CAPITAL RESEARCH CENTER

Labor Watch

The Service Employees International Union

Part 2: Conflicts Over Control, Corruption, and Politics

By Ivan G. Osorio

Summary: The Service Employees International Union (SEIU) has 1.5 million members and is one of the few private sector unions growing in size. It has succeeded by organizing workers that other unions ignore—low-wage, unskilled, and immigrant workers—and by targeting the health care industry. Last month, the first of two Labor Watch *articles looked at how SEIU uses "corporate campaigns" to pressure employers. Part two this month looks at reaction to the SEIU "Unity Plan" to centralize decision-making (the scheme has prompted some union locals to leave SEIU), the union's political activism and how it is handling corruption at its powerful New York locals.*

The Service Employees International Union (SEIU) recently surpassed the Teamsters as the largest union in the AFL-CIO. Thanks to aggressive organizing of unskilled low-wage workers, the 1.5 million-member SEIU is growing larger, bucking the national trend of declining union membership.

SEIU may have reason to celebrate, but success may be swelling the union's head. At its 2000 convention, SEIU leaders adopted a reorganization scheme called the "New Strength Unity Plan" to

AP Photo/E.J. Flynn

Demonstrators block an intersection in downtown Los Angeles on April 4, 2000, as part of the Service Employees International Union's "Justice for Janitors" campaign.

amend the union's constitution to raise dues and give SEIU headquarters more authority over local union matters. The Unity Plan has provoked cries of protest from many rank-and-file members over its many provisions to centralize union decision-making. The Plan does the following:

> * Imposes a uniform identity on all SEIU-affiliated local unions by requiring locals to give up their names and logos and adopt the purple-and-gold SEIU banner.
>
> * Imposes gradually increasing assessments per member.
>
> * Passes the cost of the Unity Plan's implementation on to the locals by imposing new per capita assessments to be paid into a new entity called the "Unity Fund."
>
> * Raises the dues minimum and raises and eventually phases out the dues cap (by 2004).
>
> * Gives the SEIU international president power to intervene in local union affairs and gives SEIU the power to demand joint bargaining among locals.
>
> * Gives SEIU greater control over Canadian locals' dues.

In This Issue:

In the second of two articles, *Labor Watch* editor Ivan Osorio looks at the Service Employees International Union's (SEIU) recent struggles with disaffiliating locals in California and Canada, as well as its powerful New York locals' history of official corruption and political muscle flexing.

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While Canadian locals are exempt from many of the new assessments, the Unity Plan gives SEIU headquarters the authority to spend Canadian locals' dues as it sees fit. Resolution #55 contains this provision: "The revenue from per capita taxes *paid* by Canadian Local Unions shall be *spent* by the International Union for activities that support Canadian Local Unions." [Emphasis added] The resolution does not specify what constitutes "support," which could be just about anything.

The last proposal has led eight Ontario locals—representing about 30,000 workers—to move to disaffiliate from SEIU following the Unity Plan's enactment. SEIU fought the disaffiliation attempt and eventually reached a compromise with the dissenting locals. But the dispute still cost SEIU thousands of members.

The Unity Plan also has caused a major U.S. local to disaffiliate. Late last year, the 130,000 member California State Employees Association (CSEA), which has been an SEIU affiliate since 1984, cited the Plan as the principal reason why it wanted to sever its ties to the union.

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The SEIU-CSEA Dispute

On October 26, 2001, the CSEA voted for legal action to invalidate its union affiliation agreement with SEIU. The union represents 130,000 state civil service and California State University employees, including administrators, office and clerical workers, nurses in state hospitals, librarians, agricultural inspectors, janitors, food service workers, and social service workers.

CSEA president Perry Kenny says the "New Strength Unity Plan" is his union's principal reason for leaving SEIU. He argues that CSEA never approved the plan and was not present when it was deliberated and enacted. He complains that SEIU's State Council of delegates from California locals took the unprecedented step last year of preventing CSEA officers from taking their seats after alleging that they were not directly elected. CSEA also says SEIU denied representation to CSEA's California State University division at the 2000 convention.

