

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Criminal No.
KENNETH P. CAMPBELL, and : Title 29, United States Code,
PETER O. STRANNEMAR : Section 186, and Title 18,
United States Code, Sections
371 and 2

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting at Newark, charges as follows:

COUNT ONE

**(Conspiracy to Demand and Receive Unlawful Labor Payments -
Title 18, United States Code, Section 371)**

Introduction

1. At all times relevant to this Indictment unless
otherwise stated:

The Defendants and Other Parties

a. Local 825 of the International Union of
Operating Engineers (hereinafter "Local 825"), headquartered in
Springfield, New Jersey, was a "labor organization" as that term
is defined in Title 29, United States Code, Sections 142(3),
152(5), 402(i) and (j). It represented, sought to represent, and
would have admitted to membership construction equipment
operators, mechanics, and surveyors. Local 825 represented
approximately 7,000 members, many of whom were employed at
various construction projects in New Jersey and New York. Local

825, through its officers and agents, entered into collective bargaining agreements (hereinafter "CBAs") with employers that employed operating engineers. These agreements contained provisions pertaining to conditions of employment, such as rates of pay and fringe benefits, and the circumstances under which an employer was obligated to man certain types of construction equipment, such as cranes, backhoes, forklifts, and booms, with Local 825 operating engineers, among other things.

b. Local 825, through its officers, agents, employees, and representatives, also ensured that employers made contributions into several employee benefits plans, including a welfare fund, pension fund, and annuity fund, among others (hereinafter collectively "Local 825 Benefit Funds"). The Local 825 Benefit Funds were subject to the provisions of the Employee Retirement Income Security Act of 1974, Title 29, United States Code, Section 1001, et. seq.

c. Under Title 29, United States Code, Section 501(a), each officer, agent, and representative of a labor organization occupied a position of trust in relation to the union and its members as a group. As such, each officer, agent, and representative of Local 825 owed to the union and its membership certain fiduciary duties, including the following: (1) the duty to hold union money and property solely for the benefit of Local 825 and its membership; (2) the duty to refrain from dealing with Local 825 as an adverse party or on behalf of an

adverse party in any matter connected to his or her duties; (3) the duty to refrain from holding or acquiring any pecuniary or personal interest that conflicted with the interest of Local 825 or its membership; and (4) the duty to account to Local 825 and its membership for any profit received in whatever capacity in connection with transactions conducted by the fiduciary or under his or her direction on behalf of the union.

d. Defendant KENNETH P. CAMPBELL was Local 825's Business Manager and was employed by the union. Under Local 825's bylaws, defendant KENNETH P. CAMPBELL was responsible for conducting the day-to-day operations of the union and was charged with representing all of Local 825's members. Among his powers and duties, defendant KENNETH P. CAMPBELL appointed all business agents and lead engineers, and he approved each new applicant's request for membership into the union.

e. Defendant PETER O. STRANNEMAR was the President of Local 825 and an employee of the union.

f. C.W., a co-conspirator not named as a defendant herein, was a business agent for Local 825. Co-Conspirator C.W.'s responsibilities included acting on behalf of and in the name of Local 825 to represent its members employed at various construction projects by, among other ways, monitoring and ensuring that employers complied with their obligations under various CBAs.

g. A.M., a co-conspirator not named as a defendant herein, was a Local 825 lead engineer on various construction projects. At these construction projects, Co-Conspirator A.M. was responsible for ensuring that employers made contributions into the Local 825 Benefits Funds on behalf of their employees in accordance with the applicable CBAs.

h. A company incorporated in New Jersey that engaged in the business of erecting steel (hereinafter "Steel Erector Company") employed operating engineers who were represented by and would be admitted to membership in Local 825. Individual One was a principal of the Steel Erector Company. Individual Two was an employee of the Steel Erector Company.

i. A company incorporated in Delaware that engaged in the business of plumbing (hereinafter "Plumbing Company") employed operating engineers who were represented by and would be admitted to membership in Local 825. Individual Three was an employee of the Plumbing Company.

j. The Steel Erector Company and the Plumbing Company were each "employers" as that term is defined in Title 29, United States Code, Sections 142 and 152(2), and the employees of these companies were employed in an industry affecting commerce.

**The Construction Project at 30 Hudson Street,
Jersey City, New Jersey**

2. Beginning as early as 2000, a construction project had commenced to build a high-rise commercial building at 30 Hudson Street, Jersey City, New Jersey (hereinafter "Project One"). The Steel Erector Company received a contract to erect steel at Project One, and the Plumbing Company received a contract to install water and sewer pipes, among other things, at the project.

