

# Five and one-half year sentence for ex-Fiat Chrysler executive Alphons Iacobelli

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Former Fiat Chrysler executive Alphons Iacobelli was sentenced to 5 and one-half years in prison Monday for his role in a scheme to funnel millions of dollars from the UAW-Chrysler National Training Center (NTC) into the pockets of officials of the United Auto Workers and into his own bank account as well.

Iacobelli abruptly retired on the eve of the opening of 2015 contract talks with the UAW, which resulted in a deal that maintained the two-tier wage system and eliminated caps on the number of temporary part time workers (TPT) that could be hired by Fiat Chrysler. He was hired by General Motors in January 2016 as executive director of labor relations.

The sentencing followed a plea deal between Iacobelli and federal prosecutors in which the former FCA executive agreed to cooperate with the government's ongoing investigation. Iacobelli insisted that he was following the instructions of Fiat Chrysler in carrying out the bribery scheme. A sentencing memorandum submitted by his attorneys alleges that the bribery of UAW officials started long before 2009, when Iacobelli's tenure began.

The sentence handed to Iacobelli is the harshest yet in the case. The payoffs went to UAW officials involved in negotiations, including the late Vice President for Fiat Chrysler General Holiefield, Nancy Johnson, Virdel King and Keith Mickens. Holiefield's wife Monica Morgan also received illegal payments of hundreds of thousands of dollars.

In a statement released following the sentencing of Iacobelli, the UAW claimed it was "appalled" by the actions of the Fiat Chrysler official and again insisted that contracts were not affected. It continued, "There are many layers of checks and balances in our contract negotiations and ratification, including membership voting, and we are confident the terms of our UAW

contracts were not impacted by Iacobelli's fraudulent conduct at the NTC. The UAW has and continues to respond by making changes to ensure this type criminal behavior will not happen again."

The claim endlessly repeated by the UAW that the bribery had no impact on contract negotiations is patently absurd. In previous court filings related to the corruption scandal, FCA and the UAW have both been named as unindicted co-conspirators in the case.

Recently deceased Fiat Chrysler CEO Sergio Marchionne gave the late UAW Vice President for Fiat Chrysler General Holiefield a custom Terra Cielo Mare Italian watch valued at more than \$2,000 in 2010. The gift violated federal labor law that bans such gifts by management to union officials.

The sentencing memorandum filed against Iacobelli directly connects the payments to attempts by management to "obtain benefits, concessions and advantages in the negotiations and administration of collective bargaining agreements." It asserts that the payouts total more than \$9 million, an amount far higher than the \$1.5 million that Iacobelli admitted to, and were funneled to the UAW through the NTC between 2009 and 2017.

Trey, a worker at the GM Motors Delta Township Assembly Plant in Michigan, rejected the claim that the bribes paid to UAW officials had no impact on negotiations. "Nobody believes that. It did affect the contracts. That and the fact that they gave themselves at 31 percent raise at the convention in June. That is all the talk in the plant. With all the concessions we gave up, no one should get that."

William, a retired skilled trades worker from Fiat Chrysler in St. Louis, told the *World Socialist Web Site Autoworker Newsletter*, "The contracts are illegal and void. They were crooked deals all the way across. They

gave away practically everything we had.”

He continued, “They shut retirees out of the negotiating process 14–15 years ago. GM and the UAW went to court together without our knowledge. We haven’t had a raise in 16 years. We paid union dues all these years and didn’t get anything. People lost their homes, their cars, their marriages.”

The allegations of corruption have reached the top of the hierarchy. Nancy Johnson, the former chief aide to UAW Vice President for Fiat Chrysler Norwood Jewell, told federal prosecutors that a top UAW official, who she identified as former UAW President Dennis Williams, gave instructions to use training center funds for union expenses, including for travel, lavish meals and entertainment for union officials, family and friends. Such payments are barred by federal law and would have had to be signed off on by management. Johnson’s allegations strongly suggest that money from training centers jointly run by the UAW, Ford and General Motors, as well as Fiat Chrysler, was illegally siphoned off by the union.

In a statement to the court Monday, Assistant US Attorney David Gardey confirmed that the scheme was part of a broader effort to corrupt contract negotiations. “This case is about a calculated effort to undermine the law. Mr. Iacobelli acted in the interest of his employer.”

Gardey further indicated that the investigation is ongoing and that more indictments are likely.

The continuing revelations confirm what the *WSWS Autoworker Newsletter* has insisted, that the UAW is not a working-class organization. It is a bribed tool of management that serves as a labor contractor, helping the auto companies achieve record profits through the sweat and toil of workers. It underscores the urgency of the call for the formation of rank-and-file factory committees independent of and in opposition to the UAW to defend the interests of workers.

William said that as a result of the sellout deals imposed by the UAW, conditions in the plants are becoming intolerable for active workers. “The temporary part time workers get no retirement, nothing, yet they work them like they were full time. They screw up one time and they are fired.”

He said that there is a concerted effort to drive out older, better-paid full time workers. “They are working the tier 1 workers 12 hours a day. They want to kill

them off.”

Trey said the collusion of the UAW with management was evident every day at Delta GM. “We have been doing 9-hour work days for months and working every other Saturday. Lunch isn’t paid anymore, and we only get overtime after 40 hours. That prevents them from having to add a third shift. They have flex temp workers working five days a week. On weekends they have barely enough people to run the plant. We are beyond tired.”



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