

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

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Former UAW Vice President Pleads Guilty to Taking \$250,000 in Bribes and Kickbacks

Joseph Ashton, former Vice President of the UAW's General Motors Department, pleaded guilty today to conspiring with other UAW officials to engage in honest services fraud by taking \$250,000 in bribes and kickbacks from a UAW vendor and to conspiring to launder the proceeds of the scheme 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, 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.

Joseph Ashton, 71, of Ocean View, NJ, pleaded guilty to conspiring to engage in honest services wire fraud and to conspiring to launder money between 2012 and 2016. During the plea hearing, Ashton admitted that he conspired with Michael Grimes and Jeffery Pietrzyk, two former high-level UAW officials in the UAW's GM Department who previously pled guilty to the same crimes, to take hundreds of thousands of dollars in bribes and kickbacks from vendors doing business with the joint UAW-GM Center for Human Resources. The Center for Human Resources is supposed to be a center for training UAW workers employed by GM. Ashton was the co-director of the Center for Human Resources. Ashton, Pietrzyk and Grimes also served on the Executive Board for the Center for Human Resources and they were responsible for approving contracts with the vendors. Ashton admitted that over the course of the conspiracy, he and the other two UAW officials demanded and accepted bribes and kickbacks from a vendor based in Philadelphia, PA, in exchange for securing or maintaining a contract to provide custom watches to the Center for Human Resources.

Ashton and his UAW co-conspirators demanded kickbacks on the \$3.9 million contract for the Center for Human Resources to buy 58,000 watches for all UAW members employed by GM. The UAW officials demanded over \$250,000 in kickbacks on the watch contract to be distributed between 2013 through 2016. Some of the kickbacks were distributed in the form of checks payable to Ashton which were deposited into his personal bank account. The majority of the kickbacks were distributed as cash. In 2014, the UAW-GM Center for Human Resources received the 58,000 watches from the vendor. However, the watches were never distributed to UAW members. Instead, the watches have been sitting in storage in a warehouse for over five years.

Besides conspiring with other UAW officials and vendors to the UAW, Ashton also admitted that he conspired to launder the proceeds of the kickback scheme by using various methods to conceal and disguise the bribes and kickbacks through a lengthy and complicated series of financial transactions.

Ashton is the eleventh defendant to plead guilty in connection with the ongoing criminal investigation into illegal payoffs to UAW officials by FCA executives and corruption within the UAW itself. 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), and former UAW Vice President Norwood Jewell (15 months in prison). Jeffery Pietrzyk and Michael Grimes have pleaded guilty and are awaiting sentencing.

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 hard-working members of the UAW deserve to be represented by union officials dedicated to providing honest representation free of corruption and greed, and today's guilty plea is another step in the right direction,” stated USA Attorney Schneider.

“Joseph Ashton abused the power of his position in the UAW to brazenly demand kickbacks from a vendor. His actions deprived union members of the honest services they expect and deserve from those who are elected to make decisions in the union's best interest,” said SAC D'Antuono. “The FBI is committed to fighting such corruption, which does real and lasting damage to the trust union members should have in their elected leadership.”

“Joseph Ashton was elected to represent and bargain in the best interests of the UAW members, but instead he used his position to enrich himself and others within the UAW” said Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards. “Protecting members against corruption perpetrated by their union leaders is critical to the mission of OLMS.”

“Joseph Ashton engaged in a fraudulent scheme to deprive the International United Auto Workers Union of his honest services by demanding and accepting over \$250,000 in kickbacks from a vendor. Instead of bargaining in the best interests of the UAW members, he chose to personally enrich himself. We will continue to work with our law enforcement partners to protect the financial integrity of labor organizations,” stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

The case is being prosecuted by Assistant U.S. Attorneys Frances Carlson and Eaton Brown.