CSEA officials also cite the following provisions in the existing CSEA-SEIU affiliation agreement:

* "Should the SEIU Constitution be amended or interpreted or other action taken to allow the imposition of an assessment upon the locals, *such assessment shall not be applied to CSEA except by mutual agreemen*t."

* "Any agreements negotiated by CSEA with an employer shall be in the name of *CSEA*, Local 1000, SEIU, AFL-CIO, CLC." [Emphases added.]

"SEIU's interference in association matters has proven very costly to our members," said Kenny, who called the SEIU plan a "power grab" and added that CSEA would "resist this raid on our identity, our autonomy, and our resources." Kenny said the new SEIU monthly fees—which are added on top of current per capita SEIU levies and start at $4 in 2001 until reaching $20 in 2005—would cost CSEA members $18 million over five years.

CSEA also accuses SEIU of forcing higher health care costs onto CSEA members. Last year, SEIU urged California's Public Employees Retirement System (CalPERS) to boycott Western Health Advantage (WHA), which was bidding to provide low-cost health care to CalPERS members. Under pressure, the CalPERS board dropped the bid. CSEA, however, supported WHA and convinced CalPERS to allow WHA to submit a second bid.

WHA is a health maintenance organization (HMO) that provides healthcare services through Mercy Healthcare Sacramento, a division of the Catholic Healthcare West hospital chain, which SEIU was trying to organize. WHA's second bid was higher than its original bid. Critics say the case shows SEIU putting its interest in organizing new members above its concern for the benefits of existing members in its CSEA affiliate.

SEIU Bullies Other Locals

CSEA is currently finalizing its disaffiliation, but some smaller locals in California and Canada have fared less well.

On January 28, 2002, SEIU forcibly merged Local 87, which represents about 3,500 janitors in San Francisco, into the statewide Local 1877. On April 4, former Local 87 members filed a petition with the National Labor Relations Board for an election to determine whether they could stop paying dues to Local 1877. The petition would cover 2,000 janitors who oppose being subsumed into the 22,000-member Local 1877.

Local 87 president Richard Leung says SEIU cancelled a vote on the merger when it realized it couldn't win. Instead, it imposed a trusteeship, barred Leung and other local officials from their own building, and merged the local into the much bigger Local 1877. "They wanted total control—period," said Leung. In 1999 SEIU forcibly merged another small San

Francisco local, Local 14, into Local 1877.

Canadian locals are also unhappy. On February 20, 2000, over 100 officials from eight SEIU locals in Ontario voted unanimously to withdraw from SEIU and join the 243,000-member Canadian Auto Workers (CAW), claiming that SEIU's top leadership was unresponsive to Canadian members' concerns. "We continue to be inhibited by Washington in our efforts to respond to the problems and challenges our members face in Canada," said Ken Brown, then-president of SEIU Local 210, who resigned his position as a SEIU international vice president that day. He also cited SEIU plans to merge locals and hike dues as part of the problem.

The eight locals represented about 30,000 workers, nearly a third of SEIU's 95,000 Canadian membership. CAW, the largest private sector union in Canada, which itself broke away from the United Auto Workers (UAW) in 1985, is seeking to expand beyond its traditional auto and airline base into service industries. Most of the eight Ontario locals' members worked in health care, which in Canada is state-run.

How did SEIU handle dissent? Almost immediately, SEIU president Andrew Stern placed the eight locals under trusteeship and fired local officials and staff—in what Brown called "a move to intimidate" the Ontario locals.

SEIU then sued 23 officials at the renegade locals for $5.5 million. SEIU accused them of depositing about $1 million in SEIU funds into CAW accounts, turning over mailing lists to CAW, removing and deleting files, and emptying union offices. The money was returned by court order.

"Raiding" or Competing?

SEIU acted aggressively over what it considered CAW's worst offense: "raiding"—the practice of one union signing up another union's members. On July 1 (Canada Day), the Canadian Labor Congress (CLC), Canada's counterpart to the AFL-CIO of which SEIU is a member, placed heavy sanctions on CAW for raiding 5,000 SEIU members. CAW was barred from representation at CLC provincial federations and local labor councils.

