



**United States Attorney's Office
Eastern District of Michigan**

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PRESS RELEASE

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**FCA US LLC Sentenced In Connection With Conspiracy
To Make Illegal Payments To UAW Officials**

DETROIT – FCA US LLC (FCA), one of the big three American automobile manufacturers, was sentenced in federal court in Detroit today after pleading guilty in March 2021 to conspiracy to violate the Labor Management Relations Act, also known as the Taft-Hartley Act, announced Acting United States Attorney Saima S. Mohsin.

Mohsin was joined in the announcement by Special Agent-in-Charge Irene Lindow, Chicago Region, U.S. Department of Labor Office of Inspector General, Special Agent in Charge Timothy Waters, Federal Bureau of Investigation, Detroit Division, Acting Special Agent in Charge Brian Thomas, Internal Revenue Service-Criminal Investigations, Detroit Field Office and Thomas Murray, District Director, US Department of Labor, Office of Labor Management Standards.

FCA is the North American operating subsidiary of Stellantis.

Upon sentencing by United States District Judge Paul D. Borman, FCA stands convicted of participating in a conspiracy to violate the Taft-Hartley Act by making more than \$3.5 million in illegal payments to officers of the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW) between 2009 and 2016.

The illegal payments to UAW officials took various forms, including extravagant meals, rounds of golf, lavish parties for the UAW International Executive Board, an Italian-made shotgun, clothing, designer shoes, and other personal items paid for with credit cards

issued by the joint training center. FCA executives also paid off the \$262,000 home mortgage of former UAW Vice President General Holiefield. Holiefield and his widow also received hundreds of thousands of dollars funneled through Holiefield's purported charitable organization, as well as sham companies under Holiefield's control that had lucrative contracts with the training center. In many instances, FCA passed the illegal Taft-Hartley payments through the UAW-Chrysler Skill Development & Training Program d/b/a the UAW-Chrysler National Training Center (NTC). Ostensibly, the NTC was supposed to provide training and health and safety protections for FCA workers.

FCA's sentence requires payment of a \$30 million fine, which represents a figure triple the base fine amount provided for the offense by the United States Sentencing Guidelines. In addition, FCA will serve a three-year term of probation and be subject to three years of oversight by an independent corporate compliance monitor. The United States has selected Frances McLeod as the independent compliance monitor. McLeod is a founding partner of Forensic Risk Alliance and head of its U.S. offices. She has recently served as the independent compliance monitor for IAV GmbH, a German company that was recently prosecuted in this district in connection with the Volkswagen emissions conspiracy. McLeod's team includes experts in labor law and automotive regulatory compliance.

"The sentencing of FCA marks a significant milestone in this historic case," said Acting United States Attorney Mohsin. "Congress enacted the Taft-Hartley Act to ensure that union members could have confidence in their union leaders. FCA violated these principles through corruption. By lavishing millions of dollars in gifts and cash upon UAW leaders, the FCA sought to improve its relationship with UAW leaders, and FCA thereby harmed the hardworking men and women of the UAW. A compliance monitor and a significant fine are important steps towards ending this type of systemic corruption and deterring future corporate malfeasance."

"FCA conspired to make more than \$3.5 million in illegal labor payments to officers of the UAW, who used the illicit funds for personal mortgage expenses and extravagant entertainment. Instead of negotiating in good faith, FCA corrupted the collective bargaining process and the UAW members' rights to fair representation. We will continue to work with our law enforcement partners to root out systemic corruption and fraud involving unions," stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

"FCA bribed UAW officials in an attempt to ensure the outcome of negotiations was favorable to the corporation," said Timothy Waters, Special Agent in Charge of the FBI in Michigan. "This sweeping investigation and today's sentencing send a clear message that the FBI, working with our federal partners, will continue to hold corporations accountable when they violate federal laws."

"Today's sentence should serve as a reminder that IRS-CI and our law enforcement partners will aggressively investigate any company that violates federal law in an attempt to gain an unfair advantage in the marketplace", stated Brian Thomas, Acting Special Agent in Charge of the Internal Revenue Service – Criminal Investigation Detroit

Field Office. “A \$30 million fine and oversight by an independent corporate compliance monitor is an important step in ending the systemic corruption at FCA.”

“Today’s sentencing shows that the Labor Department and our fellow law-enforcement agencies will not stand by when employers seek to sway union officials through illegal payments – whatever their form,” said Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards. “OLMS will continue to work with its law enforcement partners to hold accountable any employer that unlawfully exploits its position in the collective bargaining process for personal or corporate financial gain without regard to the best interests of union members.”

Thus far, as part of this investigation of illegal payments by FCA to UAW officials, as well as fraud and embezzlement by other UAW officers, 14 individuals have been convicted of federal crimes, including three former FCA executives. They include 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 UAW Presidents Dennis Williams (21 months in prison) and Gary Jones (28 months in prison), former UAW Vice Presidents Norwood Jewell (15 months in prison) and Joseph Ashton (30 months in prison), former UAW Region 5 Director and UAW Board member Vance Pearson (12 months in prison), former UAW Midwest CAP President Edward “Nick” Robinson (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), Michael Grimes (28 months in prison), and Monica Morgan, the widow of UAW Vice President General Holiefield (18 months in prison). Holiefield died in 2015.

Acting United States Attorney Mohsin again 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.

This case is being prosecuted by Assistant U.S. Attorneys David A. Gardey and Erin S. Shaw.