

More charges in Fiat Chrysler corruption scandal

UAW executives accepted bribes “to take company-friendly positions”

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Another senior executive in the United Auto Workers accepted bribes from a Fiat Chrysler (FCA) official, according to charges filed on Friday as part of an expanding corruption scandal. FCA Vice President for Employee Development Alphons Iacobelli funneled more than \$4.5 million to UAW executives to encourage them “to take company-friendly positions,” according to a court document submitted by federal prosecutors.

The new charges name retired UAW Associate Director Virdell King, who worked as a senior official in the UAW Chrysler Department between 2008 and 2016, when she retired. King joins the late General Holiefield, a former UAW vice president and lead negotiator with Chrysler, and Holiefield’s widow, Monica Morgan, in being directly implicated in the scandal. Both King and Holiefield participated in the UAW national negotiating committee.

Iacobelli was the top FCA official in charge of negotiations with the UAW during the 2009 contract modifications, as part of the Obama administration’s restructuring of the auto industry, and the 2011 contract.

The multimillion-dollar bribery scheme exposes the UAW as a corrupt agent of corporate management, which has worked to impose massive concession contracts at FCA, General Motors and Ford. The contracts agreed by the UAW, and forced through with lies and fraud, must be considered nullified by the corruption revelations.

King allegedly participated in a scheme to use credit cards tied to the UAW-Chrysler National Training Center (NTC) to purchase designer shoes, clothing, jewelry and luggage. She also made \$40,000 in

purchases for other executives, though the UAW claims that these officials were not aware that their lavish gifts were purchased with money that was supposedly dedicated to worker education.

The gifts include a shotgun purchased for \$2,180 presented to the current UAW Vice President overseeing relations with FCA, Norwood Jewell, who is widely hated among autoworkers at FCA.

Both Morgan and Iacobelli were arraigned and released on bond in hearings earlier this month. Another FCA official, Jerome Durden, pleaded guilty on August 8 to conspiracy and preparing false tax returns in connection with the scandal.

In a desperate scramble to contain worker anger, UAW president Dennis Williams has claimed that the bribes and payouts have had no effect on the “collective bargaining process,” and that top UAW officials were not aware of the bribery. In fact, according to the federal charges, Williams’ predecessor, Bob King, confronted Holiefield and Iacobelli in 2011, warning that the selection of Morgan as a vendor for the NTC could end up with the two of them going to jail.

Revealed in the scandal is just a glimpse of the incestuous financial relationship between the UAW and the Big Three auto companies. The NTC is one of many company-UAW arrangements set up in the 1980s and in the ensuing decades to cement this relationship, as the UAW collaborated in the destruction of hundreds of thousands of jobs and the tearing up of all previous gains won by autoworkers.

Holiefield, appointed as a UAW vice president in 2006, was one product of this corporate-UAW nexus. He helped “negotiate” contracts that included poverty-

level second-tier wages, an end to the eight-hour day through the institutionalization of the Alternative Work Schedule, and to income protection for laid-off workers and retiree health care benefits paid by the company. Many of these concessions were imposed in 2011, in close collaboration with the Obama administration.

When Holiefield died in 2015, FCA CEO Sergio Marchionne praised him for being a “true partner” who helped “guide the company through one of its most difficult periods in its history.”

During the last contract votes, in 2015, the UAW used a combination of lies and outright fraud to ram through agreements in the face of mass opposition from autoworkers. This included the stuffing of ballots at the last local to vote on the Ford contract to ensure a 51 percent “yes” vote. The UAW also overrode a “no” vote by skilled trades workers at General Motors, in violation of the union’s own bylaws.

During the contract votes, the World Socialist Web Site Autoworker Newsletter was read widely by tens of thousands of autoworkers, many of whom supported its call for a break with the UAW and the formation of rank-and-file factory committees. Williams responded to the initial defeat of the contract at FCA, overseen by Jewell, by denouncing “outside groups” that “like to stir people up” for spreading opposition.

Metro Detroit AFL-CIO lead counsel Bruce Miller issued a statement directly attacking the WSWS for being “outside vultures” for opposing “an historic collective bargaining agreement.”

The corruption revelations confirm the WSWS’s analysis of the contracts and the nature of the UAW, which long ago ceased to be a worker’s organization.

The WSWS *Autoworker Newsletter* calls on workers to move now to form rank-and-file factory committees. All officials associated with the UAW gangster union should be banned from the shop floor, work locations and all meetings of workers. The factory committees should declare the previous contracts null and void and assume control of the negotiation of all new agreements.



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