

# Department of Justice

United States Attorney Terrance P. Flynn  
Western District of New York

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FOR IMMEDIATE RELEASE  
APRIL 8, 2008  
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## **Federal Charges Brought Against Twelve Members of Operating Engineers Local 17**

United States Attorney Terrance P. Flynn announced today the unsealing of an 8-count Superseding Indictment, returned by a federal grand jury, charging 12 members of Operating Engineers Local 17, based in Hamburg, New York, with engaging in a violent scheme to extort jobs and compensation associated with those jobs from both local and out-of-town, businesses and their employees. The Superseding Indictment specifically accuses the defendants, including high-ranking officers of Local 17, with conspiracy to commit racketeering, and 7 counts of extortion, conspiracy to commit extortion, and attempted extortion. Charged in the Superseding Indictment were:

CARL A. LARSON, Union Organizer, age 43  
JAMES L. MINTER III, Union Organizer, age 36  
MARK N. KIRSCH, President and Business Manager, age 48  
GERALD H. FRANZ, JR., Business Representative, age 45  
JEFFREY A. PETERSON, Business Representative, age 45  
GERALD E. BOVE, retired, past Business Representative, age 62  
MICHAEL J. CAGGIANO, member, age 38  
JEFFREY C. LENNON, member, age 53  
KENNETH EDBAUER, member, age 63  
GEORGE DEWALD, member, age 50  
MICHAEL J. EDDY, member, age 39  
THOMAS FREEDENBERG, Business Representative, age 51

According to U.S. Attorney Flynn, the Superseding Indictment alleges that from at least January 1997 to December 2007, those high ranking officers and members of Local 17 participated in a criminal enterprise and that the principal objective of that enterprise was to force employers to hire workers selected by the defendants. The

Indictment alleges that the defendants threatened to commit and did commit acts of bodily harm, destruction of property, and workplace sabotage. The Indictment also alleges that those acts were not confined to construction sites, and included actions perpetrated against innocent bystanders.

U.S. Department of Labor Inspector General Heddell stated, “Today’s indictment is a critical first step toward releasing local industry and contractors from the stranglehold of corrupt union leaders who are charged with extortion, workplace sabotage and other labor racketeering crimes. The actions of several individuals have resulted in the delayed development of construction projects, unnecessary costs for contractors, and have ultimately had a negative impact on scores of workers in western New York State. My office remains committed to working with the U.S. Attorney’s Office, and our law enforcement partners, to aggressively investigate extortion, the use of violence and related labor racketeering violations.”

Special Agent in Charge Laurie J. Bennett of the Federal Bureau of Investigation also stated that, “Historically, on a national level, the FBI has prioritized its labor racketeering investigations to ensure the public’s economic and physical well being. Locally, the FBI has adopted this approach over the past decade with investigations into LIUNA Local 210, LIUNA Local 91 and now, the Operating Engineers Local 17, by removing traditional and non-traditional organized crime out of labor and union business. These arrests will restore confidence in the unions and allow honest, hard workers to be gainfully employed and allow our local economy to prosper. The FBI will continue to investigate these matters with our law enforcement partners to maintain integrity in the marketplace.”

All of the charged offenses are punishable by a maximum term of imprisonment of twenty years, a fine of \$250,000, or both. Additionally, the defendants will be ordered to forfeit any interest maintained or acquired in Local 17, including their management positions within the Union, should they be convicted of the racketeering charge. It should be noted that the fact that a defendant has been charged with a crime ... is merely an accusation and the defendant is presumed innocent until and unless proven guilty. (Disciplinary Rule 7-107(B)(6)).

U.S. Attorney Flynn reported that the Indictment was the product of a 5-year investigation. Mr. Flynn praised the tireless efforts of the investigating agencies and agents who actively participated in this long-term investigation: the United States Department of Labor, Office of Inspector General, under the leadership of Inspector General Gordon S. Heddell, the Federal Bureau of Investigation, under the leadership of Special Agent in Charge Laurie J. Bennett, and the New York State Police under

the leadership of Matthew S. Renneman, Detail Commander, Special Investigation Unit.

The prosecution is being handled by Assistant U.S. Attorneys Charles B. Wydysh and Anthony M. Bruce.