

PRESS RELEASE

Owner of Medford Construction Company Pleads Guilty to Tax Crimes and Making False Statements

Tuesday, April 16, 2024

For Immediate Release

U.S. Attorney's Office, District of Massachusetts

Defendant lied under oath about fatal workplace accident

BOSTON – A former Quincy man pleaded guilty last week to a tax fraud scheme that resulted in a tax loss of approximately \$2,824,577 and making false statements about a fatal workplace accident.

Mauricio Baiense, 57, pleaded guilty to one count of conspiracy to defraud the United States, seven counts of failure to collect and pay over taxes, one count of aiding and assisting in the preparation of a false tax return and one count of making false statements. U.S. Senior District Court Judge William G. Young scheduled sentencing for July 19, 2024. In August 2022, Baiense was indicted by a federal grand jury.

Baiense owned and operated Contract Framing Builders, Inc. (CFB), a Medford-based construction business. Baiense was responsible for filing CFB's quarterly employment tax returns and collecting and paying IRS payroll taxes withheld from the wages of the company's employees. From approximately 2013 through 2017, Baiense facilitated having approximately \$11 million worth of checks drawn on CFB's corporate bank account to purported subcontractors, which were in fact nominee entities controlled by him. Baiense then cashed or directed others to cash the checks at a check cashing business and used the money to operate an "off-the-books" cash payroll for CFB's employees. Baiense did not report the cash wages to the IRS and did not pay employment taxes on wages paid to employees in cash. Baiense also assisted in the preparation of at least one fraudulent employment tax return that understated the actual wages paid to CFB's employees.

When questioned under oath at a U.S. Department of Labor Occupational Safety and Health Administration hearing regarding a fatal workplace accident pertaining to an employee of Baiense's company, Baiense made false statements to a federal investigator - falsely claiming that the deceased employee did not work for him.

The charge of conspiracy to defraud the United States provides for a sentence of up to five years in prison, up to three years of supervised release and a fine of up to \$250,000. The charges of failure to collect and pay over taxes each provide for a sentence of up to five years in prison, up to three years of supervised release and a fine of up to \$250,000. The charge of aiding and assisting in the preparation of a false tax return provides for a sentence of up to three years in prison, up to one year of supervised release and a fine of up to \$250,000. The charge of making a false statement provides for a sentence of up to five years in prison, up to three years of supervised release and a fine of up to \$250,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

Acting United States Attorney Joshua S. Levy; Stuart M. Goldberg, Acting Deputy Assistant Attorney General of the Justice Department's Tax Division; Galen Blanton, Regional Administrator of the Department of Labor OSHA Region 1; Harry Chavis, Jr., Special Agent in Charge of the Internal Revenue Service Criminal Investigation, Boston Field Office; and Jonathan Mellone, Special Agent in Charge of the Department of Labor, Office of Inspector General in Boston made the announcement. Valuable assistance was provided by the Department of Homeland Security, OSHA Criminal Investigations Team, Region 1; and the Department of Labor, Office of Inspector General. Assistant U.S. Attorney David Tobin of the Major Crimes Unit and Trial Attorney Thomas F. Koelbl of the Justice Department's Tax Division are prosecuting the case.

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