



*United States Attorney
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FORMER UNION OFFICIAL PLEADS GUILTY TO EMBEZZLEMENT

TRENTON, N.J. - A former official for a union headquartered in Edison, New Jersey, today admitted embezzling funds from the union's employee benefit plan, U.S. Attorney Craig Carpenito announced.

Sergio Acosta, 65, of Utuado, Puerto Rico, formerly of Passaic, New Jersey, pleaded guilty before U.S. District Judge Anne E. Thompson in Trenton federal court to a superseding information charging him with one count of theft, embezzlement and conversion to his own use, or to the use of another, money and funds of an employee welfare benefit fund.

According to documents filed in this case and statements made in court:

Acosta was the former president and a representative of United Auto Workers Local 2326, as well as a trustee of its health and welfare fund. Lawrence Ackerman, 53, of Old Tappan, New Jersey, allegedly formed Atlantic Business Associates (ABA) and other shell companies in 2001 in order use the Local 2326 welfare fund to provide medical insurance coverage to individuals who were not employees of ABA and therefore ineligible to participate in the union's welfare fund. These individuals were willing to pay excessive monthly premiums to obtain medical coverage provided by Local 2326 welfare fund because they were unable to get similar coverage elsewhere.

Local 2326 was also obligated to pay contributions for its own staff employees to the welfare fund, which would in turn pay premiums to Blue Cross Blue Shield. However, based on the hundreds of ineligible enrollees that were recruited by Ackerman and permitted to use the Local 2326 fund, Acosta failed to pay premiums for his own staff employees that were still due to the fund from July 2011 through October 2012.

Acosta faces a maximum potential penalty of five years in prison and a \$250,000 fine. Restitution will be determined at his sentencing, which is scheduled for Sept. 21, 2018.

Acosta and Ackerman were originally charged by indictment with conspiracy to defraud Horizon Blue Cross Blue Shield and the Local 2326 health and welfare fund with fraudulent health care claims. Those charges against Acosta will be dismissed at sentencing.

The charges and allegations against Ackerman are still pending, and he is considered innocent unless and until proven guilty. Ackerman is scheduled for trial on Oct. 22, 2018.

U.S. Attorney Craig Carpenito credited special agents of the U.S. Department of Labor, Office of Inspector General, under the direction of Acting Special Agent in Charge Peter Nozka in New York; and the Office of Employee Benefit Security Act (EBSA), under the direction of Acting Regional Director Thomas Licetti in New York, with the investigation.

The government is represented by Senior Litigation Counsel V. Grady O'Malley of the U.S. Attorney's Office Organized Crime/Gangs Unit.

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Defense counsel: Alan Silber Esq., Hackensack, New Jersey.

- [Acosta.Information.pdf](#)