

FILED

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

OCT - 4 2011

AT 8:30
CHAMBERS OF THE
HON. MICHAEL A. SHIPP,
U.S.M.J.

UNITED STATES OF AMERICA

: CRIMINAL COMPLAINT

v.

:

PETER A. LOMAURO

: Magistrate Number: 11-6184 (MAS)

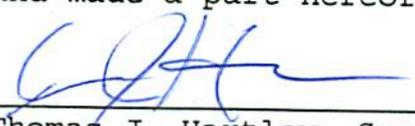
I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.


Thomas J. Hartley, Special Agent
Department of Labor, Office of
Inspector General, Office of
Labor Racketeering and Fraud
Investigations

Sworn to before me and subscribed in my presence,
October 4, 2011, at Newark, New Jersey

HONORABLE MICHAEL A. SHIPP
UNITED STATES MAGISTRATE JUDGE


Signature of Judicial Officer

ATTACHMENT A

Count One:

On or about October 31, 2006, in Middlesex County, in the District of New Jersey and elsewhere, defendant Peter A. Lomauro, being an officer and employee of Local 9 of the United Association of Plumbers and Pipefitters, a labor organization, unlawfully and willfully requested, demanded, received, and accepted, and agreed to receive and accept the payment of and delivery of a thing of value, namely, United States currency in an amount exceeding \$1,000, from an employer and a person acting in the interest of an employer, as described in Attachment B of this Criminal Complaint, whose employees were employed in an industry affecting commerce and whom Local 9 would represent, seek to represent, and would admit to membership, in violation of Title 29, United States Code, Sections 186 (a)(1), (a)(2), (b)(1) and (d)(2), and Title 18, United States Code, Section 2.

Count Two:

On or about February 18, 2010, in Middlesex County, in the District of New Jersey and elsewhere, defendant Peter A. Lomauro, being an officer and employee of Local 9 of the United Association of Plumbers and Pipefitters, a labor organization, unlawfully and willfully requested, demanded, received, and accepted, and agreed to receive and accept the payment of and delivery of a thing of value, namely, United States currency in an amount exceeding \$1,000, from an employer and a person acting in the interest of an employer, as described in Attachment B of this Criminal Complaint, whose employees were employed in an industry affecting commerce and whom Local 9 would represent, seek to represent, and would admit to membership, in violation of Title 29, United States Code, Sections 186 (a)(1), (a)(2), (b)(1) and (d)(2), and Title 18, United States Code, Section 2.

Count Three:

On or about April 20, 2010, in Middlesex County, in the District of New Jersey and elsewhere, defendant Peter A. Lomauro, being an officer and employee of Local 9 of the United Association of Plumbers and Pipefitters, a labor organization, unlawfully and willfully requested, demanded, received, and accepted, and agreed to receive and accept the payment of and delivery of a thing of value, namely, United States currency in an amount exceeding \$1,000, from an employer and a person acting in the interest of an employer, as described in Attachment B of this Criminal Complaint, whose employees were employed in an industry affecting commerce and whom Local 9 would represent, seek to represent, and would admit to membership, in violation of Title 29, United States Code, Sections 186 (a) (1), (a) (2), (b) (1) and (d) (2), and Title 18, United States Code, Section 2.

Count Four:

On or about July 28, 2011, in Middlesex County, in the District of New Jersey and elsewhere, defendant Peter A. Lomauro, being an officer and employee of Local 9 of the United Association of Plumbers and Pipefitters, a labor organization, unlawfully and willfully requested, demanded, received, and accepted, and agreed to receive and accept the payment of and delivery of a thing of value, namely, United States currency in an amount exceeding \$1,000, from an employer and a person acting in the interest of an employer, as described in Attachment B of this Criminal Complaint, whose employees were employed in an industry affecting commerce and whom Local 9 would represent, seek to represent, and would admit to membership, in violation of Title 29, United States Code, Sections 186 (a) (1), (a) (2), (b) (1) and (d) (2), and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Thomas J. Hartley, am a Special Agent of the Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations. I have knowledge of the facts set forth herein through my personal participation in this investigation and through oral and written reports from other federal agents or other law enforcement officers. Where statements of others are related herein, they are related in substance and part. Since this Criminal Complaint is being submitted for a limited purpose, I have not set forth every fact that I know concerning this investigation. I have only set forth those facts that I believe are sufficient to show probable cause exists to believe that the defendant has committed the offenses set forth in Attachment A. 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.

