

# UAW bribery predated 2009, lawyer for former Fiat Chrysler executive tells court

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A sentencing memorandum filed Monday by attorneys for former Fiat Chrysler Automobiles (FCA) executive Alphons Iacobelli alleges that a conspiracy to influence contract negotiations by funneling money to United Auto Workers officials from the UAW-Chrysler National Training Center (NTC) dates back much farther than has been charged by federal prosecutors.

Iacobelli entered into a plea deal in January in which he admitted to paying more than \$1.5 million to UAW officials to gain favorable terms in contract negotiations. The Fiat Chrysler executive pled guilty to one count of conspiracy for violation of the Labor Management Relations Act, which bans payments by companies to union officials. He also pled guilty to one count of filing a false tax return.

In the sentencing memo, part of which is redacted, defense lawyer David DuMouchel writes: “The starting time period under this Indictment is January 2009. However, the reality is that the conspiracy at issue here had started long before that. Mr. Iacobelli joined an already ongoing conspiracy. The practices and corruption that are the focus of this case started long before Mr. Iacobelli.”

DuMouchel suggests that the entire National Training Center setup was a lavishly supplied trough at which the union gorged: “The funding of the NTC was by FCA... The NTC fund is very large—and the oversight was not very effective. NTC officers and members of the Joint Activities Board (some of them) routinely had their own private charities, etc. They had NTC-issued credit cards. They had access to large sums of money—and they (again, some, not all) misused funds for personal purposes. Some representatives of the union and the company did this for many years.”

These claims call into question not just recent agreements, but prior union contracts going back decades, when the joint training centers and other union-

management structures were introduced to quash strikes and suppress workers’ resistance to company attacks. During this period, the UAW agreed to massive layoffs and contract concessions without a fight, imposing wage cuts, cuts in health benefits, forced overtime, multitier wages, the elimination of cost-of-living raises, unlimited use of temporary part-time workers and the axing of pensions for new hires.

The ongoing revelations in the UAW corruption scandal confirm what the *World Socialist Web Site* and the Socialist Equality Party have long maintained: The UAW decades ago ceased to be a workers’ organization. It is a bribed tool of management, an apparatus for the suppression of the working class. For the past four decades, the UAW has presided over the destruction of hundreds of thousands of jobs and an unending series of givebacks that have destroyed the hard-won gains of past generations.

At the root of the UAW’s odious corruption and its betrayal of autoworkers is its support for capitalism and its nationalism. It has enforced this right-wing program by subordinating autoworkers to the big-business Democratic Party and opposing an independent political movement of the working class and the unity of American autoworkers with their class brothers and sisters in Mexico, Canada, Europe and around the world.

Since reports of the bribery scandal first surfaced in July 2017, criminal charges have been brought against seven people, including Nancy Johnson, the top aide to former UAW Vice President Norwood Jewell. Four of the eight members of the UAW bargaining team that negotiated the sellout 2015 contract have been indicted or implicated in the scandal.

As the Iacobelli sentencing memo confirms, this is only the tip of the iceberg. Both the UAW and Fiat Chrysler—not just individual officials—have been named by federal prosecutors as unindicted co-conspirators in the

scheme, with the investigation expanding to cover General Motors' and Ford's joint training centers.

Former UAW President Dennis Williams, who retired only this past spring, has been implicated in the corruption scandal. In her plea deal last month, Nancy Johnson claimed that she received directives from a top UAW official, identified by the media as Williams, to use training center funds for illegal purposes, including expenses for travel, meals and entertainment for union officials, their families and friends.

Autoworkers contacted by the *World Socialist Web Site* said the scandal was the topic of wide discussion. A GM contract worker from the Detroit area, a member of the UAW, said that after a series of sweetheart deals, top pay at her facility was around \$15 an hour. "The contract said we should be making \$20 plus. The main thing that changed for us when the UAW came in is that we are now doing two or three jobs instead of one.

"Everyone has been thrown under the bus. It's not just Fiat Chrysler, it's all the Big Three. Then the International [UAW] gave themselves a big raise at the convention. It blew my mind."

Regarding the naming of Williams, she said, "That's as high as it goes, you cannot get any higher. It's in plain sight. These guys have stolen from the workers for a long time; why trust them?"

A worker at the FCA Jeep complex in Toledo, Ohio said, "We are ready to walk. Everyone wants the concessions back. All the concessions: cost of living, overtime after 8 hours, full pay after 90 days and repayment of all dues since 2009. The whole TPT [temporary part-time] thing should never have happened. It used to be 90 days and you were in, no matter what."

The ongoing corruption scandal is not an accident. It flows inexorably from the corporatist degeneration of the unions. This process has been traced out by the Socialist Equality Party and its forerunner, the Workers League, along with their international co-thinkers. It is not simply the product of individual corruption, but the outcome of the nationalist and pro-capitalist program of the unions in the face of the increasingly globalized character of capitalist production.

In a 1984 document, "Corporatism and the Trade Unions," written in relation to the United Auto Workers-General Motors contract that year, the Workers League warned that the policy of union-management collaboration outlined in the agreement would "go a long way towards transforming the UAW into a company union." The statement continued: "The policy of the

bureaucracy is corporatism—that is, a doctrine of the identity of interests of labor and management, which leads to the unlimited collaboration between bureaucrats and the capitalist state, to defend the profit system no matter how severe the consequences for the working class."

Among other features of the contract it noted the establishment of a "Joint Skill Development Training Fund," which it predicted would be "in effect a gigantic slush fund" for the union bureaucracy.

The UAW cannot be reformed. Its interests are bound up with the defense of the profits of the auto companies, which reward the union bureaucrats with a portion of the profits extracted from the workers.

The UAW corruption scandal underscores the urgency of the call by the SEP for the formation of rank-and-file factory committees by autoworkers independent of the UAW. These committees must fight for the nullification of the contracts signed by the UAW and the organization of an offensive to win back all the concessions surrendered by the union, including the abolition of all tiers, the restoration of cost-of-living increases and the conversion of all temporary workers to full-timers.

Through the committees, autoworkers will be able to link their struggle with broader sections of the working class, such as United Parcel Service workers, who are fighting against the attempt of the Teamsters to impose a sellout deal creating a new class of lower-paid "hybrid" drivers.

A central task of the committees will be to fight for workers' control over working conditions, including line speed and health and safety.

The establishment of factory, workplace and neighborhood committees must be linked to a new political strategy—the mobilization of the American and international working class against the capitalist profit system on the basis of a socialist program, including the nationalization of the corporations under public ownership and the democratic control of the working class.



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