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**FORMER CARPENTERS UNION SHOP STEWARD PLEADS GUILTY  
TO HELPING 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 Executive Delegate of Local 157 of the United Brotherhood of Carpenters and Joiners (the "Carpenters Union") -- pleaded guilty today before United States District Judge BARBARA S. JONES to one count of aiding and abetting the embezzlement of monies from employee benefit plans. According to the Indictment filed in Manhattan federal court and statements made during PROSCIA's guilty plea proceedings:

From February through June 2006, PROSCIA conspired with co-defendant MICHAEL ANNUCCI (also a former shop steward) and others to defraud the District Council of New York City and Vicinity (the "District Council") -- the administrative body that oversees the New York City local chapters of the Carpenters Union -- and the union benefit funds. Among other things, the defendants submitted 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.

L&D Installers, Inc. ("L&D") was a furniture installation and construction contractor that operated in New York City and the vicinity. L&D was a party to a collective bargaining agreement with the District Council. Pursuant to the agreement, L&D was obligated to pay all of its workers at an hourly rate specified in that agreement 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 ("CBA"). 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. Underreporting of hours worked by union carpenters saves the contractor money and short-changes union workers.

FRANK PROSCIA knowingly submitted false shop steward reports to Local 157 offices which underreported the number of carpenters and hours worked at the L&D job site at 11 Madison Avenue in Manhattan, where PROSCIA was serving as shop steward, in order to help L&D evade its obligation to make contributions to the District Council Benefit Funds. PROSCIA entered a guilty plea to Count Two of the Indictment, which charged him with aiding and abetting the embezzlement of monies and other assets of the welfare and pension benefit plans of the District Council Benefit Funds. That charge carries a maximum sentence of five years' imprisonment; a maximum fine of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss to persons other than the defendant resulting from the offense; a term of supervised release of three years and a mandatory \$100 special assessment.

ANNUCCI is awaiting trial, currently scheduled for January 2008. The charges against ANNUCCI contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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

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