

**Department of Justice**

U.S. Attorney's Office

District of New Jersey

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FOR IMMEDIATE RELEASE

Friday, September 27, 2019

## **Former Carpenters' Benefit Plan Administrator Indicted On Fraud Charges**

NEWARK, N.J. – The former administrative manager of the United Brotherhood of Carpenters (Carpenters Union) New Jersey/New York benefit funds was indicted today by a federal grand jury for defrauding the funds of more than \$1.5 million, U.S. Attorney Craig Carpenito announced.

George R. Laufenberg, 69, of Harvey Cedars, New Jersey, is charged in a five-count indictment with embezzlement of pension funds, embezzlement of deferred compensation payments, embezzlement of excess annuity fund contributions, conspiracy to embezzle with a “low-show” employee, and making a false statement in an annual financial report. He will be arraigned before a U.S. District Court Judge at a later date.

According to the indictment:

Laufenberg is the former administrative manager of the New Jersey Carpenter's Pension, Annuity, Health and Training/Apprenticeship Funds. He allegedly stole from the benefit plans by using his authority to self-deal and benefit himself with unapproved and improper distributions from pension and annuity funds. He also filed a false U.S. Department of Labor Form 5500 in which he denied he was improperly diverting annuity contributions into his paycheck.

Laufenberg, who earned an annual salary of approximately \$300,000, is charged with using his authority to unilaterally grant himself a \$120,000 pension and \$180,000 in annual deferred compensation, without retiring, or without giving notice or receiving approval from the funds' board of trustees. He is also charged with diverting into his paycheck monthly annuity contributions, contrary to IRS regulations. Laufenberg also used his authority to grant a personal friend, who was a low-show employee at the funds, a full salary with a pension, annuity contributions and full health care coverage.

The maximum penalty for each count is five years in prison and a \$250,000 fine.

U.S. Attorney Carpenito credited the investigators of the Department of Labor (DOL), Employee Benefit Security Administration (EBSA), under the supervision of Darren Cohen, Regional Director; special agents of the DOL Office of the Inspector General (OIG) under the supervision of Special Agent in Charge Michael Mikulka; and the agents of the Port Authority of New York/New Jersey, under the supervision of Inspector General Michael Nestor, with the investigation leading to today's indictment.

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

The charges and allegations in the indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Defense counsel: Peter W. Till Esq., Springfield Township, New Jersey