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04-CR-05624-INFO

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

CR04 5624 FDB

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
LORRAINE EDWARDS,  
Defendant.

INFORMATION  
(Felony)

The United States Attorney charges that:

COUNT 1

(Embezzlement and Theft of Labor Union Assets)

Beginning on or about December 2, 1998, and continuing until on or about December 13, 1999, in the Western District of Washington, at Yelm, Washington, LORRAINE EDWARDS, while Treasurer of Fellow Associates Involved in Representation, a labor organization engaged in an industry affecting commerce within the meaning of Title 29, United States Code, Sections 402(i) and 402(j), did embezzle, steal, and unlawfully and willfully abstract and convert to her own use, the moneys, funds, securities, property, and other assets of said labor organization, in the approximate amount of four thousand three hundred forty eight dollars and forty four cents (\$4,348.44).

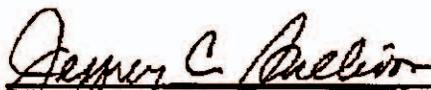
All in violation of Title 29, United States Code, Section 501(c).



1 Section 431, and willfully failed to maintain records required by Title 29, United States Code,  
2 Section 436.

3 All in violation of Title 29, United States Code, Section 436 and 439(a).  
4  
5

6  
7 DATED this 4<sup>th</sup> day of November, 2004.  
8

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10   
11 JOHN MCKAY  
12 United States Attorney

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14 SUSAN M. HARRISON  
15 Assistant United States Attorney

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17 KARYN S. JOHNSON  
18 Assistant United States Attorney  
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WESTERN DISTRICT OF WASHINGTON AT TACOMA

U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA  
04-CR-05624-APP1

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
LORRAINE EDWARDS,  
Defendant.

NO. CRO4-5624 FDB  
PLEA AGREEMENT

The United States of America, by and through John McKay, United States Attorney for the Western District of Washington, and Karyn S. Johnson, Assistant United States Attorney for said District, and the defendant, Lorraine Edwards, and her attorney, Christine D. Langley, enter into the following Agreement, pursuant to Federal Rule of Criminal Procedure 11(c):

1. Waiver of Indictment. Defendant, having been advised of the right to be charged by Indictment, agrees to waive that right and enter pleas of guilty to the charges brought by the United States Attorney in an Information.

2. The Charges. Defendant, having been advised of the right to have this matter tried before a jury, agrees to waive that right and enter pleas of guilty to the following charges contained in the Information. By entering these pleas of guilty, Defendant hereby waives all objections to the form of the charging document.

a. Embezzlement and Theft of Labor Union Assets, as charged in Count 1, in violation of Title 29, United States Code, Section 501(c);

1           b.     **Concealing, Withholding, and Destruction of Financial Records**  
2 **Required To Be Kept By Labor Union, as charged in Count 2, in violation of Title 29,**  
3 **United States Code, Section 439(c).**

4           c.     **Failure to File Required Reports, as charged in Count 3, in violation**  
5 **of Title 29, United States Code, Sections 439(a) and 439(d).**

6           d.     **Failure to Maintain Required Records, as charged in Count 4, in**  
7 **violation of Title 29, United States Code, Section 439(c).**

8           3.     **Elements of the Offense.**

9           a.     **The elements of the offense of Embezzlement and Theft of Labor**  
10 **Union Assets, as charged in Count 1, in violation of Title 29, United States Code, Section**  
11 **501(c), are as follows:**

12                     **First, the entity embezzled from was a labor union organization**  
13                     **within the meaning of 29 U.S.C. §§ 402(i) and 402(j);**

14                     **Second, the defendant was an officer of the labor organization within**  
15                     **the meaning of 29 U.S.C. §§ 402(n) during the period when the**  
16                     **offense occurred;**

17                     **Third, the actions of the defendant constituted embezzlement,**  
18                     **stealing, or unlawful and willful abstraction or conversion to her own**  
19                     **use or that of another; and,**

20                     **Fourth, the assets taken were moneys, funds, securities, properties, or**  
21                     **other assets of the labor organization.**

22           b.     **The elements of the offense of Concealing, Withholding, and**  
23 **Destruction of Financial Records Required To Be Kept By Labor Union, as charged in**  
24 **Count 2, in violation of Title 29, United States Code, Section 439(c), are as follows:**

25                     **First, a record required to be kept under 29 U.S.C. § 436 was**  
26                     **concealed, withheld or destroyed;**

27 //

1                    Second, the defendant concealed, withheld, or destroyed the record;  
2                    and

3                    Third, the defendant acted willfully.

4                    c.        The elements of the offense of **Failure to File Required Reports**, as  
5 charged in Count 3, in violation of Title 29, United States Code, Sections 439(a) and  
6 439(d), are as follows:

