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Owner of Roofing Company Arraigned in Connection with Allegedly Failing to Pay Approximatley $119,000 in Workers' Compensation Insurance

BOSTON– Today, the owner of a contracting and roofing company was arraigned in connection with not paying the proper workers' compensation insurance by misclassifying his employees and filing false tax returns over a five-year period. Richard Copeland, age 43, of Blackstone, and owner of Copeland Contracting Inc. (CCI), is charged with Unemployment Fraud (20 counts), Larceny over $250 (4 counts),Aiding or Assisting in Fraudulent Tax Returns (60 counts), and Workers' Compensation Fraud (3 counts).

According to authorities, during the period of November 2003 through January 2008, Copeland held workers' compensation policies with three different insurance companies. During that time, Copeland allegedly avoided paying the proper premium for these policies by misclassifying the type of work his employees performed. Authorities allege that Copeland classified his employees as carpenters instead of roofers. Investigators also learned that during this five-year time period, three workers suffered serious injuries on work sites where CCI was doing business. When the injured workers filed workers' compensation claims with CCI's insurance companies, the insurance companies discovered that none of the injured employees were listed on CCI's payroll. One of the insurance companies then contacted the Massachusetts Insurance Fraud Bureau (IFB) as a result of the discrepancies between the payroll records and an injured worker's claim.

As a result of these payroll and misclassification inconsistencies, the IFB conducted an investigation. The IFB's investigation revealed that Copeland had employed over 16 full-time roofers since he initiated the first workers' compensation insurance policy in November 2003. After completing its investigation, the IFB referred the matter to the Attorney General's Office in May 2008 for further investigation. Authorities believe that as a result of this scheme, Copeland allegedly avoided paying a total of approximately $119,000 in workers compensation premiums during the five-year period.

Authorities also allege that Copeland filed false unemployment contribution reports with the Department of Unemployment Assistance (DUA) by misrepresenting the number of employees he had in his company for each quarter for approximately five years. By falsely reporting the number of his employees to the DUA, Copeland allegedly did not pay approximately $27,000 in mandatory unemployment contribution fees.

Copeland also allegedly falsified the company's tax returns by failing to withhold state and federal income tax from all of his employees. Investigators discovered that not only did Copeland allegedly fail to report an accurate payroll, but he also paid many of

his employees in cash.

Indictments were returned against Copeland on March 26, 2009. Today, Copeland was arraigned in Suffolk Superior Court at which time he entered a plea of not guilty and was released on personal recognizance. Copland is due back in court on May 29, 2009, for a pre-trial conference. Clerk Magistrate Connie Wong presided over the arraignment.

The case is being prosecuted by Assistant Attorney General Jeremy Eisemann and was investigated by Luke Goldworm, both of Attorney General Martha Coakley's Insurance and Unemployment Fraud Division. Investigators from the IFB also investigated and assisted in this case.

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