

Department of Justice
U.S. Attorney's Office
Northern District of Illinois

FOR IMMEDIATE RELEASE

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Federal Grand Jury Indicts Union Secretary-Treasurer for Scheming to Fraudulently Obtain Social Security Benefits

CHICAGO — The Secretary-Treasurer of a local labor union put his wife on the union's payroll while lowering his own salary in a scheme to fraudulently qualify for early retirement benefits from the Social Security Administration, according to a federal indictment returned in Chicago.

JOHN A. MATASSA JR. served as the Secretary-Treasurer of the Independent Union of Amalgamated Workers Local 711, a labor organization with members in Illinois, Wisconsin and Indiana. In February 2013, Matassa placed his spouse on the Local 711 payroll, even though she had no intended role or job function, while lowering his own salary, the indictment states. In his capacity as Secretary-Treasurer, Matassa personally signed his spouse's paychecks, and caused them to be deposited into a bank account jointly controlled by the couple, according to the indictment. Two months later, Matassa applied for early retirement benefits from the Social Security Administration's Old-Age Insurance program, listing his reduced salary amount in the application, according to the indictment. The Social Security Administration approved the application, and Matassa began receiving Social Security benefits, the indictment states.

The indictment was returned Thursday in U.S. District Court in Chicago. It charges Matassa, 65, of Arlington Heights, with two counts of wire fraud, two counts of theft of government funds, four counts of embezzlement from a labor organization, and two counts of making false entries in union records required to be in accordance with federal labor laws. Arraignment is set for June 1, 2017, before U.S. District Judge Matthew F. Kennelly.

The indictment was announced by Joel R. Levin, Acting United States Attorney for the Northern District of Illinois; James Vanderberg, Special Agent-in-Charge of the Chicago Region of the U.S. Department of Labor's Office of Inspector General - Office of Investigations; Michael J. Purcell, District Director of the Chicago District Office of the U.S. Department of Labor - Office of Labor Management Standards; and Tracy Thanos, Special Agent-in-Charge of the Chicago Social Security Administration's Office of Inspector General.

According to the charges, Matassa falsified the minutes of a Local 711 meeting to reflect that the union's Executive Board had authorized the hiring of Matassa's spouse. After the Social Security Administration approved his application for Old-Age Insurance benefits, Matassa caused the agency to wire payments to a bank account jointly controlled by Matassa and his spouse, the indictment states.

The public is reminded that an indictment is not evidence of guilt. The defendant is presumed innocent and entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

Wire fraud is punishable by a maximum penalty of 20 years' imprisonment. Theft of government funds is punishable by up to ten years' imprisonment. Embezzlement from a labor organization is punishable by up to five years' imprisonment. Making false entries in records submitted to the U.S. Department of Labor is punishable by up to one year's imprisonment. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory U.S. Sentencing Guidelines.

The government is represented by Assistant U.S. Attorneys Richard M. Rothblatt and Terry Kinney.