

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Cathy L. Waldor
 :
 v. : Mag. No. 21-9051
 :
 DOROTHY MCBRIDE : **CRIMINAL COMPLAINT**
 :
 :

I, Michael De Francesco, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent for the United States Department of Labor-Office of the Inspector General, and that this complaint is based on the following facts:

SEE ATTACHMENT B

Continued on the attached page and made a part hereof:

/s/ Michael D. Francesco
Michael De Francesco, Special Agent
United States Department of Labor-
Office of the Inspector General

Special Agent Michael De Francesco attested to this Complaint by telephone pursuant to Federal Rule of Criminal Procedure 4.1(b)(2)(A) on January 15, 2021, in the District of New Jersey

HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE

/S/ CATHY L. WALDOR
Signature of Judicial Officer

ATTACHMENT A

Count One
(Embezzlement or Theft of Labor Union Assets)

From at least in or around 2015 through in or around July 2018, in Morris County, New Jersey, and elsewhere, the defendant,

DOROTHY MCBRIDE,

while serving as an officer, that is, President, of Local Union-1, a labor organization engaged in an industry affecting commerce, did embezzle, steal and unlawfully and willfully abstract and convert to her own use and the use of another the moneys, funds, securities, property, and other assets of Local Union-1.

In violation of Title 29, United States Code, Section 501(c).

Count Two

(Embezzlement or Theft from Employee Benefit Plans)

From at least in or around 2015 through in or around February 2019, in Morris County, New Jersey, and elsewhere, the defendant,

DOROTHY MCBRIDE,

did embezzle, steal and unlawfully and willfully abstract and convert to her own use and the use of another in the approximate amount of \$534,470, the moneys, funds, securities, premiums, credits, property and other assets of Pension Plan-1, an employee pension benefit plan, and Welfare Fund-1, an employee welfare benefit plan, both subject to Title I of the Employee Retirement Income Security Act of 1974.

In violation of Title 18, United States Code, Section 664.

ATTACHMENT B

I, Michael De Francesco, am a Special Agent with the United States Department of Labor- Office of the Inspector General. I have knowledge about the facts set forth below from my involvement in the investigation, my review of reports, documents, pictures, videos, witness interviews, and discussions with other law enforcement officials. Because this affidavit is submitted for the limited purpose of establishing probable cause, I have not set forth each and every fact that I know concerning this investigation. All statements described herein are relayed in substance and in part. In addition, where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

RELEVANT INDIVIDUALS AND ENTITIES

1. At all times relevant to this Complaint:
 - a. Local Union-1 was a labor organization, as that term is defined in Title 29 U.S.C. Sections 142(3) and 152(5) and an employee organization, as that term is defined by Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”) and by Title 29 U.S.C. Sections 1002 and 1003. Local Union-1 operated in Montville, New Jersey. Local Union-1 filed an LM-3 Labor Organization Annual Report with the United States Department of Labor each year. Local Union-1 utilized Bank Account-1 to hold funds designated for official Local Union-1 business.
 - b. As part of the collective bargaining process, Local Union-1 jointly established and maintained with employers the following plans that provided pension and health benefits to members of Local Union-1 and each of which was subject to ERISA:
 - i. Pension Fund-1, an employee benefit pension plan providing retirement benefits; and
 - ii. Welfare Fund-1, an employee benefit welfare plan providing medical and health care benefits;
 - c. Defendant Dorothy McBride (“MCBRIDE”) was the President of Local Union-1 and the Administrator of Pension Fund-1 and Welfare Fund-1 (collectively, the “Funds”). MCBRIDE resides in Montville, New Jersey and Tucson, Arizona.
 - d. Individual-1 was a relative of MCBRIDE and was not otherwise affiliated with Local Union-1 or the Funds.

- e. Company-1 was headquartered in Nassau County, New York. Company-1 was a service provider to Pension Fund-1 for purposes of actuarial services and administration.

OVERVIEW

2. Beginning at least in or around late 1997, and continuing through June 2018, defendant MCBRIDE served as President of Local Union-1 and Administrator of the Funds. During this time, MCBRIDE controlled all business and finances of Local Union-1 and the Funds. Also during this time, MCBRIDE fraudulently directed moneys from Local Union-1 and the Funds to herself and to her family members. Additionally, several family members of MCBRIDE served as trustees or officers of Local Union-1 and of the Funds.

3. In or around early July 2018, MCBRIDE and other trustees and officers were removed from their positions at Local Union-1 and the Funds after Local Union-1 and the Funds were placed into trusteeship by its parent International Union following an audit. Following the audit, law enforcement with the United States Department of Labor (“DOL”) have been investigating MCBRIDE.

4. To date, the investigation has included such investigative techniques as interviews, review of voluminous documents, and analysis of bank records. Based on this ongoing investigation, law enforcement has learned that defendant MCBRIDE embezzled money from Local Union-1 and the Funds in various ways as described briefly below.

SPECIFIC ACTS

5. From in or around January 2016 through in or around June 2018, MCBRIDE used her position as Local Union-1’s President to allocate funds from Bank Account-1 to pay for, among other things, her personal expenses and other items that were unrelated to Local Union-1’s official business. Specifically, MCBRIDE used funds from Local Union-1’s bank account to pay for her personal American Express (“AMEX”) account, her personal Barclays credit card account, her Bloomingdale’s account, Individual-1’s Bloomingdale’s account, a Neiman Marcus credit card, and ATM withdrawals. In total, MCBRIDE embezzled approximately \$100,000 from Bank Account-1.

6. From in or around January 2016 through in or around June 2018, MCBRIDE used her status as the Funds’ Administrator to access the Funds’ bank accounts to make unauthorized direct payments to herself that exceeded her regular authorized salary as the Funds’ Administrator. Specifically, MCBRIDE removed money from Pension Fund-1’s bank accounts in order to

pay off hundreds of thousands of dollars charged to her personal AMEX account. MCBRIDE also removed money from Welfare Fund-1's bank account to pay her personal AMEX account. In total, MCBRIDE embezzled approximately \$456,992 from the Funds over the course of the scheme.

7. The investigation revealed that MCBRIDE obtained monthly payments from Pension Fund-1 by using her role as the Administrator to the Funds to make materially false representations that Individual-1 was receiving pension benefits that were actually going to MCBRIDE. Specifically, MCBRIDE provided false information to Company-1 representing that Individual-1 was eligible to receive monthly pension payments from Pension Fund-1. Additionally, MCBRIDE listed her own personal identifying information beside Individual-1's name on information submitted to Company-1. MCBRIDE's fraudulent representations induced Company-1 to authorize Pension Fund-1 to make improper monthly benefit payments to MCBRIDE. MCBRIDE embezzled approximately \$77,478 from Pension Fund-1 through these payments from in or around December 2015 through in or around February 2019.