

NEWS

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FOR IMMEDIATE RELEASE
May 8, 2008

23 Reputed Crime Family Members and Associates
Charged in Racketeering, Gambling, Extortion Indictment

10 Rounded Up Early This Morning

(More)

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NEWARK – One of the Gambino Crime Family’s highest-ranking members in New Jersey, and 22 other made members and associates, including a made member of the Lucchese Crime Family, were named in a racketeering Indictment – 10 were arrested this morning – charging them with running an enterprise that engaged in illegal gambling, extortion, fraud schemes and labor racketeering, U.S. Attorney Christopher J. Christie announced.

The lead defendant, Andrew Merola, also known as “Andrew Knapik,” 41, of East Hanover and Toms River, allegedly had ultimate authority in the management and supervision of a crew of the Gambino Crime Family, according to the 30-count Indictment. Ralph Cicalese, 55, of Roseland, was allegedly Merola’s right-hand man with primary responsibility for overseeing and supervising gambling agents and carrying out the crew’s labor racketeering activities.

(See the addendum to this news release for charges and arrest information.)

The New Jersey Indictment was returned by a grand jury in Newark last Friday and unsealed with this morning's arrests by Special Agents of the FBI and other law enforcement officers with the FBI Organized Crime Task Force. The defendants arrested this morning were scheduled to make initial appearances today at 2:30 before U.S. Magistrate Judge Michael A. Shipp in federal court in Newark.

The Indictment details a pattern of racketeering activities by the defendants in New Jersey and elsewhere beginning in about 2002 to the present. The investigation involved wiretaps of cellular telephones, a car bug, consensual recordings, search warrants, and surveillances. In May 2007, more than 20 arrests were made based on complaints filed by the Union County Prosecutor’s Office. With return of the federal Indictment, it is expected that those complaints will be dismissed.

“La Cosa Nostra, which translates to ‘this thing of ours,’ is steadily becoming ‘this thing of the FBI’s,’ as the now-decades-long string of arrests by the FBI continues to net LCN members,” said Weysan Dun, Special Agent in Charge of the FBI in Newark. Dun thanked the numerous law enforcement agencies involved for their professionalism and cooperation in today's arrests

“Labor racketeering and organized crime’s influence on labor organizations hurts workers and threatens job security,” said Gordon Heddell, Inspector General, U.S. Department of Labor. “The arrests and indictment represent a victory for the hard-working men and women of New Jersey who expect their labor leaders to advocate their interests fairly and honestly. My office remains committed to working tirelessly with our law enforcement partners to root out mob influence in unions.”

According to the Indictment, bets on sports events and casino-style games were placed over an internet website that operated overseas and by calls to a toll-free number. At times, gambling agents were delinquent in making their payments to Merola and Cicalese, resulting in the use of threats of violence to insure collection of their gambling debt to the enterprise.

In a separate scheme, the Indictment alleges that Merola, Cicalese, Charles Muccigrosso, also known as "Buddy Musk," 68, of Newark; Kyle Ragusa, 41, of East Hanover; John Tizio, 48, of West Orange; India Fugate, 28, of Newark; Vincent Fichera, 47, of Toms River, and others, fraudulently purchased store merchandise at a greatly reduced price from stores, including Lowe's Home Improvement, Home Depot, Best Buy, Circuit City and other stores in New Jersey, by creating, and using, bar code labels which falsely represented the true price of the merchandise.

The Indictment alleges that Merola and Fugate, who worked as a customer service associate at the Lowe's store in Paterson, engaged in a scheme to fraudulently obtain personal identification information from Lowe's customers to obtain a temporary Lowe's credit card and thereafter purchase merchandise without the knowledge or permission of the true credit card owner.

The Indictment also describes a scheme whereby Merola, Lucchese Crime Family member Martin Tacetta, 56, of East Hanover, and John Cataldo, Business Organizer of Local 825 of the International Union of Operating Engineers, conspired with Paul Lanza, 54, and Jonathan Lanza, 25, both of Florham Park, to circumvent and ignore requirements of the collective bargaining agreement between Barone Construction and Local 825. The Indictment alleges that Paul and Jonathan Lanza agreed to pay Merola, Cataldo and Tacetta approximately \$20,000 to allow Barone Construction to use non-union labor at a construction project at the BMW of Morristown car dealership.

The Indictment also alleges a similar scheme in which Merola and Cicalese conspired with Joseph Manzella, Business Agent of Local 1153 of the Laborers International Union of North America, to allow Par Wrecking Corporation to use non-union labor at a demolition project at the Prudential garage in Newark in violation of its collective bargaining agreement with Local 1153.

According to the Indictment, Par Wrecking paid more than \$35,000 in cash to Cicalese, who had been appointed as the Job Steward for Local 1153 at the Prudential garage construction site.

