



*United States Attorney  
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**MANHATTAN U.S. ATTORNEY ANNOUNCES CHARGES AGAINST  
CO-OWNERS OF CEMENT AND MASONRY CONTRACTOR FOR SCHEME  
TO FILE FALSE TAX RETURNS AND ILLEGALLY STRUCTURE  
TRANSACTIONS; ONE OWNER PLEADS GUILTY**

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 GARRY MULLAHY and THOMAS MULLAHY, former co-owners of A+ RESTORATION CONSULTANTS CORP. ("A+"), were charged in a scheme to file false tax returns and structure cash transactions to evade Department of Treasury reporting requirements. GARRY MULLAHY appeared yesterday before United States Magistrate Judge JAMES L. COTT, and entered a plea of guilty. THOMAS MULLAHY was arrested at his home this morning and will be presented before Judge COTT later today.

According to the felony Information filed with respect to GARRY MULLAHY, statements made during GARRY MULLAHY's guilty plea, and the Indictment filed against THOMAS MULLAHY:

GARRY and THOMAS MULLAHY, who are brothers, owned and operated A+, a Queens-based cement and masonry contractor that did business 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+. Because these payments to employees were in the form of cash and were not documented, they enabled 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, by withdrawing cash or cashing checks in amounts equal to or less than \$10,000, in order 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 more than \$10,000 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  
A+ ceased  
to do business in approximately late 2007.

GARRY MULLAHY, age 43, resides in Rye, New York. He pleaded guilty to a charge of conspiring to file false tax returns and to structure cash transactions to evade Department of Treasury reporting requirements. The charge carries a maximum sentence of five years in prison and 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. In GARRY MULLAHY's plea agreement, he also agreed to pay restitution to the IRS of more than \$988,000.

THOMAS MULLAHY, age 41, resides in Middle Village, New York. He is charged with conspiracy to file false tax returns and to structure cash transactions to evade Department of Treasury reporting requirements; aiding and assisting the preparation of false tax returns; and two substantive structuring charges. If convicted, he faces a maximum sentence of five years in prison on the conspiracy and substantive structuring charges; and a maximum sentence of three years in prison on the false tax return charges. On each of the four counts, THOMAS MULLAHY faces 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. The case has been assigned to United States District Judge LAURA TAYLOR SWAIN.

GARRY MULLAHY is scheduled to be sentenced by United States District Judge WILLIAM H. PAULEY III on September 24, 2010.

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

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

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