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From Tuesday's Sun

2nd person in probe of City Hall contracts pleads guilty

Boyer faces 5 years' probation, 500 hours of community service for falsifying tax returns

By John Fritze

Sun reporter

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A city contractor who employed Mayor Sheila Dixon's sister while doing work for the city pleaded guilty Monday to falsifying tax returns -- the latest development in a months-long investigation into questionable spending practices at City Hall.

Utech President Mildred E. Boyer, 42, is the second person to plead guilty on tax charges in the probe. She will serve five years' probation, according to a plea agreement entered in Baltimore City Circuit Court. As part of the deal, she has agreed to assist prosecutors, suggesting that the Maryland state prosecutor's investigation into the city government is continuing.

"Part of the plea agreement includes cooperation by Ms. Boyer on other matters," said Deputy State Prosecutor Thomas M. McDonough, who would not elaborate on the investigation.

Boyer had faced a 10-count indictment that included theft and lying on loan documents, but as part of the plea agreement, all but the misdemeanor tax charge were dropped. She will also serve 500 hours of community service in either the Baltimore City or Baltimore County schools.

State prosecutors say Boyer forged a document stating that her company received a \$2 million city contract. Boyer used the forged letter as security for a private loan from Atlanta-based Action Capital. She then used the loan money to buy a house in Baltimore County.

But prosecutors said Boyer never received the contract. They said that the letters, which contained the signature of a city purchasing agent, were forged by Boyer. One of the letters was on stationery from the mayor's office.

Dixon was president of the City Council -- not the mayor -- at the time the letter was produced.

Other correspondence contained signatures from "Ronald Krupnik, IT Purchasing Officer," even though prosecutors said the city employed no one by that name.

Court documents also show that Boyer overstated her expenses by \$50,436 in her 2003 income tax returns -- fraudulently reducing her tax liability by \$3,110.

In addition to her sentence, Boyer was required to pay the \$3,110 in taxes and to return \$61,351 to Action Capital. Becky Cronister, an agent for Action Capital, declined to comment on the agreement.

"This is a fair resolution," said Lawrence P. Fletcher-Hill, a lawyer for Boyer. "It avoids the uncertainty and the unpleasantness of a trial for Ms. Boyer."

As part of that agreement, Boyer is required to provide information about "other Baltimore City officials, employees, contractors, consultants and subcontractors" in the state prosecutor's investigation.

Dixon and Boyer were the subject of a 2006 story in *The Sun* after a City Council hearing in which Dixon pressed a major contractor on why the company was not awarding work to Utech, which then employed Dixon's sister.

The Sun also reported that Dixon, as a member of the Board of Estimates, repeatedly voted on contracts that included Utech, also known as Union Technologies, as a subcontractor. City ethics laws prohibit public officials from participating in "any matter" that involves a sibling's interest or the interest of a relative's employer.

Dixon did not list her sibling's employment on an ethics form that requires elected officials to disclose instances when relatives work for companies doing business with the city. She later amended the form.

A company named Doracon Contracting Inc. -- whose East Biddle Street offices were raided by prosecutors in November -- hired Union Technologies as an electrical subcontractor on several projects, including one, Frankford Estates, that received tax subsidies from the city.

The city finance department, the Baltimore Development Corp. and the offices of the Board of Estimates have also been ordered to turn over documents to the state prosecutor.

Boyer was present in court Monday but declined to comment. Her attorneys noted that the case before the court dealt only with the private loan and not public money. Her attorneys also said that Boyer had no relationship with Sheila Dixon.

Boyer was indicted by a grand jury in 2006. Court documents show prosecutors were prepared to call Comptroller Joan M. Pratt, finance director Edward J. Galla gher and Minority and Women's Business Enterprise coordinator Thomas B. Corey as witnesses.

Pratt's private CPA firm was listed as having prepared Boyer's 2003 federal tax return on a copy of the return Boyer submitted to a credit union for a car loan in 2004. But prosecutors said Pratt's firm never prepared Boyer's 2003 tax return.

Sterling Clifford, a spokesman for the mayor, declined to comment.

Former Dixon campaign chairman Dale G. Clark pleaded guilty in September to failing to file state income tax returns for three of the six years in which he served as the City Council's computer consultant. He did not have a contract for the job but was paid \$500,000 by the city for the work.

Clark has also agreed to cooperate with state prosecutors.

john.fritze@baltsun.com

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