



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

DENNIS D. WILLIAMS, *PRESIDENT* GARY CASTEEL, *SECRETARY-TREASURER*
VICE-PRESIDENTS: CINDY ESTRADA • NORWOOD JEWELL • JIMMY SETTLES

July 26, 2017

Brothers and Sisters,

As you may have seen from news reports, Department of Justice (DOJ) recently announced the results of a months-long investigation into alleged illegal activities among certain individuals associated with the UAW-Chrysler National Training Center (NTC).

An indictment was returned alleging that for a period beginning around 2009, former UAW Vice President General Holiefield and former Vice President for Employee Relations for Fiat Chrysler, Alphons Iacobelli conspired to commit illegal and/or unethical activities including the misallocation of NTC funds, the misuse of NTC credit cards and the provision of unlawful or unethical personal benefits.

To be clear, these allegedly misallocated or misused NTC funds were not UAW dues nor were they union funds. These were monies funded by Chrysler pursuant to the collective bargaining agreement.

As your president, I am appalled by the conduct alleged in the indictment, which constitutes a betrayal of trust by a former member of our union.

The UAW has zero tolerance for corruption or wrongdoing of this kind at any level. While the NTC is a separate entity from the UAW that receives no union dues, the fact is that the abuses alleged in the indictment dishonored the union and the values we have upheld for more than 80 years.

The current UAW leadership had absolutely no knowledge of the alleged fraudulent activities detailed by this indictment until they were brought to our attention by the government. We nevertheless take responsibility for not doing more to exert our influence over the governance policies of the NTC, which might have uncovered this corruption sooner.

It is important for you to know that despite some public commentary to the contrary, the allegations in the indictment in no way call into question the collective bargaining contracts negotiated by our union during this period. The collective bargaining agreement was not controlled by General Holiefield. The 2011 collective bargaining agreement, which would have been the one negotiated during General Holiefield's term, passed through many hands, including the UAW President, and the agreement was patterned after others at Ford and GM.

Since being made aware of these allegations, the UAW has cooperated fully with the DOJ and continues to share information with the government. The UAW also hired independent outside counsel to conduct an internal investigation into these allegations.

We are taking active measures to prevent this kind of misconduct now and in the future, and have worked with the NTC and Fiat Chrysler to implement a range of measures aimed at enhancing transparency and internal controls at the NTC. These steps include:

- Requiring an annual independent audit of the NTC's finances
- Hiring a full-time in-house controller
- Requiring annual budgets for each program/department and implementing a budget review process. Budgets are approved by the NTC board of directors
- Adopting a plan requiring review and approval of credit card statements for payment by two officers and the controller
- Formalizing a written credit card policy, including what is/is not permissible
- Implementing an interested persons questionnaire and a conflict of interest policy and creating a hotline to report future suspected wrongdoing
- Retaining new legal counsel
- Requiring all new vendors to be approved by two officers and the controller
- Instituting a formal process for vendor procurement
- Instituting a ban on all charitable donations from the NTC to any charity run or controlled by a UAW official

While this is disappointing news, it should not overshadow all of the hard work you put in day in and day out and the loyal dedication you've shown to the UAW. I am grateful for your ongoing support and know we will continue to succeed when we stand together.

In Solidarity,

A handwritten signature in cursive script that reads "Dennis D. Williams".

Dennis D. Williams