7                    First, a report required to be filed by 29 U.S.C. § 431 was not filed;

8                    Second, the defendant was required to file a report under 29 U.S.C. §  
9 431; and

10                    Third, the defendant's failure to file the report was willful.

11                    d.        The elements of the offense of **Failure to Maintain Required**  
12 **Records**, as charged in Count 4, in violation of Title 29, United States Code, Sections 436  
13 and 439(c), are as follows:

14                    First, a record required to be maintained by 29 U.S.C. § 436 was not  
15 maintained;

16                    Second, the defendant was required to maintain records under 29  
17 U.S.C. § 436; and

18                    Third, the failure to maintain the record was willful.

19                    4.        The Penalties.

20                    a.        Defendant understands that the statutory penalties for the offense of  
21 **Embezzlement and Theft of Labor Union Assets**, as charged in Count 1, are as follows:  
22 **Imprisonment for up to five (5) years, a fine of up to ten thousand dollars (\$ 10,000.00), a**  
23 **period of supervision following release from prison up to three (3) years, and one hundred**  
24 **dollar (\$100.00) penalty assessment. If defendant receives a sentence of probation, the**  
25 **probationary period could be up to five (5) years. Defendant agrees that the penalty**  
26 **assessment shall be paid at or before the time of sentencing.**

27                    b.        Defendant understands that the statutory penalties for **Concealing,**  
28 **Withholding, and Destruction of Financial Records Required To Be Kept By Labor Union**

1 as charged in Count 2; Failure to File Required Reports as charged in Count 3; and Failure  
2 to Maintain Required Records as charged in Count 4, are as follows for each count:  
3 Imprisonment for up to one (1) year, a fine of up to ten thousand dollars (\$10,000.00), a  
4 period of supervision following release from prison up to one (1) year, and a twenty five  
5 dollar (\$25.00) penalty assessment.

6 c. Defendant understands that in addition to any term of imprisonment  
7 and/or fine that is imposed, the Court may order Defendant to pay restitution to any victim  
8 of the offense, as required by law.

9 Defendant agrees that any monetary penalty the Court imposes, including the  
10 special assessment, fine, costs or restitution, is due and payable immediately, and further  
11 agrees to submit a completed Financial Statement of Debtor form as requested by the  
12 United States Attorney's Office.

13 Defendant understands that supervised release is a period of time following  
14 imprisonment during which she will be subject to certain restrictions and requirements.  
15 Defendant further understands that if supervised release is imposed and she violates one or  
16 more of its conditions, she could be returned to prison for all or part of the term of  
17 supervised release that was originally imposed. This could result in Defendant serving a  
18 total term of imprisonment greater than the statutory maximum stated above.

19 Defendant further understands and acknowledges that, pursuant to Title 29,  
20 United States Code, Section 504, she will be prohibited from holding any union office, or  
21 being employed by any union, for a period of thirteen (13) years from the date of her  
22 conviction, or from the end of any period of imprisonment imposed. Defendant hereby  
23 waives her right under Title 29, United States Code, Section 504, to file a motion with the  
24 court requesting that this period of prohibition be reduced.

25 5. Rights Waived by Pleading Guilty. Defendant understands that, by pleading  
26 guilty, she knowingly and voluntarily waives the following rights:

27 a. The right to plead not guilty, and to persist in a plea of not guilty;

28 //

- 1           b.     The right to a speedy and public trial before a jury of Defendant's  
2 peers;
- 3           c.     The right to the effective assistance of counsel at trial, including, if  
4 Defendant could not afford an attorney, the right to have the Court appoint one for  
5 Defendant;
- 6           d.     The right to be presumed innocent until guilt has been established at  
7 trial, beyond a reasonable doubt;
- 8           e.     The right to confront and cross-examine witnesses against Defendant  
9 at trial;
- 10          f.     The right to compel or subpoena witnesses to appear on Defendant's  
11 behalf at trial;
- 12          g.     The right to testify or to remain silent at trial, at which trial such  
13 silence could not be used against Defendant;
- 14          h.     The right to appeal a finding of guilt or any pretrial rulings;
- 15          i.     The right, to the extent required by law, to have sentencing factors  
16 charged in the Information or determined by a jury beyond a reasonable doubt.

17          6.     United States Sentencing Guidelines. Defendant understands and  
18 acknowledges that, absent applicable intervening law:

- 19           a.     The United States Sentencing Guidelines, promulgated by the  
20 United States Sentencing Commission, are applicable to this case;
- 21           b.     The Court will determine Defendant's applicable Sentencing  
22 Guidelines range at the time of sentencing;
- 23           c.     The Court may impose any sentence authorized by law, including a  
24 sentence that, under some circumstances, departs from any applicable Sentencing  
25 Guidelines range up to the maximum term authorized by law;
- 26           d.     The Court is not bound by any recommendation regarding the  
27 sentence to be imposed, or by any calculation or estimation of the Sentencing Guidelines  
28 range offered by the parties, or by the United States Probation Department; and

1 e. Defendant may not withdraw a guilty plea solely because of the  
2 sentence imposed by the Court.

