

THE UNITED STATES ATTORNEY'S OFFICE  
DISTRICT *of* VERMONT

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**Department of Justice**

U.S. Attorney's Office

District of Vermont

FOR IMMEDIATE RELEASE

Monday, November 29, 2021

## **J.A. McDonald, Inc. Agrees to Pay \$637,500 to Settle Allegations of False Claims Act Violations Arising from Federal-Aid Bridge Construction in Vermont**

The Office of the United States Attorney for the District of Vermont stated that general contractor J.A. McDonald, Inc. ("JAM"), headquartered in Lyndon Center, Vermont, has agreed to pay \$637,500.00 to the United States and the State of Vermont to resolve allegations that JAM violated the federal False Claims Act, 31 U.S.C. § 3729, and the Vermont False Claims Act, 32 V.S.A. § 631, by knowingly causing the State of Vermont to present false claims for payment to the United States in connection with the federally-funded construction of several bridges on Route 279 in the Town of Bennington, Vermont, and on Interstate 91 in the Town of Guilford, Vermont.

This settlement resolves allegations that, between approximately 2008 and 2010, JAM employees materially altered certain components of the bridges at issue by cutting or burning multiple sections of reinforcing steel out of the reinforced-concrete substructures that support the bridges, and that JAM employees took affirmative steps to conceal such material alterations from the Vermont Agency of Transportation. The United States and the State of Vermont contend that, because of this misconduct, the Vermont Agency of Transportation unwittingly paid JAM for deficient bridgework and in turn, presented false claims to the Federal Highway Administration for the reimbursement of the federal share of the amounts that were paid to JAM.

In addition to agreeing to pay \$637,500.00 to the United States and the State of Vermont as part of the civil settlement announced today, JAM has also agreed as part of an administrative settlement and compliance agreement with the Federal Highway Administration to implement the following remedial measures: (1) to adopt a comprehensive Ethics and Compliance Code and to train all employees on the code; (2) to adopt a comprehensive Quality Assurance/Quality Control Program and to train all employees on the program; (3) to appoint a Corporate Compliance Officer who will be responsible for ensuring that JAM implements and complies with the foregoing code and program; and (4) to retain an Independent Monitor, who will conduct on-site and unannounced inspections of JAM's work on all federally-funded contracts, and report on the inspections directly to the Federal Highway Administration, for a period of three years.

"Public infrastructure projects in the United States must be constructed with care and diligence," stated Acting United States Attorney Jonathan A. Ophardt. "When contractors recklessly disregard public safety

and squander tax dollars, the United States Attorney's Office will aggressively investigate and hold them accountable."

"This settlement agreement concludes over two years of work recognizing that there be full accountability for the work performed on behalf of taxpayers," said Vermont Secretary of Transportation Joe Flynn.

Pursuant to the terms of the civil settlement agreement between the United States, the State of Vermont, and JAM, the settlement constitutes neither an admission of liability by JAM nor a concession by the United States or the State of Vermont that the claims asserted are not well founded. The claims settled in this matter are allegations only; there has been no judicial determination of liability.

This matter was investigated by the United States Attorney's Office for the District of Vermont in partnership with the Vermont Attorney General's Office and the Vermont Agency of Transportation. Support was provided by the United States Department of Transportation's Office of Inspector General and the Federal Highway Administration.

Assistant United States Attorney Ben Weathers-Lowin handled the matter on behalf of the United States. The State of Vermont was represented by Vermont Assistant Attorneys General Michelle Anderson, Bart Gengler, and Gordon Landrigan. JAM was represented by Owen McClain, Esq. and Heather Ross, Esq. of the firm Sheehey Furlong & Behm P.C.

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**Topic(s):**

False Claims Act

**Component(s):**

USAO - Vermont

Updated November 29, 2021