

Mississippi-based United Furniture Industries fires 2,700 workers without notice on eve of Thanksgiving holiday

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A class action lawsuit has been filed in US District Court for the Northern District of Mississippi on the behalf of Toria Neal, a longtime employee, and “potentially thousands” of other workers, against United Furniture Industries (UFI), headquartered in Tupelo, Mississippi.

The lawsuit alleges the company violated the Federal WARN Act (Worker Adjustment and Retraining Notification) when the company failed to issue a 60-day notice before shutting production and firing all 2,700 employees via email and text just “moments before midnight” on November 21, citing “unforeseen business circumstances.” The mass termination came just two days before the Thanksgiving holiday.

The attorney representing Neal, William “Jack” Simpson, said more than 100 of UFI’s former employees have hired his firm.

“I have spoken to a husband and wife who both lost their job at the same time, an individual who has stomach cancer and is worried about affording his medication, and another individual who has to decide between postponing a surgery or paying the medical expenses out of pocket. This is tragic situation that is hard to understand,” Simpson said.

Following the announcement of layoffs, one employee, 37-year-old Audrey Garth removed a company vehicle from a Mississippi location and was subsequently arrested by Monroe County Sheriff’s Office deputies on November 22 and was charged with grand larceny, according to local reports.

According to MSBar.org [The Mississippi Bar], “Federal law sides with employees when a company closes down or moves. Employers with 100 or more employees must give at least 60 days’ notice of a long

layoff or plant closing. Failure to do so gives the displaced employees grounds for suit under the federal [WARN] legislation.”

Trade publication *Furniture Today* reports that in June the company terminated its Chief Executive Officer (CEO) and Chief Financial Officer (CFO), and executive vice president of sales. Todd Evans, the former president of UFI competitor Standard Furniture was subsequently appointed as CEO.

Following this change in company leadership, UFI soon restructured its sales organization and named Ruff Thomas and Keith News to sales leadership roles operating under the Lane furniture brand, with Thomas named president of Lane’s domestic division and News named president of Lane’s import division.

Just one month later, the company laid off 300 employees and closed or repurposed several facilities. In North Carolina, this included the closing of its metal stamping facility in High Point and the transitioning a Winston-Salem operation to an East Coast distribution center, followed by the transitioning of a manufacturing factory in Amory, Mississippi to a warehousing-only facility.

The company is expected to either file for Chapter 7 bankruptcy, which would result in the liquidation of the entire operation, or Chapter 11 which would allow for the shedding of most debts and a return to operations on a much more limited basis.

An outcome of the sudden terminations is that workers will not be given severance pay and their health care benefits were immediately cut, with a second email informing workers: “Your layoff from the Company is expected to be permanent and all benefits will be terminated immediately without provision of

COBRA [Consolidated Omnibus Budget Reconciliation Act].”

According to the Department of Labor, the COBRA Act “gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss...”

Average hourly compensation at UFI ranged between a miserable \$8.00 to just over \$15 an hour, according to Indeed.com. Also reported is the pay for myriad positions: Cutter (\$10.50), Feeder (\$12.00), Inspector/Packer (\$10.00), Machine Operator (\$11.00), and Production Worker (\$12.53). The poverty rate in Mississippi is 19.6 percent, 7.2 percent higher than the national average. The poverty rate in North Carolina currently sits at 13.4 percent, according to the US Census Bureau.

Without income, without benefits, in conjunction with the slashing of social programs by state and federal governments, hundreds of now former UFI workers are confronted with an impossible situation.

One former employee of UFI, in speaking anonymously with the Victor Valley News Group, said, “I don’t think any of us are prepared for this, especially right before the holidays. It will definitely affect my family and my immediate plans, and I don’t know who to turn to or what to do now.”

UFI is one of many companies that have recently announced massive layoffs in the United States. In the face of a looming recession, the tech and logistic industries such as Amazon, Google, HP, Intel, Meta, Shopify, and many more have also laid off thousands. Jobs are expected to continue to be cut in significant numbers as economic instability is driven by the US-NATO-backed proxy war in Ukraine against Russia, setting the stage for a possible nuclear conflagration, and as China moves to lift its zero-COVID protocols, which will lead to millions of infections and deaths.

The working class in the United States, China, Russia, Ukraine, and the world over are confronted with an immense social crisis. The only way forward for the working class is to establish its independent political power in the factories, warehouses, hospitals, railroads, schools and neighborhoods through the formation of rank-and-file committees to organize their labor power as means to restructure society to meet

their needs, not those of private profit.



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