

Department of Justice
U.S. Attorney's Office
Eastern District of Michigan

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Former Financial Secretary-Treasurer of UAW Local 412 Pleads Guilty to Embezzling Over \$2 Million in Union Funds

DETROIT, MI – Timothy Edmunds, the former Financial Secretary-Treasurer of Local 412 of the United Auto Workers union, pleaded guilty today to embezzling \$2.2 million in union funds and to money laundering, announced U.S. Attorney Dawn N. Ison.

Joining in the announcement are Irene Lindow, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Josh Hauxhurst, Acting Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, Sarah Kull, Special Agent in Charge of the Detroit, Michigan office of the Internal Revenue Service – Criminal Investigations, and Thomas Murray, District Director, U.S. Department of Labor – Office of Labor-Management Standards.

Timothy Edmunds, 54, of South Lyon, Michigan, pleaded guilty to Counts 1 and 3 of the Indictment, to the crimes of embezzling union funds and money laundering, respectively, before United States District Judge Sean Cox.

Between 2011 and 2021, Edmunds served as the Financial Secretary-Treasurer of union Local 412 of the International Union, United Automobile, Aerospace, and Agricultural Workers of America (“UAW”). UAW Local 412 is headquartered in Warren, Michigan, and it represents approximately 2,600 members employed by the automaker FCA US LLC, which is owned by Stellantis N.V. The local union’s members include many of those employed at the following Stellantis facilities located within the Detroit area: Sterling Stamping Plant, Mack Engine Plant, Warren Truck Assembly Plant, Warren Stamping Plant, and Jefferson Assembly Plant.

As an elected officer of UAW Local 412, Edmunds was responsible to hold Local 412’s money and property solely for the benefit of the organization and its members and to manage, invest, and expend the funds in accordance with the UAW constitution and Local 412 bylaws. Instead, Edmunds systematically drained the Local 412 accounts of \$2.2 million by (1) using Local 412 debit cards for over \$142,000 in personal purchases, (2) cashing Local 412 checks worth \$170,000 into accounts he personally controlled, and (3) transferring \$1.5 million from bona fide Local 412 accounts into accounts that he personally controlled. Edmunds then converted the funds for his own personal use.

To conceal his theft from other UAW officers and the Local 412 members, Edmunds created false bank statements and caused false Department of Labor (“DOL”) reports to be filed with the U.S. DOL. Edmunds supplied the fake bank statements to international UAW auditors in an effort to conceal his embezzlement.

Evidence indicates that Edmunds used portions of the proceeds of his embezzlement to gamble extensively, to purchase firearms, and to purchase various high-end vehicles. For example, between

2018 and 2020, Edmunds used the UAW Local 412 debit card to make over \$30,000 in unauthorized withdrawals at the Greektown Casino. While gambling at the Greektown Casino, records indicate that Edmunds had cash buy-ins of over \$1 million, and he put over \$16 million in play while gambling at the casino.

Based on his conviction for embezzling union funds, Edmunds faces a maximum of five years in prison and a fine of up to \$10,000. For money laundering, Edmunds faces a maximum of ten years in prison and a fine of up to \$250,000.

Under the terms of the parties' Rule 11 Plea Agreement, Edmunds faces a sentencing guideline range of between 46 to 57 months in prison. Edmunds also will owe \$1.9 million in restitution to the UAW. Although Edmunds embezzled \$2.2 million in UAW funds, Edmunds returned approximately \$300,000 in stolen UAW funds before his crimes were discovered.

Edmunds is the seventeenth defendant convicted in connection with the ongoing criminal investigation into corruption within the UAW or relating to illegal payoffs to UAW officials by FCA executives. The following other individuals have already pleaded guilty to their participation in the scheme and have been sentenced: former UAW President Gary Jones (28 months), former FCA Vice President for Employee Relations Alphons Iacobelli (66 months), former FCA Financial Analyst Jerome Durden (15 months), former Director of FCA's Employee Relations Department Michael Brown (12 months), former senior UAW officials Virdell King (60 days), Keith Mickens (12 months), Nancy A. Johnson (12 months), Monica Morgan, the widow of UAW Vice President General Holiefield (18 months), former UAW Vice President Norwood Jewell (15 months), former senior UAW official Michael Grimes (28 months), former UAW Midwest CAP President Edward "Nick" Robinson (12 months), former UAW Vice President Joseph Ashton (30 months), former UAW President Dennis Williams (21 months) and former UAW Region 5 Director UAW Board member Vance Pearson (12 months). The company, FCA US LLC, now known as Stellantis, pleaded guilty in January 2021 to conspiring to violate the Taft-Hartley Act, and was ordered to pay a fine of \$30 million and be subject to an outside Monitor for three years. Former senior UAW official Jeffrey Pietrzyk passed away before being sentenced.

In December 2020, the United States filed a civil lawsuit against the International UAW under the Anti-Fraud Injunction Act based on the criminal investigation of the UAW, FCA US LLC, and FCA's executives. Subsequently, the United States and the International UAW entered into a Consent Decree to settle the lawsuit that was approved by the U.S. District Court. The Court has appointed attorney Neil Barofsky to serve as the Independent Monitor of the UAW for six years. The Monitor is tasked with providing federal oversight of the UAW concerning fraud, corruption, and misconduct within the UAW.

U.S. Attorney Dawn Ison commended the outstanding work of the Internal Revenue Service – Criminal Investigations, the U.S. Department of Labor – Office of Labor-Management Standards and Office of Inspector General, and the Federal Bureau of Investigation in conducting a comprehensive criminal investigation into labor corruption activities involving a vital sector of the local and national economy.

"The hard-working men and women of the UAW deserve leaders dedicated to serving the best interests of the membership," said United States Attorney Dawn N. Ison. "Today's conviction

demonstrates our zealous pursuit of those who would seek to take advantage of their positions of trust within the UAW to steal and defraud union members.”

"Timothy Edmunds engaged in a multifaceted scheme to embezzle funds from UAW Local 412 and conceal his crimes from the union's membership. He embezzled approximately \$2 million to personally enrich himself at the expense of dues-paying UAW 412 members. We will continue to work with our law enforcement partners to protect the financial integrity of labor organizations," stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

“By stealing money from the union, Tim Edmunds betrayed the UAW members who elected him to serve on their behalf," said Josh Hauxhurst, Acting Special Agent in Charge of the FBI's Detroit Field Office. “The FBI will continue to work with our federal partners to root out corruption from the UAW and other labor unions.”

“Mr. Edmunds is yet another example of a UAW official enriching himself at the expense of the UAW membership. IRS Criminal Investigation will continue working with our law enforcement partners to vigorously investigate allegations of fraud involving UAW officials.” said Special Agent in Charge Sarah Kull, Internal Revenue Service – Criminal Investigation, Detroit Field Office.

The case is being prosecuted by Assistant U.S. Attorney David A. Gardey.

Component(s):

USAO - Michigan, Eastern