

Department of Justice
U.S. Attorney's Office
Middle District of Florida

FOR IMMEDIATE RELEASE

Monday, January 9, 2023

Father And Son Owners Of Jacksonville Construction Firms Sentenced To Federal Prison For Conspiring To Defraud The IRS

Jacksonville, Florida – U.S. District Judge Marcia Morales Howard today sentenced Jacksonville residents Raul Solis (52) and Raul Solis-Martinez (33) to 33 months and 21 months in federal prison, respectively, for conspiring to defraud the Internal Revenue Service (IRS) and to unlawfully employ workers who were neither lawfully admitted to, nor authorized to be employed in the United States. The court also ordered Solis and Solis-Martinez to pay \$5,613,082.38 in restitution to the IRS. Solis-Martinez had pleaded guilty on July 27, 2022, and Solis had pleaded guilty on August 4, 2022.

According to court documents, Solis and Solis-Martinez owned and operated Solis Brothers Company, LLC and Duval Framing, LLC, which are construction subcontracting companies in Jacksonville. To illicitly lower labor costs, they conspired with each other, and Hugo Cruz-Medina, the owner of another subcontractor (H&S Framing, LLC) to pay their employees partially “off the books.” By paying employees with a mix of checks and cash, the conspirators avoided withholding the full amount of payroll taxes owed to the IRS. Between 2014 and 2019, their workers received approximately \$22,186,096.35 in wages that were never reported to the IRS and from which no taxes were withheld. This practice led to a loss to the U.S. Treasury of approximately \$5,613,082.38.

Further, by misrepresenting how much their employees were working, Solis and Solis-Martinez also defrauded the company that managed their payroll functions, as well as their workers’ compensation insurer, both of which relied on the conspirators’ false payroll reporting to calculate the cost of their services. In addition, Solis and Solis-Martinez knew that many of their employees had emigrated to the United States illegally or were otherwise not unauthorized to work here. Some workers had been previously deported from the United States, including Cruz-Medina, only to return and work for Solis and Solis-Martinez.

In a related case, on February 25, 2021, Hugo Cruz-Medina (35, Jacksonville), was sentenced to 41 months’ imprisonment for conspiring to defraud the IRS, conspiring to commit mail and wire fraud, and illegally reentering the United States after previously being deported.

“Employers have a responsibility to their employees to withhold the proper amount of taxes and pay those taxes over to the IRS,” said Ronald A. Loecker IRS-CI Acting Special Agent in Charge. “In this instance, greed drove the defendants to cheat their competitors and steal from both their employees and the American public. Today’s sentencing demonstrates that you can’t expect integrity and loyalty from an employer who would do anything for money.”

“This father and son criminal team profited financially by perpetrating fraud against the United States and private industry, while taking advantage of the country’s workforce,” said HSI Jacksonville Assistant Special Agent in Charge K. Jim Phillips. “In partnership with the Internal Revenue Service – Criminal Investigation and the Florida Department of Financial Services, we will continue to hold these criminals accountable for defrauding both the government and private industry.”

This case was investigated by the Internal Revenue Service – Criminal Investigation, Homeland Security Investigations (HSI), U.S. Department of Labor – Office of Inspector General, and the

Florida Department of Financial Services. It was prosecuted by Assistant United States Attorney Michael J. Coolican.

Topic(s):

Tax

Financial Fraud

Component(s):

USAO - Florida, Middle

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