



*United States Attorney  
District of New Jersey*

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**TWO LABOR UNION OFFICERS ARRESTED FOR TAKING BRIBES**

NEWARK, N.J. – Federal agents today arrested two former union officers from separate New Jersey labor unions based on criminal Complaints charging both officers with unlawfully taking bribes, U.S. Attorney Paul J. Fishman announced.

James J. Kearney Sr., 75, of Belleville, N.J., former business manager and an employee of Local 45 of the International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers; and Patrick Viola, 47, of Edgewater, N.J., former business manager and an employee of Local 592 of the Laborers' International Union of North America, were each charged by Complaint with soliciting and accepting bribes.

They are scheduled to make their initial appearances before U.S. Magistrate Judge Patty Shwartz in Newark federal court later today.

According to the criminal Complaints filed in these cases:

**U.S. v. Kearney**

Under federal law, Kearney, as the business manager of Local 45, occupied a position of trust in relation to the union and its members as a group. Local 45, headquartered in Jersey City, N.J., represents and seeks to represent ironworkers.

On Aug. 1, 2011, Kearney, while business manager of Local 45, met with a witness who is cooperating with the government (the "CW") who was a representative of a construction company in New Jersey. The company employed ironworkers at various construction projects in New Jersey, including Hudson County. During this consensual, recorded meeting (audio and video), the CW asked about using non-union ironworkers at an upcoming construction project in Hudson County. The CW also said he would be willing to buy "union books" for his employees. A union book is proof of a worker's admission into and membership in a union, and the book is property of the issuing local. Kearney said he would inquire about obtaining books for the CW's employee, but the books would need to come from another ironworkers' local, not Local 45. Kearney entered the CW's car, and the CW gave Kearney approximately \$3,000 in cash, saying the money was "good will" for the upcoming construction project in Hudson County, where the company sought to use non-union ironworkers.

On Aug. 22, 2011, the CW met Kearney in Jersey City at a coffee shop near Local 45's union hall. During this meeting, Kearney said he could obtain union books for some employees of the construction company; however, the books would not come from Local 45. Kearney

advised the CW it would cost approximately \$5,000 for each union book, plus the required initiation and dues fees of approximately \$728 per book. Kearney also told the CW he could “never say it [the books] came from me . . . please.” Kearney said the \$5,000 payment per book “had nothing to do with” the \$728 per worker initiation and dues fees. Kearney also advised that he needed the personal identifying information of the individuals who would be receiving the union books and wrote a note, provided to CW containing the following: “Name, address, Soc Sec [social security number], D.O.B. and check \$728.00 each.”

On Aug. 31, 2011, the CW met Kearney in Local 45’s union hall. During this recorded meeting, the CW provided Kearney with the personal identifying information of two purported construction company employees. These identities, however, belonged to two undercover federal law enforcement officers. The CW also gave Kearney two blank U.S. Postal money orders, each in the amount of \$728. When he inquired about the next step in the process, Kearney replied, in substance and in part, “you know what it is . . . cash.” The CW then handed Kearney \$10,000 in cash (\$5,000 for each book), and Kearney placed the cash in his desk drawer.

On Sept. 2, 2011, an Ironworkers’ local located in southern New Jersey issued, through the U.S. mail, a receipt, in the amount of \$728, for initiation and union dues fees for one of the undercover federal law enforcement officers. Both money orders provided to Kearney were cashed by the same local in southern New Jersey.

The Kearney Complaint charges him with two counts of unlawfully demanding and receiving money from an employer and a person acting in the interest of an employer. These charges carry a maximum prison term of five years and a \$250,000 fine per count.

On Nov. 14, 2011, Kearney’s son, James J. Kearney Jr., 44, of Bayonne, the former secretary treasurer of Local 45, admitted embezzling more than \$560,000 from the union. He pleaded guilty before U.S. District Judge Anne E. Thompson in Trenton federal court to an Information charging him with one count of embezzlement.

### **U.S. v. Viola**

Under federal law, Viola, as business manager and an employee of Local 592 of the Laborers’ International Union of North America, occupied a position of trust in relation to the union and its members as a group. Local 592, headquartered in Edgewater, represents and seeks to represent laborers, who perform various tasks on construction projects, such as manual labor demolition work.

On Jan. 25, 2010, Viola, while business manager of Local 592, met with a witness, who is cooperating with the government (CW2), who was a representative of a construction company in New Jersey. The company employed laborers at various construction projects in New Jersey. The construction company, at various times, also had collective bargaining agreements with

Laborers' International Union of North America. During a consensually recorded meeting (audio and video), CW2 said the company was about to start a construction project in Bergen County. Viola said, "Yeah, well you do what you gotta do as far as I'm concerned. You going in there [the construction project], do it non-union, you do it non-union, that's the end of it." CW2 implied that he would pay Viola the balance of a previous bribe and then said, "I'll do that one [payment of the bribe to allow the company to use non-union labor at the upcoming construction project] in advance because I really can't afford to have any kinds of problems." During the meeting, CW2 paid Viola approximately \$4,000 in cash to permit the construction company to use non-union labor at the upcoming construction project in Bergen County. During this same consensually recorded conversation, Viola said he had made a deal with another contractor, and this contractor failed to pay the entire amount of the bribe.

The Viola Complaint charges him with one count of unlawfully demanding and receiving money from an employer and a person acting in the interest of an employer. This charge carries a maximum prison term of five years and a \$250,000 fine.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward; special agents of the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, under the direction of Special Agent in Charge Robert L. Panella; and investigators of the U.S. Department of Labor, Employee Benefits Security Administration, under the direction of Regional Administrator Jonathan Kay.

The charges and allegations contained in the Complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.

The government is represented by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney's Office Organized Crime/Gangs Unit in Newark.

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Defense Attorneys:

Kearney: Michael Gilbert Esq., New York

Viola: N/A