3. At all times relevant to this Indictment:

a. All companies engaged in the construction project at Project One, including the companies referred to in Paragraph 2 of this Count, were subject to a CBA with Local 825; therefore, these companies were required to use and employ Local 825 members at the project to operate cranes, booms, and backhoes, among other types of construction equipment.

b. Co-Conspirator C.W. was the business agent for Local 825's members at Project One and represented all the Local 825 members who were employed at Project One.

c. Co-Conspirator A.M. was the lead engineer at Project One and was authorized to represent all the Local 825 members employed at Project One.

The Conspiracy

4. From in or around May 2001 to in or around May 2003, in the District of New Jersey and elsewhere, defendants

KENNETH P. CAMPBELL and
PETER O. STRANNEMAR,

being officers and employees of Local 825, a labor organization, knowingly and willfully conspired and agreed with Co-Conspirators C.W. and A.M. and others to commit offenses against the United States, that is, to request, demand, receive, and accept, the payment, loan, and delivery of money and things of value, namely, United States currency and household appliances, in an amount in excess of \$1,000, from employers, and from individuals acting in the interest of the employers, namely, the Steel Erector Company and the Plumbing Company, whose employees were employed in an industry affecting commerce, namely, the construction industry, and whose employees such labor organization represented, sought to represent, and would have admitted to membership, contrary Title 29, United States Code, Sections 186(a)(2), (b)(1), and (d)(2).

Object of the Conspiracy

5. It was an object of the conspiracy that the defendants and their co-conspirators unlawfully requested and received cash payments and other things of value from employers at Project One to permit these employers to circumvent and ignore the requirements of the CBA to which they were subject, thereby saving these employers money and ensuring labor peace.

Manner and Means of the Conspiracy

Steel Erector Company

6. It was part of the conspiracy that Co-Conspirator A.M. demanded cash from Individuals One and Two from the Steel Erector Company to ensure labor peace and general good will on the job and to permit the company to employ fewer than the required number of operating engineers per crane, contrary to the CBA to which the company was subject.

7. It was further part of the conspiracy that Individuals One and Two delivered approximately \$4,000 in cash per month to Co-Conspirator A.M. In total, the defendants and their co-conspirators obtained at least \$88,000 in cash from the Steel Erector Company.

Plumbing Company - Unlawful Cash Payments

8. It was further part of the conspiracy that the Plumbing Company, through Individual Three and others, paid cash to Co-Conspirator A.M. in exchange for "picks." A "pick" referred to the use of equipment, such as a crane, boom, or forklift, to lift and move materials during construction projects. The Plumbing Company paid cash to Co-Conspirator A.M. to allow the following types of picks: (a) picks performed by an individual who was not a member of Local 825 to unload delivery trucks with a truck mounted crane; and (b) picks personally performed by Co-Conspirator A.M. or another operating engineer while acting outside the scope of the CBA. By paying cash to Co-Conspirator A.M. for these picks, the Plumbing Company was not obligated to hire, pay the salaries, and pay benefits to the Local 825 Benefit Funds on behalf of the Local 825 members who would have and should have been assigned to these pieces of equipment.

9. It was further part of the conspiracy that Individual Three submitted "Petty Cash Requests" to the Plumbing Company to obtain cash to pay Co-Conspirator A.M. After obtaining the cash, Individual Three delivered the cash to Co-Conspirator A.M. In total, the defendants and their co-conspirators obtained at least \$23,600 in cash from the Plumbing Company.

Delivery of Unlawful Labor Payments to the Defendants

10. It was further part of the conspiracy that after Co-Conspirator A.M. illegally obtained the cash from the Steel Erector Company and the Plumbing Company he kept some of the cash for himself and delivered the remainder of the cash to Co-Conspirator C.W.

11. It was further part of the conspiracy that Co-Conspirator C.W. kept some of the illegally obtained cash for himself and delivered portions of the cash to defendants KENNETH P. CAMPBELL and PETER O. STRANNEMAR.

Plumbing Company - Unlawful Demand and Receipt of Appliances

12. It was further part of the conspiracy that defendant PETER O. STRANNEMAR, through Co-Conspirator A.M., requested that the Plumbing Company purchase a refrigerator, microwave, and stove top (hereinafter collectively "appliances") for defendant PETER O. STRANNEMAR's personal use and benefit.

