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MBCR Conductor Awarded Commendation For Uncovering Alleged Multi-Million Dollar Fare Scam

*MBTA Transit Police honor quick thinking employee who reported fake pass,
leading to prosecution of alleged \$4 million fare fraud, largest in T history*

(Boston, MA) – MBTA Transit Police Chief Paul MacMillan today presented MBCR Conductor John Slyman with a commendation for recognizing and reporting a fraudulent commuter rail pass, which led to discovery of an alleged multi-million dollar fare theft ring. Slyman’s good judgment spurred an investigation that resulted in the indictment of four people who allegedly perpetrated the \$4 million fraudulent fare scheme, the largest case of fare fraud in the history of the T.

“On behalf of every employee at MBCR, I want to thank John Slyman for not only doing his job very well, but also for showcasing the honesty and integrity which defines the railroad industry,” said Hugh J. Kiley, general manager of MBCR and a life-long railroad worker. “Mr. Slyman’s decisive actions saved the public untold millions of dollars in lost revenue.”

Slyman is an eight-year veteran employee at MBCR.

The Massachusetts Attorney General’s Office began an investigation in March of the possible production and sale of illegal MBTA passes after Assistant Conductor Slyman noticed that a customer’s monthly pass appeared to be the wrong color. After speaking with the customer, Slyman learned that the passenger bought that pass on Craigslist for a discounted rate. Knowing that the MBTA and MBCR do not sell passes through Craigslist, private individuals or at a discounted rates, Slyman notified his superior who brought the matter to the attention of MBTA Police.

The subsequent investigation by the authorities found that the pass Slyman singled out was authentic but that the MBTA database had no record of it being activated and that the MBTA had not received payment for it. MBTA then discovered that more than 400 of these fraudulent passes, worth more than \$70,000, were being used by passengers in March and that the MBTA did not receive any revenue from the sale of the passes.

Last month, a statewide grand jury returned indictments against four individuals on charges that they illegally obtained and sold commuter rail passes, according to a

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statement from the office of Attorney General Martha Coakley. The alleged scheme involved printing more than 20,000 MBTA passes at the facility of an independent vendor which handles the sale and fulfillment of MBTA passes purchased on-line and over the telephone, then advertising the passes for sale on Craigslist.

The alleged scheme, which began in 2007, involved manipulation of vendor equipment to produce authentic passes that were not recorded by the MBTA's central computer system as having been activated. Prosecutors allege the perpetrators produced more than 20,000 fraudulent passes that were worth millions of dollars. This included at least \$2 million dollars worth of passes that were intended for future use through November 2012. Coakley's office reported that the defendants sold passes to customers in person or through the mail at a discount, and then used the proceeds from the scheme on houses, jewelry, cars, and vacations. The stolen passes were valued up to \$250 apiece.

About MBCR

The Massachusetts Bay Commuter Railroad Company, LLC (MBCR) is a partnership of Veolia Transportation, the largest private sector operator of multiple modes of transit in North America and one of Europe's largest passenger transportation companies; Bombardier Transportation, the world's leader in the manufacture and maintenance of passenger rail vehicles; and Alternate Concepts, a Boston-based transportation operations firm. MBCR operates and maintains the fifth largest commuter rail network in the United States under a contract with the Massachusetts Bay Transportation Authority. MBCR provides service to 40 million passengers a year in nearly 80 cities and towns in Massachusetts, as well as Providence, RI.

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