

School chief, others indicted for alleged fraud



By Jennifer Peter, Associated Press Writer, 3/26/2004

BOSTON -- Everett's superintendent of schools was among 11 people indicted Friday for rigging dozens of school district bids that allegedly bypassed the competitive bidding process and siphoned hundreds of thousands of dollars into contractors' pockets.

A Middlesex grand jury indicted Fred Foresteire, the district's superintendent since 1989, along with five corporations and 10 other people on charges related to alleged bid-rigging schemes in the Everett Public Schools. The grand jury returned a total of 41 indictments, Attorney General Thomas Reilly announced Friday.

Sixty-three contracts worth more than \$552,000 were illegally obtained, according to Reilly, who is investigating the case with state Inspector General Gregory Sullivan. The indictments allege that contracts were steered to certain contractors outside the competitive bidding process.

Sullivan said Foresteire and the other ten people created fictional competition "out of whole cloth" for their own gain.

"Bid rigging... is a cynical effort by people to line their pockets at the expense of the public," he said. "When public employees use their official positions for personal gain, the integrity of the entire system is undermined."

Reilly's office said Foresteire was charged with one count of receiving stolen property on allegations that he had two \$1,200 air conditioners purchased with Everett school funds, installed in his home.

Foresteire did not immediately return a call to comment Friday. His lawyer, Frank Mondano, also did not immediately return a call.

The indictment also named Lona DeFeo, 70, a high-level school maintenance manager who is responsible for getting quotes for all school contracts, submitting

purchase requisitions and recommending which vendors should get contracts. She was indicted on one count of procurement fraud, conspiracy to commit procurement fraud, bid-splitting, larceny over \$250, and other charges.

The main contractor allegedly involved in the scheme was Louis "Gino" Grande, 63, of Reading. He benefited the most from the rigging, according to investigators, receiving 23 fraudulent contracts worth \$250,124.

The yearlong investigation focused on contracts awarded between 1998 and 2003. Reilly and Sullivan have been investigating since the fall of 2002 after being tipped by a citizen inquiry, Reilly's office said.

An arraignment date has not yet been set.

Everett in recent years 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.

Diana Ruiz, 27, who has a child in the schools, was outraged by allegations of funds being allegedly misused.

"The schools are really underfunded. They're asking parents for supplies," she said outside McKinnon's Butcher Shop on Broadway. "They send notes home. They list supplies -- you check off what you can bring -- post-its, glue sticks, crayons, tissues."

"That's not the way to show the kids how to be successful, by taking shortcuts," she said.

"They should fire him. He should go to jail if he's guilty," added Barbara Giovanni, 51, who has no children in the schools.

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