

Financial report shows Teamsters bureaucracy pays 160 people more than \$200,000 a year

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Since coming into office in 2022, the new Teamsters administration of Sean O'Brien has been hailed as a great union reform movement by various pseudo-left groups. *Labor Notes* called the Teamsters a "reformer-led union" and claimed that "some union leaders are finally on the members' side." Along with the Democratic Socialists of America, *Labor Notes* praised the UPS contract, promoting it as a great victory for workers and proof that the union had reformed itself into a militant workers organization.

In reality, the UPS contract has paved the way for dozens of shift closures and over 12,000 layoffs. Management has announced it plans to close 200 locations as the company embraces automation. Tens of thousands of jobs are at risk after the supposed "historic" contract.

Workers are finding that they confront not just attacks from management, but from a corrupt union apparatus which functions as a labor police force. This is not due to bad policies or bad apples at the top. Rather, the union bureaucracy has entirely different, and hostile, social interests than the rank-and-file membership.

This is evident in the latest federal financial reports filed by the Teamsters. A list of the top paid officials in the Teamsters recently published by T-Union Link message board shows that 160 officers in the Teamsters International make over \$200,000 a year in total compensation.

Among them is O'Brien, with total compensation of \$419,222 a year, who is only second in pay to Randy Korgan, the head of the alleged Teamsters unionization drive among Amazon workers.

Notable among the "\$200k Club" are a number of leading members of Teamsters for a Democratic Union who have secured for themselves high positions within

the Teamsters bureaucracy for their support for Sean O'Brien. TDU members Matt Taibbi and Willie Ford make \$252,065 and \$247,924 a year in total compensation respectively. Notable leaders with connections to TDU include Fred Zuckerman (\$377,537) who has been endorsed by the Teamsters United coalition that TDU is a part of, and other high-ranking career officials such as Vinnie Perrone (\$249,754) out of Local 804 in New York City and Juan Campos (\$284,154) from Chicago.

Significantly, TDU itself used to publish this list of high earners in the Teamsters bureaucracy each year. It has quietly abandoned the list after securing membership to the \$200k Club.

This is the inevitable result of TDU's program. Rather than mobilizing rank-and-file workers in a fight to smash the bureaucracy and replace it with new, democratic structures, TDU has claimed since its foundation decades ago that it was possible to revive union "democracy" through a change in the composition of the bureaucracy itself. This has led them into a series of unprincipled alliances with other factions of the bureaucracy who use TDU to advance their own careers, while creating new layers of bureaucrats out of TDU itself.

By contrast, the UPS Workers Rank-and-File Committee (UPSWRFC) was founded last summer to fight against both management and the union bureaucracy. While TDU was central to the pretend "strike ready campaign" which the bureaucracy used to sell a contract worked out in secret with UPS as the result of a "credible strike threat," the UPSWRFC warned from the start that a sellout was being prepared.

"The only response must be to organize ourselves," its founding statement concluded, "not to 'support' the bargaining committee and to cheerlead for them, but to enforce our democratic will, and position ourselves to

countermand the inevitable sellout.”

But the huge salaries of the top officials are only the tip of the iceberg. The bureaucracy controls hundreds of millions in assets financed out of workers’ dues money.

At the international level alone, fewer than 30 International officers consume a combined \$3.3 million a year plus an additional \$49 million for employees of the International.

From an income of \$242 million the International spends a combined \$119.6 million on:

- Nearly \$58 million on “representational activities” (i.e., the salaries of union functionaries)

- \$6.1 million in “contributions, gifts and grants”

- \$8.4 million in “political activities” (schmoozing with both President Biden and Donald Trump and other right-wing Republicans)

- \$27.2 million in “general overhead” (more salaries)

- \$19.8 million in “union administration” (even more salaries)

These swallow up nearly half of the union’s annual income.

By comparison, the Teamsters spent \$8.2 million on strike pay in a year when they claimed to be leading a national strike movement at UPS. This is less than what it spent on political activities and lobbying.

This spending is tied to the vast financial assets that the bureaucracy has converted member dues into. The Teamsters International holds a total of \$566 million in assets, \$419 million of which is held in financial investments. From these investments, the bureaucracy makes \$15 million a year in dividends.

For Sean O’Brien and his ilk the hundreds of millions of dollars in union income and assets are a massive piggy bank from which to withdraw funds for themselves. Any action that would pull funds away from the bureaucracy, such as providing adequate strike pay to workers, is seen as a threat to the increasingly financialized assets of the union. The Teamsters added to this financialization by using members’ dues to purchase another \$41 million in investments and assets this past year.

And this does not even include the millions of dollars held by local unions with their own bureaucracies, assets and aspiring members of the \$200k Club.

This is the real social foundation of the union bureaucracy. It is a parasitic social layer that exists to negotiate the price of labor with management, not to defend workers’ interests.

Out of these interests arises the bureaucracy’s general social outlook. It accepts the wage system and the “right”

of management to profit, and because its own interests have become tied to the success and profitability of the capitalist system. For this reason the Teamsters were more than happy to allow UPS to mass layoff workers, if it meant its own cash reserves could be preserved and its financial assets protected. It plays the role of a labor contractor, policing the working class and managing the price of labor for their friends in management.

Expressing the deep contempt, as well as fear, the bureaucracy has for the membership, when Sean O’Brien was recently asked about the UPS contract by a worker at last weekend’s *Labor Notes* conference, he literally ran away, claiming he had a flight to catch.

The role of TDU and similar groups is to cover up this basic social reality with reassuring claims about “reform.” They seek to keep a lid on rank-and-file anger and argue that if only they had more bureaucrats on the inside then the union would actually protect its members. The election of O’Brien and the entry of TDU into the union apparatus expose this bankrupt policy. The bureaucracy cannot be reformed, it must be abolished.

This is the task that rank-and-file workers must take up. To build real fighting organizations of the working class, workers must form rank-and-file committees, new democratic organizations controlled by the workers themselves, and fight to smash the bureaucracy and return power to the shop floor.

The building of a rank-and-file movement is an urgent task for all workers, particularly Teamsters at UPS where the company is preparing a massive assault on jobs. Only by removing this bureaucratic caste and putting the rank-and-file in control can this be accomplished.



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