1. At all times relevant to this Criminal Complaint:

a. The United Association of Plumbers and Pipefitters, Local 9 (hereinafter "Local 9"), located in Englishtown, New Jersey, represented, sought to represent, and would admit to membership the employees of companies who worked as plumbers and pipefitters. Local 9 was a labor organization within the meaning of the Labor Management Relations Act of 1947, Title 29, United States Code, Sections 142 and 152(5). Local 9 also sponsored several employee benefit plans, which funds were subject to the Employee Retirement Income Security Act of 1974, Title 29, United States Code, Section 1001, et. seq. These benefit plans included a pension plan, welfare plan, annuity plan, and education plan, among others (hereinafter collectively the "Local 9 Benefits Plans"). Local 9 ensured that employers made contributions into these Local 9 Benefits Plans in accordance with the applicable collective bargaining agreement (hereinafter "CBA") or project labor agreements (hereinafter "PLA"). A CBA is a written contract between a labor union and an employer, or group of employers, for a specified period that sets forth conditions of employment, such as rates of pay and fringe benefits, among others, and procedures for dispute resolution. A PLA is a contract between labor union and employer where the parties agree to specific conditions, such as rates of pay, fringe benefits, and work conditions, that apply only to specific projects or work sites.

b. Defendant Peter A. Lomauro was employed by Local 9 as an organizer and later as a business agent. As a union officer and agent of Local 9, under Title 29, United States Code, Section 501(a), defendant Peter A. Lomauro occupied a position of trust in relation to the union and its members as a group.

c. A plumbing company was headquartered in Passaic County, New Jersey (hereinafter "Company One"). An individual was the principal of Company One (hereinafter "Cooperating Witness One"). Company One was an employer within the meaning of the Labor Management Relations Act of 1947, Title 29, United States Code, Sections 142 and 152(2), and the employees of Company One were employed in an industry affecting commerce; namely, the plumbing industry. Company One employed workers who were represented by and would be admitted to membership in Local 9.

d. A plumbing company was headquartered in Middlesex County, New Jersey (hereinafter "Company Two"). An individual was the principal of Company Two (hereinafter "Cooperating Witness Two"). Company Two was an employer within the meaning of the Labor Management Relations Act of 1947, Title 29, United States Code, Sections 142 and 152(2), and the employees of Company Two were employed in an industry affecting commerce; namely, the plumbing industry. Company Two employed workers who were represented by and would be admitted to membership in Local 9.

The Scheme to Unlawfully Demand and Receive Money from Contractors

Cooperating Witness One

2. According to Cooperating Witness One, Company One formerly had a CBA with Local 9; however, after the CBA had expired, Company One entered into various PLAs for various projects in New Jersey. A PLA is a contract between an employer and a labor organization where the parties agree to specific conditions, such as rates of pay, fringe benefits, and work conditions, that apply only to specific projects or work sites. According to Cooperating Witness One, in or around 2006, Local 9 conducted an audit of Company One and determined that Company One owed approximately \$12,000 in unpaid fringe benefits to Local 9 Benefits Plans. According to Cooperating Witness One, at around the same time, defendant Peter A. Lomauro and another official from Local 9 visited Cooperating Witness One at work sites in Middlesex and Monmouth Counties and threatened to picket the work sites if Cooperating Witness One did not sign another CBA with Local 9.

