

Department of Justice
U.S. Attorney's Office
Southern District of New York

**Three Labor Union Members Plead Guilty In Manhattan
Federal Court To Accepting Bribes In Exchange For Labor
Union Memberships**

FOR IMMEDIATE RELEASE

Tuesday, April 7, 2015

Preet Bharara, the United States Attorney for the Southern District of New York, announced that CHRISTOPHER LUPINO and KELWYN BENJAMIN pled guilty today, and ADAM FORESTA pled guilty on March 31, 2015, each to participating in a conspiracy to commit honest services wire fraud in connection with their accepting bribes in exchange for memberships in Steamfitters Local 638, a New York City labor union. FORESTA, LUPINO, BENJAMIN, and James Sheeran were arrested in November 2014. LUPINO, BENJAMIN, and FORESTA pled guilty today in Manhattan federal court before United States District Judge William H. Pauley III.

Manhattan U.S. Attorney Preet Bharara said: "With their guilty pleas Christopher Lupino, Kelwyn Benjamin, and Adam Foresta have accepted responsibility for their roles in a scheme to swap memberships in Steamfitters Local 638 for cash bribes. We will continue to work with our law enforcement partners at the FBI, the U.S. Department of Labor, and the NYPD to stamp out union fraud wherever we find it."

According to allegations contained in the Indictment, the underlying criminal Complaint unsealed on November 5, 2014, and statements made during court proceedings:

FORESTA, LUPINO, BENJAMIN, and Sheeran were each members of Steamfitters Local 638, a local division of a labor union that represents workers in the plumbing and pipefitting industries in New York City (the "Union"). Sheeran was an organizer for the Union and worked on membership recruitment. In that capacity, he owed fiduciary duties to Steamfitters Local 638.

In December 2013, an individual who has not been charged ("Applicant-1") told a cooperating witness (the "CW") that Applicant-1 had been offered membership in the Union – what is known as a "Union book" – in exchange for a \$35,000 bribe. Applicant-1 asked the CW to help him/her pay for the Union book.

Over the next several months, FORESTA, LUPINO, and BENJAMIN each had conversations, which were recorded by the Federal Bureau of Investigation ("FBI"), with the CW about buying Union books for Applicant-1 and another individual who has not been charged ("Applicant-2"). During these calls, the CW was told that each Union book would cost \$40,000 – \$5,000 for the typical Union application fee and a \$35,000 cash bribe.

In October 2014, Applicant-1 met with Sheeran, who coached Applicant-1 to provide answers to questions from Union officials to enable him to secure approval from the interviewing officials, including by misleading the Union officials. Applicant-1 and Applicant-2 met with the Union committee later that month in connection with their applications. After that meeting, LUPINO told the CW that approvals from the Union would come soon.

On November 3, 2014, a few days before Applicant-1 and Applicant-2's memberships were to be issued, LUPINO and FORESTA arranged for FORESTA to meet with the CW to pick up the bribes for the two Union books. LUPINO told the CW to bring \$70,000 in cash and that the other \$10,000, which would go to the Union for application fees, should be paid for by check or money order. On November 4, 2014, FORESTA and the CW met in Manhattan. The CW gave FORESTA \$35,000 in cash for one Union book – telling FORESTA he/she would pay for the second Union book the next day.

* * *

FORESTA, 45, of Staten Island, New York, LUPINO, 51, of New Monmouth, New Jersey, and BENJAMIN, 41, of New York, New York, each pled guilty to one count of conspiring to commit honest services wire fraud, which carries a maximum term of 20 years in prison. The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

FORESTA, LUPINO, and BEJAMIN are all scheduled to be sentenced on July 31, 2015. Trial against Sheeran is scheduled to begin on September 15, 2015, before Judge Pauley.

Mr. Bharara praised the investigative work of the FBI, the United States Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, and the New York City Police Department.

The case is being prosecuted by the Office's Violent & Organized Crime Unit. Assistant U.S. Attorneys Joshua A. Naftalis and Jordan Estes are in charge of the prosecution.

The allegations contained in the Indictment against Sheeran are merely accusations, and he is presumed innocent unless and until proven guilty.

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