



U.S. Department of Justice

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LOVES PARK, ILLINOIS WOMAN CHARGED WITH EMBEZZLING \$200,000 FROM LOCAL LABOR UNION

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, together with JAMES VANDERBERG, Special Agent-In-Charge of the Chicago office of the United States Department of Labor, Office of Inspector General, Office of Fraud and Labor Racketeering Investigations, and MARY KEBISEK, District Director of the Chicago office of the United States Department of Labor – Office of Labor-Management Standards, today announced:

A federal grand jury in Rockford today returned an indictment charging **GRACE RATHKE**, 55, Loves Park, Illinois, with 10 counts of embezzling a total of approximately \$200,000 from Local 32 of the Laborers International Union of North America (“Local 32”). According to the indictment, Rathke was the office manager of Local 32. Members and apprentices of Local 32 would pay their dues, initiation fees, and other fees to Local 32, either by check or cash. The indictment alleges that Rathke, as office manager, received those dues and fees and, instead of depositing the funds into Local 32’s bank account, embezzled those funds. According to the indictment, Rathke embezzled funds between November of 2004 and March of 2009.

The ten counts each charge an embezzlement on a separate date. If convicted, Rathke faces a sentence of up to 5 years of imprisonment and a fine of up to \$250,000 for each count. The arraignment for Rathke has been set for August 5, 2011, at 10:30 a.m. before Magistrate Judge P. Michael Mahoney in the federal courthouse in Rockford. The case was investigated by the Chicago offices of the United States Department of Labor, Office of Inspector General, Office of Fraud and Labor Racketeering Investigations, and the United States Department of Labor – Office of Labor-Management Standards. It will be prosecuted in federal court by Assistant United States Attorney JOHN G. MCKENZIE.

Members of the public are reminded that an indictment is only a charge and is not evidence of guilt. The defendant is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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