

Everett schools chief, 10 others indicted

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By Ralph Ranalli and Anand Vaishnav, Globe Staff, 3/27/2004

Superintendent Frederick F. Foresteire, whose Everett schools were cited by state officials as a shining light of education reform, was among 11 people indicted yesterday by Attorney General Thomas F. Reilly as part of an investigation into bid-rigging and illegal kickbacks of school construction and maintenance contracts.

Foresteire was charged with one count of receiving stolen property alleging that he had two \$1,200 air conditioners installed at his home at the school system's expense, according to a 41-count indictment announced yesterday by Reilly and state Inspector General Gregory W. Sullivan.

The indictment also charges 10 other people with involvement in a scheme to illegally profit from more than \$552,000 in school construction and maintenance contracts awarded between 1998 and 2003, alleging that bid-rigging and illegal kickbacks were involved in the awarding of at least 63 contracts. Prosecutors said they did not believe that Foresteire was involved in the bid-rigging.

"These contractors got around the public bidding laws, secured multiple contracts, and denied the school system the economic benefit of an open and competitive market," Assistant Attorney General Kurt Schwartz said at a press conference yesterday.

Prosecutors said Foresteire knowingly accepted the air conditioners for his home, even though department records showed that they were supposed to have been installed in a school. The superintendent sounded shocked when informed of the indictments late yesterday afternoon by a Globe reporter. He said he had not talked to his lawyer, Frank Mondano of Boston, in six to eight months.

Asked about the air conditioners, Foresteire said, "I don't know anything about it."

While he strongly denied any wrongdoing, Foresteire said he would not comment further until he spoke to Mondano, who did not return telephone messages from the Globe yesterday.

Sullivan called the alleged scheme a "cynical effort" by people who "lined their pockets and undermined public confidence."

Officials said the two figures at the center of the scheme were Lona T. DeFeo, 70, a high-level Everett school maintenance manager responsible for putting contracts out to bid, and Louis Grande, 63, an independent contractor from Reading. In addition to allegedly receiving the lion's share of the business, 23 contracts worth more than \$250,000, Grande also was accused of conspiring with DeFeo to steal the air-conditioning units for Foresteire, officials said.

Foresteire and Grande are former brothers-in-law, according to City Clerk John Hanlon. Foresteire and Grande married sisters.

Much of the scheme allegedly involved a sophisticated effort to skirt the state's competitive bidding law, officials said. Prosecutors said that the conspirators created bogus bids on stationery they printed for nonexistent firms to make it appear that there were multiple bidders on contracts, as required under state law, when there was only one real bidder. Other contracts were allegedly split into multiple fake contracts small enough to circumvent competitive bidding requirements.

While DeFeo was alleged to be at the center of the scheme, Schwartz said there was no evidence that she profited from the scheme, and prosecutors believe she was either "making her job easier or taking care of friends."

"Anyway, she wasn't getting rich," said Schwartz, who is chief of Reilly's Criminal Bureau. "There is no evidence of economic advantage to her."

DeFeo could not be reached for comment. A man who answered the telephone at her home yesterday said, "I'm sorry, we're not talking to anybody," before hanging up. Juliane Balliro, DeFeo's attorney, could not be reached for comment. Neither Grande nor his lawyer, Joseph Balliro, who is Juliane Balliro's father, could be reached yesterday.

Mayor David Ragucci said he knew that city officials were being investigated by the state attorney general's office for the past year, but he said he had not been told any details. "Am I surprised? I am very surprised," Ragucci said. "I have known the man [Foresteire] for years. He was my sixth-grade teacher at the Center School."

Ragucci said that he planned to ask David Ela, chairman of the School Committee, to

call an emergency meeting Monday night and that he would ask to have all indicted school employees removed from their positions, either by suspension or leave of absence. He also said he would request an independent audit of the school system's bidding and purchasing process and finances and ask the School Committee to turn such responsibilities over to his office at least temporarily.

But Ela said last night that he won't call an emergency session until he and the other members of the School Committee have a copy of the indictments to read and digest. "We need to take our time and make sure we move in the appropriate direction," he said. "There is no indication what has allegedly gone on has affected the services provided to the children. That's the big issue. "A year ago the attorney general's office seized records for the investigation," he said. "We had asked for updates, but we hadn't heard anything."

In recent years, Everett has rebuilt and renovated several of its public schools. The district spent approximately \$139 million to renovate three elementary schools and to build a new high school, according to the state Department of Education. The state is reimbursing up to 90 percent of the cost through its school building assistance fund. Foresteire has led the 5,400-student district since 1989. For the past five years, top state education officials have singled out the Everett school system for its steadily improving MCAS scores, which rank above other working-class cities with similar demographics.

Foresteire is a staunch supporter of the MCAS test and has appeared with Education Commissioner David P. Driscoll at high-profile events to plug the state's education reform efforts. Through a spokeswoman, Driscoll declined to comment yesterday.

In January, Governor Mitt Romney chose to unveil his John and Abigail Adams Scholarship proposal at Everett High School, saying the initiative could help students in blue-collar cities like Everett attend state colleges and universities. The program awards free tuition to students whose MCAS scores place them in the top 25 percent of students statewide.

Laurie Jefferson, mother of three elementary students in Everett schools, said she was concerned that the indictment could set the schools back years. "Fred Foresteire has always done well by the schools, but if what they said about him is true, it makes me wonder where his loyalties lie, with the schoolchildren or himself," Jefferson said.

Robert Van Campen, the president of the Everett Board of Aldermen, said he had been hearing rumors for months that the indictments were possible. "This is a black

mark on the city of Everett, but I am sure we will pull through," he said.

Robert Alconada of the Everett School Committee said he learned of the indictments yesterday afternoon. "I firmly believe that anyone who is indicted is innocent until proven guilty," he said. "I want to take time to understand the charges before I decide whether anyone should be suspended."

In addition to Grande, prosecutors also charged six contractors and five companies in the illegal bid scheme. Indicted on procurement fraud and conspiracy charges yesterday were Robert Mastrocola, 52, of Peabody and John Iorio, 53, of North Andover and their company, Bradford Carpet of Saugus; Roy Merenda, 63, of Malden and his flooring company, Roy Merenda & Sons; Thomas D. O'Connor, 70, of Medford and his company O'Connor Painting and Construction; Anthony Dellanno, 64, of Everett and his company, Nino's Iron Works; and Victor Silva, 48, of Haverhill, and his company, United Building Services of Somerville. Also charged yesterday were contractors Dominic Tango, 55, of Reading and Anthony Fabrizio, 61, of Burlington, who allegedly acted as straw bidders for Grande and received kickbacks for making it appear that they, not he, had received contracts from the schools.

Reached at the headquarters of his cleaning company yesterday, Silva denied any wrongdoing and said he received no favorable treatment. "I am shocked that you are calling me on this," he said. "The dealings I had with Mrs. DeFeo were upfront. I did the work, and I got paid."

Ian Crawford, a lawyer for Bradford Carpet, declined comment yesterday, saying he had not seen the indictment. Attempts to reach Merenda, O'Connor, Dellanno, Tango, and Fabrizio were unsuccessful.

The investigation into the allegations of bid-rigging began in fall 2002 and were prompted by a citizen's concern.

Globe correspondents Suzanne Sataline and Caroline Louise Cole contributed to this report. Material from the Associated Press was also used.

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