

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorney:
ANTHONY MOSCATO, Jr.
973-645-2752

wask0326.rel
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Former Local 825 Business Agent Admits Taking
Bribes from Contractors, Implicates Others

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

NEWARK – A former business agent of Local 825 of the International Union of Operating Engineers pleaded guilty today to taking bribes from a variety of contractors in exchange for permitting the contractors to avoid employing and paying the union’s members. The defendant also implicated other Local 825 officers who were indicted earlier this month, U.S. Attorney Christopher J. Christie announced.

Craig Wask, 60, of Montvale, a former business agent for Local 825, pleaded guilty to a seven-count Superseding Information before U.S. District Judge Stanley R. Chesler. Each count charged him with conspiracy to demand and receive unlawful labor payments. Under federal law, it is unlawful for any officer or employee of a labor union to demand or receive money or anything of value from an employer which the labor union represents, seeks to represent, or would admit to membership in the union any of the employer’s employees.

Chesler scheduled sentencing for July 9.

According to the Superseding Information, Local 825 is a labor organization that represents approximately 7,000 construction equipment operators, mechanics and surveyors.

Count One charged Wask with conspiring to demand and receive cash bribes from several contractors, including a steel erector company, plumbing company, window company and plow company, at a construction project at 30 Hudson Street in Jersey City between May 2001 and July 2003. This project involved the construction of a high-rise commercial building.

Wask admitted that the lead engineer at this project, identified as “A.M.,” an unindicted co-conspirator, obtained cash bribes from the various contractors in exchange for labor peace and to permit the contractors to circumvent their obligations under a collective bargaining agreement (CBA). The CBA required the contractors to employ and pay the union’s members. For example, Wask admitted that the steel erector company was allowed to employ less than the required number of operating engineers on its cranes. Wask also admitted that the plumbing company and window company paid “A.M.” for “picks” performed contrary to the CBA. According to Wask, a pick refers to the use of a crane or forklift to lift construction equipment or materials. Wask further told Judge Chesler that he and A.M. obtained approximately \$20,000 in cash and checks from a plow company as a reward for steering two snow-removal contracts to the company.

Wask further told Judge Chesler that after receiving cash from A.M. at various times during the project he delivered portions of the cash to Kenneth P. Campbell, the then-Business Manager of Local 825, and Peter O. Strannemar, the then-President of the union. Campbell and Strannemar were indicted earlier this month for allegedly conspiring to receive unlawful labor payments from contractors at the 30 Hudson Street project.

In total, Wask admitted that he and his co-conspirators obtained in excess of \$150,000 in cash from contractors at the project.

Count Two charged Wask with conspiring to demand and receive a \$5,000 cash bribe from the steel erector company at construction project in Bergen County. This project involved the construction of a parking garage. At his hearing, Wask admitted that he unlawfully demanded and received \$5,000 in cash from the company in August 2003.

Count Three charged Wask with conspiring to demand and receive over \$100,000 in cash bribes from a construction company working at a construction project in Jersey City. This project involved the construction of a golf course and residential homes. At his hearing, Wask admitted that he received between \$2,000 and \$4,000 in cash each month from an individual identified as "G.V.C.," an unindicted co-conspirator, who was the general contractor at the project. Wask admitted that G.V.C.'s company and all the subcontractors at the project were required to employ Local 825 members to operate construction equipment. Wask, however, told Judge Chesler that in exchange for the monthly cash payments from G.V.C Wask permitted G.V.C.'s company and some of the subcontractors to use non-union labor at the project. Wask also told Judge Chesler that between May 2003 and May 2006 that he delivered portions of these unlawful cash payments to Campbell, the then-Business Manager for Local 825.

Count Four charged Wask with conspiring to demand and receive a cash payment from a contractor, identified as Company One, as a reward for steering a contract to the company to work at another project. According to Wask, as of 2005, a construction project was underway near the Meadowlands, New Jersey, and an individual identified as "G.H." was Local 825's lead engineer at the project. Wask told Judge Chesler that G.H. assisted in steering a contract to the company to work at the project. In or around late 2006, Wask stated that he received approximately \$13,000 in cash from the company, through a third party. Wask admitted that he then delivered approximately \$9,000 of this unlawful cash payment to G.H.

