



Former President of SEIU Local Indicted on Charges of Stealing Tens of Thousands of Dollars from Union and Failing to Report Income

FOR IMMEDIATE RELEASE

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LOS ANGELES – Tyrone Ricky Freeman, the former president of Service Employees International Union Local 6434, was indicted this afternoon by a federal grand jury on charges of embezzling tens of thousands of dollars from the union that represents tens of thousands of home healthcare workers.

Freeman, 42, who is currently residing in Pittsburgh, Pennsylvania, was charged with four counts of mail fraud, seven counts of embezzlement and/or theft of labor union assets, one count of making a false statement to a federally insured financial institution, and three counts of subscribing to a false tax return.

The mail fraud charges and four of the embezzlement charges relate to a scheme in which Freeman allegedly pilfered money from Local 6434 by diverting reimbursement payments from a public-sector union that had close ties to the SEIU local. The indictment alleges that Freeman collected \$2,500 per month from Local 6434 and the California United Homecare Workers (CUHW), which was established in 2005 by SEIU and the American Federation of State, County, and Municipal Employees to represent public sector employees working in the homecare industry in California.

“From in or about January 2007 through on or about August 22, 2008, defendant Freeman concealed from the Local 6434 Executive Board and the CUHW Executive Board that, through the scheme, defendant Freeman was receiving payments of \$2,500 per month in addition to the regular salary that he received from Local 6434,” according to the indictment.

The indictment also alleges that Freeman used a Local 6434 credit card to pay \$8,105 in personal expenses he incurred during a 2006 trip to Honolulu, Hawaii, which included expenses related to Freeman’s wedding ceremony.

Two of the embezzlement charges stem from Freeman allegedly stealing money from Local 6434 by routing funds through another entity closely aligned with the union – the Long Term Care Housing Corporation (LTCHC), which was a not-for-profit corporation organized in 2004 for the purpose of developing affordable housing for members of Local 6434. The indictment alleges that Freeman took nearly \$17,000 from Local 6434 in June 2008 by requesting the Local 6434 Executive Board to make

payments to LTCHC without disclosing to the Executive Board that Freeman would then divert those funds to himself.

“Today’s indictment demonstrates the Office of Inspector General’s commitment to investigating allegations of labor racketeering in our nation’s unions,” said Abel Salinas, Special Agent in Charge of the Los Angeles Regional Office of the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations. “While serving as president of his local union, Freeman allegedly used his position to enrich himself at the expense of union members. We will continue to work with our law enforcement partners to investigate these types of alleged corruption.”

The false statement charge in the indictment alleges that Freeman lied to Countrywide Bank when he told a bank representative that Local 6434 paid for his personal American Express credit card bills and the monthly lease payments for his Land Rover.

The three tax charges allege that Freeman subscribed to false tax returns in 2006, 2007 and 2008 when he failed to report approximately \$100,000 in income he received during those tax years.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until proven guilty in court.

Each count of mail fraud and making a false statement to a federal insured financial institution carries a statutory maximum sentence of 30 years in federal prison. Each count of embezzlement and/or theft of labor union assets and subscribing to a false tax return carries a statutory maximum penalty of 10 years in prison.

Freeman has agreed to appear for an arraignment in United States District Court on September 24.

“This case shows that the Labor Department and its federal partners in law enforcement are committed to ensuring that justice is served for those who defraud workers,” said Crisanta Johnson, director of the U.S. Department of Labor, Employee Benefits Security Administration’s Los Angeles Regional Office.

The case against Freeman was investigated by the U.S. Department of Labor, Office of Inspector General; the U.S. Department of Labor, Office of Labor Management Standards; the U.S. Department of Labor, Employee Benefits Security Administration; the Federal Bureau of Investigation; and IRS - Criminal Investigation.

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