

**Department of Justice**

U.S. Attorney's Office

Middle District of Florida

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FOR IMMEDIATE RELEASE

Thursday, February 25, 2021

**Construction Contractor Sentenced To 41 Months For  
Conspiring To Commit Mail And Wire Fraud And  
Defrauding The U.S. Treasury**

Jacksonville, Florida – U.S. District Judge Brian J. Davis today sentenced Hugo Cruz-Medina (33, Jacksonville) to three years and five months in federal prison for conspiring to commit mail and wire fraud, conspiring to defraud the United States, and illegally reentering the United States after previously being deported. As part of his sentence, the court also ordered Cruz-Medina to pay his victims \$3,266,506.33 in restitution and a money judgment of \$1,408,712.08 was entered, the proceeds of the mail and wire fraud conspiracy.

Cruz-Medina had pleaded guilty on September 29, 2020.

According to court documents, Cruz-Medina acting with others, operated a construction contracting business in Jacksonville that partially paid workers “off the books.” By compensating employees with a mix of checks and cash, he and his co-conspirators avoided withholding the full amount of payroll taxes owed to the United States. This practice led to a loss to the U.S. Treasury of approximately \$1,857,794.25. Further, by underreporting the number of hours his laborers worked, Cruz-Medina defrauded his company’s workers’ compensation insurer and payroll management vendors, all of which relied on his false reporting to calculate the cost of their services and the amounts that they charged. This false reporting caused an additional loss of \$1,408,712.08 to the insurer and the payroll companies.

Cruz-Medina is a citizen of Mexico and was previously deported from the United States in 2012. He later illegally reentered the country without the consent of the Attorney General or the Secretary of Homeland Security.

This case was investigated by the Internal Revenue Service – Criminal Investigation, U.S. Homeland Security Investigations, U.S. Department of Labor Office of Inspector General, and the Florida Department of Financial Services. It was being prosecuted by Assistant United States Attorney Michael J. Coolican.

**Topic(s):**  
Financial Fraud  
Immigration

**Component(s):**  
[USAO - Florida, Middle](#)