

# Former UAW-GM VP Joe Ashton charged in corruption scheme

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7 November 2019

Former United Auto Workers Vice President for General Motors Joe Ashton was charged with conspiracy to commit wire fraud and money laundering by federal prosecutors Wednesday.

Ashton is the highest-ranking UAW official to be charged thus far. He previously sat on the GM board of directors, appointed by the UAW-controlled retiree medical benefits trust, or “VEBA,” which holds billions in GM stock. Ashton resigned from the GM board in late 2017 when he was first publicly implicated in the federal corruption investigation.

The indictment against Ashton was expected for months. Two of his former aides, Michael Grimes and Jeffrey Pietrzyk, were charged earlier this year in a multi-million dollar kickback scheme. Their charges referred to an unnamed “Union Official 1,” previously identified as Ashton in the press, as leading the conspiracy. Both Grimes and Pietrzyk have pleaded guilty and are awaiting sentencing. Ashton is expected to plead guilty as well.

Grimes served as administrative assistant to Ashton and later UAW-GM VP Cindy Estrada. Estrada, who has also been implicated in the corruption scandal, is now leading the negotiations at Fiat Chrysler. Both Grimes and Pietrzyk were executive board members at the UAW-GM Center for Human Resources (CHR), derisively referred to by workers as the “center for hidden relatives” for its reputation of providing cushy jobs for UAW officials’ family members.

As with the UAW-Fiat Chrysler National Training Center, GM’s joint “training” center with the UAW served as the conduit through which union officials criminally enriched themselves at the expense of workers. Along with the illegal schemes and grifting carried out by the UAW, the corporations have funded the training centers with billions of dollars since the

1980s, in a form of “legal” bribery.

The charges against Ashton involved a multi-million-dollar kickback scheme in which Ashton’s personal chiropractor is alleged to have set up a dummy vendor company at Ashton’s behest. Ashton steered a nearly \$4 million contract to the vendor, according to the indictment, for 58,000 UAW-branded watches. In return, Ashton allegedly demanded hundreds of thousands of dollars in kickbacks, some of which the vendor provided in checks marked “antique furniture.” The watches reportedly remain in UAW-GM CHR warehouse.

Ashton, Grimes and Pietrzyk all sat on the 2011 UAW-GM bargaining committee, which forced through a deal that deepened the historic attacks on autoworkers carried out in the 2009 bankruptcy of GM and restructuring of the auto industry. The contract sanctioned the closure of plants and extended an eight-year pay and pension freeze.

Ashton’s indictment comes four days after UAW President Gary Jones announced he was taking a leave of absence—during which he will continue to receive his \$260,243 salary—and in the midst of voting by 55,000 Ford autoworkers on a UAW-backed tentative agreement. Rory Gamble, previously the UAW vice president for Ford and lead negotiator for that company’s deal, is now serving as acting UAW president.

Nervous over the implications of the indictment of yet another union official—one who served on GM’s board, no less—and its potential to provoke even greater opposition among workers, both General Motors and the UAW attempted to quickly distance themselves from Ashton.

“GM is deeply disturbed by Joe Ashton’s alleged criminal conduct,” the company claimed in a statement.

“GM was not aware of this illegal activity until it was recently revealed by the government’s investigation, or that he allegedly continued to benefit from this conduct after the UAW Retiree Medical Benefits Trust (VEBA) appointed him to the GM Board, a position he resigned in December 2017.”

The UAW’s Gamble himself engaged in a clumsy PR blitz aimed at damage control Wednesday, giving interviews with the *Detroit Free Press*, the Associated Press, and other media outlets. Feigning moral outrage over Ashton’s indictment, he stated, “Joe Ashton’s actions, as set forth in the government’s filings, are completely inexcusable and violate UAW’s long-standing standards of conduct put in place by former leaders like Walter Reuther. The UAW remains focused on negotiating and finalizing strong contracts for our members, especially during this round of auto negotiations.”

Anger continues to simmer among GM workers over the UAW’s shutdown of their 40-day-long strike and the imposition of a pro-company contract. The four-year agreement sanctions the closure of the Lordstown Assembly Plant and three other facilities, maintains the despised multi-tier pay and benefit system, and enables the expansion of GM’s temporary workforce, allowing the company to cut billions in costs. The sellout deal establishes the framework for a greater level of exploitation to be extended throughout the auto industry.

“This contract was a sham, there is no trust in [the UAW],” said a worker at GM’s Wentzville Assembly in Missouri. “Most people are pissed about it. They took October union dues out of our check last week, and they shouldn’t have because we were on strike. Labor relations made a statement that it was a mistake and it would be on our check this week, and November union dues will be taken out....”

Asked what he thought the latest indictments say about the UAW and the GM contract, a former worker at the now-closed Lordstown Assembly Plant told the *WSWS Autoworker Newsletter*, “It tells us what we already know. The contract is a fraud bought and paid for by General Motors.”

*The WSWS Autoworker Newsletter urges workers to attend the online meeting today at 7 p.m. Eastern Time to discuss how to oppose the UAW’s pro-company conspiracies and fight for workers interests. To*

register, go to [wsws.org/autocall](https://www.wsws.org/autocall)



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