
JUSTICE NEWS

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Founder and Treasurer of Washington D.C. Labor Union Charged with Stealing Pension Funds for Personal Use, Violating a Court Order and Obstructing Investigation

WASHINGTON – The founder and treasurer of the National Association of Special Police and Security Officers (NASPSO) was charged today in a superseding indictment with mail fraud, theft from a labor organization, obstruction of justice, criminal contempt and various recordkeeping offenses related to his operation of a pension plan for NASPSO members. NASPSO is a labor union representing private security guards assigned to protect federal buildings in the Washington, D.C., metro area.

The charges were announced by Assistant Attorney General Lanny A. Breuer of the Criminal Division; Mabel Capolongo, Director of the Philadelphia Regional Office of the Employee Benefits Security Administration of the Department of Labor; Robert L. Panella, Special Agent in Charge of the Office of Inspector General, Office of Labor Racketeering and Fraud Investigations of the Washington, D.C. Regional Office, and Mark Wheeler, Director of the Washington District Office of the Office of Labor Management Standards.

Caleb Gray-Burriss, 60, of Washington, D.C., will be arraigned on April 4, 2011, in U.S. District Court for the District of Columbia. Gray-Burriss originally was charged in June 2010 with four counts of mail fraud.

According to the superseding indictment, from approximately June 2004 through February 2011, Gray-Burriss wrote numerous checks to himself or to other third parties from the checking account where he had placed funds intended for the NASPSO pension plan. The superseding indictment alleges that Gray-Burriss spent more than \$100,000 of the pension plan funds in this way, while at the same time falsely maintaining that it was an operational fund that he was properly administering and that was providing benefits to the beneficiaries. Gray-Burriss previously settled a civil suit which, in part, addressed his unlawful conduct with respect to NASPSO-sponsored health and benefit plans.

The superseding indictment charges Gray-Burriss with criminal contempt of a court order after he allegedly stole money from the NASPSO treasury to pay his personal fines due in the civil settlement. The superseding indictment also alleges that Gray-Burriss resumed his involvement with NASPSO-sponsored health and pension plans after the civil lawsuit was settled, even though he was prohibited by court order from doing so.

In addition, the superseding indictment charges that Gray-Burriss, while an officer and employee of NASPSO, stole more than \$115,000 in NASPSO funds through unauthorized salary increases and bonuses to himself, cash withdrawals from ATMs, reimbursement for unauthorized vacations and trips to casinos, personal dental work, and

other goods and services. Gray-Burriss also allegedly unlawfully used NASPSO funds to pay his parking tickets and personal fines in a civil lawsuit. Finally, the superseding indictment charges Gray-Burriss with two counts of obstructive of justice for concealing and/or destroying NASPSO records and attempting to induce a witness to withhold testimony and records during the grand jury investigation.

An indictment is merely an allegation, and a defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Gray-Burriss faces a maximum penalty of 20 years in prison and a \$250,000 fine on each of the mail fraud and obstruction of justice charges. The theft from a labor organization charge carries a maximum penalty of five years in prison and a \$250,000 fine. Gray-Burriss also faces additional penalties if convicted of the criminal contempt and recordkeeping charges.

The investigation leading to the superseding indictment of Gray-Burriss was conducted by investigators from three agencies of the U.S. Department of Labor – the Employee Benefits Security Administration, the Office of Labor Management Standards and the Office of Inspector General, Office of Labor Racketeering and Fraud Investigations. The case is being prosecuted by Trial Attorney Vincent Falvo of the Criminal Division's Organized Crime and Racketeering Section.

Component(s):

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