

Department of Justice

U.S. Attorney's Office

Eastern District of Michigan

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Two Former Fiat Chrysler Executives and a Senior UAW Official Sentenced to Prison for Scheme to Bribe Union Officials

Two high-level executives of Fiat Chrysler Automobiles US LLC ("FCA" or "Fiat Chrysler") and a senior official of the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW") were sentenced to prison today based on their convictions relating to a scheme to bribe UAW officials by Fiat Chrysler, 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, Timothy Slater, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, and Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards.

Jerome Durden, 62, of Rochester, Michigan, was sentenced today to 15 months in prison based on his prior August 2017 guilty plea to conspiracy to defraud the United States before United States District Judge Paul D. Borman. Durden was a former Financial Analyst for Fiat Chrysler, and he had served as the Controller of the joint UAW-Chrysler National Training Center between 2008 and 2015. Durden presented false tax returns on behalf of the National Training Center and a "charitable" organization associated with former UAW Vice President General Holiefield known as the Leave the Light On Foundation in order to conceal over \$1.5 million in illegal payments by Fiat Chrysler to senior UAW officials through the National Training Center and the foundation, all done in an effort to affect the labor-management relationship between Fiat Chrysler and the UAW. The senior UAW officials who were bribed included UAW Vice President Holiefield, UAW Assistant Director Virdell King, senior UAW official Keith Mickens, senior UAW official Nancy A. Johnson, who served as the second in command of the UAW's Chrysler Department from July 2014 through 2016, and others.

The illegal payments included paying off the mortgage on Holiefield's home, first-class airline travel, designer clothing, furniture, jewelry and custom-made watches.

Keith Mickens, 64, of Clarkston, Michigan was sentenced today to 12 months in prison based on his April 2018 conviction to conspiring with other UAW officials and FCA executives to take illegal payments from Fiat Chrysler. Between 2010 and 2014, Mickens was one of the senior UAW officials responsible for administering the collective bargaining agreements on behalf of tens of thousands of UAW members employed by FCA. Mickens served as a member of the UAW's National Negotiating Committee in 2011 and was one of the UAW officials responsible for negotiating the collective bargaining agreements between the UAW and FCA. He also served as the co-Director of the National Training Center.

Mickens has admitted to helping transfer over \$700,000 from FCA to former UAW Vice President Holiefield using two companies that Holiefield controlled with Monica Morgan, Holiefield's

girlfriend and later wife. FCA executives concealed the illegal payments using the bank account of the UAW-Chrysler National Training Center.

Separate from the illegal activities involving UAW Vice President Holiefield, Mickens admitted that he and other senior UAW officials also accepted thousands of dollars' worth of clothing, electronics, golf equipment, and other personal items that were paid for by FCA.

Michael Brown, 60, of West Bloomfield, Michigan was sentenced to 12 months in prison based on his felony conviction for providing misleading and incomplete testimony to a federal grand jury. Brown misled the grand jury in a deliberate effort to conceal the existence of the conspiracy to bribe UAW officials by FCA, FCA executives acting in the interest of FCA, the UAW, and UAW officials. Between 2009 and 2016, Brown was employed as a Director for Employee Relations at Fiat Chrysler.

The Court's sentencing of Durden, Brown, and Mickens mark the third, fourth, and fifth defendants to be sentenced in the ongoing criminal investigation into illegal payoffs to UAW officials. On July 13, 2018, defendant Monica Morgan was sentenced to 18 months in prison and ordered to pay \$190,747 in restitution for her tax fraud in connection with the receipt of illegal payments by her husband, the now deceased Holiefield, who had served as the Vice President of the UAW in command of the Chrysler Department. On August 27, 2018, Alphons Iacobelli was sentenced to 66 months in prison and ordered to pay \$835,523 in restitution for his involvement in the conspiracy to bribe UAW officials and his submission of false tax returns.

"The Court's sentences today are further strides forward in our effort to root out corruption in the leadership of the UAW because of illegal payments by Fiat Chrysler and its executives," said United States Attorney Matthew Schneider. "We want the hard working men and women of the union to know that federal law enforcement will uncover, prosecute, and punish any effort to undermine their collective bargaining process."

Manny Muriel, Special Agent in Charge of IRS Criminal Investigation's Detroit office, stated, "Corporate Fraud continues to be a top priority for IRS Criminal Investigation. When executives abuse the power they are given, it undermines our trust in the business sector and compromises the integrity of our economic and political system. Today's sentencing serve as a warning to those who hold positions of trust and leadership. Muriel continued, "IRS-CI and its law enforcement partners will continue to work together to uncover these schemes and hold the corporate and union executives accountable."

"Mickens, a former senior UAW official, conspired with former FCA management officials, including Durden, to accept illegal payments and other things of value from FCA in exchange for manipulating the collective bargaining agreement process at the expense of UAW members. We will continue to work with our law enforcement partners and the U.S. Department of Labor's Office of Labor-Management Standards to safeguard the assets of union members," said James Vanderberg, Special Agent-In-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

"Today's sentencing of former FCA executives and a senior UAW official once again demonstrate that those who seek personal gain through deception and fraud will be brought to justice," said Timothy R. Slater, Special Agent in Charge, Detroit Division of the FBI. "The FBI and our law enforcement partners remain committed to the dogged pursuit of all those responsible for corrupting the collective bargaining process and stealing from the many hardworking and dedicated auto workers in our community."

"Protecting members against corruption perpetrated by their union leaders is critical to the mission of the Office of Labor-Management Standards (OLMS)," said Thomas Murray, District Director, U.S. Department of Labor, Office of Labor-Management Standards. "OLMS thanks the United States Attorney's Office for vigorously prosecuting those involved in the conspiracy. We will continue to

work cooperatively with our law enforcement partners to ensure that anyone who abuses their union position for personal financial gain will be brought to justice.”

These cases are being prosecuted by Assistant U.S. Attorneys David A. Gardey, Erin S. Shaw, and Adriana Dy dell.