

Luchese Wiseguy Gets a Break; But It Could Have Been Better

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On the surface, Luchese mobster Joseph Venice did well when he received 18 months in prison last month for being part of a \$3.2 million overbilling scheme against Bronx Lebanon hospital. It was six months less than the bottom number of his guidelines, and he and his lawyer each thanked the judge for giving him a "break" because he had a minor role in the huge scam.



Any time a defendant gets a sentence less than the recommended minimum is always a "break." But in Gang Land's humble opinion, Venice, 57, got a raw deal from the government. It singled him out for prosecution for his involvement in an \$80,000 fraud against the city hospital, not because he made any money in the scheme, and not because he ever intended to be part of a scam. They went after him because he's a Luchese wiseguy.

Venice, an ex-con who got out of prison in 2006 after a 12 year bid for drug dealing, should be able to do the relatively short 18 month bid without too much angst, even though he's got a few nagging medical problems. But Gang Land believes a non-custodial sentence would have been appropriate, and more than sufficient in the case. Here's why:



To begin with, the crime Venice committed was not his idea. In fact, he had so little to do with the fraud pulled off by the Sparrow Construction company and its mob-linked owner, Randolph (Randy) Silverstein, that prosecutors didn't even bother to file a sentencing memo in the case.

And Gang Land readers know that if they'd found any other allegations against Venice since he got out of prison 13 years ago they would've used them.

In addition, none of the other subcontractors in the \$3.2 million Silverstein scam — sources say they include an HVAC company that kicked back \$1.9 million, a steel company that gave Silverstein \$676K, and another firm that kicked back \$561K — were charged with a crime.

Neither was Silverstein, at least publicly, although it is likely he has pleaded guilty to the huge fraud in a sealed proceeding. As Gang Land reported last year, Silverstein is cooperating with the feds and is [slated to testify](#) as a prosecution witness that Luchese underboss Steven (Stevie Wonder) Crea was his partner in the scam at his racketeering and murder trial in October.

In a plea deal, Venice admitted last year that two of his bills that were submitted to Bronx Lebanon Hospital in 2012 were "fraudulently inflated" by \$80,000 for work at the hospital — now known as Bronx Care. The pumped up bills were part of a "wire and mail fraud" scheme involving Crea and Silverstein, the general contractor in the five-year-long \$30 million building project, according to the feds.



In reality, Venice [pleaded guilty](#) to giving \$80,000 he got from Bronx Lebanon to Silverstein, who — unknown to Venice — had added that amount to the legitimate invoices that Venice submitted for drywall work that his company performed during the five-year-long renovation of the city hospital.

That is not a defense claim. That is what assistant U.S. attorney [Scott Hartman](#) — as well as Judge Seibel — each stated was Venice's crime at his March 28 sentencing.

Hartman, who commended Venice for not returning to drug dealing or other criminal activity since 2006, and conceded that he "was not the primary driver of the scheme," nevertheless argued that he deserved up to 30 months in prison for "facilitat(ing) the theft or embezzlement of about \$80,000" by Sparrow and Silverstein.



White Plains Federal Judge Cathy Seibel, who does not mete out sentences below the minimum guidelines number very often, decided that this defendant deserved one. She noted that despite his long stretch behind bars, Venice was a hands-on dad for his two sons, two step daughters, and still had a great relationship with his ex-wife —all of whom wrote compelling letters to the judge.

The judge agreed with defense lawyers Bruno Gioffre and Lawrence DiGiansante that Venice, who originally bid \$1.4 million for the job, but then lowered it to \$980,000 when pressured by Silverstein, did nothing wrong in doing that to win the bid. And Seibel noted that Venice's role in the entire scheme was "pretty minor," that his "conduct was not really of his own making, and he didn't really get anything out of it."

The wiseguy's problem, the judge said, was that he "knew well that Sparrow was a mobbed-up construction company" with close ties to Crea. And he also knew that when Silverstein said "'I need you to kick me back this money,' Mr. Venice understood that if he didn't do that, that would be a problem for him in the Luchese Family."

"Most people who are in front of me on an \$80,000 fraud case would do better than" 18 months in prison, Seibel commented. But, Venice, as a mobster, had to pay a greater price because "when somebody wanted him to do something illegal," he did, because as a Cosa Nostra member "he was expected to go along with it. So it's not simply the affiliation that's the problem."



"It is a very bad thing to volunteer yourself to be a soldier in the Mafia," said Seibel, and even though it is "not illegal" to be a made man, "when you then do things because of that affiliation that break the law, I do think it makes them a little more serious than they would have been absent that affiliation."

Venice, whose company folded, told the judge he felt badly he hurt himself, his family, friends, and the employees he "let down" by the "bad decisions" he made. He insisted his "intentions were never to rob anybody out of any money or do anything that was underhanded," which, by all accounts, is the case. In the end, said Venice, "I accept whatever time that you see is right."

With good time off, Venice, who is slated to begin his prison term next month, should be home next year. And if he can restart his construction biz, it's a good bet he won't be doing any more work for Randy Silverstein.