

UAW – ARTICLE 30 CHARGES AGAINST GARY JONES

1. In June 2018, Gary Jones was elected President of the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (“UAW”) by delegates to the UAW’s 37th Constitutional Convention. Jones assumed that office on June 13, 2018.
2. Prior to being elected President, from approximately the Fall of 2012 through June 2018, Jones served as the Director of UAW Region 5, based in the area of St. Louis, Missouri. Region 5 encompasses the majority of states west of the Mississippi River, including Missouri, Texas, Oklahoma, Arkansas, Louisiana, Kansas, Colorado, New Mexico, California, Oregon, Nevada, Arizona, Utah, Idaho, Alaska, Washington, and Hawaii.
3. The UAW is a labor organization, as that term defined and used in the United States Code, including Sections 402 and 501 of Title 29.
4. The UAW has a Constitution which governs the conduct of the UAW itself, and the conduct of UAW officers, staff, members, and employees.
5. On or about October 31, 2019, federal criminal charges were publicly filed against another UAW official who had worked with and for Jones in Region 5 for many years.
6. The federal criminal charges returned against that other UAW official include allegations that Jones, along with others, embezzled substantial funds from the UAW; hid and disguised certain expenditures of UAW funds made for his (and others’) personal benefit; failed to accurately account for certain expenditures of UAW funds made for his (and others’) personal benefit; caused false, inaccurate, and/or misleading financial records to be made available to UAW’s Accounting Department; and attempted to cover up and hide his misconduct after the fact.
7. In the wake of allegations of criminal conduct by Jones made in the criminal charges filed against another UAW official on or about October 31, 2019, Jones requested a leave of absence from his positions of President of the UAW and as a member of the International Executive Board (“IEB”) of the UAW. Such request was granted by the IEB at a meeting held on November 2, 2019.
8. Jones went on a paid leave of absence from his positions with the UAW effective November 3, 2019, and remains on that leave of absence to the present date.
9. The UAW has an Ethical Practices Code, which is incorporated into its Constitution, and that Ethical Practices Code has a section entitled “Financial Practices” that states in part as follows:

Union funds are held in sacred trust for the benefit of the membership. The membership is entitled to assurance that Union funds are not dissipated and are spent for proper purposes. The membership is also entitled to be reasonably informed as to how Union funds are invested or used.

3. There shall be no contracts of purchase or sale or for rendering services which will result in the personal profit or advantage of any officer or representative of the Union.

10. The UAW's Ethical Practices Code has a section entitled "Business and Financial Activities of Union Officials" that states in part as follows:

2. No officer or representative shall have a personal financial interest which conflicts with her/his Union duties.

11. Title 29, Section 501(a) of the United States Code states in part:

The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person ... to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolution of the governing bodies adopted thereunder ... and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization.

29 U.S.C. Sec. 501(a).

12. Title 29, Section 436 of the United States Code requires officials of labor unions to maintain accurate records that explain entries in LM reports and allow them to be checked for accuracy. Section 436 states, in relevant part:

Every person required to file any report under this title shall maintain records on the matters required to be reported which will provide in sufficient detail the necessary basic information and data from which the documents filed with the Secretary may be verified, explained or clarified, and checked for accuracy and completeness. Every person required to file any report under this title shall maintain records on the matters required to be reported which will provide in sufficient detail the necessary basic information and data from which the documents filed with the Secretary may be verified, explained or clarified, and checked for accuracy and completeness.

29 U.S.C. Sec. 436.

13. It is a federal criminal offense for an officer of a labor organization to embezzle, steal, or convert to his own use, or the use of another, any moneys or other assets of a labor organization, such as the UAW. Title 29, Section 501(c) of the United State Code, defines such a criminal offense, stating:

(c) Embezzlement of Assets; Penalty.

Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or the use of another, any of the moneys, funds, securities, property, or other assets of a labor organization of which he is an officer, or by which he is employed, directly or indirectly, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

29 U.S.C. Sec. 501(c).

14. UAW officials have a duty to report and document financial transactions involving UAW funds accurately so that UAW funds and the expenditure of those funds can be accurately and properly accounted for in UAW financial and accounting records and properly reported in any related records or filings.

