

As union works with companies to beat back wildcat strikes

## UAW president meets with prosecutor to avoid government takeover

By Tom Hall  
2 July 2020

United Auto Workers President Rory Gamble met with federal prosecutor Matthew Schneider on Tuesday, the beginning of talks to work out a deal to avoid federal receivership of the union. The UAW has been the target of a massive federal investigation that has brought down much of its top leadership, who were shown to have engorged themselves on millions of dollars in company bribes and stolen dues money.

Five current and former union vice presidents have either been indicted or implicated in the federal investigation. Gamble's predecessor, Gary Jones, pleaded guilty last month to embezzling over one million dollars in dues money. Jones' own predecessor Dennis Williams, whose home was raided last year, was an unnamed co-conspirator in the indictment, according to press reports.

Finally, Gamble himself is reportedly under investigation for receiving payoffs from union apparel contractors at a Detroit strip club. Because of this, the talks with the federal prosecutor have something of the character of a plea bargain for Gamble personally.

According to regulatory filings, the UAW has disbursed hundreds of thousands of dollars for the legal defense of corrupt union officials. Williams, who has not been indicted, has received the most union money for his defense by far, over \$320,000. Retired treasurer Gary Casteel, who reportedly collaborated extensively with investigators in preparing their case against Jones, received over \$68,000, while Jones himself received nearly \$25,000. Vice President Cindy Estrada, who has not been charged, but whose top administrative assistant has pleaded guilty, received nearly \$6,000.

The huge sums laid out to defend corrupt union bureaucrats contrast sharply with the miserly payouts

from the UAW strike fund during last year's GM strike. The UAW limited weekly payouts to \$250, and later \$275 per week, in order to both protect one of the bureaucracy's key slush funds (the union ended up depleting the \$760 million fund by only \$80 million) and to starve workers into submission. The UAW shut down the 40-day strike and forced through a sellout contract that contained a blank check on the expanded use of temp workers.

The filings also show that the massive outlays for top officials' salaries continue in spite of increased scrutiny by investigators. Estrada, Gamble and Vice President Terry Dittes, who oversaw negotiations at GM, each received well over \$200,000 last year; Jones received \$340,000. These *reported* incomes, which are supplemented through salaries drawn from various union-management boards, retiree health care funds and direct bribery and theft, have ballooned even as living standards for autoworkers have declined to historic lows. The corruption is only the expression of the union's hostility to the interests of the workers it falsely claims to represent.

According to press reports, Tuesday's talks centered around the establishment of an "independent monitor," as well as a possible change to the union's constitution to allow the direct election of top union officers. These measures, if implemented, would be only fig leaves that would not change the anti-working-class character of the union.

The messaging from the US Attorney's office struck a markedly friendlier tone before and after the talks than in months prior. Schneider has previously declared that his patience "had pretty much run out" with the UAW and pointedly left the option of a federal

takeover under the RICO (Racketeering Influenced and Corrupt Organizations) Act, as took place with the Teamsters in the 1980s.

But after Tuesday's meeting, Schneider and Gamble released a joint statement describing the talks as "productive." Schneider added, "The Justice Department seeks genuine and sincere reform of the UAW... I look forward to working toward a mutually agreeable resolution that will protect the interests of the UAW's members and their families."

This is not because the UAW has now demonstrated itself to be any less corrupt. Rather, the UAW has worked closely with management to keep workers on the job in the midst of the pandemic, even as more than two dozen workers are confirmed dead and the virus continues to spread through the plants. When wildcat strikes shut down the factories in March, and broke out again after the return to work, UAW officials walked up and down the line to threaten workers with termination. As a strictly legal matter, prosecutors could now tack on charges of accessory to murder.

But for the federal government, this is a plus, not a minus. From the beginning, the government's real concern has not been that the rights of autoworkers have been trampled on. After all, the same FBI leveled charges against dozens of peaceful demonstrators during last month's mass protests against police brutality. Rather, its concern is that the grotesque levels of corruption have so damaged the union's credibility that it is no longer able to keep rank-and-file autoworkers under control. It is no accident that, even though many of the illegal actions stem back to 2011 or earlier, the first charges were made only after 2015, when Fiat Chrysler (FCA) workers rebelled against the union and voted a national contract for the first time in decades.

There are signs of growing pressure within the state to shut down the investigation, with officials worried that this airing of the union and the auto companies' dirty laundry could serve to further encourage rebellion. In an extraordinary and nervous order two weeks ago, federal Judge Paul Borman declared that a RICO lawsuit filed by GM against FCA a "waste of time and resources" and demanded that the CEOs of the two companies meet to quickly settle the dispute. The basis of GM's lawsuit is that FCA converted the UAW through systematic bribery into an "

FCA-controlled ,” enabling enterprise contract terms favorable to FCA but not to GM.

"The world has changed dramatically since this case was filed on November 20, 2019. This city [Detroit], this state, and this country need healing. The COVID-19 pandemic, and its impact on the health of this country, requires our attention here and now!" the order reads. "If this case goes forward, there will be years of contentious litigation; motion hearings, multiple-day depositions of large numbers of executives and former executives, at GM and FCA, as well as United Auto Workers (UAW) officials, other Defendants, many third parties, and a plethora of RICO, labor law, and damages experts.

"These 'legalities'," Borman continues, "will not only divert and consume the attention of key GM and FCA executives from their 'day jobs'—issues of vehicle production, sales, worker safety, roll-outs, supplier issues, etc.—but also prevent them from fully providing their vision and leadership on this country's most pressing social justice and health issues." In plain language, revelations from the lawsuit (including arguments by FCA's lawyers that GM's own relations with the union were just as corrupt) have the potential to stoke popular opposition.

Borman's concerns are well-founded, as autoworkers are already beginning to take an independent road. Autoworkers at FCA's Sterling Heights and Jefferson North assembly plants have formed rank-and-file safety committees in the course of recent work stoppages. These committees, formed in opposition to the UAW, are demanding real measures to prevent the spread of the disease, and defending workers' right to stop work under unsafe conditions without threat of retaliation.

To contact the WSWS and the  
Socialist Equality Party visit:

<http://www.wsws.org>