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**TWO FORMER EXECUTIVE BOARD MEMBERS OF
BUS DRIVERS' UNION PLEAD GUILTY
IN MANHATTAN FEDERAL COURT
TO EXTORTION CONSPIRACY**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that NICK MADDALONE and PAUL MADDALONE, two former executive board members and assistant trustees of Local 1181 of the Amalgamated Transit Workers Union ("Local 1181"), pleaded guilty today in Manhattan federal court to extortion conspiracy for their participation in a decades-long scheme to obtain corrupt cash payments from the owners of various bus companies that employed Local 1181 members.

According to the Indictment and other documents filed in the case:

Local 1181 is a union which represents approximately 15,000 bus drivers and bus escorts who are employed by companies that contract with the New York City Department of Education to provide students with school bus transportation to public schools throughout New York City. From at least the 1980s through 2006, the Genovese Organized Crime Family -- a criminal organization that is part of La Cosa Nostra, commonly referred to as the "mafia" -- influenced and asserted control over Local 1181, including by appointing certain individuals to serve as officers for Local 1181. The defendants served as members, delegates, executive board members, and assistant trustees of Local 1181 -- NICK MADDALONE from approximately 1984 through 2008, and PAUL MADDALONE from approximately 1993 through 2008.

From at least the 1980s through 2006, various Local 1181 officers were involved in a wide-ranging scheme to solicit, collect, and receive illegal cash payments of tens of thousands of dollars from bus company owners and operators whose employees were members of Local 1181, and from companies whose employees were not Local 1181 members. The MADDALONES participated in this

scheme with other Local 1181 officers, including SALVATORE BATTAGLIA, who was the President of Local 1181 and a member of the Genovese Organized Crime Family, and JULIUS BERNSTEIN, who was Secretary-Treasurer of Local 1181 and an associate of the Genovese Organized Crime Family. The MADDALONES and other participants in the scheme used their union status and, as needed, their organized crime status, as a means of extorting tens of thousands of dollars in payments from bus company owners through intimidation and threats.

NICK MADDALONE and PAUL MADDALONE are the fourth and fifth high-ranking Local 1181 officials to be convicted in Manhattan federal court as part of this investigation. BATTAGLIA pleaded guilty in January 2008, to racketeering, extortion, and labor law violations and was sentenced in June 2008 to 57 months in prison. BERNSTEIN pleaded guilty in August 2006 to racketeering, extortion, robbery, gambling, and obstruction of justice, and died before a final judgment was issued in the matter. Former Local 1181 Director of Pension and Welfare ANNE CHIAROVANO pleaded guilty to the obstruction of the investigation into the connection between Local 1181 and the Genovese Organized Crime Family, and was sentenced in January 2007 to five months in prison to be followed by five months of home confinement.

NICK MADDALONE, 54, of Staten Island, New York, and PAUL MADDALONE, 60, of Neponsit, New York, each pleaded guilty to one count of extortion conspiracy. Each faces a maximum sentence of 20 years in prison on the extortion conspiracy charge. Sentencing is scheduled for December 14, 2009, at 11 a.m.

Mr. BHARARA stated, "Today's guilty plea is a reminder of the mafia's commitment to corrupt even the most basic municipal services to enrich itself. Nick and Paul Maddalone used their high-ranking union status and organized crime ties to shake down bus company owners who transported the City's children. This Office will continue to seek out members and associates of the mafia throughout New York City who extort honest and hardworking men and women."

Mr. BHARARA praised the work of the Federal Bureau of Investigation; the United States Department of Labor, Office of the Inspector General; the United States Department of Labor, Office of Labor Management Standards; and the New York City Police Department. He added that the investigation is continuing.

Assistant United States Attorneys ELIE HONIG and KENNETH POLITE are in charge of the prosecution, which is being handled by the Office's Organized Crime Unit.