

Department of Justice
U.S. Attorney's Office
Eastern District of Michigan

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Former International UAW President Gary Jones Sentenced to Prison for Embezzling Union Funds

Gary Jones, the former President of the international United Auto Workers union, was sentenced to 28 months in prison today for conspiring with other UAW officials to embezzle UAW funds and to defraud the United States announced Acting U.S. Attorney Saima S. Mohsin.

Joining in the announcement were Irene Lindow, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Timothy Waters, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, Kelly Lewis, Acting Special Agent in Charge of the Detroit, Michigan office of the Internal Revenue Service – Criminal Investigations, and Thomas Murray, District Director, U.S. Department of Labor – Office of Labor-Management Standards.

Gary Jones, 64, of Corsicana, Texas, was sentenced to 28 months in prison, \$550,000 in restitution to the UAW, \$42,000 restitution to the IRS, forfeiture of \$151,377, two years of supervised release, and a \$10,000 fine by United States District Judge Paul Borman based on his conviction for conspiring with former UAW President Dennis Williams and other senior UAW officials to embezzle UAW dues money and to defraud the United States through tax evasion between 2010 and September 2019.

Between June 2018 and November 2019, Jones served as the President of the International Union, United Automobile, Aerospace, and Agricultural Workers of America (“UAW”). The UAW represents over 400,000 active members and over 580,000 retired members in more than 600 local unions across the United States. Prior to serving as UAW President, Jones was the Director of UAW Region 5 and a member of the UAW’s International Executive Board from October 2012 through June 2018. The UAW’s Region 5 is headquartered in Hazelwood, Missouri, and covers the tens of thousands of UAW members in Missouri and the sixteen states to the southwest, including California and Texas. Jones was the UAW President during the forty-day strike against the General Motors Company that took place in the fall of 2019.

Jones stands convicted of conspiring with at least six other high-level UAW officials in a multi-year conspiracy to embezzle money from the UAW for the personal benefit of Jones and other senior UAW officials. Jones and other UAW officials concealed personal expenditures in the cost of UAW Region 5 conferences held in Palm Springs, California, Coronado, California, and Lake of the Ozarks, Missouri. Between 2010 and 2018, Jones and other UAW officials submitted fraudulent expense forms seeking reimbursement from the UAW’s Detroit headquarters for expenditures supposedly incurred in connection with Region 5 leadership and training conferences. In truth, however, Jones and his co-conspirators used the conferences to conceal the hundreds of thousands of dollars in UAW funds spent on lavish entertainment and personal spending for the conspirators.

Jones admitted that he and other senior UAW officials used the UAW money to pay for personal expenses, including golf clubs, private villas, cigars, golfing apparel, green fees at golf courses, and high-end liquor and meals costing over \$750,000 in UAW funds. For example, during the course of the conspiracy, Jones used UAW money to purchase over \$60,000 in cigars and four sets of custom-made golf clubs for the use of high-level UAW officials.

Besides admitting to using the UAW conferences to conceal the fraudulent use of UAW money for personal expenses, Jones also pled guilty to assisting in a conspiracy to embezzle UAW funds from the UAW's Midwest CAP. The UAW Midwest CAP is one of the UAW's many Community Action Programs. Jones admitted to accepting over \$60,000 in cash from co-conspirator Edward Robinson who cashed over \$500,000 in fraudulent UAW Midwest CAP checks and embezzled money from the UAW Labor Employment Training Corporation.

Besides conspiring with other UAW officials to embezzle UAW funds, Jones pled guilty to conspiring with UAW officials to defraud the United States by impeding the Internal Revenue Service in the collection of taxes from Jones and other UAW officials. The conspirators also caused the UAW to file false tax returns with the IRS.

As part of the court's sentence, Jones was ordered to forfeit \$31,000 in cash, a custom-made set of Titleist golf clubs, and various golf clothing and equipment seized from Jones during an August 2019 search of his residence in Canton, Michigan. In addition, Jones has been ordered to pay \$550,000 in restitution to the UAW and \$42,000 in restitution to the Internal Revenue Service. Finally, the Court ordered Jones to forfeit \$83,613 held in Jones' "Flower Fund" account and \$38,644 from Jones' Members in Solidarity account. Co-defendant Edward Robinson was ordered to pay restitution of \$300,000 to the UAW, and co-defendant Dennis Williams paid \$132,000 in restitution to the UAW. It is expected that co-defendant Vance Pearson will owe \$250,000 in restitution.

Because Jones provided substantial assistance in the investigation of other individuals and entities, the United States sought a lower prison sentence for him.

