

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

News on the Internet: News Releases, related documents and advisories are posted short-term at our website, along with links to our archived releases at the Department of Justice in Washington, D.C. **Go to:** <http://www.njusao.org/break.html>

Assistant U.S. Attorneys
V. Grady O'MALLEY
and JUDITH H.GERMANO
973-645-2725 and 2885

Feb0503.rel
FOR IMMEDIATE RELEASE
May 3, 2005

Former President of Hotel and Restaurant Employees
Local 69 Admits Embezzlement, Living Lavishly on Union Funds

(More)

Public Affairs Office
<http://www.njusao.org>
Michael Drewniak, PAO

973-645-2888

Breaking News (NJ) <http://www.njusao.org/break.html>

NEWARK – The former president of the Hotel Employees and Restaurant Employees Local 69 in Secaucus pleaded guilty today to embezzling at least \$120,000 of union and welfare fund money and spending it lavishly on himself and friends at nightclubs, restaurants and more, U.S. Attorney Christopher J. Christie announced.

David Feedback, 43, of Charlotte, N.C. (formerly of Cresskill, Bergen County), was the President of Local 69 from December 1997 until his resignation in September 2001. He was also a trustee of the Local 69 Welfare Fund. Local 69 is presently under a court-ordered monitorship.

Local 69, a 2,900-member union half of whose members work at the Meadowlands, Giants Stadium and Continental Arena, was placed under the monitorship in 1996, and resulted in the removal of John Agathos and his son, John Agathos Jr, the president and vice president respectively, for corruption and mismanagement. As a result of the investigation involving Feedback, the court-ordered monitorship was reimposed in 2001, and an independent audit determined that the Local 69 Welfare Fund, which was self insured during Feedback's tenure, had \$1.5 million in unpaid medical claims.

Feedback pleaded guilty today to two counts of embezzlement, one count related to the theft from union funds, and the other from the employee welfare fund, each of which carries a maximum penalty of five years in prison and mandatory restitution.

Feedback entered his plea before U.S. District Judge William J. Martini, who scheduled sentencing for Aug. 10.

"Unfortunately, we've seen this all too many times with union trustees and officials living the high life off of member dues and benefit funds," said Christie. "Feedback's feeding at the trough was particularly egregious. He didn't even attempt to hide it judging by the flamboyant lifestyle he enjoyed until he was brought to justice."

Feedback was briefly appointed president in December 1997 by the monitor and then elected in his own right by the members in 1998. Thereafter his lavish personal lifestyle permeated his operation of the local, as supported by his admissions in court today. Feedback frequented restaurants and nightclubs in New Jersey and New York, spending tens of thousands of dollars entertaining himself and his friends and charging it to the local and the local's welfare fund as "business expenses."

Feedback routinely spent between \$3,000 and \$6,000 per night at places such as Molfeta's Greek restaurant and nightclub in South Hackensack buying cases of champagne and throwing hundred of dollars in tips at belly dancers. In New York City, he would regularly patronize nightclubs such as the Grecian Cave in Queens, Zondiacs, and Estia's,

along with Windows On the World, Tavern on the Green and Gallagher's Steakhouse, oftentimes, several clubs on the same night. In mid 1999, he exceeded the \$15,000 limit on his union credit card and began using a friend's credit cards and submitting their monthly statements to the union and Welfare Fund for payment.

In one example, Feedback admitted that he went to Malfeta's in September 1999 and over three consecutive nights spent approximately \$16,000 of union money for personal entertainment.

The case was investigated and indicted by Assistant U.S. Attorney V. Grady O'Malley, Senior Litigation Counsel, and Assistant U.S. Attorney, Judith Germano, of the U.S. Attorney's Office in Newark. They were assisted by the Department of Labor, under the supervision of Inspector General Gordon S. Heddell of the U.S. Department of Labor, Office of Inspector General; as well as Agents from the U.S. Department of Labor (EBSA), under the Supervision of EBSA Acting Regional Director Jonathan Kay; Special Agents of the FBI, under the direction of Pedro Ruiz, Acting Special Agent in Charge, and Inspector General Gordon S. Heddell, of the U.S. Department of Labor, Office of Inspector General.

-end-

Defense Counsel: Paul Brickfield, Esq. River Edge