



## NEWS RELEASE

**Nicola T. Hanna**

United States Attorney  
Central District of California

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Ciaran McEvoy  
Public Information Officer  
[ciaran.mcevoy@usdoj.gov](mailto:ciaran.mcevoy@usdoj.gov)  
(213) 894-4465

**January 5, 2021**

### **Ex-Labor Union President Sentenced to 12 Years in Prison for Embezzling Union Health Plan Funds, Lying to Federal Officials**

*LOS ANGELES* – The former president of a Colton-based labor union was sentenced today to 144 months in federal prison for stealing nearly \$800,000 from the union’s health plan trust fund, which he used to pay for personal expenses including legal bills and a car loan for his son’s sports car.

John S. Romero, 74, of Loma Linda, was sentenced by United States District Judge Virginia A. Phillips, who scheduled an April 5 hearing to determine the amount of restitution Romero owes to his victims.

At the conclusion of a five-day trial in February, a jury found Romero guilty of one count of conspiracy, 12 counts of theft in connection with health care, and one count of making a false statement to a government agency.

Romero appointed himself president of United Industrial Services Workers of America (UISWA) and trustee of the UISWA health plan trust fund. Money paid into the fund was supposed to be used exclusively for health care benefits of its participants. Instead, Romero stole the union’s health funds for the benefit of himself and his immediate family.

In furtherance of his scheme, Romero appointed a sham trustee who had no prior experience with unions. He also actively misled the third-party administrators of the health plan into making improper payments from the trust fund.

From 2008 to 2014, Romero embezzled health plan funds to pay a \$110,000 personal civil judgment against himself and his son, John J. Romero, 55, also of Loma Linda. He also embezzled \$40,000 to pay criminal defense lawyers who represented Romero in a separate case. Romero funneled more than \$310,000 to himself by disguising the funds as rent payments on two properties he owned and held under a shell company.

In addition, he stole more than \$300,000 in union health plan money to make “salary” payments to his family, even though none of his family members ever worked

for the plan. He also used plan funds to pay off a \$25,000 loan on his son's Ford Mustang Shelby GT500 sports car.

Romero also filed a false financial report with the U.S. Department of Labor in which he concealed the existence of more than \$100,000 in union receipts and disbursements that Romero held in a secret bank account and from which he made regular payments to his mistress.

Romero advanced his scheme by appointing his son as the secretary and treasurer of the union. He later appointed his ex-wife, Evelyn Romero, 71, as the UISWA president and trustee in 2010, shortly before Romero began serving a two-year federal prison sentence for making false statements to federal officials while he was president of a different labor union. Romero's son, ex-wife, and daughter, Danae Romero, 42, of Loma Linda, pleaded guilty to criminal charges in this case. Evelyn and Danae Romero each were sentenced to two years' probation in this case. John J. Romero was sentenced to time served in prison, plus three years of supervised release.

At a September 9 hearing, Judge Phillips ordered this case's other defendants to pay restitution in the following amounts: Evelyn Romero – \$316,502; John J. Romero – \$273,350; and Danae Romero – \$200,552.

"To execute this scheme, [John S. Romero] manipulated others, including his own family members," prosecutors wrote in their sentencing memorandum. "He employed sophisticated means in furtherance of the scheme, including by diverting trust money through a Nevada shell company to hide his theft. He lied to brokers and administrators. And he bullied and pressured those around him to get his way, thereby intimidating and abusing those who trusted him most."

This case was investigated by the U.S. Department of Labor, Office of Inspector General; the U.S. Department of Labor, Employee Benefits Security Administration; and the U.S. Department of Labor, Office of Labor Management Standards.

This matter was prosecuted by Assistant United States Attorneys Susan S. Har and Aaron B. Frumkin of the General Crimes Section.

Release No. 21-003

