# Former UAW President Dennis Williams pleads guilty to embezzlement, facing slap-on-the-wrist sentence

**Shannon Jones**
**2 October 2020**

The plea deal Wednesday between former United Auto Workers (UAW) President Dennis Williams and federal prosecutors is the latest chapter in the government investigation into UAW corruption that has led to charges against 15 people, including a number of top UAW officials.

Williams, who was president of the UAW from June 2014 through June 2018, is the second UAW president to plead guilty to charges in the probe. Former UAW President Gary Jones pled guilty in June this year to embezzling more than $1 million from the union treasury.

Sentencing for Williams will be in January. The original charges against him carried a maximum term of five years in prison and a $250,000 fine, but his plea agreement set the maximum sentence to two years in prison, and he likely will get less than that. If he is sent to jail, it will be a country-club-type minimum-security prison with amenities not available to typical convicts, such as the facility from which convicted former UAW Vice President Norwood Jewell was released early in May.

The conviction of Jones and now Williams blows apart the claim by the UAW that corruption was just the work of a few "bad actors" in the organization. In fact, the very being of the UAW is permeated with corruption. It is in every aspect a criminal conspiracy against the workers.

The charges against Williams were relatively mild compared to the charges leveled against other top UAW officials. According to the indictment, Williams illegally authorized payment of expense vouchers from union funds for golf fees, cigars and stays at luxury villas that had no relation to legitimate union activities. Among the free perks Williams received were lengthy winter stays in Palm Springs, California, to the tune of tens of thousands of dollars.

Williams remains at liberty after posting a token $10,000 unsecured bond. He is free to travel anywhere within the continental United States. As part of the plea deal, he will forfeit golf clubs and equipment seized from his home last year. He owes some $15,000 in back taxes.

On September 18, Williams officially resigned from the UAW. The union executive board asked him to repay $56,000 in expenses it said were personal in nature. Up until August, just before the indictment against Williams was unsealed, the UAW continued to pay his legal expenses, which totaled over $320,000 in 2019 alone. The UAW said it will sell the luxury cottage it built for Williams at the union's Black Lake resort.

The federal indictment of Williams makes no reference to other, more serious, allegations against him. In 2018, the *Detroit News* quoted unnamed sources who said Williams was under investigation for authorizing potentially millions in illegal payments from joint union-management funds to cover UAW expenses. Williams is also named in court documents recently filed by General Motors (GM) in an effort to revive its lawsuit against Fiat Chrysler (FCA) over what GM says were damages it incurred due to the bribery of UAW officials by its rival.

According to GM, FCA set up secret offshore bank accounts for top UAW officers, including former UAW President Ron Gettelfinger, through which tens of millions of dollars were funneled, a scale of bribery that would be far beyond that which had previously been revealed. In regard to Williams, GM alleged that "accounts exist in Switzerland (LGT Bank) and Liechtenstein (Mason Private Bank) in his name and in the name of a business entity he controls."

GM lawyers claim that Williams was a key player in a scheme by FCA to put former UAW Vice President Joe Ashton, who has pled guilty to separate money laundering and wire fraud charges, onto GM's Board of Directors to

© World Socialist Web Site

serve as a “mole” for FCA.

As UAW secretary treasurer starting in 2010 and subsequently as UAW president, Williams could hardly have been unaware of the illegal diversion of money by Fiat Chrysler executives from joint training funds to bribe top UAW officers, including General Holiefield and Norwood Jewell, to obtain favorable contract terms.

Demonstrating that the removal of Jones and Williams has done nothing to end corruption, the current president of the UAW, Rory Gamble, was named earlier this year as the subject of a probe involving kickbacks from union vendors.

In August, the *Detroit News* reported that the US Department of Justice had proposed a deal to wrap up the federal corruption investigation of the UAW involving a 10-year period of federal supervision and an independent monitor. The agreement would avoid a direct federal takeover of the union under the Racketeer Influenced and Corrupt Organizations (RICO) Act.

If implemented, the deal would not alter the anti-worker character of the UAW. It would simply involve placing the UAW even more directly under the thumb of the federal government, to the further detriment of the democratic rights of workers.

The pending oversight deal and a halt to further indictments of union officials indicate that the government is fearful of totally destabilizing the UAW and thus losing its usefulness as a tool to suppress the struggles of workers.

More is involved in the degeneration of the UAW than the corruption of individuals, as shameless and disgusting as it has been. The transformation of the union into an extension of the corporations and the government flows from the nature of the trade union form of organization itself. Based on its nationalist and pro-capitalist program, the UAW reacted to the rise of globalized production by rejecting any demands for reforms and joining hands with the US auto companies to cut workers’ wages and benefits.

At the same time, the unions found new sources of income through the formation of a host of joint union-management programs funded by corporate cash. With the creation of the retiree health care trust fund (VEBA) financed by billions in auto company stock, the UAW received a new and even more lucrative source of funding.

Thomas Adams, a former GM Buick City worker who has carefully studied UAW finances, noted, “The theft of a couple million dollars by a few UAW officials is a rounding error considering the hundreds of millions of dollars that have flowed into the UAW since 1982. Not to mention the $65 billion Retirees Healthcare VEBA and the unspecified annual $200 million ‘administration fees’ associated with the Trust. And the money continues to flow even under the shadow of this investigation.”

The ongoing exposure of corruption in the UAW highlights the urgency of building and expanding the network of independent rank-and-file safety committees in the auto plants as the coronavirus pandemic rages on. The reopening of schools across the US, in opposition to the advice of medical experts, is creating the conditions for an even more catastrophic spread of the virus.

Meanwhile, the UAW and management have abandoned even the inadequate safety protocols introduced when auto production resumed in May. They are at the same time suppressing all information about the spread of COVID-19 cases in the plants, making it impossible for workers to protect themselves against the virus.

Already, autoworkers at a number of key auto and auto parts plants have established rank-and-file safety committees independent of the UAW, management and the two corporate-controlled political parties. A network of committees, joining workers across occupations and industries, must be established to implement the measures necessary to protect the health and safety of workers, including full documentation of all COVID-19 cases. For more information about building a rank-and-file safety committee in your plant, contact the *Autoworker Newsletter*.

To contact the WSWS and the Socialist Equality Party visit:

**wsws.org/contact**

© World Socialist Web Site