

# “Paid for by Fiat Chrysler:” Prosecutors outline UAW corruption for Norwood Jewell sentencing hearing

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On Tuesday, federal prosecutors submitted a sentencing memorandum in the case of former United Auto Workers executive Norwood Jewell, who pled guilty to receiving and distributing tens of thousands of dollars in bribes from Fiat Chrysler (FCA). Jewell’s sentencing hearing before the federal judge is scheduled for August 5.

Jewell will be the highest ranking UAW official sentenced in the ongoing federal corruption probe of the UAW and FCA, and one of eight union and company officials to have been convicted. General Holiefield, Jewell’s successor as vice president of the UAW’s Chrysler division, escaped serving prison time only by his death in March 2015; his widow, Monica Morgan, was sentenced to 18 months in prison.

Prosecutors are seeking a 15-month sentence for Jewell, which amounts to a slap on the wrist for Jewell’s role in pushing through historic concessions on autoworkers, including a sharp increase in temp labor as a de-facto third-tier workforce, as part of his role as a bribed agent of the auto companies.

The phrase “paid for by Fiat Chrysler,” or a close variation of it, appears a total of 11 times throughout the sentencing memorandum in regards to the luxury items, first-class travel and other bribes he received in exchange for selling out autoworkers. This phrase doubles as an apt summary not only for Jewell, but the UAW as a whole.

Regular readers of the *World Socialist Web Site Autoworker Newsletter* will already be aware of specific details of Jewell’s case. However, some of the line items mentioned in the memorandum paid for by Fiat Chrysler or with UAW members’ dues money bear repeating:

In August 2014, only two months after Jewell took over as the UAW vice president for Chrysler, he spent \$25,065.25, paid for by Fiat Chrysler, on a lavish party at the UAW-FCA National Training Center. Members of the UAW’s International Executive Board, including other UAW vice presidents and then-President Dennis Williams, participated, and were gifted custom-labeled bottles of wine by Jewell. This fact explodes the claim by Jewell and the UAW that corruption was endemic only in the union’s Chrysler division.

Williams himself, who upon retirement was built a luxury “cottage” at the UAW’s Black Lake retreat, has been named as a person of interest in the investigation. He explicitly approved of the use of training center funds to finance the leisure activities of the bureaucracy. His predecessor, Bob King, was aware of the illegal bribery scheme as early as 2011, according to federal investigators.

Two months later, Jewell received \$1,259.17 in luggage, and in August of 2015, he received a \$2,182 Beretta shotgun as a gift from UAW officials Nancy Johnson and Virdell King, both of whom have also pleaded guilty to federal corruption charges.

In January 2015 alone, Jewell spent tens of thousands of dollars for extravagant meals at exclusive restaurants. On January 9, 2015, he spent \$7,569.55 at LG’s Prime Steakhouse in Palm Springs, California. On January 18, Jewell and his fellow union executives returned to the restaurant for a \$4,587.04 meal. On January 21, Jewell hired a party bus to take himself and other UAW officials to another restaurant. On January 23, they spent \$3,372.74; on January 24, \$6,200.05; on January 28, two separate meals costing \$4,147.74 and \$2,935.77.

With the exception of the January 21 dinner, which was paid for with UAW dues money, all of these bills were paid by Fiat Chrysler.

During the 2015 contract negotiations, Jewell and other union executives regularly gorged themselves on even more meals paid for by Fiat Chrysler. In July, Jewell and the national UAW-Chrysler negotiating committee blew through \$7,694.07 at the London Chop House in Detroit, on top of \$800.30 spent on cigars and liquor. In September, Jewell, Williams and the negotiating team returned to the restaurant to celebrate the finalizing of the sellout contract.

No doubt their appetites were later spoiled when autoworkers, who were in no mood to accept concessions in the midst of record profits, voted down their first national contract in over three decades. At the time, thousands of workers signed up for the *World Socialist Web Site Autoworker Newsletter* to bypass the company-union lies and organize opposition.

