

United States Attorney Southern District of New York

FOR IMMEDIATE RELEASE CONTACT: U.S. ATTORNEY'S OFFICE AUGUST 20, 2010 YUSILL SCRIBNER, EDELI RIVERA, JESSIE ERWIN PUBLIC INFORMATION OFFICE (212) 637-2600

> <u>FBI</u> JIM MARGOLIN, RICHARD KOLKO PUBLIC INFORMATION OFFICE (212) 384-2720, 2715

DOL-OIG JEFFREY LAGDA PUBLIC INFORMATION OFFICE (202) 693-5230

## FORMER CARPENTERS UNION BUSINESS AGENT PLEADS GUILTY IN MANHATTAN FEDERAL COURT TO RACKETEERING

PREET BHARARA, the United States Attorney for the Southern District of New York, JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation (FBI), and MARJORIE FRANZMAN, the Special Agent-in-Charge for the New York Region of the U.S. Department of Labor's Office of Inspector General ("DOL-OIG"), announced today that BRIAN HAYES, a former business agent of the District Council of New York City and Vicinity (the "District Council") of the United Brotherhood of Carpenters and Joiners (the "Carpenters Union"), pled guilty in Manhattan federal court to participating in a racketeering scheme and other offenses.

According to the Indictment, other documents filed in this case, and statements made in court today before U.S. District Judge VICTOR MARRERO:

From approximately May 2004 until his arrest in August 2009, HAYES was a District Council business agent appointed to Local 608. HAYES was also an elected officer of Local 608 and, prior to being appointed a business agent, he was a longtime shop steward with Local 608. In these capacities, HAYES owed the District Council, Local 608, and their members a fiduciary duty of loyalty and honest services.

In pleading guilty today, HAYES admitted to participating in the affairs of the Carpenters Union through a pattern of racketeering activity, to taking a cash bribe payment from at least one contractor, and to obstructing and giving false testimony in a civil case brought by the U.S. Attorney's Office for the Southern District of New York to address a history of union corruption and organized crime influence within the District Council.

HAYES pled guilty to one count of racketeering conspiracy, which carries a maximum sentence of 20 years in prison, and one count of racketeering, which also carries a maximum sentence of 20 years in prison. HAYES is scheduled to be sentenced by U.S. District Judge VICTOR MARRERO on December 3, 2010 at 3 p.m.

HAYES is the ninth of ten defendants in the case to plead guilty. Trial as to the remaining defendant, JOSEPH OLIVIERI, is scheduled to begin on October 18, 2010, before Judge MARRERO. The charges contained in the Indictment against that defendant are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Mr. BHARARA praised the FBI and the DOL-OIG for their outstanding work in investigating this case.

The prosecution is being handled by the Office's Organized Crime Unit. Assistant U.S. Attorneys LISA ZORNBERG and MARK LANPHER are in charge of the prosecution.

10-264

###