3 7. Ultimate Sentence. Defendant acknowledges that no one has promised or  
4 guaranteed what sentence the Court will impose.

5 8. Restitution. Defendant shall make restitution to Fellow Associates Involved  
6 in Representation in the amount of four thousand three hundred forty eight dollars and  
7 forty four cents (\$4,348.44), with credit for any amounts already paid. Said amount shall  
8 be due and payable immediately and shall be paid in accordance with a schedule of  
9 payments as set by the United States Probation Office and ordered by the Court.

10 9. Statement of Facts. The parties agree on the following facts in support of  
11 Defendant's guilty plea and sentencing. Defendant admits she is guilty of the charged  
12 offense and expressly waives any right to have these facts determined by a jury beyond a  
13 reasonable doubt.

14 Fellow Associates Involved in Representation ("FAIR") is, and was at all  
15 applicable periods, an independent labor organization engaged in an industry  
16 affecting commerce within the meaning of 29 U.S.C. §§ 402(i) and 402(j), as  
17 evidenced by a collective bargaining agreement, as amended for 2001-2003, with  
18 Lasco Bathware, Inc., an employer engaged in interstate commerce. FAIR and  
19 Lasco Bathware, Inc. are located in Yelm, Washington. FAIR has approximately  
20 175 members, all of whom work for Lasco Bathware's manufacturing plant in  
21 Yelm. A member's annual dues to FAIR is \$15.00.

22 Lorraine Edwards became the Treasurer of FAIR in 1998. Edwards was the  
23 Treasurer until 1999, when she quit her job at Lasco Bathware and subsequently  
24 left her position at the union. As Treasurer of FAIR, it was Edwards' duty to keep  
25 the financial books and records of the union, get expenditures in excess of \$50.00  
26 authorized by the Executive Board, write checks for payment of bills, balance the  
27 checkbook each month, audit the bank account statements monthly, and report on  
28 the finances at FAIR's Executive Board meetings. Edwards had the overall  
responsibility for the finances of FAIR. As Treasurer of FAIR, Edwards was also  
required to sign and file with the Secretary of Labor an annual financial report  
during 1998 and 1999. Edwards was also required to maintain records on the  
matters required to be reported in the annual financial reports.

Edwards willfully failed to sign and file annual financial reports in 1998 and 1999.  
Edwards also willfully failed to maintain records on the matters required to be  
reported in annual financial reports. In fact, Edwards willfully concealed, withheld  
and destroyed records that FAIR was required to maintain.

Between December 2, 1998 and December 1999, during the time that Edwards was  
FAIR's Treasurer, Edwards willfully converted \$4,248.44 of union funds to her  
own use, by writing unauthorized checks on FAIR's bank account. Edwards wrote  
six checks to various vendors totaling \$730.94 to pay for goods and services that

1 Edwards put to her personal use. Edwards also wrote 10 checks payable to cash,  
2 which she kept, thereby converting approximately \$3,285.00 of FAIR's money for  
3 her personal use. Edwards also incurred \$132.50 in bank overdraft charges caused  
4 by her embezzlement of union funds. Edwards embezzled all of FAIR's money, in  
5 fact, she overdraw FAIR's account by \$615.09. Union members later contributed  
6 dues for the upcoming year so the officers could make up the overdrawn amount  
7 and close the account. Edwards also kept at least \$100.00 in cash from the  
8 proceeds of FAIR's garage sale, which did not belong to her.

9 **10. Sentencing Factors.** The parties agree and stipulate that the facts admitted  
10 by Defendant in the Statement of Facts in this Plea Agreement support the application of  
11 the following Sentencing Guidelines. Defendant expressly waives her right to have any of  
12 these sentencing factors charged in the Information or determined by a jury beyond a  
13 reasonable doubt.

14 a. For count 1, a base offense level of 6, pursuant to USSG § 2B1.1.

15 b. For counts 2, 3, and 4, a base offense level of 6, pursuant to USSG  
16 § 2E5.3.

17 c. A two-level increase to Defendant's offense level, pursuant to USSG  
18 § 3B1.3, because defendant abused a position of public or private trust, in a manner that  
19 significantly facilitated the commission or concealment of the offense.

20 **11. Loss Amount.** For purposes of determining the appropriate sentence, the  
21 United States and Defendant stipulate and agree that four thousand three hundred forty  
22 eight dollars and forty four cents (\$4,348.44) is the correct amount of loss for purposes of  
23 sentencing.

