

# Contracts signed by corrupt UAW should be nullified: A reply to Dennis Williams

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Fiat Chrysler (FCA) chief labor negotiator Alphons Iacobelli has acknowledged in a plea agreement that he and other company executives paid \$1.5 million in bribes to United Auto Workers officials “to obtain benefits, concessions and advantages” in collective bargaining agreements between 2009 and 2015.

The WSWs *Autoworker Newsletter* calls on autoworkers to demand that the contracts signed by corrupt UAW officials and rammed through with lies and deceit be proclaimed null and void. We urge the formation of rank-and-file factory committees in every plant, independent of the UAW, to organize opposition to the contracts and discuss necessary measures that must be taken in response to the corruption revelations.

The deals signed by the UAW sanctioned and expanded the two-tier wage system, abolished the eight-hour day and established the 10-hour Alternative Work Schedule, eliminated income protection for laid-off workers, relieved the auto bosses of any obligation to pay for retiree health care benefits and vastly increased the number of temporary part-time workers with poverty wages and no rights.

There is now undeniable evidence that these deals were pushed through by UAW executives whose hands were greased by corporate money.

A lawyer guilty of such a breach of confidence and legal obligation would be debarred and any agreement declared non-binding. Why should rank-and-file workers treat the corrupt UAW and its bogus contracts any differently?

UAW President Dennis Williams has responded with an “open letter to UAW members,” which is a miserable attempt to uphold the supposed sanctity of the “collective bargaining process” and protect the skins of the top executives at the UAW’s Solidarity House headquarters in Detroit.

In the letter posted on the UAW’s web site January 26, Williams writes, “While Mr. Iacobelli will have to answer

for his crimes, it appears that in an attempt to get lenient treatment from the government he is now falsely spinning his crimes as an effort to corrupt the collective bargaining process between the UAW and Fiat Chrysler. In reality, it is plain as day that his motivation was nothing more than outright greed.”

According to Williams, while Iacobelli “appears to have corrupted a handful of former UAW officials” this was only to get the UAW officials to turn a blind eye to his own corruption. There is “simply no truth,” the UAW president declares, “that this misconduct compromised the negotiation of your collective bargaining agreement.”

Williams must think autoworkers were born yesterday.

The whole purpose of the scheme was to reward UAW executives for imposing “company-friendly” contracts on the backs of rank-and-file workers. As early as 2009, Iacobelli discussed with top Fiat Chrysler executives that they needed to stop reducing payments to the UAW-Chrysler National Training Center and increase spending on “high value/high leverage” programs, including sending \$50,000 payments to a phony charity run by former UAW Vice President General Holiefield.

The labor agreements could not have been corrupted, Williams would have workers believe, because Holiefield wasn’t the only union executive who agreed to the contracts! “Holiefield did not singlehandedly control the collective bargaining agreement,” Williams writes, adding that the deals “passed through many hands, and its terms were reviewed, negotiated and approved at the highest level of our union, including the UAW president and ultimately the membership.”

The fact that the entire UAW leadership signed onto deals that destroyed the achievements won through the sacrifice of generations of autoworkers only demonstrates that the UAW is an anti-working-class organization from top to bottom.

The corrupt relations between UAW and corporate

executives were sanctioned and made possible by the fact that the UAW is a business operation in league with the companies. The officials that run the “union” have secured their positions and lucrative salaries due to their willingness to serve their corporate masters and do whatever they can to force workers to accept what the companies demand.

Finally, like a rat on a sinking ship, Williams tries to protect the Solidarity House leadership from the criminal consequences of Iacobelli’s confession. Iacobelli acknowledges that he and other executives offered to pay \$50,000 each to select UAW officials in early 2015 under the guise of bogus retirement offers.

Castigating the FCA executive, Williams says Iacobelli “fails to mention that these proposed retirement payments were reviewed by UAW legal counsel, immediately rejected by me and never paid to anyone.”

Far from exonerating the UAW, Williams is admitting that he and other top UAW officials were fully aware of the planned payoffs and that they deliberately concealed this from rank-and-file workers. If the UAW in fact rejected the deal (and nothing that Williams says can be taken as good coin), it was not because of any principled opposition to such payoffs, but because they feared the naked character of the scheme could trigger a rebellion by rank-and-file workers already angered over years of concessions and rumors of corruption. This rebellion in fact took place when FCA workers voted down the UAW-backed deal by a 2-to-1 margin in September 2015.

Williams’ admission contradicts his claim that the UAW leadership knew nothing about Holiefield’s illegal activities until the US Attorney’s Office contacted the UAW in January 2016. This claim was already exploded by the evidence presented by prosecutors of a 2011 meeting held by Williams’ predecessor Bob King and the union’s general counsel Michael Nicholson at which they confronted Holiefield and Iacobelli over giving training center funds to a business owned by Holiefield’s wife, saying it could get them “thrown in jail.”

It is hardly credible 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. The scandal has already engulfed UAW Administrative Director Virdell King, forced the early retirement of Norwood Jewell, who negotiated the 2015 UAW-FCA contract, and led to FBI investigations of joint training centers run by the UAW with Ford and General Motors.

Autoworkers who are forced to pay dues to the UAW

must draw the appropriate conclusions. The corruption is not limited to handful of “bad apples” but is endemic to the whole organization. This is the essence of the labor-management “partnership” that has been the guiding principle of the UAW since the 1980s. It is the inevitable outcome of the nationalist and pro-capitalist program of the UAW and its political subordination of the working class to the corporate-controlled Democratic Party.

“Reform” slates will not change the character of the UAW. Instead, workers must toss off the dead weight of this pro-company organization and build a new organization of struggle, democratically controlled and answerable to the rank and file, not the corporate bosses. The UAW has abandoned all the elementary functions with which the unions were previously associated—grievance procedures, the defense of workers against layoffs and firings, the regulation of line speeds, etc. It functions now as a cheap labor contractor in bed with management.

Factory committees must declare the current contracts null and void and draw up the demands for new terms of employment, including abolition of the two-tier wage system, restoration of the eight-hour-day, recouping of all the concessions imposed by the UAW and the transformation all part-time temps into full-time workers.

These conditions can be enforced only through the collective action of autoworkers and through the mobilization of the broadest sections of the working class, in the US and internationally, against the capitalist system and the social inequality that it breeds.



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