

Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

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Former Union Official Admits Receiving Unlawful Cash Payments from Chicago Business

CHICAGO — A former high-ranking official in a labor union admitted in federal court today that he accepted \$325,000 in unlawful cash payments from a Chicago business and failed to report the payments on his federal tax returns.

JOHN T. COLI SR., 59, of Chicago, pleaded guilty to one count of receiving a prohibited payment as a union officer, and one count of making a false income tax return. The charges are punishable by a combined maximum sentence of eight years in federal prison. U.S. District Chief Judge Rebecca R. Pallmeyer did not immediately schedule a sentencing date. A status hearing was set for Oct. 31, 2019, at 9:30 a.m.

The guilty plea was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Jeffrey S. Sallet, Special Agent-in-Charge of the Chicago office of the FBI; Irene Lindow, Special Agent-in-Charge of the U.S. Department of Labor's Office of Inspector General in Chicago; and Tara Sullivan, Acting Special Agent-in-Charge of the Chicago office of the Internal Revenue Service Criminal Investigation Division. The government is represented by Assistant U.S. Attorneys Amarjeet S. Bhachu and Abigail Peluso.

Coli served from 2000 to 2017 as the Secretary-Treasurer of Teamsters Local Union 727. Coli admitted in a plea agreement that from 2014 to 2017, he received quarterly payments of \$25,000 from a Chicago business that employed workers represented by Local 727. The money was paid to Coli in cash in order to conceal Coli's receipt of the payments, the plea agreement states. Coli acknowledged in the plea agreement that had law enforcement not intervened, he expected to receive four more quarterly payments from the company and then retire from the union.

The tax count pertains to Coli's knowing and willful failure to report the secret cash payments as income for the calendar years 2014 through 2016. This conduct resulted in a federal tax loss of approximately \$105,000, and a State of Illinois tax loss of approximately \$12,500. In addition, Coli acknowledged in the plea agreement that he received income and other benefits from representatives of businesses that dealt with Local 727 that were not properly disclosed to the U.S. Department of Labor. According to the plea agreement, the benefits included meals in Las Vegas and other cities, free box seat tickets to National Football League and Major League Baseball games, use of a yacht in the U.S. and Italy, and periodic cash payments.