



**United States Attorney's Office  
Eastern District of Michigan**

**Matthew Schneider  
United States Attorney**

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**PRESS RELEASE**

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**Contact: Gina Balaya - (313) 226-9758  
[www.justice.gov/usao/mie/index.html](http://www.justice.gov/usao/mie/index.html)**

**UAW International Board Member Arrested  
And Charged With Embezzling UAW Funds**

A member of the United Auto Workers union's International Executive Board was arrested today on a federal criminal complaint charging him with conspiring with other UAW officials to embezzle hundreds of thousands of dollars in union money for their own personal benefit along with other crimes, announced U.S. Attorney Matthew Schneider.

Joining in the announcement was Irene Lindow, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Rainer S. Drolshagen, Acting Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, Manny Muriel, 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 arrested today by federal agents in Missouri after being charged in a federal criminal complaint with taking part in a multiyear conspiracy to embezzle money from the International Union, United Automobile, Aerospace, and Agricultural Workers of America (UAW), to engage in mail and wire fraud, to file false reports with the Department of Labor, and to launder money. Pearson is the UAW's Director of Region 5, which is headquartered in Hazelwood, Missouri. The UAW's Region 5 covers the

tens of thousands of UAW members from Missouri and the sixteen states to the southwest, including California. As Region 5 Director, Pearson is a member of the UAW's International Executive Board, which governs the affairs of the union.

Pearson was arrested by federal agents in Missouri on the Detroit criminal complaint, and he is expected to make his initial appearance in federal court in St. Louis before being arraigned in Detroit. The complaint was unsealed after Pearson was arrested.

The Detroit criminal complaint charges Pearson with conspiring with other UAW officials to embezzle UAW money for the personal benefit of Pearson and other senior UAW officials by concealing personal expenditures in the cost of UAW Region 5 conferences held in Palm Springs, California, Coronado, California, and Missouri. Between 2014 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 use of hundreds of thousands of dollars in UAW funds to pay for lavish entertainment and personal spending for the conspirators.

For example, Pearson and other senior UAW officials used UAW money to buy sets of golf clubs, individual clubs, and other golf equipment that cost thousands of dollars. In addition, Pearson and other UAW officials spent over \$100,000 to purchase golf clothing, shirts, hats, sunglasses, golf balls, jackets, and fashion shorts from various pro shops at golf courses in California and Missouri. Pearson and the conspirators spent tens of thousands of dollars in UAW funds at the Indian Canyons golf course in Palm Springs on green fees for golfing outside of the time periods covered by the UAW Region 5 conferences that were used to conceal the extravagant personal spending of UAW funds.

Pearson and other UAW officials also spent hundreds of thousands of dollars in UAW funds to rent villas with individual pools in gated communities in Palm Springs for senior UAW officials for long periods of time outside of the dates set for the UAW conferences to which they were charged. UAW funds were also used to pay for meals for senior UAW officials at high-end restaurants outside the time periods of the UAW conferences to which they were charged.

The complaint also charges Pearson and his co-conspirators with embezzling over \$60,000 for the purchase of boxes of cigars, humidors, cigar

cutting equipment, and lighters from 2014 to 2018. The costs of the cigars were hidden within the expenses for the Region 5 conferences. Pearson caused the UAW to file false reports with the Department of Labor wherein the various embezzlement activity was concealed.

During search warrants executed last week in connection with the investigation, agents recovered dozens of cigars, humidors, and other tobacco-related items in the personal residences. In addition, agents seized hundreds of high-end bottles of liquor, hundreds of golf shirts, multiple sets of golf clubs, and tens of thousands of dollars in cash. Agents seized sets of golf clubs from Pearson's UAW office and from the home of another UAW official that are consistent with the clubs purchased as part of the embezzlement scheme.

Each instance of embezzlement of union funds is punishable by five years in prison and a \$10,000 fine. Mail and wire fraud carry a maximum sentence of 20 years imprisonment and a fine of \$250,000. Money laundering carries a maximum sentence of 20 years in prison and a fine of up to \$250,000.

U.S. Attorney Schneider commended the outstanding work of the Federal Bureau of Investigation, the Internal Revenue Service – Criminal Investigations, the US Department of Labor – Office of Inspector General and the U.S. Department of Labor – Office of Labor-Management Standards in conducting a comprehensive criminal investigation into labor corruption activities involving a vital sector of the local and national economy.

A criminal complaint is only a charge and is not evidence of guilt. Every defendant is entitled to a fair trial in which it will be the government's burden to prove guilty beyond a reasonable doubt.

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