



# Department of Justice

News Release

Tuesday, October 28, 2008

U.S. Department of Justice  
United States Attorney  
District of Rhode Island

## **Former union official, contractor are charged with illegal payment conspiracy**

**Harold Tillinghast**, a former Rhode Island-based organizer for Laborers International Union of North America (LIUNA), and **Gerald Diodati**, a construction contractor, have been charged in a federal complaint with conspiring to make and receive unlawful payments from employers to labor union officials.

United States Attorney Robert Clark Corrente and Bruce G. Ohr, Section Chief of the Organized Crime and Racketeering Section of the Department of Justice, announced the complaint, which was filed on October 17 in U.S. District Court, Providence, but placed under seal until today, when the defendants were arrested and appeared in court.

According to an affidavit supporting the complaint, in 2002 the Federal Bureau of Investigation opened an undercover construction firm, known as Hemphill Construction. In 2003, an undercover FBI agent, posing as a principal of Hemphill Construction, met with Diodati and Tillinghast. Diodati agreed with others to make payments to Tillinghast, and Tillinghast, in his role as a LIUNA official, agreed to receive the payments, which are prohibited by the Labor Management Relations Act, also known as the "Taft-Hartley" Act.

In 2003, the undercover FBI agent signed a collective bargaining agreement on behalf of Hemphill Construction with the Rhode Island Laborers District Council, acting on behalf of three unions, including LIUNA Local 271. In April 2003, Tillinghast told Diodati and the undercover

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agent that he would try to get Hemphill Construction a demolition contract with a redevelopment project in Providence, according to the affidavit.

According to the affidavit, in early May 2003 Tillinghast met with the undercover agent and Diodati at Hemphill Construction's offices. After discussing the redevelopment project, Diodati gave Tillinghast an envelope containing \$2,000 in cash. According to the affidavit, Diodati told Tillinghast that the undercover agent wanted to show his appreciation for Tillinghast's assistance.

Later in May 2003, Hemphill was awarded the demolition contract for the project. Diodati subsequently formed another company, Rhode Island Demolition, to perform the demolition work as a subcontractor to Hemphill, according to the affidavit.

Tillinghast, 44, of Cranston, and Diodati, 59, of Seekonk, Massachusetts, are charged with conspiracy to make illegal payments to a union official, in violation of the Taft-Hartley Act. They appeared today before U.S. Magistrate Judge Lincoln D. Almond, who released them on bond.

Because the offense is a felony, no plea was taken and the case is subject to review by a federal grand jury.

The investigation leading up to the complaint was conducted by the Federal Bureau of Investigation, the U.S. Department of Labor, the Rhode Island State Police, and Providence Police. Trial attorneys Scott Lawson and Vincent Falvo of the Justice Department's Organized Crime and Racketeering Section are prosecuting it.

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