3. Thereafter, according to Cooperating Witness One, defendant Peter A. Lomauro approached him at a work site in Middlesex County, New Jersey, stating that his uncle, an individual with the initials "A.C.," was sick. Cooperating Witness One reported that defendant Peter A. Lomauro stated that Local 9 was raising money to help his uncle. Furthermore, according to Cooperating Witness One, defendant Peter A. Lomauro stated he would make Company One's union trouble "disappear" if Cooperating Witness One paid A.C. \$6,000.

4. On or about October 31, 2006, Cooperating Witness One issued a check, drawn on a bank account of Company One, to A.C. in the amount of \$6,000. According to Cooperating Witness One, defendant Peter A. Lomauro stated that this check would be deposited into a union trust fund and be used as a gift for his uncle, A.C. According to Cooperating Witness One, he personally handed this check to defendant Peter A. Lomauro. According to Cooperating Witness One, after handing the check to defendant Peter A. Lomauro, defendant Peter A. Lomauro thanked him and stated that Company One would not have any more problems with Local 9. According to Cooperating Witness One, A.C. never performed any work or services for Cooperating Witness One or Company One.

5. As part of this investigation, Grand Jury subpoenas were issued to financial institutions for records associated with Company One and A.C. A review of these financial records has revealed the following:

a. Company One maintains a business checking account at a financial institution in New Jersey. According to records from this financial institution, on or about October 31, 2006, a check in the amount of \$6,000 and drawn on Company One's account was issued to A.C. This check was signed by Cooperating Witness One. The endorsement contains the purported signature of A.C. The memo portion of the check reads: "Loc.#9." This check was deposited into a joint personal checking account belonging to defendant Peter A. Lomauro and A.C. (hereinafter the "Lomauro/A.C. Account").

b. The Lomauro/A.C. Account is maintained at a financial institution in New Jersey. Your Affiant has reviewed the signature card that shows that defendant Peter A. Lomauro and A.C. are both authorized signatories on this account. According to records from this account, the \$6,000 check issued by Company One to A.C. was deposited into the Lomauro/A.C. Account on or about October 31, 2006. Furthermore, according to the records

from this account, this account is neither affiliated with nor controlled by Local 9 or the Local 9 Benefits Plans.

c. Your Affiant's investigation has determined that A.C. owns, or has an interest, in a restaurant located in Queens, New York. Furthermore, Your Affiant's investigation has also determined that A.C. is not a plumber by trade. Your Affiant has also reviewed a government database listing wages paid to employees throughout the United States for periods between January 2009 through June 2010. A review of this database has revealed that A.C. has not received any wages during this period from any plumbing company. In addition, Your Affiant has reviewed a personal bank account belonging to A.C. (not the Lomauro/A.C. Account), and this account contains no checks issued to or from this account by or to any plumbing company, labor union, or employee benefit plan sponsored by a labor union. Your Affiant's investigation has also revealed that defendant Peter A. Lomauro and A.C. are co-investors in a rental real estate venture, which properties are located in Middlesex County, New Jersey. Finally, Your Affiant's investigation has discovered that some of the checks associated with these rental properties were deposited into the Lomauro/A.C. Account, while other checks for rental properties were deposited in defendant Peter A. Lomauro's personal bank account.

Cooperating Witness Two

6. According to Cooperating Witness Two, Company Two routinely entered into PLAs with Local 9. By entering into these PLAs, Company Two was obligated to pay its plumbers in accordance with the rates of pay set forth in each PLA. In addition, under each PLA, Company Two was obligated to pay fringe benefits on behalf of the company plumbers to the Local 9 Benefits Plans.

