

NEWS

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FOR IMMEDIATE RELEASE
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Former President of Operating Engineers Local 825
Pleads Guilty to Receiving Bribes; Second Defendant Also Pleads

(More)

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NEWARK – The former president of Local 825 of the International Union of Operating Engineers pleaded guilty today to conspiring with others to demand and receive labor bribes totaling approximately \$112,000 from construction contractors and tax evasion, U.S. Attorney Christopher J. Christie announced.

Also pleading guilty today was a Local 825 lead engineer, who acted as a conduit for the labor bribes paid to the former president and other Local 825 business agents who have already pleaded guilty.

Peter O. Strannemar, 66, Blairstown, Local 825's former president and business agent, pleaded guilty to a Superseding Information before U.S. District Judge Stanley R. Chesler. The Superseding Information charged Strannemar with conspiring to demand and receive unlawful labor bribes from construction contractors that worked at the Goldman Sachs construction project in Jersey City. The Superseding Information also charged Strannemar with tax evasion.

At his hearing, Strannemar admitted that beginning in about May 2001 he conspired with Anthony Mann, a lead engineer at the project, and Craig Wask, a Local 825 business agent, to unlawfully demand and receive cash payments and other things of value from two construction companies at the project – a steel erector company and a plumbing company.

Mann, 65, of Sparta, also pleaded guilty today. Wask pleaded guilty in March.

Strannemar told Judge Chesler that at various times throughout the course of the project he received unlawful cash payments from Wask. Strannemar admitted that he knew the cash payments came from the construction companies at the project, and that it was unlawful for him to receive them. Strannemar also acknowledged that he requested and received free household appliances, valued at approximately \$1,900, from the plumbing company, and that the appliances were delivered to his residence by Mann.

In total, Strannemar acknowledged that he and his co-conspirators unlawfully received approximately \$112,000 in labor bribe payments from the steel erector company and plumbing company.

On March 26, 2008, Wask pleaded guilty before Judge Chesler to an eight-count Superseding Information that charged him with, among other things, the same conduct in which Strannemar engaged.

Local 825 is a labor organization that represents approximately 7,000 construction equipment operators, mechanics, and surveyors. Under a federal law commonly referred to as the Taft-Hartley Act, it is unlawful for any officer, employee, or representative of a labor union, such as a lead engineer, to demand or receive money or anything of value from an employer whose employees the union represents, seeks to represent, or would admit to membership.

In addition, Strannemar admitted that on or about April 15, 2004, he filed a federal tax return that concealed approximately \$50,000 in taxable income that he had received in 2003.

Strannemar told Judge Chesler that he intended to evade and defeat the payment of tax due the government on this unreported income.

Each count of the Superseding Information naming Strannemar carries with it a maximum statutory prison sentence of five years and a \$250,000 fine. Sentencing for Strannemar and Mann is scheduled for Sept. 11.

On March 11, 2008, an Indictment charging Strannemar and Kenneth P. Campbell, Local 825's Business Manager, was unsealed, charging Strannemar and Campbell with conspiring to demand and receive unlawful labor bribes from the steel erector company and the plumbing company. In addition, the Indictment charged Campbell with conspiring to demand and receive unlawful cash bribes from another company to permit the company to use non-union labor at a golf course construction project in Jersey City and to admit three of the company's employees into the union. Campbell's criminal case is pending trial before Judge Chesler.

Mann pleaded guilty today to a two-count Information. Count One charged him with conspiracy to demand and receive unlawful labor payments from construction companies working at the Goldman Sachs project. Mann admitted that he unlawfully demanded and received cash payments from several construction companies, including the steel erector company and the plumbing company. He further admitted that he received these cash payments in exchange for labor peace and to permit the companies to circumvent their obligations under a collective bargaining agreement. For example, Mann admitted that he permitted the steel erector company to use less than the required number of operating engineers on cranes in exchange for cash payments.

Mann, who was the conduit for the unlawful cash payments, acknowledged that he, Wask, Strannemar, and Campbell shared the bribe payments. Mann also admitted that he assisted Strannemar in obtaining the household appliances from the plumbing company.

Count Two of the Information charged Mann with conspiracy to demand and receive an unlawful labor payment. Mann admitted that he conspired with A.C., an owner of a company, and Arthur Heimall, a former Local 825 business agent, to demand and receive a cash bribe to permit A.C.'s company to use non-union labor at a construction project in Fairfield, New Jersey.

Mann told Judge Chesler that in about September 2005 a construction project was underway in Fairfield. Mann stated that A.C. signed a Job Site Agreement for the Fairfield Project, requiring A.C.'s company to employ and pay Local 825 operating engineers at the project.

Mann admitted that A.C. requested permission to use a non-union operating engineer at the project. In exchange for permitting A.C.'s company to use non-union labor, A.C. paid Mann approximately \$5,000 in cash, which cash Mann split with Heimall. Heimall entered a plea before Judge Chesler to the same charge on May 5, 2008.

Each count of the Information carries with it a maximum statutory prison sentence of five years and a \$250,000 fine.

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; and Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, and investigators from the Employee Benefits Security Administration, under the direction of Regional Director Jonathan Kay, with the investigation leading to the pleas.

This case is being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney Office's Strike Force unit, in Newark.

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Defense Attorneys:

Strannemar: Alfred C. DeCotiis, Esq., and William R. Lundsten, Esq., Teaneck

Mann: Joseph Afflitto Sr., Esq., Wayne