13. It was further part of the conspiracy that Co-Conspirator A.M. deducted the cost of the appliances from the money that the Plumbing Company owed for picks, as described in Paragraph 8 of this Count.

14. It was further part of the conspiracy that the Plumbing Company purchased the requested appliances for approximately \$1,954.00, which appliances were then delivered to defendant PETER O. STRANNEMAR.

Overt Acts

15. In furtherance of the conspiracy and in order to effect the object thereof, defendants KENNETH P. CAMPBELL and PETER O. STRANNEMAR and their co-conspirators committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

The Steel Erector Company

a. In or around June 2001, Individual One gave Individual Two at least \$1,000 in cash to deliver to Co-Conspirator A.M.

b. In or around June 2001, defendant PETER O. STRANNEMAR told Co-Conspirator A.M., in substance and in part, that defendant PETER O. STRANNEMAR would receive his portion of cash from Co-Conspirator C.W.

c. In or around August 2001, Individual Two delivered approximately \$4,000 in cash to Co-Conspirator A.M.

d. In or around November 2001, Individual Two delivered approximately \$4,000 in cash to Co-Conspirator A.M.

e. In or around April 2002, Individual One delivered approximately \$4,000 in cash to Co-Conspirator A.M.

f. In or around May 2002, Individual One delivered approximately \$4,000 in cash to Co-Conspirator A.M.

g. In or around June 2002, Individual One delivered approximately \$4,000 in cash to Co-Conspirator A.M.

h. In or around August 2002, Individual One delivered approximately \$4,000 in cash to Co-Conspirator A.M.

i. In or around November 2002, Individual One delivered approximately \$4,000 in cash to Co-Conspirator A.M.

j. In or around February 2003, Individual One delivered at least \$2,500 in cash to Co-Conspirator A.M.

k. In or around April 2003, Individual One delivered approximately \$4,000 in cash to Co-Conspirator A.M.

The Plumbing Company

l. On or about November 9, 2001, Individual Three paid Co-Conspirator A.M. approximately \$500 in cash.

m. On or about August 7, 2002, Individual Three submitted a Petty Cash Request to the Plumbing Company, seeking \$1,000 in cash for ten picks.

n. On or about February 7, 2003, Individual Three paid Co-Conspirator A.M. approximately \$600 in cash.

o. In or around March 2003, defendant PETER O. STRANNEMAR requested appliances from the Plumbing Company.

p. On or about March 4, 2003, the Plumbing Company issued a purchase order to a company in New York for the purchase of the appliances.

q. On or about April 3, 2003, Individual Three paid Co-Conspirator A.M. approximately \$1,600 in cash.

r. On or about April 17, 2003, the Plumbing Company accepted delivery of the appliances at its warehouse in New Jersey.

s. In or around late April 2003, Co-Conspirator A.M. and another Local 825 member delivered the appliances to defendant PETER O. STRANNEMAR's residence in New Jersey.

t. In or around late April 2003, defendant PETER O. STRANNEMAR and Co-Conspirator A.M. transported the appliances to defendant PETER O. STRANNEMAR's cabin in New York.

u. On or about May 22, 2003, Individual Three paid Co-Conspirator A.M. approximately \$1,000 in cash.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
**(Demanding and Receiving Things of Value from an Employer -
Title 29, United States Code, 186)**

1. The allegations set forth in Paragraphs 1 through 3 and 5 through 15 of Count One of this Indictment are hereby realleged as if set forth fully herein.

2. From in or around April 2003 through in or around May 2003, in the District of New Jersey and elsewhere, defendant

PETER O. STRANNEMAR,

being an officer and employee of Local 825, a labor organization, knowingly and willfully requested, demanded, received, and accepted, and agreed to receive and accept, and caused to be requested, demanded, received, and accepted, the payment, loan, and delivery of money and other things of value, namely, appliances valued in excess of \$1,000, from the Plumbing Company, an employer, and individuals acting in the interest of the Plumbing Company, whose employees were employed in an industry affecting commerce, namely, the construction industry, and whose employees such labor organization represented, sought to represent, and would have admitted to membership.

All in violation of Title 29, United States Code, Sections 186(a)(2), (b)(1), and (d)(2) and Title 18, United States Code, Section 2.

