



April 30, 2025

## Investigation Into City of Boston Vendor Three Square Main Streets

The City of Boston Finance Commission has been made aware of suspected financial irregularities regarding one of the Main Streets programs. After reviewing documents related to several grants provided by the City of Boston to Three Squares Main Streets, city employees relayed concerns to the Finance Commission in compliance with the City Charter. Research into the grants revealed that two of the contracts utilized Federal American Rescue Plan Act (ARPA) in the amounts of \$45,000 (58825-23) and \$42,500 (56837-23) and one contracts used federal Community Development Block Grants (CDBG) in the amount of \$57,500 (57369-23). It appears that all funds were deposited into a co-mingled bank account. To assure funds are being spent in accordance with the grants, the vendor is required to provide bank statements to detail expenditures. Since Three Squares has multiple active contracts, bank statements were provided for the same time periods for different grants. When suspected altered statements were discovered, bank statements submitted for the same month for different grants were compared and altered documents were detected. Copies of the contracts are attached.

### Boston Main Streets

A citywide initiative aimed at revitalizing and sustaining vibrant neighborhood commercial districts throughout Boston. Established in 1995, it comprises a network of 20 independent nonprofit organizations, each dedicated to enhancing the economic vitality and community life of their respective districts.

\*Source: [bostonmainstreets.org](http://bostonmainstreets.org)

### **Bank Statements**

Several of the altered statements appeared to change not only the payee but also greatly increased the payments. Below is a chart which details several of the entries on bank statements that appeared to have been altered. It is also important to note that a June of 2024 bank statement provided by Three Square Main Streets does not match the formatting of previous statements. Of note is two of the changed payees from the original bank statements: PayPal is an online payment system that allows users to pay online without sharing personal financial details with merchants and Affirm is a financial services company that allows people to pay for purchases over time or buy now pay later.

Original Bank Statement			Altered Bank Statement	
Date	Original Payee	Amount	Forged Payee	Forged Amount
August 16, 2023	PayPal	\$7.43	Semana Cultural	\$7,000.00
August 22, 2023	Comcast	\$150.69	NorthHill Wilkston	\$14,416.00
October 6, 2023	Affirm, Inc.	\$86.03	Lowe's	\$2,573.16
November 17, 2023	PayPal	\$7.43	Home Depot	\$2,200.00
March 4, 2025	PayPal	\$5.15	Staples Online	\$2,301.01
May 8, 2024	Affirm, Inc.	\$31.83	Lowe's	\$1,573.16
May 17, 2024	PayPal	\$4.24	Jblevin/Bury Boys	\$400.00
May 17, 2024	Paychex fee	\$79.57	Intent Boston	\$1,434.00
May 20, 2024	PayPal	\$3.18	BAR	\$550.00
	Total	\$375.55	Total	\$32,447.33

### Three Squares Main Street

Formerly known as Hyde Jackson Square Main Street, the Three Squares Main Streets is an independent 501 (c)(3) nonprofit organization\* that is part of the Boston Main Streets program (ProPublica). Located a minute way from Jackson Square station in Boston's Latin Quarter Cultural District, Three Squares Main Street serves the commercial businesses along Center Street in Jackson Square, Hyde Square, and Canary Square.\*\*

\*Source: ProPublica

\*\*Source: [bostonmainstreets.org](http://bostonmainstreets.org)

## Grant Sources

ARPA funds were allocated by the federal government to combat the economic slowdown caused by the Pandemic through an act that was signed into law on March 11, 2021 which provided a total of \$350 billion to state and local governments. The City of Boston received \$560 million in ARPA funding from the US Treasury.\* CDBG funds which, the HUD website states are to be used to "Expand opportunities principally for low and moderate-income persons. In 2024 Boston received \$17,196,200 in Community Development Block Grant.\*\*

## Recommendations

The Finance Commission recommends that city continue to withhold funds from Three Squares Main Streets and cease all communications until this matter is resolved. An audit should be conducted into Three Squares Main Streets and all contracts issued by the organization for at least the last three years. Audits should also be conducted on additional Main Streets organizations to assure the integrity of expenditures. As a result of this investigation, the City of Boston issued a contract with an independent vendor to audit the Main Streets program and the findings should be made public.

The city should consider vendors who receive grants be required to deposit the funds in separate accounts to maintain documentation and clarity.

## Conclusions

The Finance Commission commends Mayor Michelle Wu, City Auditor, Scott Finn and several other city employees who referred this matter to the Finance Commission for investigation and provided additional data to expedite the investigation. This demonstrates the importance of regular audits as a necessary part of the process of managing taxpayer resources. Audits are the key to assuring integrity of spending and compliance to rules and regulations.

Since the bank statements provided appears to show evidence of tampering and federal funds were used, The City of Boston Finance Commission will be presenting this report and corresponding evidence to authorities.

\* <https://www.boston.gov/departments/housing/city-boston-american-rescue-plan-housing-funding>

\*\* <https://www.boston.gov/news/community-development-block-grants-making-difference-boston-over-50-years#:~:text=The%20United%20States%20Department%20of,Community%20Development%20Act%20of%201974>

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