

Former Union Officer Sentenced to 140 Months in Prison for Conspiracy, Wire Fraud, and Embezzlement

Thursday, July 20, 2023

For Immediate Release

U.S. Attorney's Office, District of Hawaii

HONOLULU – Brian Ahakuelo (age 61) was sentenced today in federal court by Senior United States District Judge Helen Gillmor to 140 months imprisonment and three years of supervised release for conspiracy, wire fraud, and embezzlement for crimes committed while he was employed by the International Brotherhood of Electrical Workers (“IBEW”) Local 1260 and ordered to pay restitution in the amount of \$209,391.72. A federal trial jury found Ahakuelo and his wife, Marilyn Ahakuelo (age 59), guilty of those crimes after a four-week trial on November 21, 2022. Brian Ahakuelo has been detained in custody since the jury verdict.

Brian Ahakuelo and Marilyn Ahakuelo were both convicted of one count of conspiracy and 42 counts of wire fraud, and also convicted of embezzlement of a labor union asset (six counts and three counts, respectively). Brian Ahakuelo alone was convicted of 19 counts of money laundering. Judge Gillmor previously sentenced Marilyn Ahakuelo to 70 months in prison for her convictions.

At trial, the evidence showed that Brian Ahakuelo, who served as IBEW’s Business Manager and Financial Secretary, hired family members at high salaries and authorized the use of union funds for personal purposes, including extravagant travel for himself and those loyal to him. In the case of one family member hired by Brian Ahakuelo, little legitimate work was performed. The evidence at trial also showed that Brian and Marilyn Ahakuelo used union funds to purchase personal trips to the mainland, and that Brian Ahakuelo engaged in self-dealing by using union funds to purchase a truck already owned by Marilyn Ahakuelo while allowing her to continue to use it. When his activities largely depleted the union’s coffers, Brian Ahakuelo, with the help of Marilyn Ahakuelo

and other union employees, rigged a vote on a resolution to increase membership dues. The voter fraud caused members to pay an additional \$3.7 million in dues over approximately eighteen months.

"Labor leaders have a fiduciary duty to their members, and in this case, the jury returned its verdict after hearing extensive testimony and reviewing voluminous documentary evidence of Brian and Marilyn Ahakuelo's criminal violation of that duty," said United States Attorney Clare E. Connors. "Our office will continue to work with our law enforcement partners to ensure criminal consequences in a court of law when this type of misconduct occurs."

"Former Vice President Hubert Humphrey once said, 'America is a living testimonial to what free men and women, organized in free democratic trade unions, can do to make a better life.' Unfortunately, Brian and Marilyn Ahakuelo used their union to better their own lives, causing immense harm to all their fellow union members," said Special Agent in Charge Adam Jobes, IRS Criminal Investigation (IRS-CI), Seattle Field Office. "Let today's sentence be a cautionary tale to other would-be fraudsters that IRS-CI is committed to bringing criminals like the Ahakuelos to justice."

"Brian Ahakuelo betrayed the trust of the union membership to protect and safeguard their union's funds for the benefit of its members. The Office of Labor-Management Standards will continue to protect unions by bringing to justice, and seeking restitution from, any official who chooses to use union funds for their own benefit," said Ed Oquendo, District Director, Los Angeles District Office, U.S. Department of Labor, Office of Labor-Management Standards.

"Brian Ahakuelo betrayed the hardworking union members of the IBEW Local 1260," said Hawai'i Attorney General Anne Lopez. "This case demonstrates the commitment of the Hawai'i Department of the Attorney General to collaborate with our federal partners in investigating and prosecuting those who abuse their positions of trust in this state. I extend profound gratitude to the U.S. Attorney's Office, the Internal Revenue Service, and the U.S. Department of Labor for their outstanding work on this case."

This conviction is the result of an investigation conducted by the Internal Revenue Service-CI, Department of Labor – Office of Labor Management Standards, and State of Hawaii Attorney General's Office. Assistant U.S. Attorneys Michael F. Albanese and W. KeAupuni Akina prosecuted the case.

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