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**FORMER CARPENTERS UNION SHOP STEWARD SENTENCED TO
PRISON FOR HELPING TO STEAL MONEY FROM
EMPLOYEE BENEFIT PLANS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that FRANK PROSCIA -- a former shop steward and Delegate of Local 157 of the United Brotherhood of Carpenters and Joiners (the "Carpenters Union") -- was sentenced today by United States District Judge BARBARA S. JONES to 5 months in prison and five months of home confinement. The sentence follows PROSCIA's October 2007 guilty plea to one count of aiding and abetting the embezzlement of funds from employee benefit plans. According to documents filed and statements made in Manhattan federal court:

From February 2006 through June 2006, FRANK PROSCIA conspired with others to defraud the Carpenter's union benefit funds by, among other things, submitting false shop steward reports that underreported the number of carpenters and the hours worked by carpenters for a construction contractor at a jobsite located in New York City.

During the time of the charged conduct, FRANK PROSCIA was an elected delegate representing members of Local 157. He was also the shop steward for L&D Installers, Inc. ("L&D"), a furniture installation and construction contractor, at a jobsite located at 11 Madison Avenue. L&D was a party to a collective bargaining agreement ("CBA") with the District Council. Pursuant to the CBA, L&D was obligated to pay all of its workers at an hourly rate specified in the CBA and to make contributions for each hour worked to the District Council Benefit Funds. The District Council Benefit Funds -- which are covered by the laws governing Employee Retirement Income Security Act ("ERISA") plans -- provide life insurance, hospitalization, medical care, pension

and vacation benefits to union members.

A shop steward's principal duty is to be the daily "eyes and ears" of the union and to report a contractor's violations of the collective bargaining agreement. The shop steward is required to submit weekly reports, called "shop steward reports," to the union office setting forth the hours worked by each of the union's members assigned to the jobsite. Thus, the shop steward is required to observe the number of hours worked at the jobsite by the union members in order to report the carpenter-hours accurately each week. The union's auditors rely on shop steward reports to be accurate when they audit contractors to ensure that all benefit contributions have been paid.

During PROSCIA's plea of guilty, he admitted that he had intentionally filed false shop steward reports to assist L&D in defrauding the union benefit funds. In all, L&D embezzled over \$2 million from the funds.

PROSCIA's co-defendant in the case, MICHAEL ANNUCCI, was convicted, after an eight-day jury trial in February 2008, of engaging in similar conduct from July 2001 until February 2006. ANNUCCI, who is scheduled to be sentenced by Judge JONES on June 13, 2008, was also a shop steward and executive delegate of Local 157 at the time of his criminal conduct.

By falsifying his shop steward reports, PROSCIA and ANNUCCI helped L&D cover up the scheme to evade its benefit payment obligations. Because of those actions, some carpenters got paid lower wages, lost years off their pensions, lost vacation and retirement annuity benefits, and lost health coverage.

In addition to the prison term, Judge JONES sentenced PROSCIA to two years of supervised release, with the special condition that PROSCIA be subject to home confinement, with electronic monitoring, for the first five months of that time. He was also ordered to pay a \$5,000 fine.

In sentencing PROSCIA today, Judge JONES called his conduct an "extremely serious offense," observing that "shop stewards are supposed to be the protectors" of the rank-and-file carpenters. Judge JONES also stated that it was important to sentence PROSCIA to prison because other union representatives and officials "need to understand that they will go to prison if they show no respect for the law or their duties under the Consent Decree," referring to the court-ordered Consent Decree

entered into in 1994 by the Carpenter's Union and the federal government seeking to rid the union of corruption and organized crime influences.

Mr. GARCIA praised the work of the Department of Labor, Office of Inspector General, and the assistance provided by the District Council's anti-corruption committee.

Assistant United States Attorneys LISA ZORNBERG and KATHERINE GOLDSTEIN are in charge of the prosecution.

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