

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

FOR IMMEDIATE RELEASE
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Postal Union Stewards Steal Bargaining Agreement Money

Defendants worked at Traverse City Postal Facility

GRAND RAPIDS, MICHIGAN — Jeffrey D. Velfling, the former Union Steward for Local #307 of the National Postal Mail Handlers Union, and John L. Crosby, the former deputy Union Steward, were sentenced today for their role in stealing approximately \$14,500 in overtime payments which should have been given to their co-workers at the Traverse City Mail Facility. Theft of union funds by union officers is a federal felony offense. Each defendant was sentenced to two years of probation, a \$1,000 fine, full restitution and a Special Assessment penalty of \$100.

"The United States will continue to pursue financial crimes, great or small, that involve a federal interest and negatively impact the quality of life in Western Michigan. We cannot allow persons who hold positions of trust to line their pockets with payments owed to coworkers," said U.S. Attorney Patrick Miles

The stolen money in this case came from two postal grievances in which mail handlers were not given the opportunity to perform "craft work" as defined under a collective bargaining agreement. Velfling and Crosby, on behalf of the union had filed successful grievances, which resulted in payment of approximately \$7,000 to their custody and control. An internal review by the Union uncovered the theft of the funds. Velfling and Crosby destroyed the grievance file when they learned of the investigation. The matter was then referred to federal law enforcement.

"The actions of these two union stewards directly violated the Labor-Management Reporting and Disclosure Act and the commitment they made to their co-workers to handle the funds of the union solely for the benefit of the union and its members," said Ian Burg, district director for the Detroit-Milwaukee District Office of the U.S. Department of Labor's Office of Labor-Management Standards. "OLMS is committed to ensuring financial integrity in labor organizations and protecting the rights of union members to fair representation and treatment by their union leadership."

"As union stewards, Jeffrey Velfling and John Crosby violated the trust placed in them when they stole settlement money intended for their fellow union members. The OIG will continue to work with our law enforcement partners to hold corrupt union officials accountable for defrauding the members they are entrusted to serve", stated James Vanderberg, Special Agent-in-Charge of the Chicago Regional Office of the U.S. Department of Labor, Office of Inspector General.

"Mr. Crosby and Mr. Velfling used their union positions to take financial advantage of the very colleagues they were charged with representing. The U.S. Postal Service Office of Inspector General together with the U.S Attorney's Office and our law enforcement partners will pursue those individuals who would use their positions of public trust within the Postal Service to victimize or steal from others for personal gain," said Special Agent in Charge L. Scott Caspall. Great Lakes Area Office of Inspector General for the U.S. Postal Service.