

U.S. Department of Justice

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District of Connecticut*

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**PLAINVILLE ELECTRICAL CONTRACTOR ADMITS STEALING
MORE THAN \$3.3 MILLION FROM EMPLOYEES**

John H. Durham, United States Attorney for the District of Connecticut, today announced that LEE FERGUSON, 62, of Farmington, waived his right to be indicted and pleaded guilty today before U.S. District Judge Michael P. Shea in Hartford to one count of money laundering stemming from a scheme in which he stole more than \$3.3 million dollars from his employees.

According to court documents and statements made in court, Ferguson owns and operates Ferguson Electric and Ferguson Mechanical, both headquartered in Plainville. Between approximately 2013 and 2017, Ferguson caused to be deducted approximately \$1.60 to \$3.15 per hour from each of his employee's fringe benefits package as a "third party administrator fee" for the employees' pension plans. Ferguson knew that the funds were not used to cover any administrative fees for the employees' pension plans. Instead, this "third party administrator fee" was paid over to TPA of Connecticut, a company that Ferguson established and controlled. TPA of Connecticut, in turn, sent the monies to DJS Associates, a Florida company that Ferguson formed for the purported purpose of performing business-consulting services for him and his companies. However, no such services were performed and Ferguson used the funds for personal expenses.

Through this scheme, Ferguson stole a total of \$3,357,516 from more than 300 employees.

Judge Shea scheduled sentencing for October 24, 2019, at which time Ferguson faces a maximum term of imprisonment of 10 years.

Ferguson is released on a \$50,000 bond pending sentencing.

This investigation is being conducted by the Internal Revenue Service – Criminal Investigation Division, U.S. Department of Labor – Office of Inspector General, and U.S. Department of Labor – Employee Benefits Security Administration, Boston Regional Office. The case is being prosecuted by Assistant U.S. Attorney Douglas P. Morabito.

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