Former UAW President Gary Jones indicted as federal prosecutors raise prospect of government takeover

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The indictment of former United Auto Workers President Gary Jones on federal racketeering charges for colluding to illegally embezzle over $1 million dollars in union funds marks a new stage in the federal investigation of UAW corruption that has already led to the indictment of more than one dozen people. Jones faces one count of conspiracy, one count of racketeering, and one count of tax evasion on over $1 million stolen from the UAW.

Jones resigned from the UAW last fall after being implicated, along with other top union officials, including former UAW President Dennis Williams, in a scheme to submit fraudulent expense vouchers totaling more than $1 million in order to cover up their use of union members' dues money for their personal interests.

The allegation of racketeering against Jones is significant. In a news conference in Detroit following the Jones indictment, Matthew Schneider, the US attorney overseeing the investigation, said he would not rule out a federal takeover of the union along the lines of the 1989 federal intervention in the Teamsters under the Racketeering and Corrupt Influences Act (RICO). In his remarks he alluded to comments by Teamster President James P. Hoffa, who called the government oversight over the Teamsters an "overall positive thing" that supposedly restored "democracy" to the union.

Schneider also repeated his claim that the UAW was still not adequately cooperating with federal investigators.

Detroit fire officials have been unable to determine the cause of a fire last summer at the UAW's national Solidarity House headquarters. Suspicions about the source of the fire were heightened by incriminating statements made by Jones, secretly recorded, in which he said that subordinates "should have burned" the records related to their illegal activities.

Following the unsealing of the indictment of Jones, the UAW issued a statement declaring, "All UAW members including the UAW leadership are and should be angry about the charges of former UAW member Gary Jones and his alleged action ... it goes against everything we believe in as a union."

The UAW statement went on to launch a bitter tirade against "unsubstantiated" reports by the *Detroit News* that newly installed UAW President Rory Gamble is the subject of a federal investigation. The *News* has said that federal investigators are looking into allegations that Gamble and former UAW Vice President James Settles took bribes from a local businessman to secure contracts for UAW-branded merchandise.

Significantly, the UAW failed to repeat previous assertions that corruption within the leadership was the result of a "few bad actors." The indictment of Jones, who Schneider indicated is considering a plea deal, demonstrates that corruption permeates the highest levels of the UAW. Plea deals last month signed by top Jones aides Vance Pearson and Edward Robinson, make repeated references to "UAW Official B," identified as former UAW President Dennis Williams.

Among those UAW officials who have already entered guilty pleas are former UAW Vice Presidents Joe Ashton and Norwood Jewell, who negotiated contracts with General Motors and Fiat Chrysler respectively.

According to the indictment, Jones, Robinson, Pearson and Williams, along with several other top UAW officers, engaged in a scheme to illegally divert money from UAW funds to cover personal expenses that were falsely reported as union business. Among the expenses cited in the indictment were "cigars, private villas, high-end liquor and meal expenses, golfing apparel, golf clubs, and green fees" totaling over $750,000.

Jones was also named as party to the diversion of some

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$500,000-$700,000 in cash from UAW funds to Jones and other co-conspirators, including Williams.

Among the offenses charged against Jones was the ordering of $13,046.91 in premium cigars at the request of "UAW Official B," Williams, falsely represented as a conference expense. Jones and Pearson were also cited in an incident where they falsely told a UAW accounting official that a $19,041.33 expense had been for "meals." Instead, the money was used to pay for golf green fees and golf equipment for Jones and other top UAW officials.

Jones and his co-conspirators have also been cited for tax evasion for failing to report to the Internal Revenue Service the more than $1 million they stole from the UAW.

Among the specifics charged against Jones, Williams and others was the transfer of $539,608 to four high-end resorts and another $290,852 for luxury condominiums and villas, lavish restaurants, golf green fees, spa services and cigars. Another $133,611 in siphoned-off UAW funds were dispersed directly in cash payouts to Jones and Robinson.

The recent indictment of Jones and two other top UAW officials underscores the necessity for autoworkers to advance an independent course of action through the building of rank-and-file factory committees, completely independent of the corrupt UAW, to fight to defend their jobs and improve their living standards and working conditions.

Workers should place no confidence in the federal prosecutors or the courts to defend their interests. The federal government's intervention is not aimed at "returning the union to its hardworking men and women," as claimed by Schneider, but to shore up the union apparatus under conditions where it is completely discredited and amidst a brewing rebellion among rank-and-file autoworkers. The federal intervention is being spurred on by the concerns of sections of the corporate establishment that the UAW is losing its grip and will be unable to suppress an insurgency by autoworkers. Their fears were only heightened by the 40-day strike by GM workers last fall, the largest strike by US autoworkers in decades.

Under these conditions the intervention by groups such as Labor Notes and the Democratic Socialists of America is particularly pernicious. They have sponsored Unite All Workers for Democracy (UAWD) to promote illusions that the UAW can be reformed through rank-and-file pressure. However, the UAW quashed a recent effort by UAWD to force the calling of a special constitutional convention to amend the union constitution to provide for direct election of top union officers.

Neither a federal takeover nor changes to the union constitution will change the essential character of the UAW, which long ago ceased to be a workers' organization in any meaningful sense. Over the past four decades, the UAW has imposed one sellout after another while overseeing the destruction of hundreds of thousands of jobs. Meanwhile, the auto companies have poured literally billions of dollars into the coffers of the UAW through joint training programs and other bribes, essentially converting the union into a wholly owned subsidiary of management.

The degeneration of the UAW is not simply the product of bad leaders, but of its bankrupt pro-capitalist and nationalist program. This is demonstrated by the fact that the Teamsters and other unions in the US, and unions all over the world, have followed the same path, suppressing strikes and enforcing the dictates of employers. These organizations do not unite workers, but instead promote nationalist divisions, pitting workers against their brothers and sisters overseas in the name of improving the competiveness of "their" capitalist employers.

That is why workers need to break free of the stranglehold of these anti-working class organizations by building rank-and-file factory committees to fight for their interests and unite workers across borders to oppose the exploitation of the global corporations.

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