

**STATE OF RHODE ISLAND**  
**BEFORE THE RHODE ISLAND ETHICS COMMISSION**

**In re: Charles D. Moreau**  
**Respondent**

**Complaint No. 2010-2**

**INFORMAL RESOLUTION AND SETTLEMENT**

The Respondent, Charles D. Moreau, and the Ethics Commission Prosecutor, representing the People of the State of Rhode Island, hereby agree to a resolution of the above-referenced matter as follows, subject to the approval of the Rhode Island Ethics Commission:

**A. Findings of Fact and Admissions**

The parties agree to and admit the following:

1. Charles D. Moreau ("Mayor Moreau") was first elected as Mayor of Central Falls in November 2003. He was reelected for subsequent two-year terms in 2005 and 2007, and for a four-year term in 2009.<sup>1</sup>
2. Pursuant to the Charter of the City of Central Falls ("City Charter"), the Mayor also serves as the Director of Public Safety, and has the authority to declare any building or property in the City to be a public nuisance.
3. Beginning in 2007, Mayor Moreau began to utilize his authority as Mayor and Director of Public Safety to declare such abandoned properties as public nuisances and to order the cleaning and boarding up of such buildings.

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<sup>1</sup>Pursuant to a 2008 Charter revision, the term for Mayor was extended from two to four years.

4. Mayor Moreau ordered that the board-up work would be referred to a business owned by his long-time friend, Michael Bouthillette.<sup>2</sup> Under this arrangement, Bouthillette would not charge the City directly for any work. Instead, the City recorded Bouthillette's invoice in the land evidence records as a municipal lien against the property. Upon the sale or transfer of the property, the City's lien, along with interest and fees, would be paid off from the proceeds. The City would then issue a check bearing Mayor Moreau's signature to one of Bouthillette's businesses based on the amount of its invoice.

5. This practice of Bouthillette's boarding up of homes pursuant to Mayor Moreau's direction and approval continued from September 2007 to July 2009, and over this time Bouthillette made unreasonable profits amounting to hundreds of thousands of dollars.

6. In response to criticism concerning Bouthillette's no-bid work for the City, in early 2009 Mayor Moreau directed the City's Purchasing Board, the members of which included Mayor Moreau and three of his own appointees, put the board-up work out to bid. Bouthillette's business was one of the bidders, and the Purchasing Board selected Bouthillette to continue the board-up work.

7. On March 26 and 27, 2009, while the board-up contract was pending before the Purchasing Board, but prior to Bouthillette's selection to continue the work, Bouthillette arranged and paid for the installation of a new boiler in Mayor Moreau's residence at 141 Jenks Street, Central Falls.

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<sup>2</sup>Michael Bouthillette owns and operates several different businesses out of the same building at 15 Clarkson Street, Providence, RI. Among these businesses are three which are relevant to the instant complaint: Intercity Maintenance, Inc.; Certified Facility Solutions Corp.; and Certified Disaster Restoration Corp.

8. The total cost of the boiler installation, including parts and labor, was \$6,974. Bouthillette paid this amount of money to the third-party heating contractor that completed the installation.

9. Mayor Moreau has maintained that he paid \$6,000 in cash to Bouthillette in partial reimbursement of Bouthillette's costs associated with the third-party boiler installation. Nevertheless, given that the total cost of the boiler installation was \$6,974, Mayor Moreau admits that he did not reimburse Bouthillette for the outstanding balance of \$974. Accordingly, the parties agree that Mayor Moreau received a gift from Bouthillette in the amount of, at least, \$974.

10. By the execution of a plea agreement with the United States government, Moreau has agreed to plead guilty to criminal charges in connection with the incident which is the subject of this agreement.<sup>3</sup>

**B. Conclusions of Law**

1. The Respondent was at all relevant times the Mayor of the City of Central Falls, a municipal elected position that was subject to the Rhode Island Code of Ethics, including Commission Regulation 36-14-5009 relating to gifts.

