

Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Monday, January 28, 2019

Former President Of Labor Union Sentenced For Embezzlement, False Filings, And Kickback Schemes

Geoffrey S. Berman, the United States Attorney for the Southern District of New York, announced that ROCCO FAZZOLARI, who previously served as the president of a labor union (the "Union") and a trustee of the Union's employee welfare benefit plan (the "Plan"), was sentenced today to 37 months in prison for embezzling from the Union and the Plan, concealing this embezzlement through false filings with the U.S. Department of Labor, and for participating in a kickback scheme. Through these embezzlement and kickback schemes, FAZZOLARI and a co-conspirator illegally obtained a total of more than \$1.3 million from the Union and the Plan. FAZZOLARI previously pled guilty before United States District Judge Analisa Torres, who imposed today's sentence.

U.S. Attorney Geoffrey S. Berman said: "Rocco Fazzolari abused his position as the president of a labor union, taking more than \$1 million through embezzlement and kickback schemes. Most of this money was taken from an employee benefit plan, which was established to provide medical care for union members. For his crimes, he is now headed to federal prison."

According to the allegations in the Information to which FAZZOLARI pled guilty, public court filings, and statements made in court:

From at least in or about 2012 through in or about June 2016, FAZZOLARI repeatedly used Union funds to pay for his personal expenses, including payments for spa treatments, a gym membership, a second car, medical expenses, dues for an actors' union, personal credit card charges, and ATM cash withdrawals. FAZZOLARI then "reimbursed" the Union with funds from the Plan. The Plan was established to provide, among other things, medical, surgical, and hospital care or benefits to Union members. In total, FAZZOLARI embezzled more than \$128,000 from the Union over approximately four years, and improperly transferred more than \$89,000 from the Plan to "reimburse" the Union.

In addition, from at least in or about 2000 through in or about June 2016, FAZZOLARI engaged in a kickback scheme with another individual ("CC-1"). Using Plan funds, FAZZOLARI paid CC-1's company, Acclaim Administrators, Inc. ("Acclaim"), more than \$1.1 million for purported services, even though Acclaim did not actually provide the Plan with these services. CC-1 then kicked back the vast majority of these payments to FAZZOLARI.

* * *

In addition to his prison term, ROCCO FAZZOLARI, 58, of Manhasset Hills, New York, was also ordered to serve three years of supervised release, to forfeit \$941,828, and to pay restitution of \$1,288,810.75. Under the terms of his plea agreement, FAZZOLARI has agreed to a 13-year ban, pursuant to 29 U.S.C. §§ 504 and 1111, which generally prohibits him from, among other things, being employed by a labor union or employee benefit plan.

Mr. Berman praised the Department of Labor's Office of Inspector General, Employee Benefits Security Administration, Office of Chief Accountant, and Office of Labor-Management Standards for

their outstanding investigative work. Mr. Berman also thanked the Federal Bureau of Investigation and the Department of Justice's Labor-Management Racketeering Unit of the Organized Crime and Gang Section for their assistance in this case.

This matter is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant United States Attorney Michael D. Neff is in charge of the prosecution.