

Department of Justice
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Eastern District of Michigan

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Former UAW Official Charged in Scheme To Accept Illegal Payments from Fiat Chrysler Automobiles

A superseding information was filed in federal court charging the former Assistant Director of the UAW Chrysler Department with criminal violations of the Labor Management Relations Act, announced Acting U.S. Attorney Daniel L. Lemisch.

Joining in the announcement was James Vanderberg, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Ian Burg, District Director, U.S. Department of Labor – Office of Labor-Management Standards, David P. Gelios, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, and Manny Muriel, Special Agent in Charge of the Detroit, Michigan office of the Internal Revenue Service – Criminal Investigations,

Virdell King, 65, of Detroit, Michigan, was charged with taking part in a multiyear conspiracy for UAW officials to accept money and things of value from Fiat Chrysler Automobiles US (FCA) between 2011 and 2015.

According to court documents, Virdell King was one of the senior UAW officials responsible for negotiating and administering the national collective bargaining agreements with FCA on behalf of tens of thousands of UAW members. Virdell King was also a member of the UAW's National Negotiating Committees in 2011 and 2015 that negotiated the collective bargaining agreements between the UAW and FCA.

The Superseding Information charges Virdell King with accepting thousands of dollars in designer shoes, clothing, jewelry, luggage and other personal items, all of which were purchased using credit cards issued through the UAW-Chrysler National Training Center. According to court documents, FCA Vice President Alphons Iacobelli told senior UAW officials that they could use their NTC credit cards to make personal purchases, stating "if you see something you want, feel free to buy it."

Beyond the purchases for herself, the Superseding Information charges Virdell King with making over \$40,000 of additional purchases between December of 2012 and August of 2015 at the direction and for the benefit of other senior UAW officials. Those additional purchases included a shotgun, golf equipment, luggage, concert tickets, theme park tickets and other personal items. All of the credit card purchases were paid for with funds provided by FCA.

"This alleged conspiracy among several union and corporate officials to abuse their positions for personal gains at the expense of hard-working Chrysler employees is highly alarming," said Ian Burg, Director of the Office of Labor-Management Standards (OLMS) Detroit-Milwaukee District Office. "OLMS remains committed to fulfilling its mission of protecting the rights of union members and maintains a zero tolerance policy regarding financial misconduct by union officials. OLMS will continue to partner with other law enforcement agencies to investigate allegations of corruption by union officials whose members have placed their work lives in their trust."

"Years of fraud and corruption within a select group of the FCA and UAW hierarchy continue to be eroded through the diligence and collaboration of law enforcement in the Detroit metropolitan area, said David P. Gelios, Special Agent in Charge, Detroit Division of the FBI. The superseding information against Virdell King highlights the FBI's commitment to end the abusive practice of

using union training finances for personal gain. As evidenced, these efforts make it far more likely that leaders in the labor union movement who illegally profit at the expense of their membership will be held to account for their crimes."

Acting U.S. Attorney Lemisch commended the outstanding work of the US Department of Labor – Office of Inspector General and Office of Labor-Management Standards, the Federal Bureau of Investigation, and the Internal Revenue Service – Criminal Investigations for continuing to conduct a comprehensive criminal investigation into labor corruption activities involving a vital sector of the local and national economy.

An information is only a charging document and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.