

NEWS

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Former Union Business Agent Gets 30 Months in Prison and
Restitution Order for Embezzling \$829,000 in Union Funds

(More)

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TRENTON – A former business agent of Local 89 of the International Association of Heat and Frost Insulators and Asbestos Workers of the United States and Canada was sentenced today to 30 months in federal prison for embezzling approximately \$829,000 from Local 89 and one of its employee benefit funds, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Joel A. Pisano also ordered John DaBronzo, 57, of Hamilton Square, to make restitution in the amount of \$829,763. DaBronzo is free on bail until a prison is designated for him by the federal Bureau of Prisons.

DaBronzo pleaded guilty before Judge Pisano on June 16 to a two-count criminal Information. Count One of the Information charged DaBronzo with embezzling approximately \$396,000 from the checking account of Local 89 Joint Apprenticeship and Training Committee Fund while he was the administrator of the fund commonly known as the JATC. Count Two of the Information charged DaBronzo with embezzling approximately \$433,000 in remittance checks received from employers having collective bargaining agreements with Local 89.

At his plea hearing, DaBronzo told Judge Pisano that each employer covered by a collective bargaining agreement with Local 89, and each employee working for such an employer, was required to make contributions into the JATC. The purpose of the JATC was to provide training and classes for Local 89 members.

At least once a month, the employers were obligated to send remittance checks to the Local 89 office in Trenton which included JATC contributions as well as moneys due to Local 89 from other payroll deductions. DaBronzo further admitted that after these remittance checks were received at the Local 89 office they were supposed to be deposited into the Local 89 Distribution Account maintained at Wachovia Bank and the deposited moneys thereafter disbursed among a number of Local 89 bank accounts, including the JATC checking account at Wachovia Bank.

DaBronzo acknowledged that between in or about January 2002 and April 2007, he wrote approximately \$829,000 in checks out of the JATC checking account at Wachovia Bank which were payable to himself personally or to cash. DaBronzo admitted that he thereafter cashed these checks and used the proceeds solely for his own personal benefit, rather than for the benefit of the JATC.

DaBronzo admitted that approximately \$433,300 of the money that he improperly withdrew from the JATC account represented remittance checks that he stole from the Local 89 office between in or about May 2005 and April 2007 and deposited directly into the JATC account. DaBronzo told Judge Pisano that he formulated the plan to steal the remittance checks when the amount of money in the JATC account became significantly depleted due to his improper withdrawal of funds for his personal benefit.

Christie credited Special Agents of the U.S. Department of Labor Office of Inspector General, under the direction of Special Agent in Charge Marjorie Franzman, Office of Labor Racketeering and Fraud Investigations, New York Region; investigators from the U.S. Department of Labor, Office of Labor Management Standards, under the direction of District

Director Ralph E. Gerchak, New York District Office; investigators from the U.S. Department of Labor, Employee Benefits Security Administration, under the direction of Regional Director Mabel Capolongo, Philadelphia Regional Office; and Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, with the investigation leading to the guilty plea.

The case was prosecuted by Assistant U.S. Attorney Leslie F. Schwartz of the Criminal Division's Strike Force Unit, in Newark.

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Defense Counsel: Peter Russo, Esq., Bloomfield