

## United States Attorney Southern District of New York

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## FORMER OWNER OF PETROCELLI ELECTRIC COMPANY SENTENCED IN MANHATTAN FEDERAL COURT TO THREE MONTHS IN PRISON FOR MAKING ILLEGAL PAYMENTS TO UNION OFFICIAL

PREET BHARARA, the United States Attorney for the Southern District of New York, JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Field Division of the Federal Bureau of Investigation ("FBI"), ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), and DANIEL R. PETROLE, the Acting Inspector General of the United States Department of Labor ("DOL-OIG"), announced that SANTO PETROCELLI, SR., the former owner and chairman of Petrocelli Electric Company ("PEC"), was sentenced today to three months in prison for making tens of thousands of dollars worth of payments to BRIAN McLAUGHLIN, a former Business Representative of Local 3 of the International Brotherhood of Electrical Workers, in violation of federal labor law. The sentence was imposed by United States District Judge MIRIAM GOLDMAN CEDARBAUM in Manhattan federal court.

According to the felony Information to which PETROCELLI, SR., pleaded guilty and statements at his plea proceeding:

At the time of the unlawful payments, PEC was an electric company based in Queens, New York, that employed Local 3 union members and entered into contracts with the City of New York to perform work involving the maintenance and installation of street lights and traffic signals.

PETROCELLI, SR., pleaded guilty on July 31, 2009, to one count of making illegal payments to a union official. At the plea proceeding, PETROCELLI, SR., admitted that the unlawful payments to McLAUGHLIN took the form of cash and the use of a PEC car given to McLAUGHLIN for his use. PETROCELLI, SR., further admitted that, at the time he made those payments, he was aware that they were unlawful because he was an employer of Local 3 union members and McLAUGHLIN was a labor representative of those members.

In addition to the prison term, Judge CEDARBAUM sentenced PETROCELLI, SR., to two years of supervised release. At the sentencing, Judge CEDARBAUM stated: [The goal of the sentencing is for] "people who may be tempted, as Mr. Petrocelli was tempted, [to] be discouraged from being drawn into supporting a corrupt union official over many, many years."

McLAUGHLIN previously pleaded guilty, on March 7, 2008, to racketeering and to making a false statement on a loan application. McLAUGHLIN was sentenced on May 20, 2009, to ten years in prison by United States District Judge RICHARD J. SULLIVAN.

 $\,$  Mr. BHARARA praised the investigative work of the FBI, DOI, and DOL-OIG.

 $\,$  Assistant United States Attorney LISA ZORNBERG is in charge of the prosecution.

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