

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA



Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	Criminal No. 1:19-CR-0049 (LO)
)	
HOWARD W. JANOSKE)	
)	
Defendant.)	

STATEMENT OF FACTS

The United States and the defendant, HOWARD W. JANOSKE, stipulate that the allegations in the one-count criminal information and the following facts are true and correct and that, had the matter gone to trial, the United States would have proven them beyond a reasonable doubt with competent and admissible evidence.

A. Background

1. Union A was a large, international union that was headquartered in Herndon, Virginia, in the Eastern District of Virginia.
2. PERSON A resided in the Eastern District of Virginia. PERSON A was employed by Union A and managed Union A's Real Estate / Facilities Department. Among other things, PERSON A supervised other employees; oversaw the daily maintenance of an office building that Union A owned in Herndon, Virginia; negotiated contracts; and supervised contractors that provided janitorial, electrical, plumbing, security, pest control, elevator maintenance, and heating, ventilation, and air conditioning ("HVAC") services.
3. COMPANY A was a HVAC and plumbing contractor located in Maryland. Union A retained COMPANY A, directly and indirectly, through a series of maintenance agreements and purchase orders starting in or about mid-2002.

4. Beginning in or about April 2013, PERSON A oversaw the replacement of four exhaust fans and an air conditioning unit at Union A's headquarters. PERSON A selected COMPANY A to perform the work. Union A paid COMPANY A approximately \$146,932 pursuant to an agreement signed by PERSON A.

5. Defendant HOWARD W. JANOSKE was COMPANY A's co-owner and president. Among other things, JANOSKE reviewed and approved bid and cost proposals.

6. PERSON B was JANOSKE's administrative assistant at COMPANY A.

7. PERSON C was a project manager and estimator for COMPANY A.

8. JANOSKE acknowledges that the government's evidence would show that Union A was a "labor organization" engaged in industries and activities affecting commerce within the meaning of the Labor Management Reporting and Disclosure Act ("LMRDA") of 1959, 29 U.S.C. §§ 402(i) and (j) and that PERSON A occupied a position of trust with Union A.

B. The Scheme to Defraud

9. Beginning no later than in or about May 2012 and continuing thereafter until at least in or about mid-2015, in the Eastern District of Virginia and elsewhere, the defendant, HOWARD W. JANOSKE, PERSON A, and others agreed and conspired: (a) to devise and intend to devise a scheme and artifice to defraud and deprive Union A and its members of their right to the honest and faithful services of PERSON A, a Union A manager, representative, and head of a Union A department, through bribes and kickbacks and the concealment of material information, and to cause wire communications to be transmitted in interstate commerce for the purpose of executing such scheme; and (b) to embezzle, steal, and unlawfully and willfully abstract and convert to his own use and the use of another, the moneys, funds, securities, property, and other assets of Union A, a labor organization engaged in an industry affecting commerce, while PERSON A was employed as manager, representative, head of a Union A department, and Union A employee—that is, PERSON A received and converted to his personal use moneys, property, and other assets of Union A.

10. The objects of the conspiracy included the following: (a) to defraud and convert to the personal use of the conspirators and others money and property belonging to Union A and its members; (b) to deprive Union A and its members of their right to the honest and faithful services of PERSON A, a Union A manager, representative, and head of a Union A department; (c) to enrich the conspirators and others by obtaining and retaining money and property to which the conspirators were not entitled; and (d) to provide preferential treatment to COMPANY A and JANOSKE in the awarding of contract work and maintenance agreements; and (d) to conceal the nature and purpose of the scheme and artifice to defraud.

The co-conspirators carried out the conspiracy in the following ways:

11. JANOSKE and COMPANY A provided things of value to PERSON A and his family members for numerous years, including appliances, outdoor kitchen equipment and supplies, and free residential plumbing and HVAC services.

12. In exchange for receiving things of value from JANOSKE and COMPANY A, PERSON A provided JANOSKE and COMPANY A with preferential treatment in the awarding of Union A's HVAC and plumbing contracts and maintenance agreements.

13. In or about 2013, PERSON A solicited a bid proposal from COMPANY A for an air conditioning and fan replacement project at Union A's headquarters at approximately the same time that PERSON A requested that COMPANY A supply and install an outdoor kitchen at PERSON A's house. With PERSON A's knowledge, COMPANY A's bid proposal for the air conditioning and fan replacement project was inflated to cover the cost of PERSON A's residential project as well as plumbing and HVAC work previously performed at PERSON A's house in or about 2012 and 2013.

