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Southern District of New York*

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**TEN CHARGED IN CARPENTERS UNION CORRUPTION CASE**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation, and DANIEL R. PETROLE, the Acting Inspector General of the United States Department of Labor, announced the unsealing of an Indictment charging MICHAEL FORDE -- the head of the Carpenters Union District Council in New York City -- together with seven other Carpenters Union officials, one construction contractor, and a contractors' representative, with a series of offenses stemming principally from a scheme by which Carpenters Union officials, in return for bribes, allowed construction contractors to avoid full payment of union wages and benefits at various job sites in New York City. Seven of the defendants were arrested this morning; two remain at large; and FORDE is expected to surrender to law enforcement authorities later today. As set forth in the 29-count Indictment unsealed today in Manhattan federal court:

The Carpenters Union

The United Brotherhood of Carpenters and Joiners is a national labor union that represents skilled workers at construction sites. In New York City, approximately 20,000 members of the union are divided into eleven locals, overseen by the District Council of New York City and Vicinity. On behalf of

its locals, the District Council has entered into numerous collective bargaining agreements ("CBAs") with construction contractors and construction contractor associations operating at job sites in New York City. The CBAs generally require contractors to employ only union members for specified construction work; to pay workers at a specified hourly rate; and to make contributions for each hour worked to the District Council's benefit funds. The benefit funds provide life insurance, health insurance, pension, retirement and vacation benefits to participating union members and their families; and trustees of the benefit funds include both union and contractor representatives. Union shop stewards at each job site are required to submit weekly "shop steward reports" to the local union office tracking employees and hours worked at the job site. The District Council and the District Council benefit funds relied on these reports to audit contractor contributions.

#### The 1994 Civil RICO Consent Decree

Since 1994 the Carpenters Union and its constituent locals and District Council have been bound by a federal consent decree stemming from a civil case brought by the United States under the Racketeer Influenced and Corrupt Organizations Act ("RICO") to address a history of union corruption and organized crime influence within the District Council. The consent decree, among other things, prohibited union officials from associating with organized crime figures and imposed job referral rules governing the assignment of shop stewards and union members to job sites. In 2002 an Independent Investigator was appointed under the consent decree to investigate wrongdoing in the union, including job referral violations, bribe taking, false reports, and off-the-books payment of wages.

#### The Charges in this Case

In this case, MICHAEL FORDE, the Executive Secretary-Treasurer of the District Council and a benefits funds trustee; JOHN GREANEY, the Business Manager and President of Local 608 (the largest local in the Council) and a benefits funds trustee; BRIAN HAYES, a business agent and officer of Local 608; shop stewards MICHAEL BRENNAN, BRIAN CARSON, JOSEPH RUOCCO, JOHN STAMBERGER, and MICHAEL VIVENZIO; and JOSEPH OLIVIERI, a benefit funds trustee and executive director of the Association of Wall, Ceiling and Carpentry Industries of New York, are charged with unlawfully receiving money, loans, or other things of value from contractors, in a total amount of approximately one million dollars. FINBAR O'NEILL, a contractor, is charged with helping to deliver illegal cash payments to FORDE.

In exchange for the bribes, the defendants allowed and helped certain contractors to defraud the union and its benefit funds out of millions of dollars by permitting the contractors to, among other things, pay union members cash at below-union rates, without benefits; employ illegal aliens and non-union workers on their job sites; and avoid payment to the union benefit funds in violation of applicable CBAs. The defendants helped the contractors to conceal the scheme by, among other things, filing false shop steward reports, giving the contractors advanced notice of job site visits by union investigators, issuing union cards to the illegal aliens who worked for those contractors for cash, giving false testimony, and destroying documents.

In addition, among other charges, OLIVIERI, FORDE, GREANEY, HAYES, BRENNAN, and CARSON are charged with perjury in connection with testimony in the Civil RICO case and another civil case; and RUOCCO is charged with making false statements to a Department of Labor Investigator.

The defendants are specifically charged with the following offenses:

Ct	Charge	Defendant(s)	Maximum Penalty
1	Racketeering Conspiracy	FORDE, GREANEY, HAYES, O'NEILL, BRENNAN	20 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense
2	Racketeering	FORDE, GREANEY, HAYES, BRENNAN	20 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense
3	Conspiracy (as to Contractor #1)	FORDE, GREANEY, O'NEILL, BRENNAN, OLIVIERI, CARSON, RUOCCO, STAMBERGER, VIVENZIO	5 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense
4	Conspiracy (as to Contractor #2)	FORDE, GREANEY, HAYES	5 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense

