

Stellantis, formerly Fiat Chrysler, to plead guilty to bribing UAW officials

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Stellantis, formerly Fiat Chrysler Automobiles, will plead guilty in the federal corruption case stemming from the bribery of United Auto Workers officials over several years, the US Attorney's office for the Michigan Eastern District announced Wednesday afternoon. The settlement will require the automaker to pay only \$30 million in fines for one count of conspiring to violate the National Labor Relations Act and accept three years of probation, according to a press release.

The company is being charged with handing the UAW \$3.5 million in bribes, funneled through the jointly-operated National Training Center between 2009 and 2016, as part of a scheme previously uncovered in the conviction of three former FCA executives, including Alphons Iacobelli. The years-long federal investigation and criminal probe uncovered extensive corruption and resulted in the convictions of 12 UAW officials, including the last two union presidents, Gary Jones and Dennis Williams.

The payoffs, made in exchange for concessions in the UAW contracts, were used to pay for extended resort stays, rounds of golf, extravagant meals, and luxury items. According to the government, FCA executives also paid off the \$262,000 home mortgage of former UAW Vice President General Holiefield, who died in 2015.

"This took too long," a Stellantis worker and member of the Sterling Heights Assembly Plant (SHAP) Rank-and-File Safety Committee said in response to the announcement. "Workers should be compensated for lost wages due to this crime!"

The settlement puts to rest FCA/Stellantis' lying claims that the actions by Iacobelli and others were the result of rogue individual executives, operating without the sanction of the top corporate leadership. In fact, many lines of evidence, including information uncovered in a lawsuit against FCA by General Motors, indicate that the scheme was directed personally by former FCA chief executive Sergio Marchionne, who died in 2018. To name just one episode, Marchionne gave UAW VP Holiefield a \$2,245, custom-made luxury watch in February 2010, according to the *Detroit News*.

US Attorney Matthew Schneider, in a press conference announcing the deal, repeatedly declined to comment on the culpability of Marchionne in particular, stating, "We don't charge or indict people who are deceased. He's deceased so therefore there's really nothing else that I can say about that." The comments suggest that Stellantis will not be required to admit to the full extent of the involvement of its top leadership as part of its

plea bargain.

The \$30 million fine amounts to less than pocket change for Stellantis, the world's fourth-largest automaker and the product of FCA's merger earlier this month with France's PSA Group, maker of Peugeot, Opel and other major European vehicle brands. FCA made over \$1.4 billion in profits in the third quarter of last year alone, in spite of the raging global pandemic. Other automakers, including Detroit-based rivals Ford and GM, posted similar profits.

Moreover, Stellantis is admitting only to a small portion of what has been alleged. The GM lawsuit, which claimed that FCA had secured billions of dollars in additional concessions from the UAW compared to the other Detroit automakers and used the union as a go-between in an unsuccessful attempt to force a merger between the two rivals, alleged that FCA had operated an elaborate payoff scheme running in the tens of millions, funneled through a system of offshore bank accounts.

The wrist-slap deal is the latest step towards bringing the years-long federal corruption probe into the UAW to a conclusion, in what has been an essentially cosmetic procedure throughout. The increasingly obvious collusion between the UAW and the auto companies was indeed hardly a secret to successive federal governments throughout the 1980s, 1990s and 2000s. The corruption probe was only finally launched in 2015 under conditions in which the UAW's credibility among workers had significantly eroded for several decades, with the union barely able to contain opposition to its pro-corporate contracts that year.

Concerned about the precarious condition of the UAW, which had long been transformed into a valuable tool for the auto companies, government officials had also grown increasingly worried over the expanding influence of the *World Socialist Web Site*, the *Autoworker Newsletter*, and the Socialist Equality Party, which collectively emerged as a rallying point for opposition among autoworkers in 2015.

Signs grew throughout 2020 that the corruption investigation and a related lawsuit by GM were viewed as threatening to become counterproductive from the standpoint of the interests of the ruling class. Last July, a federal judge dismissed GM's lawsuit, rejecting an appeal by GM's lawyers to reopen the case the following month. Shortly before dismissing the suit, Judge Paul Borman made an extraordinary appeal to both sides to settle the dispute out of court, citing the potential for "years of potential litigation" and the changed circumstances of the coronavirus pandemic.

