



THE YEAR IN REVIEW (2014-2015)

Commission investigations with our law enforcement partners resulted in arrests of 118 individuals on state and federal charges as well as the seizure of over 34 pounds of heroin, 821 pounds of cocaine, 97 pounds of marijuana, 500 Oxycodone pills, as well as the seizure of over \$9.6M in proceeds from drug transactions and loan sharking proceeds. The Commission worked with the following law enforcement agencies on investigations and prosecutions:

- United States Attorneys' Offices for the Southern and Eastern District of New York, and the District of New Jersey
- U.S. Department of Justice – Organized Crime and Gangs
- U.S Customs and Border Patrol
- U.S Immigration and Customs Enforcement – Homeland Security Investigations
- U.S Immigration and Customs Enforcement – El Dorado Task Force
- U.S Department of Labor – Office of the Inspector General
- U.S Drug Enforcement Administration
- Federal Bureau of Investigation
- Internal Revenue Service – Criminal Investigation Division
- Division of Criminal Justice of the New Jersey Attorney General
- New York County District Attorney's Office
- Queens County District Attorney's Office
- Richmond County District Attorney's Office
- Kings County District Attorney's Office
- Union County Prosecutor's Office
- Monmouth County Prosecutor's Office
- Monmouth County Probation Department
- New York City Police Department
- Troy Police Department
- Cliffside Park Police Department
- Jersey City Police Department
- Leonia Police Department
- New Jersey State Commission of Investigation
- New York State Bureau of Narcotics
- New York State Office of the Inspector General
- The Port Authority of NY & NJ – Office of the Inspector General



WATERFRONT COMMISSION OF NEW YORK HARBOR CASE SUMMARY (2014-2015)

July 3, 2014 – Supreme Court of New York, Appellate Division Confirms the Commission’s Revocation of Longshore worker’s Registration for Association with a Member of Organized Crime, and Unanimously Reverses the Prior Order and Judgment of the Supreme Court, New York County Annulling the Commission’s Determination. The Supreme Court of New



Margaret Dillin



Nicholas Furina

York, Appellate Division, First Department affirmed the decision of the Waterfront Commission to revoke the registration of Longshore worker’s Margaret “Margo” Dillin, and unanimously reversed a prior order that had annulled the Commission’s revocation. Dillin had been previously expelled by the Administrator of the International Longshoremen’s Association - Local 1588, based upon his finding that she had associated with organized crime figures, bragged about such association, and received preferential job assignments over more qualified, senior members. Dillin was found to have violated a federal consent decree by associating with members and associates of organized crime.

The Commission subsequently charged Dillin with committing various offenses under the Waterfront Commission Act which rendered her presence at the piers or other waterfront terminals in the Port a danger to the public peace and safety. After an administrative hearing, ALJ Patrick McGinley found that the Commission established the charges against Dillin by a fair preponderance of the credible evidence, and recommended that Dillin’s registration be revoked. Having duly considered the record of the proceedings and the ALJ’s Report and Recommendations, the Commission revoked Dillin’s registration. Dillin challenged the Commission’s decision on the grounds that it was arbitrary and capricious, that it was unsupported by substantial evidence, and that the penalty imposed was an abuse of discretion. Dillin’s entire defense hinged on, as found by ALJ McGinley put it, “her ostrich-like” reaction to the Commission’s charges. She claimed that she was unaware that: the federal



Dillon at Furina’s Christmas Party

government had been engaged in efforts to combat the influence of organized crime in her local, which resulted in a federal consent order; that the wine tasting party she attended was at the home of Nicholas Furina, a convicted racketeer on the ILA barred list; that she had attended his renowned Christmas party; that he would be at those two events.

On August 15, 2013, in a Memorandum Decision by Justice Alice Schlesinger, the New York State Supreme Court reversed the Commission’s revocation of Dillin’s registration. Justice Schlesinger held that the Commission was arbitrary and capricious in finding that Dillin’s attendance at parties hosted by Nicholas Furina constituted association under the Waterfront Commission Act. Dillin’s bragging about her friendships with organized crime members on the waterfront was deemed simply to be “unfortunate” in that decision. Even though Dillin had been arrested several times for possession of narcotics equipment, aggravated assault, and for failure to make restitution on a prior conviction of theft by deception, the Court indicated that Dillin had

previously refrained from committing any criminal conduct. The Commission's revocation of Dillin's registration was held to be shocking and grossly disproportionate to the offense and, in short, a "complete overreaction." The Commission appealed.

On July 3, 2014, the Appellate Division unanimously reversed Justice Schlesinger's order and judgment, and found that there was substantial evidence that Dillin had violated a prohibition against association with an identified member of an organized crime family. The Court found that there was sufficient evidence to refute Dillin's claim that her attendance at those parties was accidental or inadvertent.

The Court also found that the penalty of revocation of Dillin's registration does not shock one's sense of fairness. The Court held that, "[b]y associating with individuals with connections to organized crime and boasting about such associations to other longshoremen, [Dillin] engaged in conduct which potentially undermines the Commission's continuing efforts to ensure public safety by reducing corruption on the waterfront." Moreover, the Court noted that revocation was proper, considering that Dillin had been previously suspended by the Commission for failing to disclose two prior arrests, for making false statements under oath during the application process, and because she had also been previously found guilty of theft by deception.



July 14, 2014 – Checker Revoked After Federal Fraud Conspiracy Conviction. The Commission ordered the revocation of registration of Checker Vincent J. Fusella, Jr., following a hearing in which an Administrative Law Judge found that Fusella, Jr., along with his brother Gerardo P. Fusella, knowingly conspired to obstruct the Internal Revenue Service in the collection of revenue in regards to their trucking companies. In furtherance of this crime, Fusella, Jr. and his brother filed forms with the Internal Revenue Service that contained false information in an effort to reduce their tax obligation. The ALJ determined that Fusella, Jr. lacked the requisite good character and integrity that is required of checkers. The Commission concurred, and revoked his registration. Fusella, Jr. had been charged along with his brother in December of 2011 in a thirty-one count federal indictment in the U.S. District Court for the Eastern District of New York. That indictment charged Conspiracy to Defraud the United States, Tax Fraud, Union Benefit Fund Embezzlement, Making False ERISA Statements, Using False Writings and Documents, Mail Fraud and Unlawful Payments in connection with their two trucking companies - Fusella Group. LLC and Alpine Investment Group, Inc. During the pendency of those charges, the Commission had suspended Fusella, Jr.'s registration pending an administrative hearing. On February 27, 2013, Fusella, Jr. appeared before the Honorable Kiyoo A. Matsumoto in the Eastern District, and pleaded guilty to Conspiracy to Defraud the United States. In October of 2013, Fusella Jr. was sentenced to two months incarceration, six months of home confinement with electronic monitoring, three years of probation, and ordered to pay restitution in the amount of \$161,637.99 to the IRS. The U.S. Attorney's Office for the Eastern District of New York prosecuted the criminal matter.

