

What the UAW 2021 financial report shows: Assets rise, membership falls

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The UAW realized yet another rise in its total assets in 2021, reaching \$1.18 billion, up from \$1.13 billion in 2020, even as the COVID-19 pandemic raged through workplaces and factories and the union's membership declined to its lowest level since 2010.

The newest LM-2 financial report showed UAW membership declined to 372,254 in 2021, down 6 percent from the 2020 figure of 397,073. That compares to a membership of 701,818 as recently as 2002 and a high of 1.5 million in 1979, before mass layoffs and plant closures began a decades-long decimation of UAW membership.

Despite the decline of membership, the financial assets of the UAW have remained remarkably constant over the decades, reflecting the separation of the interests of the union bureaucracy from the workers it supposedly represents. UAW total assets in 2021 were slightly greater than in 2002, with 430,000 fewer members paying dues.

The financial report reveals even more clearly the direct correlation between the increase in the fortunes of the UAW apparatus and its efforts to enforce the will of corporate management and sabotage workers' struggles.

In 2021, the UAW doled out just \$33,478,986 from its gargantuan strike fund, which actually rose from \$790 million in 2020 to \$815 million by the end of 2021. The strike fund increased despite a number of significant walkouts last year, including 3,000 Volvo Trucks workers in Virginia, more than 10,000 John Deere workers in the Midwest, 3,000 Columbia University graduate student instructors and 2,000 New York University graduate student workers.

During these strikes, as well as a bitter contract struggle at parts maker Dana Inc., workers increasingly rebelled against the UAW bureaucracy's attempts to enforce management-friendly agreements. At Volvo, Deere and Dana, workers voted down a series of pro-company, union-endorsed contracts by 90 percent margins and initiated rank-and-file committees to fight back against the UAW and companies' maneuvers.

In each case, however, the UAW shut down the strikes based on rotten agreements that did not meet the demands of workers, using a combination of lies and intimidation. To facilitate these betrayals the UAW isolated the strikes from the broad mass of the working class while handing out miserly strike checks of just \$275 a week.

The income and expenses of the UAW apparatus

The paltry sums handed out to striking workers are in stark contrast to the \$75 million in salary and expenses paid out to the UAW's

national staff, who all received their full pay while workers were starved on the picket lines.

Moreover, while hundreds of thousands of UAW members have been forced to labor in unsafe conditions in factories during the COVID-19 pandemic, with thousands infected and an unknown number perishing, the highly paid UAW bureaucracy has remained safely working at home virtually the whole time.

Ten international staff officers received more than \$200,000 each in salaries and expenses in 2021. Hundreds of servicing representatives, organizers, bookkeepers, stenographers and others earned more than \$100,000 apiece.

The top paid officials, including their salaries and expenses, were UAW President Ray Curry, \$272,726; Cindy Estrada, \$319,321 (including legal fees); former President Rory Gamble, \$159,452, who held his position for only the first six months of the year; UAW Vice President for GM Terry Dittes, \$238,144; UAW Secretary-Treasurer Frank Stuglin, \$209,842; and Vice President for Ford Charles Browning, \$208,924.

The UAW payroll includes Justin and Derik Jewell, paid \$125,001 and \$128,613 respectively as "servicing reps." Justin and Derik are the sons of disgraced former UAW Vice President Norwood Jewell, who was convicted for taking bribes from Chrysler and released early from his term in a white-collar federal prison.

Along with the large sums spent on union officials' compensation, the UAW spent significant amounts on:

- hotels, conference centers and resorts, totaling \$3.16 million
- furniture rental, \$315,528
- airlines, \$173,915
- landscaping, \$53,056
- food service, \$35,017
- golf courses, \$15,655
- a marina, \$5,000

None of these expenditures has any discernible connection with improving the living standards of the workers the UAW claims to represent. Moreover, they took place despite much-touted claims by UAW executives such as Ray Curry and government officials of supposedly strict controls implemented on the union's finances.

The release of the latest statistics on membership and finances come as the UAW faces a deep crisis, following a federal corruption investigation that exposed outright criminality pervading the top echelons of the union. Since 2017 more than a dozen UAW officials have been convicted of taking bribes and kickbacks, embezzling workers' dues and other forms of corruption. The most recent case involved Timothy Edmunds, the former secretary-treasurer of UAW Local 412 in Warren, Michigan, who pleaded guilty in March to

embezzling \$2.2 million in local union funds and to money laundering.

The UAW's 2021 LM-2 showed that the UAW paid legal expenses for UAW Vice President for Stellantis Cindy Estrada and UAW President Ray Curry amounting to \$113,016 and \$36,069 respectively. Estrada has announced her retirement when her term concludes later this year. Estrada's private charity fund had been the target of federal scrutiny over whether it had illegally been used to funnel money from training centers. No charges have yet been filed.

