Feds: Contractor bilked taxpayers through school construction

Gary Craig Rochester Democrat and Chronicle USA TODAY NETWORK

A Rochester contractor is accused of bilking taxpayers through fraudulent minority-business work with the City School District’s massive school modernization program. Accused of wire fraud is Orville Dixon, a 53-year-old Rochester resident who was president and owner of Journee Construction. Federal authorities allege that Dixon illegally allowed contractors who did not meet contractual diversity requirements to use his company as a so-called “pass-through.”

With a “pass-through,” a certified woman or minority-owned business allows a contractor to claim, for a fee, that the minority business performed work as the public contract required “when, in reality, the (minority or womanowned business) did no meaningful work on the job and/or performed no commercially useful function,” according to an affidavit from FBI Special Agent Daniel Ciavarri.

The FBI has been investigating alleged fraud in the City School District’s construction project. In fact, these allegations stretch back five years.

Authorities allege that Dixon, whose business was a certified minority-owned company:

- Told an individual in 2013 that he created Journee to be a “pass-through.” He said the ruse was an easy way to make money by “pushing paper.”

- Worked with a contractor who falsely said he planned to use Journee as a subcontractor and supplier for about $1.3 million in services.

- Conspired with another contractor who falsely claimed the company planned to use Journee — this time as a certified “small business enterprise” — for a subcontract for $160,000 in supplies. Dixon “did not have the ability to supply parts” for the contract, according to a statement from the U.S. Attorney’s Office.

Five contractors have already paid $825,000 in fines to resolve an investigation from the state Attorney General’s Office into claims that they skirted the minority-business and woman-owned business requirements.

That alleged fraud occurred between 2012 and 2014, during the first phase of construction that involved 13 schools with a budget of $325 million, the majority of that paid by the state.

Dixon appeared in federal court Friday and was released on his own recognizance.

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James P.B. Duffy School 12, which is being renamed for Anna Murray Douglass, was one of the schools that benefited from the Rochester school modernization project. JAMIE GERMANO/ROCHESTER DEMOCRAT AND CHRONICLE