

Cleaning Executives Indicted in \$18 Million Fraud

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Body

Three **executives** of a national **cleaning** and maintenance company were **indicted** on Thursday on charges of defrauding the federal government of more than **\$18 million** in employment taxes owed on behalf of hundreds of illegal immigrant workers.

The company, Rosenbaum-Cunningham International, performed janitorial services for theme-restaurant chains like the House of Blues, Hard Rock Cafe and Dave & Busters, as well as for the Grand Traverse Resort and Spa in Acme, Mich.

Nearly 200 immigrant workers at some of the restaurants were arrested early Thursday in 17 states and the District of Columbia as part of the investigation of the company, which is being conducted by United States Immigration and Customs Enforcement and the Internal Revenue Service.

The indictment says the **executives** hired illegal immigrants, primarily from Mexico, Honduras and Guatemala, and then constructed an elaborate scheme of shell companies, bank accounts and cash-only payroll procedures to avoid paying **millions** of dollars in federal taxes on the workers' wages from 1999 until today.

The **executives** are the company president, Richard M. Rosenbaum; its vice president, Edward Scott Cunningham; and its controller, Christina A. Flocken. The 23-count indictment was unsealed on Thursday in Federal District Court in Grand Rapids, Mich.

Mr. Rosenbaum, 60, of Longwood, Fla., was arrested on Thursday in Florida and was held in federal custody there. Mr. Cunningham, 43, of West Palm Beach, Fla., and Ms. Flocken, 59, also of Longwood, were issued subpoenas and are expected to appear voluntarily in Federal District Court in Western Michigan. No court dates have been set.

The company is incorporated in Nevada but operates primarily out of West Palm Beach.

From 2001 to 2005, the government says, Rosenbaum-Cunningham International received gross payments from its various clients of \$54,327,845.

By failing to pay taxes on their employees' income, Social Security and Medicare, the three **executives** cheated the government of **\$18,640,345** and used about a third of the excess money to finance the "extravagant lifestyle costs" of lavish houses, luxury boats, racehorses and college tuition, the indictment said.

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