

NEWS

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Former Local 825 Business Manager Sentenced to 46 Months for
Looting Union and Taking Bribes from Contractors

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NEWARK – The former business manager of Local 825 of the International Union of Operating Engineers was sentenced today to 46 months in prison for embezzling from the union and taking bribes from contractors, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

U.S. District Judge Stanley R. Chesler also fined Kenneth P. Campbell \$40,000 and ordered him to pay \$247,655 in restitution to the union.

Campbell, 57, of Basking Ridge, pleaded guilty on Oct. 7 to stealing from the union to purchase high-end electronics and a luxury car and to taking cash payments from contractors. Campbell acknowledged during his guilty plea that the embezzlement plus cash bribes from contractors at several construction sites totaled at least \$256,000, and that the proceeds of the bribes were shared between him and his co-conspirators.

Campbell pleaded guilty to five counts of embezzlement, with each count pertaining to the purchase with union funds of particular luxury items, and to three counts of conspiracy to demand and receive unlawful labor payments related to his taking of bribes from contractors.

During his plea hearing, Campbell admitted that, as Business Manager of Local 825, he ran its day-to-day operations, including representing all of the union's members. As the senior leader of the union, Campbell acknowledged that he occupied a special position of trust and therefore owed fiduciary duties to the union and its members.

Campbell told Judge Chesler that the union issued him an American Express credit card to purchase items and services necessary to carry out his duties and responsibilities and that credit card bills were paid for by the union. Campbell admitted that between September 2004 through Oct 2005, he used the union credit card to purchase a variety of high-end electronics, including a 50-inch Samsung television (with warranty), a 43-inch Samsung television (with warranty), a 26-inch Sharp Aquos television, a home theater system, a Toshiba DVD/VCR player, a television stand, and smart video cell phone service, among other things.

In addition, Campbell admitted that in or about February 2005, he caused Local 825 to buy a 2004 Lincoln Town Car, with a "LoJack" security system, for the use and benefit of Patrick Campbell, his father, who had retired from Local 825 in or around 1999. Kenneth Campbell admitted that this purchase was not approved either by the union's general membership and did not benefit the union.

Campbell also admitted conspiring to demand and receive cash bribes from several contractors, including a steel erector company, plumbing company, window company, and backhoe services, at a construction project in Jersey City between May 2001 and July 2003 (the Goldman Sachs project). Campbell admitted that he conspired with Peter O. Strannemar, Local 825's President at the time, Craig Wask, a business agent, Anthony Mann, a lead engineer at the project, and others, to demand and receive cash and other things of value from companies at the project. At the plea hearing, Campbell said he did not dispute that he and his co-conspirators received approximately \$156,00 from contractors at the project.

Campbell also admitted conspiring to demand and receive cash bribes from a contractor working at another Jersey City project involving construction of a large golf course with residential homes. At the plea hearing, Campbell said he did not dispute that he and his co-conspirators received approximately \$100,000 in bribes from contractors at that project.

Marra credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, U.S. Department of Labor Office of Inspector General, under the direction of Inspector General Gordon S. Heddell, and IRS Criminal Investigation, 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 Local 825 investigation.

These Local 825 cases are 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 Attorney: Brian J. Neary, Esq.