

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

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Wife of Former UAW Vice President Sentenced to Prison for Criminal Tax Fraud

The wife of former UAW Vice President General Holiefield was sentenced to 18 months in prison, followed by one year of supervised release and a fine of \$25,000 today based on her conviction for felony tax fraud, announced U.S. Attorney Matthew Schneider.

Joining in the announcement were Manny Muriel, Special Agent in Charge of the Detroit, Michigan office of the Internal Revenue Service – Criminal Investigations, James Vanderberg, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Thomas Murray, Acting District Director, U.S. Department of Labor – Office of Labor-Management Standards, and Timothy R. Slater, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation.

Monica Morgan, 54, of Harrison Township, Michigan had previously pled guilty in February 2018 before United States District Judge Paul D. Borman. During her guilty plea, Morgan admitted to filing fraudulent tax returns whereby she failed to report hundreds of thousands of dollars in income for the years 2011 through 2014. In total, Morgan failed to pay \$190,747 in taxes owed.

Morgan is the wife of former UAW Vice President General Holiefield, who died in March of 2015. From 2010 to 2014, Holiefield was the director of the UAW Chrysler Department and acted as the lead negotiator and the lead administrator for the collective bargaining agreements between the UAW and FCA.

According to court records, Morgan owned and operated the companies Monica Morgan Photography and Wilson's Diversified Products based in Detroit, Michigan. Morgan's companies received hundreds of thousands of dollars from the UAW-Chrysler National Training Center during the years when Holiefield was a UAW Vice President. Morgan's companies also received significant payments from Holiefield's charity, known as the Leave the Light On Foundation. Former FCA Vice President Alphons Iacobelli and former FCA Financial Analyst Jerome Durden each acknowledged using Wilson Diversified Products and the Leave the Light On Foundation to conceal payments made on behalf of FCA to UAW Vice President Holiefield. Both Durden and Iacobelli have previously pleaded guilty to their participation in the criminal conspiracy, along with former FCA executive Michael Brown and former senior UAW officials Virdeell King and Keith Mickens. Durden, Iacobelli, Brown, King, and Mickens are all awaiting sentencing before Judge Borman.

Morgan's various companies received hundreds of thousands of dollars in money funneled by FCA executives to Morgan and Holiefield, all in effort to keep UAW executives like Holiefield "fat, dumb, and happy." At the hearing today, Morgan's sentencing guidelines were enhanced based on the fact that the income she failed to report was the proceeds of criminal activity. In addition, her sentence was enhanced because Morgan used sophisticated means and shell companies in order to conceal her tax fraud.

The Court ordered Morgan to pay \$190,747 in restitution to the U.S. Treasury Department.

Morgan is the first defendant to be sentenced in the ongoing criminal investigation into illegal pay offs involving UAW officials and FCA executives.

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.

“Morgan was punished for cheating on her taxes and for helping to conceal hundreds of thousands of dollars in illegal payments from FCA executives to Morgan and her husband, General Holiefield, the former UAW Vice President in charge of the Chrysler Department,” stated United States Attorney Matthew Schneider. “The court’s sentence for Morgan vindicates the honest tax payers who properly report their income and pay their taxes, while sending a strong signal to those who would steal from everyone in the community through tax fraud.”

Manny Muriel, Special Agent in Charge of Detroit’s IRS Criminal Investigation stated, “Today’s sentencing of Monica Morgan demonstrates the consequences for enriching oneself with funds designated for the hard working members of the UAW and failing to report the diverted funds as income on your personal tax returns. IRS-CI and our federal partners will continue to aggressively pursue corrupt corporate and union officials who violate federal law and interfere with our nation’s tax laws.”

“Monica Morgan filed a false tax return to conceal income she received from her companies. Those companies received hundreds of thousands of dollars from the UAW-Chrysler National Training Center during the years her late husband was a UAW Vice President. We will continue to work with our law enforcement partners to investigate crimes that threaten the integrity of the union collective bargaining process,” said James Vanderberg, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

“The U.S. Department of Labor’s Office of Labor-Management Standards places a high priority on combatting financial malfeasance and safeguarding financial integrity in labor unions,” said acting OLMS Detroit-Milwaukee District Director Thomas Murray. “Morgan’s conviction leaves no question as to the agency’s commitment to seek justice when anyone puts personal financial gain ahead of the best interests of union members.”

“The sentencing of Monica Morgan should serve as a firm reminder that anyone who believes that they can enrich themselves through deception and fraud will be held accountable”, said Timothy R. Slater, Special Agent in Charge, Detroit Division of the FBI. “In the process of receiving and concealing ill-gotten funds, Morgan committed tax fraud and squandered training opportunities for many deserving blue-collar auto workers”.

The case is being prosecuted by Assistant U.S. Attorneys David A. Gardey, Erin Shaw, Charles J. Kalil II, and Adriana Dy dell.