



*United States Attorney
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**CO-OWNER OF CEMENT AND MASONRY CONTRACTOR PLEADS GUILTY
IN MANHATTAN FEDERAL COURT TO SCHEME TO FILE FALSE TAX
RETURNS AND ILLEGALLY STRUCTURE TRANSACTIONS**

PREET BHARARA, the United States Attorney for the Southern District of New York, and CHARLES R. PINE, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), announced that THOMAS MULLAHY, a former co-owner of A+ RESTORATION CONSULTANTS CORP. ("A+"), pled guilty last week to conspiracy to file false tax returns and structure cash transactions to evade Department of Treasury reporting requirements. MULLAHY pled guilty in Manhattan federal court before U.S. District Judge LAURA TAYLOR SWAIN.

According to the Indictment of THOMAS MULLAHY and the Information charging GARRY MULLAHY, previously filed in Manhattan federal court, and statements made during the guilty plea proceedings of THOMAS MULLAHY and his co-defendant GARRY MULLAHY:

GARRY and THOMAS MULLAHY, who are brothers, owned and operated A+, a Queens-based cement and masonry contractor that operated in the New York City area. Between 2004 and 2007, GARRY and THOMAS MULLAHY engaged in a scheme to generate cash derived from customers of A+ in such a way that the receipt of this revenue was concealed from A+'s accountants and, ultimately, omitted from the corporate income tax returns filed on behalf of A+. GARRY and THOMAS MULLAHY used a portion of the cash generated to pay employees of A+. These payments to employees were in the form of cash and were not documented, allowing GARRY and THOMAS MULLAHY to avoid paying payroll taxes, and to file false payroll tax returns. The scheme also involved generating fraudulent business expenses, which, in fact, had not been incurred by A+, so as to reduce A+'s taxable income.

To execute this scheme, GARRY and THOMAS MULLAHY maintained bank accounts that they concealed from their accountants. Accordingly, the activities in these accounts were not reflected on the defendants' corporate income tax returns. The defendants also illegally structured cash transactions from the accounts they had concealed to evade the filing of Currency Transaction Reports with the Department of the Treasury. These reports are, in general, required to be filed by domestic financial institutions and money services businesses for transactions that involve \$10,000 or more in cash. Finally, the defendants wrote checks from A+ to purported subcontractors that did not, in fact, represent legitimate payments to the subcontractors of expenses, but instead were simply cashed as A+ ceased to do business in approximately late 2007.

THOMAS MULLAHY, 42, of Middle Village, New York, is scheduled to be sentenced on February 3, 2011, at 12:30 p.m. before Judge SWAIN.

On June 22, 2010, GARRY MULLAHY, 43, of Rye, New York, pled guilty to the same charge. He is scheduled to be sentenced on November 12, 2010, at 12:30 p.m. by U.S. District Judge WILLIAM H. PAULEY.

Both men pled guilty to a charge of conspiring to file false tax returns and to structure cash transactions to evade Department of Treasury reporting requirements. This charge carries a maximum sentence of 5 years in prison and a maximum term of 3 years' supervised release. On this count, both face a maximum fine of the greatest of \$250,000, or twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss to the United States.

Mr. BHARARA thanked the IRS-CID, which investigated the case, and the United States Department of Labor, Office of the Inspector General, which assisted in the investigation.

The case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorney DANIEL W. LEVY is in charge of the prosecution.

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