In 2019 the UAW paid \$320,912 in legal fees defending former President Dennis Williams and \$24,599 defending ex-President Gary Jones. Both men were convicted and sentenced to prison terms. The 2021 LM-2 lists a restitution payment by Williams of just \$76,403.

In addition, the UAW paid out hundreds of thousands if not millions of dollars in uncategorized legal expenses in 2021. This includes Bredhoff & Kaiser PLLC, \$396,080; Cohen, Weiss & Simon LLP, \$122,158; Koskie Minsky LLP, \$88,786; McKnight, Canzano, Smith, Radtke and Brault P.C. \$176,433; and Pinsky, Smith, Fayette & Kennedy LLP, \$156,967, to cite just a few entries.

In most cases these legal fees were not used to defend workers against harassment and victimization by management but to defend the UAW bureaucracy against its own membership.

Another notable expense was the payment to a law firm of \$447,006 for services related to the federal monitor, who is overseeing the UAW as part of the consent decree signed by the UAW ending the federal corruption investigation.

To fund this gargantuan bureaucracy, in addition to dues, the UAW relies on income from its financial holdings. This includes \$218,616,226 in US government securities and \$750,632,397 in other investments, of which \$572,512,125 represent marketable securities. These investments generated \$82,838,868 in interest income last year. In recent decades, the UAW has shifted a larger and larger share of its holdings from US bonds to investments in the stock market, deepening its direct material interest in the exploitation of workers.

Despite the agreement to close the joint training centers, funded by the auto companies but staffed by UAW officials, the 2021 LM-2 reports the union netted \$10.2 million from the GM training center in 2021. The GM Center for Human Resources was closed under terms of the 2019 UAW-GM contract. Corruption was so endemic that workers derisively called it the "Center for Hidden Relatives" due to rampant nepotism.

The filing also reports \$4,884,333 in income from the UAW Ford National Programs Center and \$607,433 from the UAW FCA National Training Center, which was at the center of the corruption scandal in which bribes were funneled to UAW executives in return for "company-friendly agreements." In 2015, during the height of this scheme, the UAW-FCA contract—which workers initially rebelled against and voted down—served as the pattern agreement for the entire Detroit Three.

In addition to the listed revenue and expenses, UAW officials enjoy additional income "off the books" from various forms of union-management collaboration, including the VEBA (Voluntary Employees' Beneficiary Association) retiree health care trust fund, bankrolled with billions in auto company stock. The VEBA is a massive investment vehicle managed by UAW officials earning undisclosed, but undoubtedly substantial, remuneration.

Whom does the UAW represent?

The massive amounts consumed by the UAW apparatus cannot be explained by mere personal corruption, although that exists in abundance. It points to the fundamental change that has taken place over the course of the last four decades, in which the UAW bureaucracy has fundamentally severed any residual connection to the struggle and livelihoods of workers.

As the union membership plummeted due to the UAW's unending betrayals, it acquired new sources of income through forging ever-closer relation to corporate management and the capitalist state. It has functioned more and more as an integral component of the corporations, with upper-middle class executives whose material interests determine their bitter hostility to workers.

Under the terms of the consent agreement the union also agreed to a referendum on whether to switch to the direct election of officers to replace the present system of election by convention delegates. UAW members approved the change in a vote last year. The referendum was part of a broader effort by the Biden administration to shore up the unions. The White House and sections of the ruling class view the union bureaucracies as a bulwark against the growth of the class struggle and a critical instrument to enforce labor discipline as the US prepares for military conflict with Russia and China.

At this point it is not clear how the direct election of officers will take place and whether there will be an opportunity for anyone besides the handpicked candidates of the apparatus to run. In other unions with direct elections, such as the Teamsters, there are onerous requirements for nomination, virtually excluding any genuine rank-and-file militants from running.

Workers must take the measure of the UAW as an institution. No reshuffling of officers will change the fact that the UAW is a pro-company, nationalist, anti-worker organization. With the outbreak of war in Ukraine it has drawn even closer to the big business Biden administration, doubling down on its scapegoating of foreign workers and preaching patriotic sacrifice, insisting workers pay for the costs of the war.

Workers at Deere, Volvo and Mack Trucks, and parts maker Dana pointed the way forward last year, initiating rank-and-file factory committees to oppose the attacks of the UAW and the companies and fight for the real interests of workers. We urge autoworkers to join this struggle and work to expand a network of independent rank-and-file committees throughout your factories and workplaces. These committees, based on genuine democracy, will discuss a fighting agenda based on the needs of workers, not the dictates of the corporations. Such committees will also reject the poisonous nationalism of the unions and reach out to the broadest sections of workers, both in the US and internationally.



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