15. For several years, including in January of calendar years 2013, 2014, 2015, 2016, 2017, and 2018, Jones held a Region 5 Leadership Conference, which typically lasted for approximately 5 days. These Leadership Conferences were held at facilities in Palm Springs, California and those conferences had a number of legitimate and beneficial educational and training purposes.

16. Several hundred UAW personnel attended the Region 5 Leadership Conference each year from 2013 through 2018. UAW officials, staff, and local officers and members, from a variety of locations in the United States attended these Region 5 Leadership Conferences each year.

17. In conjunction with the Region 5 Leadership Conferences, there were expenditures of funds to various off-site vendors (*i.e.*, vendors outside of the hotel facilities where the yearly Leadership Conferences were held), such as local realty firms for off-site housing, local restaurants, golf courses, and vendors of food, beverage, and cigars, among others. These off-site vendors billed their goods and services to the hotel at which the Leadership Conference was primarily conducted, and the hotel, in turn, consolidated those charges from the outside vendors on its (the hotel's) master invoice to Region 5 for the overall Leadership Conference.

18. After each year's Leadership Conference, the hotel at which the Region 5 Leadership Conference was held transmitted, to Region 5 personnel working for Jones, documents

detailing the charges from each of the off-site vendors that were included in the hotel's master invoice for the Leadership Conferences.

19. Jones and those working under his direction and supervision at Region 5 received and had possession of documents detailing the costs incurred at each of the off-site vendors shortly after the Region 5 Leadership Conference concluded each year. Among the people working under Jones who received the documents detailing the costs incurred at each of the off-site vendors, depending on the year, were Danny Trull and Vance Pearson, each of whom, respectively, held the position of Assistant Region 5 Director under Jones during the relevant years. Others at Region 5 also received the documents and information relating to the expenditures at the off-site vendors.

CHARGE 1

2014 REGION 5 LEADERSHIP CONFERENCE – OFF-SITE EXPENDITURES

20. The Region 5 Leadership Conference in January 2014 was held at the Desert Princess Palm Springs Resort located in California.

21. A number of expenditures were made to off-site vendors in relation to the 2014 Region 5 Leadership Conference, and the expenditures to those off-site vendors were billed through the Desert Princess. The Desert Princess received and then transmitted to Region 5 personnel working for and under the supervision of Jones the specific amounts billed by each of the off-site vendors whose charges were consolidated on the Desert Princess's master invoice to Region 5 for the Leadership Conference expenses.

22. There were approximately 15 off-site vendors relating to the 2014 Region 5 Leadership Conference who billed their charges through the Desert Princess. The amounts paid to the individual off-site vendors that year ranged from \$167.65 to \$87,700, with eight of the vendors receiving in excess of \$5,000. The total amount of expenses billed by, and paid to, these off-site vendors for the 2014 Region 5 Leadership Conference was approximately \$249,964.98

23. In or about early 2014, Jones directed an individual (and perhaps more than one) who worked for him in Region 5 that the off-site expenses should not be set forth on the invoice from the Desert Princess. Instead, Jones directed that he wanted the off-site expenses to be shown on the Desert Princess invoice as expenses for a "reception" which was held on-site at the Desert Princess for all the attendees of the Conference.

24. Jones direction was to have the off-site charges be misrepresented as something other than what they were on the Desert Princess invoice, and it was understood as that by the individual (or individuals) who received that direction from Jones.

25. Jones' direction to have the Desert Princess misrepresent the off-site charges related to the 2014 Leadership Conference was followed.

26. The Desert Princess prepared a bill, a Banquet Event Order, purportedly related to the "Leadership Reception" on January 14, 2014, with multiple line items for food and beverage for 250 people, along with line items for gratuity and taxes. The total of this "Leadership Reception" invoice from the Desert Princess was \$249,964.52 – an amount almost identical to the total amount of expenses billed by the off-site vendors related to the 2014 Region 5 Leadership Conference.

27. The Desert Princess then prepared an invoice for the overall expenses of the 2014 Region 5 Leadership Conference. In that Invoice, there is a line item labeled "1/14/2014 – Reception Stations" with a charge of "\$249,964.52".

28. Jones caused the false and misleading invoice documents with the descriptions of "Leadership Reception" and/or "Reception Stations" to be created and made available to the UAW Accounting Department knowing that it was not a true and correct description of the expenses. In fact, he knew it was false and inaccurate.

