

Republic Windows & Doors CEO arrested for theft

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Last Wednesday former CEO of Republic Windows & Doors, Richard Gillman, was arrested at his Magnificent Mile condominium in Chicago and charged with a laundry list of crimes related to the liquidation of the company's enterprise in Chicago last December.

Among the eight felony counts detailed by Assistant State's Attorney John Mahoney were money laundering, theft, organizing a continuing financial crime enterprise, and mail fraud. Gillman was subsequently taken into custody after Cook County Judge Peggy Chiampas set bail at \$10 million.

Last December, about 250 workers at Republic's Chicago plant occupied the factory following its abrupt closing. At issue was the payment of unused vacation time, the immediate termination of health insurance, as well as the 60-days severance pay mandated by federal law in a mass layoff event. After six days of mounting working class support in the US and internationally, the occupation was defused though a deal brokered with Bank of America for an extension of credit to pay the workers back pay and to provide two months of health insurance coverage.

The allegations against Gillman substantiate claims made by Republic workers to *World Socialist Web Site* reporters. In the days before they launched their occupation, workers witnessed depleted inventories, suspicious removal of equipment from the factory in the middle of the night with the lights off, and heard rumors of a new operation in Iowa. At the time, company management reassured workers with the claim that key pieces of machinery were being removed for replacement with better equipment.

According to Mahoney, during this time, Gillman had ten semi trailers of window manufacturing equipment removed from the plant, of which seven were seized

Wednesday from a storage location on Chicago's South Side through the execution of a search warrant.

The remaining three trailers had already made their way to Echo Windows, a non-unionized plant in Red Oak, Iowa. Echo became the site of Gillman's new operations as of January 1, less than a month after the Chicago plant closed.

The allegations against Gillman suggest a reckless plot that had disastrous consequences for hundreds of workers in both Chicago and Red Oak. According to Mahoney, Gillman and two other as yet uncharged officials of the company began scheming when Republic slipped into financial trouble with the onset of the recession.

The decision was made to abandon the company and its debt obligations to bankruptcy, illegally funnel cash through fraudulent bank accounts and shell companies, steal manufacturing equipment and assets, and resume operations in Red Oak, Iowa.

Destruction subsequently hit Red Oak—a town of only 6,000 residents—when Gillman closed the once viable Echo factory after less than two months of operation, leaving over 100 workers unemployed.

Following a Chapter 7 bankruptcy filing on December 15, each Republic union worker received a check for about \$6,000 and two months insurance. Although the Chicago plant was revived in February, amid much fanfare, by California-based Serious Materials, only about a dozen former employees were hired back.

What is clear is that the outcome of the investigation is due entirely to the courageous actions of the Chicago workers whose occupation prevented Gillman from reentering the building and destroying many incriminating internal documents, which prosecutors say form the “backbone” of the case. Furthermore,

workers took the initiative to follow the trucks removing manufacturing equipment leading to its recovery.

Even so, it is a testament to the level of labor justice in the US that despite the essential role played by the Republic workers in the investigation, few expected anything to come of it.

Republic worker Melvin Maclin told the *Chicago Tribune*, “We knew he was being investigated, but I wasn’t sure. You know what I’m saying? He has so much money, and this happens all the time. Workers are denied their rights and benefits, and they are cheated.”

Indeed, Gillman is ultimately being charged not for the misery and injustice inflicted on the hundreds of workers he victimized, but for his theft of more than \$200,000 in cash from Republic and the estimated \$10 million he defrauded company creditors.

However, the charges provide an important lesson for workers that their rights can be protected and their interests can be served only through independent class action.



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