

FILED

MAY 25 2017 *cm*

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

17CR 373

UNITED STATES OF AMERICA

v.

JOHN A. MATASSA, JR

No.

Violations: Title 18, United States Code, Sections 641, and 1343, and Title 29, United States Code, Sections 439(c) and 501(c)

COUNT ONE

JUDGE KENNELLY

The SPECIAL JULY 2016 GRAND JURY charges:

MAGISTRATE JUDGE GILBERT

1. At times material to this indictment:

The Independent Union of Amalgamated Workers Local 711

(a) The Independent Union of Amalgamated Workers Local 711 (hereinafter "Local 711") was a "labor organization" within the meaning of Title 29, United States Code, Sections 402(i) and 402(j). It represented and admitted to membership individuals who were employed at several companies located in in the states of Wisconsin, Illinois, and Indiana. Local 711 filed a Form LM-3 Labor Organization Annual Report each year with the United States Department of Labor.

(b) According to Local 711's Constitution and By-Laws, Local 711 was to be governed by a seven-member Executive Board consisting of the President, Vice President, Secretary-Treasurer, and four Trustees elected by the membership of Local 711, with powers and duties established by and set forth in the Constitution and By-Laws.

(c) According to the Constitution and By-Laws, “[t]he President shall have the authority to hire or terminate employees and set wages.”

(d) According to Local 711’s Constitution and By-Laws, all checks were to be signed by the President and Secretary-Treasurer.

(e) Defendant JOHN A. MATASSA, JR was the Secretary-Treasurer of Local 711 from no later than in or around 2000 to the present. As such, JOHN A. MATASSA, JR was an officer and representative of a labor organization as described in Title 29, United States Code, Section 402(q) and was a fiduciary, pursuant to Section 501(a) of Title 29, United States Code. As a fiduciary, JOHN A. MATASSA, JR had a duty and obligation to: (1) hold the money and funds of Local 711 solely for the benefit of the union and its members as a group; (2) manage and expend Local 711’s funds in accordance with its Constitution and By-laws and applicable resolutions of its Executive Board; and (3) avoid acting, directly or indirectly, on his own personal behalf or for the benefit of any party whose interests were adverse to the interests of Local 711.

(f) According to Local 711’s Constitution and By-Laws, defendant JOHN A. MATASSA, JR, as Secretary-Treasurer, was responsible for handling monies after deposit into a bank designated by the Executive Board, keeping records of monies deposited and expended by him for the union, paying all approved bills or vouchers presented to him by the President, Executive Board, or the membership body, and keeping correct minutes of general membership and Executive Board meetings.

Social Security Old-Age Insurance Benefits

(g) The Social Security Administration administered retirement benefits to eligible individuals, which were paid from the Social Security Trust fund.

(h) Old-Age Insurance benefits were paid from the United States Department of the Treasury.

(i) The Social Security Administration provided full benefits to individuals who had attained normal retirement age. For beneficiaries born between the years of 1943 and 1954, the normal retirement age was 66.

(j) Beneficiaries who had not attained normal retirement age could elect to receive a reduced monthly benefit subject to withholding by the Social Security Administration should the beneficiary earn wages that exceed a lower exempt amount or a level of income set by the Social Security Administration. Beneficiaries who earn above another set amount determined by the Social Security Administration were not eligible for Old-Age Insurance benefits.

Defendant JOHN A. MATASSA, JR

(k) Defendant JOHN A. MATASSA, JR was a resident of Arlington Heights, Illinois.

(l) Defendant JOHN A. MATASSA, JR was born in 1951 and, by 2013, was eligible to apply for Old-Age Insurance benefits.

(m) On or about April 30, 2013, defendant JOHN A. MATASSA, JR submitted an application for Old-Age Insurance benefits to the Social Security Administration.

(n) On or about June 9, 2013, the Social Security Administration granted defendant JOHN A. MATASSA, JR's application for Old-Age Insurance benefits and began paying him benefits in or around July 2013, which payments have continued until the present.

2. Beginning no later than in or around February 2013, and continuing through the present, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN A. MATASSA, JR,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud and obtain money from the Social Security Administration and Local 711 by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, which scheme is further described in the following paragraphs.

3. It was part of the scheme that in or around February 2013, defendant JOHN A. MATASSA, JR, in his capacity as Secretary-Treasurer of Local 711, and contrary to his fiduciary duty to Local 711 and its members, placed his spouse on the Local 711 payroll without any intended role or job function, thereby shifting income to his spouse and reducing his own income in order to obtain Old-Age Insurance benefits from the Social Security Administration.

4. It was further part of the scheme that, in or around February 2013, upon adding his spouse to Local 711's payroll, defendant JOHN A. MATASSA, JR made a

corresponding reduction to his Local 711 salary and caused Local 711 to issue paychecks to his spouse.

