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Boston "Big Dig" contractor seeks bankruptcy

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BOSTON (Reuters) - The largest contractor in Boston's \$15 billion "Big Dig" road and tunnel construction project filed for bankruptcy protection on Monday, one business day after it was charged with liability in a 2006 collapse.

Privately held Modern Continental Construction Co said in a petition to U.S. Bankruptcy Court in Boston that it faced debts of \$500 million to \$1 billion with an estimated 200 to 999 creditors. Its assets totaled \$100 million to \$500 million.

The U.S. attorney on Friday charged Modern Continental in federal court with knowingly using the wrong epoxy to suspend concrete anchors that failed in the 2006 tunnel ceiling collapse that crushed a car.

The collapse killed a woman passenger and damaged public confidence in the costliest public works project in U.S. history.

If convicted, Cambridge, Mass.-based Modern Continental faces criminal fines of up to \$500,000 for each of 49 counts, or a total of \$24.5 million. The counts ranged from making false statements to wire fraud and submitting phony time and materials slips.

Modern Continental has said the charges were "completely unfounded and without merit."

Court documents showed that the company's board of directors voted on June 11 to seek protection from creditors.

The company was also named in a November 2006 civil lawsuit brought by the Massachusetts attorney general against 15 companies that worked on the project.

With 7.5 miles of underground highway and a 183-foot (56-metre) wide cable-stayed bridge, the "Big Dig" replaced an ailing elevated expressway to fix chronic congestion and reunite downtown Boston with its historic waterfront neighborhoods.

But cost overruns, leaks, delays, falling debris, criminal probes and charges of corruption plagued the 16-year project that was formally completed in December.

Despite a "stem to stern" inspection that found it fundamentally safe after the 2006 collapse, many Bostonians still regard it with trepidation, citing years of mismanagement and stubborn problems such as leaks.

The U.S. National Transportation Safety Board blamed the collapse on the wrong kind of glue used to hold up the concrete ceiling, and criticized the Massachusetts Turnpike Authority for poor oversight and noted mistakes by contractors.

(Reporting by Jason Szep; Editing by Cynthia Osterman)

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