

# UAW building luxury “cottage” for ex-president Dennis Williams

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Reports that the United Auto Workers (UAW) is building an expensive, luxury retreat for former union president Dennis Williams are compounding already boiling worker anger over exposures of rampant corruption in the UAW leadership.

Several top UAW officials have already been convicted in the scandal involving the siphoning off of millions of dollars from union-management joint training funds into the pockets of union officials.

According to the *Detroit News*, the UAW is building a 1,885-square-foot three-and-one-half bath lakefront “cottage” at the union’s Black Lake Conference Center in northern Michigan. The residence designated for the use of Williams will feature granite countertops, a wood-burning fireplace, stainless steel appliances, a wine cooler and a patio overlooking Black Lake.

Blueprints filed with Cheboygan County in 2017 indicate that the “cottage” will also feature a stone veneer and an aged metal roof. The kitchen will feature cherry cabinets with a “chocolate glaze finish” and walls covered with “white cedar shiplap.” There will also be a hidden storage closet in the master bedroom, a feature sure to raise eyebrows given the large amounts of misappropriated funds pocketed by UAW officials.

The initial cost of the project was pegged at \$285,000, a likely gross underestimate given the expensive finishing. A building contractor contacted by the *World Socialist Web Site Autoworker Newsletter* said, “I read the *Detroit News* report on Williams’ lake house. \$285,000 for an 1,885 square foot house might be appropriate for a worker’s cottage that was finished with asphalt shingles, vinyl siding, modest windows, and laminate countertops. But this is a totally different animal.

“When you add antique copper roofing, stone veneers, a natural stone patio, picture windows, granite counters and cherry cabinets, the actual cost will easily be twice the amount they published. It’s luxury, not a cottage.”

A General Motors worker in the Detroit area contacted by the *WSWS Autoworker Newsletter* remarked, “With all the corruption going on you would think they would show some self-respect. It’s brazen. It’s back to the haves and the have-nots. That’s a pretty nice perk for just four years (as president). It’s ridiculous.”

Nancy Johnson, a former top aide to Norwood Jewell, who headed the UAW Chrysler department during the 2015 contract negotiations, has implicated Williams, who retired in June, in the UAW corruption scandal. Johnson and other Fiat Chrysler Automobiles (FCA) negotiators were involved in a \$9 million bribery scheme involving the siphoning off of money from the UAW-Chrysler National Training Center (NTC) by Fiat Chrysler officials to influence contract terms while keeping the UAW “fat, dumb and happy,” according to statements by indicted FCA officials.

Seven Fiat Chrysler and UAW officials have so far been convicted in the conspiracy, with others, such as UAW Vice President for Fiat Chrysler Cindy Estrada, under investigation. Jewell has been questioned by FBI officials, but no indictment has been handed down so far.

In her plea deal with federal prosecutors, Johnson stated that Williams authorized the illegal transfer of funds from training centers operated by Ford, Fiat Chrysler and General Motors to pay for union expenses. These included travel, resort fees, golf fees, air travel, lavish meals, parties and limousine service. She said that Williams issued the directive in order to reduce pressure on the UAW budget.

Federal prosecutors have labeled the UAW and Fiat Chrysler as co-conspirators in the illegal scheme.

While workers have been saddled with endless concession contracts, two- and three-tier wage scales, the spread of part-time and temporary work, the elimination of pensions and erosion of health benefits, UAW officials have never had it so good.

At the UAW Constitutional Convention in June, delegates voted to hand top officers, including newly installed UAW President Gary Jones, 30 percent salary increases. At the same convention, delegates rejected calls to rescind the 25 percent dues increase imposed in 2014, supposedly to replenish the union strike fund, despite the fact that no strike was ever called.

Currently Jones is under investigation for \$1 million in union expenses related to UAW conferences in Palm Springs, California between 2014-2016. The payouts were for extravagant meals, golf fees, premium liquor and extended condo stays. According to Johnson's plea deal the expenses related to "little, if any, legitimate union-business or labor management purposes." During the period in question, Jones was in charge of UAW business in California, one of the 17 states covered by his region.

Williams' Black Lake "cottage" is being erected by the Union Building Corp. (UBC), a nonprofit run by the UAW, which according to the union's most recent filing with the Internal Revenue Service, is headed by the former UAW president Dennis Williams himself. The entity's form 990, submitted to the IRS, listed \$119.7 million in assets in 2016. UBC is one of a myriad of shadowy nonprofits run by the UAW and International Executive Board members. A nonprofit run by the late UAW Vice President General Holiefield served as a conduit for laundering illegal payouts from NTC funds.

The Black Lake residence is listed by Williams as his home address on state registration forms for two boats purchased this year. The watercraft listed for about \$92,000, according to the *Detroit News*.

One of the boats is a 24-foot Berkshire pontoon that is marketed as a bar boat designed for entertaining people on the water. Another boat is a Lund 1875 Crossover XS fishing and skiing boat. It features a 150-horsepower motor at an additional cost of \$13,000.

The Black Lake resort opened in 1970 and features a lodge, a gym, an Olympic-size pool and a golf course. UAW officials use it as a getaway. Stays at the posh Black Lake facilities are also used to reward up-and-coming UAW officials. It requires some two percent of the union's budget to operate annually. By contrast, strike benefits paid out in 2017 were just one percent.

The UAW paid out some \$75 million in salary and expenses to its top officers as well as \$39.5 million in benefits. Net assets were \$1.07 billion in 2017, making it one of, if not the richest union in the US.

The Williams cottage is another glaring example of the complete disconnect between the UAW and the members

it falsely claims to represent. Such an outfit cannot be called in any way a workers' organization. From the factory floor to the president's office, the UAW functions as an arm of corporate management, a labor subcontractor whose job it is to suppress workers' grievances in order to ensure maximum production and profits for the auto corporations.

The recent contract rejection vote by Lear car seating workers in Indiana is only one of the latest signs of the simmering anger of autoworkers over endless concession contracts by the UAW. Workers looking for a way to fight are more and more realizing that this struggle must take a new organizational form.

The *World Socialist Web Site Autoworker Newsletter* and the Socialist Equality Party call for the formation of rank-and-file committees, independent of the UAW, to defend the interests of workers. These committees would wage a day in, day out fight to uphold workers' interests against management and seek to unify workers across industries and national boundaries.

The massive corruption exposed among the UAW leadership is perhaps the most grotesque expression of the unions' subordination of the working class to the dictates of the capitalist profit system and the full integration of these anti-working-class organizations into the structure of corporate management. It poses the necessity for the working class to take up a struggle for the revolutionary transformation of economic life on a new and higher basis, that is, the fight for socialism. The vast productive forces of society must be put at the disposal of the working class for the satisfaction of human needs, not private profit.



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