Borman's concern over allowing the suit to move forward reflected the fear among the capitalist ruling class that continuing to air the UAW and automakers' dirty laundry in court—under conditions where autoworkers rebelled in March against the UAW and carried out wildcat strikes to temporarily shut down the auto industry—would only further discredit the UAW and incite even further rebellions.

Last month, the US Attorney Matthew Schneider also reached an agreement with the UAW to shut down its criminal probe and avoid federal racketeering charges against the UAW itself in exchange for token measures, including the appointment of an "independent monitor" to oversee the union for six years. Schneider, who also oversaw Stellantis' plea deal, is due to leave the US Attorney's office for private practice.

"This proposed resolution ensures that FCA will be held accountable for its actions, the actions of its executives," Schneider told the press Wednesday. "This resolution also seeks to ensure that similar criminal conduct will not happen again."

In fact, not only is collusion between the UAW and the auto companies already "happening again," it never stopped. The UAW has conspired with management over the past year to keep workers in the auto plants pumping out profits, while covering up the brutal spread of infections and deaths of workers on the job.

While the path is now cleared for Stellantis and its union partners to get down to business in restructuring the company's operations, workers—who suffered a disastrous decline in their rights and living conditions as a result of the illegally negotiated contracts—will see zero restitution as a result of the settlement.

On the other hand, a number of the wealthy company and UAW officials who have pled guilty for their part in various bribery schemes are already receiving reduced sentences, having served mainly at "Club Fed"-type white collar prisons. Former UAW Vice President for FCA Norwood Jewell was released early from a federal facility last May due to "COVID-19 concerns," and at least four other UAW aides or officials, along with General Holiefield's widow, Monica Morgan, had their sentences reduced for cooperation or good behavior. FCA's Iacobelli, who played a central role in the bribery conspiracy, had his sentence reduced by a year and a half earlier this month, with the judge recommending he be considered for home confinement at the earliest possible date.

FCA/Stellantis' bribery of UAW officials is the product of the decades-long integration of the UAW and the unions as a whole with management and the capitalist state. In the auto industry, Chrysler's National Training Center and similar programs at other companies, where union officials are effectively handed tens of millions of dollars per year in corporate money, have played a key role in merging the union bureaucracy with corporate management. In fact, Congress had to pass new legislation in 1978, "The Labor Management Cooperation Act," in order to overcome earlier laws outlawing company unions in order for these programs to be established.

As for Stellantis' National Training Center, as well as GM's Center for Human Resources, whose building was recently sold for \$34 million, the joint programs will continue to exist as "non-profit trusts" and remain as "legal" mechanisms for the transfer of

millions of dollars to the UAW's control. The UAW-Ford National Program Center, for its part, will operate largely unchanged.

The ever-more blatant criminality of the UAW and its subservience to the auto companies has generated increasing opposition among autoworkers, from the 2015 rebellion against the UAW-backed FCA contract, to the 2019 40-day strike against General Motors, to the wildcat actions in March and June 2020 over deadly working conditions during the pandemic. Over the past year, workers at Sterling Heights Assembly and a number of auto plants throughout the Midwest have collaborated with the WSWs and Socialist Equality Party in initiating a network of rank-and-file committees independent of the UAW, laying the groundwork for an organized fight back for safe working conditions and workers' rights.

Autoworkers contacted by the *WSWS Autoworker Newsletter* reacted with disgust to the announcement of the settlement of the federal probe. "I'd say the bribery was still in play up to this last contract," a Stellantis worker from Kokomo, Indiana said. "Just goes to show you there is no economic justice for workers that were, and continue to be, affected by the bribes. Do we get the \$30 million divided up between the workers? We get nothing. In fact, I believe the lawsuits that some FCA workers brought forth were already dismissed."

He continued: "It's disgusting and no one I've heard is happy with the slap on the wrists the judicial system is handing out."

Another Kokomo worker described her experience with the National Training Center, saying she and other workers took a series of classes through its local office in the hopes of getting skilled trades positions. "[But] we have never heard anything more about being selected to enter the apprenticeship at all.

"At that time, we were up for a new contract, but now everyone thinks that the classes were offered to create a paper trail to 'show' where the union money was going. It was a waste, and now the NTC building has been sold. Imagine that. We spent time taking those classes, for what? We lost time away from our families and potential overtime. Lost wages and time can't be replaced."



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