

Former top aide to UAW VP Norwood Jewell indicted in corruption investigation

By Shannon Jones
22 March 2018

Yet another senior United Auto Workers official faces federal indictment according to court documents released Wednesday in the corruption scandal rocking the union.

Nancy Johnson, the top administrative aide to former UAW Vice President for Fiat Chrysler, Norwood Jewell, has been indicted on five counts for accepting bribes from FCA. She is the highest-level UAW official to face indictment so far. As the top assistant to Jewell she played a leading role in the negotiations for the 2015 sellout agreement initially voted down by FCA workers by a 2-to-1 margin.

The deal, which maintained the hated two-tier wage structure and permitted the vast expansion of temporary part time workers earning substandard wages and benefits, was repackaged and later rammed through by the UAW through lies and intimidation.

According to the indictment, Johnson went on a wild spending spree. Using a credit card issued by the UAW-Fiat Chrysler National Training Center (NTC), she charged tens of thousands of dollars in “personal travel, golf resort fees, lavish meals, limousine services, designer clothing, jewelry, designer shoes, golf equipment, electronics and a shotgun.” The shotgun was given as a “birthday present” to Norwood Jewell.

Johnson spent \$6,912 at the London Chop House in Detroit in September 2015, in the midst of the UAW-FCA contract negotiations, and \$6,900 at a resort and spa in Palm Springs, California. She also purchased a first class airline ticket from Detroit to Los Angeles for an associate only identified as “LR.”

Each federal count carries a possible five-year jail sentence.

The indictment of Johnson underscores the importance of the call by the WSWs *Autoworker Newsletter* for the formation of rank-and-file committees by workers independent of the UAW. These committees should demand the nullification of all the contracts negotiated by the UAW, including the 2015 sellout agreement and launch a fight for the recovery of all concessions.

To date, two other senior UAW officials at FCA have been

indicted including Virde Keith King and Micken last week. Both pleaded guilty. The late UAW Vice President General Holiefield—Jewell’s predecessor, who led the UAW Chrysler Department from 2006 to 2014—was implicated, along with his widow Monica Morgan, who pleaded guilty to tax violations earlier this year.

The scandal involves the illegal siphoning off of more than \$1.5 million from the NTC into the pockets of Holiefield and other UAW officials. Two high level FCA officials have also been indicted and both men pleaded guilty in the case. In his plea deal, senior FCA negotiator Alphons Iacobelli admitted that the illegal payments were intended to gain pro-company contract terms by keeping UAW officials “fat, dumb and happy.”

The UAW responded to the latest indictment by issuing a statement calling Johnson’s actions “appalling.” It continued, “There is no evidence that compromised individuals involved in this investigation, including Ms. Johnson, in any way corrupted the negotiations of the terms of the collective bargaining agreement.”

This is a fraud. At least four of the 20 members of the 2015 national bargaining committee have either been indicted or implicated in the scandal so far, including Jewell who was forced to retire last year.

The statement noted that Johnson was “removed” from her post in 2016, a virtual admission UAW tops knew about her participation in the illegal goings on at the NTC. Of course, not a word of this was breathed to UAW members.

In January, UAW President Dennis Williams defended the integrity of UAW contracts in a bizarre, rambling statement in which he claimed the payouts by Iacobelli to UAW negotiators were motivated by pure “greed” and had nothing to do with the collective bargaining process. In a significant admission, he acknowledged that the UAW was aware of a scheme by Iacobelli to make special \$50,000 “retirement” payments to select UAW officials. UAW attorneys apparently nixed the idea. Once again, nothing was said to autoworkers.

The indictment of Johnson further undermines the claim

that FCA bribes had no influence on the 2015 contract, as Johnson was the number two UAW official in charge of negotiating that sellout deal.

The naming of Johnson brings the federal corruption investigation to the very doorstep of Jewell. It strains credulity that the then head of the Fiat Chrysler department had no inkling of the illegal payouts. Jewell served as the top UAW official on the Joint Activities Board that ran the NTC and would have gotten regular reports on NTC financial matters.

Indeed, Iacobelli approved \$30,000 in NTC funds for a 2014 party honoring Jewell's replacement of Holiefield, which included "ultra-premium liquor" and "strolling models that lit labor leaders' cigars." According to a report in the *Detroit News*, NTC funds covered a \$7,000 cigar purchase and \$3,000 for wine in bottles that featured Jewell's name on the labels. Federal prosecutors cited the party as an example of attempts by FCA management to corrupt contract negotiations.

Part of the funds illegally diverted to Holiefield and Morgan passed through phony charities. A charity run by Jewell, the Making Our Children Smile Foundation, has also been identified as one that received illegal payouts from the NTC. Johnson was vice president of the nonprofit from 2014 to 2015, and Troy A. Davis, another UAW top administrative assistant and member of the 2015 UAW-FCA National Bargaining Committee, also sat on the foundation's board.

To date Jewell has been silent on the matter.

The indictment of Johnson makes it likely that Jewell and other top UAW officials will face charges. The naming of Jewell would bring the investigation to the very doorstep of Dennis Williams, who, before he became president, served as UAW secretary treasurer. For the misappropriation of more than \$1 million in NTC funds to have taken place under his watch would have, at best, involved dereliction of duty.

Earlier reports indicated that federal investigators were looking at UAW-management joint programs at General Motors and Ford as well as charities run by various UAW officials, including Cindy Estrada, UAW vice president for General Motors.

Both Jewell and Nancy Johnson have hired prominent white-collar defense attorneys. Jewell has retained Chicago attorney Joseph Duffy, whose clients have included a former adviser to Illinois Governor Rod Blagojevich. Johnson has hired Harold Gurewitz, an attorney who defended former Detroit Mayor Kwame Kilpatrick, convicted of mail fraud, wire fraud and racketeering for a wide array of corrupt schemes involving extortion and bribery.

Those that have pleaded guilty so far in the UAW

corruption case have received fairly lenient treatment by prosecutors. The guilty pleas have eliminated the necessity of trials that might have further shed light on the details of the bribery scheme and the role of other players, including top UAW officers. So far there has been no indication that Johnson plans to plead guilty.

Whatever the future twists and turns of the current federal investigation, the facts so far revealed demonstrate the anti-worker essence of the UAW. The payouts by Fiat Chrysler to UAW officials only cap a system of de facto bribery of the union dating back to the 1980s with the establishment of myriad joint labor-management programs that eliminated any dividing line between the union and the auto companies.

This is not a process unique to auto. All over the world trade unions, based on their nationalist and pro-capitalist program, have gone through a fundamental transformation. They no longer serve even as limited defensive organizations of the working class, but openly work on the side of employers in the interest of increasing the "competitiveness" of the transnational corporations by slashing wages and benefits and driving up exploitation inside the factories.

The urgent necessity is the construction of new, democratic, rank-and-file-based factory committees to serve as the voice of autoworkers in opposition to the pro-company UAW. These rank-and-file committees must link the struggles of autoworkers across the US and globally in a common fight against the auto corporations and the profit system as a whole. We urge those who are interested in joining this fight to contact the *WSWS Autoworker Newsletter*.

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>