2. As Central Falls' Mayor and Director of Public Safety the Respondent exercised authority over the award of lucrative board-up work to Michael Bouthillette. Accordingly, Michael Bouthillette was an "interested person" as that term is defined in Commission Regulation 36-14-5009(c).

3. The Respondent accepted a gift from Michael Bouthillette in the form of an unpaid amount of, at least, \$974 to have a boiler installed in the Respondent's residence. In

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<sup>3</sup>Plea Agreement, Document No. 2 in the Matter of United States v. Charles D. Moreau, United States District Court for the District of Rhode Island, Docket No. 1:12-cr-129-01-M, filed September 19, 2012.

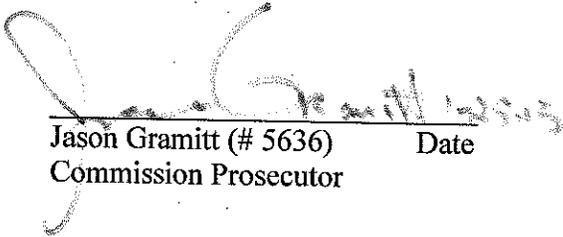
doing so, the Respondent knowingly and willfully violated Commission Regulation 36-14-5009 by accepting and receiving a gift valued at over \$25 from an interested person.

**C. Penalties and Terms of Settlement**

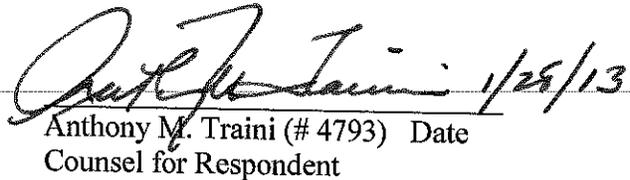
Pursuant to the above Findings of Fact and Admissions, and Conclusions of Law, the Respondent and the Commission Prosecutor agree, subject to the approval of the Rhode Island Ethics Commission, to the following pursuant to R.I. Gen. Laws § 36-14-13(d):

1. That the Respondent shall pay a total civil penalty of \$7,000 (Seven Thousand Dollars).

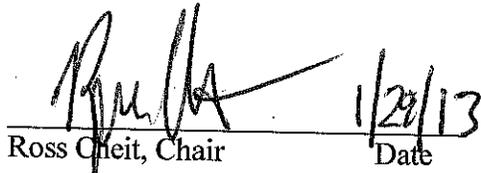
The above terms represent the full and complete Informal Resolution and Settlement for Complaint No. 2010-2.

  
Jason Gramitt (# 5636)      Date  
Commission Prosecutor

 1/28/2013  
Charles D. Moreau      Date  
Respondent

 1/28/13  
Anthony M. Traini (# 4793)      Date  
Counsel for Respondent

**APPROVED** by vote of the  
Rhode Island Ethics Commission  
On 1/29/13, 2013:

 1/29/13  
Ross Cheit, Chair      Date

**STATE OF RHODE ISLAND**  
**BEFORE THE RHODE ISLAND ETHICS COMMISSION**

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**Respondent**

**Complaint No. 2010-2**

**ORDER**

This matter was heard before the Rhode Island Ethics Commission on January 29, 2013, pursuant to Commission Regulation 1011. Having considered the Complaint herein, the arguments of counsel and the proposed Informal Resolution and Settlement, it is hereby

**ORDERED, ADJUDGED AND DECREED**

THAT, the Commission approves the Informal Resolution and Settlement as submitted; and

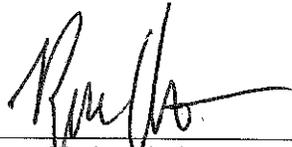
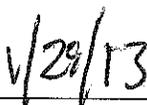
THAT, the Commission adopts and incorporates by reference herein the Findings of Fact and Admissions, and the Conclusions of Law, set forth in the Informal Resolution and Settlement; and

THAT, the Respondent violated Commission Regulation 36-14-5009; and

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THAT, the Respondent is ordered to pay a civil penalty in the amount of Seven Thousand Dollars (\$7,000).

Entered as an Order of this Commission,

   
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Ross Cheit, Chair                      Date