

# US federal probe into United Auto Workers extortion scheme

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United Auto Workers (UAW) Local 594 officials are under federal criminal investigation for bribery and extortion stemming from the 87-day strike at General Motor's Pontiac, Michigan Truck and Coach plant in 1997.

The investigation is being conducted by the FBI, the Labor Department's Office of the Inspector General and a federal grand jury. The probe may extend to high-ranking UAW International officers, including UAW Vice President Richard Shoemaker, who heads the union's General Motors department and is a close associate of UAW President Stephen Yokich.

The investigation centers on allegations that members of the Local 594 bargaining committee in 1997 demanded and received from GM officials a \$200,000 kickback in phony overtime payments, as well as jobs at the Pontiac truck complex for relatives, in exchange for ending the strike. International union officials including Shoemaker and International representative Donny Douglas, who formerly headed Local 594, have been linked to the scheme. GM officials who allegedly complied with the UAW officers' demands are also potential targets of the investigation.

The federal probe follows allegations contained in a \$550 million class action suit filed August 7 by UAW Local 594 members, who charge that the 1997 strike was prolonged by up to two months by local bargaining committee members, who kept the workers out on strike in order to pressure GM to comply with their demands for kickbacks and jobs for relatives.

The class action suit was originally filed on behalf of 21 Local 594 members, who are charging fraud, collusion and extortion and claiming breach of contract and breach of duty by the UAW and GM. Since Monday more than 100 additional workers have joined the suit. Harold Dunne, a Michigan attorney representing the workers, said, "GM paid off this extortion plot. The UAW leaders used the membership for their own personal gain." Dunne himself was an International UAW representative for 21 years.

GM says it is cooperating with the federal investigation. Neither UAW Local 594 nor the International has responded

to press inquiries or issued a statement on the government probe or class action suit. Federal agents and GM attorneys were inside the plant during the scheduled two-week shutdown in July, "seizing and studying" union documents from the 1997 strike, according to a report in the *Detroit Free Press*. Several UAW workers at the Pontiac complex said they were told by federal agents that the investigation into Local 594 was merely the "tip of the iceberg" in a much larger probe of the international union.

The class action lawsuit alleges that the \$200,000 in bogus overtime payments was divided among Shop Committee Chairman Jay Campbell (\$40,000), Skilled Trades Committeeman William Coffee (\$60,000) and various unidentified union representatives who got \$5,000 each. The suit also identifies Gordon Campbell, the son of the then-shop chairman, and Todd Fante as having gotten "undeserved preferential treatment" by the UAW and GM. It says Jay Campbell and International representative Donny Douglas pushed during the 1997 contract talks to get Gordon Campbell and Fante hired.

According to attorney Dunne, Gordon Campbell and Todd Fante are still working at the plant, even though they do not meet the requirements for employment as skilled tradesmen—a journeyman's card or eight years' experience—stipulated in the national UAW-GM contract.

Other sons of UAW officials were hired shortly after the end of the strike, including Jason Beardsley, the son of James Beardsley, an administrative assistant to UAW President Yokich, and David Shoemaker, whose father is UAW Vice President Richard Shoemaker. The younger Shoemaker worked at the plant for one year, after which he was hired as a \$75,000-a-year service representative with the International UAW, a job that requires one year's plant experience.

Workers involved in the class action suit reportedly have copies of internal union documents that back up their allegations.

The support among auto workers in Pontiac and elsewhere for the class action suit is indicative of growing opposition

to the UAW bureaucracy. One organization of dissident auto workers supporting the suit is UAW Concerns, a Kalamazoo, Michigan-based group.

UAW Concerns is seeking to sue the UAW for defrauding rank-and-file members of UAW Local 488 at the Kalamazoo Metal Fabricating plant. According to the group's founder, Pat Meyer, the UAW told workers at the plant to take early retirement in 1992 when GM threatened to close the facility. As a result, the workers lost their seniority rights and any possibility of gaining employment at another GM facility, but the plant remained open for another seven years. UAW Concerns maintains that the UAW acted in collusion with GM to drive high-seniority workers out of the factory.

UAW Concerns is also supporting some 400 members of UAW Local 2036 at Accuride Corp. in Henderson, Kentucky who have been locked out for 30 months. These workers are victims of a union-busting operation involving Vance International, a private security firm notorious for its role in strikebreaking operations around the country. In August of 1999 the UAW International cut off the workers' strike fund and benefits, and last April President Yokich placed the local under administratorship and seized control of its finances.

On May 8 several hundred auto workers, including supporters of UAW Concerns and locked out workers from Henderson, demonstrated in front of the Solidarity House headquarters of the UAW in Detroit to denounce the treachery and corruption of the union leadership.

The 1997 walkout at Pontiac Truck and Coach was one of a series of local GM strikes, including walkouts in Detroit, Dayton and Oklahoma City, that centered on overwork due to severe understaffing. Workers on the picket lines were angry over deteriorating working conditions resulting from GM's relentless downsizing.

The UAW claimed it called the strikes to win new jobs and reverse the process of downsizing, and the union bureaucracy hailed the Pontiac settlement as a great victory. In fact, the settlement of the nearly three-month strike provided for only 300 new jobs. Today there are 700 fewer workers at the Pontiac complex than at the time of the walkout.

Whatever the outcome of the class action suit and federal investigation, the undeniable fact that UAW officials, from the International down to the local level, exploited the Pontiac strike to obtain jobs for their relatives shows that the union bureaucracy operates like a mafia, enriching itself at the expense of the rank-and-file workers.

To extend a strike by two months to extort payoffs for union negotiators and jobs for their relatives means defrauding rank and file workers of thousands of dollars in lost pay. The evidence already at hand calls into question the

union leadership's motivation for calling the strike in the first place. In fact, the entire operation of the union is perverted by the criminality of the bureaucracy that dominates it.

There is no reason to believe that the corrupt relations between union and management exposed at the Pontiac plant are the exception. On the contrary, for the past two decades the UAW has forged a corporatist relationship of "partnership" with the auto companies. At every level of union and company—from the national down to the local level—the interests and rights of the workers are strangled by a network of joint union-management bodies. These include huge slush funds controlled jointly by union and corporate officials. Can there be any doubt that the UAW is rife with nepotism, bribery and fraud?

The shamelessness of the actions of UAW officials, their assumption that they can profit with impunity from the hardship of their own members, testifies, moreover, to the absence of democracy inside the organization.

At the time of the Pontiac strike, the Socialist Equality Party, speaking through its bi-weekly newspaper the *International Workers Bulletin*, rejected the claim that the Pontiac strike represented a victory for the workers.

What we wrote then has been confirmed by the latest revelations concerning the UAW: "Workers need to consider the role of the unions that supposedly represent them and draw definite conclusions from the experiences of the last 20 years. Over the past two decades the AFL-CIO [the American trade union federation] has carried out a historic betrayal of the working class and in the process has been transformed. It has become an organization that serves the interests of its own privileged apparatus and not an organization that defends the working class by fighting to increase its share of the national wealth."



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