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ACTING BOSS OF THE
GENOVESE ORGANIZED CRIME FAMILY
SENTENCED TO 18 MONTHS IN PRISON FOR
RACKETEERING AND OBSTRUCTION OF JUSTICE OFFENSES

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that Genovese Organized Crime Family Acting Boss and Capo MATTHEW IANNIELLO, a/k/a "Matty the Horse," was sentenced yesterday in Manhattan federal court to 18 months in prison for using his status in the Genovese Organized Crime Family of La Cosa Nostra ("LCN") to collect unlawful labor payments from union officials of Local 1181 of the Amalgamated Transit Union ("Local 1181") and to obstruct a grand jury investigation into the illicit relationship between Local 1181 and the Genovese Organized Crime Family. According to the Information to which IANNIELLO pled guilty on September 14, 2006, and other documents filed in Manhattan federal court:

Various union officials at Local 1181, including the President of Local 1181, SALVATORE BATTAGLIA, a/k/a "Hotdogs," regularly received illegal payments from the owners and operators of New York City Department of Education-contracted school bus companies in exchange for favorable treatment from Local 1181, which for years has represented many of the drivers and matrons of New York City's school buses. IANNIELLO used his status in the Genovese Organized Crime Family to assist these union officials in obtaining the improper payments.

Additionally, in January 2005, a federal grand jury in Manhattan issued subpoenas for testimony to various officials at Local 1181, including JULIUS BERNSTEIN, a/k/a "Spike," then the Secretary/Treasurer of Local 1181, and ANN CHIAROVANO, then the Director of the Employees' Pension and Welfare Fund for Local 1181. In response to the grand jury subpoenas, IANNIELLO worked together with officials of Local 1181 and members of the Genovese Crime Family to obstruct the Government's investigation --

specifically, by directing others to take steps intended to frustrate the Government's investigation of Local 1181.

The charges against IANNIELLO resulted from a three-year investigation and were originally contained in an Indictment -- unsealed in 2005 -- charging a total of twenty defendants. All of those defendants were named as members or associates of the Genovese Organized Crime Family or of other LCN crime families, and charged with wide-ranging racketeering crimes and other offenses spanning more than a decade -- including extortion, labor racketeering, loansharking, illegal gambling, and obstruction of justice. On August 11, 2006, CHIAROVANO pled guilty to one count of obstructing justice. Absent a plea or finding of guilt as to any defendant, the charges contained in the Indictment are only allegations, and the defendant is otherwise presumed innocent unless and until proven guilty.

IANNIELLO was sentenced by the Honorable Kimba M. Wood, Chief Judge of the United States District Court for the Southern District of New York. In addition to 18 months' imprisonment, IANNIELLO was sentenced to three years' supervised release, a fine of \$25,000, and a mandatory \$100 special assessment. IANNIELLO was also ordered to forfeit \$75,000, representing the proceeds of his criminal activity.

Mr. GARCIA praised the efforts of the Federal Bureau of Investigation and the New York City Police Department in the investigation.

Assistant United States Attorneys TIMOTHY J. TREANOR, BENJAMIN GRUENSTEIN, ELIE HONIG, and WILSON W.S. LEUNG are in charge of this prosecution.

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