

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

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**Former International UAW President Charged With
Embezzlement, Racketeering, and Tax Evasion**

Gary Jones, the former President of the international United Auto Workers union, was charged today in a Criminal Information with conspiring with other UAW officials to embezzle over \$1 million of UAW dues money, to furthering racketeering activity, and to evading taxes announced U.S. Attorney Matthew Schneider.

Joining in the announcement were Irene Lindow, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Steven M. D'Antuono, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, Sarah Kull, 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, 62, of Canton, Michigan, is charged with conspiring to embezzle UAW dues money and conspiring to use a facility of interstate commerce to aid racketeering crimes between 2010 and September 2019. He is also charged with conspiring to defraud the United States by evading the payment of taxes on embezzled funds and causing the UAW to file false tax returns during the same period of time.

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.

The Criminal Information charges that Jones conspired with at least six other senior UAW officials in a multiyear 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 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.

The Information charges that Jones and other senior UAW officials used 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, in just one of the years of the conspiracy, Jones is charged with ordering over \$13,000 in cigars for the use of high-level UAW officials.

Besides using the UAW conferences to conceal the fraudulent use of UAW money for personal expenses, Jones is charged with 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 is charged with 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 is also charged with 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.

Based on each of the two counts of conspiracy, Jones faces a maximum of five years in prison and a fine of up to \$250,000.

A Criminal Information is only a charge and is not evidence of guilt.

Jones is the fourteenth defendant to be charged 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 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), and former senior UAW official Michael Grimes (28 months). In addition, the following UAW officials have pleaded guilty and are awaiting sentencing: former UAW Vice President Joseph Ashton, former senior UAW official Jeffrey "Paycheck" Pietrzyk, former UAW Region 5 Director UAW Board member Vance Pearson, and former UAW Midwest CAP President Edward "Nick" Robinson.

U.S. Attorney Schneider 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 charges today demonstrate our continuing progress towards restoring honest leadership for the over 400,000 men and women of the UAW," said United States Attorney Matthew Schneider. "The union's leaders must be dedicated to serving their members and not serving themselves."

"An important mission of the Office of Inspector General is to investigate allegations of labor racketeering and corruption within labor unions. We will continue to work with our law enforcement partners to investigate these types of allegations," stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

"While union corruption is not new, each instance slowly undermines the trust members have in their organization. In order for unions to be effective, their members must trust their leadership to do what is best for the entire union and not just for themselves. In this case, that trust has been broken over and over again," said SAC D'Antuono. "While today represents a significant development in this investigation, it does not represent its end. Our work on this case will continue until we are satisfied that everyone who should answer for these crimes is brought to justice."

“Honest and hardworking UAW members are fed up with the likes of those who use deceit and fraud to line their pockets with other people’s money,” Internal Revenue Service – Criminal Investigation Special Agent in Charge Sarah Kull said. “IRS-CI enforces the nation's tax laws, but also takes particular interest in cases where someone, for their own personal benefit, has taken what belonged to others”.

“Today’s information alleges an outrageous abuse of power and misuse of former President Gary Jones’ position of trust to enrich himself and other officers within the UAW at the expense of the UAW’s hardworking members,” said Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards. “This information leaves no question as to the agency’s commitment to seek justice when anyone puts personal financial gain ahead of the best interests of union members.”

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