

# President of largest Canadian Union of Public Employees local resigns amid corruption scandal

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Canadian Union of Public Employees (CUPE) Local 79, based in Toronto, Ontario, has been thrown into crisis after the local's president, David Mitchell, was forced to resign by the national CUPE office. Mitchell allegedly accepted under-the-table money from Local 79 Vice President Jason Chan. Local 79 is the largest local in CUPE, which is in turn Canada's largest trade union with over half a million members in health care, education and municipal services.

Mitchell helped Chan acquire a lucrative position on the board of the Ontario Municipal Employees' Retirement System (OMERS) Sponsors Corporation. OMERS is the pension fund for municipal and provincial employees with over 500,000 active and retired members. Chan is the representative of CUPE Local 79 on the OMERS board.

The allegations came to light after an OMERS investigation into Chan found he was allegedly providing part of his \$46,000 retainer for sitting on the board to David Mitchell. Chan claims he did "nothing wrong," refusing to resign from his position as VP of Local 79 and from the seat on the board of OMERS, despite the requests from the CUPE national office that he do so.

The *Toronto Star* quoted an anonymous member of CUPE Local 79 who said that Mitchell helped Chan get on the board because of his background in finance. According to his LinkedIn profile, Chan received a Bachelor's degree in Business Administration, specializing in Finance, from York University. He went on to get a certificate in Accounting from Ryerson University and has worked as an accountant for the city of Toronto since the spring of 2008. He has been a director for OMERS since spring 2018.

Both Chan and Mitchell apparently saw no problem with their scheme. The whole thing began to unravel early this year, when Chan refused to continue under-the-table payments to Mitchell. In an email to the *Star*, Chan claimed he was paying Mitchell from his "own pocket" and not with the OMERS retainer.

Chan explained to the *Star* that the OMERS retainer gave

him a higher salary than Mitchell. Mitchell complained to him that the vice president should not be making more money than the president. Chan grudgingly agreed to give "some of his money" to Mitchell to preserve the hierarchy of the union. Chan confessed Mitchell threatened to take him to small claims court to get some of the retainer after Chan refused to make more payments.

David Mitchell, a city of Toronto employee and now former president of CUPE Local 79, has been a member of Local 79 since March 1989, according to his LinkedIn profile. This is a man who is a creature of the union bureaucracy, and it shows.

The CUPE Local 79 scandal reveals the kind of people who occupy positions within the union bureaucracy in the public and private sectors. Both Chan and Mitchell possess zero ethical standards when it comes to advancing their own personal financial and career interests through the corporatist trade unions.

Corruption and unethical practices are rife throughout the union bureaucracy. Unifor, Canada's largest private sector union with over 300,000 members, was shaken by a kickback scandal involving its longtime president, Jerry Dias, who resigned last month after it was revealed that he had accepted a \$50,000 payment to encourage employers of workers represented by Unifor to purchase COVID-19 test kits from a specific manufacturer.

The Unifor and CUPE corruption scandals express the nature of the unions as corporatist entities with intimate ties to the corporate elite and municipal, provincial and federal governments. They function as gatekeepers of capitalism, policing the class struggle and enforcing the demands of corporations onto the rank-and-file membership. Their upper echelons are populated by privileged middle class bureaucrats who look after themselves and other members of the "club," while selling out rank-and-file workers in concession-filled contracts. They are handsomely compensated both "legally" and otherwise for services

rendered to the ruling elite.

This process has been decades in the making. Over the past 40 years, the unions have emerged as the key institutions for suppressing the class struggle. Their top officials have integrated themselves fully into the pro-employer “collective bargaining” and “labour relations” systems, taking full advantage of the substantial financial rewards accruing from their corporatist ties to the state and big business.

This development culminated during the COVID-19 pandemic, when all the unions, including Unifor and CUPE, sabotaged workers’ protests and job actions against dangerous working conditions. Declaring that strikes by workers against the return to COVID-infested workplaces were “illegal,” union bureaucrats worked hand in glove with the federal and provincial governments to reopen the economy at the cost of tens of thousands of lives.

The fact that a scandal has gripped CUPE is of particular significance given the tendency among Canada’s pseudo-left and other “progressive” layers to portray it as one of the more “left” and “militant” unions. Whereas Unifor has unabashedly developed close political ties with the Liberal Party in Ontario and at the federal level over recent years, expressed most clearly in Dias’s emergence as an effective adviser to the Trudeau government prior to his fall from grace, CUPE cultivated a more independent image.

Politically, it tended to back the pro-austerity New Democrats in election campaigns and played a less prominent role in the “anybody but Conservative” campaigns that have become the mechanism through which Unifor, the Ontario Federation of Labour, and other so-called “labour organizations” drum up support for the big business Liberals during election campaigns. CUPE bolstered its supposed radical stance with bogus references to the NDP’s long abandoned claim to be a “party of labour,” the better to cover its endorsement of the NDP’s pro-imperialist and anti-worker politics.

The portrayal of CUPE as some kind of alternative was always a fraud. When the Liberals and New Democrats announced their “confidence-and-supply” agreement last month, which will allow the Trudeau government to wage war abroad, build up military spending and continue its public spending austerity, the entire trade union bureaucracy applauded the arrangement as a significant step forward.

CUPE has imposed concessions-filled contracts and sold out strikes no less ruthlessly than its counterparts in Unifor, the USW, UFCW and many more. Last November, CUPE sabotaged a strike by over 22,000 New Brunswick public sector workers for better wages and benefits at the very point where it was starting to generate public support and could have been turned into a direct political struggle against the

pro-austerity Higgs government.

In April 2021, CUPE bowed to anti-democratic back-to-work legislation imposed by the Trudeau government to smash a strike by 1,100 dockers at the Port of Montreal. The Trudeau government’s explicit backing for the employers allowed them to maintain a brutal scheduling regimen and draconian disciplinary process that has seen dozens of militant workers fired over recent years.

At the outset of the pandemic, CUPE Local 79 and Local 416 divided Toronto’s outside and inside workers from each other in contract negotiations to impose sellout deals just weeks apart. Despite being in a legal position to strike, Local 416 extended the strike deadline before ramming through a rotten agreement concluded with the city at the 11th hour of talks.

The record of CUPE and the union bureaucracy as a whole underscores the urgent necessity of workers making a clean break from these rotten organizations. They must build new workers’ organizations in the form of rank-and-file committees. These committees must be independent of and in opposition to the financial oligarchy who control the government, the unions and the media.

Rank-and-file committees must be democratically controlled by the workers themselves and fight for demands based on what workers actually need for a comfortable standard of living, not what the bosses claim they can afford. To wage such a fight, workers must unify their struggles with those of their class brothers and sisters across Canada and internationally for a global counter-offensive to seize control of the vast wealth hoarded by the super-rich and place it at the disposal of the majority of the population, the working class, to meet its democratic and social needs.



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