7. According to Cooperating Witness Two, in or around February 2010, Company Two was working on a plumbing project in or around Middlesex County, New Jersey and, at this project, was a signatory to a PLA with Local 9 (hereinafter "Project One"). According to Cooperating Witness Two, he needed one plumber on Project One. According to Cooperating Witness Two, in or around February 2010, defendant Peter A. Lomauro requested that Cooperating Witness Two hire a retired Local 9 plumber to work at Project One (hereinafter the "Retired Plumber"). According to Cooperating Witness Two, defendant Peter A. Lomauro directed Cooperating Witness Two to pay the Retired Plumber the rate of pay required under the PLA, and the Retired Plumber actually worked at Project One. Furthermore, according to Cooperating Witness Two, defendant Peter A. Lomauro instructed Cooperating

Witness Two to not pay fringe benefits to the Local 9 Benefits Plans as required by the PLA because the Retired Plumber was retired. Instead, according to Cooperating Witness Two, defendant Peter A. Lomauro told Cooperating Witness Two to periodically remit payments to A.C. in lieu of contributions to the Local 9 Benefits Plans.

8. According to Cooperating Witness Two, defendant Peter A. Lomauro stated that A.C. was an injured Local 9 member who was unable to work and thus maintain health benefits. According to Cooperating Witness Two, defendant Peter A. Lomauro stated that he was raising money for A.C. so A.C. could continue receiving health benefits.

9. According to Cooperating Witness Two, in accordance with defendant Peter A. Lomauro's directions, as described above, he issued at least four checks, drawn on Company Two's bank account, to defendant Peter A. Lomauro, and these checks were payable to A.C.

10. A review of these financial records from the Lomauro/A.C. Account has revealed the following:

Date	Payor	Payee	Amount
February 18, 2010	Company Two	A.C.	\$2,000
April 20, 2010	Company Two	A.C.	\$2,000
November 4, 2010	Company Two	A.C.	\$1,000
July 28, 2011	Company Two	A.C.	\$2,000

11. On or about July 22, 2011, according to Cooperating Witness Two, defendant Peter A. Lomauro called Cooperating Witness Two. Cooperating Witness Two reported that defendant Peter A. Lomauro stated, during this conversation, that he needed another check in the same amount as last time.

12. On or about July 28, 2011, according to Cooperating Witness Two, defendant Peter A. Lomauro called him. During this conversation, according to Cooperating Witness Two, defendant Peter A. Lomauro stated he needed the check immediately, and that this check was needed by the third-party administrator for the Local 9 Benefits Plans for the benefit of the Retired Plumber. According to Cooperating Witness Two, he asked if the check should be made payable to the third-party administrator for the Local 9 Benefits Plans, and defendant Peter A. Lomauro responded the check should be payable to A.C. Later that day, Cooperating

Witness Two called defendant Peter A. Lomauro. During this consensually recorded phone call, Cooperating Witness Two asked the amount in which to write the check, and defendant Peter A. Lomauro responded "2." Cooperating Witness Two asked to whom the check should be payable, and defendant Peter A. Lomauro responded, A.C. and spelled the name. Cooperating Witness Two then asked if he could leave the check in Company Two's mailbox the following day. Defendant Peter A. Lomauro agreed. Cooperating Witness Two then wrote a \$2,000 check, drawn on Company Two's bank, payable to A.C. Cooperating Witness Two provided a copy of this check to Your Affiant before placing it in a white envelope.

13. On or about July 29, 2011, Your Affiant and another law enforcement officer were conducting surveillance near Company Two. On this date, at approximately 12:50 p.m., Your Affiant observed and video recorded defendant Peter A. Lomauro retrieve a white envelope from Company Two's mailbox. Thereafter, defendant Peter A. Lomauro was observed opening the envelope and retrieving the contents of the envelope.

14. According to records from the Lomauro/A.C. Account, the check referenced in Paragraph 12 above was deposited into the Lomauro/A.C. Account on or about July 29, 2011.

15. Finally, Your Affiant has reviewed the records from the Lomauro/A.C. Account from between January 2006 and August 2011. Your Affiant's review of this account reveals no checks issued from this account to the Local 9 Benefits Plans, its third-party administrator, or Local 9.