

# Federal judge rules against autoworkers seeking compensation for Fiat Chrysler/Stellantis bribery of UAW

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22 July 2021

On Monday, federal Judge Paul Borman ruled that Fiat Chrysler/Stellantis autoworkers were not entitled to compensation for the company's payment of \$3.5 million in bribes to United Auto Workers officials. The ruling came in response to a court filing by 234 Stellantis workers who said their grievances were squelched by the UAW.

Attorneys for the autoworkers pointed to the sellout contracts negotiated by the UAW during the timeframe covered by the bribery scandal that resulted in the decimation of wages and benefits and the destruction of tens of thousands of jobs.

Workers demanded as well that the government release any evidence related to their allegations that might be contained in sealed grand jury documents or other documents related to the case. Judge Borman denied that motion.

In his ruling, Judge Borman made the absurd declaration that he did not find any direct evidence that workers were harmed by the bribery of UAW officials. This contention, which defies elementary logic, assumes that management, which jealously guards every penny of profits, handed over millions of dollars to UAW officials without expecting any quid pro quo.

It also directly contradicts another court ruling by the same Borman, who threw out a lawsuit filed by General Motors against Fiat Chrysler/Stellantis declaring the only ones hurt by the bribery of UAW officials were autoworkers.

Now autoworkers are being told there is no evidence they were in fact harmed.

The workers had sought status as crime victims and restitution as a result of the guilty plea by Stellantis to violating the National Labor Relations act by funneling illegal payouts to UAW officials through the jointly operated National Training Center between 2009 and 2016. The payments were intended, as one FCA defendant declared, to keep UAW officials "fat, dumb and happy."

A federal corruption investigation led to the conviction of

12 UAW officials, including two former presidents, Dennis Williams and Gary Jones, as well as three Fiat Chrysler officials. Another top UAW official, General Holiefield, vice president for Fiat Chrysler, also allegedly received bribes, but died before charges could be brought. His wife was sentenced to prison for helping in the laundering of the bribes.

During the period when the bribery took place, the UAW negotiated a series of deeply concessionary contracts, imposing sharply reduced pay for new hires, cuts to pensions and health care and the expansion of the super exploited category of temporary part time workers. At the same time the UAW sought to suppress worker opposition and enforce an enormous intensification of the exploitation of the workforce.

In making the case for victim status the workers referred to the sworn statement of Nancy Johnson, a UAW official who worked under Holiefield and later Norwood Jewell, who succeeded Holiefield as head of the UAW/Fiat Chrysler department. Nancy Johnson had earlier pleaded guilty to taking \$40,000 in illegal payouts from Fiat Chrysler.

In her deposition, Johnson said Holiefield told her to hold hundreds of grievances rather than resolve them or arbitrate them, saying "their hands were tied." She added, "Now I get it, if someone is paying your mortgages, your hands are tied ... the whole thing was tainted, the grievances weren't heard and the members had the right to have their grievances or to an appeal. Troy [Davis] told me that General (Holiefield) told him not to process grievances, that his hands were tied. I can think of no other explanation..."

"General Holiefield was the one who pulled the levers to take all these company friendly positions, but I believe that Dennis Williams knew what was going on as did Tim Bressler [an aide to current UAW President Ray Curry] and [former UAW President] Bob King."

In regards to the concessionary contract imposed by the UAW in 2011, which maintained in place all the cuts agreed

to by the UAW in 2009, Johnson declared,

“[I]n 2011 FCA got everything it wanted and there were basically no negotiations. FCA wrote up the terms and General [Holiefield] agreed to them with no back and forth. ... People complained about it but Troy told me the union had to sit on our hands, there was nothing we could do about it and we shouldn’t make waves.”

In opposition to the motion to dismiss their case, attorneys for the autoworkers wrote, “To deny this motion without at least requiring the Government to investigate the civil plaintiffs’ claims is to allow FCA to ‘get away with it,’ to allow FCA to keep millions of dollars in ill-gotten gains, to show that crime does pay, at least to the extent that FCA was able, over the course of about eight years, to deny civil plaintiffs their proper level of pay and benefits and to keep the profits.”

In ruling against the workers, Judge Borman cited a number of technicalities, including the fact that Fiat Chrysler/Stellantis did not plead guilty to a crime involving the portion of the Taft-Hartley Act that requires proof that the employer made the prohibited payment “with intent to influence him in respect to any of his actions, decisions, or duties as a representative of employees.”

In a further slap at workers the judge complained that providing restitution “would complicate or prolong the sentencing process” for Stellantis/Fiat Chrysler.

A Stellantis worker told the *World Socialist Web Site Autoworker Newsletter*, “The judge decided that the US government will keep the fines even though it was stolen from us? It sounds like extortion. The money was used pay off the UAW to benefit the company. We’ve lost cost-of-living, our pensions, jobs. Cost-of-living alone would be more than \$30 million. We are tired of losing everything.”

While the ruling of Judge Borman is not unexpected, it is rather blatant in its class bias against workers. Despite the fact that autoworkers suffered massive and irreparable harm through concessionary contracts imposed by the UAW, under conditions where leading members were being bribed by Fiat Chrysler, not one penny of compensation to workers has been assessed either against the UAW or corporate management.

The 2015 sellout contract at Fiat Chrysler, which expanded the use of temporary part time workers and maintained the hated two tier system, was used to set a pattern for Ford and General Motors workers. The contract was so rotten it produced a rebellion, with Fiat Chrysler workers voting down the initial agreement by a 2–1 majority.

The ruling by Judge Borman against the Stellantis autoworkers is a further demonstration that the entire federal investigation into UAW corruption was aimed not at providing justice for workers robbed of representation by

corrupt union officials, but of providing a cosmetic facelift for this rotten organization.

The federal investigation ended with a deal leaving the vast majority of corrupt officials in place while placing the UAW under the watch of a supposedly independent monitor, Neil Barofsky, chosen from a list of nominees drawn up by the UAW itself.

The experience of the five-week strike at Volvo Trucks in Virginia has demonstrated that the corruption probe and settlement have not changed the corrupt, pro-corporate character of the UAW one iota. The union, which unsuccessfully tried to ram through two previous sellout contracts, shut down the strike by throwing out a third “no” vote and forcing workers to vote again. This flagrantly thuggish, anti-democratic maneuver did not elicit a word of protest from federal prosecutors or Barofsky.

The attempted refurbishing of the UAW is in line with the policy of the Biden administration to build up the authority of the unions in order to use them to discipline the working class as it prepares for confrontation with China.

Autoworkers cannot put any faith in the courts or the Biden administration to reform the UAW. Long before evidence of overt corruption emerged, the UAW was in the pockets of the auto companies, which funneled literally billions into UAW coffers through joint training centers and other union-management programs. In exchange, the UAW has imposed one concessionary contract after another, going back to the Chrysler concessions in 1979.

The experience at Volvo shows that the way forward for workers is not by appeals to the government but through the mobilization of their own independent strength through the formation of rank-and-file committees. Such a committee at Volvo played a key role in mobilizing opposition to the union’s sellout and in building support for the strike internationally against the UAW’s blackout of their struggle.

*The World Socialist Web Site Autoworker Newsletter* will assist workers who want to join or build these committees. Contact [autoworkers@wsws.org](mailto:autoworkers@wsws.org) for more information.



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