



U.S. Department of Justice

Donald A. Davis
United States Attorney
Western District of Michigan

5th Floor, The Law Building
330 Ionia Avenue, NW
Grand Rapids, Michigan 49503

Mailing Address:
United States Attorney's Office
Post Office Box 208
Grand Rapids, Michigan 49501-0208

Telephone (616) 456-2404
Facsimile (616) 456-2408

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CONTACT: CHRIS O'CONNOR
ASSISTANT U.S. ATTORNEY
PHONE: (616) 456-2404

FORMER LABOR UNION EMPLOYEE SENT TO PRISON FOR THEFT OF OVER \$400,000 IN EMPLOYEE BENEFIT FUNDS AND UNION DUES

GRAND RAPIDS, Mich. – April Dawn Franklin, 35, of Mason, Michigan was sentenced to 42 months in federal prison for theft of labor organization assets and employee benefit funds, U.S. Attorney Donald A. Davis announced today. In addition, Chief U.S. District Judge Paul Maloney ordered Franklin to pay \$411,979.37 in restitution to the United Association of Plumbers and Pipefitters Local 333 in Lansing, and to serve three years of supervised release following her release from prison. Ian Burg, Director of the Detroit District Office of the U.S. Department of Labor Office of Labor-Management Standards, L. Joe Rivers, Regional Director for the Cincinnati Regional Office of the Labor Department's Employee Benefits Security Administration, and James Vanderberg, Special Agent-in-Charge for the Chicago Regional Office of the Labor Department's Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, joined in the announcement.

Franklin pled guilty to one count of theft from an employee benefit plan and one count of embezzlement of labor organization assets. The charges stemmed from her theft of union funds during her employment with the Plumbers and Pipefitters Union Local 333 in Lansing, Michigan. An audit and subsequent criminal investigation revealed that Franklin, while employed for Local

333, issued herself checks to pay for personal expenses and to pay her monthly credit card bill. Franklin admitted to stealing a total of \$371,093.37 between 2003 and 2009 from an account held by the Local 333 Joint Apprenticeship and Training Fund, an employee welfare benefit fund. Additionally, Franklin admitted to stealing approximately \$40,000 in cash dues that were paid to the union by its members, but pocketed by Franklin to pay for her own personal expenses including clothing, food, and travel. Franklin falsified the union's accounting records to hide the thefts from co-workers and the union's auditor. She faced a maximum penalty of five years in prison for her offenses.

In handing down the sentence, U.S. District Judge Paul L. Maloney stated that Ms. Franklin's behavior can best be described as "pillaging union funds" for several years. The Court noted that Ms. Franklin's extraordinary theft of funds each month caused great financial distress to the union, including losing its ability to pay certain death benefits to union members' families. Judge Maloney, who rejected Defendant's explanations for why she stole the money as "a straw man for greed," added that the sentence should be viewed as a warning to others in positions of trust who might contemplate stealing from labor organizations.

Ian Burg, director of the Detroit District Office of the Office of Labor-Management Standards, said: "Union officials are entrusted by their members with safeguarding union funds and assets. The conviction and sentencing in this case shows that OLMS, along with our partners at the U.S. Department of Labor and in the federal government, will work to hold those leaders to account."

“Apprenticeship training programs serve a vital role in preparing Americans for skilled jobs that provide good pay and benefits,” said L. Joe Rivers, Regional Director for the Cincinnati Regional Office of the Labor Department’s Employee Benefits Security Administration. “This case underscores EBSA’s commitment to protecting the funds that pay for these programs and punishing those who would convert these funds for their own enrichment.”

James Vanderberg, Special Agent-in-Charge for the Chicago Regional Office of the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations said: “Ms. Franklin violated the trust of union members for personal gain by embezzling funds from union and employee benefits plans. Today’s sentencing demonstrates our continued resolve in fighting these labor racketeering activities in our nations’ unions. We will continue to work diligently with the U.S. Attorney’s Office, our Labor Department partners, and other law enforcement agencies to root out union corruption and protect worker benefit plan assets.”

The case was prosecuted by Assistant U.S. Attorney Chris O’Connor.

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