

MGM Resorts to lay off 18,000 workers

Adam Mclean
31 August 2020

On Friday, the casino and entertainment giant MGM Resorts International sent a letter to some 18,000 furloughed employees notifying them that their jobs are to be formally terminated on Monday.

At the beginning of the year, the Las Vegas-based casino and resort chain had employed some 70,000 workers. This means that that MGM has now laid off about 25 percent of its workforce. This number is also equivalent to about 2 percent of the entire participating labor force in the greater Las Vegas metropolitan area, although the company has operations nationwide.

With the arrival of the pandemic in America in March, MGM furloughed about 62,000 employees and shut down its casinos. Yet facing losses of billions of dollars in revenue, MGM and the other major casinos moved to gradually reopen over the intervening months, despite the risk to public health. In Clark County, Nevada, where Las Vegas is located, there have been just under 60,000 cases of COVID-19 and over 1,100 deaths.

The laid-off workers will also lose their health benefits at the end of September, meaning they will face the prospect of being caught without access to medical care if they contract COVID-19. This will likely prove to be a death sentence for some of them.

The Culinary Workers Union (CWU), the largest union in Nevada with some 60,000 workers, has not opposed these layoffs. Rather than call a strike, the CWU has put forward the tepid demand that workers be given the "Right to Return," or the right to be rehired to their old positions, at such time "when the economy recovers."

This is a demand that MGM, on paper, is already willing to meet. CEO Bill Hornbuckle said that laid-off employees will remain on the company's recall list and will retain benefits and seniority if they are rehired by the end of next year.

The CWU recently proclaimed a "victory" in Nevada

with the passage of the Adolfo Fernandez Bill, named after a utility porter who died after contracting COVID-19, which purports to enforce strict health regulations on casinos to help limit the spread of the disease. In reality, the bill immunizes businesses from liability unless they violate "controlling health standards" with "gross negligence." Given the fact that official health regulations are being continuously eroded by both the Trump administration and within Nevada—in April, Las Vegas Mayor Carolyn Goodman offered up the city's 650,000 residents as "guinea pigs" for re-opening—this amounts to a blank check to businesses to violate elementary safety precautions. Significantly, the bill was also supported by MGM.

It was signed into law in early August on a livestreamed video which included Nevada's Governor Sisolak, Hornbuckle, CWU spokeswoman Geoconda Argüello-Kline and Fernandez's daughter. Just three weeks prior to the layoff of 18,000 MGM employees, Hornbuckle had this to say:

"Nevada has proven that it is possible to protect employees, business, and our economy, while also holding bad actors and irresponsible businesses accountable... Bills like this are not just needed in Nevada, but throughout the country. As Nevada's largest private employer, MGM is proud to partner with the governor and legislative leadership and the Culinary Workers Union to protect workers and to continue our economy's recovery. MGM has had a long and productive relationship with the union, and our partnership is more important than ever in the wake of COVID-19."

The CWU operates the Culinary Health Fund, which covers healthcare for 130,000 Nevadans, the CWU's members, and their dependents. It is one of the state's largest healthcare providers. Argüello-Kline sits on its board, and it is jointly administered by and receives funding from a number of Las Vegas casinos. As with

many other unions, such jointly-managed funds act as cash cows, and are a vehicle through which the financial interests of the union are brought in line with those of the corporations.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact