



U.S. Department of Justice

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For Immediate Release:

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May 28, 2009

Event: Indicted

Defendant: Joseph Roxlyn Jewett

**JOSEPH ROXLYN JEWETT INDICTED FOR GIVING KICKBACKS TO
CARPENTERS' UNION BOSS AND FOR EMBEZZLING MONEY FROM THE
CARPENTERS PENSION FUND AND OPERATING ENGINEERS' PENSION
PLAN**

Joseph Roxlyn Jewett, 68, of Las Vegas, Nevada, was indicted on charges of giving kickbacks to the former leader of the Michigan Regional Council of Carpenters and for stealing four million dollars from the Carpenters' Pension Trust Fund and the Operating Engineers Local 324 Pension Plan, announced United States Attorney Terrence Berg. In addition, Jewett was charged with conspiring to commit wire fraud, to embezzle union pension funds, to give kickbacks to a union official, and to launder the proceeds of this illegal activity. The charges were set forth in an Indictment issued by a federal grand jury in Detroit on May 26, 2009 and unsealed today.

Berg was joined in the announcement by FBI Special Agent in Charge Andrew Arena and James Vanderberg, Special Agent in Charge of the Department of Labor, Office of Labor

Racketeering and Fraud Investigations.

According to the twelve-count Indictment, between March 2002 and March 2008, defendant Jewett conspired with other individuals to defraud and to embezzle money from the Carpenters' Pension Trust Fund and the Operating Engineers Local 324 Pension Plan in connection with investments made by the pension plans in the construction of a Hard Rock Hotel & Casino in Biloxi, Mississippi. The investments of the pension funds were being managed by AA Capital Partners, Inc. of Chicago, Illinois. During the conspiracy, Jewett was the President of J&R Ventures, a company doing business in Michigan and Nevada that acted as a consultant to AA Capital. The Indictment charges that the Carpenters Pension Fund retained AA Capital as an investment advisor with the understanding that AA Capital would then hire Jewett and J&R Ventures to do consulting work on an investment in a gambling casino. Jewett and J&R Ventures, in conjunction with the President of AA Capital, John Orecchio, stole over \$4 million in Carpenters' Pension Fund and Operating Engineers Pension Plan money while purporting to do consulting work for AA Capital. Instead, Jewett and Orecchio diverted the \$4 million in pension fund monies for their own personal use.

As a part of the conspiracy, Jewett agreed to make and made kickbacks to Walter Ralph Mabry, who was then the Executive Secretary-Treasurer of the Michigan Regional Council of Carpenters and the Chairman of the Board of Trustees of the Carpenters' Pension Trust Fund. The kickbacks to Mabry from Jewett included a share in \$800,000 in profit from the Biloxi Hard Rock casino investment made by the Carpenters' Pension Trust Fund. In addition, Jewett provided kickbacks to Mabry in the form of free concert tickets and hotel stays worth thousands of dollars. Jewett also is charged with laundering the pension fund money stolen from the pension plans and with making fraudulent wire transfers to Jewett's bank in Las Vegas from banks in Troy, Michigan.

If convicted, Jewett faces a maximum of twenty years in prison on each of the seven counts of money laundering and wire fraud in the Indictment, and between three and five years in prison on each of the five counts of conspiracy, embezzlement from a pension fund, and kickbacks to a union official.

The Indictment also seeks forfeiture of a house owned by Jewett in Nevada, as well as over \$150,000 seized by the United States in Jewett's bank accounts.

United States Attorney Terrence Berg said, "Looting millions from a union pension fund and paying kickbacks to a union official are criminal acts that harm the members and retirees who rely on the security and availability of those pension funds. Today's charges show that such acts of theft within the ranks of organized labor will not be tolerated."

Andrew Arena, Special Agent in Charge, Federal Bureau of Investigation said, "Embezzling union resources and accepting kickbacks systematically robs union monetary assets and decreases benefits to all members. The FBI will continue to aggressively investigate these cases with our law enforcement partners."

The case was investigated by agents of the Federal Bureau of Investigation, the Department of Labor, Office of Inspector General—Office of Labor Racketeering and Fraud Investigations, and the Employee Benefits Security Administration. In addition, the Securities and Exchange Commission provided assistance with the investigation. It is being prosecuted by Assistant United States Attorney David A. Gardey.