

Ex-Unifor head Dias to face no criminal charges in kickback scandal

Carl Bronski
9 June 2023

With contract negotiations for over 150,000 Detroit Three autoworkers set to begin this summer on both sides of the Canada-US border, the tried and trusted institutions of the corporate elite are doing everything in their power to shore up the crumbling hold that Unifor in Canada and the United Auto Workers (UAW) in the United States exercise over the rank-and-file.

General Motors, Ford and Stellantis are determined to intensify the exploitation of autoworkers through inflation-driven real wage cuts, further entrenchment of the hated multi-tier wage system, reductions in benefits, and the gutting of working rules. Their aim is to boost profits, so as to attract greater investment and make workers pay for the retooling of the industry for Electric Vehicle (EV) production and the production shortfalls induced by the Covid pandemic and subsequent supply chain instability.

Workers however are of a very different mindset. They want to put an end to decades of concessions and job cuts, now compounded by inflation and a new cut-throat restructuring of the global auto industry. This militant mood is further fueled by seething rank-and-file anger over the unions' collusion with management and the nepotism and outright corruption of union officials.

With the formal approach of negotiations, there is a concerted attempt on the part of the corporate media, state institutions, and the bureaucratic union apparatuses to claim that Unifor and the UAW have turned over a "new leaf." In reality, the unions' "new" leadership teams are wedded to the same ruinous corporatist policy as their pro-management predecessors, and are conspiring with the auto bosses to ram through yet another round of rotten concessionary contracts.

Last week in Canada, the Toronto Police Services announced that their financial crimes unit has decided not to proceed with any charges against disgraced, defrocked and now retired Unifor President Jerry Dias, who last year was at the center of a seedy Covid profiteering kickback scandal.

The union was itself informed of the police's decision months ago. But a public announcement was delayed until the Unifor leadership put the finishing touches on their own whitewash of the whole affair.

The same day that the police made their public statement, Unifor's director of legal and constitutional matters, Anthony Dale, released a statement that said Dias would no longer be subject to a union disciplinary hearing due to "an understanding" reached with the former president. This "understanding," like so much in the corruption scandal, is being kept secret from the rank-and-file.

For his part, Dias took the opening provided by the union to say that the dropping of the charges "reinforce what I have always known to be true: that over my 45-year career, I have consistently acted with

integrity and in the best interests of Unifor members."

Of course, this is a bare-faced lie and everyone knows it. A seven-week independent external investigation last year—one the union claims it still stands by—established, "on the balance of probability," that Dias 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 alcohol dependence and other 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, 2022 and said that the money was provided by a test-kit supplier. Subsequently, a veritable avalanche of phone calls, emails and text messages from Dias trying to pressure MacDonald into burying the whole affair came to light.

According to a leaked psychiatric assessment written by Dias' doctor, the payment to MacDonald was linked to the Unifor president's decision to endorse Scott Doherty, his right-hand man in the Unifor leadership and close friend, as the union's next president. MacDonald had been planning his own bid to succeed Dias when he stepped down at the union's national convention in August 2022.

The corruption scandal blew all this apart. The national executive, after first lying to the membership that the allegations against Dias did not involve financial impropriety, soon found itself desperately trying to distance itself from the man who had headed the union since its founding in 2013, as the result of the merger of the Canadian Auto Workers and the Communications, Energy and Paperworkers unions.

Largely due to his close connections to Dias, Doherty subsequently lost the election for the Unifor president election to Lana Payne. Unifor's Secretary-Treasurer under Dias, Payne became the union's interim leader, as per the union's constitution, when the erupting scandal forced the three-term Unifor president from office in March 2022. Payne was later accused by her opponents of "weaponizing" her position to win the presidency, including by orchestrating leaks of internal financial information.

The allegations against Dias were so explosive, because they threatened to expose rampant corruption throughout the entire union apparatus. This corruption arises from the intimate corporatist relations the union has developed over decades with corporate Canada, and the capitalist state.

