

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

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FOR IMMEDIATE RELEASE  
Friday, October 14, 2016

## **Union Official Pleads Guilty to Stealing Over \$1 Million from ILA Local 970**

NORFOLK, Va. – Robert Smith, III, 48, of Virginia Beach, pleaded guilty today to charges of mail fraud for a decade-long scheme to defraud the International Longshoremen's Association (ILA), Local 970 of over \$1 million.

“Over 600 people are victims of Mr. Smith's selfish crime,” said Dana J. Boente, U.S. Attorney for the Eastern District of Virginia. “Mr. Smith was entrusted with ensuring the financial health and stability of Local 970, and instead chose to steal over \$1 million for his personal benefit. This office remains committed to aggressively pursuing those who abuse their positions of trust and steal from innocent victims.”

“Members of Local 970 trusted Robert Smith III, to uphold his fiduciary responsibility to their union,” said Robin Blake, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General. “Smith betrayed members by committing mail fraud to embezzle more than \$1 million from the union, hid his crime for 10 years by failing to meet the annual reporting requirements to the Department of Labor, and eventually lied to officials from the Department. We will continue to work with our law enforcement partners to safeguard the assets of union members and all American workers.”

According to the statement of facts filed with the plea agreement, Smith served as the Business Agent and the Financial Secretary for ILA, Local 970. Local 970 is a union whose members provide qualified labor to the Port of Virginia. From March 2006 through April 2016, Smith devised a scheme to embezzle funds from the Local 970 bank accounts. Specifically, Smith deposited new member initiation fees and member dues received from local employers into an ILA Bank account, and then used those funds for his own personal purposes. Over a period of ten years, Smith stole approximately \$1,072,668.30 of union funds. Smith withdrew over \$700,000 in cash, paid his personal credit card bills, and used the funds to purchase gas, food, clothing, shoes, toys, entertainment, and home improvement supplies.

Smith faces a maximum penalty of 20 years in prison sentenced on Feb. 7, 2017. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes, as the sentencing of the defendant will be determined by the court based on the advisory Sentencing Guidelines and other statutory factors.

Dana J. Boente, U.S. Attorney for the Eastern District of Virginia; Jonathan F. Trimble, Acting Special Agent in Charge of the FBI's Norfolk Field Office; and Robin Blake, Special Agent-in-Charge of the Washington, DC Regional Office, U.S. Department of Labor, Office of Inspector General, made the announcement after the plea was accepted by U.S. Magistrate Judge Robert Krask. Assistant U.S. Attorney Melissa E. O'Boyle is prosecuting the case.

A copy of this press release may be found on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information may be found on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for **Case No. 2:16cr134**.