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Department of Justice

U.S. Attorney's Office

Western District of New York

FOR IMMEDIATE RELEASE

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Williamsville Man Pleads Guilty To Stealing From A Union And Insurance Company

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BUFFALO, N.Y. - U.S. Attorney James P. Kennedy, Jr. announced today that Timothy McCluskey, 61, of Williamsville, NY, pleaded guilty before U.S. Magistrate Judge Michael J. Roemer to conspiracy to commit mail fraud. The charge carries a maximum penalty of 20 years in prison and a \$250,000 fine.

Assistant U.S. Attorney Marie P. Grisanti, who is handling the case, stated that between November 21, 2014, and January 2015 the defendant conspired with another individual to defraud the International Union of Painters & Allied Trades (IUPAT).

In December 2014, McCluskey caused a backdated membership application, in the name Shawn McCluskey, to be sent to IUPAT in Hanover, Maryland. However, the application for reinstatement of union membership was sent after Shawn McCluskey's death. In January of 2015, the defendant caused a death benefit claim form for Shawn McCluskey, an original death certificate in the name Shawn McCluskey, and a beneficiary card in the name Shawn McCluskey to be sent to IUPAT. As a result, IUPAT issued life insurance proceeds in the amount of \$2,500.

In addition, between December 2014 and February 2015, in the Western District of New York and elsewhere, the defendant engaged in a scheme to defraud the Hartford Insurance Company. McCluskey claimed to International Union of Painters & Allied Trades Local District Council No. 4 in Cheektowaga, NY that Shawn McCluskey worked over 500 hours at his painting company, E&M Star Painting, Inc., between January 2014 and March of 2014, thereby making Shawn McCluskey eligible for a \$50,000 life insurance policy. However, Shawn McCluskey had not worked for E&M Star Painting, Inc. during that time frame.

"The defendant's conduct not only defrauded both the union and the insurance company but it also dishonored the good name of his deceased brother," stated U.S. Attorney Kennedy.

"Timothy McCluskey abused his position as a former Trustee of the Painters District Council 4 Health and Welfare Fund by engaging in a scheme to defraud two separate life insurance benefit programs made available through the Health and Welfare Fund and the International Union of Painters and Allied Trades.

We will continue working with our law enforcement partners and the U.S. Department of Labor's (DOL) Office of Labor-Management Standards and Employee Benefits Security Administration to pursue those who defraud employee benefit plans," stated Michael C. Mikulka, Special Agent-In-Charge, New York Region, U.S. Department of Labor Office of Inspector General.

"The U.S. Postal Inspection Service is committed to preserving the integrity of the U.S. Mail," stated Inspector-in-Charge Joseph W. Cronin. "We will continue to conduct investigations that seek prosecution of those who fraudulently use the U.S. Mail for financial gains. Today's plea demonstrates our ongoing work with our law enforcement partners to stop those who are engaged in these types of fraudulent activities."

"We thank our colleagues at the USPIS, FBI, and in our DOL Office of Inspector General as well as at the U.S. Attorney's Office for the opportunity to collaborate on this case. We will continue to work with them to actively pursue individuals who commit crimes involving union employee benefit plans which are protected by the Employee Retirement Income Security Act," said Carol S. Hamilton, Acting Regional Director, Employee Benefits Security Administration.

Today's plea is the result of an investigation by the U.S. Department of Labor, Office of Inspector General, Office of Investigations – Labor Racketeering and Fraud, under the direction of Michael C. Mikulka, Special Agent-in-Charge of the New York Region, the U.S. Postal Inspection Service, under the direction of Inspector-in-Charge Joseph W. Cronin of the Boston Division, the Employee Benefits Security Administration, under the direction of Carol S. Hamilton, Acting Regional Director, and the Federal Bureau of Investigation, under the direction of Special Agent-in-Charge Gary Loeffert.

Sentencing will be scheduled at a later date.

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Topic(s):

Financial Fraud

Component(s):

USAO - New York, Western

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