CAW president Basil ("Buzz") Hargrove argued that the sanctions were unjustified because CAW never set out to lure away another union's members. Rather, he maintained the eight SEIU Ontario locals sought out the CAW as an alternative to SEIU, which they perceived as an unresponsive Washington-based union. He candidly stated his case in a June 30, 2000 *Toronto Globe and Mail* op-ed:

> "[T]he decision [to disaffiliate from SEIU] has…been ratified by more than 95 percent of the thousands of workers who have been allowed to vote on the issue. But their parent union, the Service Employees International Union (SEIU), refuses to accept the verdict of its members. It has placed eight locals under dictatorial trusteeship, and is suing the renegade leaders personally for millions of dollars."

Hargrove said that CLC anti-raiding rules leave workers at the mercy of autocratic union bosses by making it "virtually impossible for workers to switch their membership from one union to another."

> "It doesn't matter how badly a union represents its members, or how much it loses the confidence of those who pay its bills…as long as dues money keeps flowing in from workers who are treated more like indentured servants than trade unionists, then the picture of happy solidarity is preserved—for the union leaders, anyway."

Another word for "raiding" is *competition*, which union officials hate because it undermines union cartels.

While Hargrove says nothing about workers' rights to not join any union, he makes a good point. Another word for "raiding" is *competition,* which union officials hate because it undermines union cartels. No-raid agreements, a major incentive for unions to join labor federations, deny employees the choice of switching unions.

Union democracy activists on the Left recognize the problem. *Socialist Action* writer Nat Weinstein argues that, "when trade-union democracy is the norm, 'raiding'—that is, the practice of a gang of bureaucrats in one union stealing members from another—is pure nonsense. No one can do that if the union membership has the right to say no!" Yet this was what SEIU and the CLC accused CAW of doing.

Ontario Locals Run Out of Options

The eight Ontario locals felt they had acted only after their attempts to work within SEIU had failed. Fired SEIU staffer Dennis Hillyer told the *Toronto Star* that he had warned SEIU president Stern about internal union troubles in Canada three years earlier: "I told him if he didn't do something . . . our members would go to the Auto Workers. I remember saying, 'I don't have a good feeling,' as I left that meeting."

On May 22, 2000, over 1,000 delegates to the SEIU international convention in Pittsburgh approved a plan that they claimed would give greater autonomy to the union's Canadian section. It created a Canadian convention and gave Canadian locals greater control over budgets and policies. But Ontario union officials regarded this as an empty gesture since, at the same convention, SEIU adopted its "New Strength Unity Plan" to give the international SEIU greater control over Canadian members' dues.

Ken Brown told the leftist *This Magazine* that, despite some cosmetic changes within SEIU, "the business of the union continued to be largely controlled in the U.S. in terms of finances. The simple matter of issuing checks and payroll and everything was managed from Washington." Brown had discussed the problem with Stern in January 2000. "His words were to the effect that we were not ready to handle our own accounting system or handle our finances," said Brown, who argued with Stern that without control over budget, autonomy is meaningless. "How can we be trusted to chart our own course, when we can't be trusted to make our own financial decisions?"

Despite the sanctions on CAW, many SEIU Canadian members voted with their feet. Ontario labor law allows local union members to switch their parent union affiliation in the 60 days prior to the expiration of their contract—so as SEIU contracts throughout Ontario came up for renewal, members began leaving SEIU piecemeal. By the time the dispute was resolved 15 months later, about 14,000—nearly half—of the 30,000 union members in the affected SEIU locals had bolted to CAW.

The CAW-SEIU dispute was officially resolved in June 2001 through an agreement brokered by CLC, which insisted on keeping its details secret. SEIU would not reveal details of the agreement, despite protests from the press. However, the *Windsor Star* obtained a copy and reported that it gave CAW organizers 50 days to sign up SEIU members at 38 workplaces.

New York Union Story: Politics and Corruption

While SEIU faces protests from California and Canada over its centralizing policies, it confronts an ongoing problem of internal corruption that centers in New York, where the union is very strong in both numbers and political influence.

SEIU Locals 32B-32J and 1199 are political powerhouses in both New York City and state politics. The 70,000-member Local 32B-32J in New York City is particularly important: AFL-CIO president John Sweeney headed it before he became SEIU's international president in 1981. The local has a history of political activism—and official corruption.

