

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

---

FOR IMMEDIATE RELEASE  
Tuesday, October 25, 2016

## **Andover Man Pleads Guilty to Defrauding Union Benefit Funds**

BOSTON – An Andover man pleaded guilty today to paying employees in cash in order to avoid paying union benefits and employment taxes.

Ronald P. Mulcahey, 53, pleaded guilty today to making false statements in documents submitted to benefit plans subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974 (ERISA). Mulcahey also pleaded guilty to tax evasion. U.S. District Court Judge Richard G. Stearns scheduled sentencing for Jan. 19, 2017.

U.S. Attorney Carmen M. Ortiz said, “We remain committed to protecting the rights of union members who rely on ERISA funds which provide them with healthcare, pensions, and other services. The failure of employers to make appropriate contributions to these funds not only violates federal law, it endangers the funds’ fiscal viability and jeopardizes union members who need the services they provide.”

“Ronald Mulcahey used a cash payroll to conceal actual hours worked by his employees in order to avoid paying benefit plan contributions into the Massachusetts Laborer’s Benefit Funds, and to avoid paying federal employment taxes. Actions by employers like Mulcahey have an adverse effect on the American workforce. The Office of Inspector General will continue to work with our law enforcement partners to ensure that employers fulfill their obligations when it comes to remitting benefit plan contributions to employee benefit funds,” stated Michael C. Mikulka, Special Agent in Charge of the New York Regional Office, U.S. Department of Labor, Office of Inspector General.

“IRS Criminal Investigation takes employment tax violations very seriously because the employees are the ultimate victims,” said Joel P. Garland, Special Agent in Charge of the Boston Field Office. “By paying cash wages off the books, Mr. Mulcahey risks future Social Security, Unemployment or Medicare benefits for his employees. The loss of revenue also damages our nation’s system of taxation.”

Mulcahey was the owner and sole corporate officer of Wing Inc. Specialty Trades, EWT-Fireproofing, Inc., and Wing Environmental, Inc. Wing Environmental provided asbestos abatement and demolition services. The company had a collective bargaining agreement with 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. Between January 2008 and June 2011, Mulcahey engaged in a scheme through Wing Environmental 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.

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 the IRS the applicable employment and income taxes. Between January 2008 and June 2011, Mulcahey

defrauded 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.

U.S. Attorney Ortiz; DOL-OIG SAC Mikulka; IRS-CI SAC Garland; and Susan A. Hensley, Regional Director of the Employee Benefits Security Administration made the announcement today. Assistant U.S. Attorneys Kristina E. Barclay and Ryan DiSantis of Ortiz's Public Corruption Unit are prosecuting the case.