

# Weeks after sellout of Seattle carpenters strike, union officials ousted over corruption allegations

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The United Brotherhood of Carpenters and Joiners of America (UBC) union has put the Pacific Northwest Regional Council of Carpenters under trusteeship and installed James Gleason as supervisor. The regional council, also known as the Northwest Carpenters Union (NWCU), is the collective bargaining unit for 28,000 carpenters and other building trades workers across Alaska, Idaho, Montana, Oregon, Washington and Wyoming.

Executive Secretary-Treasurer Evelyn Shapiro, Director of Organizing Juan Sanchez and Director of Contract Administration Dan Hutchins all resigned from their positions and the union. Among their last official acts was to issue a statement to “welcome and consent to the UBC Trusteeship.”

The decision was taken October 25, just two weeks after Shapiro, Hutchins and other NWCU officials—working under the direction of the national parent union, the UBC—shut down a three-week strike by carpenters and narrowly pushed through a pro-company contract.

After years of eroding living standards and working conditions, overseen by the unions, rank-and-file workers rejected four consecutive NWCU-backed contract proposals and forced the union to call its first strike since 2003 on September 16. Instead of calling out all 12,000 union carpenters in Washington, the NWCU kept 10,000 on the job, citing “no strike” pledges it signed with the contractors at projects receiving government subsidies and tax cuts.

After weeks of strikebreaking by union officials, the NWCU pushed through a fifth deal, which included a \$10-an-hour raise over three years, far short of the workers’ demands for a \$15 an hour raise. The union also agreed to a mere \$1.50 per hour for parking pay, leaving carpenters to pay hundreds of dollars each week to park their vehicles in expensive downtown locations.

According to a November 3 letter to NWCU members from Gleason, the supervisor from the national union, “There is a UBC team on the ground in the Kent office conducting a thorough investigation into voter fraud, pension and welfare investment improprieties, and other areas of mismanagement.”

A report on the NWCU web site said UBC President Doug McCarron attended a November 8 union meeting in Seattle. Among the issues McCarron reportedly “clarified” were:

- “The Delegate body and E-board are disbanded while NWCU is under UBC trusteeship. New elections will be held once the trusteeship is complete.
- “A new investment advisor has been hired by the Carpenters Trusts of Western Washington.
- “\$250 million of pension and health fund assets were lost in the

Allianz hedge fund investments.

- “There was evidence of voting fraud during the member ratification vote for Western and Central Washington Tentative Agreement (TA) 3, but it has not been determined whether TA4 or TA5 were impacted.”

What “improprieties” occurred with the pension and health funds is not yet clear. However, they would be nothing new to McCarron (salary \$519,000), who runs an organization that is little more than a criminal syndicate.

A month before putting the Seattle-based region under trusteeship, McCarron dissolved the St. Louis-based region, transferring oversight to the Chicago regional office. Executive Secretary-Treasurer Al Bond, who led the St. Louis region since 2015 and is a major player in the local Democratic Party, oversaw a 63 percent increase in payroll expenses for union officials, plunging the local into \$8 million in debt.

In 2011, Walter Ralph Mabry, former chairman of the Michigan carpenters pension fund’s board, pleaded guilty for taking kickbacks in the form of \$5,000 to \$10,000 in hotel and entertainment reimbursements from an investment consultant and one of the fund’s investment managers.

In 2019, George R. Laufenberg, the former administrative manager of New Jersey Carpenter’s Pension, Annuity, Health and Training/Apprenticeship Funds, was indicted for defrauding the funds of more than \$1.5 million. Laufenberg, who made a \$300,000 salary, was charged with using his authority to unilaterally grant himself a \$120,000 pension and \$180,000 in annual deferred compensation, without retiring, or without giving notice or receiving approval from the funds’ board of trustees.

John Ballantyne, a former high-ranking official in the Northeast Regional Council of Carpenters, filed a lawsuit against the national UBC leadership, alleging that they had put the local council under trusteeship in May 2018 as cover to fire Ballantyne for revealing Laufenberg’s corruption, which had the blessing of the national leadership. The defendants in the case include McCarron, Frank Spencer, the second general vice president of the national union, and Michael Capelli, the Eastern District vice president.

McCarron is not intervening in the NWCU to “clean up” the region, let alone to make it more answerable to its members. In the eyes of the UBC leadership, Shapiro & Co. are too discredited to contain the revolt of the carpenters, which threatens the union’s longstanding and lucrative relations with the construction bosses and the two big business parties.

The health and pension funds are controlled and administered by

“equal representation of labor and management” and form the core of the corporatist arrangements between unions and contractors. Sweetheart contracts—such as the Project Labor Agreements, which include no strike clauses and substandard wages and conditions—provide a steady flow of dues income to the union bureaucracy, plus employer contributions to the joint pension funds. The pension funds provide both “legal” and illegal streams of revenue for bureaucrats at every level of the UBC.