Sweeney's immediate successor at the local was Gus Bevona, who ruled the union with an iron fist for 18 years, and stepped down after union members sued him for improperly spending $2.4 million in union funds.

John Sweeney's immediate successor at Local 32B-32J was Gus Bevona, who stepped down after union members sued him for improperly spending $2.4 million in union funds.

At one time the nation's highest-paid union boss, Bevona got nearly half a million dollars a year from several sources. In addition to his $412,000 Local 32B-32J salary, he also was paid by the SEIU parent union, a regional council, and another affiliated local. When he "retired" in 1999 with a $1.5 million severance payment, Bevona left behind a $6 million marble office penthouse in Manhattan, paid for by member dues—about $500 a year from each of 55,000 members in the late 1990s. Several Bevona cronies made off with about $5.3 million in severance payments.

Bevona's Fall

The union presidency was a sweet deal for Bevona, but his graft caught up with him thanks to the persistence of local union dissidents Carlos Guzman, Dominick Bentivegna, and Paul Pamias.

In 1991 Bevona hired private detectives to tail Guzman after he criticized Bevona's salary and protested the union practice of selling jobs for bribes. Guzman sued Bevona for spying on him and was awarded $100,000 in 1996. But that wasn't the end. Bevona had paid his lawyers $1.65 million from the union treasury. He also spent about $600,000 of union funds to publish a hardbound 142-page "history" of Local 32B-32J that was sent to the local's entire membership. The book praised Bevona and attacked his rivals, including Guzman, who had challenged Bevona for the union presidency in 1995.

Guzman and Bentivegna sued Bevona in 1997 to recover $2.4 million in misspent union funds. Bevona fought back, but two court rulings went against him. On February 24, 1998, Manhattan Federal District Court Judge Robert Patterson ruled that Bevona could not use union funds to pay his legal fees. Then, on August 4, 1998, a U.S. appeals court upheld a district court ruling that the local "history" was campaign literature. It ordered the local to pay $2,588 in matching contributions for Guzman's campaign if he ran against Bevona. With legal defeats mounting, Bevona was willing to deal: he agreed to step down from the local's presidency if Bentivegna and Guzman dropped their suit.

Bevona is Gone; Long Live Bevona

Bevona is gone, but the union local is hardly reformed. According to reporter Tom Robbins of the *Village Voice*, most of the officials appointed by Bevona were left in place, along with the union's lawyer Ronald Raab, who handled legal affairs under Bevona. Carlos Guzman told the *Daily News*: "We fought Ali Baba and the 40 thieves. Now Ali Baba is gone, but the 40 thieves are still here."

Local 32B-32J dissident member Paul Pamias, a building superintendent, said the trustees who took over the local are "just as corrupt" as Bevona, and are now permanent officers. Current president

Michael Fishman first took over the local as a trustee.

Last March 1, Pamias asked the Labor Department to investigate his local for possible violations of the union democracy provisions of the Landrum-Griffin Act. In his letter, published by the National Legal and Policy Center, Pamias says Fishman "conducts general membership meetings in total violation of [Landrum-Griffin], our Local's constitution and basic parliamentary procedure."

> "Mr. Fishman, at every general meeting he has conducted, refuses to open the floor for new business, refuses to take unrehearsed questions and refuses to open the floor to independent motions. Members are not provided information relevant to issues, which are voted upon. We are denied a meaningful/informed vote. Everything is presented in a confusing manner and relevant information is withheld from the members. The opposition is denied every opportunity to debate or present opposing views."

Pamias echoes CSEA president Perry Kenny and CAW president Buzz Hargrove when he accuses SEIU of acting in an authoritarian manner: "I cannot write to the SEIU because Andrew Stern, the international president, is the mastermind behind this. Mr. Fishman was Stern's former chief of staff. It is obvious that Mr. Stern is looting our treasury, suppressing dissent and consolidating his power." When Fishman ran for the union presidency in 2000, the SEIU national union waived the local's three-year membership requirement for the union presidency.

