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Southern District of New York*

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**FORMER OWNER OF PETROCELLI ELECTRIC COMPANY PLEADS
GUILTY TO MAKING ILLEGAL PAYMENTS TO UNION OFFICIAL**

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 Field Division of the Federal Bureau of Investigation ("FBI"), ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), and DANIEL R. PETROLE, the Acting Inspector General of the United States Department of Labor ("DOL-OIG"), announced today that SANTO PETROCELLI, SR., the former owner and chairman of Petrocelli Electric Company ("PEC"), pleaded guilty today in Manhattan federal court to making tens of thousands of dollars worth of payments to BRIAN McLAUGHLIN, a former Business Representative of Local 3 of the International Brotherhood of Electrical Workers, in violation of federal labor law.

According to the felony Information to which PETROCELLI, SR., pleaded guilty before United States District Judge MIRIAM GOLDMAN CEDARBAUM, and statements at his plea proceeding:

At the time of the unlawful payments, PEC was an electric company based in Queens, New York, that employed Local 3 union members and entered into contracts with the City of New York to perform work involving the maintenance and installation of street lights and traffic signals.

During his guilty plea, PETROCELLI, SR., admitted that the unlawful payments to McLAUGHLIN took the form of cash and the use of a PEC car given to McLAUGHLIN for McLAUGHLIN's use. PETROCELLI, SR., further admitted that, at the time he made those payments, he was aware that they were unlawful because he was an employer of Local 3 union members and McLAUGHLIN was a labor representative of those members.

PETROCELLI, SR., pleaded guilty to one count of making an unlawful payment to a labor representative, which carries a maximum potential penalty of five years in prison. PETROCELLI, SR., is scheduled to be sentenced by Judge CEDARBAUM on November 5, 2009, at 4:30 p.m.

McLAUGHLIN previously pleaded guilty, on March 7, 2008, to racketeering and to making a false statement on a loan application. McLAUGHLIN was sentenced on May 20, 2009, to ten years in prison by United States District Judge RICHARD J. SULLIVAN.

The United States Attorney's Office further announced today that it has entered into a Non-Prosecution Agreement with PEC and will not pursue criminal charges against PEC for crimes related to the payments and gifts given by PETROCELLI, SR., to BRIAN McLAUGHLIN. That decision was made in accordance with the factors set forth in the Department of Justice Principles of Federal Prosecutions of Business Organizations, including consideration of, among other things: (1) the fact that PETROCELLI, SR., who was the PEC officer responsible for giving the illegal payments and gifts to McLAUGHLIN, has pleaded guilty to that offense; (2) the fact that PETROCELLI, SR., left PEC in 2006, has not been involved in PEC's business operations since that time, and will have no future role in the operation of PEC; and (3) the negative effect that charges against PEC would have on the company's innocent employees and legitimate activities.

Mr. DASSIN praised the investigative work of the FBI, DOI, and DOL-OIG.

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

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