



United States Attorney  
District of Connecticut

Press Release

September 3, 2008

### **OWNER OF TRASH EMPIRE SENTENCED TO MORE THAN SEVEN YEARS IN FEDERAL PRISON**

Nora R. Dannehy, Acting United States Attorney for the District of Connecticut, announced that JAMES GALANTE, 55, of New Fairfield, Connecticut, was sentenced today by Senior United States District Judge Ellen Bree Burns in New Haven to 87 months of imprisonment, followed by three years of supervised release, for his leadership of an extensive racketeering enterprise uncovered after a long-term investigation into the waste-hauling industry in Connecticut and eastern New York. Judge Burns also ordered GALANTE to pay a fine in the amount of \$100,000.

"I want to credit the outstanding investigative work performed by the Federal Bureau of Investigation, the Internal Revenue Service – Criminal Investigation Division, the U.S. Department of Labor, Office of Inspector General, the Connecticut State Police and several other law enforcement agencies that led to this successful prosecution," stated Acting U.S. Attorney Dannehy. "Their extraordinary efforts broke the back of an entrenched criminal enterprise that, for years, denied customers competitive pricing and threatened those who didn't play along. This prosecution and the sentence imposed today has sent a clear message to the waste industry that this kind of criminal conduct will not be tolerated."

According to documents filed with the Court and statements made in court, GALANTE was the majority owner of 25 trash companies located in western Connecticut, including Automated Waste Disposal (AWD), Diversified Waste Disposal (DWD), Superior Waste Disposal (SWD) and Transfer Systems, Inc. (TSI). On June 8, 2006, a grand jury in New Haven returned an Indictment charging GALANTE and others with various violations of federal law, including racketeering, racketeering conspiracy, mail and wire fraud, witness tampering, tax fraud and conspiracy charges. On June 12, 2007, GALANTE and others were charged in a Superseding Indictment. On June 3, 2008, GALANTE pleaded guilty to one count of conspiring to violate the federal Racketeer Influenced and Corrupt Organizations Act (RICO), one count of conspiring to defraud the Internal Revenue Service, and one count of conspiring to commit wire fraud.

In addition to pleading guilty to the criminal charges, GALANTE has forfeited (1) the entirety of his ownership interests in 25 trash hauling companies; (2) a residence located at 530 Main Street North, Southbury, Connecticut and adjoining parcels of land; (3) six racing cars; (4) a Featherlite Trailer used to haul the racing cars; (5) \$448,153.10 in United States currency, and all accrued interest, that was seized from GALANTE's business office and his home.

"The United States Marshals Service has monitored this extensive waste hauling operation for more than two years," Acting U.S. Attorney Dannehy said. "The U.S. Attorney's Office will work closely with the Marshals as these once-corrupt companies are forfeited and sold in order to help insure that they are placed in the hands of reputable parties and the public interest is served."

With respect to the racketeering conspiracy charge, GALANTE has admitted that, in 2005, he attempted to fix a bid for the operation of a transfer station in Connecticut. Specifically, GALANTE wanted to insure that the transfer station would be operated by a specific individual and directed several of his co-conspirators to attempt to rig the bid. For example, on or about January 25, 2005, pursuant to GALANTE's instructions, Ciro Viento, an operations manager at AWD and affiliated companies, spoke to an individual who worked for another trash hauling company in order to give him a "heads up" about an open bid to operate the Connecticut transfer station and, more specifically, to insure that this individual not win the bid. The attempt to fix the bid ultimately failed

when another company submitted a competitive bid. On January 28, 2005, Viento spoke with a representative of the company that won the bid to operate the transfer station. The individual apologized for having won the bid, stating "...you didn't tell me till late that you owned it . . . . I didn't have a chance to put the snuff on it before the bid went in."

GALANTE also has admitted that he instructed another co-conspirator to tamper with a witness scheduled to appear before the grand jury. During the course of the investigation, GALANTE learned that "Witness A" had been subpoenaed to testify before the grand jury. The defendant met with Witness A to review questions that federal prosecutors might ask. GALANTE told Witness A to "go over the answers" with another person because GALANTE did not want to get in trouble for obstructing justice. At a later date, at the direction of GALANTE, one of his co-conspirators contacted Witness A at GALANTE's business headquarters to go over the questions that might arise before the grand jury. The co-conspirator instructed Witness A how to answer questions on several subjects, including those that were material to the ongoing racketeering investigation. Specifically, the co-conspirator told Witness A to lie to the Federal Bureau of Investigation and the grand jury about providing cash on behalf of GALANTE and others to Joseph Milo, which would have been a material fact at trial.

As for GALANTE's participation in the conspiracy to defraud the I.R.S., according to documents filed with the Court and statements made by the prosecutor, GALANTE and others operated a multiple object scheme to defraud the I.R.S. with respect to both GALANTE's personal returns and certain corporate returns. In part, this scheme involved (1) preparing false and fraudulent expense checks that were paid to GALANTE; (2) placing a number of no-show employees on the payrolls of trash hauling companies and deducting the expenses related to these employees, including their salaries, health care costs, and expenses associated with the use of free cars, on corporate tax returns; (3) filing of false tax returns for 530 Main Street North, a company whose only asset was a house occupied by a co-conspirator; (4) providing payroll kickbacks to GALANTE from certain employees who received an extra paycheck that was cashed and provided to GALANTE, and (5) skimming cash from various business operations. Under the terms of the plea agreement, GALANTE has agreed to pay the I.R.S. \$1,637,129.89 in back taxes, interest, and penalties.

With respect to GALANTE's conspiracy to commit wire fraud, according to statements made in court, GALANTE was the owner of the Danbury Trashers of the United Hockey League during the 2004-2005 season. In pleading guilty, GALANTE admitted that he circumvented the League's \$275,000 annual salary cap by causing other co-conspirators to prepare and fax fraudulent salary cap reports to the UHL office in Iowa on approximately 30 different occasions. GALANTE admitted that he knew the salary cap reports were false, as he was aware that several Trashers players were receiving income above what was reported to the League. GALANTE admitted that he personally made the decision to pay several players \$100,000 in salary for the 2004-2005 season. Additionally, several Trashers players and/or their spouses were on the payroll of various waste hauling companies even though they performed no work for those companies. Certain players also received additional unreported compensation in the form of double housing allowance payments and/or cash bonuses that were not reported to the League. With these supplemented salaries, the Trashers' total payroll for the 2004-2005 season was approximately \$750,000.

As a condition of his guilty plea, GALANTE is required to withdraw from participating in the trash industry in the United States.

On March 26, 2007, Ciro Viento pleaded guilty to one count of conspiring to violate the federal Racketeer Influenced and Corrupt Organizations Act. He currently is serving a 30-month term of imprisonment.

On September 6, 2006, Joseph Milo pleaded guilty to one count of conspiring to defraud the Internal Revenue Service. On August 29, 2007, he was sentenced to six months of home confinement.

To date, 33 individuals and 10 businesses have been charged with various offenses as a result of this investigation. Thirty-two individuals have pleaded guilty.

This matter has been investigated by the Federal Bureau of Investigation, the Internal Revenue Service – Criminal Investigation Division, the United States Department of Labor, Office of Inspector General, and the Connecticut State Police. The United States Marshals Service, the Drug Enforcement Administration's Office of Professional Responsibility, and the Connecticut Department of Correction, and the Ansonia, Milford and New Haven police departments have provided critical assistance in the investigation. Assistant United States Attorneys Michael J. Gustafson, Raymond F. Miller, Henry K. Kopel and Anthony Kaplan are prosecuting this case.

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