

Department of Justice
U.S. Attorney's Office
Eastern District of New York

FOR IMMEDIATE RELEASE

Friday, October 22, 2021

Navillus Construction Executives Convicted of Embezzling from Union Benefits Funds

Defendants Engaged in Years-Long Fraud Scheme Designed to Evade Making Required Contributions for Their Employees

Earlier today, in federal court in Brooklyn, a jury returned guilty verdicts against Donal O'Sullivan, the founder, owner and President of Navillus Tile, Inc. d/b/a/ Navillus Contracting ("Navillus"), one of New York City's largest construction firms, Pdraig Naughton, Navillus's Financial Controller, and Helen O'Sullivan, a Payroll Administrator, on all 11 counts charging wire fraud, mail fraud, embezzlement from employee benefits funds, submission of false remittance reports to union benefits funds, and conspiracy to commit those crimes. The verdicts followed a three-week trial before United States District Judge Pamela K. Chen. When sentenced, each of the defendants faces up to 20 years in prison.

Breon Peace, United States Attorney for the Eastern District of New York, announced the verdict.

"As found by the jury, the defendants deliberately devised a fraudulent scheme to avoid making required contributions to union benefits funds on behalf of Navillus's workers, in order to deprive the workers of benefits they had earned and deserved," stated United States Attorney Peace. "This Office and its law enforcement partners will continue to investigate and prosecute these types of blatant frauds that are harmful to workers."

Mr. Peace expressed his thanks to the agents and investigators of the Federal Bureau of Investigation, New York Field Office; United States Department of Labor, Office of Inspector General; the United States Department of Labor, Employee Benefits Security Administration; the Port Authority of New York and New Jersey, Office of Inspector General; and Homeland Security Investigations for their outstanding work on the case.

Navillus was a signatory to multiple collective bargaining agreements that required the company to make contributions to union benefits funds, such as health, pension and vacation funds, for all "covered work" performed by its workers at construction sites. Between 2011 and 2017, the defendants engaged in a scheme to avoid making these required contributions by placing some of Navillus's workers on the payroll of another company (the "Consulting Company"). The Consulting Company then issued weekly paychecks to those Navillus workers for work they did on Navillus construction jobs. To conceal the scheme from benefits fund auditors, the defendants caused the Consulting Company to issue fraudulent invoices to disguise the fact that the funds Navillus had issued to the Consulting Firm were made to reimburse the Consulting Company for the wages the Consulting Company had paid to Navillus workers.

The government's case is being handled by the Office's Public Integrity Section. Assistant United States Attorneys Turner Buford and Meredith Arfa, and Special Assistant United States Attorney Virginia Nguyen are in charge of the prosecution.

The Defendants:

DONAL O'SULLIVAN
Age: 60
Queens, New York

PADRAIG NAUGHTON
Age: 49
New York, New York

Helen o'sullivan
Age: 61
Queens, New York

E.D.N.Y. Docket No. 20-CR-272 (PKC)

Topic(s):
Financial Fraud
Labor & Employment

Component(s):
[USAO - New York, Eastern](#)

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