

UAW official sentenced in bribery scheme as noose tightens on top union leaders

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Nancy Johnson, who was a top aide to former United Auto Workers Vice President for Fiat Chrysler Norwood Jewell, was sentenced to one year in prison for her role in a scandal involving the bribery of union officials by Fiat Chrysler.

The sentence was part of a plea deal in which Johnson pledged to help federal prosecutors in their probe of illegal payouts to the UAW by Fiat Chrysler and the other Detroit automakers.

Earlier this year Johnson reported that former UAW President Dennis Williams had authorized illegal fund transfers from joint training centers run by Detroit automakers to the coffers of the union.

Johnson herself was accused of pocketing tens of thousands of dollars by using a credit card issued by the UAW-Chrysler National Training Center, a joint union-management program funded by FCA, for personal expenditures. She was also charged with illegally using her NTC credit card for lavish celebrations involving Jewell and other UAW officials.

The terms of Johnson's sentencing provide for her jail time, already near the minimum under federal guidelines, to be further reduced based on her level of cooperation with investigators. She is not being required to report to prison for six months, leaving open the possibility she may escape jail altogether if she cooperates further. Her testimony could be devastating if called as a witness against Jewell and Williams.

The federal sentencing memorandum for Johnson paints a portrait of UAW officials living the high life on payments from the company. It called the UAW Chrysler department "riddled with corruption" involving "senior leaders." The document notes, "Johnson used her NTC credit card to pay for cigars and liquor at the London Chop House costing \$800.30. Another UAW official used his NTC credit card to pay \$7,694.07 for the sumptuous meal at the chop house. Johnson and the other UAW

official acted at the direction of more senior UAW leaders..."

The document then states, "After enjoying their feast at the chop house courtesy of Fiat Chrysler, senior UAW leaders then sat down with FCA executives to negotiate a new collective bargaining agreement." After signing the sellout deal, UAW officials staged another lavish celebration at company expense. To the shock of the UAW and FCA officials, workers rejected the deal, which maintained the hated two-tier wage system and imposed new concessions, by a two-to-one margin.

The repeated reference to "more senior UAW officials" indicates that more top UAW officers likely face criminal indictment, in the first case Jewell, who headed the FCA negotiations. Williams appears to be also in the government's cross hairs. Former UAW Vice President Joe Ashton and UAW Vice President Cindy Estrada, now head of the FCA department, have also been named as persons of interest in the corruption investigation as well.

It appears that Norwood Jewell is "UAW-3," a top union official named in government documents who reportedly received some \$50,000 worth of "lavish gifts and benefits" from FCA officials, including a \$2,000 shotgun and a \$30,000 party complete with strolling models who lit UAW leaders' cigars, and premium wine with a custom label featuring Jewell's name, costing \$3,000.

Five months after the party, Jewell and Nancy Johnson flew to Palm Springs to attend a weeklong conference, but stayed for six weeks, according to the *Detroit News*. FCA paid for at least some of their expenses, including golf fees and lavish meals. Expenses for Jewell and other UAW officials totaled at least \$10,000.

In another case, Jewell instructed a lower level UAW official, Virdell King, to buy all-day passes to Disney World in Orlando using her NTC credit card for, among others, a retired UAW official and relatives. The trip to

Orlando was supposed to be for a health and safety conference. King also purchased golf equipment, luggage and concert tickets.

According to a federal court filing FCA permitted the late UAW Vice President General Holiefield and “UAW-3” to offer employment to friends, family and political cronies at the NTC for no-show jobs. FCA also paid the UAW a 7 percent administrative fee that did not involve any legitimate costs.

It was recently reported that the UAW is building Williams a luxury “cottage” at the union’s Black Lake resort in northern Michigan. While the cost of the project was reported by the UAW as \$285,000, sources contacted by the *World Socialist Web Site* say that is likely a gross underestimate. The funds are coming from interest on the UAW strike fund, which has not been seriously tapped in decades and today stands at over \$750 million.

The repeated claims by the UAW that corruption involved only a few bad apples and did not undermine the supposed integrity of the collective bargaining process are absurd. In fact, UAW President Gary Jones is himself implicated in the corruption scandal. He was present at conferences in Palm Springs between 2014 and 2016, financed by membership dues to the tune of some \$1 million. UAW officials conducted little, if any, legitimate union business during these junkets, according to Johnson. During that same period the UAW imposed a 25 percent hike in union dues.

The continuing revelations of UAW corruption take place under conditions of mounting working-class anger over a succession of sellout contracts and the announcement of plant closings by General Motors and temporary layoffs by FCA and Ford. GM has said it is closing five plants in the US and Canada and eliminating thousands of white-collar workers, axing nearly 15,000 jobs.

The UAW has responded to the attack on jobs by spewing nationalist poison against Mexican and Chinese workers and suggesting that workers take more concessions in 2019. Meanwhile, they have called on workers to participate in degrading and impotent actions such as prayer vigils and letter writing campaigns to GM executives.

The prosecution of top UAW officers appears to be at least in part motivated by fear that the union apparatus has become so corrupted and discredited that it cannot effectively police workers in the interests of the ruling elite. This was reflected in the 2015 contract rejection by Fiat Chrysler workers and a recent series of contract

rejection votes by Lear seating workers in Indiana.

The federal sentencing memorandum for Johnson states, “it is difficult to calculate the harm that resulted to the grievance process, the bargaining process, and labor relations generally,” from the corrupt activities of UAW leaders.

The exposure of rampant corruption at the highest levels of the UAW expresses a universal phenomenon— the corporatist degeneration of unions all over the world under the impact of globalized production. As the International Committee of the Fourth International noted as far back as the mid 1980s, the policy of corporatist union-management collaboration adopted by the UAW, including the establishment of joint training centers, called into question the continued existence of the UAW as a workers’ organization. By the early 1990s, the UAW and other unions had completed their transformation into tools of corporate management, completely hostile to the interests of the working class.

The continuing revelations of massive corruption in the highest ranks of the UAW add urgency to the call of the Socialist Equality Party and the *WSWS Autoworker Newsletter* for the formation of rank-and-file factory committees to be the collective voice of workers in the auto plants. The SEP calls for workers to join the campaign it has initiated in opposition to the GM plant closures and other attacks on the working class. A steering committee has already been established following a successful December 9 meeting in Detroit to carry forward the struggle.

We urge autoworkers interested in participating in this fight to contact the *WSWS Autoworker Newsletter*: auto@socialistequality.com



To contact the WSWS and the Socialist Equality Party visit:

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