5	Conspiracy (as to Contractor #3)	GREANEY, HAYES	5 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense
6	Conspiracy (as to Contractor #4)	GREANEY, HAYES	5 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense
7	Wire Fraud and Deprivation of Honest Services (as to Contractor #1)	FORDE, GREANEY, BRENNAN, O'NEILL, CARSON, RUOCCO, STAMBERGER, VIVENZIO	20 years in prison; fine of the greater of \$1 million or twice the gross gain or loss from the offense
8	Wire Fraud and Deprivation of Honest Services (as to Contractor #2)	FORDE, GREANEY, HAYES	20 years in prison; fine of the greater of \$1 million or twice the gross gain or loss from the offense
9	Wire Fraud and Deprivation of Honest Services (as to Contractor #3)	GREANEY, HAYES	20 years in prison; fine of the greater of \$1 million or twice the gross gain or loss from the offense
10	Wire Fraud and Deprivation of Honest Services (as to Contractor #4)	GREANEY, HAYES	20 years in prison; fine of \$1 million or twice the gross gain or loss from the offense
11	Unlawful Acceptance of Payment by Labor Representative	FORDE, O'NEILL	5 years in prison; fine of \$15,000
12	Unlawful Acceptance of Payment by Labor Representative	GREANEY	5 years in prison; fine of \$15,000
13	Unlawful Acceptance of Payment by Labor Representative	GREANEY, HAYES	5 years in prison; fine of \$15,000
14	Unlawful Payments to Labor Representatives	OLIVIERI	5 years in prison; fine of \$15,000
15	Unlawful Acceptance of Payment by Labor Representative	HAYES	5 years in prison; fine of \$15,000

16	Unlawful Acceptance of Payment by Labor Representative	BRENNAN	5 years in prison; fine of \$15,000
17	Unlawful Acceptance of Payment by Labor Representative	VIVENZIO	5 years in prison; fine of \$15,000
18	Unlawful Acceptance of Payment by Labor Representative	CARSON	5 years in prison; fine of \$15,000
19	Unlawful Acceptance of Payment by Labor Representative	STAMBERGER	5 years in prison; fine of \$15,000
20	Unlawful Acceptance of Payment by Labor Representative	RUOCCO	5 years in prison; fine of \$15,000
21	Acceptance of Loan to Influence Operations of Employee Benefit Plan	OLIVIERI	3 years in prison; fine of the greater of \$250,000 or twice the gross gain or loss from the offense
22	Perjury	OLIVIERI	5 years in prison; fine of \$250,000
23	Perjury	FORDE	5 years in prison; fine of \$250,000
24	Perjury	GREANEY	5 years in prison; fine of \$250,000
25	Perjury	HAYES	5 years in prison; fine of \$250,000
26	Perjury	BRENNAN	5 years in prison; fine of \$250,000
27	Perjury	CARSON	5 years in prison; fine of \$250,000
28	False Statements	RUOCCO	5 years in prison; fine of \$250,000
29	Obstruction of Justice	BRENNAN	10 years in prison; fine of \$250,000 or twice the gross gain or loss from the offense

GREANEY, 49, of Yonkers, New York; HAYES, 38, of New York, New York; OLIVIERI, 54, of Yonkers, New York; CARSON, 49, of the Bronx, New York; RUOCCO, 49, of East Stroudsburg, Pennsylvania; STAMBERGER, 52, of Brick, New Jersey; and VIVENZIO,

61, of Mahwah, New Jersey, were arrested this morning. FORDE, 54, of Woodside, New York, is expected to surrender to federal authorities later today. O'NEILL, 44, of Paramus, New Jersey, and BRENNAN, 53, of Bushkill, Pennsylvania; remain at large.

The case was assigned to United States District Judge VICTOR MARRERO. The defendants arrested today are expected to appear in Manhattan federal court later today.

Mr. DASSIN praised the Department of Labor, Office of the Inspector General, and the Federal Bureau of Investigation for their outstanding work in investigating this case. Mr. DASSIN also thanked the Internal Revenue Service and Social Security Administration, Office of the Inspector General, for their valuable assistance. Mr. DASSIN added that the investigation is continuing.

"Leaders of the Carpenters Union are charged today with betraying the rank and file of the union they were sworn to protect. Instead of protecting the financial interests of union members and their families, corrupt union officials and the contractors who bribed them are charged with betraying the Carpenters Union and its benefit funds to enrich themselves," said LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York. "Moreover, today's Indictment shows continuing corruption at the highest ranks of the union's leadership even after years of dedicated efforts under the federal Consent Decree to rid the union of wrongdoing. Forde and his co-defendants are alleged to have evaded for years detection under the law and the Consent Decree, to line their pockets at the expense of union members. Now, they will face criminal charges for their conduct."

"At the heart of these charges is the egregious breach of fiduciary responsibility by union officers who turned their backs on rank-and-file members. Rather than doing what they were elected to do -- safeguarding wages and benefits for union members -- they took cash and other bribes to turn a blind eye on contractors' schemes to cheat the rank-and-file," said FBI Assistant Director-in-Charge JOSEPH M. DEMAREST, JR. "Motivated by self-interest, they sold out the interests of the members. The FBI remains committed to rooting out racketeering, whether by made men or crooked union men."

"Today's sweeping RICO indictment serves as a warning to union and benefit fund officials that the Federal government will not tolerate abuses of power," said DANIEL R. PETROLE, the Acting Inspector General of the United States Department of Labor. "Together with our law enforcement partners, my agency

will continue to exercise its statutory authority to investigate union-related corruption by officials who line their pockets at the expense of the hardworking men and women whose interests they are entrusted to protect."

Assistant United States Attorney LISA ZORNBERG is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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