

**Department of Justice**

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

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**Former Boss of Operating Engineers Union Local 324  
Sentenced to Two Years in Prison for Extortion Conspiracy**

John Hamilton, the former top elected official of the 18,000 member Operating Engineers Local 324, International Union of Operating Engineers, was sentenced to twenty-four months in prison today for conspiring to commit extortion, United States Attorney Matthew Schneider announced.

Schneider was joined in the announcement by James Vanderberg, Special Agent in Charge, Chicago Region, U.S. Department of Labor Office of Inspector General, FBI Special Agent in Charge Jeffrey E. Peterson, Ian Burg, District Director of the Department of Labor, Office of Labor Management Standards, Special Agent in Charge Manny Muriel, Internal Revenue Service—Criminal Investigations, and L. Joe Rivers, Regional Director for the Cincinnati Regional Office of the Labor Department's Employee Benefits Security Administration.

Hamilton, 63, of Ocala, Florida, had been convicted of conspiring to commit extortion with at least two other former top Local 324 officials. Hamilton imposed a climate of fear by coercing business agents and other employees of Local 324 to each pay him kickbacks of over \$5,000 from their salaries per year into what was called the "Team Hamilton Slate Fund." Ostensibly, the slate fund was to be used for union election campaign expenses. However, Hamilton instead used a significant portion of the money that was forced from union business agents for his own personal benefit. Hamilton threatened union employees with termination if they complained about the payments to his slate fund. In fact, in 2010, Hamilton fired one business agent who had complained about the payments to Hamilton's fund. Hamilton used some of the money that he extorted to pay for meals and liquor, as well as \$5,000 to his daughter as a wedding present. After losing re-election in an August 2012 membership vote, Hamilton then proceeded to pocket for himself \$71,000 from his slate fund, as well as distributing over \$35,000 each to Steven Minella and David Hart, two other top Local 324 officials.

As part of its sentence, the Court ordered Hamilton to pay \$250,000 in restitution to the victims of his crime.

In 2015, Minella, the former Local 324 President, and Hart, the former Local 324 Financial Secretary, both pleaded guilty to felonies for helping to conceal Hamilton's scheme. Hart is scheduled to be sentenced on March 27, 2018, and Minella is set to be sentenced on April 11, 2018.

Local 324 represents heavy equipment and crane operators throughout Michigan. Hamilton served as the Business Manager of the union, its top elected official, from 2003 through 2012. The union is headquartered in Bloomfield Township, Michigan.

"This union official created a climate of fear of retaliation against the hardworking men and women of the union, all for his personal gain," United States Attorney Matthew Schneider said. "The court's sentence today sends a strong message that union officials who abuse their positions of trust to personally profit will face significant punishment."

“John Hamilton betrayed the trust of members of Local 324 by conspiring to extort payments for personal financial gain from fellow members, including union officers. We will continue to work with our law enforcement partners and the U.S. Department of Labor’s Office of Labor-Management Standards and Employee Benefits Security Administration to safeguard the assets of union members,” said James Vanderberg, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

“Conduct of this sort from individuals, such as Mr. Hamilton, who exercise control over union and employee benefit assets must be eradicated,” said L. Joe Rivers, Regional Director for the Cincinnati Regional Office of the Labor Department’s Employee Benefits Security Administration.

“Protecting financial integrity and combatting corruption in labor unions is a very high priority for OLMS,” said Ian Burg, Director of the Office of Labor-Management Standards (OLMS) Detroit-Milwaukee District Office, which enforces the Labor-Management Reporting and Disclosure Act (LMRDA). “This case sends a clear message that OLMS will fully investigate and seek justice when anyone attempts to use their union position for personal financial gain.”

"Today’s sentencing of John Hamilton for running an extortion scheme forcing financial contributions from union members, leveraged and enforced with bullying tactics, for his own personal benefit illustrates our continued commitment to hold those chosen by members to represent them accountable for violating their trust," said Jeffery E. Peterson, Acting Special Agent in Charge, Detroit Division of the FBI. “The FBI, by working closely with our law enforcement partners, will continue to aggressively investigate anyone in leadership roles, within the labor union movement, choosing to illegally profit at the detriment of their members”.

The case was investigated by agents of the Department of Labor, Office of Investigations—Labor Racketeering and Fraud, the Office of Labor Management Standards, the Employee Benefits Security Administration, the Internal Revenue Service—Criminal Investigations, and the Federal Bureau of Investigation. It is being prosecuted by Assistant United States Attorneys David A. Gardey and Dawn N. Ison.