FBI raid of UAW president exposes union as criminal syndicate

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On Wednesday morning, FBI agents carried out raids in four states, including at the suburban Detroit home of current United Auto Workers President Gary Jones, as the federal probe into illegal bribe-taking and kickbacks reached the very top of the UAW.

The September 14 contract expiration for 155,000 General Motors, Ford and Fiat Chrysler workers is fast approaching. Among rank-and-file workers, there is deep hostility to both the auto companies and the corrupt UAW.

Armed with search warrants, FBI and IRS agents combed through the UAW president's garage in Canton, Michigan, seizing files and counting "piles of cash," according to a neighbor. The agents also searched the offices of UAW Region 5 in Hazelwood, Missouri, where Jones was director until being appointed UAW head last year.

What has been revealed so far is not a matter of garden variety corruption, which has always plagued the unions. The UAW is a criminal syndicate run by gangsters. The UAW has been exposed as a grifting operation, stealing billions from workers over years to the benefit of union executives.

Workers now know, if there was ever any doubt, that it is necessary to form new organizations, rank-and-file factory committees to carry out a struggle against the auto companies.

Union executives colluded with the employers to impoverish union members with the full knowledge that a portion of the money robbed from workers would find its way into their own pockets. Anyone who still claims that the UAW "represents" autoworkers is deliberately trying to delude workers.

Also targeted in the raids yesterday was former President Dennis Williams, who convicted union officials have charged with approving the illegal use of millions of dollars of company money. This money was funneled through union-company training centers to finance travel, luxury purchases and resort stays for UAW officials.

The FBI seized materials from Williams' $610,000 home in Corona, California, 70 miles west of Palm Springs, where UAW officials spent millions on golfing and luxury villas. Also searched was the UAW Black Lake Conference Center, a 1,000-acre resort in northern Michigan, which is funded with interest money from the $780 million member-financed UAW strike fund. The UAW is building a new cottage for Williams at the location.

The Wisconsin home of Williams' former top aide, Amy Loasching, was also searched. Loasching, who is the secretary and treasurer of Williams' nonprofit, the Williams Charity Fund, sat on the 2015 UAW-Chrysler National Negotiating Committee with Williams and former UAW Vice President Norwood Jewell. Jewell was already sentenced to jail for taking bribes from Fiat Chrysler.

At least six of the top eight UAW "negotiators" who signed the 2015 deal, which cost Fiat Chrysler workers thousands of dollars in lost wages and benefits, have either been convicted or implicated in the corruption scandal.

The corruption indictments have already spread to officials from the UAW-GM department. Michael Grimes, the top aide of former UAW vice presidents Joe Ashton and Cindy Estrada, who was on the bargaining committee in 2011 and 2015, has been indicted for taking nearly $2 million in kickbacks from vendors.

The vendors were paid with money from the UAW-GM Center for Human Resources to produce union-branded jackets, watches and other items.

The labor agreements signed by Grimes' bosses—who have also been implicated in the illegal schemes—froze wages and paved the way for the closure of factories, including GM's historic Lordstown, Ohio assembly plant, with the loss of thousands of jobs.

It is 40 years since the first Chrysler bailout in 1979-80, when the UAW was brought onto the corporate board of directors to oversee the wiping out of 60,000 jobs and impose nearly half a billion dollars in wage cuts, or nearly $35,000 a year for each worker in today's dollars.

The sacrifices, the UAW insisted, were necessary because jobs could only be "saved" by boosting the competitiveness and profitability of the US-based automakers.

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Over the last four decades, however, the number of hourly UAW members at GM, Ford and Chrysler has fallen from 750,000 to 158,000. And far from the wage and benefit cuts being temporary, they have never stopped. As a result, autoworkers, once the highest paid industrial workers in the US, have been largely reduced to a low-wage casual workforce who cannot afford the cars they build.

Throughout this period, UAW membership fell from 1.5 million to below 400,000. The only thing keeping the organization afloat was massive infusions of cash from the automakers and the sanction of successive governments, which saw in the UAW the instrument to suppress the resistance of autoworkers and drastically reduce labor costs.

From 1982 to today, the automakers pumped more than $5 billion in "Joint Funds Reimbursements" to the UAW through various corporatist schemes, including joint training centers. Billions more have been transferred to the UAW in the form of company stocks and legal and illegal bribes.

The timing of the Justice Department's corruption probe is significant. In 2015, autoworkers rebelled against the UAW with Fiat Chrysler workers defeating a UAW-backed national agreement for the first time in three decades. The WSWS *Autoworker Newsletter* was at the center of opposition, for which it was denounced by the UAW and the corporate media.

The Trump administration and the ruling class are aware of the immense anger of autoworkers and their determination to fight. They are fearful that the UAW will not be able to control another rebellion.

The danger exists that the government will intervene directly and create conditions for a settlement entirely on the company's terms, either through placing the UAW under federal trusteeship—as was done with the Teamsters in the late 1980s under the Bush administration—or through some kind of forced arbitration, which could include a ban on strikes.

The *Detroit News* reported on Wednesday night that the raids "amplify the possibility the federal government could assume oversight of the union under anti-racketeering statutes." If this were to happen, the struggle of autoworkers would put them in direct conflict with the Trump administration and the state.

Autoworkers cannot outsource their struggle to Trump's Justice Department or any other section of the corporate-controlled government, Democrat or Republican.

Autoworkers must begin to form their own organizations of struggle, rank-and-file factory committees that are completely independent of the UAW and both big business parties. Preparations must be made now to carry out an industry-wide strike and to spread it to workers throughout the entire auto and auto parts industry, while appealing to workers in Canada, Mexico and around the world for joint cross-border industrial action.

The UAW "bargaining committee" is completely illegitimate and must be replaced by a committee of rank-and-file workers. Factory committees should be organized and advance their own demands, including a 40 percent pay increase, the abolition of the multi-tier pay and benefit system, the conversion of all temporary and contract workers to full-time positions with full pay and benefits, and the rehiring of all laid-off workers.

It is not possible to reform the UAW. Its transformation into a bribed tool of management is rooted in the nationalist and pro-capitalist character of all the old organizations that claim to "represent" the working class.

The very same day the FBI raids were taking place, the Communications Workers of America (CWA) sabotaged the powerful strike by 22,000 AT&T workers in nine southern US states, forcing them back to work on management's terms. Around the world, the nationalist unions are accepting plant closings, mass layoffs and wage and benefit cuts.

That is why the building of rank-and-file factory committees and reviving the militant traditions of American autoworkers must be guided by an entirely different strategy: the international unification of the working class, based on a socialist program to fight the global auto companies.

The WSWS Autoworker Newsletter is holding an emergency online conference call Thursday, August 29, at 7:30 p.m. EDT to discuss a plan of action for rank-and-file autoworkers to take the contract negotiations out of the hands of the corrupt UAW and launch an international fight back for workers' interests. We urge all autoworkers to register and participate.

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