Merola and Muccigrosso are also charged with defrauding Kiska Construction, their employer at a construction project at the Goethal's Bridge. According to the Indictment,

Merola and Muccigrosso were paid for full-time employment, when in fact, they alternated work weeks with each other, so that each of them only was at work part-time. Cataldo and Joseph Schepisi, foreman for Kiska Construcion, are alleged to have assisted in the scheme.

An Indictment is merely an accusation. Despite Indictment, every defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun; Special Agents of the U.S. Department of Labor Office of Inspector General, under the direction of Inspector General Gordon S. Heddell; Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord; State Troopers with the New Jersey State Police, under the direction of Superintendent Col. Rick Fuentes; and the Union County Prosecutor's Office, under the direction of Prosecutor Theodore Romankow, with the investigation leading to today's arrest.

The case is being prosecuted by Assistant U.S. Attorneys Ronald D. Wigler and Leslie F. Schwartz of the Criminal Division's Strike Force Unit, in Newark.

Defendants, Their Charges, and Custody Status

(RICO Defendants)

- **Andrew Merola (ARRESTED)**, 41, of East Hanover, New Jersey, reputed high ranking Gambino member in New Jersey, charged with one count of racketeering conspiracy, two counts of racketeering, one count of operating an illegal gambling business, three counts of conspiracy to collect by extortionate means, two counts of collection by extortionate means, four counts of conspiracy to commit wire fraud (bar code scheme, credit card scheme, bypass shaping lists, no show/low show jobs), one count of wire fraud (no show/low show jobs), two counts of conspiracy to demand and receive unlawful labor payments (Barone Construction, Par Wrecking Corporation), two counts of demanding and receiving unlawful labor payments (Barone Construction, Par Wrecking Corporation), conspiracy to commit extortion against lunch truck vendors, attempted extortion against a lunch truck vendor, one count of conspiracy to embezzle assets of LIUNA Local 1153 (membership cards), and two counts of embezzlement from LIUNA Local 1153 (membership cards). Merola is also named in two forfeiture allegations based upon his participation in the racketeering enterprise and illegal gambling operation.

• **Ralph Cicalese (ARRESTED)**, 55, of Roseland, reputed Gambino associate, charged with one count of racketeering conspiracy, two counts of racketeering, one count of operating an illegal gambling business, three counts of conspiracy to collect by extortionate means, two counts of collection by extortionate means, two counts of conspiracy to commit wire fraud (bar code scheme, bypass shaping lists) , one counts of conspiracy to demand and receive unlawful labor payments (Par Wrecking Corporation) , one count of demanding and receiving unlawful labor payments (Par Wrecking Corporation), conspiracy to commit extortion against lunch truck vendors, attempted extortion against a lunch truck vendor, one count of conspiracy to embezzle assets of LIUNA Local 1153 (membership cards) ,and two counts of embezzlement from LIUNA Local 1153 (membership cards) . Cicalese is also named in two forfeiture allegations based upon his participation in the racketeering enterprise and illegal gambling operation.

• **Charles Muccigrosso (ARRESTED)**, also known as “Buddy Musk,” 68, of Newark, reputed high-ranking Gambino member in New Jersey, charged with one count of racketeering conspiracy, one count of racketeering, two counts of conspiracy to commit wire fraud (bar code scheme, no show/low show jobs) , and one count of wire fraud (no show/low show jobs).

• **Kyle Ragusa (ARRESTED)**, 41, of East Hanover, reputed Gambino associate, charged with one count of racketeering conspiracy, one count of racketeering, one count of operating an illegal gambling business, one count of conspiracy to make extortionate extensions of credit, and one count of wire fraud (bar code scheme).

• **John Tizio (ARRESTED)**, 48, of West Orange, reputed Gambino associate, charged with one count of racketeering conspiracy, two counts of racketeering, one count of conspiracy to collect by extortionate means, one count of collection by extortionate means, one count of conspiracy to commit wire fraud (bar code scheme), and one count of wire fraud (bar code scheme).

(Non-Rico Defendants)

• **Martin Taccetta**, 56, of East Hanover, reputed made member and former underboss of the New Jersey faction of the Lucchese Crime Family, charged with one count of conspiracy to collect by extortionate means, one count of conspiracy to demand and receive unlawful labor payments (Barone Construction), and one count of demanding and receiving unlawful labor payments (Barone Construction).

• **Gennaro Forte**, 33, of West Caldwell, charged with one count of operating an illegal gambling business.

