

The Construction Industry has a bad reputation. That reputation is well earned as we are constantly being informed of fraud, cost overruns and safety violations related to big and small construction projects at a relentless and never ending rate. So it was apropos when the federal government along with the State of New York decided to come up with a crime busting taskforce aimed at the construction activity within the region. They knew they were going after the five Mafia families but they also ended up with a big catch outside the typical organized crime membership. They took the “scalp” of the gigantic firm known as Tutor Perini.

The taskforce was comprised of members from Department of Justice, IRS, US Dept. of Transportation, Office of State Inspector General, and US Dept. of Labor and New York City of Transportation. According to the New York US Attorney’s office: “Following a four-week trial, a federal jury in Brooklyn yesterday (March 9, 2011) found Zohrab B. Marashlian, the former president of Perini Corp.’s Civil Division, an international construction services corporation, guilty of fraud and conspiracy to launder money. The charges arose out of Marashlian’s false representation to New York government agencies that Disadvantaged Business Entities (DBE’s) were performing work in connection with major public works contracts, when, in reality, Marashlian had non-disadvantaged businesses favored by Perini Corp. do the work.” Tutor Perini paid Marashlian \$14 million in salary while all this was going on. Two days before Marashlian was to receive a multi-year prison sentence he committed suicide. A fellow employee is currently doing a long prison term for the same case.

Perini has been caught doing such things over and over again. They are absolutely ridiculous in California projects. It is like DBE fronting is a part of its business model. Overall fraud appears to be a part of that model also. According to the Seattle News some of the Perini headlines read: “In February, Tutor-Saliba and Perini agreed to pay \$19 million to settle racketeering and fraud allegations in a San Francisco airport project.” “In 2004, Perini agreed to pay the federal government \$998,500 to settle fraud claims in the construction of an embassy building in Venezuela.” “The companies are embroiled in an 11 – year legal battle over \$16 million in extra costs on a Los Angeles subway job.” “Perini sued for more than \$170 million in cost overruns on three New York City projects during the 1990s before settling for about \$22 million.”

Any Black owned firm doing any of the above would be permanently banned from doing anymore federal contracting. But Perini? Oh no, it has actually grown exponentially in the government contracting field. How can this be? Well, the principal owner of Tutor Perini is Richard Blum, the husband of US Senator Dianne Feinstein (D – CA.) who serves on the Senate Armed Services Committee which oversees the Dept. of Defense. Since joining the US Senate, Senator Feinstein and her husband have enjoyed billions of dollars in defense contracts. She voted for the Afghanistan War and their company is rolling in contracts directly

related to the war right now. She voted for the Iraq war and their company has been rolling in Iraqi contracts ever since. American soldiers die and the Senator and her husband prosper handsomely and with reckless abandon. It got so ridiculous that when she became the Chair of the Armed Services Committee even her counterparts said that's enough! It is bad enough that all this is apparent but do you have to be "Chair" while all this is going on? So, she stepped down from her Chair seat but is still on the committee and the dollars continue to roll in at an ever growing pace.

She voted for the Stimulus Bill and Perini was showered with more federally funded contracts. President Obama even participated in this one. He kicked off the highway contracts from his Stimulus Bill with a press conference at a highway construction site in Virginia. There he was showing the world what the Stimulus money was doing in kicking off this major highway project. The contractor he put on display was Cherry Hill Construction. Who owns Cherry Hill Construction? Tutor Perini! There is just no shame.

Wait, it gets worse. The Minority Business Development Agency (US Dept. of Commerce) has organized a public relations program that touts "MBDA Unveils First U.S. Global Construction Program for Minority-Owned Firms". That sounds incredibly good. Incredible is the correct term as the instructor of the program is none other than Tutor Perini. Can you believe it! Sending minority firms for instruction by Tutor Perini is like sending maidens to a brothel – something real bad is going to happen.

The above is certainly our business as every penny of the abuse and waste is our tax money. We need to clean this up.

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