

STATE OF INDIANA) IN LAPORTE CIRCUIT COURT
) SS:
COUNTY OF LAPORTE) CAUSE NO. 46C01-2204-F5-

STATE OF INDIANA)
) BEFORE THE HONORABLE
 vs.) THOMAS ALEVIZOS
)
FADI A. KUPTY,)
 Defendant) INFORMATION

**COUNT I: FRAUD - IC 35-43-5-4(a)(4) and (c)
LEVEL 5 FELONY - IC 35-50-2-6**

Investigator Anthony McClinton of the LaPorte County Prosecutor's Office, being duly sworn upon his oath, says that between the dates of July 1, 2021 and October 31, 2021, at or near The Banks, 402 Truesell Avenue, LaPorte, 46350 in the County of LaPorte and State of Indiana one **Fadi A. Kupty**, did knowingly or intentionally, execute a scheme or artifice with the intent to obtain property or a governmental or employment benefit to which the persons, to wit: Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC, were not entitled, and did knowingly or intentionally make a false or misleading statement or create a false impression in another person, and the pecuniary loss is at least Fifty Thousand Dollars (\$50,000.00), to wit: Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, executed a scheme whereby undocumented employees of Pro Paint & Finish LLC and/or Drywall Hanging Services LLC were intentionally misclassified as independent contractors and made such false or misleading statements to allow Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC, to gain the benefit of not having to withhold and pay state and federal payroll taxes, worker's compensation insurance, unemployment insurance, fair wages, and overtime as required by Indiana and Federal labor laws, with the total loss to the State of Indiana, United States of America, and the misclassified employees in excess of Fifty Thousand Dollars.

**COUNT II: MONEY LAUNDERING - IC 35-45-15-5
LEVEL 5 FELONY - IC 35-50-2-6**

Investigator Anthony McClinton of the LaPorte County Prosecutor's Office, being duly sworn upon his oath, says that between the dates of July 1, 2021 and October 31, 2021, at or near The Banks, 402 Truesell Avenue, LaPorte, 46350 in the County of LaPorte and State of Indiana one **Fadi A. Kupty**, did knowingly or intentionally, acquire or maintain an interest in, receive, possess, or transfer the proceeds of a criminal activity, and the value of the proceeds is at least Fifty Thousand Dollars (\$50,000.00), to wit: Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, committed fraud

by intentionally misclassifying employees as independent contractors and using the benefit of not having to withhold and pay state and federal payroll taxes, worker's compensation insurance, unemployment insurance, fair wages, and overtime as required by Indiana and Federal labor laws, did acquire proceeds in excess of Fifty Thousand Dollars.

**COUNT III: OBSTRUCTION OF JUSTICE - IC 35-44.1-2-2
LEVEL 6 FELONY - IC 35-50-2-6**

Investigator Anthony McClintonck of the LaPorte County Prosecutor's Office, being duly sworn upon his oath, says that between the dates of June 1, 2021 and October 31, 2021, at or near The Banks, 402 Truesdell Avenue, LaPorte, 46350 in the County of LaPorte and State of Indiana one **Fadi A. Kupty**, did knowingly or intentionally, make, present, or use a false record or document with the intent that the record or document, material to the point in question, appear in evidence in a legal proceeding or criminal investigation to mislead a public servant, to wit: Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and/or Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, made, presented or used false records or documents to intentionally mislead Anthony McClintonck as to the proper classification of workers employed by Pro Paint & Finish LLC and/or Drywall Hanging Services LLC.

**COUNT IV: CORRUPT BUSINESS INFLUENCE - IC 35-45-6-2
LEVEL 5 FELONY - IC 35-50-2-6**

Investigator Anthony McClintonck of the LaPorte County Prosecutor's Office, being duly sworn upon his oath, says that between the dates of July 1, 2021 and October 31, 2021, at or near The Banks, 402 Truesdell Avenue, LaPorte, 46350 in the County of LaPorte and State of Indiana one **Fadi A. Kupty**, did knowingly or intentionally, receive proceeds directly or indirectly derived from a pattern of racketeering activity to wit: forgery, fraud, obstruction of justice, and/or money laundering, and used those proceeds or the proceeds derived from them to acquire an interest in property or to operate an enterprise, to wit: Pro Paint & Finish LLC and/or Drywall Hanging Services LLC, or did knowingly or intentionally through a pattern of racketeering activity to wit: forgery, fraud, obstruction of justice, and/or money laundering, acquired or maintained, either directly or indirectly, an interest in or control of property or an enterprise, to wit: Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and/or Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, operated their enterprises without properly documenting their employees and intentionally misclassified them as independent contractors and received proceeds from these activities by not paying the necessary state and federal payroll taxes, worker's compensation insurance, unemployment insurance, fair wages, and overtime, which proceeds they used to operate their enterprises and acquire interest in property.

