



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

November 21, 2013

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PRESS RELEASE

FORMER PRESIDENT OF UNION SENTENCED TO 48 MONTHS OF IMPRISONMENT FOR ACCEPTING KICKBACKS AND TAX EVASION

Earlier today, in federal court in Brooklyn, New York, Hector Lopez, the former president of the Metal Polishers Union (Local 8A-28A) (the "Union") and Chairman of the Board of Trustees of the Local 8A-28A welfare fund (the "Fund"), was sentenced to a term of imprisonment of 48 months following his convictions for conspiracy to commit mail and wire fraud, and tax evasion. In addition, Lopez was ordered to pay \$800,371 in restitution and forfeit an additional \$371, 517 to the federal government.

The sentence was announced by Loretta E. Lynch, United States Attorney for the Eastern District of New York; Cheryl Garcia, Acting Special Agent-in-Charge, United States Department of Labor (DOL), Office of Inspector General; Andriana Vamvakas, District Director, Department of Labor, Office of Labor-Management Standards, New York; and Toni Weirauch, Special Agent-in-Charge, Internal Revenue Service, Criminal Investigation, New York.

"The hard-working members of Local 8A-28A trusted Hector Lopez to safeguard their welfare fund. Instead of representing their best interests, Lopez corrupted his leadership position and abused his authority to the tune of over \$1 million. The defendant's corruption and fraud have now earned him a new home in federal prison," stated U.S. Attorney Lynch. "Today's sentencing sends a message to other union officials that they will be held accountable if they abuse their position of trust." Ms. Lynch expressed her appreciation to the New York Regional Office of the United States Department of Labor, Employee Benefits Security Administration, for its assistance on this case.

On April 9, 2013, Lopez pleaded guilty to conspiracy to commit mail and wire fraud, and tax evasion, both in connection with a scheme to defraud the Fund of over \$1 million. As detailed in the indictment, the defendant defrauded the Fund in multiple ways:

(1) accepting over \$740,000 in kickbacks from the third-party administrator of the Fund in exchange for continuing to employ the administrator,

(2) accepting kickbacks from an employer trustee of the Fund (“the employer trustee”) in exchange for authorizing the Fund to pay fraudulent invoices for a union hall renovation performed by a company owned by the employer trustee, and

(3) accepting a kickback from the employer trustee in exchange for rigging the bidding process to ensure that a sprinkler installation job was awarded to a company controlled by the employer trustee.

Further, the defendant committed tax evasion by failing to report over \$300,000 in income from his fraudulent schemes, resulting in a tax loss to the United States of over \$100,000.

Finally, as also charged in the indictment, the defendant criminally violated the Taft-Hartley Act by living rent-free with his family in a New Jersey home owned by the employer trustee, whose company had a collective bargaining agreement with the Union, and illegally structured over \$82,000 in cash deposits at local banks to evade federal currency reporting requirements.

The sentence was imposed by United States District Judge Allyne R. Ross.

The government’s case is being prosecuted by Assistant United States Attorneys Charles Kleinberg and Marisa Megur Seifan.

The Defendant:

HECTOR LOPEZ
Oakland, New Jersey
Age: 55