



Former President of SEIU Local Found Guilty of Stealing Tens of Thousands of Dollars from Union and Failing to Report Income

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LOS ANGELES – Tyrone Ricky Freeman, the former president of Service Employees International Union (SEIU) Locals 6434 and 434-B, was convicted late this afternoon of federal charges of embezzling tens of thousands of dollars from the union that represents home healthcare workers.

Freeman, 43, who is currently residing in Pittsburgh, Pennsylvania, was found guilty of 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 two counts of subscribing to a false tax return.

The evidence presented during a 10-day jury trial showed that Freeman pilfered money from SEIU Locals 6434 and 434-B by diverting reimbursement payments from a public-sector union that had close ties to the SEIU locals. 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 the beginning of 2007 through the summer of 2008, Freeman concealed from the Local 6434 Executive Board and the CUHW Executive Board that he was receiving payments of \$2,500 per month in addition to the regular salary that he received from Local 6434.

Freeman also used a Local 434-B 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.

Freeman also stole 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 Locals 6434 and Local 434-B. 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.

The false statement charges relate to lies that Freeman told to Countrywide Bank when he told a bank representative that Local 6434 paid for his personal American Express credit card debt and the monthly lease payments for his Land Rover.

Freeman was also found guilty of subscribing to false tax returns in 2006 and 2007 when he failed to report approximately \$63,000 in income he received during those tax years.

“This was a case about abuse and betrayal,” said United States Attorney André Birotte Jr. “Freeman abused his position as leader of the SEIU, and he betrayed the hardworking people whose interests he was supposed to represent.”

Each count of mail fraud carries a statutory maximum sentence of 20 years in federal prison. Each count of 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 carries a statutory maximum penalty of 10 years in prison. The charge of subscribing to a false tax return carries a statutory maximum penalty of three years in prison.

Freeman is scheduled to be sentenced by United States District Judge Audrey B. Collins on April 22.

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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