August 25, 2014 – Crane Operators Revoked for Distributing Oxycodone to Other Longshoremen and Using Oxycodone on the Piers. The Commission ordered the revocation of the registrations of brothers Jason and Dino Picinich as longshoremen. Both men operated cranes at Global Terminal & Container Services, LLC, in Bayonne, New Jersey. Following hearings, an ALJ found that on various dates in 2010-2013, Jason and Dino Picinich



Dino Picinich

Jason Picinich

illegally possessed, used, and distributed oxycodone. Evidence presented during the hearings indicated that they obtained oxycodone from various sources, including other longshoremen, and from a “pill mill.” Both men used oxycodone on days when they operated cranes, moving tons of cargo. In addition, they distributed the drugs to other longshoremen employed in Bayonne. The ALJ found that the presence of both men on the piers or at other waterfront terminals presented a danger to the public peace or safety, because of their use and distribution of drugs to longshoremen who “performed dangerous operations on the piers.” The ALJ recommended the revocation of their longshoremen registrations. The Commission concurred and ordered revocation.

The Picinich brothers are two of five longshoremen, all members of ILA Local 1588, charged in conspiracies to distribute or possess oxycodone. The related hearing of Virgilio Maldonado, the President of ILA Local 1588, resulted in the revocation of his registration as a longshoreman. Maldonado had obtained oxycodone from a crane operator who was a co-conspirator of Jason and Dino Picinich. Although aware that the co-conspirator was using and distributing oxycodone, Maldonado failed to take official action, in violation of his fiduciary duty to ILA Local 1588 and its members. He further violated his fiduciary duty by taking no action when he believed that his co-conspirator reported to work as a crane operator under the influence of oxycodone, thereby placing members of ILA Local 1588 and others in potential danger. Decisions regarding two related hearings of longshoremen for distribution, possession, or use of oxycodone are pending. The revocation proceedings were the product of an investigation by the Leonia, New Jersey Police Department and the Waterfront Commission.

September 30, 2014: Warehouseman Suspended After Stabbing Two.

Warehouseman Ramon Martinez was suspended by the Waterfront Commission after his arrest for two counts of Attempted Murder and Possession a Weapon for an Unlawful Purpose. Martinez was charged after attacking two individuals with a knife, causing serious bodily injury to both victims. The matter is being prosecuted by the Passaic County Prosecutor’s Office. Martinez’s registration is temporarily suspended pending an administrative hearing.



September 30, 2014 – Foreman Revoked for Providing a Firearm to another Longshoreman Involved in International Cocaine Importation on the Piers.

The Commission ordered the revocation of the registration of longshoreman Arnold E. Rogers, a former foreman and member of Local 1233. Following a hearing, the Administrative Law Judge found that the Commission had proven by a preponderance of the evidence that Rogers was a danger to the public peace or safety because he had transported an illegal gun and ammunition, which he knew would be used for cocaine trafficking by way of the waterfront. As a result, Rogers had been convicted of a felony and incarcerated in federal prison for one year. The ALJ found that Rogers “was not a credible witness” and that he “provided a loaded firearm to another longshoreman for use by an accomplice in the promotion of high level illicit drug trade that demonstrated a clear disregard for the safety of others.” The revocation proceedings were the result of a larger investigation by the U.S. Attorney for the Southern District of New York, the Waterfront Commission, the New Jersey Division of the Drug Enforcement Administration, the NYS Inspector General, the New Jersey Office of the Criminal Investigation Division of the Internal Revenue Service, the Newark Office of Homeland Security Investigations, the New York Regional Office of the U.S. Department of Labor - Office of Inspector General, the Office of Labor Racketeering and Fraud Investigations, and U.S. Customs and Border Patrol.



October 8, 2014 – Former ILA Local 1235 President Sentenced to Federal Prison.

Vincent Aulisi, the former President of ILA Local 1235, was sentenced to 18 months in prison for conspiring to extort longshore workers on the New Jersey piers for Christmastime tribute payments. Aulisi previously pleaded guilty before U.S. District Court Judge Claire C. Cecchi to one count of an indictment charging him with conspiring to extort Christmastime tributes from ILA Local 1235 members. Aulisi and two other former ILA officers – Thomas Leonardis, the President of Local 1235 from approximately 2008 through 2011, and Robert Ruiz, the ILA local delegate from approximately 2007 through 2010 – admitted that they conspired to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. The timing of the extortions typically coincided with the receipt by certain ILA members of “Container Royalty Fund” checks, a form of year-end In addition to the prison term, Judge Cecchi sentenced Aulisi to serve one year of supervised release and fined him \$10,000. The case was prosecuted by the U.S. Attorney’s Offices for the District of New Jersey and the Eastern District of New York. The Waterfront Commission was integral in the investigation, which was led by the Department of Labor and Federal Bureau of Investigation. The Commission’s Executive Director, Walter Arsenault, received an award from the DOL for his role.



October 15, 2014: Former ILA Delegate Sentenced to Federal Prison. Robert Ruiz, a former International Longshoremen’s Association Delegate and Representative was sentenced to 20 months in prison for conspiring to extort longshoremen on the New Jersey piers for Christmastime tribute payments. Ruiz – an ILA Delegate from 2007 through 2010 and former ILA Representative – previously pleaded guilty before U.S. District Judge Claire C. Cecchi to one count of an indictment charging him with conspiring to extort Christmastime tributes from ILA members. Ruiz admitted that he conspired with ILA Local 1235 Presidents Vincent Aulisi and Thomas Leonardis to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. The timing of the extortions typically coincided with the receipt by certain ILA members of “Container Royalty Fund” checks, a form of year-end compensation.

October 21, 2014 – Eleven Members and Associates of the Genovese Crime Family Arrested and Charged With Reaping Millions in Criminal Profits in New Jersey Through Loansharking, Illegal Check Cashing, Gambling & Money Laundering in the Port District.

Eight alleged members and associates of the Genovese organized crime family were arrested for first-degree racketeering charges for allegedly reaping millions of dollars in criminal profits in New Jersey through loansharking, unlicensed check cashing, gambling and money laundering, including laundering of proceeds from narcotics trafficking. Three other alleged associates were charged by summons, totaling 11 charged. Much of the illicit revenue allegedly was collected and laundered through licensed and unlicensed check-cashing businesses in Newark run by Genovese associate Domenick Pucillo, of Florham Park, NJ. Pucillo and the other associates charged are alleged to be part of a New Jersey crew operating under the supervision and control of two “made” members of the Genovese crime family – Charles “Chuckie” Tuzzo, of Bayside, NY, a Genovese “capo,” and Vito Alberti, of New Providence, NJ, a Genovese “soldier” – who answer to the Genovese hierarchy in New York.