One of the more infamous parties Jewell and UAW threw for

themselves, paid for by Fiat Chrysler, was an August 2015 affair held once again at the National Training Center. The party, themed after the 1980s TV police show *Miami Vice*, cost \$31,165.99, including the costs of a cigar roller, “ultra-premium liquor,” and scantily-clad women known as the “Kandy Girls” who strolled through the crowd lighting UAW bosses’ cigars.

One other event not listed in the court filing bears repeating. In December 2015, after the UAW forced through the contract at Ford amid union intimidation and allegations of ballot fraud, the UAW rewarded its Ford negotiating team with a paid five-day vacation to an upscale resort in Miami. This time the bill was paid for by Ford.

In the winter months of 2014, 2015 and 2016, as autoworkers in the Midwest battled dangerously cold weather and ice-covered roads to get to work, Jewell pulled up stakes and relocated to luxury villas in Palm Springs, California. The villa he stayed at in 2016, according to the court filing, came with three bedrooms, a private pool and hot tub. The costs of the villas themselves, as well as dozens of rounds of golf and luxury purchases and his first-class flights to and from California, were paid for by Fiat Chrysler, with some UAW dues thrown into the mix.

In their court filing, Jewell’s lawyers ludicrously attempted to present him as pure-hearted naif, a “Miller Lite kind of guy,” who was overtaken by rampant corruption begun under his predecessor Holiefield, which allegedly existed in the UAW’s Chrysler division but *not* in the GM division, where Jewell worked before 2014, or anywhere else in the union. They likened Jewell to the captain of the Titanic, who courageously went down with his ship after striking an iceberg.

His attorneys included 29 pages of character witness letters from Jewell’s friends and family, including his sons Derik and Justin, both UAW Solidarity House bureaucrats who make \$120,000 and \$127,000 respectively. “I often wonder how much different the world would be if everyone had a Dad like mine,” Derik wrote.

Corruption of this sort expresses the social essence of the UAW and the trade unions as a whole, which long ago ceased to function as workers’ organizations and have become integrated as an industrial police force into the structures of world capitalism. Not only through illegal kickbacks, but even more innumerable “legal” payoffs, mediated through joint union-management schemes such as the National Training Center, bind the companies and the unions into a single entity.

The unions also function as a critical element within American capitalist politics and the Democratic Party specifically. This was demonstrated by the fact that Flint mayor Karen Weaver, Frances Gilcreast of the Flint chapter of the NAACP and Michigan Senate Minority Leader Jim Ananich all wrote character witness letters on Jewell’s behalf.

The federal government’s intervention into the UAW does not proceed from its desire to reform the union or even to

punish illegal activity. Prosecutors spelled out what, in the government’s eyes, is the real crime of Jewell and the company when they wrote, “Jewell’s actions also eroded public confidence in our country’s collective bargaining system and sullied the reputations of all honest trade unionists in the UAW.”

They add, “It is difficult to determine how the UAW’s members and their families can maintain trust in the collective bargaining negotiations that Jewell led in 2015 given his acceptance of tens of thousands of dollars in prohibited payments from Fiat Chrysler at the very time of those negotiations.”

In other words, the brazenness with which the UAW accepted company bribes has exposed not only the UAW, but the whole system of “collective bargaining,” in which the unions posture as “representatives” of workers while signing deals that benefit the corporations and rob workers of their livelihoods. As the UAW case shows, a portion of the wages and benefits stolen from workers is then funneled back to the trade union apparatus itself.

The nationalist and pro-capitalist unions in the US and internationally have played the critical role in suppressing strikes and other forms of resistance by workers in the face of decades of company and government austerity. The fear within ruling circles of the implications of the collapse in the authority of the trade unions was summed up by an AFSCME union lawyer arguing before the Supreme Court last year, who argued, “Union security is the tradeoff for no strikes.” He added that without this tradeoff, “you can raise an untold specter of labor unrest throughout the country.”

The concessions contract which Jewell helped negotiate in 2015 provoked a rebellion among autoworkers. Anger among autoworkers has only built up since then. To prepare for the battle facing autoworkers in the 2019 contract, autoworkers must break free from the grip of the UAW, build rank-and-file factory committees and adopt an international strategy to unify workers around the world against the onslaught of the global auto giants and the capitalist system itself.



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