

NEWS RELEASE

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FOR IMMEDIATE RELEASE

CONTRACTOR PLEADS GUILTY TO CONSPIRING TO STEAL FROM BOILERMAKERS UNION

KANSAS CITY, KAN. – **Richard Michael Taylor**, 65, Kansas City, Mo., has pleaded guilty to conspiring to steal from the Kansas City, Kan.-based International Brotherhood of Boilermakers National Funds, U.S. Attorney Lanny Welch said today.

Taylor, who was president of four companies including Deramus Street Properties, Inc., Brothers Mechanical Contractors, International Fabricators and Erectors, Inc., and Woodley -Griggs Boiler Repair, LLC, was hired to do renovation work during 1999 through 2001 on the Boilermaker National Funds building in Kansas City, Kan. The BNF building is located next door to Boilermakers' headquarters building.

During the course of the work, the BNF paid Taylor amounts significantly exceeding the value of the work he and his companies performed. The BNF paid Taylor a total of more than \$1.7 million, which exceeded the fair market value of the work performed by at least \$182,000.

The BNF official directly responsible for overseeing the renovation project was codefendant **Vernon Keith Reed**, who was executive administrator of the Boilermakers National Funds. Reed allowed the majority of the renovation work to be performed without a competitive bid process by Taylor, who was a personal friend. Taylor was not required to present construction drawings and specifications, detailed contracts for design teams and contractors, a master construction plan or architectural drawings. In some cases, he added charges to subcontractors' bills that doubled the cost of the work. In

addition, he submitted invoices that exceeded agreed-upon amounts. In return, Taylor leased a new 2000 Ford F-150 Harley Davidson Edition pickup truck which he allowed executives of the Boilermakers National Fund to drive for personal purposes.

Sentencing is set for Nov. 23, 2009. Taylor faces a maximum penalty of 5 years in federal prison and a fine up to \$250,000. Co-defendant Reed pleaded guilty to a misdemeanor charge of failing to report use of pension plan assets for personal use. He was sentenced to 12 months probation. Welch commended the Department of Labor, Employee Benefits Security Administration Office of Inspector General and Assistant U.S. Attorney Scott Rask for their work on the case.

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