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MAYOR BLOOMBERG AND DOI COMMISSIONER ROSE GILL HEARN ANNOUNCE $5 MILLION PAYMENT FROM BOVIS TO CITY

DOI Investigation of Overcharges on Construction Projects Results in Settlement

Mayor Michael R. Bloomberg and Department of Investigation Commissioner Rose Gill Hearn today announced that Bovis Lend Lease LMB, Inc. (“Bovis”) will pay $5 million to the City, through DOI, to compensate the City for overcharges on construction projects. Bovis’s payment results from DOI’s analysis of records and practices applicable to more than 100 City-funded projects Bovis managed between 1999 and 2009, where DOI found that Bovis paid some foremen overtime and extra pay for which they had not worked, passing those expenses along to the City.

“The City is firmly committed to rooting out any waste and overcharge, and this settlement reflects our determination to protect taxpayers’ money – and recoup it where it has been improperly taken,” said Mayor Bloomberg. “I applaud the work of Commissioner Rose Gill Hearn and her department in pressing this point throughout City government and in recovering this money for the taxpayers.”

“The City is a desired customer in the construction industry. The City invests billions in public money for infrastructure, but those expenditures should certainly never include any overcharges,” said DOI Commissioner Rose Gill Hearn. “This settlement shines a light on one such practice that drove up costs to the City. With this payment Bovis restores money that was overcharged to the taxpayers and recognizes that in dealing with the City, honesty must be the only acceptable policy. In this and other cases DOI will continue to recoup money that rightly belongs to the City.”

Bovis, a New York-based subsidiary of a multinational firm, manages numerous construction projects for public and private clients. The settlement announced today resolves the City’s potential civil claims for the above-described overcharges. During the investigation Bovis expressed a desire to settle the civil matter involving its billing the City for the foremen’s unearned compensation, and DOI insisted on a settlement that resolved any issues in favor of the City’s taxpayers. Bovis’s $5 million payment will be accepted by DOI as the City’s representative and deposited in the City’s General Fund, where it will support municipal operations.

(more)
Mayor Bloomberg and Commissioner Gill Hearn thanked Bovis and Robert McNamara, Chief Executive Officer of Lend Lease in the Americas, and Larry Byrne, Esq., of Linklaters LLP, for their assistance in this matter.

This settlement was reviewed by the Mayor’s Office of Contract Services, and approved by the Corporation Counsel, and the New York City Comptroller’s Office.

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