

The Charlotte Observer

N.C. Freightliner Workers Allege Company, UAW Made Secret Deal

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January 25, 2006

United Auto Workers and Freightliner management cut secret deals to swap wage concessions in exchange for company help in bolstering union ranks, according to a federal racketeering lawsuit filed Tuesday in Charlotte.

Five workers at three N.C. Freightliner truck plants allege that beginning in August 2002, UAW officials and Freightliner management agreed to limit wages, cancel an employee benefit-sharing bonus and boost employee health-care costs in return for "valuable organizing assistance. "That assistance allegedly included mandatory meetings on company time, where "union organizers could propagandize employees," according to a news release from the National Right to Work Foundation, which has a history of backing suits against unions and is providing free legal aid to the workers.

The lawsuit comes as unions are facing dwindling enrollment and massive layoffs, particularly in the auto industry. Freightliner is among the few unionized companies in the Carolinas, which have the lowest union representation in the nation.

The foundation filed the suit under the federal Racketeer Influenced and Corrupt Practice Act, which among other provisions, bars employers from delivering "things of value" to unions.

A Freightliner official said the company was reviewing the complaint Tuesday, but that it has complied with the law.

The suit lists four counts of alleged RICO violations at Freightliner's Mount Holly, Gastonia and Cleveland plants. It seeks "treble damages for all dues seized and earnings lost as a result of the unlawful pact."

Freightliner, a subsidiary of DaimlerChrysler, and the UAW also agreed to deny employees a secret ballot when they voted whether to unionize, according to the complaint.

Instead, the company and union OK'd a public card-check procedure, which allowed Freightliner to recognize the union when organizers presented a certain number of authorization cards. These

cards typically are used to determine an employee's interest in whether to hold a vote for a union. Freightliner and union officials allegedly counted the cards as yes votes, according to the complaint.

Gastonia plant worker Katherine Ivey said Tuesday at a news conference in Detroit that, "there was lots of pressure" to sign the cards. She added that UAW officials "are more concerned with increasing the number of employees paying union dues than making changes for us workers" and that the union "struck a secret deal with my employer at our expense."

The National Labor Relations Board ruled in October 2004 that a reported card-check agreement in exchange for secret union concessions at a Freightliner plant in High Point was illegal.

"Instead of a closed door vote, these cards get passed around and it undermines (an employee's) ability to say 'No,'" said John Raudabaugh, a labor and employment attorney in Detroit and a former member of the National Labor Relations Board. He called the UAW and Freightliner arrangement "rife with problems and a shocking slap in the face" to workers.

UAW officials in Detroit did not return repeated calls from the Observer Tuesday.

Freightliner spokesman Christoph Hofmann said Tuesday afternoon that he believes "we did everything according to what the laws are." The company has approved card-check agreements at other plants and that they were legal, he said.

Hofmann added that company lawyers were still reviewing the complaint Tuesday and declined specific comment.

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