

Federal prosecutors recommend two-year sentence for former UAW President Dennis Williams for fraud and corruption

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Federal prosecutors are requesting a 24-month sentence for the disgraced ex-president of the United Auto Workers, Dennis Williams, for his use of hundreds of thousands of dollars in corporate cash and workers' dues money to finance lavish getaways for himself and his fellow union bureaucrats, court filings revealed on Monday.

Williams is one of 14 UAW officials and corporate executives to have been charged in a years-long federal corruption probe. Williams pleaded guilty last October to federal charges, which would have carried a maximum sentence of five years. However, the terms of his plea deal capped his sentence at two years.

The charges against Williams, as with his successor, former UAW International President Gary Jones, stem from his role in the use of the UAW Region 5 annual conferences as an occasion for lavish, weeks-long “all-expenses-paid vacation[s]” in Palm Springs, as the sentencing memorandum describes it. Williams, Jones and numerous other top UAW officials stayed in luxurious villas for as long as a month, dined on lavish meals, and spent hours on high-end golf courses, paid for from a “master account” with the resorts, whose purpose was to conceal the nature of the expenses.

While this fancy getaway had long been a fixture for the union, spending allegedly expanded “totally out of control” under Williams. For example, union bureaucrats spent \$60,000 on cigars and related paraphernalia alone, as well as thousands of dollars on steaks and liquor. According to the memorandum, Williams spent \$1,760 on four bottles of champagne specifically at the request of his wife.

Williams is still attempting to throw his fellow gangsters under the bus by claiming that he had no specific knowledge of where the funds came from, attempting to pawn responsibility off onto Jones in particular, who was Region 5 Director while Williams was president. Williams absurdly claimed that he suspected the hundreds of thousands of dollars in funds came from the union's “flower fund,” a claim that prosecutors have rejected and cited as a reason for recommending the maximum sentence under the plea deal.

In reality, prosecutors explained, Williams was instrumental

in diverting the necessary additional funds to the union's annual bacchanalia. According to one anonymous UAW official who spoke with investigators, Williams responded to his concerns over the source of the funds by explaining that the money came from the union's “Regional Activity Fund.”

Taken as a whole, the facts laid out in the memorandum leave no doubt as to the need for workers to break with this rotten criminal organization and build new organizations of struggle. The reactionary social outlook of the UAW bureaucracy is not the product of a few bad apples, but of social and financial interests of the organization itself, which is bound by a thousand threads to the auto companies and to the capitalist state. The prosecution of a few corrupt officials in no way changes the anti-worker character of the UAW. The corruption probe has been aimed at upholding the authority of the UAW as a whole, promoting illusions that the union apparatus can be reformed by removing a few corrupt officials and imposing cosmetic measures such as the direct election of officers.

However, the UAW cannot be reformed. The enormous resources the UAW controls puts its officials in another social class entirely from the workers they falsely claim to represent. According to the latest LM-2 filings with the Department of Labor, the UAW national headquarters controls more than \$1.127 billion in assets. The top 14 officials in the union collectively pocketed more than \$3 million in salaries and expenses.

Current UAW President Rory Gamble had a declared income of \$244,772 in 2020, while secretary-treasurer Ray Curry “made” \$236,608. Curry personally ordered the end of the strike at Volvo Truck this past weekend in order to push through a sellout containing massive givebacks in health care. However, the real level of income of the bureaucracy, which includes salaries from various corporate boards and labor-management committees, is much higher.

Moreover, workers have no way of checking the accuracy of the figures reported on the LM-2s, which are signed off by the president of the union—that is, by Williams and his successors. There is every reason to believe that the reported sums are a significant under count.

The sentencing memorandum gives a sense of the scale of the direct infusions of corporate cash used to finance the bloated salaries of the top UAW officials. The UAW received more than \$300 million in salaries and fringe benefits through Fiat Chrysler's National Training Center alone between 2003 and 2019. Williams and other officials were also provided with credit cards from the training centers, which they used to engorge themselves on fancy dinners back in Detroit.

While the memorandum attests that much of this money was distributed illegally, the joint programs themselves constitute a form of legal bribery, thanks to legislation passed in the late 1970s repealing laws against company payouts to unions.

The UAW was long ago brought forward as a full partner in the auto industry's campaign to cut jobs and compensation. Over the past forty-year period, during which time the union has collaborated in eliminating hundreds of thousands of jobs, the financial assets controlled by the UAW have ballooned. These assets, which include auto company stock in the retiree health care trusts funds managed by the UAW, give the union bureaucracy a direct stake in the lowering of the standard of living of autoworkers and the working class as a whole.

As the UAW has been fully integrated with the auto companies, its internal structure has been set up to systematically exclude the ability of ordinary workers to influence the direction of the organization. The memorandum notes that between 1983 and 2014—that is, for most of his career in the UAW—Williams “won” every election he stood in, unopposed. Williams’ elevation to the top of the union was not due to the slightest support from any section of the union membership, but due entirely to building up a base of support from highly paid union executives, among whom the UAW said Williams was an “institution” unto himself.

Vacation junkets, fine wine, million-dollar retirement homes, six-figure salaries and countless other perks represent, in the final analysis, a cut which the union receives from the company in exchange for concessions it imposes upon workers. Summing up the attitude of this social layer, the memorandum cites a 2015 Labor Day speech by Williams, where he declared that “CEOs and board members and Wall Street...didn't have a problem getting theirs, [so] we [should] not feel bad about getting ours.” While the speech was meant to suggest workers should get their share, the memorandum correctly states, “the ‘we’ that he helped ‘get theirs’ were the top-level officials, including himself.”

This is by no means unique to the UAW; similar dynamics exist in virtually every union in every country in the world. To take only one example, the UAW's counterpart in Germany, IG Metall, draws tens of millions of euros in income each year from joint labor-management “works councils.” Former IG Metall bureaucrat Bernd Osterloh recently accepted a position as head of human resources at Volkswagen's bus and truck subsidiary, where he will have an annual salary of €2 million.

While the federal government may be slapping the wrist of

Williams and some of his fellow bureaucratic conspirators now, the capitalist state has deliberately encouraged and directed the corporatist integration of the unions into management for decades. In 2009, Joe Biden, then vice president under Obama, played key role in brokering a deal to hand the UAW billions in corporate stock in exchange for their support for savage wage cuts during the 2009 bailout of the auto industry.

Now, Biden is seeking to take such arrangements to the next level, directly relying on the unions to enforce national unity on the working class in order to prepare for conflict with China. Even as Williams awaits sentencing, the Biden administration is directly collaborating with the UAW to establish American dominance of the electric vehicle market.

Enormous levels of anger have built up among autoworkers, particularly as the UAW has directly collaborated in enforcing a deadly return to work during the pandemic. The way forward is through the formation of new organizations, rank-and-file committees, completely independent of and in opposition to the UAW. Only in this way can the great power of the working class be unleashed in defense of its basic rights. Such committees have already been built at factories and workplaces throughout the US and internationally with the assistance of the *World Socialist Web Site*.

Now, the WSWS and the International Committee of the Fourth International are fighting to join together the struggles of American workers with their brothers and sisters globally through the launching of the International Workers Alliance of Rank-and-File Committees (IWA-RFC). This movement will seek to assist workers in breaking free from the shackles imposed by the anti-democratic, right-wing, pro-capitalist unions of which the UAW is an odious example.

For more information, contact the WSWS by filling out the form at wsws.org/workers.



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