

UAW corruption scandal expands to Vice President Norwood Jewell, who rammed through 2015 sellout

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Norwood Jewell, who led the United Auto Workers (UAW) contract negotiations with Fiat Chrysler (FCA) in 2015, was indicted by federal prosecutors Monday for taking tens of thousands of dollars in bribes from FCA executives.

Jewell is the highest UAW executive indicted so far in the ongoing federal investigation of the corruption scheme, which involved paying millions of dollars to UAW officials to sign and enforce pro-company contracts that gutted the jobs, wages and conditions of autoworkers. Four other UAW officials have pleaded guilty to charges stemming from the corruption probe.

The indictment completely exposes the earlier claims by former UAW president Dennis Williams that the corruption scandal was unrelated to the “collective bargaining agreements” rammed through by the UAW in 2015 over mass opposition.

The indictment of Jewell proves that the 2015 contracts are illegitimate and must be declared null and void. On what legal basis can a contract negotiated by individuals receiving bribes from the companies be considered valid and binding?

The corruption scandal is an exposure not only of Jewell, but of the UAW itself and all of the official trade unions, which serve as instruments of corporate management and the state. It underscores the urgent need for autoworkers and all workers to form independent organizations of struggle, rank-and-file factory committees, to prepare and plan a fight back.

Involved in the corruption scandal is not just one contract. Jewell’s predecessor as head of the UAW’s Chrysler Department, General Holiefield, and Holiefield’s wife were the first to be indicted for taking bribes between 2007 and 2011. The bribes were designed, as one FCA executive put it, to keep union officials “fat, dumb

and happy.” The deals Holiefield negotiated, including during Obama’s restructuring of Chrysler and GM in 2009, established the hated two-tier wage system, abolished the eight-hour day, stripped retirees of health benefits and destroyed other gains.

Jewell, the indictment states, “knowingly joined the conspiracy whereby officers and employees of the UAW would willfully request, receive, and accept things of value worth over \$40,000 from persons acting in the interest of FCA,” including “travel, lodging and meals.”

The conduit for these payments was the UAW-Chrysler National Training Center (NTC), which received between \$13 million and \$31 million in company funds every year between 2009 and 2015, prosecutors say.

According to the indictment, Jewell used training center credit cards to pay for one meal costing \$7,569 at LG’s Prime Steak House in Palm Springs, California, along with more than \$8,000 in expenses at Indian Canyons Golf Resort in Palm Springs. He also authorized other UAW officials to spend over \$43,370 at Palm Springs and Detroit restaurants. Jewell charged “tens of thousands” more for parties at the joint center in the suburban Detroit city of Warren in 2014 and 2015.

In previous court filings, Jewell, who abruptly retired shortly after his home was searched by federal investigators in late 2017, has been identified as “UAW-3.” While “UAW-2” and “UAW-1” are not named in the indictment, the noose is tightening at the very top of the organization. Potential targets include former president Dennis Williams, UAW-GM officials Joe Ashton and Cindy Estrada, and current UAW chief Gary Jones.

What is revealed in the scandal is not merely the personal corruption of highly paid executives, but rather the nature of the UAW itself, which is engaged in a

systematic conspiracy against the working class. Corrupt interactions between the company and UAW officials are so natural because the two are on the same side. The UAW is not a workers' organization, but a corrupt tool of corporate management, a cheap labor contractor and industrial police force.

The present character of the UAW is the product of a protracted process. Incapable of responding in any progressive fashion to the decline of US industry and the globalization of production, the nationalist and pro-capitalist UAW abandoned any resistance to the auto corporations and, in the name of "fighting foreign competition," became a partner of the companies in increasing the exploitation of autoworkers.

The joint training programs were first established in the early 1980s, when the UAW officially rejected the class struggle and adopted the corporatist program of "labor-management partnership" as its guiding principle.

As early as 1984, the Workers League, the predecessor of the Socialist Equality Party, warned that the policy of union-management collaboration outlined in the 1984 contract would "go a long way towards transforming the UAW into a company union." The statement, "Corporatism and the Trade Unions," 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."

Over the last four decades, while UAW membership fell from 1.5 million to a little more than 430,000 since 1979, and workers were forced to take endless wage and benefit cuts, the assets of the UAW and its various businesses, including the retiree health care trust, have grown to many billions of dollars.

In 2015, autoworkers rebelled against the UAW, with Fiat Chrysler workers initially rejecting by a two-to-one margin the contract pushed by the hated Jewell. The *WSWS Autoworker Newsletter* emerged as the center of opposition in 2015, prompting UAW officials to denounce the newsletter as an "outside agitator" spreading "fake news." The final sellout deal at FCA and the other companies was rammed through with a combination of threats and outright fraud.

Workers know the UAW is preparing another sellout as this summer's contract battle for 150,000 GM, Ford and FCA workers approaches. That is why workers must begin now to build rank-and-file factory committees to

prepare a struggle against the corporate-UAW conspiracy.

In opposition to the anti-Mexican and anti-Chinese nationalism of the UAW, autoworkers must fight for the unity of workers throughout the Americas, Europe, Asia and Africa. The attack on jobs by GM and Ford is part of a global restructuring of the auto industry, which demands a global response by workers. The revolt by auto parts workers in Matamoros, Mexico demonstrates that these workers are not the enemies, but the class brothers of US and Canadian autoworkers.

In preparing a counteroffensive by autoworkers, a warning must be made. The Justice Department is not pursuing this case to strengthen workers against the auto companies. On the contrary, fearing a revolt against the UAW, the Trump administration may be considering a federal takeover of the UAW or some other means, including binding arbitration, to tie the hands of autoworkers. Trump has already called for the immediate reopening of the contracts to convince GM to reopen the Lordstown, Ohio plant or sell it to a new owner. This proposal, which would entail massive wage and benefit cuts, has been hailed by the UAW.

Rank-and-file autoworkers must stake out their own independent position. An industrial counteroffensive aimed at uniting autoworkers with all other sections of workers must be combined with a political counteroffensive independent of both corporate-controlled parties. This means fighting for a socialist program, including the transformation of the auto giants and banks into public enterprises collectively owned and democratically controlled by workers, run on the basis of social need, not private profit.

Autoworkers know that the only publication that has been telling them the truth about the nature of the UAW and its conspiracy against the working class is the *World Socialist Web Site*. The *WSWS Autoworker Newsletter* and the Socialist Equality Party will do everything in our power to promote and assist in the establishment of independent workers' organizations. We urge workers interested in establishing such committees to contact us today.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact