Foundation Exposes Corrupt Underbelly of Illegal Union Politicking

"Federal Election Commission urged to prosecute SEIU and NEA fundraising schemes"

WASHINGTON, DC – In recent months, National Right to Work Foundation staff attorneys have filed two separate complaints with the Federal Election Commission (FEC) urging the agency to investigate apparently illegal political fundraising schemes by two of the nation's largest and most politically powerful unions.

The complaints come amidst record-breaking political expenditures by labor union officials in the 2007-2008 election cycle to elect pro-forced unionism politicians. In total, union political operatives spent well over one billion dollars combined on national, state, and local elections.

Unsurprisingly, Big Labor has indicated it fully expects those they helped put in office to return the favor and help pass more forced unionism power grabs. Top on the agenda is the so-called “Employee Free Choice Act” (more aptly, the Card Check Forced Unionism Bill), which would eliminate the limited protections of the secret ballot in unionization drives and force millions of American workers into union collectives against their will.

In January, the Foundation joined two Alabama educators in an FEC complaint against the National Education Association (NEA), Alabama Education Association (AEA), Baldwin County Education Association (BCEA), and the NEA's political action committee (PAC).

Union boss misleads educators into funding PAC

Over the summer, Claire Waites and Dr. Jeanne Fox attended the NEA's national convention in Washington, D.C. as representatives of the BCEA teacher union. Waites, chair of the science department at Daphne Middle School, and Fox, assistant principal at Daphne, are members in good standing of the BCEA, AEA, and NEA.

Saadia Hunter, the BCEA union president, told Waites and Fox that she made contributions to a “children’s fund” in their names using money from the BCEA's general funds that had been withheld from travel money given to Waites and Fox.

Hunter insisted that the donations were not political contributions, but in actuality the money went into the NEA Fund for Children and Public Education, the NEA's PAC, which made significant contributions to Barack Obama’s presidential campaign in 2008.

In addition to the misleading solicitations for PAC contributions, the teacher union PAC fundraising scheme violated federal law in several ways,

see FEC COMPLAINTS page 7

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Giving Strategies: Cash Gifts Are Just One Option!

While gifts of cash are certainly an easy and direct way to support the Right to Work movement, Foundation supporters are increasingly utilizing other giving strategies that offer a variety of benefits. The following are a few charitable giving options for supporters to consider that may help them in achieving financial goals in 2009.

The charitable distribution provision established by the Pension Protect Act of 2006 has been extended to remain in effect through 2009. This Act allows tax-free gifts from (non-employer sponsored) IRAs and allows the gifts to count as required minimum distributions for the donor. Please review the following special tax-free stipulations and consider a special gift to the National Right to Work Legal Defense and Education Foundation, Inc. today:

- The donor must be 70 1/2 years or older when the gift is made;
- The transfer of funds is made directly from the IRA to the Foundation (a qualifying charity) during 2009; and
- The gift is given outright and in an amount of $100,000 or less, aggregated with other such gifts.

If an individual planning a gift to the Foundation has already taken a required minimum IRA distribution for 2009, one can still use an IRA as a source of funds for charitable giving. It can be to a donor’s advantage to gift tax-deferred investments rather than those on which they have already paid taxes. (One additional note: charitable distributions are allowed directly from IRAs, but they are not allowed from 401(k) accounts.)

Other planned giving ideas:

- Gifts of cash (a tax deduction in the current year);
- Gifts of stock and/or securities (a tax deduction for the full market value and no capital gains tax) - see page 6;
- Wills and living trusts (a gift for the future of Right to Work);
- Gift annuities (a tax deduction in the current year and an income stream for life – not available in all states);
- Pooled income fund (an alternative life income solution); and
- Charitable lead trusts and charitable remainder trusts.

Of course, Foundation supporters are encouraged to consult with their own tax or estate advisors before making a planned gift.

Supporters with questions regarding a gift from an Individual Retirement Account – or any other planned giving option – are encouraged to contact Ginny Smith, Director of Planned Giving at 1-800-336-3600 or gms@nrtw.org. The Foundation will send out a no-obligation information kit.
WASHINGTON, DC – Recent actions by organized labor bosses, including red-faced comments by a top union president, indicate Big Labor is aiming to open new legal attacks on the National Right to Work Foundation in the coming months.

The effectiveness of the Foundation’s strategic legal program in slowing and, in many cases, stopping abusive actions by union officials to force more workers into unions has placed the Foundation high on Big Labor’s target list.

In the Obama era, National Right to Work forces are girding for major defensive legal and policy battles. At the same time the organization itself may come under a coordinated attack by union lawyers and regulators in the Obama administration seeking to divert the Foundation’s resources at a time of great danger to the Right to Work movement.

The National Right to Work Foundation counts on the generous support of workers, small business people, retirees, charitable foundations, and tens of thousands of principled advocates of individual liberty to carry out its vital mission of protecting the rights and freedoms of American workers.

Since 1968, Foundation attorneys have represented several hundred thousand employees in more than 2,200 cases and secured several important precedents for employee freedom in 14 trips to the Supreme Court of the United States. In all, approximately 350,000 Americans have financially supported these battles along the way.

This record of effectiveness is why union barons are apparently dusting off a tactic that Big Labor used for 13 years to try to put the Foundation out of business by trying to compel disclosure of the Foundation’s supporter list. Union officials know that such information would enable union militants to harass or blacklist many of the Foundation’s financial supporters – including small businesses and workers in unionized workplaces – and therefore seriously impact the availability of funding.

