

Ontario Public Service Employees Union bureaucrats enmeshed in massive corruption scandal

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The Ontario Public Service Employees Union (OPSEU) announced Monday that it has initiated a lawsuit against former union president Warren “Smokey” Thomas, former first vice president/treasurer Eduardo Almeida and Maurice Gabay, former administrator of the union’s financial services division. The union, in a Statement of Claim to the Ontario Superior Court, is seeking recovery of \$5.75 million allegedly taken by the three executive officials plus an additional claim for \$6 million in damages.

The emerging scandal comes on the heels of last year’s exposure of former Unifor president Jerry Dias, who was disgraced after an investigation revealed he, acting as a shameless pandemic profiteer, received and tried to cover up a \$50,000 kickback to promote a private company’s COVID-19 virus testing kits in factories organized by the union.

The breadth and depth of the accusations levelled against Thomas, Almeida and Gabay, however, make Dias’ sleazy kickback scheme look like the con of a back-alley flim-flam man.

OPSEU, one of the largest public sector unions in the province, has a membership of over 180,000 workers. Last April, J.P. Hornick replaced outgoing long-time president Thomas, while Almeida lost re-election to new First Vice President/Treasurer Laurie Nancekivelli. Gabay’s position was terminated that same month.

Shortly after their election, and that of a new Executive Board, Hornick and Nancekivelli initiated a third party forensic audit of the union’s books, citing what they called “numerous concerns.” These “concerns,” according to the subsequent audit and court filings, amount to a veritable looting of union funds for the personal enrichment of the previous regime.

The audit concluded that the three paid themselves “significant compensation to which they were not entitled,” claimed “significant expenses on their behalf for undocumented and non business related purposes,” transferred union assets, specifically vehicles, to themselves or to family members, and took cash from the union’s strike fund for “undocumented and illegitimate purposes.”

The details of the accusations thoroughly expose the depths to which the three allegedly sunk. For instance, just prior to the expiration of their most recent term of office in early 2022, Thomas and Almeida arranged for their own payment of “settlements” for complaints against the Executive Board that they

had filed. Thomas had accused the Executive Board of “discrimination and harassment” and demanded damages for “injuries to his feelings, dignity and self-worth.” Almeida sought monies to settle a claim for “defamation, intentional interference with economic relations, intentional infliction of mental suffering and civil conspiracy.” The union’s lawsuit claims the two men paid themselves \$500,000 each without proper authorization.

Between the three men, well over \$1 million in unsubstantiated credit card claims were paid.

Thomas and Almeida are also accused of taking numerous unauthorized cash withdrawals from the union’s strike fund ranging from \$10,000 to \$70,000 between 2014 and 2020 without any documentation and without notification to the Executive Board. To further line their pockets, it is alleged that Thomas took \$399,472 and Almeida received \$281,275 between 2017 and 2022 by converting “lieu time” into straight cash payments which they were not entitled to do. Gabay, for his part, is accused of receiving strike fund monies and taking substantial sums for home repairs and moving expenses for a close personal friend.

OPSEU’s Statement of Claim also accuses Thomas, who held the position of union president for 15 years and earned a \$142,740 salary in 2021, of transferring three union-owned higher-end vehicles to his wife between 2017 and 2019. In March 2022, just weeks before the end of his final term in office, Thomas transferred a \$97,417 2021 Grand Cherokee Overland to himself.

According to the statement of claim, Thomas received a salary of \$142,740 and Almeida was paid \$131,322 in 2021. Gabay’s salary, as a non-elected official, has not been made available. At the time of this writing, only Thomas has publicly responded to the accusations through his lawyer, who stated that Thomas rejects the Statement of Claim and characterized the charges as “riddled with errors, falsehoods, and untrue allegations.”

Overall, the OPSEU lawsuit alleges that \$1.75 million was taken without authorization by Thomas, \$3 million by Almeida and \$1 million by Maurice Gabay.

The charges against Thomas and his cronies will come as no surprise to many OPSEU members, who remember Thomas’ bid to get the union bureaucracy’s snout in the trough of a potential privatization of the Liquor Control Board of Ontario, offering themselves as potential new owners of the operation.

In late 2021, as Thomas was preparing his exit from OPSEU,

and just prior to Jerry Dias' disgrace in the Unifor kickback scandal, the two men appeared alongside the anti-worker Conservative Premier Doug Ford to tout Ford's reluctant increase of the provincial minimum wage and to pledge to work closely with the notorious right-winger.

Since Ford took office his government has adopted a battery of anti-worker measures. These include: initially retracting a minimum wage increase and newly-enacted provisions providing pay guarantees for on-call workers and increased paid-leave; welfare cuts; a provincial hiring freeze; cuts to education funding; a brutal wage restraint program against public servants; and legislation outlawing a strike by graduate teaching and research assistants at York University; preemptively passing legislation outlawing a pending strike by the Power Workers Union and more recently attempting the same against a militant uprising of 55,000 education workers.

Thomas negotiated wage-cutting contracts based on Ford's restraint program. When OPSEU members began to mobilize and demand strike action against Ford in 2018, Thomas arrogantly told his own members to "cool it." When Dias and Thomas shared a podium with Ford, Dias was just a year past the imposition of yet another concessions contract on autoworkers at Ford, Fiat-Chrysler (now Stellantis) and General Motors.

The Unifor and OPSEU corruption scandals are not simply examples of corrupt and grasping "bad apples" in an otherwise healthy union orchard. After all, in just the past several years, one also recalls the exposure and forced resignation of David Mitchel, Toronto president of the 20,000-member Canadian Union of Public Employees (CUPE) Local 79 for accepting under-the-table payments from his own vice president for brokering a lucrative sinecure on a municipal workers' pension fund. And, of course, there is the high-profile prosecution and imprisonment for gross misuse of union funds of a seemingly endless stream of senior United Auto Worker (UAW) executives, including two former presidents, in the United States.

These scandals express the nature of the unions as pro-capitalist entities with corporatist ties to business executives, and municipal, provincial and federal governments. These nationally-based organizations were transformed by the globalization of production into appendages of the state and corporate boardrooms with the tasks of suppressing the class struggle and enforcing government austerity and wage-cutting contracts demanded by the bosses onto rank-and-file workers. 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. These comfortable bureaucrats 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 smothering 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.

Workers not only in OPSEU and Unifor, but in industries and

services all across the country, are quickly discovering the tremendous gulf that exists between themselves and the corrupt and grasping union officials that sit on their necks as the junior partners of the employers.

It is precisely because rank-and-file workers are beginning to openly rebel against the stranglehold of the bureaucracy that pseudo-left organizations are desperately trying to cover up the political significance of the corruption that pervades the union apparatus. In an article on the OPSEU scandal titled "Taking on union corruption from the left," *Spring* magazine insisted that through rank-and-file pressure "workers can assert themselves in their unions" and "take on the bosses." Their aim, as exemplified by the role they, and organizations like Fightback, played in last November's militant Ontario education support workers' strike, is to prevent workers from breaking free of the stifling political and organizational grip of the pro-capitalist unions by claiming that they can be reformed from within. For all their noises about rank-and-file power, the pseudo-left groups all proclaimed it a "victory" when the union bureaucracy arbitrarily scuttled the strike, without giving the rank-and-file any say, and at the very point when the workers had the hated Ford government on the ropes and were building towards a general strike.

Workers, whether they are unionized or not, need new, genuinely democratic organizations controlled by the rank and file that refuse to bow to the prerogatives of management and the collusion of the unions, and fight for what workers actually need to live, including secure jobs, a livable 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 the bank accounts of corporate management, government officials and union bureaucrats.



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