On April 15, Fishman fired Dominick Bentivegna, who was hired as a local staffer when Bevona stepped down, after Bentivegna told Fishman that he intended to run for the local's presidency against him. Bentivegna's account: "He said, 'You're not going to work for me and run for office.'" Fishman retorted: "It's not about democracy. If you disagree with the program, you can't be working here." Fishman didn't specify what "the program" is.

The national union has been of no help in curbing abuses at Local 32B-32J. Immediately following Bevona's departure, SEIU president Andrew Stern praised as "heroic" Bentivegna and Carlos Guzman, whose suit brought Bevona down. But SEIU and most of the labor establishment did nothing significant to help the 32B-32J dissidents. In fact, many union officials actually *defended* Bevona. According to the *New York Daily News*, the AFL-CIO Central Labor Council in New York filed an *amicus* brief in support of Bevona while he was fighting the suit.

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Sweeney and Bevona

AFL-CIO president John Sweeney's ties to Bevona are especially troubling. Sweeney left Local 32B-32J back in 1981 to lead the SEIU national union, but he continued to receive a salary from the local until *1994*, in addition to his SEIU international president salary ($210,952 at the time). During Sweeney's 1995 campaign for the AFL-CIO's top spot, the Associated Press reported that Labor Department documents show Sweeney received at least $449,642 from the local between 1982 and 1994.

According to AP, Sweeney got $19,459 from the local in 1982, his first full year as SEIU international president. The following year, the local gave Sweeney the title "executive adviser." Thereafter, Sweeney's salary from his former local actually rose. According to *Newsday*, which also reported the story, from 1989 to 1993, Sweeney got over $70,000 a year from Local 32B-32J.

Payments to Sweeney stopped when he began campaigning for the AFL-CIO presidency. In 1994 Sweeney received only $10,059 from the local. Sweeney spokesman Ray Abernathy said Sweeney stopped receiving the payments because "he decided both the amount of time he was spending with the local and the amount of money he was receiving was inappropriate." Or was it politics? "Double dipping" certainly didn't help Sweeney's reform image.

And if Sweeney enjoyed a salary from the New York local, so did Bevona welcome a salary from SEIU's Washington headquarters. According to *Newsday*, Bevona received over $70,000 a year from the SEIU international union when Sweeney was its president. Herman Benson, founder of the Association for Union Democracy (AUD), a pro-union watchdog group, told AP that, "In most of these double salaries, the second job is fictitious."

After becoming AFL-CIO president, Sweeney tried to put some distance between himself and Bevona. Sweeney did not back Bevona for a SEIU leadership position in 1996. But, as Jeffrey Goldberg of the *Daily Telegraph*, observed, "Sweeney's efforts to distance himself from Bevona come a bit too late to be credible," because of his "taking a second salary for so many years from Bevona." Benson notes that Bevona became an embarrassment for Sweeney, "but Bevona was letting him make his dough for a long time. Sweeney doesn't get very good marks as a crusader."

When asked about the salary from the local during his AFL-CIO campaign, Sweeney said: "I work for that salary, *I work very closely with the officers of that local and I'm heavily involved in the activities of that local*." [Emphasis added.] This was probably the only answer Sweeney could have given, but it's damning because of what Bevona, in charge of

Local 32B-32J activities at the time, was doing.

Goldberg cites court records indicating that Sweeney, as a member of the Local 32B-32J executive board, approved hiring private detectives to tail Guzman. “Sweeney ratified what they did to me,” Guzman said. “He was intimidating a union dissident. Is that the kind of reform he is talking about?”

SEIU and City Politics

SEIU 32B-32J is a powerful force in New York politics. And since Bevona’s departure, Stern and Fishman have said they plan to increase the local’s political activity. “The local has been somewhat isolated from the community and from the political affairs of New York,” Stern has said. “We’re going to get more involved.” Fishman told the *Village Voice*: “We had made a decision we were going to build influence in New York City.”

Local 32B-32J endorsed Democrat Mark Green in the recent city mayoral elections. His loss to Republican Michael Bloomberg wasn’t for lack of trying on the union’s part. According to the *Voice*, it signed-up 8,000 new members for a new political fund and enrolled over 1,000 as election-day “volunteers” for Green.

