

Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

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Former Vice President Of Teamsters Labor Union Sentenced To 18 Months In Prison For Bribery

Audrey Strauss, Acting United States Attorney for the Southern District of New York, announced that JOHN ULRICH, the former vice president of International Brotherhood of Teamsters Local 812 (the "Union") and former trustee of the Union's employee health benefit plan (the "Plan"), was sentenced today in Manhattan federal court to 18 months in prison for soliciting tens of thousands of dollars in bribe payments from an executive with the Plan's Third Party Administrator (the "TPA-1") in exchange for using his influence to ensure the Union's continued retention of TPA-1 as its Plan administrator. United States District Judge Analisa Torres imposed today's sentence.

Acting U.S. Attorney Audrey Strauss said: "For years, John Ulrich betrayed the trust of the Union members who elected him in order to line his pockets with bribe money. For abusing his position of trust for his own financial benefit, Ulrich has been sentenced to federal prison."

According to the allegations in the Indictment, other filings in Manhattan federal court, statements made in court and publicly-available documents:

The Union has more than approximately 3,000 members, and represents workers in the beverage industry throughout the New York metropolitan area. The Union's members are covered by the Plan, which provides, among other things, life insurance, health insurance, dental, vision, and disability benefits to Union members and their families. As the Plan's third-party administrator, TPA-1 processed health insurance claims for participants in the Plan. At all times relevant to the Indictment, ULRICH was a member and officer of the Union and a trustee of the Plan.

In or about 2013, ULRICH was experiencing financial difficulties, and solicited bribe payments from an executive with TPA-1 ("Executive-1") of \$5,000 per quarter in exchange for using his influence to maintain TPA-1 as the Plan's third-party administrator. Before ULRICH solicited these bribes, the Plan had issued a request for proposals for a new third-party administrator, and TPA-1 was at risk of losing the Plan's business. ULRICH told Executive-1 that ULRICH would use his influence with the Union to ensure that the Plan continued to use TPA-1 to administer the Union's health care plan. Executive-1 agreed to make \$5,000 quarterly payments to ULRICH, and began doing so. Subsequently, despite receiving multiple bids from other third-party administrators, the Plan continued to work with TPA-1.

In or about 2014, ULRICH demanded increased bribe payments from Executive-1. In part, ULRICH told Executive-1 that these increased bribe payments were needed for another trustee of the Plan, and Executive-1 began making such increased payments. On or about September 19, 2015, ULRICH again solicited additional bribe payments for this trustee. In an email of the same date, ULRICH referred to the bribe payments as "pizza," and explained that the additional payments for the other trustee would be "good insurance" for them.

After a special board meeting convened by the Plan in February 2016, ULRICH was terminated as vice president and trustee of the Union and Plan, respectively. In total, ULRICH demanded, and Executive-1 paid, tens of thousands in bribes before ULRICH was removed from office.

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In addition to his prison term, ULRICH, 50, of Newburgh, New York, was sentenced to two years of supervised release, and was ordered to forfeit \$55,000, and to pay restitution in an amount to be determined later. As a result of ULRICH's conviction, for a period of 13 years he is prohibited from, among other things, being employed by a labor union or employee benefit plan, pursuant to 29 U.S.C. §§ 504 and 1111.

Ms. Strauss praised the Federal Bureau of Investigation, the U.S. Department of Labor Office of Inspector General, the U.S. Department of Labor Employee Benefits Security Administration, and the U.S. Department of Labor Office of Labor-Management Standards for their outstanding investigative work in this case.

This matter is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys Eli J. Mark and Louis A. Pellegrino are in charge of the prosecution.