

# Police launch criminal investigation into kickback scandal involving Unifor ex-president Jerry Dias

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12 April 2022

Toronto police announced Tuesday, April 5, that it has launched a preliminary investigation into a kickback scandal, involving COVID-19 test-kits, that has already led to the resignation of Jerry Dias, the long-time former president of Unifor, Canada's largest private sector union. The investigation is being conducted by the Toronto Police's Financial Crimes Unit.

The move by the police follows a March 23 press conference, at which Unifor Secretary-Treasurer Lana Payne, speaking on behalf of the union's national executive, told reporters that a seven-week independent external investigation into Dias' recent activities determined "on the balance of probability" that he received a \$50,000 kickback from a supplier of COVID-19 rapid test kits. The secret payoff to Dias was in return for his having promoted the kits to "various" employers of Unifor members. A number of these companies subsequently purchased the kit. Throughout the entire process, Dias, citing health problems, refused to make himself available to the external investigators Unifor had hired.

The scandal first came to light when a senior Unifor official—Dias' assistant and close "confidant" Chris MacDonald—informed the union executive on January 26 that Dias had given him a bag containing \$25,000 on January 20 and said that the money was provided by a test-kit supplier. According to a recently leaked psychiatric assessment of Dias, his physician wrote that the payment to Macdonald was linked to Dias' decision to endorse Scott Doherty, his right-hand man at Unifor headquarters and close friend, and bypass MacDonald to take over the presidency of the union after Dias' planned retirement at Unifor's national convention in August.

"Mr. Dias's wrongful conduct may have arisen at least in part due to his feelings of loyalty to the individual who was not chosen to succeed him," the leaked report claimed. The union's executive board has refused to comment on this report or even release the name of the company that provided the kickback. However, their charge that Dias violated democratic practices raises many questions, first among them: Was the bag money meant as a payoff to keep MacDonald from declaring his own candidacy for union president or otherwise disrupt the planned

"coronation" of Doherty?

A final hearing of the case before the union's National Executive Board has yet to be scheduled. It is unclear if Dias will attend. At most, he could forfeit his retiree membership in the union.

The potential punishment for Dias or any other union bureaucrat that the police deem to have been involved in criminal wrongdoing could be much more severe. Unifor recently announced that it had turned over to the police the \$25,000 originally given to MacDonald. The fate of the remaining monies kept by Dias is as yet unknown.

The opening of a police investigation could have deeper and even more explosive ramifications for the union apparatus. The Unifor executive now loses control of the entire investigation. Subpoenas could be issued to everyone involved. Probes could be launched into other, possibly related improprieties.

There is no doubt that the Dias' kickback scandal barely scratches the surface of the abundant corruption and backroom wheeling and dealing that pervades the upper echelons of not just Unifor, but the entire trade union bureaucracy. The president of Local 79 of the Canadian Union of Public Employees (CUPE), which represents 20,000 City of Toronto inside workers, was recently forced to resign after it was alleged he had helped secure a lucrative appointment for one of his assistants in exchange for under-the-table payments.

These corrupt relations are the product of the unions' objective social position as corporatist partners of big business and the capitalist state. For the past four decades, Unifor and its predecessors, and the privileged bureaucrats who lead the rest of the "labour movement," have functioned as little more than cheap labour contractors offering up workers for ruthless exploitation, and as a workplace police force for the employers and governments tasked with suppressing the class struggle.

The extent of the corrupt relationships resulting from the services rendered by the unions to the bosses was revealed most graphically by the United Auto Workers (UAW) corruption scandal, which led to two of the last four UAW presidents winding up in prison. The corruption scandal, which first came to light in 2017 and has led to 11 union officials being

convicted or charged, revealed that UAW officials took millions in bribes from Fiat-Chrysler in exchange for imposing company-friendly contracts. Investigations uncovered a cesspit of graft and embezzlement. “Illicit funds, whether from bribes, kickbacks, or stolen workers’ dues, were used to bankroll months-long stays at Palm Springs, California villas, golf outings, the purchase of designer clothing, steakhouse dinners and premium liquor and cigars, as well as other extravagances,” as the *World Socialist Web Site* noted.

