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Former Oxford Automotive workers sue Michigan company over NAFTA

Associated Press

ARGOS, Ind. - Former employees of a closed Marshall County auto parts plant are suing a Michigan company and top executives, accusing them of lying to the government and holding up benefits provided under the North American Free Trade Agreement.

More than 300 former employees of Oxford Automotive Inc. are named as plaintiffs in a complaint alleging the Troy, Mich. company and nine former and current company officials engaged in fraud and criminal conversion. The case was filed Friday in Marshall Circuit Court.

When Oxford closed the plant about 30 miles south of South Bend in 2001, some of its machinery was sent to an Oxford plant in Ramos Arizpe, Mexico, the suit alleges.

Former Oxford employees repeatedly petitioned the U.S. Labor Department for NAFTA-authorized displaced worker benefits such as additional unemployment compensation, education and training. But the government rejected the claim because Oxford maintained that production had not moved across the border and the equipment remained idle.

"The problem here is this: you can't get those benefits unless the employer admits to the government that in fact, they have shifted their manufacturing capacity and they are using it across the border," plaintiffs' attorney John Hamilton of South Bend said Wednesday.

Because the workers were denied benefits they were entitled, some went through bankruptcies, divorces and other economic and psychological duress, "They experienced exactly what NAFTA benefits were intended to ameliorate," Hamilton said.

Last November, however, nearly three years after the Argos plant closed, the Labor Department agreed Oxford had indeed moved production to Mexico and ruled 500 former employees in Argos were entitled to benefits.

The complaint accuses the company of repeatedly lying to the Indiana Department of Workforce Development and the Labor Department through at least October 2002 by saying the equipment, though moved to Mexico, was not being used.

The Associated Press left a message Wednesday at the office of an Oxford executive seeking comment on the complaint.

The complaint asks the court to order the company to pay damages because its alleged misstatements constituted fraud and essentially destroyed the effect of the benefits by delaying the process nearly three years.

Oxford sold the plant in Mexico in May 2004. It still operates plants in Indiana at Greencastle and Corydon.