

# Fiat Chrysler workers file class action against UAW demanding return of union dues

Jerry White  
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Three Detroit area autoworkers have initiated a class action suit against the United Auto Workers union and Fiat Chrysler Automobiles (FCA) for conspiring to impose pro-company labor agreements that stripped tens of thousands of workers of their wages and basic rights. The legal action takes place a week after a plea agreement by the automaker's former chief labor negotiator, Alphons Iacobelli, who admitted that he and other FCA executives paid over \$1.5 million in bribes to top UAW negotiators and other union officials between 2009 and 2015.

Attorneys for the three Detroit area workers—Beverly Swanigan, Brian Lee Keller and Sheri Anolick—filed the legal complaint Monday at the US District Court in Ann Arbor, Michigan. The lawsuit asks the federal court to compel the UAW to return hundreds of millions of dollars in union dues defrauded from 40,000 FCA workers and compensate them for losses during the period of “tainted bargaining.”

The plaintiffs contend, “FCA and the UAW engaged in collusion when FCA bribed the UAW to obtain company-friendly positions at the bargaining table and elsewhere; bribes which the UAW accepted, to the detriment of plaintiffs and the proposed class.” The UAW violated its “duty of fair representation by accepting money, gifts, bribes, and other prohibited payments to bargain away plaintiffs’ rights, and the rights of other similarly situated individuals,” the legal complaint states.

“This is one of those rare cases, which is so unfair and such a violation, that it is resonating with everybody,” Brian J. Farrar, one of the attorneys in the case, told the *World Socialist Web Site*. “This runs counter to the whole issue of collective bargaining, which is supposed to be arms-length bargaining on behalf of workers who dutifully pay their dues. We are

hoping to get justice for the union members who deserve and expect far better treatment,” Farrar said.

According to Iacobelli's plea agreement, the bribes were laundered through the UAW-Chrysler National Training Center (NTC) and funneled to bogus charities run by UAW Vice President General Holiefield, who headed the union's Chrysler department from 2006 to 2014, and his wife Monica Morgan. Salaries were paid to UAW vice presidents and other union functionaries assigned the NTC who did no work, and \$30,000 spent on a lavish party for UAW leaders, including \$7,000 for cigars and \$3,000 for wine, according to the plea deal.

Holiefield died of pancreatic cancer in March 2015, a little over a year after taking a hurried leave of absence and then retiring with honors from the UAW tops, the auto bosses and Democratic Party officials. Holiefield's widow will enter her guilty plea deal next week, which is expected to trigger further indictments of still unnamed “senior UAW officials” and FCA executives.

UAW Assistant Director Virdell King, a member of the UAW-Chrysler negotiating team in 2011 and 2015, has already pleaded guilty, while investigations are ongoing into joint training centers run by the UAW at Ford and GM, and various charities controlled by other top UAW officials.

The FCA workers' lawsuit notes that Iacobelli—who faces up to seven years in jail—admitted that he and his co-conspirators were “acting in the interest of employer FCA,” to “obtain benefits, concessions, and advantages for FCA in the negotiation, implementation, and administration of collective bargaining agreements between FCA and the UAW.”

Between 2009 and 2015, the UAW colluded with the auto bosses and the Obama administration to carry out

an historic reversal in the conditions of autoworkers, which had a far-ranging impact on every section of the working class. Exploiting the near collapse of the auto industry following the 2008 financial crash, the Wall Street bankers appointed to the White House's Auto Task Force shut down scores of plants, imposed a 10-hour work day, and moved to replace thousands of older autoworkers earning "middle-class" wages, health benefits and pensions, with a low-paid and essentially disposable workforce of second- and third-tier laborers with little or no rights.

During this time, the UAW also freed the automakers from their obligations to provide medical coverage to over 800,000 retired autoworkers and their spouses, in exchange for gaining control of a multibillion-dollar retiree medical trust, known as a Voluntary Employees' Beneficiary Association or VEBA. In 2015, the UAW's plan to extend this scheme to current workers, along with its maintenance of the hated two-tier wage system, sparked a rank-and-file rebellion. This included the first defeated UAW-backed national contract in three decades, at FCA, before a slightly modified contract was rammed through with lies, threats and accusations of fraud.

The class action lawsuit cites another example of the UAW's collusion to rob autoworkers of their hard-won gains. In late 2013, Fiat sought to buy the remaining 42 percent ownership stake in Chrysler still held by the UAW medical trust and complete its takeover of Detroit-based automaker. A dispute over the value of the shares, however, had led to a bitter court battle, with the UAW pressing for an Initial Public Offering to drive up the share price of their holdings, and Fiat threatening to back out of the deal altogether if the UAW pursued its IPO plan.

"In December 2013, FCA Vice President Alphons Iacobelli sent an email to another FCA executive confirming that UAW Vice President General Holiefield had been 'scripted' in advance of a scheduled meeting between Holiefield and other members of the UAW's International Executive Board. Iacobelli told the other FCA executives that, during the upcoming meeting, UAW Vice President General Holiefield would 'create a dialogue pursuant to our outline,'" the plea agreement states.

Shortly after the meeting of union chiefs, the UAW dropped the court fight, abandoned its push for an IPO,

and agreed to a \$4.5 billion deal, allowing the company to further shortchange retired workers and assure that the UAW will impose more cuts to the meager benefits of struggling retirees and their spouses.

The class action suit condemns the "illegal and collusive relationship" between Iacobelli and Holiefield, and the squandering of union members' resources on a "transaction tainted by the conspiracy between FCA and the UAW."

In response to the eruption of rank-and-file anger and the specter of additional indictments for the criminal cabal in UAW's Solidarity House headquarters, union chief Dennis Williams has made the ludicrous claim that the illegal payoffs had no influence on labor negotiations. Rank-and-file workers have responded with derision, and there is a growing sentiment to declare the deals null and void.

Workers have every right to take legal action and demand the repayment of the dues money stolen from them through fraud. The history of the class struggle in the US and around the world, however, has shown that workers cannot depend on the courts to defend their rights. Any legal action must be combined with the fight to mobilize the collective strength of autoworkers and the working class as a whole.

The *WSWS Autoworker Newsletter* urges autoworkers to elect rank-and-file factory committees, independent of the UAW, to prepare a struggle to overturn these illegal contracts and press for their own demands, including the abolition of the two-tier system and the restoration of all the concessions imposed by the UAW.

*The WSWS is holding an online and call-in forum for auto workers on Wednesday, January 31 at 8:00 pm EST. To participate, login here or call (224) 501-3412 and enter access code 714-464-573 at the time of the event.*



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