

JUSTICE NEWS

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Founder and President of Labor Union Convicted in Washington for Stealing from Union's Treasury and Pension Fund, Related Crimes

WASHINGTON – The founder and president of the National Association of Special Police and Security Officers (NASPSO) – which represents private security guards assigned to protect federal buildings in the metropolitan Washington area – was convicted yesterday in Washington federal court, following a jury trial, of 18 counts related to his theft of union treasury and pension funds, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division.

Caleb Gray-Burriss, 62, of Washington, was convicted on six counts of mail fraud, seven counts of theft from a labor organization, one count each of obstruction of justice and criminal contempt, and three counts of union recordkeeping offenses. Joining in the announcement of the verdict were Marc I. Machiz, Director of the Philadelphia Regional Office of the Employee Benefits Security Administration of the Department of Labor; Michael S. Barcus, Special Agent in Charge of the Washington Regional Office of the Department of Labor, Office of the Inspector General, Office of Labor Racketeering and Fraud Investigations; and District Director Mark Wheeler, of the Department of Labor's Washington District Office of the Office of Labor-Management Standards.

In June 2010, Mr. Gray-Burriss was charged with four counts of mail fraud in connection with his operation of a pension plan for members of NASPSO. A grand jury returned two superseding indictments in April 2011 and August 2012, which also charged offenses committed by Gray-Burriss while he was released on bail.

According to the evidence at trial, from approximately June 2004 through February 2011, Gray-Burriss wrote numerous checks to himself or to other third parties from the NASPSO pension plan checking account. The evidence also showed that Gray-Burriss spent more than \$100,000 of the pension plan funds in this way, while falsely maintaining it was an operational fund that he was properly administering and that was providing benefits to the beneficiaries. The evidence further showed that Gray-Burriss committed criminal contempt of a court order addressing his prior misappropriation of pension and health plan funds after Gray-Burriss resumed his scheme in 2009 to defraud employers and NASPSO members of pension funds.

In addition, the evidence presented at trial showed that Gray-Burriss, while an officer and employee of NASPSO, stole over \$150,000 in NASPSO funds consisting of cash withdrawals to himself, unauthorized salary increases and bonuses to himself and another person, fraudulently drawn checks to himself – purportedly for employment taxes on behalf of NASPSO – and unlawfully used NASPSO funds to pay his personal fines in a civil lawsuit.

The jury also found that Gray-Burriss committed obstruction of justice by destroying or concealing NASPSO financial records during a grand jury investigation; failing to file required annual reports on behalf of NASPSO, falsifying those reports, and failing to maintain properly the records of NASPSO.

At sentencing, which is currently scheduled for Feb. 28, 2013, Gray-Burriss faces a maximum potential penalty of 20 years in prison and a \$250,000 fine on each of the mail fraud counts, five years in prison and a \$10,000 fine on each of the theft from a labor organization and conspiracy counts; five years in prison and a \$250,000 fine on the criminal contempt count; 20 years in prison and a \$250,000 fine on the obstruction count, and a year in prison and a \$10,000 fine for the recordkeeping offenses.

The investigation was conducted by agents and investigators of the U.S. Department of Labor. Trial Attorney Vincent J. Falvo of the Criminal Division's Organized Crime and Gang Section and Trial Attorney Tracee Plowell, of the Criminal Division's Public Integrity Section prosecuted the case.

Component(s):

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