The charges stem from “Operation Fistful,” an ongoing joint investigation by the New Jersey Attorney General’s Office - Division of Criminal Justice and the Waterfront Commission of New York Harbor, conducted with assistance from the New York and Queens County District Attorneys’ Offices and other law enforcement agencies. The eight men targeted for arrest face racketeering and money laundering charges that carry consecutive sentences of 10 to 20 years in prison for each charge. The 11 defendants were charged, in varying combinations, with running the following criminal schemes, as more fully outlined below, which generated “tribute” payments up the Genovese chain of command:

1. A massive loansharking operation that yielded about \$1.3 million in illegal interest per year;
2. An illicit multi-million dollar offshore sports gambling enterprise;
3. An unlicensed check-cashing business that made \$9 million in fees in 4 years, while enabling customers to launder funds and evade taxes by skirting federal reporting requirements;
4. Laundering of \$666,000 in drug money via check-cashing businesses owned by Pucillo in Newark and Florida;
5. Illegal control and use of a trucking firm with a contract to transport cars from Port Newark;
6. Tax fraud and evasion.



Loansharking

Pucillo allegedly used his check-cashing businesses for a massive loansharking operation. He is alleged to several businesses, but the main one is Tri-State Check Cashing, Inc., headquartered at 17 Avenue A in Newark. He allegedly used cash and credit lines extended to his business to loan money “on the street” at usurious rates, and made loans at one to three “points.” A point equals 1% interest, due weekly, so one point equates to 52% annual interest, two points to 104% annual interest, and three points to 156% annual interest. New Jersey law defines criminal usury as loaning money to an individual at an annual interest rate exceeding 30%, and makes it a second-degree crime if the rate exceeds 50% per year.

Over a two-year period, Pucillo allegedly had approximately \$3 million in usurious loans on the street and collected approximately \$1.3 million in interest per year. It is alleged that Genovese associate Robert “Bobby Spags” Spagnola, of Morganville, NJ, partnered with Pucillo in the loansharking business and received a commission of one point on each loan he secured for Pucillo. In addition, Pucillo allegedly shared the loansharking proceeds up the Genovese chain of command to Alberti and Tuzzo. Victims were required to pay interest on a weekly basis. The scheme was designed so that, when the victims made loan payments by check, it appeared that they were cashing checks in the ordinary course of Pucillo’s check-cashing business. When they

took out loans, victims were required to sign partially completed checks, which Pucillo and his co-defendants could complete and cash through the check-cashing business to collect weekly interest or payments of principal. Victims also could pay in cash. Defendant Flor Miranda of Newark, NJ, worked as office manager for Pucillo's check-cashing operation. She allegedly collected loansharking payments and helped Pucillo keep extensive records of the loansharking and money laundering operations run out of his check-cashing businesses.

Vincent P. Coppola, of Union, NJ, son of imprisoned Genovese capo Michael Coppola, allegedly was part of a network of Genovese associates who ran a multi-million dollar illegal sports gambling enterprise in New Jersey that utilized an off-shore "wire room" in Costa Rica to process bets. Coppola allegedly was an "agent" who managed sub-agents or package holders, each of whom had a "package" of bettors under him. He allegedly supervised sub-agents John W. Trainor of Brick, NJ and Jerry J. Albanese of Scotch Plains, NJ. Agents decide which bettors can open accounts and gamble using the enterprise's website and toll-free phone number. They also dictate how much a bettor can gamble per game and per week, and monitor the action and balances of the packages they oversee. It is alleged that eventually, Coppola gave Trainor and Albanese more complete control of the bettors in their packages. Coppola allegedly had four packages under him, including those of Trainor and Albanese. In a single year, in 2011, Coppola's packages allegedly handled more than \$1.7 million in bets, and Coppola, Trainor, Albanese and the Genovese crime family – through Alberti and Tuzzo – allegedly made more than \$400,000 in profits.

Unlicensed Check-Cashing Business

In addition to Tri-State Check Cashing and his other licensed check-cashing businesses, Pucillo allegedly financed an unlicensed, illegal check-cashing operation with partners and Genovese associates Abel J. Rodrigues, of Bridgewater, NJ and Manuel Rodriguez of Chatham, NJ. This scheme operated out of Portucale Restaurant & Bar at 129 Elm Street in Newark, also known as Viriato Corp. (owned by Abel Rodrigues) under the guise that Rodrigues was legally allowed to cash checks as Pucillo's agent. In reality, this arrangement is illegal, and they allegedly used it to enable clients to launder money and evade taxes. It is alleged that over a four-year period they illegally cashed over \$400 million in checks through Portucale Restaurant and collected over \$9 million in fees.



Many customers cashed checks at Portucale Restaurant to launder money, hide income or obtain cash for "under-the-table" payrolls because Abel Rodrigues allegedly did not ask for any identification and would not file proper "currency transaction reports," or CTRs, for any check or combination of checks exceeding \$10,000, as required by federal law. Tri-State Check Cashing provided the cash disbursed at Portucale Restaurant, but instead of processing and reporting the individual checks that were cashed, Tri-State would receive checks from Viriato Corp. for sums in the hundreds of thousands of dollars, which bundled together the amounts of the checks cashed at Portucale Restaurant. Tri-State would then file CTRs only for the checks from Viriato Corp. Jennifer Mann, of Bayonne, NJ, was employed by Pucillo as the compliance officer for Tri-State. At Pucillo's direction, she allegedly issued hundreds of false CTRs to conceal tax evasion and money laundering at Portucale Restaurant.

In return for cashing checks for over \$10,000 without scrutiny, customers paid fees of up to 3% percent per check, which exceeds the limit of 2.21% permitted under New Jersey law. Abel Rodrigues allegedly received 1% on each check, and the remainder went to Pucillo. It is alleged that Pucillo in turn provided one-quarter of his fees to Manuel Rodriguez, who shared a portion of his fees up the chain to Alberti, Tuzzo and the Genovese crime family.

Trucking Company

It is alleged that the Genovese crime family, through members and associates including Tuzzo, Alberti, Pucillo and Trainor, illicitly took control of a company called GTS Auto Carriers, siphoned money from it, and used it to commit other crimes including check forgery and tax evasion. Trainor owned and operated GTS, which transports cars from Port Newark to dealerships throughout New Jersey under a lucrative contract with Nissan. After Trainor obtained the contract, Alberti required GTS to lease trucks to transport the cars from Alberti for over \$300,000 per year. Alberti created a company called AMJ Transport solely to lease trucks to GTS. Alberti also allegedly required GTS to carry Coppola and another Genovese crime family associate on the GTS payroll even though neither actually worked for GTS. In addition, Trainor allegedly had checks issued from a GTS business account to fictitious persons to conceal the fact that he was siphoning money from GTS for his personal use and to pay Alberti and other Genovese crime family members and associates. In five months, Trainor allegedly cashed GTS checks totaling over \$100,000 at Pucillo's check-cashing business, including several on which Trainor forged the signature of the person authorized to sign checks for the GTS account.