5. It was further part of the scheme that defendant JOHN A. MATASSA, JR wrote the Local 711 paychecks paid to the order of his spouse and signed each check in his capacity as the Secretary-Treasurer of Local 711 without obtaining the signature of any other Local 711 official, including the President of Local 711.

6. It was further part of the scheme that defendant JOHN A. MATASSA, JR caused his spouse to endorse the Local 711 paychecks that were issued to her by JOHN A. MATASSA, JR and also caused the paychecks to be deposited in a bank account jointly controlled by JOHN A. MATASSA, JR and his spouse in order to use Local 711's funds for his own benefit.

7. It was further part of the scheme that, in order to obtain Social Security benefits to which he was not entitled, on or about April 30, 2013, defendant JOHN A. MATASSA, JR submitted an in-person application for Old-Age Insurance benefits at the Social Security Administration Office in Mount Prospect, Illinois, which application requested benefits beginning in or around July 2013.

8. It was further part of the scheme that, on or about April 30, 2013, to ensure that the Social Security Administration did not withhold any benefits payments, defendant JOHN A. MATASSA, JR estimated on his application for Old-Age Insurance that his annual income was \$15,120, a figure equaling the lower exempt amount.

9. It was further part of the scheme that defendant JOHN A. MATASSA, JR falsified meeting minutes for Local 711 dated February 14, 2013, which falsification purported to reflect the Executive Board's authorization of the hiring of his spouse.

10. It was further part of the scheme that, in order to obtain funds from Local 711 to which he was not entitled, from in or around February 2013 through in or around December 2015, defendant JOHN A. MATASSA, JR caused Local 711 to issue paychecks to his spouse, which paychecks were deposited in a bank account jointly controlled by JOHN A. MATASSA, JR and his spouse, and which paychecks JOHN A. MATASSA, JR increased with unauthorized salary increases in or around July 2014 and in or around February 2015.

11. It was further part of the scheme that, in order to obtain Social Security benefits to which he was not entitled, between in or around February 2013 and the present, defendant JOHN A. MATASSA, JR did not increase his own Local 711 salary, in order to avoid raising his income above the Social Security Administration's lower exempt amount for early retirees.

12. It was further part of the scheme that, in order to obtain Social Security benefits to which he was not entitled, defendant JOHN A. MATASSA, JR caused Local 711's accounting firm to submit Form W-2 and W-3, Wage and Tax Statements for the years 2013, 2014, and 2015 to the Social Security Administration for the purpose of determining JOHN A. MATASSA, JR's eligibility for Old-Age Insurance benefits.

13. It was further part of the scheme that between in or around July 2013 and present, defendant JOHN A. MATASSA, JR caused the Social Security Administration to wire to a bank account controlled by JOHN A. MATASSA, JR and his spouse benefits to which he was not entitled.

14. It was further part of the scheme that defendant JOHN A. MATASSA, JR concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence and purpose of the scheme and acts done in furtherance of the scheme.

15. On or about January 15, 2014, in the Northern District of Illinois, Eastern Division and elsewhere,

JOHN A. MATASSA, JR,

defendant herein, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the Federal Reserve Bank in East Rutherford, New Jersey, to Parkway Bank & Trust in Harwood Heights, Illinois, certain writings, signs, and signals, namely, a wire transfer of Old-Age Insurance benefits in the amount of \$1,631.70;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 14 of Count One of this indictment are incorporated here.

2. On or about December 16, 2015, in the Northern District of Illinois, Eastern Division and elsewhere,

JOHN A. MATASSA, JR,

defendant herein, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the Federal Reserve Bank in East Rutherford, New Jersey, to Parkway Bank & Trust in Harwood Heights, Illinois, certain writings, signs, and signals, namely, a wire transfer of Old-Age Insurance benefits in the amount of \$1,659.60;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(g) through 1(q) of Count One of this indictment are incorporated here.

2. On or about January 15, 2014, in the Northern District of Illinois, Eastern Division and elsewhere,

JOHN A. MATASSA, JR,

defendant herein, did steal, purloin, and knowingly convert to his own use money of the United States, namely, approximately \$1,631.70 in funds paid from the U.S. Treasury in the form of Old-Age Insurance benefits, which funds defendant was not entitled to receive;

In violation of Title 18, United States Code, Section 641.

COUNT FOUR

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(g) through 1(q) of Count One of this indictment are incorporated here.

2. On or about December 16, 2015, in the Northern District of Illinois, Eastern Division and elsewhere,

JOHN A. MATASSA, JR,

defendant herein, did steal, purloin, and knowingly convert to his own use money of the United States, namely, approximately \$1,659.60 in funds paid from the U.S. Treasury in the form of Old-Age Insurance benefits, which funds defendant was not entitled to receive;

In violation of Title 18, United States Code, Section 641.