- **Justin Cerrato**, 27, of Randolph, charged with one count of operating an illegal gambling business.
- **Charles Russo**, 75, of Ramsey, charged with one count of operating an illegal gambling business.
- **Vincent DeRogatis**, 44, of East Hanover, charged with one count of operating an illegal gambling business.
- **Eric Maimone**, 32, of Brooklyn, New York, charged with one count of operating an illegal gambling business.
- **Carmine Maimone**, 64, of Brooklyn, New York, charged with one count of operating an illegal gambling business.
- **Christopher Doscher**, 29, of East Hanover, charged with one count of operating an illegal gambling business.
- **Anthony Marra**, 25, of Roseland, charged with one count of operating an illegal gambling business.
- **Edward Deak (ARRESTED)**, 44, of Secaucus, charged with one count of operating an illegal gambling business.
- **Michael Urgola (ARRESTED)**, 47, of Clifton, Business Manager of Local 1153, charged with one count of conspiracy to embezzle union assets (Local 1153 membership cards), two counts of embezzlement of union assets (Local 1153 membership cards), and one count of conspiracy to commit wire fraud (bypass shaping list).
- **Joseph Manzella**, 49, of West Orange, Business Agent of Local 1153, charged with one count of conspiracy to commit extortion against lunch truck vendors, one count of attempted extortion against a lunch truck vendor, one count of conspiracy to demand and receive unlawful labor payments (Par Wrecking Corporation), one count of demanding and receiving unlawful labor payments (Par Wrecking Corporation), one count of conspiracy to embezzle union assets (Local 1153 membership cards), one count of embezzlement of union assets (Local 1153 membership cards), and one count of conspiracy to commit wire fraud (bypass shaping list).
- **John Cataldo**, 44, of Nutley, Local 825 Business Organizer, charged with one count of conspiracy to demand and receive unlawful labor payments (Barone Construction),

demanding and receiving unlawful labor payments (Barone Construction), one count of conspiracy to commit wire fraud (no show/low show jobs), and one count of wire fraud (no show/low show jobs).

- **Paul Lanza (ARRESTED)**, 54, of Florham Park, principal of Barone Construction & Equipment Corporation, charged with one count of conspiracy to demand and receive unlawful labor payments (Barone Construction), one count of demanding and receiving unlawful labor payments (Barone Construction), one count of conspiracy to embezzle from Local 825 benefit funds, and five counts of embezzlement from Local 825 benefit funds.

- **Jonathan Lanza**, 25, of Florham Park, charged with one count of conspiracy to demand and receive unlawful labor payments (Barone Construction), one count of demanding and receiving unlawful labor payments (Barone Construction), one count of conspiracy to embezzle from Local 825 benefit funds, five counts of embezzlement from Local 825 benefit funds, and one count of making false and fraudulent statements to the FBI and the Department of Labor.

- **Joseph Schepisi (ARRESTED)**, 39, of Scarsdale, New York, charged with one count of conspiracy to commit wire fraud (no show/low show jobs) and one count of wire fraud (no show/low show jobs).

- **India Fugate**, 28, of Newark, charged with one count of conspiracy to commit wire fraud (bar code scheme) and one count of conspiracy to commit wire fraud (credit card scheme).

- **Vincent Fichera (ARRESTED)**, 47, of Toms River, charged with one count of conspiracy to commit wire fraud (bar code scheme).

Charges and Maximum Statutory Penalties

- Racketeering Conspiracy (Count 1), carries a maximum penalty of twenty years in prison and a \$250,000 fine.

- Racketeering (Counts 2-3), carry a maximum penalty of twenty years in prison and a \$250,000 fine.

- Operating an Illegal Gambling Business (Count 4), carries a maximum penalty of five years in prison and a \$250,000 fine.

- Conspiring to, and Collecting by Extortionate Means (Counts 5-9), carry a maximum penalty of twenty years and a \$250,000 fine.
- Conspiring to, and Committing Wire Fraud (Counts 10-11 and 27-29), carry a maximum penalty of twenty years and a \$250,000 fine.
- Conspiring to Violate the Federal Conspiracy Statute (Counts 12,14,22, 24) carry a maximum penalty of five years and a \$250,000 fine.
- Demanding and Receiving Unlawful Labor Payments (Counts 13,23) carry a maximum penalty of five years and a \$250,000 fine.
- Embezzlement from an Employee Benefit Plan (Counts 15-19) carry a maximum penalty of five years and a \$250,000 fine.
- Conspiring to Commit Extortion and Attempted Extortion (Counts 20-21), carry a maximum penalty of twenty years and a \$250,000 fine.
- Embezzlement from a Union (Counts 25-26) carry a maximum penalty of five years and a \$250,000 fine.
- Conspiring to, and Committing Mail Fraud (Count 30), carries a maximum penalty of twenty years and a \$250,000 fine.
- Making a False or Fraudulent Statement (Count 31), carries a maximum penalty of five years and a \$250,000 fine.

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