

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

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**Former Senior UAW Official Pleads Guilty to Taking
\$123,000 in Bribes and Kickbacks**

Jeffery Pietrzyk, a former high-level official in the UAW's General Motors Department, pleaded guilty today to conspiring with other UAW officials to engage in honest services fraud by taking over \$123,000 in bribes and kickbacks from UAW vendors and contractors 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.

Jeffery Pietrzyk, 74, of Grand Island, NY, pleaded guilty to conspiring to engage in honest services wire fraud and to conspiring to launder money between 2006 and 2018. During the plea hearing, Pietrzyk admitted that he conspired with two other high-level UAW officials in the UAW's GM Department to take millions 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. Pietrzyk and the other UAW officials served on the Executive Board for the Center for Human Resources, and they were responsible for approving contracts with the vendors. Pietrzyk admitted that over the course of the twelve year conspiracy, he and the other two UAW officials demanded and accepted bribes and kickbacks from the vendors in exchange for securing or maintaining contracts with the Center for Human Resources or with the UAW's GM Department.

Pietrzyk and his co-conspirators took bribes and kickbacks from the vendors in exchange for contracts with the UAW and/or the Center for Human Resources for watches, jackets, and UAW stores at GM manufacturing facilities. For example, in 2011, Pietrzyk and two other UAW officials demanded that a vendor give them a \$300,000 kickback on a \$6 million contract to purchase 50,000 jackets emblazoned with "Team UAW-GM." One UAW official collected the \$300,000 kickback and delivered the proceeds to Pietrzyk, who in turn delivered the money to another UAW official.

In another corrupted contract, Pietrzyk and his UAW co-conspirators demanded kickbacks on a \$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 \$300,000 in kickbacks on the watch contract to be distributed between 2013 through 2016. Some of the kickbacks were distributed in the form of checks disguised as tens of thousands of dollars in payments for “antique furniture” which were deposited into Pietrzyk’s 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, Pietrzyk 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.

Pietrzyk is the tenth 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). Michael Grimes has pleaded guilty and is 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 US Attorney Schneider.

“Jeffrey Pietrzyk engaged in a fraudulent scheme to deprive the International United Auto Workers Union of his honest services by demanding and accepting over \$120,000 in bribes and kickbacks from vendors. 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.

“In his official role, Mr. Pietrzyk was charged with protecting the interests of his fellow union employees, but today he admitted to abdicating this responsibility to serve his own interests,” said Steven M. D’Antuono, Special Agent in Charge of the FBI’s Detroit Field Office. “We will

continue to work with our law enforcement partners to investigate corruption and ensure the financial integrity of our country's labor unions.”

“Bribes, kickbacks, and money laundering permeated UAW culture for years and years, all at the expense of its membership. Today’s guilty plea is yet another reminder that the Internal Revenue Service – Criminal Investigation and its law enforcement partners are dedicated to uncovering and stopping illegal and corrupt business leaders from taking advantage of not only their employees, but also the American tax payers,” said Special Agent in Charge Muriel, Detroit Field Office, Internal Revenue Service – Criminal Investigations.

“Jeffery Pietrzyk betrayed the trust of the union membership when he used his position to enrich himself and others within the UAW by accepting bribes and kickbacks from UAW vendors and contractors,” 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.”

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

Topic(s):
Public Corruption