



***United States Attorney
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**FORMER UNION SHOP STEWARD FOUND GUILTY IN
HALF-MILLION-DOLLAR FRAUD SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that MICHAEL ANNUCCI, also known as "Mickey Annucci," was found guilty today of charges relating to his participation in a scheme to defraud the benefit funds of the New York City District Council of Carpenters (the "District Council") of at least half a million dollars. According to the evidence presented at the eight-day jury trial before United States District Judge BARBARA S. JONES:

ANNUCCI served as a shop steward for the District Council, an Executive Delegate to the District Council representing Local 157 of the United Brotherhood of Carpenters and Joiners, and a member of the District Council's trial committee, which imposed discipline on carpenters who broke union rules. From July 2001 through February 2006, ANNUCCI was the shop steward for a Manhattan jobsite of L&D Installers, Inc. ("L&D"), a furniture installation and construction contractor. L&D was a party to a collective bargaining agreement ("CBA") with the District Council, pursuant to which L&D was obligated to pay all of its workers at a specified hourly rate and to make contributions for each hour worked to District Council benefit funds, which provide life insurance, hospitalization, medical care, pension and vacation benefits to union members.

As a shop steward, ANNUCCI was required to enforce the CBA by submitting weekly reports to the District Council setting forth the hours worked by each of carpenters assigned to the jobsite. The union's auditors rely on the accuracy of shop steward reports in auditing contractors to ensure that all benefits contributions have been paid.

ANNUCCI, however, omitted more than 22,000 hours from his shop steward reports, thereby enabling L&D to cheat the

benefit funds out of hundreds of thousands of dollars it owed. As a result, carpenters got paid lower wages and lost credit towards pension, vacation and retirement benefits, and some lost their health coverage. At the same time, ANNUCCI received full benefits, was regularly paid for overtime hours that he did not work, and was paid for at least 80 days off.

Co-conspirator FRANK PROSCIA, who succeeded ANNUCCI as L&D's shop steward in February 2006, pleaded guilty in October 2007 to one count of aiding and abetting the embezzlement of monies from District Council benefit funds.

ANNUCCI is scheduled to be sentenced May 7, 2008. PROSCIA is scheduled to be sentenced on March 7, 2008.

ANNUCCI was convicted of one count of wire fraud -- on which he faces a maximum sentence of 30 years' imprisonment -- and of conspiracy, theft of union benefit funds, and unlawful acceptance of payments by a union representative -- on each of which he faces a maximum of 5 years' imprisonment.

Mr. GARCIA praised the efforts of the Department of Labor, Office of Inspector General, and the assistance provided by the District Council's anti-corruption committee.

Assistant United States Attorneys LISA ZORNBERG and KATHERINE GOLDSTEIN are in charge of the prosecution.

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