Drug Money

In January 2012, Pucillo acquired a check-cashing business in Hialeah, Florida, called I&T Financial Services. It is alleged that he subsequently entered into an agreement to launder and transfer drug money from New York and New Jersey to Florida. The drug traffickers allegedly would deliver cash to Flor Miranda at Tri-State Check Cashing in Newark. The money was then wired under the fictitious company name "Gold Shiny" to Florida, where it was laundered through I&T Financial's business accounts and was received by the client, whose identity remained concealed. Pucillo allegedly laundered and transferred \$666,000 in this manner, collecting \$22,500 in fees on the transactions.

Tax Fraud and Evasion

It is alleged that, in conducting their criminal schemes, Alberti, Trainor, Rodriguez and Rodriguez – through Pucillo's check-cashing businesses and other means – concealed their income and either failed to file tax returns or filed fraudulent tax returns which did not account for their criminal earnings.



October 22, 2014 - Former Longshoreman Sentenced to Prison for Extortion Conspiracy Involving Christmastime Tribute Payments.

Former longshoreman Julio Porrao was sentenced to a year and a day in prison for conspiring to extort members of the International Longshoremen's Association, Local 1235 for Christmastime tribute payments. Porrao previously pleaded guilty before U.S. District Judge Claire C. Cecchi to conspiring to extort Christmastime tributes from the union members. Porrao admitted that he conspired with others to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. The timing of the extortions typically coincided with the receipt by certain ILA members of "Container Royalty Fund" checks, a form of year-end compensation. Porrao had already retired from his employment on the New Jersey piers at the time of his arrest. The Waterfront Commission was integral in the investigation, which was led by the Department of Labor and Federal Bureau of Investigation.



October 29, 2014 - Longshoreman Pleads Guilty to Criminal Sale of Oxycodone, Insurance Fraud and Conspiracy. Longshoreman Nicholas Tornabene pleaded guilty in Richmond County Supreme Court to one count of Criminal Sale of a Controlled Substance in the Third Degree, one count in Insurance Fraud in the Third Degree, and one count of Conspiracy in the Fifth Degree. Tornabene was previously arrested on December 17, 2013 as part of “Operation Shore Thing,” a joint investigation by the Richmond County District Attorney’s Office, New York City Police Department’s Organized

Crime Investigation Division, and the Waterfront Commission, into illegal gambling, insurance fraud, and oxycodone distribution on the docks and elsewhere.

Tornabene admitted to being part of a conspiracy with other longshoremen to obtain oxycodone prescriptions in exchange for helping pain management physician Dr. Mihir Bhatt, and chiropractor Dr. Thomas Dinardo, get paid tens of thousands of dollars by the Management-International Longshoreman Association Healthcare Trust Fund (“MILA”) for medical services that were never provided. The longshoremen’s participation in the criminal enterprise allowed them to obtain oxycodone without examinations and, often, without even going to the doctors’ offices. They then used and/or distributed the oxycodone.

Dinardo would bring the indicted longshoremen into his offices, and then he and Bhatt would direct them to make return office visits, ostensibly for further tests or treatments to support a long term, fraudulent billing scheme and the dispensing of oxycodone prescriptions. These procedures, if done at all, were not conducted properly, and were conducted to provide the appearances needed to justify further billable office visits, dispensing prescriptions for oxycodone, and lengthy disability claims. Participating patients would call to get prescriptions for oxycodone and would receive them in return for billable office visits that did not occur, or which were perfunctory and lasted only an average of 3-5 minutes. Insurance companies would then be billed for procedures that took 25, 40, or 60 minutes. In addition, Tornabene pled guilty to the criminal sale of oxycodone.

Tornabene has been suspended by the Commission since the date of his arrest. As a condition of his plea, he has agreed to the surrender of his longshoreman’s registration with prejudice. Tornabene’s brother, Charles Tornabene, also pled guilty today to Insurance Fraud in the Third Degree and Conspiracy in the Fifth Degree. These pleas related to his participation in the criminal enterprise. Charles Tornabene, who had been referred by the ILA to be prequalified as a longshoreman, was denied prequalification by the Commission following his arrest and indictment in this matter.

November 18, 2014 – Crane Operator who unlawfully distributed Drugs to the President and Members of ILA Local 1588 Revoked, Along with Co-Conspirator Longshoreman. The



Kenny Picinich

Domenick Mirkovic

Commission ordered the revocation of the registrations of Kenny Picinich and Domenick Mirkovic as longshoremen. Following a hearing, an Administrative Law Judge found that Kenny Picinich, a crane operator, conspired to distribute oxycodone, methadone, Xanax, and Suboxone. He also used the drugs without a valid prescription. Picinich was twice arrested on drug charges. In connection with these arrests, Picinich lied to police officers regarding his unlawful possession of

methadone and his conspiracy to purchase oxycodone. Domenick Mirkovic was among the longshoremen who purchased drugs from Picinich. The ALJ found that Mirkovic conspired with Picinich to possess oxycodone and Xanax. The ALJ also found that

Mirkovic was under the influence of oxycodone and Percocet while working as a longshoreman. Mirkovic operated a motor vehicle while under the influence of oxycodone and Xanax, causing him to fall asleep at the wheel and hit a parked car, resulting in his vehicle overturning. The ALJ found that Mirkovic committed fraud, deceit, or misrepresentation during a sworn interview by not disclosing that he had obtained oxycodone from four longshoremen, including Picinich.

Both Picinich and Mirkovic are members of ILA Local 1588. The Commission previously removed five other Local 1588 members from the waterfront, including the Local's president, following proceedings related to the Picinich and Mirkovic investigations:

- Kenny Picinich's brothers, Dino and Jason, for using and distributing oxycodone;
- Crane operator Ronald Galosic was decasualized following suspensions for twice refusing to submit to drugs tests on the pier. In the Mirkovic case, the ALJ found that Galosic was an oxycodone distributor.
- The Commission revoked the registration of longshoreman Jason Poesl for failing to appear for a drug test, committing fraud during an interview, and using cocaine, heroin, and Xanax on and off of the pier.
- As reported earlier in this Report, the Commission revoked the longshoreman registration of Virgilio Maldonado, the President of ILA Local 1588, who purchased oxycodone from Kenny Picinich. Maldonado was found to have failed to take official action even though he was aware that Picinich was using and distributing oxycodone, and that he reported to work as a crane operator under the influence of oxycodone, thereby placing members of ILA Local 1588 and others in potential danger.

The revocation proceedings against Picinich and Mirkovic were the products of investigations by the Waterfront Commission and the Police Departments of Leonia, Little Ferry and Cliffside Park, New Jersey.



November 18, 2014 - Checker Revoked for Illegal Possession and Use of Oxycodone and Attempting to Falsify a Urine Drug Test. After a hearing, an Administrative Law Judge found that checker Jason Valenti lacked the requisite good character and integrity that is required of checkers. The Commission concurred with the ALJ's findings and recommendations and revoked Valenti's registration. Valenti had been convicted of Possession of a Controlled Dangerous Substance, a third degree crime, in the Superior Court of Monmouth County, New Jersey and sentenced to three years of probation, ordered to complete community service and also ordered to pay fines. Valenti's conviction was a result of his failure to comply with the terms of his Pre-Trial Intervention. Specifically, Valenti attempted to falsify a urine test that was administered by probation officers from the Monmouth County Probation Department. After Valenti's attempt was discovered, he then failed a urine drug test that same day by testing positive for Oxycodone. Valenti also failed to perform the requisite seventy-five hours of community service and failed to meet with his probation officer as required by the terms of his Pre-Trial Intervention. In an interview with the Waterfront Commission, Valenti also admitted to illegally purchasing and using Roxicodone.

