



# UAW ADMINISTRATIVE LETTER

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Ethical Conduct in Dealing with  
Vendors, Suppliers and Other  
Providers of Service

### *To All Local Unions*

Greetings:

The UAW is a unique organization. Our single mission is to represent workers and their families. Our ability to fulfill this mission depends on every UAW representative adhering to the highest standards of ethics and integrity. Everyone representing the UAW has been elected or appointed to work on behalf of the UAW's membership. UAW representatives should never use their union position for personal enrichment or personal gain. As union leaders, there is nothing more important than our integrity.

Service as a UAW official, at any level of our Union, is service in the interest of our Union's membership. Pursuing any other goal will injure the reputation of the Union representative involved and, more importantly, will injure the reputation and effectiveness of our Union.

As Union representatives, we are often called upon to deal with a variety of vendors and other organizations on behalf of the Union. This occurs primarily in two contexts: (1) businesses (including law firms and attorneys) which sell goods or services to the Union itself, and (2) insurance carriers and other businesses which provide services (such as medical insurance) to UAW members pursuant to the UAW-negotiated benefit plans.

All UAW representatives are reminded that, in these dealings with outside businesses, it is imperative to uphold the UAW's well-deserved reputation for integrity, and continue our faithful adherence to the highest principles of trade unionism. In these dealings, the UAW representative's duty is to put the best interests of the Union and its members first and to strictly avoid conduct which might result in, or even suggest, personal benefit to you as a union official or bring ill repute upon the organization. Any action that even suggests impropriety should be avoided.

These issues are covered in detail in the UAW's Ethical Practices Code. In particular, that Code provides as follows:

- "There shall be no contracts of purchase or sale or for rendering services which will result in the personal profit or advantage of any officer or representative of the Union."

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**When in Doubt About International Policy. . .Contact Your Regional Director**

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- “No official, employee or other person acting as agent or representative of the International Union or a Local Union, who exercises responsibilities or influence in the administration of health, welfare and retirement programs or the placement of insurance contracts, shall have any compromising personal ties, direct or indirect, with outside agencies such as insurance carriers, brokers, or consultants doing business with the health, welfare and retirement plans.”

- “Any person who represents the UAW and its members, whether elected or appointed, has a sacred trust to serve the best interests of the members and their families. Therefore, every officer and representative must avoid any outside transaction which even gives the appearance of a conflict of interest.”

- “No officer or representative shall have a personal financial interest which conflicts with her/his Union duties.”

- “No officer or representative shall accept ‘kickbacks,’ under-the-table payments, valuable gifts, lavish entertainment or any personal payment of any kind...from an employer with which the Union bargains or from a business or professional enterprise with which the Union does business.”

Many businesses provide goods and services to the Union which enable the Union to carry on its institutional mission. This includes law firms, printing companies, suppliers of computer-related goods and services, program incentives, and a wide range of other goods and services that the Union must purchase on the open market. In dealing with these vendors, the following guidelines must always be followed:

- Union representatives may not receive meals, gifts, tickets to sporting events, concerts or other events, or any other item of value from vendors under any circumstances.

- Vendors may not make contributions to union funds of any sort. Vendors also may not make contributions to private caucus funds. This includes both monetary and in-kind contributions.

- When entering into contracts for the purchase of goods or services, the Union should employ a competitive bid process and should seek bids from at least three reputable vendors, using Union services and U.S.-made products whenever available. If circumstances require you to deviate from the multiple-bid procedure, you have the burden of justifying that decision with clear and convincing reasons why employing the multiple-bid process was impossible or unreasonable.

- Once a contract is entered, the Union should monitor the vendor's performance to assure that the Union is obtaining the full value of its contract.

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- It is permitted for a vendor to give the Union itself a discount, when that discount is a function of the volume of business or other traditional arms-length business considerations. In this respect, the vendor may treat the Union as it would treat any other purchaser. It is not permitted for a vendor to give the Union a discount simply because of the Union's status as a labor organization.

Other businesses (such as HMOs or insurance carriers) provide – or may seek to provide – goods and services to UAW members under UAW-bargained benefit plans. In dealing with these vendors, the following guidelines must be followed:

- Union representatives may not receive meals, gifts, tickets to sporting events, concerts or other events, or any other item of value from vendors under any circumstances.

- Vendors may not make contributions to union funds of any sort. Vendors also may not make contributions to private caucus funds. This includes both monetary and in-kind contributions.

- Union officials should evaluate potential providers of these kinds of benefits purely on the basis of maximum benefit to the UAW members, taking into account quality of the services and their cost-effectiveness.

- Once a provider has been chosen, the Union should monitor that vendor's performance to assure that the membership is obtaining the highest quality service available.

It is vital that UAW representatives conduct their day-to-day activities in accordance with these principles. As union representatives, we have a special responsibility to conduct ourselves in a manner that brings credit to the Union. We must demonstrate to the world – by our conduct as well as our words – that our Union is dedicated to helping others and not to enriching or benefiting union staff or union representatives.

In Solidarity,

Ron Gettelfinger  
President