



Department of Justice

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Perry County Woman Pleads Guilty to Union Embezzlement

LONDON, Ky. – A Bulan, Ky., woman, Linda Shepherd, 54, pleaded guilty on Monday, June 28, before U.S. Magistrate Judge Hanly A. Ingram, to embezzling assets from a labor union.

According to Shepherd's guilty plea agreement, from April 2011 to March 2018, she was employed as the financial secretary of United Steelworkers (USW) Local 14637, the union for employees of Appalachian Regional Healthcare, in Hazard, Kentucky. As financial secretary, Shepherd was responsible for paying the union's bills and maintaining its financial records. USW policy dictated that a union officer's salary compensated the individual for personal time spent doing union business. "Lost time" is only paid when an officer has membership approval to miss work to conduct union business. Shepherd admitted to misappropriating union funds by paying herself for lost time in instances when she did not lose wages. She also admitted to unauthorized use of union funds to pay for meals and pay herself for unauthorized services rendered.

In total, between May 12, 2011 and March 20, 2018, Shepherd willfully misappropriated \$39,491.69 in union funds. These additional payments were not included in the annual union report that disclosed officer compensation to the membership.

"Linda Shepherd used her position as a financial secretary to steal money from a union representing workers in her community," said Carlton S. Shier, IV, Acting United States Attorney for the Eastern District of Kentucky. "In order to enrich herself, she betrayed a trust placed in her and damaged the financial well-being of an organization designed to protect the interests of its members. She is now facing the consequences of her crime."

"Safeguarding financial integrity in labor unions and combating fraud is a high priority for the U.S. Department of Labor," said Megan Ireland, District Director, U.S. Department of Labor, Office of Labor-Management Standards. "While the vast majority of union officials do their work diligently and without incident, Linda Shepherd betrayed the trust placed in her by the USW membership and embezzled over \$39,000 from the USW, while collecting a salary from her employer and the union, at the expense of the USW and its members. OLMS will continue to work with our partners to identify criminal violations and pursue appropriate legal action when someone unlawfully exploits their union position to enrich themselves without regard to the best

interests of union members.”

Carlton S. Shier, IV, Acting United States Attorney for the Eastern District of Kentucky and Megan Ireland, District Director, DOL Office of Labor-Management Standards , jointly announced the guilty plea.

The investigation was conducted by the Department of Labor. The United States was represented by Assistant U.S. Attorney Kate Smith.

Shepherd is scheduled to be sentenced on November 1. She faces a maximum of five years in prison and a fine of up to \$250,000. However, any sentence will be imposed by the Court, after its consideration of the U.S. Sentencing Guidelines and the federal sentencing statutes.

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