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U.S. Attorney's Office

Northern District of Alabama

FOR IMMEDIATE RELEASE

Tuesday, January 9, 2018

## **Co-op Supervisor Sentenced to 2½ Years in Prison, Ordered to Forfeit \$3 million for Embezzlement**

BIRMINGHAM – A federal judge today sentenced the former supervisor of an electric cooperative in Arab to more than two years in prison and ordered him to repay nearly \$3 million he embezzled from the co-op over eight years, announced U.S. Attorney Jay E. Town, U.S. Secret Service Special Agent in Charge Michael Williams and Tennessee Valley Authority Acting Inspector General Jill M. Matthews.

JOHN PEARSON WILLIS III, 57, of Arab, pleaded guilty in September to one count of embezzling from an organization that receives federal funds. U.S. District Judge R. David Proctor sentenced Willis to two years and six months in prison, followed by three years of supervised release, and ordered him to pay \$2.98 million in restitution to the Arab Electric Cooperative. The judge also ordered Willis to forfeit the same amount of money to the government as proceeds of illegal activity. Willis must report to prison April 18.

“Willis violated the trust of the hardworking members of this co-op by stealing millions of dollars, which he spent primarily on sports collectibles,” Town said. “He literally traded his freedom for \$3M worth of baseball cards.”

The electric co-op hired Willis as its member services supervisor in 1988. As the cooperative's primary fiduciary officer, Willis operated with limited oversight and removed large amounts of cash from customer deposits, according to his plea agreement. He altered deposit slips and manipulated billing software to cover his embezzlement.

The Secret Service and TVA-OIG investigated the case, which Assistant U.S. Attorney David Estes prosecuted.

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**Component(s):**[USAO - Alabama, Northern](#)

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