



THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* PENNSYLVANIA

Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Wednesday, January 30, 2019

Local 98 Leader John Dougherty, Philadelphia City Councilman Robert Henon, and Six Others Charged in 116-Count Public Corruption Indictment

PHILADELPHIA – First Assistant United States Attorney Jennifer Arbittier Williams announced today that a grand jury returned a 116-count Indictment, charging Local 98 of the International Brotherhood of Electrical Workers (“Local 98”) Business Manager John Dougherty, Philadelphia City Councilman Robert Henon, Local 98 employees Brian Burrows, Michael Neill, Marita Crawford, Niko Rodriguez, Brian Fiocca, and local business owner Anthony Massa with a multitude of federal crimes, including embezzlement, wire fraud, and public corruption offenses.

John Dougherty, 58, of Philadelphia, has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; 34 counts of embezzlement and theft of labor union assets; 23 counts of wire fraud thefts from Local 98; two counts of wire fraud thefts from a political action committee; two counts of falsification of annual financial reports filed by a labor union; two counts of falsification of financial records required to be kept by a labor union; five counts of filing false federal income tax returns; one count of conspiracy to accept unlawful payments from an employer; eight counts of accepting unlawful payments from a union contractor; one count of conspiracy to commit honest services fraud and federal program bribery; 11 counts of honest services wire fraud; and one count of honest services mail fraud.

Philadelphia City Councilman **Robert Henon**, 50, of Philadelphia, has been charged with one count of conspiracy to commit honest services fraud and federal program bribery; 14 counts of honest services wire fraud; one count of honest services mail fraud; and four counts of federal program bribery.

Brian Burrows, 58, of Mount Laurel, NJ, served as the President of Local 98. He has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; 14 counts of embezzlement and theft of labor union assets; two counts of falsification of annual

financial reports filed by a labor union; two counts of falsification of financial records required to be kept by a labor union; and five counts of filing false federal income tax returns.

Michael Neill, 52, of Philadelphia, served as the Training Director of Local 98's Apprentice Training Fund. He has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; four counts of embezzlement and theft of labor union assets; one count of theft from an employee benefit plan; and four counts of filing false federal income tax returns.

Marita Crawford, 49, of Philadelphia, served as a Local 98 business agent and Political Director. She has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; four counts of embezzlement and theft of labor union assets; three counts of wire fraud thefts from Local 98; two counts of wire fraud thefts from a political action committee; one count of falsification of an annual financial report filed by a labor union; and one count of falsification of financial records required to be kept by a labor union.

Niko Rodriguez, 27, of Philadelphia, was a Local 98 employee and Apprentice Training Fund employee. He has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; six counts of embezzlement and theft of labor union assets; and six counts of wire fraud thefts from Local 98.

Brian Fiocca, 27, of Philadelphia, was a Local 98 employee. He has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; five counts of embezzlement and theft of labor union assets; and five counts of wire fraud thefts from Local 98.

Anthony Massa, 65, of Philadelphia, was the owner and operator of Massa Construction. He has been charged with one count of conspiracy to embezzle from a labor union and employee benefit plan; 14 counts of embezzlement and theft of labor union assets; one count of theft from an employee benefit plan; and one count of making false statements to the FBI.

From April 2010 through August 2016, in Philadelphia, the Indictment alleges that Dougherty, Burrows, Neill, Crawford, Rodriguez, Fiocca, and Massa conspired and agreed to embezzle Local 98 funds for their own personal use and the use of their family members, friends, and commercial businesses.

The Indictment charges that the defendants used union funds for personal and other unauthorized expenses, contrary to the provisions of the IBEW constitution, the by-laws of Local 98, and the beneficial interests of the members of Local 98. They also used these funds in violation of federal law. The Indictment continues that they used funds and assets of the Apprentice Training Fund for personal and other unauthorized expenses, contrary to the provisions of the Apprentice Training Fund's trust agreement and ERISA. Additionally, the Indictment states that the defendants concealed the unlawful use of the funds and assets of Local 98 and the Apprentice Training Fund by falsely representing that the funds were being used for legitimate, business-related expenses.

The Indictment further charges Dougherty and Henon with multiple public corruption charges. The Indictment alleges that Dougherty and Henon defrauded the City of Philadelphia and its citizens of the right to Henon's honest services as a member of City Council. According to the

Indictment, Henon received a salary and other things of value from Dougherty and, in exchange, Henon used his position as a member of City Council to serve Dougherty's interests.

"Union leaders and public officials have similar duties in our society," said First Assistant U.S. Attorney Williams. "Whether it is a fiduciary duty to the union's membership to spend union funds on union business, or a public official's duty to provide honest services to his constituents, leaders in these kinds of roles must act in the best interests of others. They cannot use their public positions and influence to enrich themselves. If they do, it is a violation of their duties and of federal law."

"When union leaders misdirect the organization's money for personal gain, they're breaching their obligation to members – and breaking the law," said Michael T. Harpster, Special Agent in Charge of the FBI's Philadelphia Division. "Such corruption must not go unchecked. No matter how long it takes, the FBI and our partners will investigate and work to hold accountable unscrupulous union and public officials."

"Union officials who are elected to positions of trust have a responsibility to their members and organizations," stated IRS Special Agent in Charge Guy Ficco. "That trust is broken when these officials serve to enrich themselves at the expense of their members. No public official gets a free pass to ignore the tax laws, and IRS CI will continue to ensure that everyone pays their fair share."

"Investigating corruption and ensuring financial integrity in labor organizations is a major priority for the U.S. Department of Labor's Office of Labor-Management Standards. We will continue to work with our investigative partners to ensure that those who are affiliated with labor organizations adhere to the highest standards of conduct to protect the assets of union members," said OLMS Northeastern Regional Director Andriana Vamvakas.

"Protecting the security of retirement, health, and other workplace-related benefits for the American workforce and their families is the objective of the U.S. Department of Labor – Employee Benefits Security Administration (EBSA). Our agency vigorously enforces the laws of the United States by using our criminal enforcement program to pursue violators of criminal laws protecting private employee benefit plans. Our agency works closely with other law enforcement agencies as well as federal and state prosecutors to pursue criminal actors who victimize these plans." said EBSA Philadelphia Regional Director Michael Schloss.

"An important mission of the Office of Inspector General is to investigate allegations relating to labor racketeering and corruption in employee benefit plans," stated Richard Deer, Special Agent in Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General. "We will continue to work with our law enforcement partners and the U.S. Department of Labor's Employee Benefits Security Administration to investigate these types of allegations."

The case was investigated by the Federal Bureau of Investigation, Internal Revenue Service – Criminal Investigation, the U.S. Department of Labor Employee Benefits Security Administration, the U.S. Department of Labor Office of Labor Management Standards, the U.S. Department of Labor Office of Inspector General, and the Pennsylvania State Police, with assistance from the Pennsylvania Attorney General's Office. It is being prosecuted by Assistant United States

Attorneys Richard P. Barrett, Chief of the Corruption, Tax and Labor Racketeering Unit, Frank Costello, John Gallagher, and Paul Gray.

An Indictment, Information, or Criminal Complaint is an accusation. A defendant is presumed innocent unless and until proven guilty.

Component(s):

USAO - Pennsylvania, Eastern