

U.S. Department of Justice

United States Attorney  
District of New Hampshire



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**NASHUA MAN CONVICTED OF EMBEZZLEMENT FROM EMPLOYEE  
PENSION BENEFIT PLAN**

**CONCORD, NEW HAMPSHIRE** – Hugh A. McAdam, 55, of Nashua, New Hampshire, was sentenced today by Judge Joseph A. DiClerico to a one-year period of probation for embezzling money from an employee pension benefit plan, in violation of Title 18, United States Code, Section 664. McAdam was also ordered to pay \$346,706.67 in restitution and barred for a three year period from serving as an administrator or fiduciary in any employee pension benefit plan.

The prosecution of Hugh A. McAdam was the result of an investigation conducted by the United States Department of Labor, Office of the Inspector General, which disclosed that McAdam converted \$346,706.67 of funds from the International Paper Box Machine Company, Inc., Salary Deferral Retirement Plan and Trust, during the period of July, 2001, through February, 2002.

The investigation determined that International Paper Box Machine Company, Inc. (“IPBM”), a manufacturer of paper box making machinery and headquartered in Nashua, New Hampshire, established a Salary Deferral Retirement Plan and Trust for its employees in 1982. The plan trustee was Hugh McAdam, and McAdam also served as IPBM’s president. The IPBM Salary Deferral Retirement Plan was participant-directed and offered a choice of five Fidelity funds. IPBM participants were permitted to withhold up to 15% of their compensation each payroll period. In turn, IPBM was required to make matching contributions equal to 50%. The IPBM Salary Deferral Retirement Plan also allowed eligible participants to borrow money from the plan. Plan participants who borrowed money would repay the borrowed amounts by having amounts withheld from their compensation. The withheld amounts would then be forwarded to the plan as participant loan repayments.