

# What does the UAW 2023 financial report reveal?

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In 2023, the net assets of the United Auto Workers union apparatus rose, despite the decline in the union's membership to the lowest level since the 2009 bankruptcy of General Motors and Chrysler.

The UAW's recently released US Labor Department financial filing (LM-2) shows that despite the installation of a "reform" leadership headed by President Shawn Fain, the salaries of staff and top officers, as well as overall spending by the UAW, were up sharply over 2022.

Fain has claimed that the UAW was turning over a new leaf and ending its decades-long program of union-management collaboration. But its financial filing shows that the apparatus continues to receive a significant portion of its income through direct or indirect subsidies from the auto companies, as well as income from its investments in Wall Street. These income streams have allowed the union to expand its highly paid and bloated staff, as well as fund an assortment of lavish leadership conferences at exclusive venues from which rank-and-file members are largely excluded.

UAW members' dues collected by Solidarity House are invested in a range of mutual funds with holdings in US and global stocks, including companies whose workforces are nominally represented by the UAW. The UAW's investments include holdings in hedge funds, notorious for imposing deep cuts on workers, such as Bardin Hill Investment Partners, with operations based in the Cayman Islands, and Kohlberg Investors IX, to name only a two.

Thus, the UAW apparatus has directly benefited from the rise in the stock market driven by Wall Street's relentless and ongoing assault on the social position of the working class.

Fueled by the rise in the value of its massive stock portfolio, net spending for the UAW, less payout for strike benefits, rose from \$258 million in 2022 to \$318.4 million in 2023. Compensation to headquarters staff rose from \$52.57 million in 2022 to \$58.96 million in 2023.

The nominal reason for keeping such a gargantuan hoard is to maintain the UAW's strike fund. However, the UAW hardly ever calls strikes, and when it does, it tries to limit them as much as possible. This was the case in the "stand up strike" last year, which had the vast majority of auto workers continuing to work throughout. The strike fund is in reality a means of

backstopping the incomes of the union apparatus, not a weapon to fight the corporations.

The UAW has not released how much is in the strike fund. It is not reported in the LM-2, but in previous years the apparatus has disclosed how much it contains to the news media. Not so this year. The WSWs contacted the UAW to ask for this information but was told that the information is not publicly available. What is the UAW apparatus concealing?

The UAW's largest expense—\$5 million—went to Jenner & Block, one of the law firms comprising the supposedly independent "UAW monitor." With the recommendation and support of the UAW, Jenner & Block was appointed by a court as part of a consent decree to wrap up the federal investigation into UAW corruption.

Rank-and-file Mack Trucks worker and socialist Will Lehman, who ran for UAW president against Fain, noted the blatant conflict of interest in having Jenner & Block, a law firm that represents General Motors, involved in UAW oversight. Lehman cited this as part of a complaint he filed with the Department of Labor over the UAW monitor's refusal to consider his protest of massive voter suppression in the UAW national officers election.

The entire election process in 2022 demonstrated the nexus between the UAW apparatus, the corporations and the state. With the support of the Biden administration, the courts and the monitor, the UAW apparatus worked to suppress voter turnout to ensure that the election would result in the appointment of one of the two candidates of the apparatus itself.

Other facts contained in the LM-2 filing include:

- Substantial sums of money go to purchases that have no conceivable relationship to the interests of workers. This includes \$599,859 on "promotional items": umbrellas, pens, t-shirts, notebooks, duffel bags, rain ponchos, etc.

- Many of the expenses are murky. For example, according to the financial report, \$13,544 went to Elite Snipe Gun and Rifle Detailing Services for firearms training. The business address appears to be someone's home in Detroit. Elite Snipe Gun is not listed in any business listings, including the state of Michigan corporate registry.

- Over \$1 million was spent on flights, including \$651,000 for Delta Airlines alone. Another \$1 million went for catering,

including \$467,599 for one banquet contract.

- The UAW staff is studded with relatives of current and previous UAW officials, including disgraced former Vice President Norwood Jewell, who was sentenced to a jail term for his role in UAW corruption.