Dias himself was one of the most prominent and significant backers of the pro-war, pro-austerity Trudeau Liberal government. During the

renegotiation of the North American Free Trade Agreement aimed at consolidating a US-dominated protectionist trade bloc, Dias functioned as a semi-official government adviser.

During the Unifor presidential election campaign, an additional leak to the *Globe and Mail* about the expense accounts of 17 senior union officials revealed that top Unifor bureaucrats spent \$1.79 million on expenses, including international business class airfares, five-star hotels and other sundries, in 2018, and \$1.84 million in 2019. Due to limited travel during the pandemic, the expense-claim payouts dropped significantly in 2020 and 2021.

Dias' expenses topped the group, reaching \$317,000 in 2018 and \$280,000 the following year. Doherty's expenses fell just short of Dias' payouts during those years. Secretary-Treasurer Payne, who also racked up six-figure expenses in 2018 and 2019, was in charge of ratifying the expense claims of all union staff outside of the president's office. In 2019, Unifor raked in \$113 million in union dues from rank-and-file workers, accounting for almost 90 percent of its revenues.

The Unifor bureaucrats hope that last week's entirely dubious "face cleansing" operation will allow it to bury the corruption scandal and, combined with phony rhetoric about mobilizing "workers' power," enable it to sufficiently bolster its credibility among the rank-and-file to contain and suppress any militant challenge to the automakers.

A similar operation has been underway in the UAW in the United States. As part of a government attempt to prop up the UAW, amid a massive and ongoing corruption scandal, a US Department of Labour court-appointed "monitor" recently supervised the first-ever, rank-and-file election for union president and other top officers

The corruption, which first came to light in 2017, has led to a dozen senior union officials, including two former presidents, being convicted of criminal charges. It revealed that UAW bureaucrats 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 at the time.

From the start, the UAW election was stage-managed by the state to help the union bureaucracy cover up the stench stemming from the corruption scandal. Its aim was to provide the UAW apparatus with "democratic" window dressing and put in place a leadership with enough legitimacy to restrain the brewing rebellion of the rank-and-file. This plan could succeed only insofar as the rank-and-file had no representation on the ballot and could only choose from hand-picked bureaucrats representing different cliques.

Will Lehman's campaign for the presidency threw a monkey wrench into this plan. Lehman ran on a socialist program and campaigned for abolishing the UAW bureaucracy and giving power to the rank and file on the shop floor. A Mack Truck worker from Pennsylvania, he ran as a member of the International Workers' Alliance of Rank-and-File Committees (IWA-RFC) and was supported by the Socialist Equality Party and *World Socialist Web Site*.

The response of the bureaucracy, with the support of the government-appointed monitor, Neil Barofsky, was to engage in a systematic effort to suppress turnout for fear of giving rank-and-file workers a chance to vote for Lehman in the first round. They attempted to keep the 1.1 million membership in the dark about the fact that an election was

taking place and refused to update their mailing lists so that workers would actually receive ballots. As a result, only 9 percent of the membership were able to cast a ballot in the first round and only 12 percent in the second round of voting. During the entire election debacle, Monitor Barofsky consistently ignored or outright rejected Lehman's exposure of the fraudulent process.

In light of the exposure of rampant corruption throughout the Unifor leadership, it is not hard to understand why Dias and other top Unifor officials had nothing to say about the corruption scandal that engulfed their counterparts in the US or the ensuing fraudulent UAW election. They have preferred to maintain a studied silence, lest too many questions were raised about their own extravagances and election chicanery.

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, including the Canadian Auto Workers, and the privileged bureaucrats who lead the rest of the "labour movement" in Canada and the US, 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. On both sides of the border, the unions have been the most ardent purveyors of nationalism, pitting workers against each other in a race to the bottom on wages and conditions as the globally operating auto corporations have boosted their profits.

This record underlines the fact that workers cannot take a single step forward apart from launching an open rebellion against the corrupt union apparatuses within Unifor, the UAW, and the other 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, including secure jobs, a livable wage, decent working conditions and fully-funded pensions. Workers must build a network of rank-and-file committees to democratically decide on their demands and coordinate an international 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.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)