

PRESS RELEASE

Federal Jury Convicts Former IBEW Local 98 Business Manager John Dougherty and Former Local 98 President Brian Burrows of Conspiracy, Embezzlement of Union Funds, and Tax Fraud

Thursday, December 7, 2023

For Immediate Release

U.S. Attorney's Office, Eastern District of Pennsylvania

PHILADELPHIA – United States Attorney Jacqueline C. Romero announced that John Dougherty, 63, of Philadelphia, PA and Brian Burrows, 63, of Mount Laurel, NJ, were convicted today by a federal jury of numerous charges related to their embezzlement of funds belonging to Local 98 of the International Brotherhood of Electrical Workers (“Local 98”).

John Dougherty previously served as the Business Manager of Local 98, and Brian Burrows served as the president of Local 98. In January 2019, a federal grand jury indicted Dougherty, Burrows, and four other union employees with multiple federal offenses connected to their illegal use of Local 98 funds for personal and other unauthorized expenses, contrary to the provisions of IBEW’s constitution, the by-laws of Local 98, and the beneficial interests of Local 98’s members. The Indictment also charged Dougherty and Burrows with concealing the embezzlement of Local 98’s funds by filing false labor management reports with the U.S. Department of Labor, and with tax fraud by failing to report their personal use of the funds on their tax returns.

Today, the federal jury convicted Dougherty of one count of conspiracy to embezzle the funds of Local 98, 33 counts of embezzlement of funds from Local 98, 24 counts of wire fraud by participating in a scheme to defraud Local 98 of its money, four counts of signing and submitting false labor management forms that concealed the

embezzlement of Local 98 funds, and three counts of filing false federal income tax returns. The jury convicted Burrows of 13 counts of embezzlement of funds from Local 98, four counts of signing and submitting false labor management forms that concealed the embezzlement of Local 98 funds, and three counts of filing false federal income tax returns.

In December 2022, four other employees of Local 98 pleaded guilty to charges related to the embezzlement of Local 98's funds. Michael Neill, former Training Director of Local 98's Apprentice Training Fund, Niko Rodriguez, an employee of the Apprentice Training Fund, and Brian Fiocca, an office employee with Local 98, pleaded guilty to embezzlement of Local 98's funds. Marita Crawford, who previously served as Local 98's Political Director, pleaded guilty to wire fraud, the object of which was to obtain money from Local 98 through false and fraudulent representations. The four former employees are currently scheduled to be sentenced later this month.

The same Indictment also charged John Dougherty with multiple crimes involving honest services fraud bribery, which the Court earlier ordered severed from the embezzlement charges and tried first. The Indictment charged that Dougherty and co-defendant Robert Henon defrauded the City of Philadelphia and its citizens of the right to Henon's honest services as a member of City Council. In November 2021, a federal jury convicted Dougherty of one count of conspiracy to commit honest services fraud and seven counts of honest services wire fraud.

"The members of Local 98 trusted Dougherty and Burrows to faithfully manage and protect the union's funds; the defendants did exactly the opposite – they stole from their own members, and violated that trust." said U.S. Attorney Romero. "Today's verdict demonstrates the consequences of such dishonesty and theft, which involved egregious and repeated violations of trust and misuse of funds for personal benefit. I want to thank our federal and state law enforcement partners for their tireless cooperation in bringing this case to trial."

"After decades at the top, John Dougherty grew to believe he *was* Local 98 — and completely entitled to misuse its money as his own," said Wayne A. Jacobs, Special Agent in Charge of the FBI's Philadelphia Division. "In doing so, Dougherty repeatedly betrayed the electrical union's members, those thousands of workers who trusted him to act on their behalf and for their benefit. Local 98's rank and file are clear victims of his greed and these crimes. If you think about it, though, after his convictions at both trials, there aren't many folks around here who aren't John Dougherty's victims. His corrupt acts harmed this city, he cheated taxpayers, and he stole from his own hard-working electricians. Justice means finally holding him accountable for the damage done."

"The consequences to those who betray the public trust is evident by today's convictions," said Yury Kruty, Special Agent in Charge of IRS-Criminal Investigation. "IRS-Criminal Investigation is proud to have provided its financial expertise in this investigation, and we, along with our law enforcement partners and the Department of Justice, will continue to aggressively investigate individuals who engage in money laundering, tax fraud, or other types of white-collar crimes."

"Today's verdict sends an important message to all those entrusted with protecting benefit plan assets. Regardless of title or position, the U.S. Department of Labor will hold fiduciaries to the highest standards of accountability to protect the employee benefits of America's workers," said Cristina O'Brien, Philadelphia Regional Director of the U.S. Department of Labor's Employee Benefits Security Administration.

"By any measure, the crimes John Dougherty and Brian Burrows committed are extraordinarily serious offenses. Labor leaders have a fiduciary responsibility to the members they represent. Dougherty and Burrows violated that responsibility and turned Local 98 and its members – whose interests they were supposed to protect – into victims, when they treated the union and its assets as their own personal piggy banks – harming the union and its members. The Office of Labor-Management Standards will continue to work with its law enforcement partners to protect unions and their members by bringing to justice, and seeking restitution from, any official who chooses to use union funds for their own benefit," said OLMS District Director Kevin Smallwood.

Burrows faces up to 83 years in prison. Dougherty, in combination with the 2021 conviction, faces up to 901 years in prison. Sentencing for Dougherty has been scheduled for March 20, 2024 at 10:00 a.m. and for Burrows on March 21, 2024 at 10:00 a.m.

The case was investigated by the Federal Bureau of Investigation, Internal Revenue Service – Criminal Investigation, the U.S. Department of Labor Employee Benefits Security Administration, the U.S. Department of Labor Office of Labor Management Standards, the U.S. Department of Labor Office of Inspector General, and the Pennsylvania State Police, with assistance from the Pennsylvania Attorney General's Office. The case is being prosecuted by Assistant United States Attorneys Frank Costello, Chief of the Corruption & Civil Rights Unit; Bea Witzleben, Co-Chief of Trials; Jason Grenell; and Anthony Carissimi.

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