14. The members of the conspiracy attempted to conceal the scheme by, among other things, generating false or inflated invoices and providing false information to Union A.

The conspirators took the following steps, among others, in furtherance of the conspiracy:

15. Between in or about May 2012 and May 2013, PERSON A requested and received free plumbing and HVAC supplies and services from COMPANY A for PERSON A's house (totaling approximately \$7,058.73). With JANOSKE's knowledge, COMPANY A billed Union A for these supplies and services.

16. In or about July 2012, PERSON A requested and received free HVAC supplies and services from COMPANY A for PERSON A's relative (totaling approximately \$2,993.75). With JANOSKE's knowledge, COMPANY A billed Union A for these supplies and services.

17. On or about May 16, 2013, after PERSON A requested that COMPANY A submit a cost proposal for Union A's air conditioning and fan replacement project, PERSON B sent an e-mail to JANOSKE, which stated in part: "[PERSON C] was in here all day today working on proposals. [PERSON C] said that [PERSON A] is wanting new appliances in his new house so [PERSON C] is waiting on him to let us know how much they will be so [PERSON C] can add that into [PERSON C's] quote for [Union A]. I added up all the work we did for [PERSON A] within the past year including all the stuff we just did for him and the total was a little over 7K."

18. On or about June 4, 2013, PERSON B sent an e-mail to JANOSKE, which stated in part: "[PERSON C] also got word from [PERSON A], the appliances he wants come to about 10K and he wants them by June 24th. [PERSON C] is worried about this b/c we haven't been awarded the job yet and [PERSON C] wants to talk to you before [PERSON C] orders these appliances. The job was for 123K which includes the 10K for appliances and 8K that we've done for him within the past year."

19. On or about June 5, 2013, PERSON C sent an e-mail to PERSON B regarding the work proposal for Union A. PERSON C stated, "After you talk to Howard can u send proposal to [PERSON A]?"

20. On or about June 5, 2013, PERSON B sent an e-mail to PERSON A attaching COMPANY A's cost proposal. The total estimated price was \$146,932.

21. On or about July 25, 2013, PERSON B sent an e-mail to JANOSKE, stating in part: “[COMPANY A employee], [PERSON C], and myself have sent out [PERSON A’s] outdoor kitchen list to a bunch of places and we’ll see who gives us the best deal. I asked [PERSON C] how much we had in the budget for [PERSON A] and he had budgeted 10K then you added another 10K so we are good at least.”

22. Between on or about July 25, 2013 and on or about September 27, 2013, PERSON B sent e-mails to JANOSKE that included updates regarding PERSON A’s outdoor kitchen project.

23. Between on or about April 30, 2014 and on or about June 26, 2014, PERSON A, using his personal e-mail account, and PERSON B exchanged e-mails about having COMPANY A replace a high-end faucet in PERSON A’s residence (totaling approximately \$1,198.86).

24. On or about May 8, 2014, PERSON B sent an e-mail to JANOSKE, stating in part: “I’m ready to send out the [Union A] invoice that will have [PERSON A’s] faucet on it, I just need to know how many hours you think it will take to install?” JANOSKE replied, “8 hrs send the bill[.]”

25. On or about February 25, 2015, PERSON A sent an e-mail to PERSON B, which stated in part: “Hi [PERSON B], Could you check with Howard about a home humidification system for my home. I would like something decent but not outrageously priced! ☺ Also if he might have any chance of an install this Friday! I know this is a lot to ask. One more note, if he is working on the fishing schedules I definitely want to go on one (or two) this year!” PERSON B replied in part: “Howard said he needs to have [PERSON C] come by and take a look at the house.”


C. Conclusion

26. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant’s case.

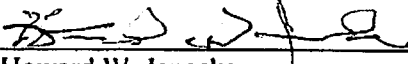
27. The actions of the defendant, as recounted above, were in all respects knowing and deliberate, and were not committed by mistake, accident, or other innocent reason.

Respectfully submitted,

G. Zachary Terwilliger
United States Attorney

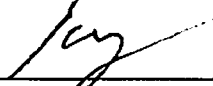
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After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, Howard W. Janoske, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.



Howard W. Janoske
Defendant

I am Howard W. Janoske's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.



Kevin B. Muhlendorf, Esq.
Attorney for Howard W. Janoske