November 18, 2014 - Contractor Sentenced to Federal Prison. Raymond Norville of Orange, NJ, was sentenced to 14 months in prison for defrauding a Bronx, NY woman of nearly \$100,000 in connection with a home remodeling project. Norville, a contractor, is the owner of RRL Unique Homes Inc., a construction company. He previously pleaded guilty before U.S. District Judge Joel A. Pisano to one count of conspiracy to commit wire fraud. Norville was originally investigated by the Waterfront Commission and the U.S. Department of Labor - Office of the Inspector General in connection with his company's contract with ILA Local 1233 to renovate their headquarters in Newark.



In August of 2012 Norville was charged with conspiring with the then Secretary-Treasurer, Gregory "Ronnie" Taylor to steal union funds by submitting fraudulent invoices for renovations at Local 1233. The invoices were for work that was never actually performed, or that was double-billed or had grossly inflated costs. Former Local 1233 Secretary-Treasurer Taylor pleaded guilty to Embezzling Union Funds under a separate indictment.



December 2, 2014 - Former Longshoreman Sentenced to 12 Months in Prison for Extortion Conspiracy Involving Christmastime Tribute Payments. Former longshoreman Salvatore LaGrasso of Edison, NJ was sentenced to 12 months in prison for conspiring to extort members of ILA Local 1235 for Christmastime tribute payments. LaGrasso, a former supervisor on the New Jersey piers – previously pleaded guilty before U.S. District Judge Claire C. Cecchi to conspiring to extort Christmastime tributes from the union members. LaGrasso admitted that he and others conspired to compel tribute

payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. The timing of the extortions typically coincided with the receipt by certain ILA members of "Container Royalty Fund" checks, a form of year-end compensation. In addition to the prison term, LaGrasso was sentenced to two years of supervised release. In a separate administrative proceeding, LaGrasso was found to be the individual who accompanied Hiring Agent Pasquale Pontoriero on his visits to Genovese Soldier Stephen DePiro. Rather than testify, in Pontoriero's revocation hearing for association with members of the Genovese Crime Family, LaGrasso invoked his Fifth Amendment privilege against incrimination.

December 9, 2014 - Former ILA Local 1235 President Sentenced to Federal Prison for Extortion Conspiracy Involving Christmastime Tribute Payments. Thomas Leonardis of Glen Gardner, NJ was sentenced to 22 months in prison for conspiring to extort members of ILA Local 1235 on the New Jersey piers for Christmastime tribute payments. Leonardis, the former President of ILA Local 1235 from 2008 through 2011, previously pleaded guilty before U.S. District Judge Claire C. Cecchi to conspiring to extort



Christmastime tributes from ILA Local 1235 members. Leonardis admitted that he conspired with Vincent Aulisi, Robert Ruiz and others to compel tribute payments from ILA members, who made the payments based on actual and threatened force, violence and fear. The timing of the extortions typically coincided with the receipt by certain ILA members of "Container Royalty Fund" checks, a form of year-end compensation. Leonardis was suspended from his position following his arrest in January 2011. In addition to the prison term, Leonardis was sentenced Leonardis to serve three years of supervised release.

Notably, shortly before his arrest, Leonardis testified in front of a New Jersey State Senate Committee hearing that the Waterfront Commission was “as obsolete” as a longshoreman’s loading hook and merely perpetuated outdated stereo types of organized crime at the piers. He was arrested for Extortion of ILA members on behalf of the Genovese crime family less than four months later.

December 10, 2014 - Former Longshoremen Supervisor Sentenced to 8 Months in Prison for Extortion Conspiracy Involving Christmastime Tribute Payments.

Michael Nicolosi of Staten Island, New York, was sentenced to 8 months in prison for conspiring to extort ILA Local 1235 members for Christmastime tribute payments. Nicolosi, a former longshoremen supervisor on the New Jersey piers, previously pleaded guilty before U.S. District Judge Claire C. Cecchi to conspiring to extort Christmastime tributes from the union members. Nicolosi admitted that he and others conspired to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. The timing of the extortions typically coincided with the receipt by certain ILA members of “Container Royalty Fund” checks, a form of year-end compensation. In addition to the prison term, Nicolosi was sentenced to 4 months of home detention and two years of supervised release.



December 19, 2014 - Genovese Soldier, Former ILA Executive Vice President and Vice President of ILA Local 1478 Plead Guilty to Racketeering Conspiracy.



Albert Cernadas, Sr.

Stephen DePiro

Nunzio LaGrasso

Three North Jersey men admitted to conspiring to conduct or participate in the affairs of the Genovese organized crime family of La Cosa Nostra through a pattern of racketeering activity, including a conspiracy to extort members of the International Longshoremen’s Association for Christmastime tribute payments. Genovese soldier Stephen Depiro of Kenilworth New Jersey, and two other Genovese associates – Albert Cernadas, Sr. of Union, New Jersey, former president of ILA Local 1235 and former ILA Executive Vice President, and Nunzio LaGrasso of Florham Park, NJ, former Vice President of ILA Local 1478 and ILA representative – pleaded guilty to racketeering conspiracy. Depiro admitted to predicate acts involving conspiracy to commit extortion and bookmaking. Cernadas and LaGrasso admitted to predicate acts involving conspiracy to commit extortion and multiple extortions. For many years, Depiro has managed the Genovese family’s control over the New Jersey waterfront – including the nearly three-decades-long extortion of port workers in ILA Local 1, ILA Local 1235 and ILA Local 1478. Members of the Genovese family, including Depiro, are charged with conspiring to collect tribute payments from New Jersey port workers at Christmastime each year through their corrupt influence over union officials, including the last three presidents of Local 1235 and vice president of ILA Local 1478. Depiro also controlled a sports betting package that was managed by several others, through the use of an overseas sports betting operation.

During their guilty plea proceedings, Depiro, Cernadas and LaGrasso admitted their involvement in the Genovese family, including conspiring to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. Cernadas and LaGrasso admitted to carrying out multiple extortions of dockworkers.