All of which is contrary to law.

I affirm, under penalty of perjury, that the foregoing representations are true, as I verily believe.

Anthony McClintock

Investigator Anthony McClintock

Subscribed and sworn to before me, and approved by me, on this 7th day of April, 2022.

JOHN F. LAKE, Prosecuting Attorney
32nd Judicial Circuit

By:

John F. Lake
John F. Lake
Prosecuting Attorney

This affidavit having been filed in open court this 11 day of April, 2022, together with supporting affidavit of Investigator Anthony McClintock, with a finding thereon of probable cause for issuance of warrant for the arrest of **Fadi A. Kuptu**, one count of **Fraud, Level 5 Felony**, one count of **Money Laundering, Level 5 Felony**, one count of **Obstruction of Justice, Level 6 Felony**, and one count of **Corrupt Business Influence, Level 5 Felony**, which findings were entered by Judge Thomas Alevizos of the LaPorte Circuit Court, and this court having examined said supporting testimony and said finding of probable cause, now orders that a warrant issue for the arrest of **Fadi A. Kuptu**.

BOND set at \$ 1500


Thomas Alevizos, Judge
LaPorte Circuit Court

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STATE OF INDIANA)
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vs.) THOMAS ALEVIZOS
)
FADI A. KUPTY,)
Defendant)

AFFIDAVIT FOR PROBABLE CAUSE

Investigator Anthony McClintock of the LaPorte County Prosecutor's Office, being duly sworn upon his oath, states:

There are four defendants involved in the criminal activities set forth in this Affidavit for Probable Cause and criminal cases are being filed contemporaneously before this Court against all four: **ADEEB E. KUPTY, FADI A. KUPTY, PRO PAINT & FINISH LLC, and DRYWALL HANGING SERVICES LLC** based on their actions. I have prepared one Affidavit for Probable Cause that sets forth the criminal actions of all four defendants as their actions are intertwined, connected, and criminally related.

On May 17, 2021, I along with Prosecutor John Lake, met with John Carr and Scott Cooley, representatives from the Indiana/Kentucky/Ohio Regional Council of Carpenters regarding allegations of possible tax fraud which is occurring with subcontractors who are providing service at "The Banks" construction project located at 402 Truesdell Avenue in LaPorte, Indiana. A subcontracting company called Pro Paint & Finish LLC is specifically suspected of conducting fraud.

The union representatives identified an informant who is being paid by a company check by Pro Paint & Finish LLC. The CI then distributes funds from that check to other people who are working for that subcontractor. This informant's check does not have any taxes withheld and when the funds are distributed to the other employees, there are no taxes withheld. These misclassified employees are also not receiving prevailing fair wages and overtime as required by labor laws and are being victimized as a result.

I received emails from the representatives of the union which included photos of the checks that the informant is receiving from the subcontractor. In addition, I was informed that all workers at The Banks construction site are required to participate in safety training, which is provided by the general contractor. A Safety Orientation Sign-In sheet is maintained for the project and would have the names of all employees that participate in the training for an employer. The employees are given a sticker to put on their hard hats to identify that they've participated in the training.

I prepared and served subpoenas for records from the general contractor, Flaherty & Collins, along with all the known subcontractors on the project. I specifically was looking for any worker's compensation coverage, insurance coverage, W-2 forms and timesheets for workers classified as "employees," W-9 forms and timesheets for workers classified as "independent contractors," and any documentation compiled on "independent contractors" including, names, trade names, addresses, phone numbers, FEIN, Social Security Number, and Taxpayer Identification Number, and documentation of payment for workers classified as "employees" and "independent contractors."

