nor did he send a copy to the P&K accounting department. Instead, Jackman gave the original invoice to Stoffregen. At the time, Stoffregen knew that the costs incurred by P&K for the house were actually more than \$85,000. Stoffregen never intended for T. Bromwell to pay the full costs nor did he expect T. Bromwell to pay the \$19,476 invoice. The purpose of the invoice was to create a record in the event that the relationship between Stoffregen and T. Bromwell and the work on the house was ever questioned.

During the construction of the Bromwell house, David Jackman accompanied M.P. Bromwell when she went to a local plumbing supply company to select fixtures for the house. At no point did M.P. Bromwell and Mr. Jackman ever discuss a budget or prices for the fixtures and M.P. Bromwell understood that there was no limit on the cost of the items that she could select.

In March of 2002, T. Bromwell sent P&K a check for \$5,000. Stoffregen accepted the \$5,000 as payment for the work on the Bromwell house and caused the October, 2001 invoice to be entered into the accounting system at P&K. Pursuant to their agreement, Stoffregen had no expectation that the Bromwells would pay anything further nor did he plan on billing the Bromwells for any of the other costs incurred for the construction work. T. Bromwell, who had expected to pay only a small fraction of the full value of the work on the house, made no effort to make any other payments to P&K until after he learned in the fall of 2002 that he was under investigation by the Federal Bureau of Investigation.

And, it was only after Stoffregen learned of the FBI investigation in the fall of 2002, that he directed Jackman to prepare a second invoice to T. Bromwell in an effort to conceal the fact that P&K had done work for free or at a reduced cost on the Bromwell house. Stoffregen also directed James Digman, who was the president of Regional Air Services ("RAS"), a company P&K controlled, to prepare an invoice for work RAS had done on the Bromwell residence for which RAS had not previously billed T. Bromwell.

II. \$192,923 Disguised as Namco Salary Payments to M.P. Bromwell.

In the fall of 2000, Stoffregen and M. Forti learned that for financial reasons, T. Bromwell intended to take a position in the private sector and to resign from his position as a State Senator. In order for the criminal enterprise to not lose the use of T. Bromwell's official influence and ability to act on P&K's behalf, it was agreed that if T. Bromwell would stay in the Senate, Stoffregen would pay T. Bromwell \$80,000 per year by putting M. P. Bromwell on the Namco payroll. T. Bromwell and M.P. Bromwell agreed to that arrangement. T. Bromwell then remained in the Senate until the end of May, 2002, while M. P. Bromwell received salary payments from Namco that totaled \$192,923 between January, 2001 and May, 2003. M. P. Bromwell performed no work or other services for Namco in exchange for that salary.

M.P. Bromwell knew at the time that she received the salary payments that they were disguised payments for her husband's agreement to use his official position and his influence in ways that would benefit Stoffregen and his business interests. M.P. Bromwell deposited the Namco salary payment checks into a bank account over which she had sole control and signature authority. She then used those funds to pay for various personal expenses incurred both by her and by, or on behalf of, T. Bromwell.

At all times, M.P. Bromwell acted knowingly and willfully with the intent to participate in the scheme to defraud and deprive the State of Maryland and its citizens of the honest services of T. Bromwell.

III. The Minority Contracting Fraud Scheme.

Many of the construction projects performed by P&K and FP&K required the contractor to meet specified levels of WBE and minority participation on the job. For that reason, P&K and FP&K routinely hired Namco as a subcontractor on various construction projects.

Beginning in approximately the spring of 1999, after Namco completed work

under a subcontract agreement with P&K for construction work on the Ravens Stadium in downtown Baltimore, G. Forti decided that she no longer wanted to run Namco and began preparations to close the company. Stoffregen, by then president of P&K, did not want to lose the ability to use Namco to help P&K meet the minority contracting requirements on its various projects. Stoffregen, M. Forti and G. Forti agreed to keep Namco in business as a minority front for P&K. In particular, it was agreed that P&K would secretly operate, manage and control Namco in exchange for regular payments to G. Forti that would be disguised in the form of a Namco salary.

Accordingly, P&K personnel subsequently handled all of Namco's administrative and bookkeeping functions. P&K personnel routinely used a G. Forti signature stamp to sign Namco's checks and consulted with the P&K comptroller or other P&K high-level employees on issues relating to Namco's operations. P&K personnel also took over all aspects of Namco's construction and field work, including supervising workers on the job site, hiring and firing employees, and making all purchasing decisions. Stoffregen, or other P&K personnel acting at Stoffregen's direction, decided when Namco would be used on a P&K job, how much of a particular job to subcontract in the name of Namco, and the amount of profit that Namco would generate at any given time.

