

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

FOR IMMEDIATE RELEASE

Tuesday, February 6, 2018

Wife of Former UAW Vice President Pleads Guilty to Criminal Tax Fraud

The wife of former UAW Vice President General Holiefield pleaded guilty to the felony offense of filing false tax return documents, 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, Ian Burg, District Director, U.S. Department of Labor – Office of Labor-Management Standards and David P. Gelios, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation.

Monica Morgan, 54, of Harrison Township, Michigan pled guilty before United States District Judge Paul D. Borman. Morgan admitted to filing tax return documents which failed to report more than \$200,000 of income she received during 2011.

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.

Under the terms of the plea agreement, Morgan faces a term of up to 27 months in prison and must pay the U.S. Treasury Department restitution of \$190,747.

Morgan's plea marks the fourth conviction in the ongoing criminal investigation into illegal payoffs involving UAW officials.

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.

"This plea is yet another step taken towards combatting the years-long corruption that plagued the relationship between senior officials at FCA who illegally lined the pockets of UAW officials and, in

this instance, the wife of General Holiefield, the former UAW Vice President in charge of the Chrysler Department,” stated United States Attorney Matthew Schneider. “This plea should serve as a warning that we will relentlessly pursue individuals who cheat on their taxes by hiding ill-gotten gains from the United States.”

“Today’s plea is another example of the government’s efforts to eradicate corporate fraud. In this particular case, Monica Morgan intentionally took funds which were intended to train hard working men and women. Those who choose self-enrichment at the expense of others will be caught, said Manny Muriel, Special Agent in Charge of the Detroit’s IRS Criminal Investigation (IRS-CI), in a statement. Muriel continued, “And when they do not report criminally derived funds, they commit another equally egregious crime –tax fraud. IRS-CI will hold everyone accountable, no matter their position.”

“Ms. Morgan is the fourth individual to plead guilty in a multi-year scheme in which FCA executives paid off the senior UAW officials who negotiated and administered the collective bargaining agreements between the union and company,” said District Director Ian Burg of the U.S. Department of Labor’s Office of Labor-Management Standards (OLMS). “OLMS is committed to protecting financial integrity in labor unions and also protecting against double-dealing and corruption in the union collective bargaining process.”

“Union workers sacrifice every pay period by having money withheld from their salary to invest in their future training opportunities”, said Timothy Waters, Acting Special Agent in Charge, Detroit Division of the FBI. “Today’s guilty plea highlights an additional person held accountable for a complex fraud scheme which undermines the trust and hard work by union members. The FBI led labor racketeering task force will continue to investigate this matter to the fullest and ensure those who violate the law will be held accountable.”

Morgan’s sentencing date has been set for June 4, 2018.