

UAW officials laundered Fiat Chrysler bribes through fake charities

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United Auto Workers officials laundered some of the money siphoned off from the UAW-Chrysler National Training Center (NTC) through fake charities according to a federal court filing. Top UAW officials as well as Fiat Chrysler (FCA) executives are implicated in the complex scheme, which involved illegal payouts totaling over \$4 million.

The revelations are a further exposure of the UAW as an instrument of the auto companies. As more and more information filters out relating to the corruption scandal the UAW stands revealed as a bribed tool of management, slavishly delivering its services to the auto bosses.

Coming amidst the strike of autoworkers at the GM CAMI plant in Canada, the latest revelations further underscore the anti-worker character of the UAW. The union has maintained radio silence about the strike and predictably refused to lift a finger in support of the walkout by Canadian workers who are battling concession demands that will be used as a pattern against autoworkers across North America.

According to a report in the *Detroit News* and *Free Press*, a court document filed Tuesday asks that the federal government be permitted to keep \$292,000 seized from bank accounts connected to the Hospice of Metropolitan Detroit, a dummy company, which prosecutors say never provided any such care to the seriously or terminally ill. In fact, according to one member of the hospice board questioned by investigators, the charity “was not performing any kind of work.”

Instead the hospice organization was used to funnel money from NTC funds into the pockets of the late UAW Vice President General Holiefield and his widow, Monica Morgan.

The filing follows the indictment of FCA executive Alphons Iacobelli and Morgan on charges stemming from the illegal payout of NTC funds to Holiefield and other UAW officials. In August retired UAW negotiator Virdell

King pleaded guilty to using a NTC credit card to make personal purchases totaling more than \$40,000, including jewelry and designer clothes. Among her purchases was a \$2,180 shotgun given as a birthday present to UAW Vice President for FCA Norwood Jewell, the top UAW negotiator in the 2015 talks.

UAW officials were encouraged to spend liberally, according to former FCA financial analyst Jerome Durden, who helped facilitate the scheme, with the object of keeping them “fat, dumb and happy.” Durden pleaded guilty as part of a deal with federal prosecutors.

According to court documents the NTC also transferred money to the Leave The Light On Foundation, a tax-exempt charity controlled by Holiefield, which claimed to be helping children in Detroit who were “struggling with hardships.” Durden was the foundation’s treasurer.

Some of the money, totaling \$325,000, was transferred in 2014 to the Hospice of Metropolitan Detroit, which was run by a close friend of Monica Morgan, Mary Elon-Eloni Wilks, who was a former assistant superintendent of the Detroit Public Schools. At the time of the transfer the hospice had some \$425 in its bank account.

Wilks allegedly received \$62,000 for her role in the scheme. An amount of money paid out from the hospice, that has not yet been fully disclosed, apparently ended up in Morgan’s bank account.

Shortly after the Leave The Light On Foundation received the \$325,000 payment, Wilks registered another foundation with the state of Michigan, the Thomas Andrew and Kathryn Mosely Dorsey Foundation, listing Monica Morgan as an incorporator. According to the filing, the foundation was established to educate the public about gospel and other types of music.

Holiefield, as head of the NTC, solicited money for his phony Leave The Light On Foundation apparently with the knowledge and consent of the UAW. This reporter accessed a leaflet posted on the Internet advertising an

annual golf outing slated for June 24, 2011 and billed as a fund raiser for the foundation. Checks are to be made payable to the Leave The Light On Foundation c/o the UAW Chrysler Department. The address given is for the UAW International headquarters on Jefferson Avenue in Detroit.

According to court documents between 2009 and 2011, the bulk of the supposed charity's operating funds went to Morgan, including \$262,219 spent to pay off the outstanding mortgage on Holiefield and Morgan's home.

The claim by UAW President Dennis Williams that the bribery had no impact on negotiations is absurd. The indictments call into question the legality of all the contracts signed between the UAW and the auto companies. During the period that FCA was bribing UAW officials, the union agreed to historic concessions, including cuts to pensions and retiree health benefits, the institution of a two-tier wage system, the hated alternative work schedule, and the expansion of temporary and part time workers.

Virdell King was part of the UAW-FCA negotiating teams in 2011 and 2015. In 2015 FCA workers rebelled and voted down the sellout contract brought back by the UAW by a 2-1 margin. Jewell was shouted down by angry Jeep workers in Toledo, Ohio when he tried to sell the deal at a September 25, 2015 membership meeting. The UAW-FCA deal set the concessionary pattern for UAW settlements with General Motors and later Ford.

In the same manner the claim that top level UAW officials were uninvolved in and unaware of the corruption cannot be believed. The top administrative assistant to Jewell, Nancy Johnson, sat on the board of the UAW-Fiat Chrysler Joint Training Center. Johnson allegedly told Virdell King to buy the shotgun for Jewell. Identified as "UAW-4" in court documents, Johnson made some \$75,000 in purchases on her NTC credit card between 2014 and 2016 for herself and other "senior UAW officials." Her personal purchases included jewels, clothing, luggage, meals, and designer shoes.

According to the federal indictment in 2011 then-UAW President Bob King confronted Holiefield and Iacobelli over payments to Morgan from NTC funds and from the Leave The Light On Foundation, warning they could "go to jail." King never revealed these criminal activities to the public and they continued without disruption.

For their part, the auto companies have indicated they are not interested in pursuing the matter. Ford said it would not review the finances of its UAW-Ford National Programs Center and GM has indicated by its silence that

it will not audit the UAW-GM Center for Human Resources. Indeed, GM hired Iacobelli as its director of labor relations about six months after he left Fiat Chrysler and he led GM's negotiations with the Canadian auto union, Unifor, in 2016.

The establishment of the UAW-Chrysler National Training Center itself was part of myriad arrangements between the union and the auto companies aimed at diverting company funds to the pockets of the UAW in what amounts to little more than legalized bribery. The programs, which date back to the mid 1980s, evaded federal statutes prohibiting the payment of company funds to union officials. According to federal tax filings, the NTC reported some \$36 million in revenue and \$44 million in assets in 2013.

The involvement of high-level FCA officials in the bribery scheme and the fact that management apparently did little to conceal it speaks to the institutional character of the arrangements. For management, bribery of UAW officials is just part of the cost of doing business. In return, the UAW acts to suppress opposition and provide a source of highly exploited labor.

The UAW is not a workers organization, but a business enterprise funded by open and under-the-table payoffs from corporate management. In addition to receiving bribes, a small army of UAW officials receives six-figure salaries from the UAW treasury, not to mention payouts from their nominal service on union-company joint committees and the multi-billion UAW retiree medical care trust fund.

These revelations underscore the urgency of the call by the *World Socialist Web Site* and the *WSWS Autoworker Newsletter* for the building of new rank-and-file based organizations independent of the both the UAW and management.



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