COUNT THREE

**(Conspiracy to Demand and Receive Unlawful Labor Payments -
Title 18, United States Code, Section 371)**

1. The allegations set forth in Paragraph 1 of Count One of this Indictment are hereby realleged as if fully set forth herein.

2. G.V.C., a co-conspirator not named as a defendant herein, was the principal of a construction company incorporated in New Jersey that employed operating engineers who were represented by and would be admitted to membership in Local 825. G.V.C.'s company was an "employer" as that term is defined in Title 29, United States Code, Sections 142 and 152(2), and the employees of this company were employed in an industry affecting commerce.

The Golf Course Construction Project in Jersey City, New Jersey

3. Beginning in or around 2000, a construction project had commenced to construct a large golf course with residential homes, among other things, in Jersey City, New Jersey (hereinafter "Project Two"). Co-Conspirator G.V.C.'s construction company was the General Contractor at Project Two and employed and would have employed Local 825 members to operate certain types of construction equipment at the project. In addition, Co-Conspirator G.V.C.'s construction company was responsible for subcontracting with all other construction companies at the project.

4. At Project Two, Co-Conspirator G.V.C.'s construction company and all subcontractors were subject to a CBA with Local 825 and therefore were required to use and employ Local 825 members at the project to operate cranes, booms, and backhoes, among other types of construction equipment.

The Conspiracy

5. From in or around May 2003 through in or around May 2006, in the District of New Jersey and elsewhere, defendant

KENNETH P. CAMPBELL,

being an officer and employee of Local 825, a labor organization, knowingly and willfully conspired and agreed with Co-Conspirators C.W. and G.V.C. and others to commit offenses against the United States, that is, to request, demand, receive, and accept, the payment, loan, and delivery of a thing of value, namely, United States currency in an amount in excess of \$1,000, from Co-Conspirator G.V.C., an individual acting on behalf of an employer, whose employees were employed in an industry affecting commerce, namely, the construction industry, and whose employees such labor organization represented, sought to represent, and would have admitted to membership, contrary to Title 29, United States Code, Sections 186(a)(2), (b)(1), and (d)(2).

Object of the Conspiracy

6. It was an object of the conspiracy that defendant KENNETH P. CAMPBELL and his co-conspirators unlawfully requested and received in excess of \$100,000 in cash bribes from Co-Conspirator G.V.C. to permit the use of non-union labor at Project Two, contrary to the CBA, thereby saving Co-Conspirator G.V.C. and his company a significant amount of money.

Manner and Means of the Conspiracy

7. It was part of the conspiracy that Co-Conspirator G.V.C.'s company, and certain of its subcontractors, employed non-union labor to operate construction equipment at Project Two, contrary to the CBA to which these companies were subject. By using non-union labor to operate various pieces of construction equipment, Co-Conspirator G.V.C. avoided paying benefits to the Local 825 Benefit Funds on behalf of the Local 825 members who would have and should have been assigned to the construction equipment. Furthermore, by using non-union labor and employing fewer than five Local 825 operating engineers, Co-Conspirator G.V.C. avoided the requirement in the CBA to hire and pay a Local 825 lead engineer.

8. It was further part of the conspiracy that Co-Conspirator C.W. requested cash payments from Co-Conspirator G.V.C. in exchange for permitting Co-Conspirator G.V.C.'s company and certain of its subcontractors to use non-union labor at the project.

9. It was further part of the conspiracy that Co-Conspirator G.V.C. paid Co-Conspirator C.W. between \$2,000 and \$4,000 in cash per month, depending on the number of non-union workers employed at Project Two during the previous month.

10. It was further part of the conspiracy that Co-Conspirator C.W. kept some of these cash payments for himself and delivered portions of the cash to defendant KENNETH P. CAMPBELL.

Overt Acts

11. In furtherance of the conspiracy and in order to effect the object thereof, defendant KENNETH P. CAMPBELL and his co-conspirators committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

a. In or around May 2003, Co-Conspirator G.V.C. employed at least two individuals who were not members of Local 825 to operate construction equipment at Project Two.

b. In or around May 2003, Co-Conspirator G.V.C. delivered at least \$2,000 in cash to Co-Conspirator C.W.

c. In or around January 2004, Co-Conspirator G.V.C. delivered at least \$2,000 in cash to Co-Conspirator C.W.

d. In or around January 2005, Co-Conspirator G.V.C. delivered at least \$2,000 in cash to Co-Conspirator C.W.

e. In or around January 2006, Co-Conspirator G.V.C. employed at least two individuals who were not members of Local 825 to operate construction equipment at Project Two.

f. In or around May 2006, Co-Conspirator G.V.C. delivered at least \$2,000 in cash to Co-Conspirator C.W.