I met with the Confidential Informant (CI), who explained that he went to The Banks job site to see if there was any work available and was directed to the owner of Pro Paint & Finish LLC, who was performing work on the site. The CI spoke with Adeeb E. Kupty, the owner of Pro Paint & Finish LLC, and met with him at the job site in late April. The CI was shown around the job site and was asked by the subcontractor if he was capable of doing the work that he was shown. The CI was told the pay was \$8/sheet for hanging drywall with anything above 9 feet is \$8.50/sheet. These amounts are not prevailing fair wages.

Mr. Kupty asked him if he knew any other guys who could work. The CI told Adeeb Kupty about two co-workers. The CI says that he was told that the arrangement was that he would get paid and then he would pay his co-workers. The CI was provided with a W-9 form. The CI told Adeeb Kupty that he didn't have any "papers" and that he was undocumented. Adeeb Kupty instructed him to just write down any number on the form, meaning on documentation regarding his employment at Pro Paint & Finish LLC. The CI says his co-workers did not fill out any paperwork at all.

The CI filled in his name, address, and when he documented his social security number, he just turned the last four numbers around but the first five numbers were in the correct order. Since the CI was provided with a W-9 form, it seems as though he was being hired as an "independent contractor" rather than an "employee". The CI considers himself as an independent contractor and has a taxpayer identification number for tax purposes in the event of circumstances such as this, however, he was never asked for any identification, a taxpayer identification number, or any other documentation that he is an independent contractor, or any documentation to actually show proof of who he is. The CI describes his working situation as being "directed" by Pro Paint & Finish LLC regarding his job duties, as an "employee" would be. The CI and his co-workers began work at The Banks project for Pro Paint & Finish in May, and he received a Pro Paint & Finish LLC company check as payment. This check was made out to the CI personally as payment for him and his co-workers. The CI split the amount evenly between them. No deductions were made from the check for payroll taxes, insurance, workers compensation or anything else. No work hours were documented and no overtime was paid.

The CI explained that there are several different crews working for Pro Paint & Finish LLC. There are several crews that hang drywall, taping drywall, finish drywall, painting, etc., and that every

crew has a “lead guy”, such as himself. The CI spoke about a man named Jesus Oliva who is a “taper” for Pro Paint & Finish LLC. The CI says that Jesus Oliva is a “lead guy” and has about 4 people working underneath of him. The CI said that he has spoken with Jesus Oliva and was told by him that he had gotten paid \$10,000 and had to split it with other people.

The CI and his co-workers worked throughout the summer at The Banks project. Between July 1, 2021 and August 31, 2021, they continued to be paid by check from Pro Paint & Finish LLC. Beginning in September, 2021, they started getting paid by check by a company named Drywall Hanging Services LLC while they still were working at The Banks project in LaPorte, Indiana, and were no longer receiving checks from Pro Paint & Finish LLC. No explanation for the change in names for the company paying them was provided to the CI.

The documents received from Pro Paint & Finish LLC failed to show any documents for the CI. The documents produced show only 13 W-9s and no other documentation required for independent contractors. Checks written on Pro Paint & Finish LLC’s bank account show checks being written by Adeeb E. Kupty and Fadi A. Kupty to numerous persons for which there is no documentation produced. The CI’s checks are part of the bank records, but no documentation for him was produced by Pro Paint & Finish LLC. The CI did receive a 1099 in January 2022 from Pro Paint & Finish LLC as well as Drywall Hanging Services LLC, however, no documents were produced by Drywall Hanging Services LLC in response to a subpoena requesting same documentation as Pro Paint & Finish LLC.

The Banks’ Safety Orientation Sign-In shows entries for 70 employees of Pro Paint & Finish LLC. The contracts show that there are no sub-subcontractors of Pro Paint & Finish LLC on The Banks project in LaPorte, Indiana. The records produced by Pro-Paint for The Banks show only 13 W-9s, but several of these forms show dates that are post-dated from the date they were produced and fraudulent social security numbers. There is no documentation at all for 57 employees listed on the Safety Orientation Sign-In. Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and Drywall Hanging Services LLC represented through their paperwork that employees were independent contractors without proper documentation, with falsified documentation, or that certain employees were not even employed by them due to lack of documentation.

