



## *NEWS RELEASE*

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### **ENGLISH CONSTRUCTION COMPANY PAYS \$2.5 MILLION FOR MAKING FALSE STATEMENTS**

English Construction Company, of Lynchburg, Virginia, will pay a civil forfeiture of \$2.5 million to the United States as a settlement for making false material statements about work performed by a Disadvantaged Business Enterprise in a highway construction project funded by the United States. English Construction Company was charged in a one count felony Information and has entered into a deferred prosecution agreement with the United States filed today in United States District Court in Roanoke.

According to the Information, in 1999, the Highway Division of English Construction was the lowest bidder for the prime contract for construction of the Route 460 Interchange Project in Montgomery County, including bridge construction. This was a partially federally funded project receiving funds from the Federal Highway Administration and administered by the Virginia Department of Transportation. The project required that 10% of the work be constructed by Disadvantaged Business Enterprises. This percentage was based upon the total value of the labor and materials to be used by the Disadvantaged Business Enterprise in the construction.

The Disadvantaged Business Enterprise who performed the bridge work was Colyer Construction Company. There existed a VDOT approved Mentor Protégé relationship between English Construction and Colyer. Colyer was certified as a Disadvantaged Business Enterprise. Colyer was required by Disadvantaged Business Enterprise regulations to perform certain steel erection tasks unassisted by the prime contractor. Investigation revealed that some of these tasks were performed with the assistance of English Construction.

On March 27, 2002, English Construction submitted a report to VDOT concerning compliance with the Disadvantaged Business Enterprise regulations. Within this report, English Construction made false statements in response to eight questions of the report. The Director of Human Resources of English Construction (now retired) was also the director of the

Disadvantaged Business Enterprise compliance and Mentor Protégé program for English Construction. The Human Resources director filled out the form and some of the answers to the questions did not reflect the actual assistance give to Colyer. Colyer Construction Company was decertified as a Disadvantaged Business Enterprise contractor by VDOT in 2003.

The case was investigated by Frank Davenport, Special Agent for the United States Department of Transportation. Criminal Chief Thomas J. Bondurant, Jr., prosecuted the case.

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