Indeed, the local may have gone overboard in its enthusiasm for Green. Local 32B-32J is currently under investigation for possible election law violations. On November 13, Manhattan District Attorney Robert M. Morgenthau subpoenaed the union for information on its political activities during the city elections. Union dissident Paul Pamias wrote Morgenthau on October 12 to complain that the local had turned “the union hall into a campaign headquarters” and had compelled members to “donate” personal and vacation days to Green’s campaign.

SEIU Cozies Up to A Republican

At the state level SEIU is positioning itself differently. On March 17, the 210,000-member SEIU Local 1199 endorsed New York Governor George Pataki for reelection to a third term. The endorsement made headlines: one of America’s most liberal unions had endorsed a Republican. Pataki, who will face either New York Comptroller Carl McCall or former Housing and Urban Development (HUD) Secretary Andrew Cuomo in November, has set out to secure union endorsements. But his surprising success has sent political observers searching for clues of the political deal he reached.

They have concluded that Pataki and SEIU Local 1199 president Dennis Rivera worked out an agreement behind closed doors that will cost New York taxpayers millions of dollars. This past January, Pataki, Rivera, Senate Majority Leader Joseph Bruno (R-Brunswick), and Assembly Speaker Sheldon Silver (D-Manhattan) drafted the Health Care Worker Recruitment and Retention Act in what the *Albany Times Union* called “a classic backroom deal.” With no chance for debate, they then railroaded the Act through the legislature early on the morning of January 17—before passage of an overall state budget.

SEIU still embodies many features of old-style unionism, from heavy-handed bosses to lax prosecution of internal corruption.

“By the time they voted, the great majority of legislators who had no hand in drafting the bill knew only what their leaders had told them about it,” reported the *New York Times*. The episode reflects badly on the legislature as well as Pataki and Rivera. Assemblyman John Ravitz (R-Manhattan), who voted against the bill, told the *Times*: “When nobody sees a gigantic bill until 20 minutes before they’re supposed to vote on it, that’s irresponsible.” But vote they did. The Senate passed the bill 53 to 4. The Assembly voted for it 100 to 35—at 1:45 AM.

A Bad Deal For New York

The Act, a $4.5 billion health care financing bill, diverts $1.8 billion to raises for state health care workers, many of whom are represented by Local 1199. The deal has earned Pataki a major union endorsement. It got Rivera a pay raise to take back to his members. SEIU took out full-page ads in the *New York Times* and other state papers thanking Pataki and the legislature for the bill’s passage.

Reaction to the deal across the state has been overwhelmingly negative. The *Albany Times Union*’s editors were scathing:

> “Shut out were rank-and-file lawmakers, competing special interests in the health care field, and more than 18 million other New Yorkers who don’t belong to the union. And, oh yes, the democratic process, too.”

Worse, the Act could have dire consequences for New York health care. With that kind of money at stake, the Act “should have been part of the public debate over the state budget,” notes the *Times Union*. “Had that occurred, the bill’s flaws—particularly, *a new 6 percent tax on revenues that could put some nursing homes out of business*—would have been obvious.” [Emphasis added.]

The legislature exempted Medicare receipts from the tax following intense lobbying from the New York Association of Homes & Services for the Aging (NYAHSA), which argued that it would cost nursing homes across New York state a total of $350 million over three years. But patients who pay either out of pocket or out of private insurance will still be subject to the tax.

The bill also directs about 92 percent of state assistance to home care workers downstate, where they are heavily unionized. New York State Home Care Association president Carol Rodat warned that this could hurt providers and patients upstate. “The bill…ignores the ‘nursing home without walls’ that has allowed people to remain at home rather than enter nursing homes," she said. "Home care providers of skilled care in the [New York] Capital Region have closed intake several times in recent months due the severe shortage of nurses and home health aides." She adds a stern warning: "The public deserves to know that it will be harder to get home health care in the future."

The health care deal is also financially unsound because it relies on monies that the state does not yet have on hand:

> * $1 billion is expected from one-time initial stock issue revenues when state insurer Empire Blue Cross/Blue Shield converts from a not-for-profit institution to a for-profit company.
>
> * $700 million is expected in increased federal health care funding, which Congress has not yet approved—and now may not approve following the outcry over the deal.

