Smithtown Kia workers vote 8-1 for union after nearly $94,000 antiunion campaign, filings show

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LABOR

Smithtown Kia workers voted 8-1 in favor of union representation July 13 after the dealership spent an estimated $93,752 on anti-union consultants, attorneys and related campaign expenses in the weeks leading up to the election, according to federal disclosure forms and a cost estimate reviewed by TBR News Media.

The organizing drive involved workers at T J NIK Auto Corp., doing business as Smithtown Kia at 726 Middle Country Road in St. James, in a National Labor Relations Board representation case (29-RC-388907).

Federal filings show Smithtown Kia retained outside labor consultants to assist management during the campaign. Those disclosures reveal the dealership hired two veteran labor consultants with extensive histories in union avoidance campaigns: Jason Blain, whose firm advertises expertise in helping employers remain "union-free," and Douglas Grima, a former United Auto Workers local president who later moved into management side consulting.

A filing by LRI Consulting Services states the firm entered into an agreement with Smithtown Kia on June 10 and began work June 12. The filing, signed July 7, lists Blain and Grima as the individuals through whom the persuader activity was being carried out.

Blain, president of Labor Relations Elevated, filed his own LM-20 disclosure form July 13, the day of the election. His filing also lists June 10 as the agreement date and describes a verbal agreement to help prevent the United Auto Workers from organizing employees for collective bargaining. Blain reported being paid $212.50 per hour, including travel and expenses.

Grima, CEO of DG & Associates, filed a separate LM-20 on July 12. Unlike the LRI and Blain filings, however, Grima's form lists June 15 as the agreement date, creating a discrepancy in the public record. If June 10 is the operative agreement date, both individual consultant filings appear to have been submitted 33 days later, beyond the 30-day disclosure period. If Grima's June 15 date is correct, his filing would fall within the required window.

What is not in dispute is the timing. The two individual consultant filings became public on Sunday, the day prior to the election.

LRI Consulting Services did not provide comment by press time. A message left for Grima was unreturned.

Blain is the founder and president of Labor Relations Elevated, a New Jersey-based consulting firm that advertises expertise in "union awareness," "union authorization card mitigation," "petition campaign management strategies" and helping employers remain "union-free."

According to LaborLab research, Blain frequently works as a subcontractor for LRI Consulting Services and has participated in campaigns involving Arcosa, USIC Locating Services and other employers facing union organizing efforts. Earlier this year, he was involved in a campaign at Destination Kia in Albany, where a UAW organizing drive was ultimately defeated.

Federal filings from that campaign show LRI billed the dealership $425 per hour plus expenses while Blain separately reported receiving approximately half that amount from LRI for consulting services.

Grima brings a particularly unusual background to the work.

Before becoming a labor consultant, he served as president of UAW Local 174 in Michigan from 2004 to 2008, representing union members in negotiations and labor disputes. According to a LaborLab report, his 2007 reelection as local president was later overturned after internal union officials concluded the integrity of the election process had been compromised. He ultimately lost a rerun election and later transitioned into management side labor consulting.

Today, Grima operates DG & Associates and works as a subcontractor for multiple labor relations consulting firms. LaborLab identified him as having participated in campaigns involving Amazon DPS1, BlueOval SK, Canpack US, Arcosa, Mercedes-Benz, Westinghouse and other employers in recent years.

Smithtown Kia was not the first campaign on which Blain and Grima worked together. LaborLab's research indicates both consultants previously appeared in organizing campaigns involving Arcosa before being retained for the Smithtown Kia effort.

A LaborLab estimate placed the cost of the anti-union campaign between $79,689 and $107,815, with a midpoint estimate of $93,752 over a 27-day period. That amounts to roughly $8,523 per worker in the 11-person bargaining unit.

According to the estimate, approximately $65,089 of the projected cost went to consultants, $25,143 to attorneys and the remainder to supervision, worker time lost and materials.

Teke Wiggin, research director at LaborLab, questioned the economics of spending that amount to oppose a union drive at such a small workplace.

Smithtown Kia Dealership. Photo courtesy of Facebook

"Why wouldn't the owner [Steven Cannata] allocate the, we estimate around $8,000 or $9,000 he's spending per worker, why not allocate that to the first contract?" Wiggin said.

Wiggin called the campaign "especially economically irrational," arguing that workers at Smithtown Kia already had a nearby example of what union representation could achieve. According to Wiggin, employees could look "down the street" at Smithtown Toyota and see "what is possible to achieve" in wages, benefits and retirement through collective bargaining.

Michael DiGiuseppe, the UAW organizer involved in the campaign, said outside labor consultants have become a familiar part of organizing drives and are often brought in almost immediately after management learns workers are seeking representation.

"The first thing they'll tell you, I mean, it is the best part. They call it a rapid response team," DiGiuseppe said. "They're good salespeople."

"As soon as an owner says, 'Oh, you have a union there,' they'll treat it like a crisis," he said. "They're on site within 24 hours."

DiGiuseppe said consultants are generally presented as neutral sources of information about labor law and the election process.

"They're persuaders, but legally and technically they're going to be just to inform the membership about the upcoming vote," he said. "And then they go in there and they just say every bad thing they possibly can and create fear, doubt and confusion."

"And this happened here," he added. "And then they just like to capitalize on every opportunity for confusion and doubt or fear."

DiGiuseppe said the dealership could have responded differently once workers began organizing.

"So instead of answering our phone calls, the guy ducks us, calls the lawyer and hires a union buster," he said. "They wanted us to accept [their terms]. He actually was going to recognize the union if we accepted not to bargain over health care."

Despite those efforts, workers ultimately approved union representation by an overwhelming margin. The final tally was 8-1 in favor of unionization.

"The best union organizer is a bad boss," DiGiuseppe said. "It's a perfect example."

In a statement posted after the election, UAW Local 259 said workers sought representation because of concerns over wages, paid time off, health care costs and what the union described as a lack of respect from management.

"Yeah, it's a strike issue for us," DiGiuseppe said. "We provide, we have our own Teflon health care plan and we provide excellent coverage at well below market rates. And we want to see those savings get passed on to the membership. It's not a high bar and they're afraid of that."

The union said technicians organized in response to "the lack of wage improvements, lack of paid time off, forever increasing health care costs, and insufficient respect from ownership for their skills, knowledge and abilities," according to a Facebook post.

UAW Local 259 also noted that it has represented workers at nearby Smithtown Toyota for decades. The union argued that the existing labor-management relationship should have made a union campaign at Smithtown Kia unnecessary.

The vote means workers will now move toward negotiating a first contract. Following the election, UAW Local 259 said it would focus on securing a first agreement for the newly organized technicians.

"When a union presents evidence that it has majority support, an employer can either take the high road and voluntarily recognize the union and avoid opposing a campaign and potentially spending a lot of money, or they can take the low road and oppose the campaign and try to influence a critical mass of workers into changing their position," Wiggin said, "because unions only file if they have significant majority support, or they only ask for recognition. So, this is a case where the employer decided to take the low road and invest quite a bit of money in trying to undermine the solidarity of its workforce and deny them the ability to collectively bargain for better working conditions."