In light of the recent exposure of Dias’ own corrupt dealings, it is not hard to understand why he and other top Unifor officials had nothing to say about the corruption scandal that engulfed their US counterparts. They preferred to maintain a studied silence, lest too many questions were asked about their own “extravagances.”

Dias’ abrupt departure from the union presidency means that Unifor has to hold a special conference to appoint his successor prior to its regular convention in August. Speculation is rife that Dias’ retirement, which was announced several days before the union executive had to admit he was implicated in accepting kickbacks, was aimed at limiting the time for any “outsider” candidate to gain traction in a months-long campaign for the presidency.

Dave Cassidy, president of the Windsor autoworkers Local 444, entered the race shortly after the executive board, at Dias’ urging, endorsed Doherty. Cassidy has denounced the union’s practice of “anointing” its presidents and electing them unopposed. Cassidy’s appeal for union “transparency” is tailored to open an electoral avenue against Doherty among the membership and, by so doing, prevent an irrevocable break of the rank-and-file with the entire rotten organization.

Cassidy’s feigned opposition to this process of “anointment” is a sham. As he told reporters, he also sought out the backing of the union’s top brass. “I went to Jerry and told Jerry, Jerry, I’ve supported you for 20 years. I expect you to support me. And it didn’t happen,” he said. “It is what it is.”

Cassidy then went on to remark that he cannot remember a time when an election for president of Unifor (or the previous Canadian Auto Workers union) was contested. In almost every “election,” a conclave of union officials, their hangers-on and an ever-dwindling minority of rank-and-file workers comprising in total no more than 2,000 delegates out of a 315,000 membership are asked to rubber-stamp the bureaucracy’s uncontested choices. Cassidy would no doubt have liked to have seen this procedure continued, so long as he was the “anointed” candidate.

The Unifor executive has yet to lift its “pause” on campaigning or announce the date of the emergency election.

In any case, both Doherty and Cassidy are steeped in the nationalist and corporatist outlook that are the hallmark of the contemporary trade unions—that is, of organizations that have abandoned any association with working class struggle. As such, they have been intimately involved in Unifor’s efforts to

attract “investment” by imposing concessions, job cuts and speed-up, while pitting workers in Canada against their class brothers and sisters in the US, Mexico and elsewhere.

The political corollary to this has been Unifor’s support for various right-wing capitalist parties, from the Bloc and Parti Québécois in Quebec, to the federal and Ontario Liberals and the New Democrats. Unifor is one of the architects of the “confidence and supply agreement” under which the federal NDP has pledged to “provide stability”—i.e., keep in power—Justin Trudeau’s pro-austerity, pro-war Liberal government for the next three years.

Workers who have seen at first hand Doherty and Cassidy activities as union officials will already have taken their measure. Doherty was lead negotiator at the helm of the disastrous six-month fight by Saskatchewan FCL oil refinery workers that ultimately saw over \$20 million in pension concessions, job cuts and the utter evisceration of the existing contract. At one point, Doherty admitted that he and the local president risked being “beaten up” by the membership for the concessions they had granted to the company. As for Cassidy, he has led no struggle against the elimination of over 4,000 permanent jobs at the Windsor Stellantis assembly plant. Speaking like a corporate manager, Cassidy infamously bowed to a recent announcement of 1,500 job losses as simply a “business decision.”

The exposure of Dias as a corrupt taker of kickbacks and the unseemly scramble to fill his shoes by long-serving bureaucrats underlines the fact that workers cannot take a single step forward within Unifor or any of the other rotten syndicates that continue to call themselves unions. Workers need new, genuinely democratic organizations controlled by the rank-and-file that refuse to bow to the prerogatives of management and fight for what workers actually need to live, including secure jobs, a liveable wage and fully-funded pensions. Workers must build a network of rank-and-file committees to democratically decide on their demands and coordinate a struggle across plants, workplaces and national borders to place society’s vast resources at the disposal of the working class rather than a handful of billionaires.



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