



Department of Justice

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WESTERN DISTRICT OF NORTH CAROLINA

FOR IMMEDIATE RELEASE
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FORMER PRESIDENT OF THOMAS CONSTRUCTION SERVICES, INC.
CONVICTED OF FEDERAL FELONY
AND ORDERED TO PAY \$138,478.80 IN RESTITUTION

Charlotte Employer entered Guilty Plea to Charge of Submitting False Statement

CHARLOTTE, N.C. -- United States Attorney Gretchen C.F. Shappert and Bradford P. Campbell, Assistant Secretary of the Labor Department's Employee Benefits Security Administration, announce that Jeffrey R. Thomas, 56, President of Thomas Construction Services, Inc, Charlotte, has been sentenced to a one year term of federal probation and ordered to pay \$138,478.80 in restitution, a \$5000 fine, and up to \$10,000 for successor trustee administrative fees.

In December 2007, Thomas pled guilty to making a false statement in a Department of Labor document regarding the Thomas Construction Services, Inc. Profit Sharing Plan (the "Plan"), for which Thomas served as Trustee. The sentence was imposed Thursday, April 3, 2008 by U.S. District Judge Martin Reidinger for the Western District of North Carolina.

According to a Factual Resume filed in U.S. District Court in December, Thomas admitted to preparing and submitting a document that contained a materially false, fictitious or fraudulent statement or entry, that is, a Department of Labor Form 5500 for the fiscal year ending June 30, 2002 ("Form 5500"), a document required by Title I of Employee Retirement Income Security Act of 1974 ("ERISA") to be published and kept as part of the records of the Plan. He further admitted that, on or about March 11, 2002, he caused the custodian of the Plan's assets, New England Life Insurance Company ("New England Life"), to remove funds from the Plan

and to issue a check for \$200,000 to the Trustees of the Plan. On March 20, 2002, he opened an RBC Centura Bank account in the name of the Plan and, on various occasions, though he was a “party-in-interest,” he withdrew funds from the RBC Centura Bank account that held the Plan’s assets, and used these monies to invest in other business interests. According to official court documents, on April 15, 2003, Thomas caused the preparation and submission of a Form 5500 that contained a materially false, fictitious or fraudulent statement, in that he answered “No” to Part II, question 4, part d, which read “Did the plan engage in any nonexempt transaction with any party-in-interest?”

At Thomas’s sentencing, Judge Reidinger stressed the importance of protecting the assets in company pension plans and, though the Plan never lost money, he admonished the defendant for engaging in transactions that could have put those assets at risk.

U.S. Attorney Gretchen Shappert credits the Labor Department’s Employee Benefits Security Administration with leading the investigation that resulted in the filing of the charge. The government is represented in this matter by Assistant U.S. Attorney Kenneth M. Smith of the U.S. Attorney’s Criminal Division in Charlotte.

Jeffery R. Thomas, Age 56

Charlotte, North Carolina

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