

**FOR FURTHER INFORMATION CONTACT**

**AUSA VICKIE E. LEDUC or  
MARCIA MURPHY at 410-209-4885**

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W. DAVID STOFFREGEN, FORMER CEO OF POOLE AND KENT,  
SENTENCED TO 6 ½ YEARS ON RACKETEERING CONSPIRACY,  
FRAUD AND TAX CHARGES

Also Ordered to Forfeit Over \$5 Million Obtained in a Criminal  
Money-Making Enterprise

BALTIMORE, Maryland - U.S. District Judge J. Frederick Motz sentenced W. David Stoffregen, age 53, of Towson, Maryland, the former president and chief executive officer of the Poole and Kent Corporation (P&K), today to 78 months in prison, followed by three years of supervised release for racketeering conspiracy, mail fraud and filing a false tax return, announced United States Attorney for the District of Maryland Rod J. Rosenstein. Judge Motz also ordered Stoffregen to forfeit up to \$5,604,327 in cash, vehicles and property.

Corruption Scheme Involving State Senator Thomas Bromwell

According to the statement of facts presented at his guilty plea, during the late 1990s and early 2000s, Stoffregen provided benefits to former state senator Thomas Bromwell, in exchange for the senator's agreement to use his influence and official position to assist Stoffregen and his company, P&K. Those benefits included the following:

In 1999, Stoffregen awarded a \$1.3 million subcontract for security work at the Juvenile Justice Center in Baltimore to Network Technologies Group (NTG). Stoffregen would not have awarded that subcontract to NTG, but for the fact that Bromwell had a sales position with the company.

In 2000 to 2001 Stoffregen provided construction work valued at more than \$85,000 on a new house Bromwell built in Baltimore County with the expectation that Bromwell would not be billed for most of the work. Under Stoffregen's direction, David M. Jackman, a P&K project manager, posted the construction costs to a University of Maryland Medical System (UMMS) project. Subsequently, Jackman prepared an invoice for \$19,476 to Bromwell in order to create a record in the event that the relationship between Stoffregen and Bromwell and the work on the house was ever questioned. It was only after learning in the fall of 2002 that the FBI was investigating Bromwell that Stoffregen directed that a second invoice be prepared in an effort to conceal the fact that P&K had done work for free or at a reduced cost.

In the fall of 2000, Stoffregen told Bromwell that he would pay him

approximately \$80,000 annually to remain in his Senate office rather than leave the Senate to work in the private sector. Between January 2001 and May 30, 2003, Stoffregen paid Bromwell a total of \$192,923 disguised as salary payments to Bromwell's wife, Mary Patricia Bromwell, for a no-show job at Namco Services, Inc. (Namco).

Stoffregen also provided Bromwell with a 15% interest in International Partners Construction LLC (IPC), a company Stoffregen formed in order to do construction work in Russia. He attempted to conceal Bromwell's connection with the company by intentionally omitting any mention of Bromwell as a founder or member of the company in grant applications and other documents.

In exchange for these benefits, Bromwell used his influence to: expedite monthly payments from the Maryland Comptroller's Office to P&K for work performed on the Juvenile Justice Center project in order for Stoffregen to be eligible for bonuses; help Stoffregen and P&K win a multi-million dollar bid over a competitor with a lower bid to perform the mechanical subcontract on the UMMS Weinberg Building in downtown Baltimore, pursuant to which contract P&K realized a profit of about \$1.8 million; and intervene in business disputes on P&K's behalf, including contract disputes with UMMS involving significant sums.

#### Minority Contracting Fraud Scheme

According to the statement of facts, Stoffregen participated in a minority "front" company fraud scheme with Michael Forti, his wife Geraldine Forti and Bromwell's wife. Michael Forti was executive vice-president and CEO of Forti, Poole and Kent (FP&K), a construction company that often served as a subcontractor to P&K and was jointly owned by Stoffregen and Forti. Geraldine Forti was the owner of Namco, a certified woman-owned business. When Geraldine Forti decided in 1999 that she no longer wanted to run Namco, Stoffregen paid Geraldine Forti to allow him to use her company's identity to help P&K satisfy certain minority contracting requirements on various public and private construction contracts. Stoffregen and P&K took control of Namco's operations and used its minority status to obtain over \$4,883,000 in contracts with state, city and private entities. One of the contracts involved the terminal expansion at the Baltimore-Washington International Airport. When state inspectors who were determining the legitimacy of Namco's minority status asked to arrange for an on-site inspection of Namco's purported offices, Stoffregen directed P&K employees to deliver and set up office furniture, documents and computers in the largely empty Namco office to make it appear that Namco was a viable business operating out of that location.

Between June 1999 and the fall of 2003, Stoffregen paid the Fortis about \$224,776 disguised as weekly salary checks and monthly automobile allowances to Geraldine Forti. At some point during the scheme, the Fortis kicked back half of the salary and auto payments to Stoffregen.

#### Obstruction of Justice

In the fall of 2003 after the federal grand jury subpoenaed records from P&K relating to Namco and P&K's minority contracting practices, and

during a meeting with Geraldine Forti and two attorneys, Stoffregen insisted that Forti had always chosen which projects Namco would work on for P&K and encouraged Forti to agree with that statement, knowing that it was false.

#### Fraudulent Expense Report and Invoicing Schemes

From 1999 to March 2005, Stoffregen submitted false expense claims to P&K, resulting in P&K paying Stoffregen more than \$261,000 to which he was not entitled.

Also, in late 2000, Stoffregen devised a fraudulent lease arrangement involving welding machines. Stoffregen then shared more than \$250,000 as a result of this scheme.

Finally, from 2000 through the spring of 2005 Stoffregen arranged to have his family vehicles brought to a local automobile repair service, which also serviced the P&K fleet of vehicles, for installation of radios, tires, repainting, repairs and maintenance. Stoffregen was not billed for the work. Instead, P&K paid more than \$64,000 for the work, pursuant to fraudulent invoices.

#### Filed False Tax Returns

Stoffregen defrauded P&K of more than \$628,000 as a result of the expense report and invoicing fraud schemes. Stoffregen failed to report this income on his 2000 through 2003 federal income tax returns.

James Eick, age 50, of Perry Hall, Maryland, pleaded guilty to mail fraud in connection with kickbacks on construction projects at a downtown Baltimore office building and was sentenced this morning to six months of home detention.

Former Maryland State Senator Thomas L. Bromwell, Sr., age 58, of Baltimore, was sentenced on November 16, 2007, to seven years in prison, followed by three years of supervised release for racketeering conspiracy and filing a false tax return. Mary Patricia Bromwell, age 44, was sentenced on the same day to a year and a day in prison, followed by two years of supervised release for mail fraud arising from a related minority-contracting fraud scheme. The Bromwells were also ordered to forfeit over \$2 million, including their interest in certain bank accounts and their Baltimore County residence.

Geraldine Forti, age 58, 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 with his participation in the Namco minority contracting fraud scheme. The Fortis are scheduled to be sentenced on December 7, 2007 beginning at 9:30 a.m.

David M. Jackman, age 51, of Perry Hall, Maryland, pleaded guilty 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. Jackman is scheduled to be sentenced on November 27, 2007 at



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