January 7, 2015 - New Jersey Appellate Division Affirms the Commission's Revocation of Hiring Agent's License. The Superior Court of New Jersey, Appellate Division affirmed the decision of the Waterfront Commission to revoke the license of hiring agent Pasquale Pontoriero. The Commission had charged Pontoriero with associating with Tino Fiumara and Stephen DePiro, who were convicted racketeers, career offenders and identified members of the Genovese Crime Family. Pontoriero had attended a birthday dinner for Fiumara and had visited DePiro at his house on two occasions. After an administrative hearing, Administrative Law Judge Patrick McGinley found that the Commission established the charges against Pontoriero by a fair preponderance of the credible evidence, and recommended that Pontoriero's license be revoked. Having duly considered the record of the proceedings and the ALJ's Report and Recommendations, the Commission revoked Pontoriero's license. On appeal, Pontoriero challenged the Commission's interpretation of the association provisions of the Waterfront Commission Act as being a strict liability statute. He argued that the Commission failed to use the proper definitions of "association" and "inimical" in making its determination that he had associated with Fiumara and DePiro under circumstances that were inimical to the policies of the Act. He contended that the relevant sections of the Act were unconstitutionally vague, and that the revocation of his license was disproportionate to the alleged offense and shocking to one's sense of fairness.

The Appellate Division summarily rejected these arguments and found that the Commission's findings of fact and conclusions of law were legally sound and supported by sufficient credible evidence. In its precedential opinion finding that Pontoriero violated the association provisions of the Act, the court upheld the Commission's interpretation of "association" as encompassing the ordinary meaning of the term: "to keep company, as a friend, companion or ally," which included both social and economic relationships. The court also endorsed the Commission's interpretation of "inimical," as being "adverse to the public confidence and trust in the credibility, integrity and stability of the waterfront and in the strict regulatory process of the Act."

The court observed that the Genovese crime family's control of the waterfront "depends just as much on the perception of influence as it does on actual influence." Thus, the Commission did not have to show that Pontoriero met with Fiumara and DePiro for an illegitimate purpose, or that he knew or should have known of their criminal histories. Rather, since the Act "is just as concerned with the perception of corruption as it is with actual collusion between hiring agents and organized crime," Pontoriero's alleged association only needed to create a reasonable belief that his continued participation as a hiring agent was inimical to the Act, and adverse to public confidence and trust. In so holding, the court found that the Act's association provision was not unconstitutionally vague. The court also found that the penalty of revocation of Pontoriero's license does not shock one's sense of fairness. The Court held that, "[a]ppellant's position as a hiring agent is a sensitive position, granting discretionary authority over longshore workers, and serving as the keystone to corruption on the waterfront. Appellant's association with the Genovese family demonstrates a lack of good character and integrity, and allowing him to continue working

as a hiring agent would further undermine public confidence in the integrity and stability of the waterfront." Fiumara died during the pendency of the Pontoriero hearing, and DePiro pleaded guilty to Racketeering Conspiracy in December of 2014 in connection with the extortion of Christmastime tributes from ILA members working on the New Jersey piers.



Pasquale Pontoriero Tino Fiumara Stephen DePiro

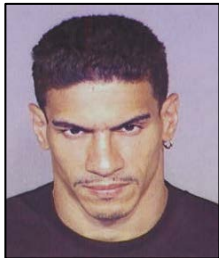


January 8, 2015 - Former ILA Local 1235 Vice President Sentenced to Federal Prison for Extortion Conspiracy Involving Christmastime Tribute Payments. Michael Trueba, of Kearny, NJ, the former Vice President of ILA Local 1235 and longshore supervisor on the piers was sentenced to 8 months in prison for conspiring to extort others in Local 1235 of the ILA for Christmastime tribute payments. Trueba had previously pleaded guilty to conspiring to extort Christmastime tributes from the union members. During his guilty plea, Trueba admitted to conspiring with Maher Terminal head timekeeper Rocco Ferrandino and others to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. Trueba, the former vice president of ILA Local 1235, was suspended from his position on the waterfront by the Waterfront Commission following his arrest in this case.

January 9, 2015 - Former Jersey City Police Officer Sentenced to Federal Prison for Cargo Theft and Extortion. A former Jersey City police officer was sentenced today to 36 months in prison for his role in stealing more than half a million cigarettes from a trailer and extorting \$20,000 from a drug courier who turned out to be an undercover agent. Mario Rodriguez aka “Mad Dog” of Jersey City, NJ, previously pleaded guilty before U.S. District Judge Anne E. Thompson to cargo theft and conspiracy to commit Hobbs Act extortion under color of official right. In addition to the prison term, Thompson was sentenced to serve three years of supervised release and was ordered to pay a \$2,000 fine.



January 20, 2015 - Pier 92 Burglar Sentenced to Prison. Fernando Gonzales of the Bronx was sentenced today by Supreme Court Justice Jill Konviser to a term of from 2 to 4 years in New York State Prison. Gonzales had previously pleaded guilty to Burglary in the Third Degree in connection with the January 30, 2014 burglary and theft of a safe from Port Parties Limited located at Pier 92 in Manhattan. Gonzales had been quickly identified as the perpetrator of the crime by detectives from the Waterfront Commission and the New York City Police Department, but had fled New York City. On July 1, 2014, Waterfront Commission detectives located Gonzales in Troy, New York and arrested him there. The New York County District Attorney’s Office prosecuted the matter.



January 21, 2015 - Checker Revoked for Associating with Genovese Soldier and Misappropriating Money from Maher Terminals. The Commission ordered the immediate revocation of the registration of checker Seth Dolled. After a hearing, an Administrative Law Judge found that Dolled associated with Joseph Queli, a convicted racketeer, career offender, and soldier in the Genovese Crime Family. The judge also found that on multiple occasions, Dolled misappropriated money from his employer, Maher Terminals in Elizabeth, New Jersey.



Joseph Queli

Seth Dolled

The ALJ found that, as a soldier of the Genovese Crime Family, Joseph Queli was responsible for loansharking and illegal gambling operations at multiple locations, including Maher Terminals. Queli has been convicted of both racketeering and loansharking. Dolled, a checker at Maher Terminals, associated with Queli. Dolled lived at Queli's home, gambled and vacationed with Queli, and visited him in prison. Dolled also co-owns Forgotten Boardwalk Brewing LLC (FBB),

a business that was based in Queli's home. Queli's home equity loan was the source of \$284,545 of financing for Dolled's business. The ALJ found that Dolled, "through the incorporation of [FBB] . . . and loans associated therewith, developed a financial association with Joseph Queli. Such a financial relationship with a loanshark would be inimical to the integrity of the waterfront and to the policies of the Waterfront Commission Act . . ." The ALJ also found that Dolled misappropriated money from Maher by creating a false impression that he was working at Maher during periods of time when he was, in fact, not working. Dolled collected overtime pay for work at Maher Terminals when he was at the home of Joseph Queli. The Commission concurred with the ALJ's finding that Dolled lacks the requisite good character and integrity, and revokes his checker registration.

January 23, 2015 - Former Top Union Official and Two Co-Defendants Plead Guilty in Investigation into Scheme to Extort Money From Dock Workers.



Nunzio LaGrasso

Rocco Ferrandino

Alan Marfia

Florham Park, NJ – the former Secretary-Treasurer of ILA Local 1478 and former Vice President of the Atlantic Coast District of all ILA locals – pleaded guilty today to conspiracy to commit commercial bribery and money laundering before Superior Court Judge Salem Vincent Ahto in Morris County.

