



Office of Inspector General for the U.S. Department of Labor

OIG Investigations Newsletter

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The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, containing a bimonthly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations into alleged violations of federal laws relating to DOL programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

Pennsylvania Man Sentenced to 41 Months in Prison for Embezzling More than \$1.5 Million from Boilermakers Local 154

On February 12, 2018, Raymond C. Ventrone, former business manager of Pittsburgh-based International Brotherhood of Boilermakers Local Lodge 154, was sentenced to 41 months in prison for his role in a scheme to embezzle union funds. Ventrone was ordered to pay restitution of more than \$2.3 million to the union and more than \$200,000 to the IRS.



Location where Ventrone kept expensive equipment he purchased with Boilermaker funds

Ventrone was employed as the union's business manager, the most powerful position in the union, during the period from January 2010 through June 2015. Ventrone used his position to authorize union funds to pay for retail goods for personal use, including personal clothing and furniture, renovations to his residence, and extravagant gifts for his family and friends. The IRS determined that Ventrone under-reported his income by more than \$600,000 as a result of his embezzlement from the union.



International Brotherhood of Boilermakers Local Lodge 154 offices

This was a joint investigation with the FBI, IRS–Criminal Investigation (CI), and the Office of Labor Management Standards (OLMS). *United States v. Raymond C. Ventrone* (W.D. Pennsylvania)

Illinois Businessman Sentenced for Causing False Statements to be made to Union-Affiliated Benefit Funds and for Failing to Pay Federal FICA Taxes

On February 27, 2018, Thomas Manning, president of T. Manning Concrete, Inc., in Huntley, Illinois, was sentenced to 3 months' incarceration and ordered to pay \$1.3 million in restitution to the Fox Valley Laborers' pension and health funds. Manning caused false statements to be made on forms required by the Employee Retirement Income Security Act of 1974. Manning was also ordered to pay restitution of over \$600,000 to the IRS for failure to collect and pay Federal Insurance Contributions Act (FICA) taxes.

Since 2007, Manning had served as president of T. Manning Concrete, and through his position, he hired laborers and cement masons from various unions throughout northern Illinois. The unions provided their members with certain employee health care and pension benefits through several union-affiliated benefit plans. T. Manning Concrete was required by collective bargaining agreements to submit monthly remittance reports documenting the company's required benefit fund contributions based on the number of hours covered employees had worked.

Manning defrauded the funds by under-reporting the number of hours worked by the company's covered employees, thus depriving the funds of nearly \$2 million intended for plan participant benefits. To perpetuate his fraud scheme, Manning caused covered employees to be paid "under the table," via checks drawn from nonpayroll bank accounts under Manning's control, for work hours not reported on the monthly reports. Manning also admitted that between 2007 and 2010 he had failed to collect, account for, and pay more than \$600,000 in FICA taxes owed to the IRS in connection with the under-the-table payments issued to employees.

This is a joint investigation with the Employee Benefits Security Administration, U.S. Postal Inspection Service (USPIS), and IRS-CI. *United States v. Thomas Manning* (N.D. Illinois)

Virginia Trucking Company Enters into Civil Settlement Agreement to Pay Postal Service Approximately \$1 Million for Violating False Claims Act

On March 12, 2018, Beam Brothers Trucking, Inc. (BBT), BBT president Gerald Beam, and BBT vice president Garland Beam entered into a civil settlement agreement that calls for them to pay the United States Postal Service (USPS) approximately \$1 million for violating the False Claims Act.

In a separate criminal case, BBT and four employees, including Gerald and Garland Beam, were each sentenced on November 28, 2017, to home confinement or probation and ordered to pay restitution after previously pleading guilty to a conspiracy to violate Federal Motor Carrier Safety Administration regulations. BBT was ordered to pay a \$250,000 fine, nearly \$1 million in restitution to the drivers who were defrauded of their pay, and \$2 million in forfeiture to the United States.



Beam Bros. Trucking Inc. Offices in Virginia

From 2008 through 2014, BBT operated as a USPS highway route contractor. During that time, BBT permitted and encouraged its drivers to falsify time sheets by reporting fewer hours than they actually worked; told drivers they would not be paid for short rest periods or for time waiting for their trailers to be loaded or unloaded at USPS facilities; failed to inform drivers of mail contract pay requirements; and failed to pay drivers in accordance with the Service Contract Act, Fair Labor Standards Act, and other requirements.

This was a joint investigation with the USPS–OIG, IRS–CI, and the U.S. Department of Transportation–OIG. *United States v. Beam Brothers Trucking, Inc., et al.* (W.D. Virginia)

Tennessee Couple Sentenced for Defrauding Unemployment Compensation for Ex-Service Members (UCX) Program

On February 15, 2018, Earl Lafayette Hall III of Arlington, Tennessee, was sentenced to 116 months imprisonment for conspiracy, mail fraud, money laundering, and aggravated identity theft charges related to an unemployment compensation fraud scheme. Hall's wife, Renita Blunt, was sentenced to 29 months imprisonment on January 17, 2018, for conspiracy to commit mail fraud and aggravated identity theft.

Hall and Blunt applied for veterans' unemployment compensation benefits under the Unemployment Compensation for Ex-service members program, commonly known as the UCX program. The UCX program is a federally-funded DOL program administered by the states. Hall stole and assumed the identities of 10 individuals between 2013 and 2014 in order to receive benefits under the program. Blunt stole and assumed the identity of one individual to receive benefits under the program.

