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**MANHATTAN U.S. ATTORNEY CHARGES FORMER PRESIDENT OF
MAILERS UNION WITH EMBEZZLING MORE THAN
\$200,000 IN UNION FUNDS**

PREET BHARARA, the United States Attorney for the Southern District of New York, and RALPH E. GERCHAK, the New York District Director of the U.S. Department of Labor's Office of Labor-Management Standards ("DOL-OLMS"), announced today the arrest of WAYNE MITCHELL, former president of the Communication Workers of American Union ("CWA"), Local 14170 -- commonly known as New York Mailers Union No. 6 (the "Mailers Union")-- for embezzling more than \$200,000 from the Mailers Union. The Mailers Union represents mailroom employees of New York-based newspapers, including the New York Times, the New York Post, and the Daily News.

According to the Complaint filed in Manhattan federal court:

In 2007, a long-time union member (the "Whistleblower") asked Mailers Union officers for copies of forms, called "LM Reports," that the union files annually with the Department of Labor. The 2004 LM Report revealed disbursements to an employee whose name was previously unknown to union members and appeared to be fictitious. Moreover, the 2006 LM Report reflected a salary of \$200,000 for MITCHELL, an amount substantially above the maximum salary allowed under the union's constitution. At a February 2008 Mailers Union board meeting, when questioned about his salary by the Whistleblower and others, MITCHELL claimed that his salary was mistakenly overstated on the 2006 LM Report, and that a new accountant would file an amended report; a few months later, MITCHELL stepped down as president of the Mailers Union

and a temporary administrator was appointed by CWA to manage the union's financial affairs.

In June 2008, the Mailers Union retained a forensic accountant to analyze its financial records. The accountant determined that the Mailers Union owed more than \$200,000 in federal taxes, and was in arrears several hundred thousand dollars to a number of other entities, including the New York State Department of Labor and the Local 14170 Pension and Welfare Fund. Moreover, the forensic accountant revealed that MITCHELL received compensation totaling at least \$425,000 for fiscal years 2005 and 2006. MITCHELL also wrote checks to himself and his associates in excess of \$200,000 from October 2006 through June 2008, while simultaneously bouncing more than \$180,000 in check payments to union creditors, including the payroll company.

MITCHELL was interviewed by DOL-OLMS investigators earlier this year, and admitted that he embezzled union funds. Specifically, MITCHELL told investigators that he received at least approximately \$200,000 in unauthorized payroll checks between October 1, 2004, and May 30, 2008, and embezzled additional union monies by falsely claiming personal expenses as union-related bills.

MITCHELL, 57, of Fairless Hills, Pennsylvania, is charged with one count of embezzlement of union funds, which carries a maximum sentence of five years in prison.

MITCHELL is expected to surrender to federal authorities tomorrow morning and will be presented tomorrow in Manhattan federal court before United States Magistrate Judge JAMES C. FRANCIS IV.

Mr. BHARARA praised the work of the Department of Labor, Office of Labor-Management Standards.

This case is being prosecuted by the Office's Public Corruption Unit. Assistant United States Attorney RUA M. KELLY is in charge of the prosecution.

The charge contained in the Complaint is merely an accusation and the defendant is presumed innocent unless and until proven guilty.

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