

Department of Justice

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SECOND SUPERCEDING INDICTMENT FILED IN OPERATING ENGINEERS LOCAL 17 CASE

BUFFALO, N.Y. – The United States Attorney's Office announced today that a federal grand jury has returned a second Superseding Indictment charging 10 members of Operating Engineers Local 17, based in Hamburg, New York, with engaging in a violent scheme to extort jobs and compensation associated with those jobs from both local and out-of-town businesses and their employees. The second Superseding Indictment specifically accuses the defendants, including high-ranking officers of Local 17, with conspiracy to commit racketeering, and seven counts of extortion, conspiracy to commit extortion, and attempted extortion. The charges carry a maximum penalty of twenty years in prison, a \$250,000 fine, or both. In addition, should a defendant be convicted of the racketeering charge, that defendant's interest in Local 17, including their management positions within the Union, would be subject to forfeiture.

Charged in the second Superseding Indictment are: Union Organizer Carl A. Larson, 46, President and Business Manager Mark N. Kirsch, 52, Business Representative Jeffrey A. Peterson, 49, retired Business Representative Gerald E. Bove, 66, member Michael J. Caggiano, 42, member Jeffrey C. Lennon, 57, member Kenneth Edbauer, 66, member George Dewald, 54, member Michael J. Eddy, 42, and Business Representative Thomas Freedenberg, 55.

According to Assistant U.S. Attorneys Charles B. Wydysh and Anthony M. Bruce, who are handling the case, the second Superseding Indictment alleges that from at least January 1997 to December 2007, the defendants participated in a criminal enterprise which forced employers to hire workers selected by the defendants. The Indictment further alleges that the defendants threatened to commit and did commit acts of bodily harm, destruction of property, and workplace sabotage. The Indictment also alleges that those acts were not confined to construction sites, and included actions perpetrated against innocent bystanders.

The second Superseding Indictment is the result of an investigation the United States Department of Labor, Office of Inspector General, under the direction of Acting Inspector General Daniel Petrole, the Federal Bureau of Investigation, under the direction of Special Agent in Charge Christopher M. Piehota, and the New York State Police, under the direction of Major Christopher Cummings.

The fact that a defendant has been charged with a crime is merely an accusation and the defendant is presumed innocent until and unless proven guilty.