

May 9, 2019
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**FORMER UNION TREASURER PLEADS GUILTY TO EMBEZZLING AT LEAST
\$82,000 IN UNION FUNDS**

Baltimore, Maryland – Annette Elizabeth Jones, age 45, of Port Deposit, Maryland, pleaded guilty today to bank fraud in connection with a scheme to embezzle funds from the labor union where she worked. Jones entered her guilty plea on May 7, 2019.

The guilty plea was announced by United States Attorney for the District of Maryland Robert K. Hur; District Director Mark Wheeler of the U.S. Department of Labor, Office of Labor - Management Standards; and Inspector General Kim R. Lampkins, Special Agent in Charge, Mid Atlantic Field Office, of the U.S. Department of Veterans Affairs.

According to her plea agreement, Jones is the former Treasurer of the American Federation of Government Employees (“AFGE”) Local Union 331, which represents approximately 760 employees of the Department of Veterans Affairs (VA) Medical Center in Perry Point, Maryland.

As detailed in her plea agreement, Jones executed two fraud schemes through which she embezzled at least \$82,180.73 from the Union. First, from July 2012 through July 2015, Jones stole at least \$80,944.80 in Union funds by forging her colleagues’ signatures on 335 Union checks that she wrote to herself and then cashed or deposited those checks at multiple financial institutions. Second, from January 2014 through July 2015, Jones used a Union-issued credit card to pay for \$1,235.93 in personal expenses using Union funds on 20 separate occasions.

Jones admitted that she took steps to conceal the scheme from the Union. For example, not only did Jones have exclusive control of the Union’s checkbook, but she also maintained sole custody of a laptop computer that she was issued by the Union to manage its financial records on Union-purchased accounting software. In that software, Jones frequently recorded false information regarding the business purpose of the fraudulent Union checks she forged and negotiated, or recorded no information at all about the business purpose of such checks. Jones also provided false information about the Union’s finances to the Executive Board and the Union membership, caused reports to be submitted to the federal government that falsely certified the amount of money she received from the Union, and lied to the Union’s independent auditor.

Jones’ fraud was discovered in July 2015, when the Union’s Vice President overheard a phone call in which Jones attempted to purchase a smartphone for a family

member using the credit card she had been issued to pay for Union expenses only. The Vice President then reported the conversation to the Union's President. The President later conducted a search of Jones's office and found two uncashed Union checks made payable to Jones on which it appeared that the President's signature had been forged. The Union President then met with the manager of the bank where the Union's account was held, and reviewed each of the checks to Jones that had been drawn on the Union's account during the preceding three months. The Union President's signature had been forged on all of them. When the manager provided the President with copies of the Union's monthly credit-card account statements, the President also discovered that Jones had made a number of personal charges on her Union-issued card.

Jones was immediately removed from her position as Union Treasurer and resigned from the VA soon thereafter. Although Jones had agreed to return her Union-issued laptop at the time she was removed as Treasurer, Jones admitted that she never returned it.

As part of her plea agreement, Jones will be required to pay restitution in the full amount of the loss, which the parties agree is \$82,180.73.

Jones and the government have agreed that, if the Court accepts the plea agreement, Jones will be sentenced to two years in federal prison. U.S. District Judge Deborah K. Chasanow has scheduled sentencing for September 10, 2019 at 1:00 p.m.

United States Attorney Robert K. Hur commended the DOL and VA-OIG for their work in the investigation. Mr. Hur thanked Assistant U.S. Attorneys Jeffrey J. Izant and Matthew J. Maddox, who are prosecuting the case.

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