

# UAW President Jones, former President Williams identified as co-conspirators in corruption scandal one day before contracts expire

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United Auto Workers President Gary Jones and former President Dennis Williams are “UAW Official A” and “UAW Official B” in the criminal complaint filed Thursday against UAW Region 5 Director Vance Pearson, the *Detroit News* reported on Friday. The *News* cited three unnamed sources for its report.

The homes of Jones and Williams were raided two weeks ago by FBI investigators in a nationwide sweep that also included Pearson, Jones’ top lieutenant when Jones was Region 5 director, and Williams’ former assistant Amy Loasching.

In the criminal case, federal authorities identified four current and former senior officials as complicit in the embezzlement scheme. The government detailed numerous instances in which UAW officials “A” and “B” spent workers’ dues money on golf outings, \$400 bottles of champagne, cigars and months-long rentals at private villas in Palm Springs, California, all covered up by falsified expense reports.

The latest findings create an unprecedented situation. Less than 24 hours before the expiration of the auto contract, the current and former presidents of the UAW have been exposed as gangsters and the “union” as a criminal syndicate.

As of this writing, Jones still retains his post as UAW president after an emergency meeting of the union’s International Executive Board (IEB) Friday afternoon. UAW officials exiting the meeting refused to take questions from reporters. Jones’ driver and several others physically prevented an Associated Press reporter from approaching Jones to ask him questions.

While there are no doubt intense divisions in the union apparatus over how to proceed—one faction of the IEB favors ousting Jones to forestall a federal takeover of the union, according to the *Detroit News*—the fact that Jones remains union president is one more measure of the contempt of the union apparatus for the rank and file. It is a clear sign that, one way or another, the UAW is determined to force through the dictates of the companies, which are demanding further cuts in health coverage and a massive expansion of part-time and temporary labor.

Having voted by more than 96 percent for strike authorization, autoworkers looking to fight the companies to win back lost wages, benefits and jobs and end the hated-two-tier system are

increasingly clear that they face a struggle against not only the auto bosses, but also the pro-company union.

However, amid warnings in the media that a discredited and weakened union apparatus will be unable to control the explosive anger of the workers, the UAW is intensifying its conspiracy with the auto companies. That is the significance of the union’s silence following its crisis meeting on Friday. The pro-company organization is seeking to devise new means for undermining the workers’ militancy and sabotaging their struggle.

*CNN Business* and *Automotive News* reported yesterday that increasing consideration is being given by the target company General Motors and the UAW to a temporary contract extension. *Automotive News* reported that “two people briefed on the matter say GM may ask for a temporary extension of the contract and could pursue other options including seeking assistance from a third party.” Numerous media outlets have argued that the possibility of an indictment hanging over top UAW leaders may have made the continuation of talks impossible.

The purpose of such a maneuver would be to buy time to force through concessions. The reference to “third party assistance” suggests a contract extension might be combined with federal mediation or some form of oversight.

It is all the more urgent that autoworkers act now to take the conduct of the contract battle into their own hands. There is no time to lose in forming rank-and-file committees in every plant to coordinate a national fight by workers at GM, Ford and Fiat Chrysler (FCA) to reverse decades of concessions and win the wages, benefits and job security workers need, and bring all of the second-tier and part-time temporary workers up to full scale.

Workers need to form their own democratic organs of struggle independent of the UAW to coordinate national strike action and appeal for support from autoworkers in Canada, Mexico and around the world, as well as teachers, Amazon workers and the working class as a whole.

No matter what tactic is worked out between the UAW and the auto companies—whether a contract extension, a tentative agreement, a token strike or government intervention—the union will be working to defeat the workers and workers must be in a

position to assert their own interests.

Workers should hold meetings in every plant to elect their own leaders from among the most trusted rank-and-file workers, draw up a list of their own demands and prepare a plan of action to mobilize autoworkers across the country and internationally.

The situation now sits on a knife's edge. There are any number of possible scenarios which may play out over the next 24 to 48 hours.

Overshadowing everything is the prospect of federal receivership. The latest charges "[increase] the likelihood that the government will come after the union with a RICO (Racketeer Influenced and Corrupt Organizations) charge" similar to that which was used to place the Teamsters union under federal receivership in the 1980s, Erik Gordon, a professor of business at the University of Michigan, told the *Detroit News*.

