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## News Release

# COURT SENTENCES FORMER UNION HEALTH PLAN TRUSTEE AND VICE PRESIDENT TO 18 MONTHS IN PRISON AFTER U.S. DEPARTMENT OF LABOR INVESTIGATIONS

**NEW YORK, NY** – The U.S. District Court for the Southern District of New York has sentenced John Ulrich – former vice president of the International Brotherhood of Teamsters, Local 812 and former trustee of the Local 812 Health Fund – to 18 months in jail for soliciting bribe payments in violation of the Employee Retirement Income Security Act (ERISA).

The sentencing follows a joint investigation by the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA), Office of Labor-Management Standards (OLMS) and Office of Inspector General (OIG), and the FBI. The U.S. Attorney’s office for the Southern District of New York prosecuted the case.

Investigators found that, between 2013 and February 2016, Ulrich solicited bribe payments from an executive with the Local 812 employee health plan’s third-party administrator, in exchange for using his influence to ensure the union retained the administrator. The administrator processed health insurance claims for Local 812’s plan participants, approximately 3,000 members and their families. In February 2016, Ulrich was terminated as vice president of Local 812 and as a trustee of the Plan.

Indicted in February 2019, Ulrich pleaded guilty in December 2019 to one count of conspiracy to solicit and receive bribe payments to influence the operation of an employee benefit plan and was sentenced on July 22, 2020. In addition to his prison term, Ulrich faces 2 years of supervised release, must forfeit \$55,000 and pay restitution in an amount to be determined later. His conviction prohibits Ulrich from employment by a labor union or employee benefit plan for a period of 13 years.

“By his actions, the defendant violated his fiduciary obligation to perform his duties solely in the interests of union members and plan participants to serve his own interest. The U.S. Department of Labor will pursue plan trustees and other officials when they engage in criminal schemes to defraud private sector benefit plans,” said Employee Benefits Security Administration Acting Regional Director Thomas Licetti, in New York. “We are pleased for the opportunity to work collaboratively with our law enforcement partners in the Department’s Office of Labor-Management Standards and Office of the Inspector General, FBI and the U.S. Attorney’s Office, to protect plan participants.”

ERISA requires fiduciaries operate employee benefit plans solely in the interest of participants and beneficiaries. Employers and workers can reach EBSA toll-free at 866-444-3272 for help with problems related to private sector retirement and health plans.

EBSA’s mission is to assure the security of the retirement, health and other workplace related benefits of America’s workers and their families. EBSA accomplishes this mission by developing effective regulations; assisting and educating workers, plan sponsors, fiduciaries and service providers; and vigorously enforcing the law.

OLMS administers and enforces provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). The LMRDA promotes union democracy and financial integrity in private sector labor unions, and transparency for labor unions and their officials, employers and others. OLMS also administers provisions of the Civil Service Reform Act of 1978 and the Foreign Service Act of 1980, which extend comparable protections to federal sector labor unions.

The OIG conducts criminal, civil and administrative investigations into alleged violations of federal laws relating to Department of Labor programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation’s labor unions and employee benefit plans. Such matters should be promptly referred to the OIG Hotline (<https://www.oig.dol.gov/hotlinecontact.htm>) or 1-800-347-3756.

The mission of the Department of Labor is to foster, promote and develop the welfare of the wage earners, job seekers and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

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