

NEWS

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Former Local 825 Business Manager Admits Looting Union and Taking Bribes from Contractors

(More)

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NEWARK – The former business manager of Local 825 of the International Union of Operating Engineers pleaded guilty today to embezzling from his union and to taking bribes from contractors, U.S. Attorney Christopher J. Christie announced.

Kenneth P. Campbell, 57, of Basking Ridge, pleaded guilty before U.S. District Judge Stanley R. Chesler to stealing from the union to purchase high-end electronics and a luxury car and to taking cash payments from contractors. Campbell stipulated in his plea agreement that the embezzlement plus cash bribes from contractors at several construction sites totaled at least \$200,000, and that the proceeds were shared between him and his co-conspirators.

Following are the eight counts (from an 18-count Superseding Indictment) to which Campbell pleaded guilty and a description of the conduct for each of those counts:

Count	Description
One	Embezzlement of a Samsung 50 inch television, warranty, Home Theater System, and related accessories (\$4,557.92)
Four	Embezzlement of a Samsung 43 inch television, warranty; and Toshiba DVD/VCR Combination (\$2,706.13)
Five	Embezzlement of a Sharp Aquos 26 inch television, TIVO Box, and related accessories (\$3,655.91)
Eight	Embezzlement of a Samsung 50 inch television, warranty, television stand, and Smart Video cell phone service (\$2,694.69)
Fourteen	Embezzlement of the use of a 2005 Lincoln Towncar (\$37,478.70)
Sixteen	Conspiracy to demand and receive unlawful labor payments (Goldman Sachs Construction Project)
Seventeen	Conspiracy to demand and receive unlawful labor payments (Jersey City Golf Course Project)
Eighteen	Conspiracy to demand and receive unlawful labor payments (Cash in exchange for union admittance)

Judge Chesler scheduled sentencing for Jan. 8. Each count to which Campbell pleaded guilty carries a statutory maximum prison sentence of 5 years and a \$250,000 fine.

“Campbell and his cronies were simply greedy and corrupt,” said Christie. “They treated Local 825 like a personal piggy bank to raid at will to treat themselves to luxuries at the expense of the

dues-paying members they ripped off.”

Under federal law, it is unlawful for any union officer or employee to embezzle money, property or assets from the union in which he or she is employed. In addition, under federal law, it is unlawful for any union officer or representative to demand or receive money or anything of value from an employer which the labor union represents, seeks to represent, or would admit to membership in the union any of the employer’s employees.

“This guilty plea demonstrates my office’s commitment to work with our law enforcement partners as we carry out our statutory mandate to investigate racketeering within our nation’s labor unions,” said Daniel R. Petrole, Acting Inspector General of the U.S. Department of Labor. “We will continue to aggressively pursue those union officials who abuse their positions of trust for personal gain at the expense of the membership they are supposed to serve.”

During his 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. Campbell told Judge Chesler that he signed the checks to pay for all of the purchases, which were not approved by the union’s Executive Board or its general membership for his personal use. Finally, Campbell admitted that he fraudulently deprived Local 825 of its money by causing the union to buy the items and services.

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. Campbell admitted that this purchase was not approved either by the union’s general membership and did not benefit the union.

Count Sixteen charged Campbell with 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 at 30 Hudson Street, 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. Campbell told Judge Chesler that he knew that the money

came from the companies at the project and that it was illegal for him to take the money. In total, the superseding indictment alleges that on Campbell and his co-conspirators received approximately \$156,00 from contractors at the project.

Count Seventeen charged Campbell with conspiring to demand and receive cash bribes from a contractor working at a construction project and Jersey City New Jersey. This construction project involved construction of a large golf course with residential homes. Campbell admitted that he conspired with Craig Wask and others to receive cash from the owner of the company working at this project, who is referred to as Co-Conspirator G.V.C. in the Superseding Indictment. Campbell told Judge Chesler that he knew that the money came from a company at the project and that it was illegal for him to take the money in total. The Superseding Indictment alleges that Campbell and his co-conspirators received approximately \$100,000 from the contractor at this project.

On Sept. 29, 2008, George V. Coyne pleaded guilty before Judge Chesler to a two-count Information. Coyne, was the principal owner and operator of Armored, Inc., a construction company working at the act Golf Course project. Coyne admitted during his hearing that he paid approximately \$100,000 to Wask in exchange for allowing his company and other subcontractors to use nonunion labor at the project. Coyne also admitted that he paid approximately \$6,000 to Wask in exchange for obtaining the admission of three of Armored, Inc.'s employees into Local 825.

Count Eighteen charged Campbell with conspiring to receive a \$6,000 cash bribe from Coyne in exchange for admitting three of Coyne's employees into the union. During the hearing, Campbell admitted that in or around August 2004 that he received cash from Wask in exchange for admitting three of Coyne's employees into Local 825. Campbell further admitted that he did not ensure that these three individuals had been tested on construction equipment or had completed the union's apprenticeship training program.

Patrick Campbell and Anthony Ambrosio, an employee of Backhoe Services, are pending trial scheduled for November 5, 2008.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, U.S. Department of Labor-OIG, 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 investigation leading to the pleas.

These cases are being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney Office's Strike Force unit, in Newark.

Defense Attorney: Brian J. Neary, Esq.

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