All in violation of Title 18, United States Code, Section 371.

COUNT FOUR

(Conspiracy to Demand and Receive Unlawful Labor Payments - Title 18, United States Code, Section 371)

1. The allegations set forth in Paragraph 1 of Count One and Paragraph 2 of Count Three of this Indictment are hereby realleged as if fully set forth herein.

2. At all times relevant to this Indictment, Local 825 admitted new members into the union. In accordance with the International Union of Operating Engineers' Constitution, as incorporated in Local 825's bylaws, Local 825 was required to investigate the character and qualifications of each applicant before he or she was admitted into the union. To ensure that an applicant was qualified to operate construction equipment, applicants were required to either attend and complete an apprenticeship program administered through the union or be tested on certain construction equipment at the union's training center.

3. To obtain membership in Local 825, a qualified applicant was required to complete certain documents, including an application, and pay an initiation fee of approximately \$54 to the union. Defendant KENNETH P. CAMPBELL was responsible for approving the admission of applicants into the union. After the applicant was admitted into the union, he or she was permitted to work at construction projects as a Local 825 operating engineer and was entitled to all the rights, privileges, and benefits

concomitant with membership in the union.

The Conspiracy

4. From in or around August 2004 through in or around September 2004, in the District of New Jersey and elsewhere, defendant

KENNETH P. CAMPBELL,

being an officer and employee of Local 825, a labor organization, knowingly and willfully conspired and agreed with Co-Conspirators C.W. and G.V.C. to commit offenses against the United States, that is, to request, demand, receive, and accept, the payment, loan, and delivery of a thing of value, namely, United States currency in an amount in excess of \$1,000, from Co-Conspirator G.V.C., an individual acting in the interest of an employer, whose employees were employed in an industry affecting commerce and whose employees such labor organization represented, sought to represent, and would have admitted to membership, contrary Title 29, United States Code, Sections 186(a)(2), (b)(1), and (d)(2).

Objects of the Conspiracy

5. It was an object of the conspiracy that Co-Conspirator G.V.C. unlawfully paid cash to Co-Conspirator C.W. and defendant KENNETH P. CAMPBELL to obtain the admission of three of Co-Conspirator G.V.C.'s employees into Local 825.

6. It was further an object of the conspiracy that defendant KENNETH P. CAMPBELL admitted three of Co-Conspirator

G.V.C.'s employees into Local 825, in exchange for cash, to the detriment of Local 825 and its membership.

Manner and Means of the Conspiracy

7. It was part of the conspiracy that Co-Conspirator G.V.C. paid approximately \$6,000 in cash to Co-Conspirator C.W. to obtain the admission of three of Co-Conspirator G.V.C.'s employees, including two relatives, into Local 825.

8. It was further part of the conspiracy that Co-Conspirator C.W. delivered a portion of this cash to defendant KENNETH P. CAMPBELL.

9. It was further part of the conspiracy that defendant KENNETH P. CAMPBELL, in exchange for the cash payment from Co-Conspirator G.V.C., admitted three of Co-Conspirator G.V.C.'s employees into Local 825. Defendant KENNETH P. CAMPBELL admitted these three individuals into the union without requiring them to complete the apprenticeship program and without requiring them to be tested on construction equipment.

Overt Acts

10. In furtherance of the conspiracy and in order to effect the objects thereof, defendant KENNETH P. CAMPBELL and his co-conspirators committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

a. In or around August 2004, Co-Conspirator G.V.C. gave approximately \$6,000 in cash to Co-Conspirator C.W.

b. On or about August 5, 2004, defendant KENNETH P. CAMPBELL initialed a union document, thereby approving and permitting one of Co-Conspirator G.V.C.'s employees to be admitted into Local 825.

c. In or around August 2004, Co-Conspirator C.W. delivered a portion of the cash that he had received from Co-Conspirator G.V.C. to defendant KENNETH P. CAMPBELL.

d. On or about September 9, 2004, defendant KENNETH P. CAMPBELL initialed a union document, thereby approving and permitting one of Co-Conspirator G.V.C.'s employees to be admitted into Local 825.

All in violation of Title 18, United States Code, Section 371.

A TRUE BILL,

FOREPERSON

CHRISTOPHER J. CHRISTIE

United States Attorney