

PRESS RELEASE

Former Local 98 Business Manager John Dougherty Sentenced to Six Years in Prison for Public Corruption, Embezzlement Convictions

Thursday, July 11, 2024

For Immediate Release

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

PHILADELPHIA – United States Attorney Jacqueline C. Romero announced that John Dougherty, 64, of Philadelphia, PA, was sentenced today by United States District Court Judge Jeffrey L. Schmehl to 72 months' imprisonment, three years of supervised release, forfeiture of \$353,941.35, a \$7,100 special assessment, and \$50,000 in restitution now, with full restitution to be determined later, for crimes arising from his embezzlement of funds belonging to Local 98 of the International Brotherhood of Electrical Workers ("Local 98") and multiple crimes involving his payment of bribes to codefendant Robert Henon.

In January 2019, a federal grand jury issued a sweeping indictment against Dougherty, the longtime business manager of Local 98, then-Philadelphia City Council Member Robert Henon, and others employed by or affiliated with Local 98.

The indictment charged that between May 2015 and September 2016, Dougherty and Henon deprived the City of Philadelphia and its citizens of their right to Henon's honest services as a member of City Council. It further alleged that Henon received a salary and other things of value from Dougherty and, in exchange, that Henon used his position as a member of City Council to serve Dougherty's interests.

In addition, Dougherty, then-Local 98 President Brian Burrows, and other union officers and employees were charged with conspiracy and embezzlement arising from their theft

of approximately \$600,000 in Local 98 funds from April of 2010 through August of 2016. The indictment also charged Dougherty and Burrows with concealing the embezzlement of Local 98 funds by causing false labor management reports, known as LM-2s, to be filed with the U.S. Department of Labor, and with filing false federal income tax returns by failing to report the funds they stole on their tax returns.

Following the indictment, separate trials were held for the crimes involving public corruption and those involving embezzlement.

On November 15, 2021, a federal jury convicted Dougherty on one count of conspiracy to commit honest services fraud and seven counts of honest services wire fraud. The jury convicted Henon on one count of conspiracy to commit honest services fraud, eight counts of honest services wire fraud, and one count of federal program bribery.

The honest services wire fraud convictions against both defendants included official acts that Henon performed or promised to perform in connection with schemes involving the City of Philadelphia's Department of Licenses and Inspections and stopping the installation of MRI machines at the Children's Hospital of Philadelphia; using the proposed Plumbing Code to assist the election of Dougherty as the Business Manager of the Building Trades; drafting towing legislation that Dougherty requested because a tow truck driver refused to accept payment by credit card after Dougherty had parked illegally; and allowing Dougherty to make demands on Comcast as a condition of the City's renewal of the Franchise Agreement.

On December 7, 2023, a federal jury convicted Dougherty and Burrows of conspiracy to embezzle the funds of Local 98. Dougherty was also convicted of 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, two counts of causing false statements to be made on the form LM-2 that Local 98 was required to file annually with the Department of Labor for 2015 and 2016, two counts of causing false information to be reflected in the books and records of Local 98 for those years, and three counts of filing false federal income tax returns.

"John Dougherty held himself out as Local 98's biggest booster," said U.S. Attorney Romero. "But while he was backslapping his electricians with one hand, he was ripping them off with the other. He cheated Philadelphians, too, through his corrupt quid pro quo with Bobby Henon. Our city and its workers deserve so much better than union bosses and politicians whose true priority is looking out for number one. I want to thank all of the investigators, analysts, prosecutors, and staff who partnered on this case, and, in doing so, stood up for integrity and the rule of law in Philadelphia."

"Today is a victory for justice and the thousands of members of Local 98's electrical union, who trusted John Dougherty to represent their interests," said Wayne A. Jacobs, Special Agent in Charge of FBI Philadelphia. "Together with our partners, we will continue to relentlessly pursue those who in executing these criminal schemes put their own self-interest above those they were elected to serve."

"The sentence today will hopefully serve to deter others who would consider betraying the public trust," said Denise Leuenberger, Acting Special Agent in Charge of IRS-Criminal Investigation. "We, along with our law enforcement partners and the Department of Justice, will continue to aggressively investigate and uncover complex financial crimes to disrupt criminal activity impacting the U.S. tax system."

"Those entrusted with protecting benefit plan assets must be held 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 Employee Benefits Security Administration. "The Employee Benefits Security Administration will continue its work ensuring these hard-earned benefits are kept safe. We remain committed to working with our law enforcement partners to protect benefit plan participants."

"Labor union officials occupy a position of trust and fidelity with respect to the faithful stewardship of the membership's funds. John Dougherty betrayed the trust of the IBEW Local 98 membership by using union funds for his own benefit," said U.S. Department of Labor's Office of Labor-Management Standards Acting District Director Nicole Spallino. "The Office of Labor-Management Standards remains committed to working with our law enforcement partners to protect the financial integrity of labor unions and to ensure there are consequences for individuals who deprive union members of honest services."

"John Dougherty, the former business manager of IBEW Local 98, conspired with other IBEW officials to embezzle funds from the union's dues-paying members. He enriched himself at the expense of the IBEW Local 98 members whom he was elected to serve. 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 Syreeta Scott, Special Agent in Charge, Mid-Atlantic Region, U.S. Department of Labor, Office of Inspector General.

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, Richard Barrett, Counsel to the U.S. Attorney, Jason Grenell, and Anthony Carissimi.

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