

As worker anger over UAW corruption scandal grows, union president defends sellout contracts

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As the corruption scandal involving the United Auto Workers union implicates ever-wider layers of the top UAW leadership, union president Dennis Williams penned a “letter to UAW members” Tuesday aimed at deflecting worker anger. Williams claimed that Fiat Chrysler’s payment of \$1.2 million in bribes to the union’s former top negotiator with the company, the late General Holiefield, had no effect on the integrity of the “collective bargaining process.”

The central aim of William’s letter is to try somehow to distance the UAW from Holiefield’s crimes and deny the obvious—that the corruption scandal is not an aberration, but rather expresses the essence of the UAW, a pro-corporate syndicate and tool of management that still pretends that it represents workers.

Earlier this week, the two key defendants named in federal indictment unsealed on July 26—Holiefield’s widow, Monica Morgan, and former Fiat Chrysler Vice President for Employee Relations Alphons Iacobelli—were arraigned in Detroit federal court and released on bond. Federal prosecutors allege that Iacobelli and other company officials used the UAW-Chrysler National Training Center (UTC) in Detroit to funnel more than a million dollars in bribes to Holiefield, Morgan and other unnamed “senior UAW officials” between 2009 and 2014.

Williams issued the letter as legal experts and the media speculated that at least eight more unnamed UAW and FCA officials could soon face charges. The *Detroit News* has reported that retired UAW Associate Director Virdell King, who was part of UAW Chrysler bargaining teams in 2011 and 2015, hired a criminal lawyer after learning she was under FBI investigation.

Holiefield, who died of pancreatic cancer in March 2015, was hated by rank-and-file workers for “negotiating” away their wages and benefits in contracts signed by the UAW in 2007, 2009 and 2011, and for defending the 10-hour-a-day Alternative Work Schedules, which has disrupted the health and family lives of workers. Before Holiefield decided not to

seek another four-year term in November 2013, rumors were rampant that he was involved in a kickback scheme to sell jobs at Chrysler.

“This is one of the toughest moments our union has faced in years,” Williams wrote on Tuesday. “We are heartbroken and horrified to learn a man we knew, trusted and loved was involved in these alleged misdeeds.” He reasserted the specious claim he first made last week that “UAW leadership knew nothing of General Holiefield’s illegal activities until the US Attorney’s office contacted us in January of last year.”

In fact, UAW officials, including Williams’ predecessor, Bob King, were aware of Holiefield’s criminal activities at least as early as 2011, according to federal prosecutors who said King confronted Holiefield and Iacobelli at a face-to-face meeting in Auburn Hills, Michigan (location of the Fiat Chrysler headquarters).

King reportedly castigated the two of over their selection of Holiefield’s then girlfriend, Monica Morgan, as a “vendor” for the labor-management training center and a charity set up by Holiefield. King allegedly said this was a bad idea and told them they could “go to jail” before instructing the two to stop doing business with her, the indictment alleges.

For at least two years before the 2011 meeting, FCA officials had been shoveling hundreds of thousands of dollars into Morgan’s photography business and various dummy companies controlled by the couple, who used the money to buy designer clothes, jewelry, air travel, \$3,100-a-night stays at the Beverly Hills Hotel and the closing costs on their new home.

In October 2013, federal prosecutors say, King, the union’s general counsel Michael Nicholson and unnamed senior union officials “began looking into financial transactions” involving the NTC, Holiefield’s charity—The Leave the Light on Foundation—and Morgan. This was a month after UAW officials fired Holiefield’s top aide,

James Hardy, for selling Chrysler jobs. Soon afterwards, the FBI began its investigation.

In November 2013, Holiefield suddenly announced he would not seek another four-year term as vice president. The UAW allowed Holiefield to remain in office another eight months until the expiration of his term. Attempting to sweep the matter under the rug, they had nothing but praise for him when he officially retired in June 2014.

Five months before, in January 2014, federal prosecutors say, King and the UAW president's "senior assistant" made formal requests to FCA for records and information on the use of NTC credit cards by Holiefield—who made over \$200,000 worth of personal purchases on his credit card—and other unnamed UAW officials. The latest in the series of supposed internal investigations did not stop Holiefield from collecting an NTC check for \$262,219 to pay off the full balance of his mortgage as he left office.

It is simply unbelievable that Williams—who served as the UAW secretary-treasurer, the top financial officer in the union from 2010 to 2014—was unaware of this criminal activity. Williams was selected to take over the union in June 2014 because he was a long-time and loyal member of the UAW hierarchy who knew where all the skeletons were hidden and could be trusted to cover up whatever scandals were about to explode.

Williams declares in his letter, "You should also know that no matter what anyone says, it was NOT possible for General Holiefield to compromise or otherwise affect the national negotiations that resulted in new collective bargaining agreements, including the 2011 collective bargaining agreement between the UAW and Chrysler."

Williams does not provide any reason why workers should believe such a statement, nor can he. Holiefield was the union's top negotiator who led the talks for contracts in 2007, during Obama's restructuring of the company in 2009, and again in 2011. He had the closest ties to FCA boss Sergio Marchionne, who would not agree to Fiat's takeover until Holiefield and the UAW signed onto his "World Class Manufacturing" plan of constant cost-cutting and speed up.

Holiefield negotiated "transformational" concessions, including poverty level second-tier wages, an end to the eight-hour day and income protection for laid off workers, and relieving the company of its obligations to pay retiree health care benefits.

During this whole time, Holiefield was receiving more than a million dollars in company payoffs, while his wife was off riding elephants in Thailand and boasting on social media that the "General spoils me" and "Every day is Christmas."

In other words, Fiat Chrysler workers were defrauded. The terms of these contracts were not "negotiated" between one

party representing the workers and the other representing management. No, the terms of the contract were dictated by management and agreed to by UAW officials who were on their payroll. Any such agreement would be legally null and void, and workers not bound to abide by its terms.

In his first statement, Williams attempted to justify his claim that the sanctity of the UAW's "collective bargaining process" had not been violated by saying that these deals had "passed through many hands, including the UAW President, and the agreement was patterned after others at Ford and GM."

Precisely! The deals at Ford and GM were no less corrupt bargains than the Chrysler contract.

The fact that these rotten contracts were sanctioned by the entire UAW apparatus—and rammed through against the resistance of rank-and-file workers through lies, intimidation and outright ballot-stuffing—only proves that the corrupt relationship between the UAW and the auto bosses is endemic to the entire organization.

Holiefield's criminal activities are not primarily a question of the greed of a single bureaucrat. They reveal the essence of the corporatist labor-management "partnership" that has been the guiding principle of the UAW since the 1980s. The UAW-Chrysler National Training Center, founded in 1985, is one of many corporatist entities used to circumvent laws prohibiting corporations from directly paying and "dominating" labor organizations. From the early 1980s on, GM, Ford and Chrysler poured billions of dollars into these joint programs to augment the salaries of their UAW "partners" and offset the massive loss of dues income.

These arrangements were part of the transformation of the UAW and the entire AFL-CIO apparatus into direct instruments of management. The time when they could be called "workers organizations" has long since passed. In the naked corruption of Holiefield is revealed their true essence.

A struggle by auto workers to advance their interests will not take place in and through the UAW, but in a rebellion against it.



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