Both Pataki and Rivera have angered many of their traditional allies. Both *Crain's New York Business* and New York Common Cause director Rachel Leon have called Rivera's endorsement a "quid pro quo." Republicans and businesspeople attack the deal as political pandering by Pataki, while Democratic politicians criticize Rivera for selling his union's endorsement to a Republican.

The *New York Post*'s Scott McManus wrote: "Pataki…is entitled to whatever campaign strategy he chooses. What he is not entitled to—or rather, what he should not be entitled to—is hundreds of millions of taxpayer dollars to execute his plans."

Pataki's potential Democratic challengers are also critical. "George Pataki made a back-room deal in the middle of the night for a political endorsement," said Cuomo. McCall attacked the deal as "done in the middle of the night, [with] no public input, no discussion…[and] rammed through in a way for the governor to pay off the union so that they would endorse him."

But Local 1199's endorsement is a major coup for Pataki despite the public reaction. *New York Times* reporter Adam Nagourney notes that the 210,000-member local "is widely viewed as the most powerful labor group in the state, and before this past January, it was almost synonymous with the Democratic Party." According to the *New York Observer*, the endorsement "comes with the most sophisticated phone-banking operation in the state and the most dedicated corps of street volunteers."

SEIU Local 1199 invested time, money and effort to enact the law. It coordinated its lobbying with the Greater New York Hospital Association, another beneficiary. Their joint "Healthcare Education Project" spent $2.85 million in 2001 on lobbying, the most of any state lobby organization last year, according to the New York State Temporary State Commission on Lobbying.

Dennis Rivera is no political novice. According to the *Village Voice*, David Dinkins's "successful 1989 campaign [for New York mayor] was virtually run from the offices of Rivera's Local 1199 on West 43rd Street." In 2000, Rivera's union gave the Democratic Congressional Campaign Committee a $1 million dollar "soft money" contribution, which *USA Today* said is "believed to the largest single campaign contribution in post-Watergate federal politics." In 2002 Rivera withheld an endorsement of a Democratic candidate for New York City mayor until just a few days before the September 28 primary. (He endorsed Fernando Ferrer, who lost the nomination to Mark Green).

Now the deal with Pataki elevates Rivera's political prominence even further. Lobbyist Norman Adler told the *New York Observer*: "Dennis Rivera has skillfully cultivated both the Republican and Democratic leadership of state government, so they're all on his side." And Bernstein notes that thanks to his deft maneuvering, Rivera is "emerging as the most powerful person in Albany, more powerful than the Governor, either of the two Democrats who want his job, the Democratic party or the leaders of either legislative body."

This November's election will determine whether Pataki's maneuvers reduce Republican turnout and whether Rivera's hurt his union's clout with Democrats. But New York taxpayers are surely losers as their money goes to reward political deal making. So are the families of elderly and chronically ill patients, who may find nursing home care beyond their budgets.

Conclusion

The Service Employees International Union has successfully bucked the downward trend of private sector unions by focusing on parts of the work force most unions ignore: unskilled, low-wage, and immigrant workers. Liberal pundits and activists see an aggressive and politically engaged union that they think offers hope for labor's revival.

But SEIU still embodies many features of old-style unionism, from heavy-handed bosses to lax prosecution of internal corruption. And SEIU's "New Strength Unity Plan" displays an authoritarian management style at the union's highest level.

Now SEIU is setting its sights on a largely non-unionized industry: health care. It has focused on home care workers, whose number the Bureau of Labor Statistics forecasts will grow by at least 36 percent over the next decade. SEIU will have a difficult time: home care workers often work alone and they perform a variety of tasks like cooking meals, housecleaning, moving patients, dispensing medications, and providing emergency first aid that aren't well suited to work under union work rules. SEIU has been very aggressive, but it remains to be seen if SEIU organizers can replicate their past successes.

SEIU setbacks—the disaffiliation movements by the 130,000-member California State Employees Association (CSEA) and eight Canadian locals representing about 30,000 workers—suggest that all is not well with the union. But the Service Employees International Union continues to gain new members—it is now the largest union in the AFL-CIO. And it has built up enormous political clout and cannot be ignored.

Ivan G. Osorio is Editor of Labor Watch.