29. Jones concealed the accurate information about and description of the off-site expenses from being documented on the final Desert Princess invoice for the 2014 Region 5 Leadership Conference, and caused the accurate information not to be made available to the UAW Accounting Department. Jones thereby knowingly concealed accurate financial information from the UAW and the UAW Accounting Department.

30. By directing that a false and inaccurate invoice be generated by the Desert Princess, Jones violated, among other things, his fiduciary and other duties to the UAW to see that accurate records are kept regarding expenditures of UAW funds, and certain of the federal laws cited above.

31. By causing false and inaccurate records to be made available to the UAW and the UAW Accounting Department, Jones violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.

32. By concealing the true and accurate information regarding various expenses at the Region 5 Leadership Conference, Jones violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.

33. On information and belief, Jones engaged in similar conduct of misrepresenting expenditures, hiding the true nature of expenditures, causing false and inaccurate financial documents and records to be created and made available to the UAW and the UAW Accounting Department in other years, and as to other Region 5 conferences.

34. Based on the conduct described above, Gary Jones has demonstrated he should be removed from office and expelled from membership in the International Union.

CHARGE 2
2014 REGION 5 LEADERSHIP CONFERENCE – TOWNHOME FOR DAUGHTER

35. The allegations of paragraphs 1-34 above are adopted and incorporated into this charge.

36. In connection with the 2014 Region 5 Leadership Conference, several UAW officials were housed in off-site townhomes in the area immediately surrounding the hotel complex.

37. Jones and his wife stayed in one of the off-site townhomes that were rented by the UAW in connection with the Region 5 Leadership Conference in January 2014.

38. Jones' UAW-related business in Palm Springs was completed not later than the end of the third week of January, 2014.

39. Jones and his wife left Palm Springs at the end of the third week of January, 2014.

40. Knowing that he was leaving Palm Springs at the end of the third week of January, 2014, Jones arranged for one of his family members to come to Palm Springs and stay in the townhome that had been rented for him by the UAW during the last week of January, 2014.

41. In the lead-up to Jones and his wife's departure from Palm Springs, however, Jones was told that the townhome he had been staying in was not rented for the full month of January, and therefore his family member could not stay there during the last week of January, after Jones and his wife had departed, as Jones had planned.

42. With Jones' knowledge and direction, arrangements were made for Jones' family member to stay in a different townhome in Palm Springs that had been rented by the UAW for the full month of January, and whose UAW occupant was also leaving Palm Springs by the end of the third week of January, 2014.

43. Jones' family member did not have any UAW business purpose for being in Palm Springs during the last week of January, 2014.

44. Neither Jones nor his family member paid the UAW for his daughter's week-long use of the Palm Springs townhome in January 2014.

45. By virtue of the conduct described above, Jones violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.

CHARGE 3
2016 REGION 5 LEADERSHIP CONFERENCE – OFF-SITE EXPENDITURES

46. The allegations of paragraphs 1-34 above are adopted and incorporated into this charge.

47. The Region 5 Leadership Conference in January 2016 was held at the Renaissance Palm Springs Hotel located in California.

48. A number of expenditures were made to off-site vendors in relation to the 2016, 2017, and 2018 Region 5 Leadership Conferences, and the expenditures to those off-site vendors were billed through the Renaissance Palm Springs Hotel. The Renaissance Palm Springs received and then transmitted to Jones and/or to Region 5 personnel working for and under the supervision of Jones the specific amounts billed by each of the off-site vendors whose charges were consolidated on the Renaissance Palm Springs' master invoice to Region 5 for the Leadership Conference expenses.

49. There were approximately 10-15 off-site vendors relating to the 2016 Region 5 Leadership Conference who billed their charges through the Renaissance Palm Springs Hotel. The total amount of expenses billed by, and paid to, these off-site vendors for the 2016 Region 5 Leadership Conference was approximately \$186,366.61.

50. In or about early 2016, Jones directed that the off-site expenses should not be set forth accurately or completely, by the individual off-site vendors with the goods or services and amounts paid to each specified, on the invoice from the Renaissance Palm Springs Hotel. Instead, Jones directed that he wanted the off-site expenses to be shown on the Renaissance Palm Springs to be described generically as "off-site events" or "off property banquets and catering" and without the detail necessary to accurately and properly account for and report these off-site expenditures.