Rocco Ferrandino of Lakewood, NJ, who was a timekeeper at Maher Terminal in Port Newark/Elizabeth, also pleaded guilty to conspiracy to commit commercial bribery and money laundering. LaGrasso's nephew, Alan Marfia of Kenilworth, NJ, a former Newark police officer, pleaded guilty to conspiracy to commit computer theft for using police databases to obtain information for LaGrasso about undercover police vehicles that were conducting surveillance near his union office. The state will recommend that Marfia be sentenced to three years in state prison. He will be permanently barred from law enforcement and any form of public employment. The charges stemmed from an investigation into a scheme to extort money from dock workers by demanding "tribute" for better jobs and wages. The three men were indicted in 2011 in "Operation Terminal," an investigation by the New Jersey Attorney General's Office - Division of Criminal Justice and the Waterfront Commission into the activities of a criminal enterprise that exercised control and corrupt influence over ILA locals operating shipping terminals at the Port of New York and New Jersey. Two other defendants previously pleaded guilty. The guilty pleas were announced by New Jersey Acting Attorney General John H. Hoffman:

- "This union official sold out the hardworking union members he was supposed to serve, extorting money from them in a criminal tribute scheme that belongs in an old Hollywood movie, but certainly not on the modern-day docks of our port," said Acting Attorney General Hoffman. "We will continue to work with the Waterfront Commission and our federal partners to maintain vigilance and eliminate organized crime on the waterfront."
- "By sending corrupt union officials like LaGrasso to prison together with his criminal confederates, we are working to remove all vestiges of criminal influence from commerce at our major shipping terminals," said Director Elie Honig of the Division of Criminal Justice. "This case is a strong example of our ongoing partnership with the Waterfront Commission to combat organized crime."
- "These guilty pleas are another step in the continuing battle to rid the Port of organized criminal activity," said New Jersey Waterfront Commissioner Michael Murphy. "The

Waterfront Commission is committed to working with its law enforcement partners through both criminal and administrative actions to rid the harbor of those who prey on hardworking dockworkers. It is particularly egregious when a union official preys upon those he is legally bound to represent and protect. Such conduct will be vigorously investigated and prosecuted.”

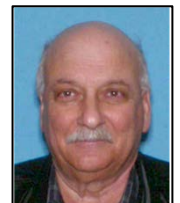
March 3, 2015 – Port Watchman Suspended After Arrest on Insurance Fraud and Other Charges.

Port Watchman Michael Mesquita was suspended by the Commission and a Notice of Hearing issued after he was arrested and charged with Insurance Fraud, Falsifying Business Records, Making a Punishable False Written Statement, Falsely Reporting an Incident, and Leaving the Scene of an Incident without Reporting/Property Damage. According to the Criminal Court Complaint, Mesquita left the scene of a motor vehicle accident without exchanging information with witnesses. Mesquita subsequently falsely reported to both the New York City Police Department and Geico Insurance Company that his vehicle had been stolen when in fact it had been involved in the accident. The criminal case is being prosecuted by the Queens County District Attorney’s Office. The Commission temporarily suspended Mesquita’s license as a port watchman pending the outcome of an Administrative Hearing on the matter.



March 6, 2015 - Former Maher Terminal Timekeeper Sentenced to State Prison.

Former Checker Rocco Ferrandino, of Lakewood, New Jersey, was sentenced to three years in state prison on his plea to conspiracy to commit commercial bribery and money laundering in front of Superior Court Judge Robert J. Gilson in Morristown, New Jersey. Ferrandino, who was the Timekeeper at Maher Terminals in Port Newark/Elizabeth, was one of six individuals arrested in the joint Waterfront Commission and New Jersey Division of Criminal Justice investigation into a scheme to extort money from dock workers by demanding “tribute” for better jobs and wages.



March 12, 2015 - Ten Members and Associates of Decavalcante Organized Crime Family Arrested and Charged With Murder Plot, Cocaine Distribution and Prostitution Business.

Ten members and associates of the DeCavalcante organized crime family of were arrested and charged with various plots to commit murder, distribute drugs and run a prostitution business. Charles Stango of Henderson, Nevada, Frank Nigro of Toms River, NJ and Paul Colella of Toms River, NJ were arrested and charged for their roles in a plot to kill a rival family member. Charles Stango was also charged along with his son, Anthony Stango of Brick, NJ, with conspiring with members of his NJ-based “crew” to distribute cocaine and run a prostitution business. John Capozzi of Union, NJ; Mario Galli of Toms River, NJ; and Nicholas Degidio of Union, NJ, were also charged with cocaine distribution. Stango, a captain in the DeCavalcante family, allegedly sought and obtained permission from Nigro, the crime family’s consigliere (counsel) and other upper-echelon members of the crime family, to kill a rival member living in NJ. Colella’s role was to speak on behalf of Charles Stango to ensure the killing would be approved by other ranking members. Charles Stango discussed his plans, which included hiring two members of an outlaw biker gang to shoot the rival gang member, with an undercover agent. Charles and Anthony Stango also allegedly planned to operate a high-end escort service targeting white collar businessmen and professionals in the Toms River area. As part of the plan, their crew would establish a legal club as a front for the prostitution business in order to avoid law enforcement scrutiny.



Charles Stango “Charlie the Hat” Decavalcante Capo
 Anthony Stango “Whitey” Associate
 Paul Colella “Knuckles” Associate
 Frank Nigro “Shipe” Consigliere
 John Capozzi “Johnny Balls” Associate
 Luigi Oliveri “Dog” Decavalcante Soldier
 Nicholas Degido “Nicky” Associate
 Rosario Pali Associate
 Mario Galli Associate
 James Heeney “Jimmy Smalls” Associate

Also arrested were three members of a separate “crew” of the crime family: James Heeney, of Elizabeth, NJ, and Rosario Pali, 35, of Linden, New Jersey, were charged with conspiring to distribute more than 500 grams of cocaine. Heeney and Pali were recorded on various occasions between August 2012 and March 2013, providing undercover officers with quantities of cocaine in exchange for cash and counterfeit goods. Luigi Oliveri of Elizabeth, NJ was charged with the possession of contraband cigarettes. Between June and November 2013, Oliveri bought multiple cases of untaxed cigarettes from undercover law enforcement officers. The Waterfront Commission was part of the investigative task force. The case is being prosecuted by the Office of the U.S. Attorney for the District of New Jersey - Organized Crime/Gangs Unit.

