



ALPHA PAINTING & CONSTRUCTION COMPANY SENTENCED IN MULTI-MILLION DOLLAR FRAUD SCHEME

Activity Date: November 14, 2019

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Case Number: PA-18-0231-O

Web Summary: OIG-WS-2020-306

Alpha Painting & Construction Company, Inc., an industrial painting and construction company based in Baltimore, was sentenced November 14, 2019, in United States District Court, Eastern District of Pennsylvania, to five-years' probation, a \$500,000 fine, and forfeiture of \$10.9 million. Alpha was previously found guilty of conspiracy, wire fraud, and false statements related to a multimillion-dollar fraud scheme.

The scheme involved two Pennsylvania Department of Transportation contracts to rehabilitate bridges in the Philadelphia area including the 30th Street Station Bridge and Girard Point Bridge. The terms of the contracts required Alpha to use a qualified Disadvantaged Business Enterprise to provide supplies for the projects. Instead, Alpha used a now defunct DBE as a pass-through to create the appearance that DBE program requirements had been met. In exchange for participating in the scheme, the DBE received a percentage of funds garnered from falsified invoices it submitted, according to court documents. In addition, Alpha falsified invoices from out of state projects including an Amtrak bridge project to use as DBE credits.

Agents from Amtrak's Office of Inspector General, along with the U.S. Department of Transportation OIG, the U.S. Department of Labor OIG, and the FBI investigated the case.