

Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

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**Leaders Of Brooklyn And Manhattan Chapters Of The
United Brotherhood Of Carpenters Charged In Rampant
Admissions-Bribery Scheme**

Geoffrey S. Berman, the United States Attorney for the Southern District of New York, Michael C. Mikulka, Special Agent-in-Charge of the U.S. Department of Labor, Office of Inspector General, New York Region ("DOL-OIG"), Andriana Vamvakas, New York Regional Director, U.S. Department of Labor Office of Labor-Management Standards ("DOL-OLMS"), and Margaret Garnett, Commissioner, New York City Department of Investigation ("DOI"), announced today the unsealing of an indictment charging leaders of two local chapters of the United Brotherhood of Carpenters and Joiners of America (the "Union") with accepting tens of thousands of dollars in cash bribes in return for guaranteeing admission to hundreds of prospective union members. SALVATORE TAGLIAFERRO, the president of the Local 926 chapter of the Union, and JOHN DEFALCO, the vice president of the Local 157 chapter of the Union, were each charged with one count of honest services wire fraud, one count of conversion of union assets, and one count of conspiracy, in connection with their involvement in a scheme to solicit cash bribes in exchange for union membership. DEFALCO was also charged with one count of witness tampering and one count of obstruction of justice, in connection with his attempts to interfere with the investigation of the scheme. TAGLIAFERRO and DEFALCO, who were arrested this morning, are expected to be presented later today.

U.S. Attorney Geoffrey S. Berman said: "As alleged, the defendants abused their leadership positions to line their pockets at the expense of their union and its members, whose interests they were duty bound to protect. By allegedly demanding and accepting cash bribes in return for union membership, the defendants not only betrayed their union, but personally profited off the needs of those seeking work. The charges announced today reflect our tireless commitment to working with our law enforcement partners to root out corruption in union leadership and our commitment to bringing to justice those who corrupt their positions."

DOL-OIG Special Agent-in-Charge Michael Mikulka said: "An important mission of the Office of Inspector General is to investigate allegations relating to labor racketeering and corruption in labor unions. We will continue to work with our law enforcement partners to investigate these types of allegations."

DOL-OLMS New York Regional Director Andriana Vamvakas said: "Safeguarding financial integrity and combatting financial malfeasance in labor unions is a very high priority for OLMS. This indictment sends a clear message that OLMS will fully investigate and seek justice when anyone attempts to use their union position for personal financial gain at the expense of union members."

DOI Commissioner Margaret Garnett said: "These defendants allegedly conspired to sell sought-after union memberships for thousands of dollars, giving those who paid the steep price unearned access to coveted union construction projects and other exclusive benefits while the defendants collected the cash, according to the charges. Organized labor must be safeguarded from corruption that attempts to undermine its mission to protect the rights of working New Yorkers. DOI was proud

to assist its partners at the Office of the U.S. Attorney for the Southern District of New York, the U.S. Department of Labor and the U.S. Department of Labor Inspector General in investigating this case.”

According to the Indictment^[1] unsealed today in Manhattan federal court:

From at least in or about 2017 up through and including in or about June 2019, TAGLIAFERRO and DEFALCO abused their positions as officers of local chapters of the Union by soliciting and accepting cash bribes from prospective Union members in exchange for securing the bribe payers’ admission to the Union. In particular, DEFALCO and other co-conspirators identified prospective members and solicited cash payments from them, often in the amount of \$1,500. Then, once prospective members made the payments, DEFALCO sent those individuals’ names to TAGLIAFERRO, who used his authority as president of the Local 926 to ensure that they were accepted into the Local 926 and received Union membership cards, even though many such bribe payers did not have Union jobs and were not eligible for admission to the Union. Hundreds of new members were admitted to the Local 926 as a result of this scheme. DEFALCO and TAGLIAFERRO shared the bribe payments and made at least tens of thousands of dollars from the scheme.

DEFALCO and TAGLIAFERRO also took numerous steps to conceal their conduct from investigators, and DEFALCO attempted to tamper with witnesses and obstruct the federal investigation. Among other things, DEFALCO pressured one co-conspirator to sign an affidavit falsely exculpating him and directed that co-conspirator falsely to exculpate DEFALCO, TAGLIAFERRO, and others if questioned. DEFALCO and TAGLIAFERRO also discussed a false cover story to explain the involvement of another co-conspirator in the scheme, and DEFALCO instructed that co-conspirator to repeat this false cover story to a federal grand jury investigating his conduct. DEFALCO also instructed a co-conspirator to delete incriminating text messages between them that were responsive to a federal grand jury subpoena served on the co-conspirator.

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TAGLIAFERRO, 54, of Staten Island, New York, and DEFALCO, 51, of Secaucus, New Jersey, each are charged with one count of conspiracy, which carries a maximum sentence of five years in prison; one count of conversion of union assets, which carries a maximum sentence of five years in prison; and one count of honest services wire fraud, which carries a maximum sentence of 20 years in prison. DEFALCO alone is also charged with one count of witness tampering and one count of obstruction of justice, each of which carries a maximum penalty of 20 years in prison.

The statutory maximum penalties are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants would be determined by the judge.

The charges contained in the Indictment are merely accusations, and TAGLIAFERRO and DEFALCO are presumed innocent unless and until proven guilty.

Mr. Berman praised the investigative work of DOL-OIG, DOL-OLMS, and DOI.

This case is being handled by the Office’s Public Corruption Unit. Assistant U.S. Attorneys Jarrod Schaeffer and Thomas McKay are in charge of the prosecution.

^[1] As the introductory phrase signifies, the entirety of the text of the Indictment and its description set forth below constitute only allegations, and every fact described should be treated as an allegation.