

Big Dig firm seen in \$42m settlement Supplier linked to faulty concrete

By Sean P. Murphy, Globe Staff | July 27, 2007

Aggregate Industries NE Inc., suspected of supplying 5,000 truckloads of substandard concrete used on the Big Dig, will pay \$42 million to settle civil and criminal investigations against the company, according to a person involved in the settlement.

Most of that money, \$27 million, would go to a special fund to be used to pay for future maintenance and repairs on the long-troubled highway-and-tunnel project, said the source, who asked for anonymity, pending an official announcement expected today.

The remaining \$15 million would be split between the federal and state governments to settle the matter for Aggregate, the region's biggest concrete supplier, the source said.

Aggregate supplied 1.2 percent of all the concrete used in Big Dig tunnel walls, tunnels, and roadways, according to the indictment of six Aggregate managers obtained by US Attorney Michael J. Sullivan and made public in May 2006.

The settlement ends the case against the company, which is owned by Holcim, a large concrete firm based in Switzerland. Criminal charges remain against six local company managers who have either resigned or been suspended. They are awaiting trial on charges of conspiracy to commit highway fraud and mail fraud, conspiracy to defraud the government, making false statements, and mail fraud.

The settlement was expected to be announced today by federal and state prosecutors. The case was investigated by federal and state authorities after a lawsuit was filed in 2005 by a whistleblower.

The 135-count indictment of the managers alleges a brazen ploy: Aggregate managers repeatedly passed off over-age concrete by simply adding water to make it seem fresh and falsifying documents to back up their assertions. Concrete must be used within 90 minutes of being mixed; otherwise it begins to harden and may not solidify properly.

The Aggregate settlement does not affect ongoing negotiations by the office of Attorney General Martha Coakley and Sullivan's office to reach a resolution with Big Dig contractors for shoddy work on the \$15 billion project, including for the fatal ceiling collapse in the Interstate 90 connector tunnel last July.

The Globe cited four unnamed sources two weeks ago when reporting that state and federal authorities were demanding that the project's largest contractor, Bechtel/Parsons Brinckerhoff, pay as much as \$1 billion to settle claims and to guarantee that the consortium will not face criminal charges in the collapse that killed Milena Del Valle.

Those negotiations are ongoing.

Bechtel/Parsons Brinckerhoff, which was paid about \$150 million in profit to manage the design and construction of the project over more than 20 years, came under criticism when the Aggregate indictments were announced.

The consortium staffed a laboratory in South Boston to test the quality of the concrete. Bechtel/Parsons Brinckerhoff also made periodic spot checks of the concrete mixing process at the plants and conducted random tests at the Big Dig work site.

The Big Dig has been plagued by thousands of leaks, but it was unclear yesterday whether authorities had determined any link between substandard concrete and the leaks. The Globe reported July 1 that nearly 2 million gallons of water is being pumped out of the O'Neill tunnel monthly, well above the 36,000 gallons monthly that had been expected.

Bernard Cohen, state secretary of transportation, closed to reporters a July 17 board meeting of the Massachusetts Turnpike Authority, which manages the Big Dig, when discussion turned to the leaks.

Since then, Cohen's office has refused to release to the Globe a report on leaks prepared for the board by Michael P. Lewis, the longtime state project manager.

The Turnpike Authority is now spending about \$5 million a year to close leaks, which number about 800.

A Turnpike Authority spokesman recently acknowledged that leaks would be a long-term issue for the project.■