G. Forti played no substantive role in the control, operation or management of Namco under this arrangement. Her activities consisted of signing subcontracts between Namco and P&K when directed by Stoffregen or other high-ranking P&K personnel, appearing at a few subcontractor meetings as directed by Stoffregen, and occasionally delivering or picking up paperwork from P&K's offices and participating in minor administrative matters.

In exchange for allowing Stoffregen and P&K to use Namco as a minority front, Stoffregen paid the Fortis between June of 1999 and about the fall of 2003 approximately \$224,776. The purpose and effect of this arrangement with the Fortis was to deceive and trick the contracting owners on various projects into believing that Namco was a legitimate minority business enterprise whose presence on the job helped meet certain minority contracting goals or requirements. At all times, Namco was actually controlled, operated and managed by P&K rather than G. Forti. Also as a result of this arrangement, Stoffregen was able to provide the payments to T. Bromwell, disguised as the Namco salary for M.P. Bromwell, in exchange for T. Bromwell's agreement to exercise his influence and official position for the benefit of Stoffregen and P&K.

In the spring of 2003, Stoffregen used Namco to meet minority contracting requirements on a terminal expansion project at the Baltimore-Washington International Airport ("BWI"). The Maryland Aviation Administration ("MAA"), which had oversight of that project for the State of Maryland, initiated an investigation of Namco during that same time frame in order to determine whether Namco was operating as a legitimate minority business. As part of the investigation, inspectors contacted G. Forti and arranged for an on-site inspection of Namco's offices.

Namco, however, had no functioning offices, because all of Namco's administrative functions were performed at P&K by P&K employees. In order to give the appearance that Namco had its own office, Namco leased some

unused space in the basement of an office building in Baltimore County. When he learned of the impending Namco site visit, Stoffregen directed employees at P&K to deliver and set up office furniture, documents and computers in the largely empty Namco office in order to make it appear that Namco was a viable business operating out of that location. While the P&K employees were setting up the office, M.P. Bromwell and G. Forti came to the office space to review the arrangements and to prepare for the site visit by the state inspectors.

Stoffregen also directed a P&K employee to help G. Forti create a Namco company brochure to provide to the inspectors in order to make it appear that Namco actively advertised its services when in truth and fact it did not. G. Forti obtained from M.P. Bromwell a copy of her resume for the purpose of including her as an officer of the company in the brochure. With the help of the P&K employee, G. Forti revised M.P. Bromwell's resume to include false information that identified M.P. Bromwell as the Chief Operating Officer of Namco. G. Forti then provided that brochure to the state inspectors.

Finally, on June 2, 2003, the day of the site visit, M.P. Bromwell posed as a receptionist while G. Forti met with the state inspectors. T. Bromwell, as well as M. Forti and Stoffregen, each called the Namco office number several times during the site inspection in order to make it appear that M.P. Bromwell was in fact fielding business calls for the company. Those calls had the effect of making it appear that M.P. Bromwell was in fact fielding business calls for the company. As a result of these various deceptions and actions, the state inspectors ruled that Namco was acceptable for purposes of meeting the minority contracting requirements on the BWI project.

During the time period that the Bromwells received the Namco salary payments, and as a direct result of the deception of the state inspectors in June of 2003, P&K successfully used Namco to satisfy some of the minority contracting requirements on the following contracts:

Project	Contract Award Date	Namco Subcontract	Amount
Johns Hopkins Broadway Research Building	11/24/01		\$ 381,150
Towson University 7800 York Road Building	03/6/02		\$ 258,563
Johns Hopkins Broadway Research Building C.O. #1	10/09/02		\$ 40,000
500 East Pratt Street	01/24/03		\$ 139,542
Baltimore County Detention Center	05/23/03		\$ 206,167
BWI Terminal A/B Expansion	08/25/03		\$ 2,256,800
Total			\$ 3,282,222

In furtherance of this scheme, the defendant and others caused the MAA to send, via United Parcel Service, a Construction Notice to Proceed for the BWI project to Hensel Phelps Construction Company at 7929 Brookriver Drive, Suite 160, Dallas, Texas 75247 on or about May 27, 2003.

At all times, the defendant participated knowingly and willfully in the scheme to

- defraud with knowledge of its fraudulent nature and with the specific intent to defraud.

Respectfully submitted,
Rod J. Rosenstein

[HOME](#)