

UAW – ARTICLE 30 CHARGES AGAINST VANCE PEARSON

1. In June 2018, Vance Pearson was elected as the Director of Region 5 of the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (“UAW”), an American labor union that represents workers in the United States and Canada, and Pearson assumed that office shortly thereafter.
2. Prior to being elected Regional Director of Region 5, from approximately January 2016 to June 2018, Pearson served as the Assistant Director of Region 5 under then Region 5 Director, Gary Jones. Prior to becoming Assistant Regional Director, Pearson served as an International Representative in other high-level positions in Region 5. Region 5 is based in the area of St. Louis, Missouri, and 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 September 12, 2019, Pearson was charged in a federal criminal complaint alleging that Pearson, 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 documents to be generated by the UAW, among other things.
6. After being charged, the Judge assigned to his criminal case imposed conditions for Pearson to remain on bond during the pendency of his case. The conditions of Pearson’s bond ordered by the court include that Pearson is barred from having involvement in any financial decisions or transactions of the UAW.
7. In the wake of filing of the federal criminal complaint against him, Pearson requested a leave of absence from his positions of Director of Region 5 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 or about September 14, 2019.

8. Pearson went on a paid leave of absence from his positions with the UAW starting on or about October 4, 2019, and remains on that leave of absence to the present date.
9. On or about October 31, 2019, federal criminal charges were publicly filed against another UAW official who had worked with and for Pearson and Jones in Region 5 for a number of years.
10. The federal criminal charges returned against that other UAW official include allegations that Pearson, 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.
11. 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.

12. 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.

13. 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).

14. 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.

15. 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).

16. 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.

17. For several years, including in January of calendar years 2014, 2015, 2016, 2017, and 2018, Region 5 held a Leadership Conference, which typically lasted for approximately 5 days. These Region 5 Leadership Conferences were held at facilities in Palm Springs, California and those conferences had a number of legitimate and beneficial educational and training purposes.
18. Several hundred UAW personnel attended the Region 5 Leadership Conference each year from 2014 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.
19. Pearson had a substantial role in organizing and arranging for the Region 5 Leadership Conferences in relevant years.
20. 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.
21. After each year's Leadership Conference, the hotel at which the Region 5 Leadership Conference was held transmitted, to Region 5 personnel, including in various years directly to Pearson, documents detailing the charges from each of the off-site vendors that were included in the hotel's master invoice for the Leadership Conferences.
22. Pearson and others working with him and/or 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.
23. The Region 5 Leadership Conference in January 2016 was held at the Renaissance Palm Springs Hotel located in California.
24. 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 Pearson and/or to Region 5 personnel working for and under the supervision of Pearson the specific amounts billed by each of the off-site vendors whose charges were consolidated on the Renaissance Palm Spring's master invoice to Region 5 for the Leadership Conference expenses.

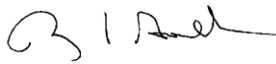
25. There were approximately 10-15 off-site vendors relating to the 2016 Region 5 Leadership Conference who billed their charges through the Renaissance Palm Springs Hotel. The total amount of expenses billed by, and paid to, these off-site vendors for the 2016 Region 5 Leadership Conference was approximately \$186,366.61.
26. In or about early 2016, Pearson 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, Pearson 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.
27. Pearson's direction to have the Renaissance Palm Springs misrepresent the off-site charges related to the 2016 Leadership Conference was followed.
28. On or about March 7, 2016, Pearson and Jones 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.
29. 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 was also submitted to the UAW Accounting Department by Pearson and Jones with the UAW Payment Request form on or about March 7, 2016.

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.


30. Pearson 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.
31. Pearson 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.
32. Pearson knowingly failed to submit the complete and accurate information regarding the off-site expenses to the UAW Accounting Department. Pearson thereby knowingly concealed accurate financial information from the UAW and the UAW Accounting Department.
33. By directing that a false, misleading, incomplete, and/or inaccurate invoice be generated by the Renaissance Palm Springs Hotel, Pearson 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.
34. By causing false, misleading, incomplete, and/or inaccurate records to be submitted to the UAW and the UAW Accounting Department, Pearson violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.
35. By concealing the true, accurate, and complete information regarding various expenses at the 2016 Region 5 Leadership Conference, Pearson violated, among other things, his fiduciary and other duties to the UAW, and certain of the federal laws cited above.
36. Pearson 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.
37. Based on the conduct described above, Vance Pearson 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.


Respectively submitted,



Rory Gamble
Acting President
Vice President



Ray Curry
Secretary-Treasurer



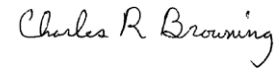
Terry Dittes
Vice President



Cindy Estrada
Vice President



Frank Stuglin
Region 1 Director



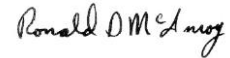
Charles R. Browning
Chuck Browning
Region 1A Director



Gerald Kariem
Region 1D Director



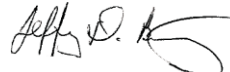
Rich Rankin
Region 2B Director



Ronald D. McInroy
Ron McInroy
Region 4 Director



Mitchell Smith
Region 8 Director



Jeff Binz
Region 9 Director



Beverley Brakeman
Region 9A Director