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FOR IMMEDIATE RELEASE
MARCH 7, 2008

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**FORMER NEW YORK STATE ASSEMBLYMAN AND LABOR LEADER
BRIAN McLAUGHLIN PLEADS GUILTY TO RACKETEERING**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, MARK J. MERSHON, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), GORDON S. HEDDELL, the Inspector General of the United States Department of Labor ("DOL-OIG"), and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), announced the guilty plea today of BRIAN M. McLAUGHLIN, 55, a former New York State Assemblyman and labor leader, to a federal racketeering charge. McLAUGHLIN also pleaded guilty to making false statements in a loan application to a federally-insured financial institution. McLAUGHLIN entered his plea before United States District Judge RICHARD J. SULLIVAN. According to the Indictment and statements made at the guilty plea proceeding:

McLAUGHLIN functioned as the highest ranking official of the J Division of Local 3 of International Brotherhood of

Electrical Workers ("IBEW"), which represents electrical workers in New York City. Members of the J Division typically install and maintain street lights and traffic signals in New York City. McLAUGHLIN stole money from a J Division bank account; accepted payments from union contractors; secretly maintained an interest in a company doing business with union employers and used his position as a union official to advance that company's, and thus his own, financial interests by pressuring contractors to buy certain products in order to perform City contracts; and directed the activities of J Division members for his own personal gain and profit.

McLAUGHLIN misappropriated well over \$100,000 dollars from a J Division account that was maintained for the benefit of the J Division and its membership. The account was funded largely by deductions from union members' paychecks, as well as by contributions from contractors to support the union. McLAUGHLIN used these union funds to pay his personal credit card bills and his country club dues, among other uses. McLAUGHLIN also accepted hundreds of thousands of dollars in payments from contractors that employed J Division union members, along with vehicles and other personal benefits. In one instance, according to the Indictment, McLAUGHLIN permitted a contractor to employ fewer union members in exchange for these payments.

McLAUGHLIN also served as the President of the New York City Central Labor Council (the "CLC"), a chartered affiliate of the American Federation of Labor and Congress of Industrial Organizations ("AFL-CIO"). McLAUGHLIN misappropriated approximately \$185,000 from the CLC. McLAUGHLIN caused the CLC to hire one person as both a consultant and an employee who did little or no substantial work, and then funneled income from the CLC back to McLAUGHLIN. McLAUGHLIN then used the proceeds of this scheme to pay for his personal expenses, including rental payments for a residence that he maintained in Queens; payments for a car driven by one of his children; and mortgage payments for a new home in Nissequogue, Long Island.

As a former New York State Assemblyman, McLAUGHLIN represented the 25th Assembly District in Queens, New York. In that capacity, McLAUGHLIN misappropriated over \$35,000 from the State of New York. McLAUGHLIN created fictitious positions on his legislative staff and pocketed a share of the salary for one of the purported employees, and he also submitted false claims for reimbursement of his daily expenses.

McLAUGHLIN faces a maximum sentence of 20 years' imprisonment on the racketeering charge; and an additional

maximum sentence of 30 years' imprisonment on the charge of making a false statement in a loan application. In addition, as part of his guilty plea today, McLAUGHLIN admitted to forfeiture allegations in connection with these counts that seek forfeiture of \$2.2 million in illicit proceeds from McLAUGHLIN's crimes, as well as a residence located in Nissequogue, New York, and other assets.

Judge SULLIVAN scheduled McLAUGHLIN's sentencing for September 12, 2008.

Mr. GARCIA praised the FBI, DOL-OIG, and DOI for the investigation of this case and thanked them for their work. Mr. GARCIA said the investigation is continuing.

This case is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys DANIEL BRAUN and MICHAEL LEVY are in charge of the prosecution.

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