COUNT FIVE

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(a) through 1(f) of Count One of this indictment are incorporated here.

2. On or about October 16, 2013, in the Northern District of Illinois, Eastern Division,

JOHN A. MATASSA, JR,

defendant herein, did embezzle, steal, and unlawfully and willfully abstract and convert to the use of another person, specifically, his spouse, the moneys, funds, property, and other assets of Local 711, that is, the sum of \$586.70;

In violation of Title 29, United States Code, Section 501(c).

COUNT SIX

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(a) through 1(f) of Count One of this indictment are incorporated here.

2. On or about July 2, 2014, in the Northern District of Illinois, Eastern Division,

JOHN A. MATASSA, JR,

defendant herein, did embezzle, steal, and unlawfully and willfully abstract and convert to the use of another person, specifically, his spouse, the moneys, funds, property, and other assets of Local 711, that is, the sum of \$738.82;

In violation of Title 29, United States Code, Section 501(c).

COUNT SEVEN

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(a) through 1(f) Count One of this indictment are incorporated here.

2. On or about February 4, 2015, in the Northern District of Illinois, Eastern Division,

JOHN A. MATASSA, JR,

defendant herein, did embezzle, steal, and unlawfully and willfully abstract and convert to the use of another person, specifically, his spouse, the moneys, funds, property, and other assets of Local 711, that is, the sum of \$847.85;

In violation of Title 29, United States Code, Section 501(c).

COUNT EIGHT

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(a) through 1(f) of Count One of this indictment are incorporated here.

2. On or about June 22, 2016, in the Northern District of Illinois, Eastern Division,

JOHN A. MATASSA, JR,

defendant herein, did embezzle, steal, and unlawfully and willfully abstract and convert to the use of another person, specifically, his spouse, the moneys, funds, property, and other assets of Local 711, that is, the sum of \$786.00;

In violation of Title 29, United States Code, Section 501(c).

COUNT NINE

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(a) through 1(f) of Count One of this indictment are incorporated here.

2. No earlier than in or around February 2013, in the Northern District of Illinois, Eastern Division,

JOHN A. MATASSA, JR,

defendant herein, did willfully make and cause to be made a false entry purporting to authorize Local 711's hiring and payment to his spouse salary, allowances, and other direct or indirect disbursements in a record of Local 711 required to be kept by Section 436 of Title 29, United States Code, that is, the Executive Board Minutes dated February 14, 2013, which is a record on a matter required to be reported in the annual financial report of Local 711 filed with the Secretary of Labor for fiscal year ending 2013, and which could be used to verify, explain, clarify, and check for accuracy and completeness the information required to be reported on such annual report;

In violation of Title 29, United States Code, Section 439(c).

COUNT TEN

The SPECIAL JULY 2016 GRAND JURY further charges:

1. The allegations in paragraphs 1(a) through 1(f) of Count One of this indictment are incorporated here.

2. No earlier than in or around May 2015, in the Northern District of Illinois, Eastern Division,

JOHN A. MATASSA, JR,

defendant herein, did willfully make and cause to be made a false entry purporting to authorize a salary, allowances, and other direct or indirect disbursements for the Secretary-Treasurer in a record of Local 711 required to be kept by Section 436 of Title 29, United States Code, that is, the Executive Board Minutes dated May 12, 2015, which is a record on a matter required to be reported in the annual financial report of Local 711 filed with the Secretary of Labor for fiscal year ending 2015, and which could be used to verify, explain, clarify, and check for accuracy and completeness the information required to be reported on such annual report;

In violation of Title 29, United States Code, Section 439(c).

FORFEITURE ALLEGATION

The SPECIAL JULY 2016 GRAND JURY alleges:

1. The allegations contained in Counts One, Two, Three, Four, Five, Six, Seven, and Eight of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violation of Title 18, United States Code, Sections 641 and 1343 and Title 29, United States Code, Section 501(c), as alleged in the foregoing indictment,

JOHN A. MATASSA, JR,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendant subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include, but are not limited to, approximately \$232,425.75.

4. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendants:

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to, or deposited with, a third party;
- C. has been placed beyond the jurisdiction of the Court;

- D. has been substantially diminished in value; or
- E. has been commingled with other property that cannot be divided without difficulty;

it is the intent of the United States to seek forfeiture of substitute property belonging to defendants under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), including the real property commonly known as 1103 South Fernandez Avenue, Arlington Heights, IL 60005, legally described as follows:

LOT 36 IN DEUTSCH'S CHANTILLY, BEING A SUBDIVISION IN THE NORTHWEST $\frac{1}{4}$ OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF ARLINGTON HEIGHTS, COOK COUNTY, ILLINOIS.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

ACTING UNITED STATES ATTORNEY