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Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

Wednesday, May 18, 2016

Schaumburg Contractor Charged with Underpaying Union Employees and Underfunding Their Pension and Welfare Funds

CHICAGO — The owner of a Schaumburg construction company intentionally underpaid his union-affiliated employees by more than \$1.5 million while underfunding their pension and welfare funds by another \$1 million, according to federal criminal charges filed today.

JOSEPH LAMPIGNANO, the co-owner of A Lamp Concrete Contractors Inc., assigned laborers to work on government-funded road construction projects without paying the union-negotiated wage rate, according to a criminal information filed in U.S. District Court in Chicago. From approximately 2008 to 2013, Lampignano violated collectively bargained agreements with the laborers' union by failing to pay the union wage rate to certain laborers, underpaying them by a total of more than \$1.5 million, according to the information.

Over the same time period, Lampignano also submitted false reports to the unions' pension and welfare funds that underreported the number of hours worked by certain laborers, thereby lowering the amount of contributions that A Lamp was required to make to the funds on behalf of its employees, according to the information. The shortfall to the funds totaled more than \$1 million, the information states.

The information charges Lampignano, 43, of Itasca, with one count of mail fraud. The charge carries a maximum penalty of 20 years in prison.

The information also describes a scheme in which Lampignano and his superintendent, GIOVANNI "JOHN" TRAVERSA, induced employees to re-pay a portion of settlement proceeds they received from the company in resolution of a civil lawsuit. In 2013 A Lamp paid a total of \$545,357 to 24 employees to satisfy unpaid wages and resolve the suit brought by the union. Subsequent to paying the settlement funds, Lampignano, Traversa and others used their positions of authority to induce certain laborers to pay some of the money back to the company, according to the information. Several employees eventually kicked back a total of at least \$64,000, the information states.

Traversa, 46, of Bartlett, is charged with one count of making false statements to the Federal Bureau of Investigation and the U.S. Department of Labor Office of Inspector General regarding the settlement kickbacks. The charge is punishable by up to five years in prison.

Arraignments for Lampignano and Traversa in U.S. District Court in Chicago have not yet been scheduled.

The information was announced by Zachary T. Fardon, United States Attorney for the Northern District of Illinois; Michael J. Anderson, Special Agent-in-Charge of the Chicago Office of the FBI; James Vanderberg, Special Agent-in-Charge of the Chicago Region of the Department of Labor's Office of Inspector General, Office of Labor Racketeering and Fraud Investigations; Jeffrey A. Monhart, Regional Director of the Chicago Regional Office of the Department of Labor - Employee Benefits Security Administration; and Cook County Sheriff Thomas J. Dart.

The public is reminded that an information contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt. If convicted, the Court must impose a reasonable sentence under federal sentencing statutes and the advisory U.S. Sentencing Guidelines.

The government is represented by Assistant United States Attorney Brian Havey.

Information

Topic(s):

Financial Fraud

Component(s):

USAO - Illinois, Northern

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