

Department of Justice
U.S. Attorney's Office
Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

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Painting Contractor Pleads Guilty In Connection With George Wade Bridge Project

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced today that the painting contractor on the George Wade Bridge Project, Andrew Manganas, age 60, of Canonsburg, Pennsylvania and Panthera Painting, Inc., headquartered in Canonsburg, pled guilty on January 22, 2018, to theft from union plans, wire fraud, and discharge of pollutants into the Susquehanna River.

According to United States Attorney David J. Freed, Manganas and his company, Panthera Painting, Inc. were charged in a 46-count indictment for crimes related to Panthera's role as a subcontractor on the multi-year George Wade Bridge restoration project. In September 2009, PennDOT awarded a contract for rehabilitation work on the George Wade Bridge to J.D. Eckman as the prime contractor. The George Wade Bridge spans the Susquehanna River on Interstate 81 in Cumberland and Dauphin Counties, Pennsylvania. The Wade Bridge Project was a federal oversight project, meaning that the Federal Highway Administration of the U.S. Department of Transportation conducted reviews and approvals during the project's design and construction phases. The contract amount was \$42,480,434.05 with the FHWA's federal-aid programs reimbursing 90 percent of that cost. The Wade Bridge Project was scheduled to be completed on May 25, 2012, but was extended to September 27, 2013. In October 2009, Panthera was awarded a \$9,875,000 subcontract by Eckman; that contract amount was increased to more than \$10 million. The subcontract awarded to Panthera covered the blasting, resurfacing, and painting of the structural steel on the George Wade Bridge.

The federal oversight and funding of the contract required each contractor and subcontractor to submit Certified Payroll Reports for every worker and every pay period to certify that the appropriate prevailing wage was being paid to each worker. Manganas and Panthera pleaded guilty to submitting false payroll reports that did not accurately reflect the amount workers were being paid. Manganas paid only partial wages in a wage check that did not include overtime pay. He then paid overtime in a separate "per diem" check that did not properly deduct taxes and remittances, some of which were owed to the unions of which the workers were members. By under-reporting wages paid, Manganas defrauded the federal agencies paying for the bridge work. By failing to properly remit wages to the unions, Manganas effectively stole money from the workers and the

union. Moreover, Manganas and Panthera pled guilty to knowingly discharging pollutants into the Susquehanna River over the course of three painting seasons of the Project. The contract and environmental laws prohibit the discharge of pollutants without a permit. Panthera and Manganas were supposed to utilize various methods to ensure that pollutants did not enter the Susquehanna River, including construction of "containment" to cover bridge areas being blasted clean and repainted. Containment involved using ropes, cables, fabric, metal pans and waste collection and recycling systems on segments of the bridge being blasted and repainted to prevent pollutants from being discharged into the River. Manganas knew he did not have a permit to discharge pollutants into the River, but Panthera workers, at Manganas' direction and with his knowledge, utilized a variety of methods and equipment to discharge pollutants, including abrasive paint blasting materials, waste paint, and metal, into the Susquehanna River rather than collect them for recycling or disposal as hazardous waste.

The case was investigated by the U.S. Department of Labor, Office of Inspector General, the U.S. Department of Transportation, Office of Inspector General, the U.S. Environmental Protection Agency, Criminal Investigation Division, and the Federal Bureau of Investigation. Assistant U.S. Attorney James T. Clancy and Special Assistant U.S. Attorney Martin Harrell of EPA are prosecuting the case.

The embezzlement offense carries a maximum penalty of up to five years in prison and a \$250,000 fine for an individual and a fine of \$500,000 for a company; the wire fraud charge carries a maximum penalty of up to 20 years in prison and a \$250,000 fine for an individual and a \$500,000 fine for a company; and each of the Clean Water Act charges carries a maximum penalty of up to 3 years in prison, and a fine of up to the greater of \$250,000 or \$50,000 per day of violation, a term of supervised release following imprisonment, and a fine for an individual and a fine of up to the greater of \$500,000 or \$50,000 per day of violation for a company. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.