

Pocono Record

Temp agency got \$2.5 million using illegals, courts say

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Federal authorities say the temp agency that supplied an East Stroudsburg factory with undocumented workers in 2007 is involved in an extensive and complicated web of fraud.

They say, in court papers, that H&T Staffing Services, operating under that and other, similar names in Pennsylvania, fraudulently raked in nearly \$2.5 million in one year.

People involved in the staffing company have been brought through United States Middle District Court of Pennsylvania ever since the June 2007 raid of Iridium Industries in East Stroudsburg.

During the raid at the plastic-container plant, 81 illegal immigrants were arrested by U.S. Immigration and Customs Enforcement. Iridium was not charged in connection with the raid.

The court is currently considering the case of Can Thach. Thach was indicted in September through a joint investigation by ICE, the U.S. Department of Labor, the U.S. Department of Health and Human Services and Pennsylvania State Police.

According to the indictment:

- Thach and others owned, managed and operated labor-leasing or temporary employment companies in Pennsylvania using the name H&T Staffing Services and variations of that name.
- H&T supplied workers to various companies, although Iridium Industries' Artube division is the only business named in court papers. Iridium paid H&T for the workers provided, and then H&T paid themselves and the workers. At least some of the Iridium workers came through a Wilkes-Barre office of H&T.
- Thach and others cashed checks from Iridium and other companies at check-cashing businesses in Philadelphia. Workers were paid in cash, under the table.
- H&T filed false unemployment compensation and Internal Revenue Service forms to hide that the business employed illegal aliens. "This resulted in significant loss to both the Pennsylvania unemployment compensation fund and the United States Medicare Trust Fund," the indictment said.

- Thach and others are accused of omitting the names of illegals on quarterly forms required by the Pennsylvania Unemployment Compensation Program. Instead, they used names of family members and friends who did not work for the business, in order to give the business the air of legitimacy, according to the indictment.

Through the unemployment scheme, H&T defrauded the program out of more than \$100,000 in taxes, interests and penalties.

Five tax forms were sent to the IRS with false statements, claiming H&T had a small number of employees. The business failed to pay the required Medicare withholdings contributions for employees, resulting in \$67,000 in loss to Medicare.

Thach will go on trial in December for conspiracy to commit money laundering and fraud, false statements related to health care matters and transporting illegal aliens.

H&T was more involved in workers' lives than typical employment agencies. The company transported workers to and from the job. Using profits from the scheme, H&T purchased properties, at least one in Stroudsburg, then harbored illegals in some of the properties, charging them rent.

In November 2008, H&T Staffing owner Jimmy Nguyen pleaded guilty to conspiracy to commit money laundering and conspiracy to defraud state and local governments. Nguyen was sentenced to 70 months in prison. When he gets out, he must repay the nearly \$214,000 he owed to the Pennsylvania Unemployment Compensation Program and \$345,000 to the U.S. Medicare Trust Fund.

Sufini Alisaito, Hardy Ko and Hew Deng Kong pleaded guilty to conspiracy to transport illegal aliens in connection to the immigration raid. They were each sentenced to two years supervised release.

Details on the accused in the case are sparse because many of the documents are sealed.