Jones is the sixteenth defendant convicted in connection with the ongoing criminal investigation into corruption within the UAW or relating to illegal payoffs to UAW officials by FCA executives. The following other individuals have already pleaded guilty to their participation in the scheme and have been sentenced: former FCA Vice President for Employee Relations Alphons Iacobelli (66 months in prison), former FCA Financial Analyst Jerome Durden (15 months in prison), former Director of FCA's Employee Relations Department Michael Brown (12 months in prison), former senior UAW officials Virdell King (60 days in prison), Keith Mickens (12 months in prison), Nancy A. Johnson (12 months in prison), Monica Morgan, the widow of UAW Vice President General Holiefield (18 months in prison), former UAW Vice President Norwood Jewell (15 months in prison), former senior UAW official Michael Grimes (28 months), former UAW Midwest CAP President Edward "Nick" Robinson (12 months in prison), former UAW Vice President Joseph Ashton (30 months), and former UAW President Dennis Williams (21 months). In addition, the following UAW official has pleaded guilty and is awaiting sentencing: former UAW Region 5 Director UAW Board member Vance Pearson. The company, FCA US LLC, now known as Stellantis, pleaded guilty in January 2021 to conspiring to violate the Taft-Hartley Act, and the company will be sentenced on June 21, 2021. Former senior UAW official Jeffrey "Paycheck" Pietrzyk passed away before being sentenced.

In December 2020, the United States filed a civil lawsuit against the UAW under the Anti-Fraud Injunction Act based on the criminal investigation of the UAW, FCA US LLC, and FCA's executives. Subsequently, the United States and the UAW entered into a Consent Decree to settle the lawsuit that was approved by the U.S. District Court. The Court has appointed attorney Neil Barofsky to serve as the Independent Monitor of the UAW for the next six years. The Monitor is tasked with providing federal oversight of the UAW concerning fraud, corruption, and misconduct within the UAW. In addition, the Monitor will conduct and oversee a referendum of all UAW members to determine if the membership wants to adopt a direct election, also known as "one member, one vote," method of electing the members of the UAW's International Executive Board.

Acting U.S. Attorney Mohsin commended the outstanding work of the Internal Revenue Service – Criminal Investigations, the U.S. Department of Labor – Office of Labor-Management Standards and

Office of Inspector General, and the Federal Bureau of Investigation in conducting a comprehensive criminal investigation into labor corruption activities involving a vital sector of the local and national economy.

“The fact that two former international UAW Presidents will be going to prison after being convicted of embezzling UAW dues money demonstrates that no one is above the law,” said Acting United States Attorney Saima S. Mohsin. “The working men and women of the UAW can feel that justice was done, and that their union is on the road to reform.”

“Instead of serving the interests of the hard-working men and women of the UAW, Jones conspired with senior UAW officials to embezzle more than \$1 million in union funds. Jones spent the embezzled funds on extravagant meals, liquor, golf, and personal travel. We will continue to work with our law enforcement partners to protect the financial integrity of labor organizations,” stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

“Unions can only be effective if members trust their leadership to work in the best interest of the entire union. Gary Jones and the fifteen leaders convicted over the course of this investigation were clearly unworthy of that trust,” said Timothy Waters, Special Agent in Charge of the FBI’s Detroit Field Office. “While this investigation is one step closer to its conclusion, the FBI and our federal partners will remain vigilant in our efforts to expose those who participate in this type of corrupt behavior and bring them to justice.”

“Gary Jones failed to act with integrity as President of the UAW, he stole from the UAW’s membership and attempted to negatively impact the integrity of the U.S. tax system. Today’s sentence holds Jones accountable for his actions,” said Kelly Lewis, Acting Special Agent in Charge, IRS Criminal Investigation, Detroit Field Office. “IRS-Criminal Investigation is dedicated to protecting the integrity of our tax system and working with our law enforcement partners to protect the financial integrity of corporations and labor organizations.”

“With today’s sentencing, Gary Jones has solidified his legacy at the UAW as one who chose to abuse his position of trust to enrich himself and other high ranking UAW officials who together conspired to embezzle more than \$1 million from the UAW instead of working towards improving the working conditions of his fellow UAW members,” said Thomas Murray, 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, OLMS will continue to work with its law enforcement partners to hold accountable anyone that unlawfully exploits their union position to enrich themselves without regard to the best interests of union members.”

The case is being prosecuted by Assistant U.S. Attorneys David A. Gardey, Steven Cares, and Adriana Dydell.

Topic(s):
Public Corruption

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