

Department of Justice
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Eastern District of Michigan

FOR IMMEDIATE RELEASE

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Former UAW Official Pleads Guilty in Scheme to Accept Illegal Payments from Fiat Chrysler Automobiles

A former Assistant Director of the UAW Chrysler Department pleaded guilty today to committing 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, pleaded guilty before United States District Judge John Corbett O'Meara for her role in a multiyear conspiracy in which UAW officials accepted 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.

According to the Superseding Information Virdell King accepted 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.

“Union rank and file members deserve the undivided loyalty of their leadership. Collusion between management and labor, that serves to line the pockets of corrupt individuals, is a breach of trust and will be prosecuted”, said Daniel L. Lemisch, Acting U.S. Attorney.

Today's guilty plea is another step towards ending a culture of corruption between some leaders at the UAW and FCA responsible for collective bargaining agreements, said David P. Gelios, Special Agent in Charge, Detroit Division of the FBI."

“Virdell King’s plea casts a dark shadow on UAW contracts negotiated while she was a member of the International Union’s collective bargaining team. As a high ranking official, she was entrusted to negotiate contracts and implement them to serve the union members she represented, but instead she traded away their trust for more than \$40,000 in shoes, jewelry, clothing and other things that were ultimately paid for by Fiat Chrysler Automobiles. We will continue to investigate corrupt union officials who violate their duty to the members they represent for personal gain” stated James Vanderberg, Special Agent-in-Charge, Chicago Region, United States Department of Labor, Office of Inspector General.

Sentencing of King is set for January 3, 2018.

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