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FORMER PENSION DIRECTOR OF BUS DRIVERS' UNION LOCAL
SENTENCED TO FIVE MONTHS IN PRISON FOR
OBSTRUCTION OF JUSTICE

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that ANN CHIAROVANO, former Director of the Employees' Pension and Welfare Fund for Local 1181 of the Amalgamated Transit Union ("Local 1181"), was sentenced today to five months' imprisonment for obstructing a grand jury investigation into the illicit relationship between Local 1181 and the Genovese Organized Crime Family of La Cosa Nostra ("LCN").

CHIAROVANO 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 the five months in prison, CHIAROVANO was sentenced to five months' home confinement following the completion of her prison sentence; three years' supervised release; a fine of \$10,000; and a mandatory \$100 special assessment.

In imposing the sentence, Chief Judge WOOD stated: "Lying to FBI agents when one is under subpoena is a very, very serious offense. . . . [It] is an offense that is susceptible to general deterrence. However, the general deterrence is unlikely to be effected by a nonincarcerative sentence. This is the type of crime that is deterred on a general basis by some time in prison. This is what office workers and white-collar workers fear the most and, hence, it is what deters them from crime."

According to the Indictment and other publicly filed documents, CHIAROVANO was an employee of Local 1181 for over 40 years, during which time she rose to the position of Director of the Employees' Pension and Welfare Fund. In that role, CHIAROVANO oversaw and managed Local 1181's multi-million dollar employee pension fund.

CHIAROVANO was charged in an Indictment unsealed in July 2005, which charged twenty defendants -- among them numerous high-ranking members and associates of the Genovese Organized Crime Family and of other LCN crime families -- with wide-ranging racketeering crimes and other offenses spanning more than a decade, including extortion, labor racketeering, loansharking, illegal gambling, and obstruction of justice.

CHIAROVANO was charged specifically with obstruction of justice and with making false statements in connection with an FBI investigation into the relationship between the Genovese Organized Crime Family and Local 1181. In January 2005, CHIAROVANO and other Local 1181 officials received subpoenas to testify before a federal grand jury in Manhattan. On March 23, 2005, in response to one such subpoena, CHIAROVANO met with FBI agents and federal prosecutors and provided false information in response to the FBI's questions.

On August 11, 2006, CHIAROVANO pleaded guilty to a single count of obstructing justice. Among the other defendants who pleaded guilty to charges relating to the obstruction of the FBI's investigation into the relationship between the Genovese Crime Family and Local 1181 are: MATTHEW IANNIELLO, a/k/a "Matty the Horse" (then-acting Boss of the Genovese Crime Family), SALVATORE ESPOSITO, a/k/a "Zookie" and DANIEL CILENTI (Soldiers in the Genovese Crime Family), and JOHN YANNUCCI (an associate in the Genovese Crime Family).

Chief Judge WOOD has scheduled the sentencings of the remaining defendants for the following dates: CILENTI on January 25, 2007 at 3:00 p.m.; YANNUCCI on February 9, 2007 at 12:30 p.m.; and IANNIELLO on February 20, 2007 at 2 p.m. ESPOSITO was sentenced to a year and a day in prison on December 15, 2006.

Mr. Garcia praised the efforts of the FBI and the New York City Police Department for their assistance 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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