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NEWS RELEASE

FEDERAL EMBEZZLEMENT CHARGES FILED AGAINST TWO MID-STATE UNION OFFICIALS

The United States Attorney's Office for the Middle District of Pennsylvania announced today that two men have been charged in separate cases involving embezzlement and theft of union funds.

According to United States Attorney Peter J. Smith, Brandon S. Borders, age 47, of Harrisburg, Pennsylvania, was indicted on June 22, 2011 by a federal grand jury sitting in Harrisburg charging him with embezzling funds of the United Transportation Union (UTU) Local 997, Camp Hill, PA. The indictment was unsealed last week, following Borders arrest.

According to the Indictment, from the end of 2005 through August 2009, Borders was the Secretary-Treasurer of the UTU Local 997, a labor organization that represents members employed by Norfolk Southern Corporation, an employer engaged in the railroad industry. It is alleged that Borders embezzled approximately \$12,500. The charges stem from an investigation conducted by the Union and the U.S. Department of Labor, Office of Labor-Management Standards.

If convicted of the offense, Borders faces up to five years in prison and fines of \$10,000. Prosecution of Borders has been assigned to Assistant United States Attorney James T. Clancy.

U.S. Attorney Smith also announced that a felony criminal Information was also filed last week charging Ernest Milewski, age 61, of West Pittston, Pennsylvania, with theft of labor union assets and theft from a health care benefit program.

Milewski, while serving as president of the United Food and Commercial Workers (UFCW) Northeastern District Council (DC) from 1996 until May of 2008, is alleged to have embezzled funds by writing unauthorized union checks to himself, receiving unauthorized expense reimbursements, and by double billing the International and District Council. Milewski is also alleged to have embezzled money from a fund set up by the union to assist in the payment of medical and health related costs of its members. It is alleged that Milewski embezzled in excess of \$200,000. These charges stem from an investigation conducted by the U.S. Department of Labor, Office of Labor-Management Standards, the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, and the U.S. Department of Labor, Employee Benefits Security Administration.

If convicted, Milewski could be imprisoned for a total combined statutory maximum sentence of up to 15 years and a fine in the amount of \$260,000. Prosecution of Milewski has been assigned to Assistant United States Attorney Todd K. Hinkley.

U.S. Attorney Smith noted, "Officers of labor unions have a fiduciary duty to the workers they represent. Unions and their members rely on the honesty and integrity of their officers to safeguard union funds. When that trust is broken, there must be full accountability. Only through appropriate prosecution of such crimes can that trust be restored."

An Indictment or Information is not evidence of guilt but simply a description of the charge made by the Grand Jury and/or United States Attorney against a defendant. A charged Defendant is presumed innocent until a jury returns a unanimous finding that the United States has proven the defendant's guilt beyond a reasonable doubt or until the defendant has pled guilty to the charges.