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**MANHATTAN U.S. ATTORNEY ANNOUNCES ARREST OF FORMER
VA HOSPITALWORKERS UNION PRESIDENT FOR THEFT**

Preet Bharara, the United States Attorney for the Southern District of New York, Andriana Vamvakas, the New York Acting District Director of the U.S. Department of Labor's Office of Labor-Management Standards ("DOL-OLMS"), and Jeffrey Hughes, Special Agent-in-Charge of the Northeast Field Office of the U.S. Department of Veterans Affairs, Office of the Inspector General ("VA-OIG"), announced today the arrest of FEDERCK C. PETRO, the former President of the American Federation of Government Employees, Local 2094 (the "Union"), for theft of Union funds. PETRO was arrested today and presented in Manhattan federal court before U.S. Magistrate Judge Theodore H. Katz.

Manhattan U.S. Attorney Preet Bharara stated: "As alleged, Federck Petro was a corrupt union president who abused his position by siphoning union funds into his own pockets. Today's arrest underscores this Office's ongoing commitment to working with our law enforcement partners to root out corruption in our nation's unions."

DOL-OLMS Acting District Director Andriana Vamvakas stated: "Union officials occupy positions of trust and, therefore, must ensure that the union's funds and other assets are used solely for the benefit of the union and its members. The U.S. Department of Labor's Office of Labor Management Standards is committed to rooting out and helping bring to justice those officials who betray their members' trust."

VA-OIG Special Agent-in-Charge Jeffrey Hughes stated: "Mr. Petro's actions were a serious breach of the union membership's trust, namely, the VA employees he represented."

According to the Complaint unsealed today in Manhattan federal court:

PETRO served as President of the Union, from February 2006 through July 2008. During that time, he wrote approximately 187 checks to himself from the Union's checking account, totalling approximately \$112,477.

The memo line on almost half of the checks PETRO wrote to himself contained the word “supplies,” or words and/or abbreviations to that effect in the memo line. However, the Union received any supplies it needed from the VA Hospital pursuant to the Union’s collective bargaining agreement.

Additionally, the other half of the checks PETRO wrote to himself contained the word “taxes,” or words and/or abbreviations to that effect in the memo line. However, when PETRO was removed from office, the Union had substantial tax arrears totalling more than \$70,000 with the United States Internal Revenue Service, the New York State Department of Labor, and the New York State Worker’s Compensation Board and PETRO had not made any payments himself toward those obligations.

* * *

PETRO, 57, of Brooklyn, New York, is charged with one count of theft of union funds while on United States property, which carries a maximum sentence of five years in prison.

Mr. Bharara praised the investigative work of the Department of Labor, Office of Labor-Management Standards and the U.S. Department of Veterans Affairs, Office of the Inspector General.

This case is being prosecuted by the Office’s Public Corruption Unit. Assistant United States Attorney Carrie H. Cohen is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

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