

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

Tuesday, July 26, 2022

Former UAW Official Sentenced to 57 Months in Prison For Embezzling Over \$2 Million in Union Funds

DETROIT- Timothy Edmunds, the former Financial Secretary Treasurer of Local 412 of the United Auto Workers union, was sentenced to 57 months in prison today based on his convictions for embezzling \$2.1 million in union funds and for money laundering announced U.S. Attorney Dawn N. Ison.

Joining in the announcement were Irene Lindow, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, James A. Tarasca, 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, had been convicted after pleading guilty in March 2022 to embezzling union funds and money laundering, before United States District Judge Sean Cox. Besides imposing a sentence of 57 months in prison, Judge Cox also ordered Edmunds to pay \$1,963,740.29 in restitution to UAW Local 412 and a fine of \$1 million.

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 in 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 its 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 \$2.1 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. To conceal his theft from other UAW officers and the Local 412 members, Edmunds created false bank statements and caused false Labor Management 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, various high-end vehicles, and to purchase cocaine. 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.

“Mr. Edmunds betrayed his union brothers and sisters by stealing their dues money to satisfy his own greed,” said United States Attorney Dawn N. Ison. “Today’s sentence demonstrates our continuing dedication to cleaning out corruption in the UAW.”

“Former UAW 412 Financial Secretary-Treasurer Timothy Edmunds embezzled approximately \$2 million at the expense of the dues-paying members he had a duty to serve. We will continue to work with our law enforcement partners and the U.S. Department of Labor’s Office of Labor-Management Standards to protect the integrity of labor organizations,” said Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor, Office of Inspector General.

“The role of IRS Criminal Investigation becomes even more important in embezzlement and fraud cases due to the complex financial transactions that can take time to unravel,” said Special Agent in Charge Sarah Kull, Detroit Field Office. “We’re committed to working with our law enforcement partners to hold all corrupt UAW officials accountable for their actions.”

“While the vast majority of union officials do their work diligently and without incident, unfortunately criminal violations do occur. When they do, it is the union and its members that are the victims. Timothy Edmunds embezzled over \$2 million dollars from UAW Local 412 that should have been used for its members’ benefit. Not only did his theft take hard-earned money away from the workers who earned it and who paid it to their union to help it advance their working conditions, his criminal conduct unfairly undercut union members’ and the public’s confidence in this union and in the important work it and other unions perform,” said Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards. “OLMS will continue to work with its law enforcement partners to hold accountable anyone who unlawfully exploits their position for financial gain at the expense of hard-working union members.”

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 in prison); former FCA Vice President for Employee Relations Alphons Iacobelli (66 months in prison), former FCA Financial Analyst Jerome Durden (15 months in prison), former Director of FCA’s Employee Relations Department Michael Brown (12 months in prison), former senior UAW officials Virdell King (60 days in prison), Keith Mickens (12 months in prison), Nancy A. Johnson (12 months in prison), Monica Morgan, the widow of UAW Vice President General Holiefield (18 months in prison), former UAW Vice President Norwood Jewell (15 months in prison), former senior UAW official Michael Grimes (28 months), former UAW Midwest CAP President Edward “Nick” Robinson (12 months in prison), 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 in prison). 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 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 case is being prosecuted by Assistant U.S. Attorney David A. Gardey.

Topic(s):

Public Corruption

Component(s):

USAO - Michigan, Eastern

Updated July 26, 2022