### **The incorporation of the pseudo-left into the apparatus**

The UAW has increased both the size of its bureaucratic apparatus and their level of pay. Among those benefiting are individuals connected to pseudo-left tendencies such as the Democratic Socialists of America and *Labor Notes*. They have been brought on board as part of the attempt of the UAW apparatus to rebrand the union as responsive and “reformed.” The aim of this maneuver is to give the Fain administration a public relations facelift. Among those added to the UAW payroll in the last year include:

- Donald “Chris” Brooks (\$172,591), a member of the DSA and former *Labor Notes* writer who devised Fain’s phony “stand up strike” strategy.

- Brian Shepherd (\$131,522), a member of the DSA who is heading the UAW unionization campaign.

- Jonah Furman (\$106,667), UAW communications director. He was a writer for *Labor Notes* and former organizer for Bernie Sanders’ 2020 presidential campaign

- Ben Dictor, a labor attorney and former finance director for Bernie Sanders. His Eisner & Dictor law firm was paid a total of \$484,870 by the UAW in 2023.

- Brandon Mancilla, Region 9A Director, (\$203,829), a DSA member who oversaw the sellout of Harvard grad workers in 2021.

- Vail Kohnert-Yount (\$107,610), assistant Region 9A director, a Democratic Party operative and Harvard law school graduate who received her appointment after donating \$25,000 to Shawn Fain’s election campaign.

- Mike Miller (\$207,049), director of Region 6, a graduate of UCLA and an associate of Brandon Mancilla. He has overseen the isolation and betrayal of strikes by academic workers on the West Coast, where he resides.

Dictor, Furman and Brooks were recently the subject of a highly favorable article published by the *Wall Street Journal* (“Three Young Activists Who Never Worked in an Auto Factory Helped Deliver Huge Win for the UAW,” October 30, 2023) extolling the 2023 sellout contracts at the Big Three. According to the *Journal*, a foremost mouthpiece of Corporate America, the three “were given a national platform during one of the most active years for strikes in nearly a generation. The result was a sharper and more bitter collective-bargaining battle with Detroit—and one of the biggest wins in decades.”

In reality, the contacts, far from being big “wins,” barely

impacted the auto companies’ bottom lines. They set the stage for a massive downsizing, which has already begun, as management moves to shift the massive cost of the transition to EVs onto the backs of workers.

The fact that the *Journal*, not known for its sympathies for workers, speaks in such glowing terms of the pseudo left operatives indicates the important role they are playing in shoring up the UAW apparatus, a key support for the Democratic Party and US capitalism as a whole.

The UAW financial report states that the union spent \$14 million on political lobbying in 2023, but in reality its political role in supporting the Democratic Party is much greater. A large amount of the time of the UAW’s paid staff is spent campaigning for the Democrats. A case in point is Kohnert-Yount. Her parents are well-heeled Democratic Party donors, and she worked as an intern in the Obama White House. She also worked in the US Department of Labor as a political appointee of Obama.

Most of the pseudo-left operatives brought into the UAW apparatus come from upper-middle-class backgrounds. In outlook, lifestyle and income they are far removed from the lives of workers on the shop floor. Brooks is a graduate of the Union Leadership and Activism program at the University of Massachusetts at Amherst, and Dictor is a graduate of Cardozo School of Law and the University of Florida.

The elevation of Fain to the UAW presidency did not represent the reform of the UAW, let alone the restoration of rank-and-file control. The installation of Fain is part of an operation by the Biden administration and the Democratic Party to refashion and shore up the deeply discredited UAW apparatus, and more broadly the American unions as a whole, to restore their effectiveness in suppressing the opposition of autoworkers to the ruling class program of austerity and global war.

Events are rapidly exposing the fraud of UAW “reform.” Only months after the supposed “historic” 2023 national auto agreement, the meager gains presented by Fain, such as the elimination of temporary workers and their conversion to full-time, and a “just” transition to electric vehicles, are being exposed as fraudulent as the companies carry out mass layoffs.

To wage a fight, autoworkers should take up the call by Will Lehman and the International Alliance of Rank-and-File Committees for the construction and expansion of a network of rank-and-file committees in the auto plants and other industries. The aim of these committees is not to win positions in the corrupt UAW apparatus, but to abolish it and return power to workers on the shop floor.



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