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Airport probes minority contracts

Paul Egan / The Detroit News

ROMULUS -- The Wayne County Airport Authority is conducting "a wide-ranging investigation" into a program aimed at helping minority and women contractors at Detroit Metropolitan Airport.

The airport's probe is under way alongside a separate investigation by the Office of Inspector General of the U.S. Department of Transportation.

The twin investigations follow the discovery of undisclosed "irregularities" in the use of a subcontractor involved with the program on an airport project, the authority said Friday in a news release.

The federal Disadvantaged Business Enterprise program requires airport contracts to be shared with small companies deemed disadvantaged that are owned by women or minorities.

"We launched this independent investigation to identify and rectify the irregularities and their causes," said airport Chief Executive Officer Lester Robinson said in a statement.

Problems with the disadvantaged business program have surfaced before and the airport recently hired an extra staff person to give the program more scrutiny, said Wayne County Commissioner Bernard Parker, who sits on the airport authority board.

In March, Michigan paving companies Ajax Paving Industries Inc. of Troy and Dan's Excavating Inc. of Shelby Township agreed to pay the federal government \$11.75 million to settle civil claims they violated minority contracting requirements while helping to build the airport's McNamara Terminal between 1998 and 2003.

The companies had claimed a minority-owned subcontractor, Borbolla Construction and Concrete Supply of Clinton Township, did significant work on the project.

In fact, the minority company performed only minor administrative tasks, the Justice Department said.

Parker said the situation with the paving companies concerned board members and prompted the recent hiring of the extra staff person.

"Up until now, all we've been looking at is the paperwork," filed by companies participating in the program, Parker said.

"Just looking at paperwork makes it too easy to falsify. Now we've got a person to go out and actually look on site at who is doing the work."

But Parker did not know whether the new staff person had uncovered the irregularities that led to the investigation announced Friday.

Airport spokesman Michael Conway declined comment.

The airport turned over the results of its preliminary investigation to federal authorities.

The airport investigation is headed by Perkins Coie, a Chicago law firm.

In 2006, \$65.9 million went to Disadvantaged Business Enterprise firms at the airport, according to a recent airport report.

That represented a disadvantaged business participation rate of 32 percent, exceeding the airport's goal of 20 percent of eligible contract monies going to disadvantaged firms, the report said.

Parker said the program is a good way to give experience to small firms that would otherwise have a difficult time gaining such experience.

Major construction under way at the airport relates to the \$426 million North Terminal, which is expected to open late next year.

The disadvantaged business program also applies to airport concessions.

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