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WEST SUBURBAN BUSINESSMAN PLEADS GUILTY TO TAX FRAUD; AGREES TO PAY RESTITUTION TO IRS AND VARIOUS EMPLOYEE BENEFIT FUNDS

CHICAGO — A Rosemont man, who is an owner and executive of a west suburban asbestos and lead abatement business, pleaded guilty to a federal tax charge, admitting that he under-reported his income by more than \$1.1 million over four years, federal law enforcement officials announced today. The defendant, **Michael J. Palmieri**, agreed to pay \$384,461 in restitution to the Internal Revenue Service for personal taxes owed, as well as to pay more than \$200,000 in restitution to various employee benefit funds as a result of under-reporting the number of hours employees worked and under-paying employer contributions to the funds, and more than \$80,000 to the IRS for under-paying employment taxes.

Between 2001 and July 2009, Palmieri, 53, was the 24.5 percent owner and chief financial officer of Nationwide Environmental Inc., an asbestos and lead abatement business with offices in Melrose Park and Elmhurst. He pleaded guilty late yesterday to one count of filing a false individual federal income tax return in U.S. District Court. He faces a maximum penalty of three years in prison and a \$250,000 fine, while a written plea agreement contemplates an advisory federal

sentencing guideline range of 18 to 24 months in prison. U.S. District Judge Suzanne Conlon set sentencing for Jan. 14, 2011.

According to his plea agreement, Palmieri under-reported income he received from Nationwide as follows: \$174,000 in 2003; \$229,000 in 2004; \$260,000 in 2005; and \$504,000 in 2006, for a total of \$1,167,000 over the four years. The under-reporting resulted in a tax loss of \$384,461. Palmieri agreed to pay the entire amount of tax loss as restitution to the IRS before sentencing.

In addition, he agreed to pay \$205,000 in restitution before sentencing to the following employee benefit funds: Laborers' Pension Fund of the Construction and General Laborers' District Council of Chicago and Vicinity, the Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity, and the Laborers' Training Fund of the Construction and General Laborers' District Council of Chicago and Vicinity. The restitution results from Nationwide's submission, between 2001 and 2008, of monthly reports that understated the number of hours worked by Nationwide employees, and the subsequent under-payment of monthly contributions that Nationwide was required to make to the funds on behalf of its employees pursuant to collective bargaining agreements with the Laborers' International Union of North America, Construction and General Laborers' District Council of Chicago and Vicinity.

Palmieri also agreed to pay an additional \$83,570 to the IRS as a result of under-reporting \$546,211 in employee wages that Nationwide omitted from quarterly employment tax returns reporting withholding, Social Security and Medicare taxes between 2001 and 2007.

The guilty plea was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Alvin Patton, Special Agent-in-Charge of the Chicago Office of the Internal Revenue Service Criminal Investigation Division; and James Vanderberg, Special Agent-in-Charge of the U.S. Department of Labor Office of Inspector General in Chicago. The Labor Department's Employee Benefits and Security Administration also participated in the investigation.

The government was represented by Assistant U.S. Attorneys Erika Csicsila, David Buvinger and John Podliska.

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