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**UNION OFFICER SENTENCED FOR EMBEZZLING
OVER \$300,000 IN UNION FUNDS**

Money Spent on Horses, Home Improvements and His Home Mortgage

Baltimore, Maryland - U.S. District Judge Benson E. Legg sentenced Paul S. Peters, II, age 32, of Dundalk, former president of the Waterfront Guard Association Local 1852, I.W.A. (WGA), today to 30 months in prison, followed by three years of supervised release, for embezzling funds from the union and from the employee welfare and pension plans. Judge Legg enhanced Peters' sentence upon finding that Peters abused a position of trust, that the embezzlement scheme involved 10 or more victims, and that the offense involved vulnerable victims. Judge Legg also entered a restitution order against Peters in the amount of \$320,000.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Robert L. Panella of the U.S. Department of Labor - Office of Inspector General; and Mabel Capolongo, Director of the Philadelphia Regional Office of the Labor Department's Employee Benefits Security Administration.

Robert L. Panella, Special Agent-in-Charge for the Washington Region of the U.S. Department of Labor's Office of Inspector General stated, "Mr. Peters has violated the trust of union members for personal gain by embezzling funds from his union and its pension and welfare plans. Today's sentencing demonstrates our continued resolve in fighting these labor racketeering activities. We will continue to work diligently with the U.S. Attorney's Office, our DOL partners, and other law enforcement agencies to root out union corruption and protect benefit plan assets."

"The theft of employee benefit assets jeopardized the retirement security of these union workers and their families. Today's sentencing sends a clear message that stealing plan assets is a serious crime punishable to the full extent of the law," said Mabel Capolongo, Director of the Philadelphia Regional Office of the Labor Department's Employee Benefits Security Administration.

According to Peters' plea agreement, from January 2002 through September 2005, Peters, while acting as the President of the WGA and paid Administrator of its pension and welfare plans, embezzled funds from those plans, as well as from the union operating account.

In committing this crime, Peters abused his positions of trust and used the union money for personal expenses and purchases, including vehicles, boarding costs for horses, home improvements, stock transactions and home mortgage payments. Peters transferred funds from the union's pension and welfare plans to the union operating account. Peters made cash withdrawals from the union operating account, as well as write checks payable to himself on the union operating account then cashed the checks or deposited the union funds into his personal bank accounts. Peters made misrepresentations about why the money was being paid, listing the checks and other documents as being for various purposes, such as 1st Qtr. Operating Expense '04, Reimbursement of Pensioner's Medical Payments, and Plan Administering Salary for Dec. 04.

United States Attorney Rod J. Rosenstein commended Assistant United States Attorney Harry M. Gruber, who prosecuted the case.