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**MANHATTAN FEDERAL COURT APPOINTS OFFICER TO OVERSEE
CARPENTERS UNION AND ITS BENEFIT FUNDS**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that United States District Judge CHARLES S. HAIGHT, JR., has appointed a Review Officer to oversee the operations of the Carpenters Union New York City District Council and its Benefit Funds. The appointment is the product of an agreement between the U.S. Attorney's Office for the Southern District of New York, the Carpenters Union, and the District Council's Benefit Funds. Under the agreement, approved today by the Court, DENNIS M. WALSH will serve as Review Officer for a term of two and a half years.

The agreement stems from the government's long-term monitoring of the District Council, which began with the United States' 1990 lawsuit against the union under the Racketeer Influenced and Corrupt Organizations Act. In 1994, the government entered a consent decree with the union that, among other things, permanently barred union members and officers from committing acts of racketeering, and named former federal Judge KENNETH CONBOY as a court-appointed officer to monitor the union.

After Judge CONBOY's tenure expired in 1999, further allegations surfaced that the union's top officer, Executive Secretary Treasurer MICHAEL FORDE, had manipulated the job referral rules contained in the consent decree so that his associates and allies obtained favorable jobs. In response to those allegations, the government negotiated an agreement with the union to appoint WALTER MACK as a court-appointed Independent Investigator in 2002. In 2005, MACK was terminated by the union and replaced by WILLIAM CALLAHAN. FORDE was later found in contempt of court and fined for his conduct related to an illicit job referral. In 2007, the union itself as well as its second-in-command, PETER THOMASSEN, were also found in contempt of court for improperly changing the consent decree's job referral rules. In addition, in recent years several union shop stewards and union contractors have been convicted of various criminal

offenses involving fraud and corruption against the union and its benefit funds.

In August 2009, an Indictment was unsealed against FORDE; JOHN GREANEY, the president and business manager of the largest local union in the District Council; six other union officials; JOSEPH OLIVIERI, the executive director of the Association of Wall Ceiling and Carpentry Industries of New York; and FINBAR O'NEILL, a contractor. FORDE, GREANEY, and OLIVIERI were also trustees of the union's benefit funds, which provide life insurance, health insurance, pension, retirement and vacation benefits to participating union members and their families. The Indictment charged the defendants with, among other things, a scheme to allow certain contractors to defraud the union and its benefit funds out of millions of dollars in exchange for bribes over at least fourteen years. The Indictment is pending before United States District Judge VICTOR MARRERO. Three of the 10 charged defendants have pleaded guilty. Trial as to the remaining defendants is scheduled for September 2010.

In addition to pursuing these criminal prosecutions, the government has now responded to this long history of corruption by entering the agreement in the civil lawsuit approved today. The new Review Officer, DENNIS M. WALSH, has been given significant powers not only to investigate and remedy wrongdoing, but to implement systemic and structural reforms to prevent and deter wrongdoing. The Review Officer will replace the Independent Investigator after a transition period.

The new Review Officer has extensive authority to review the union's operations and develop and implement reforms. In particular, the Review Officer will assess the union's electoral process, its officer structure, its system of job referrals, and its disciplinary procedures. Additionally, the Review Officer will supervise union elections, prescribe rules and qualifications, and approve candidates for office, in order to prevent the perpetuation of corruption at the top level of the union through the election of racketeers or those influenced by them.

The trustees of the union's benefit funds have also agreed to the Review Officer's power. Many of the criminal and racketeering schemes over the years have involved defrauding the funds, to the ultimate detriment of the union members who receive benefits; and the most recent indictment charges three of the funds' trustees at the time with participating in widespread racketeering. With the consent of the benefit funds to today's agreement, the Review Officer will have broad powers to

investigate matters concerning the funds and to ensure that the funds' processes for collecting the contributions owed to them will prevent the widespread embezzlement of the past.

U.S. Attorney PREET BHARARA stated: "Racketeering has once again infected the Carpenters Union, and that cannot be tolerated. The Southern District of New York is committed to eradicating this type of union corruption by attacking it from two fronts: by criminally prosecuting individual wrongdoers and by addressing systemic problems through civil reforms. We appreciate the agreement of the United Brotherhood of Carpenters and the District Council Benefit Funds to the appointment of the Review Officer, and we will work with and stand behind Mr. Walsh to ensure he has the tools he needs to accomplish this important job."

Assistant United States Attorneys BENJAMIN H. TORRANCE and TARA M. La MORTE of the Office's Civil Division are in charge of the civil RICO case. Assistant United States Attorneys LISA ZORNBERG and MARK LANPHER are in charge of the criminal RICO case.

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