



Amtrak OIG supported investigation leads to conviction in Disadvantaged Business Program scheme

For Immediate Release
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PHILADELPHIA – Alpha Painting and Construction, Inc., and a project manager with the company were found guilty of one count of conspiracy to commit wire fraud, three counts of wire fraud, and ten counts of making false statements in the U.S. District Court Aug. 30, 2018.

Special Agents from Amtrak’s Office of Inspector General assisted the Department of Transportation OIG, the Department of Labor OIG, and the FBI in the investigation into the painting company’s scheme that violated requirements for the U.S. Department of Transportation’s [Disadvantaged Business Enterprise Program](#) and involved construction projects at Amtrak’s 30th Street Station in Philadelphia.

Alpha Painting entered into a joint venture with Liberty Maintenance and Markias, Inc., a now defunct certified DBE, to qualify for Pennsylvania DOT contracts to rehabilitate two bridges in the area. The contracts required Alpha Painting to use a qualified DBE to provide supplies for the projects. To receive DBE credits, Alpha Painting’s project manager, Stamatios “Tom” Kousisis, used Markias as a pass-through, purchasing materials for the projects himself, but arranging for suppliers to send invoices to Markias which marked up the invoice prices by 2.25 percent. Markias would send the invoices to Kousisis who would issue two sets of checks to Markias – one to pay Markias’ fee for acting as a bogus pass-through and the other for Markias to pay the suppliers of the goods.

“The purpose of the DBE program is noted in its title: to help disadvantaged businesses in Pennsylvania,” said U.S. Attorney William M. McSwain. “When people like Kousisis undermine the DBE rules by cheating the system, not only is it a crime, but also it serves to harm certified DBE owners who are playing by the rules and who should be benefitting from the program. Our Office will continue to hold individuals and businesses accountable when they choose to circumvent the law for their own gain.”

Over the course of the scheme, Kousisis, 60, of Downingtown, Pennsylvania, was responsible for causing approximately \$4.5 million in false claims for DBE credits to be

submitted to the Pennsylvania DOT. He faces a statutory maximum sentence of 130 years in prison, a possible fine, supervised release, and a \$1,400 special assessment.

“We’re glad that our agents were able to assist the U.S. Attorney’s Office, agents from the DOT and Department of Labor OIGs, and the FBI in this investigation,” said George L. Dorsett, the Assistant Inspector General for Amtrak OIG. “The success in this case is a direct result of the hard work of all the agencies who conducted countless hours of investigatory work to uncover the facts supporting these convictions.”

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U.S. Attorney’s Office, Eastern District of Pennsylvania, press release:

<https://www.justice.gov/usao-edpa/pr/downingtown-man-convicted-exploiting-usdot-disadvantaged-business-program>