Such a maneuver by the Trump administration would not be aimed at "cleaning house" or democratizing the union. As with the federal oversight of the Teamsters, it would be directed toward preempting a rank-and-file rebellion of autoworkers against the corrupt UAW apparatus.

Fearful of autoworkers escaping the control of the UAW, the Trump administration and the corporate elite are using the expanding prosecution of union officials—six UAW officials so far—to pressure the union not to adapt to the demands of the workers and instead impose in full the new concessions demanded by the auto companies.

But the federal government is playing with fire. Industry analysts are increasingly worried that the government exposures of UAW corruption will provoke a firestorm of opposition among autoworkers that will make ratifying any contract all but impossible. "GM has no interest in having a weakened UAW," analyst Kristen Diczek told CNN. "They don't want to reach a tentative agreement with leadership on the other side of the table who can't get it ratified by [the] rank and file."

In addition to a contract extension, another possible scenario is that the UAW calls limited "Hollywood" strikes at a number of General Motors plants in order to let workers blow off steam. The UAW is already working to deliberately isolate workers in the event of such a strike.

Yesterday, the union signed contract extensions at Ford and Fiat Chrysler. This is done to break up the unity of autoworkers and force each section of workers to take on one company at a time. Meanwhile, the automakers, their Wall Street backers and the UAW collaborate to carry out a common attack on the workers.

Local union officials at GM's Spring Hill plant in Tennessee are instructing janitorial workers to cross the picket line if assembly workers strike. And amidst broad sentiment for an all-out strike, union officials and so-called team leaders have fanned out on the shop floor instructing Ford and FCA workers not to walk out at midnight tonight.

The union has also floated the idea that it will call out several hundred janitors employed by Aramark at five GM plants whose UAW contracts expire at the same time, and then instruct autoworkers to respect their picket lines.

In one way or another, the UAW wants to limit any action so that it has as little impact on GM's bottom line as possible.

In a Friday *Editorial*, however, *News* the fear that anger among the workers is so explosive that even a token strike could quickly escape the control of the union. Pleading with the UAW not to call a strike, the editorial board wrote: "UAW officials must know that it's a lot easier to take workers out on strike than it is to bring them back to their jobs... [autoworkers] may not trust any proposal Jones brings them, and thus refuse to ratify it as a form of protest. That could easily turn what should have been a short strike into a much longer one."

A further possibility is that the UAW and General Motors announce a tentative agreement at the 11th hour or shortly after the deadline expires, similarly to what took place in 2015. While it is still a distinct possibility, it is seen by some analysts as increasingly remote because of the likelihood of any agreement, negotiated for months behind a wall of silence, being rejected by the membership. On the other hand, the dubious circumstances behind the ratification of the Ford contract in 2015 demonstrate that the UAW is perfectly willing to stuff the ballot box and threaten workers with their jobs in order to get concessions passed.

The media have speculated for months that GM and the UAW might arrive at an arrangement that combines major concessions, including increased use of temps and other measures aimed at slashing labor costs, with re-opening one of the four US plants GM slated for closure last December, most likely Detroit-Hamtramck Assembly. President Trump would no doubt hail such deal as a victory for "American jobs."

Whatever the UAW and GM ultimately cook up this weekend, autoworkers need to seize the initiative and make sure their aspirations and interests are not betrayed by another rotten maneuver. If a strike is called, workers should elect rank-and-file strike committees to urge workers in every factory to join in a common fight.

They should appeal to all sections of workers in Detroit and around the country to join a counter-offensive against decades of declining wages, factory closures and social inequality. They should appeal for a common struggle with workers in Canada and in Mexico, where GM workers have already expressed their solidarity by opposing GM's efforts to shift additional production to the Silao complex to make up for lost production in the event of a strike.

Thursday's online conference hosted by the *WSWS Autoworker Newsletter*, which was attended by an international audience of 300 people, demonstrated the powerful bonds that exist between autoworkers in the United States and their brothers and sisters in Mexico and around the world, who are confronted with the same attacks on jobs and living standards.

The *World Socialist Web Site* stands ready to assist workers in every way possible to build a new rank-and-file leadership. Go to [wsws.org/auto](http://wsws.org/auto) and begin the fightback by autoworkers today.



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