

Department of Justice
U.S. Attorney's Office
District of Massachusetts

FOR IMMEDIATE RELEASE

Wednesday, May 6, 2015

Andover Man and His Woburn Construction Company Charged with Defrauding Union Benefit Funds and IRS

BOSTON – An Andover man and his Woburn company were charged yesterday with paying employees in cash in order to avoid paying union benefits and employment taxes.

Ronald P. Mulcahey, 53, and Wing Environmental, Inc., were indicted on theft from benefit plans subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974 (ERISA) and making false statements in documents submitted to benefit plans subject to ERISA. Mulcahey was also charged with tax evasion.

The indictment alleges that Mulcahey was the owner and sole corporate officer of Wing Inc. Specialty Trades, EWT-Fireproofing, Inc., and Wing Environmental, Inc. Wing Environmental was a union company that provided asbestos abatement and demolition services and had a collective bargaining agreement with the Laborer's International Union of North America, Local 1421. As a union employer, Wing Environmental was required to accurately report to the union benefit funds the number of hours worked by its union employees and to make the corresponding contributions to the funds. The indictment further alleges that, between January 2008 and June 2011, Mulcahey and Wing Environmental engaged in a scheme to defraud the union benefit funds by paying some of those employees in cash. By keeping the cash payments off-the-books, Mulcahey and Wing Environmental falsely underreported the union workers' hours in order to avoid making the required hourly payments to the benefit funds. Union benefit funds are used to provide healthcare, pensions and other services to union members.

According to the indictment, Wing Specialty Trades and EWT-Fireproofing were non-union companies that provided asbestos abatement, demolition, and fireproofing services. All of Mulcahey's companies were required by federal tax law to accurately report their total payments to employees and to withhold and pay to the IRS the applicable employment and income taxes based on those payments. Between January 2008 and June 2011, it is alleged that Mulcahey was defrauding the IRS by paying certain employees of all three of his companies in cash. By keeping the cash payments off-the-books, Mulcahey falsely underreported his workers' wages to the IRS and avoided paying employment taxes on the unreported wages.

Each of the charging statutes provides for a sentence of no greater than five years in prison and three years of supervised release. The ERISA charges provide for a fine of no greater than \$250,000 and the tax charges provide for a fine of no greater than \$100,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Carmen M. Ortiz; Cheryl Garcia, Special Agent in Charge of the United States Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations; William P. Offord, Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in Boston; and Susan A. Hensley, Regional Director of the Employee Benefits Security Administration, made the announcement today. The case is being prosecuted by Assistant U.S. Attorney Kristina E. Barclay of Ortiz's Public Corruption Unit.

The details contained in the indictment are allegations. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.