

# Ten days before contract expiration, top aide to UAW GM negotiators pleads guilty to taking \$2 million in kickbacks

By Jerry White  
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We urge autoworkers and other workers to join the online meeting this Thursday, September 5 at 7:30 p.m. EDT to discuss a strategy to take forward this fight. To register, go to [wsws.org/autocall](http://wsws.org/autocall).

Less than ten days before the expiration of contracts covering 155,000 GM, Ford and Fiat Chrysler autoworkers in the US, another top United Auto Workers executive has pleaded guilty to corruption.

Michael Grimes, a former aide to current and former UAW vice presidents, entered his guilty plea in a federal court in Ann Arbor, Michigan to charges of wire fraud and money laundering. Prosecutors say he took more than \$1.5 million in bribes and kickbacks over 12 years during which he was on the board of the UAW-GM Center for Human Resources (CHR).

The charges carry up to 20 years in prison, but federal prosecutors are recommending 46 to 57 months, with sentencing scheduled for January 14. The plea deal is a sign that Grimes is cooperating with federal prosecutors.

Grimes' plea deal adds to the extraordinary circumstances in the run-up to the expiration of the contracts at the Big Three auto companies. He is the ninth UAW or corporate executive who has pleaded guilty in the corruption investigation so far. Last week, FBI raids targeted the homes of current UAW President Gary Jones and his predecessors, Dennis Williams.

The UAW is exposed as a bribed tool of corporate management, run by a criminal syndicate that has conspired with the companies to impose concessions contracts. And yet this organization is supposedly "negotiating" with the auto companies on behalf of the workers.

At the same time, autoworkers have registered their

determination to fight the demands of the companies for further attacks on jobs and wages through near-unanimous strike votes over the past two weeks at all three companies.

The case for the formation of independent organizations of struggle, rank-and-file factory committees, could not be clearer. Workers must respond to the corporate-UAW conspiracy by organizing independently, holding meetings in every plant and workplace to formulate their own demands and prepare for a nationwide strike when contracts expire at midnight on September 14.

In no sense can the UAW be described as a "workers organization" responsive to the interests of its members. It is run by upper-middle-class executives who utilize their position to steal dues money and profit off of the increased exploitation of the workers they claim to represent.

In the plea agreement, Grimes admitted to conspiring with two unnamed UAW officials to use their positions with the UAW and the CHR "to enrich themselves by deceptively soliciting, influencing, and obtaining contracts from the UAW and the CHR" for outside vendors, receiving kickbacks in return.

According to sources close to the investigation, cited by the *Detroit News*, the two unnamed UAW officials are Joe Ashton, who led the UAW-GM Department and the 2011 bargaining committee and also sat on GM's corporate board of directors, and his top lieutenant, Jeff Pietrzyk, who was also a member of the 2011 UAW-GM bargaining committee.

In 2011, the UAW agreed to extend a years-long freeze of wages and pension benefits, and sharply increase the number of low-paid "second-tier" workers.

The conspiracy lasted from 2006 to 2018, the government said. During that time, Grimes also served UAW Vice President Cindy Estrada, who led the GM talks in 2015, along with former UAW president Dennis Williams. Estrada is currently the UAW VP for Fiat Chrysler.

The greatest fear of the corporations and the Trump administration is that the anger of autoworkers will erupt independently of the UAW.

GM CEO Mary Barra is meeting with President Trump at the White House today, where they are expected to discuss the impending clash with autoworkers. As part of economic nationalist agitation, the president has criticized GM for closing four US plants, while continuing production in Mexico and China.

The UAW announced Tuesday that GM would be the lead company for an agreement that would set the pattern for Ford and Fiat Chrysler. The UAW, GM and the Trump administration are seeking to force workers to accept even deeper concessions, including the gutting of medical benefits and the expansion of temporary and contract workers.

The Trump administration is considering more repressive measures to prevent another revolt by autoworkers as happened in 2015, which would be the catalyst for a far broader movement of the working class against austerity and social inequality.

Reflecting discussions within the ruling class, the *Wall Street Journal* wrote in an editorial on Wednesday, “The expansion of the federal investigation to the UAW’s top brass also raises the possibility that prosecutors may try to put the union under federal oversight. Facing a racketeering lawsuit in 1989, the International Brotherhood of Teamsters signed a consent decree that involved monitoring of its internal affairs.”

Such a takeover by Trump’s Justice Department and Labor Department could include measures to strip workers of the right to strike and force them to accept some type of mandatory arbitration and federally backed deal on management’s terms.

As part of his trade war against China, Trump declared in May that the protection of the US auto industry is vital to national security. The administration might use this as a pseudo-legal justification to break a strike if autoworkers walk out to defend their jobs and

living standards.

Any such move would place autoworkers in conflict not only with the auto companies and the UAW, but also the state apparatus. They are being thrust into a political confrontation with the Trump administration, the Democrats, the courts and the entire corporate-controlled political setup, which has spent the last four decades waging a class war against workers.

This makes all the more urgent the formation of independent rank-and-file committees to organize opposition and prepare strike action.

This must be combined with an appeal to autoworkers in Mexico, Canada and other countries and to all sections of workers—teachers, Amazon, telecommunications, and health care workers—to launch a powerful industrial and political counteroffensive against the capitalist system and the corporate and financial elite, which has enriched itself at the expense of the broad masses of working class people.

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