

Corruption investigation targets newly installed UAW president Rory Gamble

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US attorneys are reportedly investigating the financial dealings of newly installed United Auto Workers President Rory Gamble and his old associate former UAW Vice President for Ford, Jimmy Settles. Both men now are suspected of running a kickback scheme involving UAW-branded promotional items.

According to press reports Gamble and Settles may be linked to bribes paid by businessman Jason Gordon in exchange for the award of contracts for merchandise. Reporters from the *Detroit News* who spoke to unnamed federal agents reported that the government believes the secret cash payments were delivered to UAW officials at Bouzouki Greektown, a strip club in downtown Detroit.

In response to the allegations UAW spokesman Brian Rothenberg said Gamble “can say he never took one red cent personally from Mr. Gordon or directly solicited anything from Mr. Gordon. And President Gamble has never been to that establishment with Mr. Gordon.”

Settles negotiated the sellout 2015 contract with Ford, which was praised by Wall Street for freezing labor costs and making it cheaper for the automaker to lay off workers and close plants. Facing widespread opposition from the rank-and-file, Settles threatened Ford workers with unemployment if they voted down the strike and then rammed the deal through amid widespread charges that the UAW manipulated the vote count.

After retiring in 2018 from his post in the UAW, Settles received a lucrative appointment from Detroit’s Democratic mayor Mike Duggan to head the city’s Department of Neighborhoods, a \$155,000-a-year job.

Reports in the *Detroit News* also indicate that the US government may be moving closer to a takeover of the crisis-ridden United Auto Workers.

On Monday federal prosecutors filed a new charge against former UAW Region 5 director Vance Pearson. The US Attorney’s office used a “superseding information” to accuse Pearson and “UAW Official A”

and “UAW Official B,” previously identified as UAW President Gary Jones and former UAW President Dennis Williams, along with four other union officers, of running “a racketeering enterprise” inside the UAW.

According to the *News* the use of the word “racketeering” is significant and indicates that the US Justice Department may be considering labeling the entire UAW as a criminal enterprise. In that case the government might seek to impose control over the entire organization, similar to what happened to the Teamsters union in 1989.

The federal investigation has led to the conviction of 11 people, with charges filed against a total of 13. The revelations have demonstrated that the union took millions in payoffs from auto companies, funneled through joint training centers, to obtain company friendly contracts. Top UAW officials illegally diverted funds to pay for travel, expensive stays at resorts, lavish dinners, premium liquor and golf outings.

Former presidents Jones and Williams, who also had connections to Jason Gordon, are implicated in a scheme to embezzle over \$1.5 million in UAW funds for personal enrichment. Jones was forced to resign under a cloud in late November after the 40-day GM strike and during negotiations with Ford and Fiat Chrysler.

The naming of Gamble and Settles in relation to the federal investigation of UAW corruption is the first time that the union’s Ford department has come under scrutiny. While GM calls for the closure and sale of the UAW-GM training center in downtown Detroit, there are no plans to shut the Ford-UAW building, known as the National Programs Center, just a few miles away.

Gordon had earlier been subpoenaed in relation to the investigation of kickbacks from UAW vendors who have supplied some \$29 million in union jackets, watches and other promotional merchandise in recent years. Gordon owns several companies involved in the “trinkets and

trash” industry supplying UAW-branded material including jackets, t-shirts, watches and hats. Gordon’s companies have received about \$3 million in UAW-related funding since 2013, including from UAW Region 1A, which Gamble headed before his installation as international president.

Like other UAW officials caught up in the corruption scandal, Gamble operated a charity, Giving is Very Extra Special (GIVES). According to federal filings the charity took in \$540,544 between 2008–2014 and paid out \$534,717. Settles also operated a charity, JUST, that took in \$1.3 million. A similar charity operated by the late UAW Vice President General Holiefield was a sham, serving as a conduit for illegal payments from the Fiat Chrysler-UAW training center.

In a statement released Thursday Gamble vigorously denied all published allegations of corruption, calling them “irresponsible.” In particular he denied that he solicited kickbacks from Gordon or any other vendor. Gamble claimed that all proceeds went to programs to help the homeless and provide lunches to underprivileged children.

“My sole purpose as President is to strengthen the union’s financial controls, oversight and accounting system,” he said in a letter, “and most importantly to restore the trust of our union members.”

Similar vigorous professions of virtue and innocence were issued by other UAW officials, who have since pleaded guilty to corruption.

According to public records Gamble had suffered financial setbacks around the time of the 2008 financial crash, losing two homes to foreclosure. Despite these problems he was later able to put down \$130,000 for a large 3,480 square-foot home in an exclusive area in the Marina District in Detroit.

According to the *Detroit News*, the same year that Settles retired from his UAW post he and his wife bought a \$462,500 home near Orlando, Florida, that included five bedrooms and five baths. Both Settles and Gamble currently own homes near each other in the Marina District.

The continuing revelations of UAW corruption follow the pushing through of contracts with the Detroit automakers imposing significant new concessions. Reeling from the exposure of high-level corruption in its ranks, the UAW bureaucracy felt compelled to call a strike by General Motors workers, which it then proceeded to isolate and betray.

The contracts ultimately forced through by the UAW at

GM, Ford and Fiat Chrysler allowed the closure of plant, maintain the hated multi-tier wage system and give management the virtually unchecked right to hire temporary workers, with lower pay rates and fewer benefits than full time workers. The UAW also sanctioned the firing of militant workers by GM after the strike, including 19-year-veteran Juan Gonzales, a worker at the Flint Assembly Plant who was victimized for his posts on social media.

The federal corruption investigation confirms what autoworkers have long suspected: that the UAW is a bought-and-paid-for tool of management. This, however, has not stopped the Democratic Socialists of America and publications like *Jacobin* and *Labor Notes* from insisting that the UAW is still a legitimate organization of autoworkers, albeit one in need of a few reforms at the top. One is compelled to ask them: What exactly does the UAW have to do to stop calling it a “workers organization”?

The crisis facing autoworkers cannot be resolved through electing a new batch of leaders to replace the current crew of gangsters. Nor will a takeover of the UAW by the anti-working class Trump administration or a future Democratic administration benefit workers. Federal oversight will only mean a new straitjacket placed on workers to prevent them from fighting.

The degeneration of the UAW into a criminal enterprise is the outcome of decades of collusion with corporate management and the nationalist and pro-capitalist character of the UAW and the AFL-CIO.

That is why the *World Socialist Web Site Autoworker Newsletter* calls for the building of rank-and-file factory committees independent of the UAW to mobilize autoworkers against the attack on jobs, working conditions and living standards. These committees must unite workers across every industry and every national boundary in a powerful industrial and political counteroffensive against the capitalist system.



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