Top aide to former UAW vice president makes plea deal

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25 July 2018

Nancy Johnson, the top aide to former United Auto Workers Vice President for Fiat Chrysler Norwood Jewell, pleaded guilty Monday to charges related to ongoing investigation into illegal payments by Fiat Chrysler management to UAW officials, aimed at securing favorable contract terms.

The guilty plea by Johnson was part of a deal with prosecutors based on her agreement to cooperate in the federal corruption investigation. She is the seventh person to plead guilty in the case, which involves the siphoning off of at least $1.5 million in funds from the UAW-Chrysler National Training Center (NTC) into the pockets of union officials.

For her part Johnson admitted to receiving illegal funds transfers that she used for lavish parties, trips to California resorts and expensive personal purchases including jewelry and clothing. She could face up to five years in jail and a $250,000 fine. Sentencing is set for November 19.

Following the plea agreement, the UAW again claimed that the payoffs from Fiat Chrysler management had no impact on contract negotiations. In a statement released Monday the union asserted, “The UAW has taken strong measures to prevent a reoccurrence of this type of misconduct and our new leadership team continues to oversee improvements in our operations and financial controls.”

Johnson played a leading role in the 2015 contract negotiations with Fiat Chrysler. So far, four of the eight members of the UAW negotiating team have either been indicted or implicated in the illegal payouts, which were intended to keep the UAW “fat, dumb and happy.” The sellout deal provoked a rebellion by Chrysler workers, who voted down the contract by a 2-1 margin. The contract was then repackaged and forced through using threats and intimidation.

The plea deal by Johnson follows by two weeks the sentencing of Monica Morgan, the widow of General Holiefield, the late UAW vice president for Fiat Chrysler. Morgan received a token 18-month prison sentence on tax evasion charges for failing to report $201,000 in money skimmed from the NTC on her 2011 taxes. That represented only a fraction of the money stolen by Morgan, a well-connected Detroit photographer, and her late husband. Misappropriated money was used to pay off the $262,219 mortgage on their home and to buy tens of thousands of dollars in luxury items. Morgan helped funnel some $350,000 in NTC money into a fake hospice and pocketed another $80,000 for her photography business by invoicing for bogus courses.

Johnson is the third UAW official to plead guilty in the case. Two other assistants to Jewell, Keith Mickens and Virdell King, have also agreed to cooperate with prosecutors. Jewell took early retirement in January, but has so far escaped indictment. Johnson reportedly told King to buy a $2,180 shotgun for Jewell as a birthday present through the improper use of an NTC-issued credit card.

The federal investigation points to a far broader conspiracy reaching to the top levels of the UAW. As part of the plea agreement for former Fiat Chrysler executive Michael Brown, who helped administer the NTC, the government charged that Fiat Chrysler conspired with officials at the UAW and with the UAW itself to violate the Labor Management Relations Act. As part of the conspiracy, the UAW allegedly presented padded invoices to FCA for reimbursement of expenses connected to the NTC on behalf of UAW officials who did little or no actual work.

FCA management also authorized Holiefield and others to “offer sham employment status at the NTC to

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a number of their friends, family and allies" who were hired by the NTC under a "special assignment" status.

The crisis in the UAW takes place amid turmoil in Fiat Chrysler management, with the sudden incapacitation of CEO Sergio Marchionne, as well as signs of increasing militancy among rank-and-file workers.

Workers at three Kokomo-area Fiat Chrysler transmission plants, members of UAW Local 685, have voted overwhelmingly for strike authorization over local grievances. The workers build transmissions for virtually all the Chrysler vehicles built in North America. A strike at these facilities would quickly bring FCA production to a halt. While the UAW is absolutely hostile to a genuine struggle, intending to use the strike vote to merely adopt a militant pose, workers' anger is simmering over the abusive treatment of temporary part-timers, who are being forced to work overtime in violation of contract provisions.

The newly appointed head of the UAW Chrysler department, Cindy Estrada, is herself deeply discredited. Estrada, who formerly headed the union's General Motors department, earned the hatred of workers for imposing contract changes at the Lake Orion and Lordstown assembly plants allowing management to hire lower-paid contract workers to take jobs previously performed by regular GM employees.

Estrada is currently under investigation by federal authorities regarding the operation of a charity she heads. The Estrada Charity Fund received $139,032 from the UAW. One banquet in 2015 raised $357,506, including $322,206 in contributions from unspecified sources.

Phony charities run by Holiefield were used as a conduit for illegal payments from joint training funds. A charity run by Jewell, the Making our Children Smile Foundation, has also been labeled by prosecutors a conduit for misappropriated funds.

Seven top UAW officials who headed private charity funds, including Estrada, quietly allowed their state registrations to expire a year before the first indictment in the UAW corruption scandal.

The corruption in the UAW expresses the anti-worker essence of this organization. It is not the result of a few "bad actors" but illustrates the actual relationship between the auto corporations and the unions on one hand and the working class on the other. In the face of this reality workers have no alternative but to build their own organizations of struggle to take over the functions long abandoned by the unions.

The *World Socialist Web Site Autoworkers Newsletter* calls for the building of rank-and-file factory committees independent of the UAW to spearhead the defense of jobs, wages, working conditions and safety. These committees should fight for the nullification of all the contracts signed by the UAW and the restoration of all concessions, as well as workers' control over line speed and safety issues.

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