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**UNION OFFICER PLEADS GUILTY TO EMBEZZLING  
OVER \$300,000 IN UNION FUNDS**

**Baltimore**, Maryland - Paul S. Peters, II, age 31, of Dundalk, former president of the Waterfront Guard Association Local 1852, I.W.A. (WGA), pleaded guilty today to embezzling funds from the union and from the employee welfare and pension plans, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

According to his plea agreement, from January 2002 through September 2005, Peters embezzled funds from the union's pension and welfare plans, as well as from the union operating account, 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 would transfer 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 writing checks payable to himself on the union operating account then cash the checks or deposit 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 1<sup>st</sup> Qtr. Operating Expense '04, Reimbursement of Pensioner's Medical Payments, and Plan Administering Salary for Dec. 04.

"Today's guilty plea demonstrates our resolve in fighting union-related corruption. The embezzlement of union and plan funds by union and benefit plan officials will not be tolerated," said Daniel R. Petrole, Deputy Inspector General, U.S. Department of Labor. "My agency is committed to working with the U.S. Attorney's Office, fellow DOL agencies, and other law enforcement agencies to vigorously protect the funds of union members and plan participants."

Peters faces a maximum sentence of five years in prison each for embezzlement from a labor union and an employee benefit plan. Chief U.S. District Judge Benson E. Legg has scheduled sentencing for November 6, 2009, at 11:00 a.m.

United States Attorney Rod J. Rosenstein thanked the Department of Labor's Office of Inspector General and Employee Benefits Security Administration for their investigative work and commended Assistant United States Attorney Harry M. Gruber, who is prosecuting the case.