Count Five charged Wask with conspiring to demand and receive cash bribes from Blue Ridge Erectors at a construction project in Jersey City, New Jersey between March 2001 and August 2002. Wask acknowledged that G.H., the lead engineer at the project, obtained cash bribes from Blue Ridge in exchange for permitting the company to not employ Local 825 members to man welding machines. Wask admitted that G.H. delivered portions of the illegal cash payments to Wask. Blue Ridge Erectors and its owner, Frank Impeciati, along with Craig Wask, were indicted last year concerning this conspiracy. As described below, Frank Impeciati also appeared before Judge Chesler today and entered a plea of guilty to a Superseding Information related to this scheme.

Count Six charged Wask with conspiring to receive a \$6,000 cash bribe from G.V.C. in exchange for admitting three of G.V.C.'s employees into the union. According to Wask, in August 2004, he took at least \$6,000 from G.V.C. According to Wask, Campbell was responsible for admitting all new members into the union. After receiving the cash from G.V.C., Wask admitted that he delivered a portion of the money to Campbell, along with the three applicants' admission paperwork. Wask told Judge Chesler that after receiving the cash, Campbell admitted the three individuals into the union. According to the Superseding Information, the three individuals included two of G.V.C.'s relatives.

Count Six charged Wask with conspiring to receive a \$6,000 cash bribe from Company One in exchange for admitting two of its employees into the union. According to Wask, in the summer of 2003, he took at least \$6,000 from Company One. After receiving the cash from the company, Wask admitted that he delivered a portion of the money to Campbell, along with the two applicants' admission paperwork. Wask told Judge Chesler that after receiving the cash, Campbell admitted the two individuals into the union.

Each count carries a statutory maximum prison sentence of 5 years and a \$250,000 fine

Also pleading guilty earlier in the day were:

- Frank Impeciati, 58, of Bangor, Pa., for conspiracy to make unlawful labor payments to G.H. He faces a maximum penalty of not more than 1 year imprisonment and \$100,000 fine. Impeciati entered his plea before Judge Chesler today to a Superseding Information. Sentencing is scheduled for July 8, 2008.

- Michael O. Giangrande, 56, of Bloomfield, for conspiracy to demand and receive an unlawful labor payment from a contractor. Giangrande entered his plea before Judge Chesler on March 17, 2008. At his hearing, Giangrande admitted that he was a Local 825 lead engineer at a construction project in East Rutherford, New Jersey. The project involved the construction of a large home improvement store. Giangrande admitted that he accepted approximately \$750 from Manuel Pinto, the owner of Manny's Master Masonry, a construction company working at the project that installed curbs. In exchange, Giangrande admitted that he permitted the company to use non-union labor to operate a backhoe. Giangrande entered his plea before Judge Chesler on March 17, 2008 to an Information. He faces a maximum penalty of not more than 1 year imprisonment and \$100,000 fine. Sentencing is scheduled for June 26, 2008.

- Manuel Pinto, 39, of Hillside, for conspiracy to make an unlawful labor payment to a representative of a labor union. At his hearing, Pinto admitted that he paid approximately \$750 in cash to Michael Giangrande in exchange for permitting his company to employ non-union labor at the East Rutherford project. He also faces a maximum penalty of not more than 1 year imprisonment and \$100,000 fine. Sentencing is scheduled for June 26, 2008.

In determining an actual sentence, Judge Chesler will consult the advisory U.S. Sentencing Guidelines that provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun; Special Agents of the U.S. Department of Labor Office of Inspector General,

under the direction of Inspector General Gordon S. Heddell; Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, and investigators from the Employee Benefits Security Administration, under the direction of Regional Director Jonathan Kay, with the investigation leading to the pleas.

These cases are being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney Office's Strike Force unit, in Newark.

Defense Attorneys:

James P. Patuto, Esq. (Wask)

John C. Whipple, Esq. (Impeciati)

Paul Sant' Ambrogio, Esq. (Giangrande)

Manuel R. Grova, Jr., Esq. (Pinto)

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