51. Jones' direction to have the Renaissance Palm Springs misrepresent the off-site charges related to the 2016 Leadership Conference was followed.

52. On or about March 7, 2016, Jones and Pearson submitted a "UAW Payment Request" to the UAW Accounting Department which included invoice documents from the Renaissance Palm Springs Hotel with line-items including: "off property housing" with a charge of \$96,621.78 and "off property banquets and catering" with a charge of \$86,858.58. There was no detail as to what off-site vendors were paid those amounts, nor for what precise goods or services.

53. Those two generic line-items for off-site expenses were then consolidated into a single line-item labeled "off-site events" on another page of the invoice from the Renaissance Palm

Springs Hotel, which line-item had a total charged amount of \$185,366.61¹. This page of Renaissance Palm Springs invoice as also submitted to the UAW Accounting Department by Jones and Pearson with the UAW Payment Request form on or about March 7, 2016.

54. Jones caused the false, misleading, and/or incomplete invoice documents to be created by the Renaissance Palm Springs, and Pearson then submitted those false, misleading, and/or incomplete invoice documents to be submitted to the UAW Accounting Department knowing that it was not a true, complete, or correct description of the expenses. In fact, he knew it was inaccurate and incomplete.

55. Jones concealed the accurate information about, and description of, the off-site expenses from being documented on the final Renaissance Palm Springs invoice for the 2016 Region 5 Leadership Conference.

56. Jones knowingly failed to submit the complete and accurate information regarding the off-site expenses to the UAW Accounting Department. Jones thereby knowingly concealed accurate financial information from the UAW and the UAW Accounting Department.

57. By directing that a false, misleading, incomplete, and/or inaccurate invoice be generated by the Renaissance Palm Springs Hotel, Jones violated, among other things, his fiduciary and other duties to the UAW to see that accurate records are kept regarding expenditures of UAW funds, and certain of the federal laws cited above.

58. By causing false, misleading, incomplete, and/or inaccurate records to be submitted to the UAW and the UAW Accounting Department, Jones violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.

59. By concealing the true, accurate, and complete information regarding various expenses at the 2016 Region 5 Leadership Conference, Jones violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.

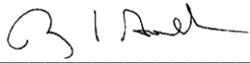
60. Jones engaged in similar conduct of misrepresenting expenditures, hiding the true nature of expenditures, causing false, misleading, inaccurate, and/or incomplete financial documents and records to be created and made available to the UAW and the UAW Accounting Department in other years, and as to other Region 5 conferences.

¹ There is a difference of \$1,886.25 between the summary "off-site events" line-item and the sum of the "off property housing" and "off property banquets and catering" which total \$183,480.36 (*i.e.*, \$96,621.78 + \$86,858.58). It appears from the documents submitted to UAW Accounting by Pearson that the additional \$1,886.25 was for other line-items identified as "banquet gratuity" in the amount of \$885.00, "Rocks lounge" in the amount of \$166.25, and "room rentals" in the amount of \$835.

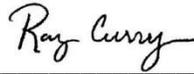
61. Based on the conduct described above, Gary Jones has demonstrated he should be removed from office and expelled from membership in the International Union.

WHEREFORE, for the reasons set forth above and pursuant to Article 30 of the UAW Constitution, the members of the International Executive Board of the UAW whose signatures appear below hereby make this charge and file it with the International Secretary-Treasurer, and request all necessary and proper proceedings promptly be commenced pursuant to Article 30 of the UAW Constitution.

Respectfully submitted,



Rory Gamble
Acting President
Vice President



Ray Curry
Secretary-Treasurer



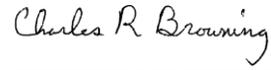
Terry Dittes
Vice President



Cindy Estrada
Vice President



Frank Stuglin
Region 1 Director



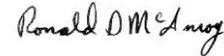
Chuck Browning
Region 1A Director



Gerald Kariem
Region 1D Director



Rich Rankin
Region 2B Director



Ron McInroy
Region 4 Director



Mitchell Smith
Region 8 Director



Jeff Binz
Region 9 Director



Beverley Brakeman
Region 9A Director