

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

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**Former UAW Regional Director and Board Member
Sentenced to Prison for Racketeering and Embezzlement
Conspiracy**

Vance Pearson, the former Director of the United Auto Worker's Region 5 and a former member of the UAW's International Executive Board, was sentenced to 12 months in prison today for conspiring with other UAW officials to embezzle hundreds of thousands of dollars of UAW dues money and to further racketeering activity 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, Brian Thomas, 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.

Vance Pearson, 58, of St. Charles, Missouri, was sentenced to 12 months in prison, \$250,000 in restitution to the UAW, forfeiture of \$122,258.26 and three years of supervised release by United States District Judge Paul Borman based on his conviction for conspiring with former UAW President Gary Jones and other senior UAW officials to embezzle UAW dues money and to further racketeering crimes between 2010 and September 2019.

Between June 2018 and September 2019, Pearson served as the Director of Region 5 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. The UAW's Region 5 was headquartered in Hazelwood, Missouri, and covered the tens of thousands of UAW members in Missouri and the sixteen states to the southwest, including California and Texas.

Pearson 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 senior UAW officials. Pearson 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, Pearson 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, Pearson 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.

Pearson 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, Pearson and the other co-conspirators 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.

As part of the court's sentence, Pearson was ordered to forfeit a custom-made set of Titleist golf clubs, \$81,000 held in his "Flower Fund" account and \$38,000 from his Members in Solidarity account. In addition, Pearson has been ordered to pay \$250,000 in restitution to the UAW. Co-defendant Edward Robinson was ordered to pay restitution of \$300,000 to the UAW, co-defendant Dennis Williams paid \$132,000 in restitution to the UAW, and co-defendant Gary Jones was ordered to pay \$550,000 in restitution to the UAW.

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

Pearson is the seventeenth 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), former UAW President Dennis Williams (21 months), and former UAW President Gary Jones (28 months). 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.

"Today's conviction shows our office's commitment to holding accountable the high level officials of the UAW who embezzled hundreds of thousands of dollars on the backs of working men and women of their union," said Acting United States Attorney Saima S. Mohsin.

"Today's sentence holds Vance Pearson accountable for his actions to personally enrich himself at the expense of dues-paying UAW members. Pearson conspired with senior UAW officials to embezzle hundreds of thousands of dollars of union dues money to further their racketeering

activity. 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.

“Today’s sentencing continues to show that IRS Criminal Investigation is working vigorously to protect the UAW’s membership from corrupt leadership and the integrity of the American tax system.” said IRS-CI Acting Special Agent in Charge, Brian Thomas, of the Detroit Field Office.”

“Safeguarding financial integrity in labor unions and combating financial malfeasance is a very high priority for the U.S. Department of Labor. While the vast majority of union officials do their work diligently and without incident, Vance Pearson betrayed the trust the UAW membership placed in him by participating in a complex embezzlement scheme to steal over a million dollars from the UAW, so he and other high-ranking UAW officers could live a lavish lifestyle at the expense of the UAW and its members,” said Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards. “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.

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