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**FCA US LLC PLEADS GUILTY TO MAKING ILLEGAL
PAYMENTS TO UAW OFFICIALS**

**The American Subsidiary of Stellantis Agrees to Pay a \$30 Million Fine and be
Subject to Federal Oversight**

DETROIT – FCA US LLC (FCA, a/k/a Fiat Chrysler Automobiles), one of the big three American automobile manufacturers, pleaded guilty to conspiring to violate the Labor Management Relations Act, also known as the Taft-Hartley Act, by making illegal payments to officers of the United Auto Workers union, Acting United States Attorney Saima S. Mohsin announced today.

FCA is the American operating subsidiary of Stellantis, and it is headquartered in Auburn Hills, Michigan.

Today, a representative of FCA appeared in a virtual court hearing before United States District Judge Paul D. Borman and admitted that the company had conspired with other entities and individuals 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) during the period 2009 through 2016. During the conspiracy, executives of FCA, including Alphons Iacobelli, Jerome Durden, and others, engineered the illegal payments to senior officials of the UAW. During the conspiracy from 2009 through June 2015, Iacobelli was the Senior Vice President of FCA US LLC in charge of labor relations.

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 directed through Holiefield's purported charitable organization, as well as companies controlled by him which had contracts with the training center. The illegal payments were passed 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. The UAW officials who accepted illegal payments included former UAW Vice Presidents Holiefield and Norwood Jewell, Holiefield's widow, Monica Morgan, and senior UAW officials, Virdell King, Keith Mickens, and Nancy Johnson. Morgan and all of the UAW officials, except for Holiefield, have pleaded guilty to conspiring to accept the illegal payments from FCA or tax charges. Holiefield died in 2014.

During the hearing, the United States and FCA presented their Rule 11 Plea Agreement to the Court. Under the terms of the agreement, FCA has agreed to pay a fine of \$30 million, which represents a figure triple the base fine amount provided for the offense by the United States Sentencing Guidelines. In addition, FCA has agreed to be subject to probation for three years. During that three year period, an independent compliance monitor selected by the government will oversee the company's adherence to federal labor laws.

The Court set a date for a sentencing hearing, where it will impose penalties based on the criminal conviction.

Acting United States Attorney Mohsin said, “Through its participation in this conspiracy, FCA violated federal labor law and undermined the collective bargaining process and the faith of the UAW’s membership in their leaders. By seeking a \$30 million fine and three years of oversight by a court-appointed monitor, we are holding FCA accountable and sending a message to other companies that these types of crimes will not be tolerated.”

“FCA US LLC conspired to make improper labor payments to high-ranking UAW officials, which were used for personal mortgage expenses, lavish parties, and entertainment expenses. 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.

“Fiat Chrysler Automobiles used a program intended for the betterment of its employees to instead benefit itself. By providing money and valuables to UAW officials, FCA corrupted the labor-management relationship and broke the law,” said Timothy Waters, Special Agent in Charge of the FBI in Michigan. “This case sends a clear message that the FBI and its partners will hold both union leadership and corporations accountable when they violate federal statutes.”

“Today’s guilty plea should serve as a reminder that IRS-CI and our law enforcement partners will aggressively investigate any company who violates federal law in an attempt to gain an unfair advantage in the marketplace,” stated Sarah Kull, Special Agent in Charge of the Internal Revenue Service – Criminal Investigation Detroit Field Office.

“While the vast majority of union officials do their work diligently and without incident, unfortunately civil and criminal violations do occur. FCA’s guilty plea today confirms that it attempted to corrupt the collective bargaining process in order to gain favorable contracts from the UAW at the expense of UAW members. FCA attempted that corruption by making more than \$3.5 million in illegal payments to high ranking UAW officials,” 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 anyone - employer or union official - that unlawfully exploits their 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, fifteen individuals have been convicted of convicted of federal crimes, including three former FCA executives. They include former UAW Vice President Joseph Ashton (30 months in prison) 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), former UAW Vice President Norwood Jewell (15 months in prison), former senior UAW official Michael Grimes (28 months in prison), and former UAW Midwest CAP President Edward “Nick” Robinson (12 months in prison). In addition, the following UAW officials have pleaded guilty and are awaiting sentencing: former UAW President Gary Jones, former senior UAW official Jeffrey Pietrzyk, former UAW Region 5 Director and UAW Board member Vance Pearson, and former UAW President Dennis Williams.

Acting U.S. Attorney Mohsin 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.

Topic(s):
Public Corruption

Component(s):
USAO - Michigan, Eastern