Long before the pandemic, the carpenters and other unions gambled with workers’ pension funds, and if losses occurred, they simply made retirees pay for it. A November 2019 *Detroit Free Press* report noted that the Detroit Carpenters Pension Trust Fund—which covers almost 20,000 active and retired members—sunk \$100 million in risky investments and real estate deals, including “a time-share resort in Hawaii that didn’t get built and an energy drink company run by a twice-convicted felon that went bankrupt.” It added, “To stabilize the fund, the pension trustees are seeking permission from the US Treasury Department to slash many of their members’ pension checks by amounts such as 16% to 26%, starting in July 2020.”

The Carpenters Trusts of Western Washington (pensions) and Carpenters Health & Security Trust (retiree health benefits) were two of several union funds which lost billions after the 20 percent fall on the stock markets in February and March 2020. The pension funds for carpenters, New York City transit workers, Teamster truck drivers, Milwaukee city workers and Arkansas teachers are currently seeking \$6 billion in damages from the German-based hedge fund manager Allianz Global Investors, alleging they were misled about the company’s risky investment strategies.

The Seattle strike is part of a growing wave of construction workers struggles. In April 2020, 13,000 carpenters in Massachusetts carried out a two-week strike over the lack of pandemic protections on construction sites, defying Republican Governor Charlie Baker’s declaration that builders were “essential workers” who had to continue risking their lives. “You’ve got a lot of uncertainty with all the different factors facing construction today, from labor shortages to materials,” Charles Krugel, a labor attorney for management in Chicago, told *Construction Dive*. “So you’re bound to see more labor action, either in the form of picketing or striking of construction sites.”

The UBC national leadership is looking to strengthen its grip over regional councils and prevent future upheavals. The charges of “vote-rigging” on the third tentative agreement—which was roundly defeated by carpenters—suggest that the UBC hopes to impose tighter control over ratification votes, not to prevent vote-rigging in the future but to assure it.

As the WSWS warned from the beginning, the union bureaucracy cannot be pressured to adopt more militant tactics or reform itself. This was and continues to be the perspective of the so-called union dissidents who lead the Peter J. McGuire Facebook group. In an October 28 statement, McGuire chairman Art Francisco Esparza said that the resignation of the “criminal Shapiro” and the “dissolving of the criminal council Executive Board involved in massive voter fraud over the contract shows” that his group’s “vision, tactics, and strategy were on the right side of history.” He goes on to say, “It is time for working carpenters in the Pacific Northwest to control the Pacific Northwest from the bottom up!”

In fact the group’s “vision, tactics and strategy” of reforming the pro-capitalist unions is hopelessly out of date. The fate of previous efforts by the Teamsters for a Democratic Union, the Miners for

Democracy, the New Directions faction in the United Auto Workers union and countless others proves the bankruptcy of such a perspective. In the end, these erstwhile reformers were inevitably incorporated into the bureaucracies, which remain as corrupt as ever. There can be no doubt the UBC is currently working to recruit members of the McGuire group to provide the new regional council with a “democratic” cover.

Nor can any faith be placed in figures such as Seattle Councilwoman and Socialist Alternative leader Kshama Sawant, who repeatedly urged carpenters to appeal to “Sister Shapiro” to adopt more militant strike tactics. In a statement on the lessons of the strike published on its website on November 4, *Socialist Alternative* explicitly downplayed the revelations of grotesque corruption because it undermines their efforts to keep workers tied to these rotten organizations.

The “most prevalent and insidious corruption isn’t stealing union funds or kickbacks from the bosses” author Logan Swan writes. Instead, “it’s ideological—a corruption of trade union principles. Without any confidence in the organized working class to struggle and win, without being politically equipped to reject the ‘rights’ of the bosses to private property and profit, the union officials accept the terms of the employers and their job then is to strongarm bad contracts and police dissident workers.” In other words, if the mistaken ideas in the heads of the union officials can be changed, all will be well!

Sawant also urges workers to pressure “progressive elected officials,” i.e., the capitalist politicians in the Democratic Party, to protect their interests. But the corporate-controlled Democrats is not going to renounce their material interests any more than the trade union bureaucracy.

The events since the end of the strike confirm everything the *World Socialist Web Site* said about the need for carpenters to take their struggle out of the hands of the UBC. Workers must build a rank-and-file strike committee, completely independent of the UBC and other pro-company unions, that will not bow to their authority. These committees, democratically controlled by the rank and file and committed to fight for what workers need, will establish lines of communication to unite all construction workers and ever broader sections of the working class in the US and internationally. At the same time, the growing industrial struggles of the working class must be fused with a socialist perspective aimed at putting an end to capitalist exploitation and social inequality once and for all.



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