

From King5.com

Minority contractors were out in protest on the Washington State Dept. of Transportation's [Alaskan Way Viaduct project](#) in Seattle on Monday. They say they've had enough of watching fraudulent activity take place in a program designed to help minority and women-owned contractors get work on big government transportation projects.

The program is [mandated](#) by the federal government to remedy proven past and current discrimination against disadvantaged businesses, known as DBE's (Disadvantaged Business Enterprises).

Grady Excavating ousted, yet still on jobs

Specifically, the protesters are frustrated by the Mukilteo-based trucking company, [Grady Excavating](#)

. The state ousted Grady from the DBE program two weeks ago. They cited proof that Grady wasn't really economically disadvantaged as they'd officially indicated to the state and federal governments, yet the company continues to collect millions of dollars from tax-funded jobs, including the Alaskan Way Viaduct. That contract with the prime contractor,

[Seattle Tunnel Partners](#)

, is worth \$6.8 million to Grady Excavating.

About a dozen men were in front of the job site demanding that Seattle Tunnel Partners or the state of Washington boot Grady from the job.

"We want justice, Grady's got to go. We want justice, Grady's got to go," chanted one protester.

"Seattle Tunnel Partners do what you know you must do," yelled another through his bull horn. "We need jobs Seattle Tunnel Partners. Grady must go."

The state agency that certifies DBE's, the Office of Minority and Women's Business Enterprises (OMWBE), ruled on June 29 that Grady Excavating could no longer participate in the program. Since being certified in 2008 Grady has collected approximately \$40 million in government contracts due to its DBE status. That's more than nearly every other DBE in the state.

KING 5 contacted Kim Grady by telephone on Monday. When asked if the company planned to appeal the state's decision to the US Department of Transportation, or if she had any reaction to the protest she didn't want to talk.

"I have no comment on that right now," said Grady.

Federally funded transportation projects require that a DBE participation [goal](#) be set by the Washington State Department of Transportation (WSDOT). The regulations do not dictate what type of work must fulfill the goal. That means every dollar earned by Grady Excavating, is a dollar that did not go to another minority or women-owned business.

"We want Grady gone and we want inclusion in the (minority) neighborhoods. This is killing our neighborhood. This is why we have crime in our neighborhood because we have no jobs," yelled one protester from his bull horn.

KING 5 findings

On May 8, the KING 5 Investigators [exposed](#) something else about Grady Excavating: that the company never should have been allowed into the program in the first place.

The company was eligible for certification because it's owned by a woman, Kim Grady. But documents obtained by KING and several interviews conducted by the reporters with people close to the program indicated it wasn't Kim Grady, but her husband Joe Grady who was really running the business operations.

Upon application for DBE certification with OMWBE Kim Grady's resume showed she had experience working at Nordstrom, LA Sun and Ski Tours and Pacific Food Service. There was nothing to indicate experience in construction or running a trucking operation. To the contrary, her husband, Joe, had years of experience as a project manager for the big general contractor owned by his family: Mukilteo-based KLB Construction. Despite the lack of experience, which is a requirement of DBE certification, OMWBE allowed Grady Excavating entrance anyway, opening the door for millions of dollars worth of work set aside for small, struggling minority-owned businesses. The new director of OMWBE, Chris Liu, says he's trying to get to the bottom of why that happened.

"The agency didn't do its homework (in 2008)," said Liu.

"They've been thrown out of the program and they continue to keep contracts so they need to go. Grady Excavating of Mukilteo, Washington needs to go and this work needs to be spread throughout the community," said protester and DBE certified minority contractor Elton Mason.

"Fraud on the Job"

The investigation into Grady Excavating is just one of 12 stories reported so far in a continuing series, "[Fraud on the Job](#)", by the KING 5 Investigators. The series has uncovered fraud, waste and abuse in the state's administration of the DBE program and a pattern of government officials ignoring problems they knew or should have known about. As a result of the series two top OMWBE administrators resigned their posts, the Governor executed a top to bottom review

of OMWBE, and the FBI launched investigations into DBE's and state employees featured in the KING 5 broadcasts.

Federal law allows work to continue

Current federal regulation ([49 CFR 26.87](#)) states that if a DBE loses its certification after signing a contract for a public works project, the DBE may remain on the job and it's participation may count toward the prime contractor's DBE participation goal. In Grady Excavation's case, that amounts to millions of dollars.

The protesters scattered after Seattle police officers started ticketing them for blocking the project entrance. The participants said they'll be back.

They're also planning to pressure lawmakers in Washington DC, including [Sen. Maria Cantwell](#) who sits on the [US Senate Committee](#) on Commerce, Science and Transportation, to legislate for change. They believe it's only fair that DBE's caught gaming the system should not be able to continue to profit from the program.

"We're going to keep coming back until there's some inclusion of legit minority owned businesses in the state of Washington," said Mason. "We're here to get some attention. It's a nice, beautiful day and we're not working our trucks. We don't have a job to go to."