



# CITY OF PHILADELPHIA

**Office of the Inspector General**  
The Curtis Center  
601 Walnut Street, Suite 300 East  
Philadelphia, PA 19106  
Telephone: (215) 686-1770  
Fax: (215) 686-1757

**Amy L. Kurland, Esquire**  
Inspector General

## **EXECUTIVE SUMMARY OF PGW SCATTERED-SITE PAVING INVESTIGATION**

At the request of the Philadelphia Gas Works (PGW), the City of Philadelphia Office of the Inspector General (OIG) investigated allegations that several PGW paving contractors failed to properly install asphalt and concrete when paving roadways. The OIG investigation determined that roadways restored by three contractors – General Asphalt Paving Company of Philadelphia (GAP), Anthony Verrecchia & Sons, Inc. (Verrecchia) and Cedotal Construction, Inc. (Cedotal) – were not in compliance with PGW, City and Commonwealth specifications. The companies denied any wrongdoing, but nonetheless cooperated fully with the OIG investigation and agreed to comprehensive resolutions that include a total of \$735,000 in financial compensation for PGW.

Between 2009 and 2012, PGW contracted with GAP, Verrecchia and Cedotal to pave small patches of roads throughout Philadelphia. The series of projects, known as “scattered-site” contracts, required the companies to repair and replace roadways after PGW crews performed gas-line maintenance. These “scattered-site” projects generally involved small-scale paving work that was performed on an as-needed basis. Between 2009 and 2012, PGW collectively spent just over \$6 million on these “scattered-site” paving contracts.

The investigation found deficiencies in the contractors’ work. PGW obtained about 400 total core samples from paving work at various sites throughout Philadelphia. The coring samples – which were analyzed by the OIG, PGW engineers and an independent engineering firm – established that the contractors sometimes failed to properly install concrete and/or asphalt to contract specifications. Accordingly, the investigation determined that GAP, Verrecchia and Cedotal overbilled PGW for faulty work.

To resolve the matter, GAP, Verrecchia and Cedotal each agreed to compensate PGW and enact stronger quality control measures moving forward, consistent with the following terms:

1. The companies will pay PGW a combined total of \$735,000.
2. GAP, Verrecchia and Cedotal will enter into a comprehensive corporate compliance program to protect against future shortages. The program will include yearly training and on-site quality assurance measures.
3. The companies will also extend their contractual guarantee to PGW, protecting against any future problems with the roadways the companies may have restored.