

As Volvo workers conduct war on two fronts

Ex-UAW president Gary Jones gets wrist-slap sentence for perpetuating “culture of corruption” in union

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10 June 2021

On Thursday, a US District Court judge in Detroit sentenced former United Auto Workers president Gary Jones to 28 months in prison for embezzling up to \$1.5 million in union funds to finance golf trips, private Palms Springs, California villas, and lavish meals for top UAW executives.

US District Judge Paul Borman also ordered Jones to pay a \$10,000 fine, plus \$42,000 restitution to the IRS and \$550,000 to the UAW. He will also have to forfeit \$31,000 in cash, a custom-made set of Titleist golf clubs seized at his home during an August 2019 FBI search and relinquish \$83,613 held in his “Flower Fund” account and \$38,644 in his “Members in Solidarity” account.

This is a wrist-slap fine for the former UAW president, who federal prosecutors said conducted a nine-year conspiracy with at least six other top UAW officials to steal workers’ dues money and enrich “a small group of high-level UAW officials.” Jones will be the second UAW president to be thrown in prison, following last month’s sentencing of his predecessor, Dennis Williams, to 21 months in jail.

The average sentence meted out to corrupt UAW officials so far has been 17 months, who have been sent to country club-style prisons for white-collar criminals. While treating the corrupt union officials with kid gloves, the capitalist courts rarely show such leniency towards workers. A Louisiana man was recently paroled after serving 23 years of a life sentence for stealing a pair of hedge trimmers in 1997.

Jones’ sentence was reportedly reduced due to his “substantial cooperation” with the FBI, which led to the conviction of Williams and other top officials, as well as the UAW’s agreement to accept a court-ordered monitor for six years.

The sentencing came on the fourth day of the strike by nearly 3,000 Volvo Trucks workers in Dublin, Virginia. The workers, who overwhelmingly rejected two attempts by the

UAW to impose pro-company contracts, are seeking to restore losses they suffered over the last three UAW-backed labor agreements. The court documents released yesterday highlight the immense chasm between the striking Volvo workers and other autoworkers and the corrupt executives who run the business enterprise known as the UAW.

“Instead of protecting the hard-earned dues money of hundreds of thousands of UAW workers, Jones perpetuated a culture of corruption. He betrayed the trust of the union’s members by engineering a multi-faceted, multi-year embezzlement scheme that benefited the UAW’s most senior leaders and himself,” the sentencing memo states.

“While serving as the UAW’s Region 5 Director—one of the most senior positions within the UAW—and as a member of the International Executive Board, Jones engineered a scheme to embezzle union funds so he and the other top union leaders could maintain a jet-setting lifestyle.

“Using the cover of UAW Region 5 conferences in Missouri and California, Jones used UAW dues money to pay for anything and everything he and the other top UAW leaders wanted: He provided custom-made sets of golf clubs for himself and co-defendants Dennis Williams, Vance Pearson, and Edward Robinson, with each set costing thousands of dollars. He allowed the senior UAW leaders and their families to vacation for months at a time in posh Palm Springs villas. He provided lavish meals, over \$60,000 worth of cigars, entertainment, rounds of golf, and liquor. Through the scheme, UAW leaders took over \$100,000 worth of clothing, golf equipment, and other items.”

In another scheme, prosecutors said, “Jones and Robinson stole hundreds of thousands of dollars by submitting duplicate invoices for “conference” expenses which had already been paid. Jones took approximately \$45,000 in cash for his own personal use from this scheme. Robinson likewise kept some of this cash for himself. Robinson also

used the cash to pay for gambling and liquor for former Region 5 Director Jim Wells. And he also used a portion to pay for extra entertainment and items for senior UAW officials in California and Missouri. Jones improperly obtained, through Robinson, an additional \$15,000 in cash from the UAW's Labor Employment Training Corporation.

Over the course of this nine-year conspiracy, Jones used his "control over UAW funds to curry favor with the senior members of the Administration Caucus in order to buy his way to the top," prosecutors wrote. Jones became president of the UAW in June 2018 and resigned in November 2019 as federal investigators closed in and after overseeing the UAW's betrayal of the 40-day strike by 48,000 GM workers.

With Jones, a total of nine top UAW officials have been sentenced in the corruption case so far, plus the widow and accessory of UAW Vice President General Holiefield, who died in 2015 before he could be charged with a crime.

In his appearance before the judge Thursday, Assistant US Attorney David Gardey said prosecutors uncovered three different "schemes of criminality" in the UAW. These include the milking of union funds tied to UAW conferences; kickback schemes with third parties involving UAW-related promotional clothing and paraphernalia; and the funneling of corporate money through labor-management "training centers" to bribe UAW officials to sign company-friendly contracts.

Fiat Chrysler executives paid an estimated \$3.5 million in bribes to keep UAW officials "fat, dumb and happy," investigators found. This included approving the use of training center credit cards so UAW officials and their relatives could purchase hundreds of thousands of dollars in personal goods. This also included \$262,000 to pay off Holiefield's mortgage and a lavish party for his successor, Norwood Jewell. In exchange, Holiefield, Jewell and others negotiated contracts that introduced multi-tier wage schemes, abolished the eight-hour day and cut healthcare and retiree benefits. Holiefield also negotiated the 2008 deal with Volvo Trucks that imposed the hated two-tier system, which Volvo workers are fighting to overturn now.

As the *World Socialist Web Site* has explained, Volvo workers face a war on two fronts. They are fighting a giant multinational corporation, which enjoys the backing of both big business parties and the capitalist courts and police. They are also fighting the UAW, which is not a "workers' organization," but a criminal syndicate led by corrupt executives whose material interests are completely hostile to those of the workers they claim to represent.

This is not, as the federal prosecutors claim, a matter of a few bad apples. The UAW will not change its spots through a few convictions, consent decrees or even a direct

membership vote for top leaders.

Since 1979, UAW membership has fallen by 75 percent, or more than 1 million members. Yet, according to its latest filing with the US Labor Department, the UAW controls assets worth \$1.1 billion. In addition, its top executives are trustees and benefit from control of the \$61 billion UAW Retiree Medical Benefits Trust and various "non-profit" enterprises with Caterpillar, John Deere, Navistar and other companies.

While the corruption exposure forced the sale of the \$300 million UAW-GM Center for Human Resources on the Detroit River and the nearby UAW-Chrysler National Training Center, the undisclosed proceeds from the sales were rerouted into the joint training programs. Since their inception in 1982 the training centers have transferred billions in corporate dollars into what would be better called "UAW, Inc."

The last thing the UAW wants is for Volvo workers to achieve major gains after rejecting two union-backed contracts. This would inspire not only autoworkers, but every section of the working class to launch a counteroffensive to reverse the decades-long upward distribution of wealth from the working class to the corporate and financial elite.

That is why the UAW is deliberately isolating the strike and working with the company to defeat it. While the UAW is trying to starve Volvo workers into submission with \$275 a week in strike benefits, it spent \$2.3 million on legal fees to defend its corrupt officials in 2019. The massive fees in 2020 include the reimbursement of \$22,100 to Norwood Jewell.

Autoworkers have a particular duty to come to the aid of the striking Volvo workers and break the UAW's isolation of their struggle. Joint rallies, demonstrations and strikes should be prepared to overturn the decades of UAW givebacks. Autoworkers in Detroit, Chicago, Kansas City, St. Louis and other areas should support the Volvo Workers Rank-and-File Committee, which has led the fight against the two UAW sellout contracts, and expand the network of rank-and-file committees to prepare a globally coordinated counteroffensive by the working class.



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