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**Department of Justice**

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Thursday, May 4, 2017

## **New Hampshire Asbestos Abatement Company Sentenced for Defrauding Union Benefit Funds**

BOSTON – An asbestos removal company was sentenced today in federal court in Boston in connection with a scheme to pay union members at non-union rates and without benefits by setting-up and paying union members through a separate corporate entity.

AQE Inc. of Windham, NH, was sentenced by U.S. District Court Judge Patti B. Saris to one year of probation and was ordered to pay restitution of \$500,000 to the Massachusetts Laborers Benefit Fund (MLBF). In February 2017, AQE Inc. pleaded guilty to 18 counts of mail fraud, one count of benefit fund embezzlement and 18 counts of filing false documents with an ERISA fund.

AQE Inc. employed members of the Tewksbury Local 1421 of the Laborers International Union of North America. It paid members of Local 1421 for jobs that required union participation from the payroll of AQE Inc., which was a union signatory corporation. When the jobs did not require a union signatory company, union members were paid from the payroll of Air Quality Experts Inc.— an entity of AQE Inc.'s business, serving as a second corporate identity. In these instances, union members did not receive union rates, and benefits were not paid by AQE Inc. to the MLBF, which provides medical and pension benefits to 8,000 laborers and their families in Massachusetts. AQE Inc. sent "remittance reports" to the MLBF that failed to report thousands of hours worked by members of Local 1421. By significantly under reporting the hours worked by union members, AQE Inc. failed to pay hundreds of thousands of dollars to the MLBF.

Acting United States Attorney William D. Weinreb; Cheryl Garcia, Special Agent in Charge of the Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigation, New York Region; and Susan Hensley, Regional Director of the Department of Labor, Employee Benefits and Security Administration, made the announcement today. Assistant U.S. Attorneys Fred M. Wyshak Jr. and Ryan M. DiSantis of Weinreb's Public Corruption Unit prosecuted the case.

### **Component(s):**

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