

Department of Justice
U.S. Attorney's Office
Southern District of California

FOR IMMEDIATE RELEASE

Monday, September 26, 2022

**Ex-Labor Leader Charged with Embezzling Tens of
Thousands of Dollars from Local Union**

Assistant U. S. Attorney Rebecca S. Kanter (619) 546-7304

NEWS RELEASE SUMMARY – September 23, 2022

SAN DIEGO – A former Department of Homeland Security officer and President of American Federation of Government Employees Local 2805 has been indicted by a federal grand jury for wire fraud and making false statements stemming from his alleged embezzlement of tens of thousands of dollars of union funds from Local 2805.

Felix Luciano was an Enforcement Removal Officer for Immigration and Customs Enforcement. From approximately 2011 through December 2018, Luciano served as the President of Local 2805, a labor union which represents DHS-ICE employees in San Diego and Imperial Counties. Among his legal duties were maintaining the fiscal integrity of the organization, which prohibited him from engaging in business or financial interest that conflicted with his duty to Local 2805 and its members.

The indictment alleges that Luciano embezzled union funds for his own benefit between December 2013 and continuing into January 7, 2019. Luciano retired in December 2018 in the course of an audit of Local 2805 by the Department of Labor's Office of Labor-Management Standards (OLMS). Luciano is alleged to have used Local 2805's union dues to enrich himself and pay for personal expenses for himself and his spouse. Some of those expenses included luxury travel, payments to his personal credit card, payments to support his wife's business (such as paying for the business' website design), purchase of a custom gun safe storage, retail purchases, dining, and groceries.

The indictment alleges that Luciano carried out this scheme to defraud Local 2805 by using its debit and credit card to pay his personal expenses and by writing checks to himself from the Local's checking account with false descriptions such as "per diem" in the memo line.

In order to conceal and obscure his embezzlement, Luciano fraudulently reported false information on Local 2805's annual financial reports. Labor organizations are required to file financial reports with the OLMS annually. On behalf of Local 2805, Luciano prepared, signed - under penalty of perjury - and filed the financial reports (known as Form LM-3s) with false information that disguised the nature, volume, frequency and purpose of the unauthorized checks and other personal transactions. For example, on the 2017 financial report, he falsely reported that Local 2805 only disbursed \$3,068 to him (directly or indirectly), when in fact the correct figure was over \$20,000.

In doing so, Luciano hid the embezzlement from the Department of Labor, his fellow union officers, as well as the union membership whose dues were the source of the embezzled funds.

"When employees pay their hard-earned money into labor unions, they reasonably expect the officers of those organizations to be honest stewards of their dues," said U.S. Attorney Randy Grossman "Our office will work diligently to pursue justice against offenders who have allegedly stolen from their

own unions at the expense of members.” Grossman thanked the prosecution team and investigating agencies for their excellent work.

“The Office of Labor-Management Standards will always work hard to expose and bring to justice any official who chooses to break the law and the faith of their union members by stealing,” said Ed Oquendo, District Director, Los Angeles District Office, U.S. Department of Labor, Office of Labor-Management Standards.

Postal Inspector in Charge of the Los Angeles Division Carroll N. Harris said, “When a public official misuses the U.S. Mail for personal gain, Postal Inspectors will aggressively pursue that official to restore the public’s confidence in the mail.”

An important mission of the Office of Inspector General is to investigate allegations of fraud related to union corruption. We will continue to work with our law enforcement partners to investigate these types of allegations,” said Quentin Heiden, Special Agent-in-Charge, Los Angeles Region, U.S. Department of Labor Office of Inspector General.

Luciano was arraigned on the indictment by U.S. Magistrate Judge Michael Berg and entered a plea of not guilty. Judge Berg set Luciano’s bond at \$30,000 and ordered him to appear before U.S. District Court Judge Thomas Whelan on October 3, 2022, at 9 a.m. for a motion hearing.

*The charges and allegations contained in an indictment or complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.

DEFENDANTS

Case Number 22CR2201-W

Felix Luciano

Age: 60

San Diego, CA

SUMMARY OF CHARGES

False Statements – Title 18, U.S.C., Section 1001

Maximum penalty: Five years in prison and \$250,000 fine

Wire Fraud – Title 18, U.S.C. Section 1343

Maximum penalty: Twenty years in prison and \$500,000 fine

AGENCY

Department of Labor – Office of Labor-Management Standards

Department of Labor – Office of Inspector General

Homeland Security Investigations – Office of Inspector General

United States Postal Inspector

Topic(s):
Financial Fraud

[USAO - California, Southern](#)

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