24 Defendant further agrees that she expressly waives any right to have this stipulated  
25 amount of loss charged in the Information or determined by a jury beyond a reasonable  
26 doubt.

27 **12. Acceptance of Responsibility.** The United States acknowledges that  
28 Defendant has assisted the United States by timely notifying the authorities of her  
intention to plead guilty, thereby permitting the United States to avoid preparing for trial  
and permitting the Court to allocate its resources efficiently. If at the time of sentencing,  
the United States remains satisfied that Defendant has accepted responsibility, then it will  
recommend a sentence that takes this acceptance of responsibility into consideration.

1 Defendant understands and agrees that the United States will base its recommendation on  
2 factors set forth in the United States Sentencing Guidelines, including Section 3E1.1.

3 13. Non-Prosecution of Additional Offenses. As part of this Plea Agreement,  
4 the United States Attorney's Office for the Western District of Washington agrees not to  
5 prosecute Defendant for any additional offenses known to it as of the time of this  
6 Agreement that are based upon evidence in its possession at this time, or that arise out of  
7 the conduct giving rise to this investigation. In this regard, Defendant recognizes that the  
8 United States has agreed not to prosecute all of the criminal charges that the evidence  
9 establishes were committed by Defendant solely because of the promises made by  
10 Defendant in this Agreement. Defendant acknowledges and agrees, however, that for  
11 purposes of preparing the Presentence Report, the United States Attorney's Office will  
12 provide the United States Probation Office with evidence of all relevant conduct  
13 committed by Defendant.

14 14. Voluntariness of Plea. Defendant acknowledges that she has entered into  
15 this Plea Agreement freely and voluntarily, and that no threats or promises, other than the  
16 promises contained in this Plea Agreement, were made to induce Defendant to enter these  
17 pleas of guilty.

18 15. Statute of Limitations. In the event that this Agreement is not accepted by  
19 the Court for any reason, or Defendant has breached any of the terms of this Plea  
20 Agreement, the statute of limitations shall be deemed to have been tolled from the date of  
21 the Plea Agreement to: (1) 30 days following the date of non-acceptance of the Plea  
22 Agreement by the Court; or (2) 30 days following the date on which a breach of the Plea  
23 Agreement by Defendant is discovered by the United States Attorney's Office.

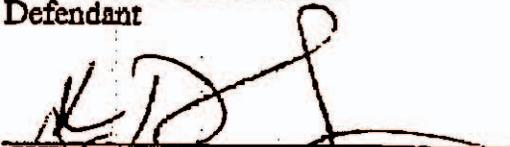
24 16. Post-Plea Conduct. Defendant understands that the terms of this Plea  
25 Agreement apply only to conduct that occurred prior to the execution of this Agreement.  
26 If, after the date of this Agreement, Defendant should engage in illegal conduct, or  
27 conduct that is in violation of her conditions of release (examples of which include, but are  
28 not limited to: obstruction of justice, failure to appear for a court proceeding, criminal

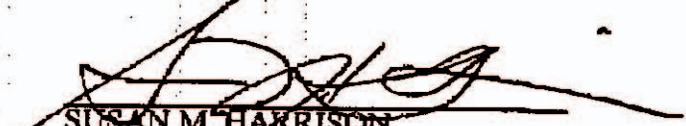
1 | conduct while pending sentencing, and false statements to law enforcement agents, the  
2 | Pretrial Services Officer, Probation Officer or Court), the United States is free under this  
3 | Agreement to seek a sentence that takes such conduct into consideration. Such a sentence  
4 | could include, to the extent the United States Sentencing Guidelines are applicable, a  
5 | sentencing enhancement or upward departure.

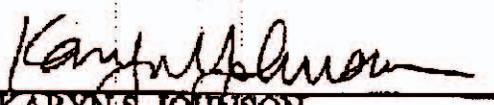
6 |       17. Completeness of Agreement. The United States and Defendant  
7 | acknowledge that these terms constitute the entire Plea Agreement between the parties.  
8 | This Agreement only binds the United States Attorney's Office for the Western District of  
9 | Washington. It does not bind any other United States Attorney's Office or any other office  
10 | or agency of the United States, or any state or local prosecutor.

11 |       Dated this 8<sup>th</sup> day of November, 2004.

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14 |   
15 | FORRAINE EDWARDS  
16 | Defendant

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18 | CHRISTINE D. LANGLEY  
19 | Attorney for Defendant

20 |   
21 | SUSAN M. HARRISON  
22 | Assistant United States Attorney

23 |   
24 | KARYN S. JOHNSON  
25 | Assistant United States Attorney