

Department of Justice

U.S. Attorney's Office

District of Connecticut

FOR IMMEDIATE RELEASE

Monday, January 27, 2020

Electrical Contractor Sentenced to 20 Months in Prison for Stealing \$3.3 Million from Employees

John H. Durham, United States Attorney for the District of Connecticut, announced that LEE FERGUSON, 62, of Farmington, was sentenced today by U.S. District Judge Michael P. Shea in Hartford to 20 months of imprisonment, followed by one year of supervised release, for stealing more than \$3.3 million from his employees.

Judge Shea also ordered Ferguson to pay a \$200,000 fine.

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. He has made full restitution.

On July 31, 2019, Ferguson pleaded guilty to one count of money laundering.

Ferguson, who is released on a \$50,000 bond, is required to report to prison on April 28.

This investigation was 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 was prosecuted by Assistant U.S. Attorney Douglas P. Morabito.