Labor Notes

AFL-CIO Imposes Mandatory Dues Increase for Politics

On May 22, the AFL-CIO announced a mandatory dues increase intended to bring $25 million to the labor federation's political war chest by the 2004 presidential election. The increase of 4 cents a month per member applies to all 66 AFL-CIO member unions. The AFL-CIO plans to spend $33 million in the 2002 midterm elections, the same amount it spent in 1998. It spent about $42 million during the 2000 presidential election cycle.

Labor Department Posts Union Financial Reports Online for The First Time

The Department of Labor is making union financial reports available on the Internet for the first time. The reports, known as LM-2 forms, which unions are required to file yearly, include union bylaws, constitutions, and official salaries. They are public, but for years have been cumbersome to obtain. Access used to require a trip to a public disclosure room at the department or one of its field offices and payment of a fee for copies. Information beginning with 2000 is available online. Information for previous years is available at DOL's Office of Labor-Management Standards. The Associated Press reviewed information for some large unions and found six-figure salaries for several union presidents. American Federation of Teachers president Sandra Feldman reported a $337,282 salary in 2000. The figure jumps to $523,090 when allowances and expenses are added. Other high-paid union leaders include Teamsters president James P. Hoffa at $228,713 ($262,200 including expenses); AFSCME president Gerald McEntee at $267,245 ($364,445); and SEIU president Andrew Stern at $190,561 ($241,589). The reports are available online at http://www.union-reports-dol.gov.

Prosecutors Indict Longshoremen's Union Official in New York Waterfront Mob Sweep

On June 4, federal and New York state prosecutors announced the indictments of 17 people in a labor racketeering case in New York's waterfront. According to the 68-count indictment, members of the Gambino crime family controlled the appointment of International Longshoremen's Association (ILA) officials, forced dockworkers to pay for their own jobs, reaped large kickbacks—$400,000 in one case—from the union's national prescription drug plan, extorted waterfront businesses, and engaged in illegal gambling and loan-sharking operations. One of the indicted individuals is ILA Local 1814 president and international union vice president Frank Scollo, who was charged with extorting thousands of dollars each month from Howland Hook Container Terminal. A 1991 consent decree had barred Scollo from consorting with organized crime figures. The indictment charges the defendants with using "threats of force, violence, and fear" to gain control of Brooklyn and Staten Island ILA locals—and attempting to position a mob associate to take over the 65,000-member union's presidency. Also indicted were Peter and Richard V. Gotti, both brothers of late Gambino boss John J. Gotti. Brooklyn U.S. Attorney Alan Vinegrad announced the indictments at a press conference with New York Attorney General Eliot Spitzer, New York Police Commissioner Raymond Kelly, and officials from the Waterfront Commission, FBI, and Labor Department.

Miami TV Station Uncovers Questionable Finances by Florida's Largest Teachers' Union

A Miami television station has uncovered financial information that indicates that United Teachers of Dade (UTD), Florida's largest teachers' union, gave bloated expense allowances and interest-free loans to already highly paid union officials. Reporter Jilda Unruh of Miami ABC affiliate Channel 10 says county property records indicate the $1 million house UTD president Pat Tornillo calls home is owned by the union. Unruh reports that in a March 19 letter, UTD chief financial officer Jim Angleton said that Tornillo leases the house from UTD and pays $2,700 a month through a paycheck deduction. "But nowhere did that information show up on the union's most recent filing with the state Public Employee Relations Commission or PERC," says Unruh. PERC lists Tornillo's salary at $225,429 plus a $17,700 expense allowance. The PERC filing shows that six UTD employees received expense allowances bigger than their salaries and ten UTD employees with salaries over $100,000 a year get allowances of $12,000 to $17,000. It also shows that UTD made loans to 23 individuals between October 1, 2000 and September 1, 2001, all but two of which appear to be interest-free. Angleton said that interest was charged on the loans. But the union admitted that it waived repayment on seven of those loans during the last reporting year due to hardship. Among those claiming hardship were three UTD employees with salaries between $86,000 and $112,000. UTD says it no longer makes personal loans to employees. UTD is an affiliate of both the National Education Association and the American Federation of Teachers.