

# What does the UAW spend its money on?

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With the United Auto Workers union planning to give out just \$275 a week in strike pay to Volvo Truck workers in southwestern Virginia who are nearing the end of their second week on strike, many workers have been wondering: Where exactly does all the UAW's money go?

In its LM-2 tax filing with the US Department of Labor, UAW Secretary-Treasurer Ray Curry reported that the national headquarters spent over \$286 million last year. The expenditures are divided into standardized categories such as “representational activities” (\$90 million), “purchase of investments and fixed assets” (\$76 million), “general overhead” (\$45 million), “benefits” (i.e., for the UAW's national executives and staff, \$29 million), “union administration” (\$10 million) and “political activities and lobbying” (\$7 million).

Among the least of its expenditures in 2020 were strike benefits, at only \$6 million.

Concealed behind these abstract and innocuous sounding financial categories is a large institutional apparatus which has two primary objectives: first, the enforcement of corporate management's wishes at the expense of workers; second, the self-enrichment and comfort of the “union” executives and functionaries who make up this apparatus.

Below is a summary of only some of the most revealing financial outlays. Unless otherwise noted, all figures are for payments reported by the UAW for 2020.

## Six-figure salaries for the UAW's national officers and staff

- Compensation, including salaries and other financial “disbursements,” to the more than 600 individuals on the UAW's national payroll: \$80,275,893

- Compensation for the UAW's 14 top executives and directors: \$3,027,994

Out of a total national headquarters staff of about 660, *more than 450* were paid over \$100,000 in 2020.

The average compensation for those on the payroll of the misnamed “Solidarity House” was \$121,815. This amount is nearly double the maximum hourly pay for a senior autoworker earning around \$31 an hour at one of the Big Three automakers' assembly plants. It is nearly four times the annual pay of new hires at Volvo Truck or the auto plants under the UAW's two-tier wage scheme.

In 2018, the UAW's well-vetted delegates at its constitutional convention approved a 31 percent salary increase for the union's officers, fixing their compensation to a multiple of what's paid to “international representatives.” The UAW paid over \$200,000 to 17 individuals in 2020, with President Rory Gamble topping the list at \$244,772. Curry, who signed the two pro-company deals shot down by Volvo workers, pocketed \$236,608.

This level of income—which, it must be pointed out, is only that which is officially reported and does not include retirement packages or paid positions on corporate boards and the UAW Retiree Medical Benefits Trust—places these executives well within the top 10 percent of income earners in the US, with habits, tastes and prejudices reflecting the upper-middle class social strata to which they belong.

While the number of those on the UAW's payroll has nominally declined from around 1,000 a decade ago to about 660 last year, the headquarters has remained stacked with individuals whose job duties seem to consist of nothing more than pulling in an income derived at least in part from workers' dues. There are more than 250 “servicing reps” and over 130 “assistants” of various ranks, as well as 65 “secretaries” and some 25 typists and stenographers.

Included among these were Justin and Derek Jewell, the sons of convicted former UAW Vice President Norwood Jewell, each of whom earned \$140,000 in annual salary in 2020 as “servicing reps.”

## Legal expenses related to the federal investigation into UAW corruption

- Legal fees paid between 2014 and 2020 to the law firm which has overseen the UAW's defense in the federal corruption case, Cotsirilos, Tighe, Streicker, Poulos & Campbell, Ltd: \$2,674,958

On its website, the Cotsirilos firm advertises itself as “an elite civil and criminal litigation boutique,” noting its record defending white-collar criminal cases and “high-level corporate executives.”

The years-long federal corruption investigation revealed sprawling criminality within the UAW's top echelons. Fiat Chrysler executives paid an estimated \$3.5 million in bribes to keep UAW officials “fat, dumb and happy,” investigators found. To date, two former UAW presidents, Dennis Williams and Gary Jones, have pleaded guilty to their part in a scheme to embezzle millions in union funds, with each receiving only wrist-slap prison sentences, of which they will likely serve only a portion.

Then-UAW Vice President for Chrysler and the head of its Heavy Truck Department, General Holiefield, had his \$262,000 home mortgage paid off by the company, along with receiving designer clothing, watches and other luxury goods, often with funds funneled through the UAW-Chrysler “training” center. Holiefield sold out the six-week strike by Volvo Truck workers in 2008 and signed the 2008 and 2011 sellout deals at Volvo that implemented the multi-tier wage and benefit system and imposed other givebacks. He died in 2015, before he could be charged with a crime.

