



Department of Justice

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Southern District of Iowa

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EX-UNION PRESIDENT GUILTY OF EMBEZZLEMENT

Des Moines -- A former union official has pleaded guilty to embezzling funds from Local 2051 of the American Federation of State, County, and Municipal Employees, which represented employees at Prairie Meadows Racetrack and Casino in Altoona, Iowa, announced United States Attorney Nicholas A. Klinefeldt.

Grace Isley, 61, of Des Moines, pleaded guilty to embezzling union funds in a proceeding before United States Magistrate Judge Ross A. Walters on June 21, 2011. In a written plea agreement, Isley admitted that she unlawfully took a total of \$11,943.82 from Local 2051 over a three-year period, June 2006 until August 2009. Isley was president of the local union during this period. She took the funds by depositing membership dues checks into her personal checking account and by making unauthorized distributions of union funds to herself, including by making false claims that she was absent from work because of union business when, in fact, she was not.

“This defendant breached a serious trust to the members of Local 2051, who rightfully expected that union funds would be used for proper purposes,” stated United States Attorney Klinefeldt. Klinefeldt thanked the United States Department of Labor’s Office of Labor-Management Standards for bringing this matter to the attention of his office.

Embezzling union funds is a felony offense, which carries a maximum penalty of up to five years in prison, a fine of up to \$10,000, or both, together with a mandatory \$100 special

assessment and a term of supervised release. The plea agreement also provides that the sentencing judge should impose an order of restitution.

Sentencing is scheduled for September 23, 2011, at the United States Courthouse in Des Moines, before Senior United States District Judge Ronald E. Longstaff.