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PRESS RELEASE

**NEW CASTLE COUNTY MEN INDICTED FOR TAX EVASION IN
SCHEME INVOLVING DEMOLITION BUSINESS**

Colm F. Connolly, United States Attorney for the District of Delaware, announced today that William C. Holley, age 43, of Middletown, and Joseph E. Funk, Jr., age 58, of Newark, were indicted by a federal Grand Jury on September 2, 2008, on numerous counts of tax fraud-related offenses. Mr. Holley was charged with one count of conspiracy to commit tax fraud, twelve counts of willful failure to evade or defeat tax, four counts of willful failure to collect or pay over tax, and one count of conspiracy to commit wire fraud. Mr. Funk was charged with one count of conspiracy to commit tax fraud, one count of conspiracy to commit wire fraud and nine counts of making a false statement to an ERISA plan. Each of the tax fraud counts are punishable by a maximum term of five years imprisonment and a maximum fine of \$250,000. The conspiracy to commit wire fraud count is punishable by a maximum term of 30 years imprisonment and a maximum fine of \$250,000. The counts regarding the making of false statements to an ERISA plan are each punishable by a maximum term of five years imprisonment and a maximum fine of \$250,000.

The Indictment alleges that the defendants engaged in a multi-year scheme, from 2004 through 2007, in which they willfully failed to report to the U.S. Internal Revenue Service ("IRS") wages earned by nearly all of the employees at Holley Enterprises, Incorporated, ("HEI") a Wilmington-based demolition company, and thereafter failed to pay to the IRS federal income taxes withheld or Federal Insurance Contribution Act ("FICA") taxes for those employees. It further alleges that, for some additional employees, the defendants withheld federal income taxes or FICA taxes from the employees' paychecks, but did not pay over those funds to the IRS.

The Indictment also alleges that the defendants engaged in a scheme in which they failed to pay HEI employees the prevailing wage set by state or local law for certain demolition jobs, instead paying

their employees far less. It alleges that the defendants then created false and fraudulent documents to cover up the scheme, which they repeatedly submitted to general contractors and a state government agency.

Lastly, the Indictment alleges that Mr. Funk made numerous false statements on documents submitted to ERISA benefit plans. The Indictment states that Mr. Funk knowingly under-reported or failed to report the hours worked by HEI employees on a demolition job. This, in turn, enabled HEI to provide far less in benefit payments than it was required to pay over to the welfare and pension benefit plans of union employees.

U.S. Attorney Connolly stated: “This Indictment sends a clear message to those who run companies in Delaware that they must make truthful and accurate filings with the IRS and must play by the same tax rules that others do. The harm of this type of fraud is only compounded when the perpetrators deny their workers the hourly rate of pay that they are entitled to by law and the health and pension benefits they need to protect themselves and their families.”

The case was investigated by the IRS – Criminal Investigative Division, the U.S. Department of Labor and the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Christopher J. Burke.

Members of the public are reminded that an Indictment is only an allegation and that a defendant is presumed innocent until proven guilty.

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