

# Canada: Former CUPE chief steward caught in cash-for-jobs scandal

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Ontario labour arbitrator Paula Knopf ruled earlier this month that a grievance filed by the Canadian Union of Public Employees (CUPE) Local 5001 can proceed to a hearing on February 23. The grievance concerns an extortion scandal at Toronto Western Hospital in which the union's chief shop steward allegedly demanded payments from job applicants for part-time cleaner positions. The chief shop steward, identified only as JL in the arbitrator's report, was fired by the hospital earlier this year.

The union does not dispute JL's involvement, but is demanding that an independent investigation be pursued to ascertain the extent of hospital management's role in the kick-back scheme. Hospital management had refused to address the grievance arguing that any monies that changed hands did so before the job applicants had been hired.

In statements examined by Knopf, several cleaners at the hospital complained that they had paid JL sums varying between \$1,500 and \$2,000 each in 2015 to be hired part time at \$21 per hour. The scheme came to light when a cleaner threatened JL with exposing the cash-for-jobs scam. She was subsequently fired for "unusual and unauthorized activity" and alleges that her signature was forged on a memo concerning her termination. According to the cleaner, JL then demanded another \$100 in exchange for a reference letter from hospital management.

Since final hiring decisions and the writing of reference letters were the responsibility of management, hospital personnel investigated a manager closely associated with these matters but claimed that nothing implicated her. No record of the interview with the suspected manager was produced by the hospital. The union, clearly discredited by the involvement of its own official, then filed its grievance and has asked that

monies paid by its members to gain employment should be reimbursed, processes be introduced to protect workers from the suspected manager, and that a third party re-open investigations of management collusion with their former official.

The case brings out some important issues. Whether the CUPE official acted alone or, as is more likely, in concert with hospital management, the case provides yet another example of the corrupt practices increasingly engaged in by the pro-capitalist unions, which, over the past three decades, have been transformed into a veritable arm of management and increasingly function as cheap-labour contractors.

Canada's largest public sector union, CUPE has presided over one concessions contract after another, resulting in stagnant wages, benefit cuts, job losses and increased workloads. In the health care sector, 40 percent of hospital sites with CUPE representation in Ontario have seen cuts to hours worked by cleaning and housekeeping staff in the past year alone, while cleaning services have been outsourced in a dozen of the province's hospitals.

CUPE, like the entire trade union bureaucracy in Ontario, has developed and maintained close ties with the big business Liberals for close to two decades. The unions have poured millions of dollars into advertising drives to support Ontario and federal Liberal election campaigns. They have combined this with tireless efforts to smother the class struggle by selling out one job action after another, even as their Liberal allies have taken the axe to public spending, privatized public utilities, and ensured a low-tax regime for big business and the super-rich.

CUPE supported the social democratic New Democratic Party even as the NDP propped up a minority Liberal government at Queen's Park between

2012 and 2014. During that time, NDP leader Andrea Horwath was in a de facto coalition with the Liberals, enabling the passage of Premier McGuinty's devastating austerity budgets and its use of strikebreaking legislation to impose a cut in public school teachers' real wages. Over the opposition of the unions, Horwath pulled her party's support in May 2014 in an attempt to salvage what was left of the NDP's tattered left credentials. This, however, did not prevent the NDP from running its most right-wing campaign ever in the ensuing election campaign, thereby helping the union-backed Liberals to regain their parliamentary majority.

A look at the legacy of these policies goes a long way to explain how job-seeking individuals could bring themselves to pay up to \$2,000 for part-time and precarious, \$21-per-hour hospital cleaning positions.

Private rents in Toronto currently average slightly above \$2,000 per month. Even a basic bachelor apartment in the Greater Toronto Area (GTA) averages over \$950 per month. In addition, Ontario has some of the highest hydro electricity rates on the continent. Over 181,000 people currently find themselves on social housing waiting lists and can wait 10 years or more for a vacancy. Such is the high cost of housing that over 5,000 people in Toronto are homeless on any given night.

The minimum wage will be raised January 1 to \$14 per hour from \$11.60 due to the high cost of living in the province. But even the new minimum wage rate falls well short of ensuring those who receive it will have a liveable income.

Forty-four percent of jobs in the GTA are considered part-time or precarious. In the past decade, Canada has shed 350,000 manufacturing jobs, most of them in Ontario.

Statistics Canada has established that real incomes, that is the minimum wage and the average hourly wage in Canada adjusted for inflation, have stagnated since the 1970s, leaving one-quarter of all children in Toronto living in poverty. Food insecurity affects 10 percent of the city's population. Of all large Canadian cities, Toronto has one of the highest poverty rates and the country's most unequal division of income between rich and poor.

The gap between the wealthiest and the poorest in Ontario is now at its greatest since the 1930s. The

ruling class of Ontario, like its counterparts at the national and international level, and with the able assistance of the trade unions, has accomplished this by effecting a massive transfer of wealth from the bottom to the top, using the 2008 financial crisis as a pretext to accelerate its austerity drive. In 1976, the wealthiest 10 percent of Ontarians earned "just" 27 times more than the poorest 10 percent. By 2004, this had exploded to 75 times more. In the span of one generation, the top 10 percent have experienced a 41 percent increase in net wealth, but the poorest 10 percent have suffered a staggering 150 percent decline.

In 2017, Toronto ranked 11th on a list of the most unequal metropolitan centers in the world.

The trade union apparatuses do not even partially represent workers' interests in the fight for a more equal distribution of wealth and for secure, decent-paying jobs. Instead, they function as a police force for the employers and political establishment, tasked with containing and suppressing all opposition to capitalist exploitation within the working class. To assert their interests, workers will need to build new organizations of workplace and political struggle independent of, and in opposition, to the pro-corporate unions.



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