A jury convicted Hall and Blunt on March 10, 2017, following a one-week trial. As part of the sentencing, Hall was ordered to pay \$96,431 and Blunt \$38,633 in restitution to the State Workforce Agencies of Utah, Pennsylvania, and Hawaii.

This was a joint investigation with the Defense Criminal Investigative Service and the USPIS. *United States v. Earl Lafayette Hall, III, United States v. Renita Blunt* (M.D. Pennsylvania)

Former IBEW Local 876 Employee Sentenced in Embezzlement Scheme

On February 20, 2018, Stephanie Marie DeBoer, a former bookkeeper and office manager for the International Brotherhood of Electrical Workers (IBEW) Local Union 876, was sentenced to 48 months' imprisonment and ordered to pay restitution of more than \$300,000 for her involvement in a scheme to defraud the union.

From at least 2012 through September 2015, DeBoer used her positions with IBEW Local 876 to write unauthorized checks against the union's safety clothing fund to pay her personal rent and to make payments on several personal credit accounts. She also wrote unauthorized checks to herself from IBEW Local 876's general checking account, which she then endorsed and deposited into personal bank accounts.

This is a joint investigation with the OLMS. *United States v. Stephanie Marie DeBoer* (W.D. Michigan)

California Facilities Manager Sentenced to 30 Months in Prison for Theft from San Diego Workforce Partnership

On February 12, 2018, Jared Palmer, a former facilities manager for the San Diego Workforce Partnership (SDWP), was sentenced to 30 months in prison for embezzling more than \$455,000 from the local Workforce Development Board responsible for providing job training to San Diego county residents and placement with local employers. Palmer was also ordered to pay more than \$455,000 in restitution to SDWP.

Between 2011 and 2016, Palmer, as facilities manager, was responsible for approving the payment of invoices submitted by janitorial companies contracted to clean SDWP facilities. Palmer instructed these contractors to purchase items he claimed were for SDWP's use, including Nest smart thermostats, electronics, and prepaid debit cards. Palmer then stole the items and replaced the hundreds of invoices that included the cost of these stolen items with false invoices that made it appear as if all the charges were for legitimate janitorial services. Over the course of five years, Palmer's scheme netted him more than \$455,000.

This is a joint investigation with the FBI. *United States v. Jared Palmer* (S.D. California)

Two South Florida Residents Sentenced for Their Roles in a Florida Unemployment Insurance Identity Theft Fraud Scheme

On February 2, 2018, William Dupervil and Xavier Camacho were sentenced for their roles in an Unemployment Insurance (UI) fraud scheme. Dupervil was sentenced to 24 months in prison and ordered to pay \$20,000 in restitution jointly and severally with co-defendant Camacho, who was also sentenced to 15 months' imprisonment.

Dupervil and Camacho conspired to commit access device fraud and aggravated identity theft by using the personally identifiable information of at least 18 victims to file for and receive UI benefits from the State of Florida UI program.

This was a joint investigation with the FBI and the State of Florida Department of Economic Opportunity. *United States v. Xavier Camacho Lugo, United States v. William Dupervil, Jr.* (S.D. Florida)

Former Arkansas State Representative Pleads Guilty to Conspiracy Charges for Illegal Lobbying and Political Spending on Behalf of DOL-Funded Charity

On February 12, 2018, Eddie Wayne Cooper of Melbourne, Arkansas, pled guilty to conspiracy charges for his role in a scheme to embezzle more than \$4 million from a Springfield, Missouri–based health care charity.

When the embezzlements occurred, Cooper, an Arkansas state representative and a lobbyist registered with the Arkansas Secretary of State, was the regional director for Preferred Family Healthcare, Inc., a non-profit charity. Preferred Family Healthcare and its subsidiaries provide a variety of services to individuals, including mental and behavioral health treatment, substance abuse treatment and counseling, and employment assistance services. For fiscal years 2010 through 2015, the charity received more than \$53 million in funds from the federal government, of which more than \$21 million was from grants provided by DOL's Employment and Training Administration.



Offices of Preferred Family Healthcare in Springfield, Missouri

Cooper admitted that from 2009 to 2017 he conspired with several executives of the charity to use the charity's funds for unlawful political contributions, for unreported lobbying, and for personal financial

benefits. Cooper received a total of \$387,501 from a lobbying firm and at least \$63,000 in kickbacks as a result of his participation in the conspiracy.

Preferred Family Healthcare paid the lobbying firm where Cooper worked to provide lobbying and advocacy services. Cooper and others solicited the assistance of elected and appointed officials regarding legislative issues that affected the charity, particularly matters involving the charity. They also sought to steer grants and other sources of funding to the charity from 2010 through 2017. These funding sources included proceeds from the Arkansas General Improvement Fund.

This is a joint investigation with the U.S. Department of Health and Human Services–OIG, the U.S. Department of Housing and Urban Development–OIG, the Federal Deposit Insurance Corporation–OIG, U.S. Department of Veterans Administration–OIG, IRS-CI, the FBI, and the U.S. Department of Justice–Public Integrity Section. *United States v. Eddie Wayne Cooper* (W.D. Missouri)