The UAW has continued to pay the legal fees of individual officers, including UAW Secretary-Treasurer Ray Curry. Curry had over

\$10,000 in legal fees paid for by the UAW from 2019 to 2020. The union has not revealed the purpose of the legal services.

In addition to Curry, the UAW reported that it paid legal expenses for three other officers last year: UAW Vice President Cindy Estrada (\$1,210), who has pushed through substantial concessions while overseeing first the General Motors department and now Fiat Chrysler/Stellantis; Region 9A Director Beverley Brakeman (\$10,718); and Region 8 Director Mitchell Smith (\$10,888), under whom the Virginia Volvo Trucks plant falls.

### **Hotel expenses for “conferences” and other events**

- Payments in 2020 for hotels and conferences: \$2,908,811

The UAW paid \$2,138,112 to hotel company Marriott alone last year, including close to a million for a February 2020 conference in Washington for its political lobbying arm.

One can be sure that if it weren't for the coronavirus pandemic effectively prohibiting conferences throughout most of the year, this figure would have been higher, with the all-expense paid trips to luxury accommodations with well-stocked buffets euphemistically described as “conferences” being one of the main perks of a position on the union's national and regional staff. In fact, the UAW had to pay a \$30,000 fee to Caesars Entertainment, the hotel and casino giant, for canceling a May 2020 International Executive Board meeting.

Since 2015, the UAW has also spent nearly \$2 million on conferences and stays at beachfront hotels—the Sirata Beach Resort and the Bilmar Beach Resort—near Tampa, Florida, hundreds of miles away from the nearest UAW-represented assembly plant.

### **Upgrades to UAW national headquarters and regional headquarters**

- Improvements to the UAW's headquarters, “Solidarity House,” in Detroit: \$6,252,692

The UAW has routinely spent anywhere from hundreds of thousands to over a million dollars a year on its Detroit headquarters, with that figure jumping substantially to over \$6 million last year.

Presumably, a large portion of these funds was expended on renovating the building following the fire which broke out in July 2019 under mysterious circumstances, coming as it did near the height of the federal corruption investigation. Days after the fire, agents from the FBI, the Internal Revenue Service and the Department of Labor served a grand jury subpoena for security camera footage and visitor logs. Earlier that year, then-UAW President Gary Jones was recorded on a wiretap telling a subordinate that he wished they had “burned the records” related to their embezzlements scheme.

In addition to the money spent on the refurbishment of Solidarity House, the UAW also paid out significant sums on other facilities used primarily by union executives, including improvements to its Region 4 offices in Illinois (\$6.5 million) and its Washington D.C. offices (\$1 million).

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Over many years, the UAW has found myriad ways to insulate its finances from the impact of the decline in its membership, which fell from a high of around 1.5 million in 1979 to less than 400,000 in 2020, a product of the UAW's collaboration with the companies in enacting endless job cuts and plant closures.

Despite a net loss of over 1,700 members from 2019 to 2020, the UAW nevertheless grew its assets by over \$26 million, reaching a total of \$1.1 billion by the end of the reporting period.

The automatic deduction of dues payments from workers' paychecks remains a substantial portion of the UAW's income, with the union taking in over \$170 million in dues payments last year.

As the *World Socialist Web Site* wrote during the 2019 General Motors strike, for decades the strike fund—now valued at \$790 million—has been used by UAW executives as a multimillion-dollar piggy bank. From the 1980s onward, UAW officials repeatedly amended the organization's constitution to facilitate direct cash transfers from the strike fund to UAW salary payments and other expenses. As a result, the UAW now spends significant amounts of money derived from the strike fund on non-strike-related activity.

In the open letter to the UAW released earlier this week, the Volvo Workers Rank-and-File Committee demands “full income for all workers on strike, beginning immediately, paid for by the UAW strike fund built up with our union dues. We will not be starved on the picket line while you conspire with the company to impose a deal even worse than the ones we rejected.”

The UAW has long since ceased to be a “union” in any meaningful sense of the term. Its executives have developed material interests and appetites which reflect its transformation into an agency of corporate management, forcing through the companies' demands, disciplining and dividing workers, blocking strikes, or, when it cannot prevent them, working to ensure their defeat.

The integration of the UAW by a million and one threads into the structures of the companies and the corporate-controlled government prohibits its reform. For workers to secure their needs, rank-and-file committees such as that initiated by Volvo Trucks workers and other autoworkers must be expanded, uniting workers in a network and allowing them to coordinate their efforts at workplaces across the globe and throughout different industries.



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