March 25, 2015 - Terminal Manager’s Pier Superintendent’s License Denied for Associating with Organized Crime Figures. The Commission unanimously ordered the denial of the application submitted by Ports America, Inc. on behalf of Eduardo Cangiano for a pier superintendent’s license because of Cangiano's longstanding associations with organized crime figures. Following a hearing, Cangiano was found by an Administrative Law Judge to have associated with (1) Nicholas Furina, a longtime associate of the Genovese organized crime family who was removed from the waterfront following a conviction for theft by deception; and (2) Joseph LaScala, a Capo in the Genovese organized crime family who is currently under indictment on racketeering charges. Cangiano was employed by Ports America as a Terminal Manager at its Port Newark car facility. Cangiano was found to have associated with Furina and LaScala in circumstances which create a reasonable belief that his participation in any activity requiring a license by the Commission would be inimical to the policies of the Waterfront Commission Act. In doing so, the ALJ relied on the recent decision of the New Jersey Superior Court - Appellate



Eduardo Cangiano Joseph “Pepe” LaScala Nicholas Furina

Division, In Re Pontoriero, and noted that in addition to actual collusion, the Waterfront Commission Act is concerned with the perception of corruption because it fosters an atmosphere in which organized crime thrives. The ALJ also found that by maintaining these relationships, Cangiano demonstrated that he lacks the good character and integrity required of a pier superintendent.

April 15, 2015 - Former Top ILA Official Sentenced to 28 Months in Federal Prison for Conspiring in Scheme to Extort Money from Dock Workers.

Nunzio LaGrasso, the former Vice President of ILA Local 1478 and ILA Atlantic Coast District Vice President, was sentenced to 28 months in prison for his role in the affairs of the Genovese organized crime family of La Cosa Nostra including engaging in a pattern of racketeering activity by extorting Christmastime tribute payments from ILA members. LaGrasso previously pleaded guilty before U.S. District Judge Claire Cecchi to charges of racketeering conspiracy. He admitted to predicate acts involving conspiracy to commit extortion and multiple extortions. During his guilty plea proceedings, LaGrasso admitted his involvement in the Genovese family, including conspiring to compel tribute payments from ILA union members, who made the payments based on actual and threatened force, violence and fear. LaGrasso admitted to carrying out multiple extortions of dockworkers. The timing of the extortions typically coincided with the receipt by certain ILA members of "Container Royalty Fund" checks, a form of year-end compensation. In addition to the prison term, LaGrasso was sentenced to 2 years of supervised release, and fined \$25,000.



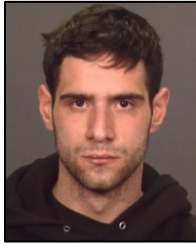
April 15, 2015 – Former Top ILA Official Sentenced to Six Years in New Jersey State Prison for Conspiring in Scheme to Extort Money from Dock Workers. In addition to his federal sentence, former ILA official Nunzio LaGrasso was sentenced to state prison on charges resulting from an investigation into a scheme to extort money from dock workers by demanding "tribute" for better jobs and wages. LaGrasso was indicted in 2011 with two others in "Operation Terminal," an investigation by the New Jersey Attorney General's Office - Division of Criminal Justice and the Waterfront Commission into the activities of a criminal enterprise that exercised control and corrupt influence over ILA locals operating shipping terminals at the Port of New York and New Jersey. LaGrasso pleaded guilty on January 23, 2015 to a second-degree charge of conspiracy to commit commercial bribery and money laundering. He was sentenced to six years in state prison by Superior Court Judge Robert J. Gilson in Morris County.

The investigation into the criminal enterprise at the New Jersey waterfront revealed that ILA members working at the shipping terminals were required to make a cash "tribute" payment at Christmas time each year to the enterprise out of the year-end bonuses each ILA member receives called "container royalty checks." Those payments were funneled to the criminal enterprise through LaGrasso. Union members were required to make the payments in order to receive high-paying jobs, preferred shift assignments and overtime, all as determined under the influence of the criminal enterprise. Each of the thousands of union members were required to make a payment that typically ranged from a couple of hundred dollars to a couple of thousand dollars, depending on the size of the container royalty check. LaGrasso collected some tribute payments directly, but usually relied on accomplices to collect them.

April 17, 2015 - Genovese Soldier Sentenced to Federal Prison for Racketeering Conspiracy Including the Extortion of Christmastime Tribute Payments from ILA Members.

Stephen Depiro was sentenced to 41 months in prison for his role in the affairs of the Genovese organized crime family, including engaging in a pattern of racketeering activity by extorting Christmastime tribute payments from ILA members of the ILA. As reported above, DePiro, who is a Genovese family soldier, previously pleaded guilty to racketeering conspiracy charges, and admitted to predicate acts involving conspiracy to commit extortion and bookmaking. In addition to the prison term, Depiro was sentenced to serve three years of supervised release.





April 28, 2015 - Longshoreman Suspended After Arrest for Theft and Criminal Possession of Stolen Property. Longshoreman Michael Natoli was suspended by the Waterfront Commission after his arrest in Brooklyn, New York, for Grand Larceny in the 4th Degree, and Criminal Possession of Stolen Property in the 4th Degree. Natoli stole almost \$2,000 worth of refrigeration equipment and copper pipe by deception. Natoli falsely represented himself as an employee of a legitimate refrigeration company, and placed/picked up an order from that company. Natoli plead guilty in Kings County Supreme Court to Grand Larceny in the 4th Degree, a Class E Felony. The Commission temporarily suspended Natoli's longshoreman registration pending the outcome of an administrative hearing. The Kings County District Attorney's Office is prosecuting the criminal matter.

June 2, 2015 – Member of Decavalcante Crime Family Pleads Guilty to Cocaine Distribution. Nicholas DeGidio, an associate of the DeCavalcante organized crime family, pleaded guilty before U.S. District Court Judge William H. Walls to distribution of more than 500 grams of cocaine. As previously reported in this report, DeGidio was arrested in March 2015 along with nine other members of the DeCavalcante crime family. Between December 2014 and March 2015, in conjunction with other family associates, DeGidio sold more than ½ kilo of cocaine to an undercover agent for at least \$78,000. The Waterfront Commission was part of the investigative task force. The case is being prosecuted by the U.S. Attorney's Office for the District of New Jersey, Organized Crime and Gangs Unit.



June 22, 2015 – Elizabeth Longshoreman Charged in Mortgage Modification Fraud Scheme and Suspended by Commission from Working at the Port. A longshoreman was suspended by the Waterfront Commission from working at the Port Newark-Elizabeth Marine Terminal after he was charged with theft by deception. Pedro Lopez of Elizabeth, NJ was charged with bilking half a dozen co-workers out of nearly \$87,000 through a fraudulent mortgage loan modification program. The case was referred by the Waterfront Commission to the Union County Prosecutor's Office's Special Prosecutions Unit earlier this year. A joint investigation involving both law enforcement agencies determined that, starting in June 2010, Lopez began approaching co-workers to solicit their involvement in a mortgage loan modification program he claimed would significantly lower their individual mortgage payments or eliminate their mortgages altogether. Each victim was required to pay \$15,000 to become part of the program, and several were later asked for additional funds for the processing of paperwork. Lopez allegedly collected a combined total of \$86,800 from the six victims, and despite reassuring them for nearly five years that the program took time to yield results, none of the promised savings ever materialized. The case is being prosecuted by the Union County Prosecutor.