

Department of Justice
U.S. Attorney's Office
Eastern District of Michigan

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Former FCA Executive and Wife of Former UAW Vice President Charged in Scheme to Pay Off UAW Officials

A federal grand jury returned a superseding indictment today charging the former Vice President for Employee Relations for Fiat Chrysler Automobiles US LLC (FCA) with criminal violations of the Labor Management Relations Act, announced Acting U.S. Attorney Daniel L. Lemisch.

Joining in the announcement was David P. Gelios, Special Agent in Charge of the Detroit, Michigan office of the Federal Bureau of Investigation, 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 and Ian Burg, District Director, U.S. Department of Labor – Office of Labor-Management Standards.

Alphons Iacobelli, 57, of Rochester Hills, Michigan was charged with taking part in a multiyear conspiracy to pay and deliver prohibited money and things of value to officers and employees of the International Union, United Automobile, Aerospace, and Agricultural Workers of America (UAW).

Monica Morgan, 54, of Harrison Township, Michigan was charged with conspiring with Iacobelli and others to violate the Labor Management Relations Act. Morgan is the wife of former UAW Vice President General Holiefield, who died in March of 2015.

The superseding indictment charges Iacobelli and others acting in the interest of FCA with making over \$1.2 million in prohibited payments to Morgan and then-UAW Vice President General Holiefield and others. The prohibited payments and things of value included designer clothing, jewelry, furniture, and paying off the \$262,219 mortgage on Holiefield and Morgan's residence in Harrison Township, Michigan. The payments were made using the bank account and credit card accounts of the UAW-Chrysler National Training Center located in Detroit, Michigan. The UAW-Chrysler National Training Center was established to provide for the education, training, and retraining of workers.

The prohibited payments were charged to have occurred between 2009 and 2014 during which time FCA Vice President Alphons Iacobelli and UAW Vice President General Holiefield had primary responsibility for negotiating and administering the collective bargaining agreements between FCA and the UAW.

Alphons Iacobelli was also charged with tax violations related to diverting for his own personal benefit over \$1 million in funds from the UAW-Chrysler National Training Center. Iacobelli was charged with diverting those funds to pay for: a Ferrari 458 Spider automobile costing more than \$350,000; leasing a private jet; two limited edition Mont Blanc pens costing \$37,500 each; a pool and hundreds of thousands of dollars in improvements to his residence; and hundreds of thousands of dollars in personal credit card expenses, among other purchases.

Monica Morgan was also charged with using the companies Monica Morgan Photography, Wilson's Diversified Products, and a third company to conceal payments made by Iacobelli

and others acting in the interest of FCA to UAW Vice President General Holiefield and with failing to report the income she received through those companies on her individual tax returns.

Acting U.S. Attorney Lemisch also announced that a separate information was unsealed charging Jerome Durden, 61, of Rochester, Michigan with conspiracy to defraud the United States by impairing, impeding, and obstructing the Internal Revenue Service. Durden was a Financial Analyst in the FCA Corporate Accounting Department who served as the Controller of the UAW-Chrysler National Training Center from 2008 through 2015. The information charges Durden with preparing and filing tax returns for the UAW-Chrysler National Training Center which falsely concealed millions of dollars in payments directed to General Holiefield, Alphons Iacobelli and others.

"Today's indictment exposes a disturbing criminal collaboration that was ongoing for years between high ranking officials of FCA and the UAW", said David P. Gelios, Special Agent in Charge, Detroit Division of the FBI. "The funds misapplied deprived working men and women of critical workforce and professional development opportunities and calls into question the integrity of contracts negotiated during the course of this criminal conspiracy. The FBI and our federal partners will remain vigilant in our efforts to expose those who participate in corrupt fraud schemes which jeopardize our region's economic vitality and our faith in honest business practices."

"Today's indictment alleges an outrageous abuse of power and misuse of this Chrysler executive's position of trust. The diverted funds from the NTC could have and should have been used to benefit Chrysler employees," said Special Agent in Charge Manny Muriel. "IRS Criminal Investigation and our law enforcement partners are particularly committed to stopping those individuals who use double fraud schemes to defraud corporate funds, bribe others for their own gains and cushion their personal wallets."

"An important mission of the Office of Inspector General is to investigate allegations relating to Labor Racketeering and prohibited payments between union and company officials. We will continue to work with our law enforcement partners to investigate these types of allegations," stated James Vanderberg, Special Agent in Charge, Chicago Region, U.S. Department of Labor, Office of Inspector General.

"OLMS places a high priority on combatting financial malfeasance and safeguarding financial integrity in labor unions," said Ian Burg, Detroit-Milwaukee District Director of the Office of Labor-Management Standards. "This indictment leaves no question as to the agency's commitment to seek justice when anyone puts personal financial gain ahead of the best interests of union members."

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

An indictment is only a charge and is not evidence of guilt. Every defendant is entitled to a fair trial in which it will be the government's burden to prove guilty beyond a reasonable doubt.