The records show that Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and Drywall Hanging Services LLC intentionally misclassified employees as independent contractors to allow them to gain the benefit of not having to withhold and pay payroll taxes, worker’s compensation insurance, unemployment insurance, fair wages, and overtime to the misclassified employees. Adeeb E. Kupty is a member of Pro Paint & Finish LLC and Drywall Hanging Services LLC, and he was acting within the scope of his authority as a Member of these LLCs when their employees were intentionally misclassified. Fadi A. Kupty is the son of Adeeb E. Kupty, is an authorized agent of Pro Paint & Finish LLC and Drywall Hanging Services LLC, is an authorized signatory on both companies checking accounts, and signed company checks in furtherance of their illegal conduct.

The amount of proceeds that Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and Drywall Hanging Services LLC wrongfully gained between July 1, 2022 to October 31, 2022 is estimated to be in excess of Fifty Thousand Dollars (\$50,000.00) based on the number of misclassified employees, the amount of payments made, the amount of taxes, insurance, and other employee expenses Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC were able to avoid paying.

Based on the foregoing, I am respectfully requesting that the Court find probable cause for the following charges in separate informations:

1. **Forgery, L6 Felony, by Adeeb E. Kupty** - for having the CI and other workers fill in W-9 forms in such a manner that it purports to have been made at another time or with different provisions, and knowing the forms were being filled in with false information.
2. **Fraud, L5 Felony, by Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC** – between July 1, 2021 and October 31, 2021, Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and/or Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, executed a scheme whereby undocumented employees were intentionally misclassified as independent contractors and made such false or misleading statements to allow Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC, to gain the benefit of not having to withhold and pay state and federal payroll taxes, worker's compensation insurance, unemployment insurance, fair wages, and overtime as required by Indiana and Federal labor laws, with the total loss to the State of Indiana, United States of America, and the misclassified employees in excess of Fifty Thousand Dollars.
3. **Money Laundering, L5 Felony by Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC** – between July 1, 2021 and October 31, 2021, Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and/or Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, did acquire or maintain an interest in, receive, possess, or transfer the proceeds of a criminal activity and committed fraud by intentionally misclassifying employees as independent contractors and using the benefit of not having to withhold and pay state and federal payroll taxes, worker's compensation insurance, unemployment insurance, fair wages, and overtime as required by Indiana and Federal labor laws, thereby did acquire proceeds in excess of Fifty Thousand Dollars.
4. **Obstruction of Justice, L6 Felony by Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC and/or Drywall Hanging Services LLC** – between June 1, 2021 and October 31, 2021, Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member

Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and/or Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, made, presented or used false records or documents to intentionally mislead Anthony McClinton as to the proper classification of workers employed by Pro Paint & Finish LLC.

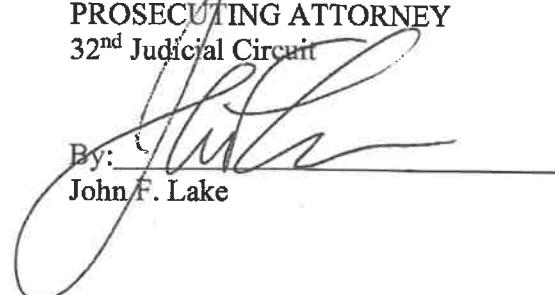
5. Corrupt Business Influence, L5 Felony by Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC, and/or Drywall Hanging Services LLC – between July 1, 2021 and October 31, 2021, Adeeb E. Kupty, Fadi A. Kupty, Pro Paint & Finish LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, and/or Drywall Hanging Services LLC through the actions of its member Adeeb E. Kupty or agent Fadi A. Kupty acting within the scope of their authority, received proceeds from a pattern of racketeering activity (forgery, fraud, obstruction of justice, and money laundering) by failing to properly document their employees and intentionally misclassified them as independent contractors and received proceeds from these activities by not paying the necessary state and federal payroll taxes, worker's compensation insurance, unemployment insurance, fair wages, and overtime, which proceeds they used to operate their enterprises and acquire interests in property.



Investigator Anthony McClinton

Subscribed and sworn to before me this 7th day of April, 2022.

JOHN F. LAKE
PROSECUTING ATTORNEY
32nd Judicial Circuit

By: 
John F. Lake