

United States Attorney District of New Jersey

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HUSBAND AND WIFE FROM BERGEN COUNTY, NEW JERSEY, ADMIT EMBEZZLING MORE THAN \$150,000 FROM UNION BENEFIT PLAN

NEWARK, N.J. – A husband and wife from Northvale, New Jersey, today admitted using a union health care benefit plan to steal more than \$150,000 for their personal use, U.S. Attorney Paul J. Fishman announced today.

Leonard Telesca, 62, pleaded guilty before U.S. District Judge Esther Salas in Newark federal court to Count One of an indictment charging him with conspiracy to embezzle from a health care benefit program. Joann Telesca, 63, pleaded guilty before Judge Salas to Count Two of the indictment charging her with embezzling funds from the benefit program.

According to statements made and documents filed in court:

Between 2006 and 2011, Leonard and Joann Telesca operated the United International Brotherhood of All Trades, Technologies, Service, Administration, and Medical Workers Union ("All Trades Union"). All Trades Union sponsored a welfare fund to provide health care coverage to union participants, who were recruited over the internet. As administrators of the plan, Leonard and Joann Telesca were required to ensure that the funds were used exclusively for the benefit of union members.

Leonard Telesca admitted that from February 2009 through April 2011, he embezzled \$159,598 in benefit funds for personal expenses. According to the indictment, the funds were used for mortgage payments on his residence and other rental property, cruises and luxury hotel stays. Joann Telesca admitted that from September 2009 through March 2010, she used \$13,369 in benefit funds to make mortgage payments on a personal rental property in River Vale, New Jersey.

The charges to which Leonard and Joann Telesca pleaded guilty each carry a maximum potential penalty of five years in prison and a \$250,000 fine. Sentencing for both defendants is scheduled for Feb. 8, 2016.

U.S. Attorney Fishman credited special agents of the Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, under the direction of

Special Agent in Charge Cheryl Garcia, New York Region, and the Employee Benefit Security Administration (EBSA) under the supervision of New York Regional Director Jonathan Kay, with the investigation.

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

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Defense counsel: Leonard Telesca: Brian Neary Esq., Hackensack, New Jersey Joann Telesca: Assistant Federal Public Defender Kevin F. Carlucci Esq., Newark