



# Department of Justice

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**FORMER BUSINESS MANAGER AND TWO CONTRACTORS CHARGED WITH  
THEFT FROM LABOR UNION, UNLAWFUL LABOR PAYMENTS, FRAUD AND  
MONEY LAUNDERING**

WASHINGTON – A former business manager of the Local 657 of the Laborers International Union of North America (LIUNA) and two building contractors were charged today with stealing from Local 657 and related offenses.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, Assistant Director in Charge Paul M. Abbate of the FBI's Washington Field Office, Special Agent in Charge Steven D. Anderson of the Department of Labor-Office of Inspector General's Office of Labor Racketeering and Fraud Investigations' Washington, D.C., Regional Office and District Director Mark Wheeler of the Department of Labor's Office of Labor Management Standards' Washington, D.C., District Office made the announcement.

Anthony Wendel Frederick Sr., 49, of Upper Marlboro, Maryland, was charged with one count of theft from a labor organization, one count of receiving unlawful labor payments, wire fraud and one count of money laundering

Gary Amoes Cooper, 56, of Upper Marlboro, and Christopher Andrew Kwegan, 58, of Randallstown, Maryland, each also were charged with one count of theft from a labor organization, one count of payment unlawful labor payments, wire fraud and several counts of money laundering. Cooper and Kwegan own STS General Contracting of Greenbelt, Maryland. All three defendants are in custody and are scheduled to have their initial appearance at 1:45 p.m. EDT today before U.S. Magistrate Judge G. Michael Harvey of the District of Columbia.

LIUNA is a labor organization that represents laborers in the construction industry. LIUNA's Local 657 represents construction laborers in Washington, D.C., and five adjacent counties. For approximately 10 years, until June 2014, Frederick served as the business manager for Local 657.

The indictment alleges that, from May 2013 to June 2014, Frederick directed more than \$1.7 million in Local 657 funds to STS Contracting without the knowledge or authorization of the Local 657 Executive Board or officials in the LIUNA International. Specifically, according

to the indictment, in June 2014, a routine audit of the local union by LIUNA revealed that Frederick had paid nearly \$1.1 million to STS Contracting for minimal renovations at the Local 657 administrative building. In addition, the indictment alleges that, without authorization, Frederick directed over \$580,000 in Local 657 funds to STS Contracting for expediting permits for the construction of a new training center for Local 657, which expediting had previously been handled by another construction firm. According to the indictment, the LIUNA auditor also discovered that Frederick grossly overpaid STS Contracting for expediting various permits, including \$20,000 to expedite a \$143 excavation permit, and more than \$20,000 to renew existing permits, which could have been accomplished online for approximately \$250 apiece.

The indictment further alleges that Cooper and Kwegan used the stolen Local 657 funds to make a down payment of \$225,000 on a home purchased by Frederick and to pay for the construction of a three-car garage on the property, and directed more than \$600,000 to a corporation owned in part by Frederick's wife. In addition, Cooper and Kwegan allegedly depleted a company bank account, which primarily contained stolen Local 657 funds, by withdrawing more than \$500,000 in cash, sending hundreds of thousands of dollars to third parties in Qatar, and using the remainder for personal items, entertainment, shopping trips, hotel stays and overseas travel.

The charges and allegations contained in an indictment are merely accusations. The defendants are presumed innocent until and unless proven guilty.

The case is being investigated by the FBI and the Department of Labor. The case is being prosecuted by Trial Attorney Vincent Falvo of the Criminal Division's Organized Crime and Gang Section.

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