



**United States Attorney's Office
Eastern District of Michigan**

**Matthew Schneider
United States Attorney**

PRESS RELEASE

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**Contact: Gina Balaya – (313) 226-9758
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**Former Senior UAW Official Pleads Guilty to
Conspiracy with Fiat Chrysler Executives**

The former second highest official in the UAW's Chrysler Department pleaded guilty today to conspiring with other UAW officials and Fiat Chrysler executives to make illegal payments to union officials, announced U.S. Attorney Matthew Schneider.

Joining in the announcement were James Vanderberg, Special Agent in Charge of the U.S. Department of Labor – Office of Inspector General, Timothy R. Slater, 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, and Thomas Murray, Acting District Director, U.S. Department of Labor – Office of Labor-Management Standards.

Nancy A. Johnson, 57, of Macomb, Michigan pleaded guilty to conspiring to violate the Labor Management Relations Act by accepting and arranging for illegal payments from Fiat Chrysler executives to high-level UAW officials from 2014 through 2016. After the now-deceased UAW Vice President General Holiefield retired in 2014, Johnson and other UAW officials began running the UAW's Chrysler Department, responsible for dealing with executives at Fiat Chrysler. During the plea hearing, Johnson admitted to participating in a conspiracy that had existed at least from 2009 through 2016 whereby Fiat Chrysler executives conspired with one another, with Fiat Chrysler, with UAW officials, and with the UAW to funnel money and things of value worth tens of thousands of dollars from Fiat Chrysler to UAW officials and the UAW. The things of value funneled to UAW officials from Fiat Chrysler included personal travel, golf resort fees, lavish meals and parties, limousine services, designer clothing, designer shoes, golf equipment, electronics, and an Italian shotgun.

Johnson's guilty plea indicated that a high-level UAW official directed other UAW officials to use money supplied from automobile manufacturing companies through joint UAW training centers to pay for travel, including travel solely for purported union business, as well as lavish meal and other entertainment costs of senior UAW officials and their friends, family, and allies. This directive was issued in order to reduce costs to the UAW budget from such expenditures because the UAW's budget was under pressure.

Johnson's plea also stated that In 2014, 2015, and 2016, in Palm Springs, California, high-level UAW officials used UAW funds to pay for extravagant meals, premium liquor, multi-month stays at condominiums, and multiple rounds of golf for little, if any, legitimate union-business or labor-management purposes. These expenditures were in addition to other expenses paid for by Fiat Chrysler by way of the training center.

As another part of the conspiracy, Johnson's plea indicated that during the period 2014 through 2016, 100% of the UAW salaries of a large number of UAW officials and employees, nominally assigned to the NTC, was paid for by FCA through the NTC. FCA paid these salaries for the UAW even though senior UAW officials and FCA executives both knew that these UAW officials and employees "assigned" to the NTC spent most of their work time performing tasks for the UAW, reported to the UAW, and enforced FCA's compliance with the collective bargaining agreement on behalf of the union and not for the benefit of FCA or the NTC.

Johnson is the seventh defendant to plead guilty in connection with the ongoing criminal investigation into illegal payoffs involving UAW officials and FCA executives. The following individuals have already pleaded guilty to their participation in the scheme: former FCA Vice President for Employee Relations Alphons Iacobelli, former FCA Financial Analyst Jerome Durden, former Director of FCA's Employee Relations Department Michael Brown, former senior UAW officials Virdell King and Keith Mickens, and Monica Morgan, the widow of UAW Vice President General Holiefield.

"Today's conviction of yet another senior UAW official further exposes the dishonorable scheme between UAW officials and Fiat Chrysler executives to corrupt the collective bargaining process at the expense of rank and file union members," said United States Attorney Matthew Schneider. "The conviction reveals that part of this scheme involved the wrongful use of UAW funds for extravagant meals, entertainment, golf, and travel for little, if any, union-business purpose."

"Nancy Johnson held a high-level position in the UAW and was entrusted to negotiate and implement contracts for the UAW union members she served. Instead, Johnson defrauded the membership by illegally obtaining items worth thousands of dollars, including jewelry, clothing, and other personal items, knowing that FCA was paying the bill. We will continue to work with our law enforcement partners 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.

“Today’s guilty plea from Nancy A. Johnson, a former senior UAW official, demonstrates the continued efforts of the FBI along with our law enforcement partners to hold those persons misusing funds, whether for personal gain or the enrichment of others, accountable for their actions,” said Timothy R. Slater, Special Agent in Charge, Detroit Division of the FBI. “Her actions, depriving the rank and file UAW membership of training money, is intolerable and we remain committed to pursuing all those responsible.”

“Protecting members against corruption perpetrated by their union leaders is critical to the mission of OLMS,” said Thomas Murray, acting District Director of the Office of Labor-Management Standards (OLMS) Detroit-Milwaukee District Office. “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.”

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.

The case is being prosecuted by Assistant U.S. Attorneys David A. Gardey, Erin Shaw, Charles J. Kalil II, and Adriana Dydell.