UAW boss threatens Right to Work

In December, after a version of the proposed federal bailout of the so-called Big Three Detroit automakers and the United Auto Workers failed in Congress, UAW chief Ron Gettelfinger held a press conference in which he lashed out at the Foundation’s efforts to defend workers from forced unionism.

On national television, Gettelfinger moaned, “[We’re] also up against the National Right to Work Legal Defense Foundation, who we don’t even know who they are, because we can’t find out who their contributors are.”

In response, National Right to Work Foundation President Mark Mix immediately released a statement. “How dare you blame the current debacle in the automotive business on efforts to give workers the right to join or not join a union,” Mix said. “These problems have been caused by the forced unionism stranglehold you currently enjoy.”

“Make no mistake,” Mix continued, “you will never get your hands on the list of the National Right to Work Foundation’s contributors…We will NEVER allow these folks to be put into harm’s way by making their identities known to your goons.”

On its own, Gettelfinger’s rant could seem like nothing more than the sad efforts of a desperate union boss to find scapegoats and divert attention away from the economic devastation caused by the UAW’s forced unionism in the automotive industry.
High Court Demurs on Enhancing Forced Dues Protections  
U.S. Supreme Court decision emphasizes need for state Right to Work laws

WASHINGTON, DC – In late January, the U.S. Supreme Court ruled that Maine state employees can indeed be forced to pay into an international union’s litigation slush fund as a condition of employment – even if none of the expenditures are ever made in their bargaining unit or even their own state.

The Supreme Court’s disappointing decision in Daniel Locke et al. v. Edward Karass et al. reaffirms the First Circuit Court of Appeals’ loose standard of First Amendment protection for employees forced to pay union dues to get or keep a job.

“America’s workers were not well served by this ruling. The U.S. Supreme Court missed an obvious opportunity to use the same ‘strict scrutiny’ standard that applies under the First Amendment to other content-based government restrictions on free speech,” said Mark Mix, president of the National Right to Work Foundation.

In 2005, with the help of the pro-compulsory unionism governor, Maine State Employees Association (MSEA) union officials craftily snuck language into a state contract to impose an onerous forced dues requirement on most state employees. For the first time ever, the MSEA union gained the power to force nearly 3,000 state government employees to pay union dues, despite the fact that many of these workers were not union members.

Workers challenged union bosses’ forced dues demands

In 2005, Locke and his coworkers received insufficient due process when the union moved to seize dues from them, so they filed a federal lawsuit against MSEA bosses with free legal assistance from the Foundation. Union bosses then scrambled to provide financial disclosure, but the audits revealed that they were charging for activities outside the workers’ bargaining unit – including lawsuits filed by the Service Employees International Union (SEIU), the MSEA’s powerful national affiliate.

Setback highlights injustice of forced unionism

After the employees lost on this issue at the district court and appellate court, Foundation attorneys persuaded the U.S. Supreme Court to hear the case. Locke could have provided much-needed clarity regarding the Supreme Court’s previously established criteria that determine what union activities employees can be lawfully forced to fund.

Unions spend billions of dollars each year on a wide range of activities unrelated to collective bargaining, including organizing, litigation, lobbying, and political activism. Yet shameless union officials frequently insist that nonmembers foot the bill for these activities or risk being fired from their jobs.

Lead petitioner Daniel Locke (center), Foundation Vice President Stefan Gleason, and Foundation attorney James Young (right) address the media on the steps of the U.S. Supreme Court.

The Locke case involved a situation where union lawyers claimed employees who pay into a national pooling arrangement could theoretically “benefit” from the union’s litigation expenditures at some point in the future. Foundation attorneys argued that this rationale was too hypothetical to justify extracting more forced dues from unwilling workers. Unfortunately, the U.S. Supreme Court disagreed.

“Because of the narrowness of the issue in question, we are optimistic that collateral damage to employee rights will be minimized,” continued Mix. “More fundamentally, however, this decision also highlights all employees’ need for Right to Work protections, which prevent union officials from extracting any compulsory dues from individual employees as a condition of employment.”

Lead petitioner Dan Locke, a hydrologist with the Maine state government, was naturally disappointed at the outcome, but he is an excellent example of the courageous men and women for which the Foundation and its supporters are fighting. “I will always consider all of you great folks at National Right to Work to be my true friends for we all fought this good fight together,” said Locke. “God bless you all and everything you do for freedom!”

Locke is the 14th case brought by National Right to Work Legal Defense Foundation attorneys to the U.S. Supreme Court.
BOCA RATON, FL – With free legal assistance from the National Right to Work Foundation, an employee at Mardi Gras Gaming in Boca Raton, Florida has filed a federal bribery lawsuit to prevent UNITE HERE union bosses from completing a quid pro quo deal intended to force hundreds of employees into union ranks.

Filed in U.S. District Court for the Southern District of Florida, the lawsuit alleges that union operatives violated the Labor Management Relations Act (LMRA) by receiving valuable organizing assistance from the company, including a highly advantageous list of employees’ names and home addresses.

In addition to employees’ contact information, union operatives also sought exclusive control over the company’s communication with employees and access to company facilities for the purpose of organizing. Under the LMRA, companies are barred from handing over “things of value” to union representatives, a prohibition theoretically intended to prevent union officials from offering to be bribed into violating their responsibility to solely advocate for workers.

Under today’s most common union organizing model, union officials agree to halt costly attacks against a targeted company in exchange for aid in unionization. Union bosses have even offered upfront concessions in future contract negotiations that undermine workers’ interests in return for corporate assistance. “There can be no doubt that a list of workers’ personal information is extremely valuable to union organizers. They routinely spend millions of dollars to browbeat companies into turning this kind of information over,” said Ray LaJeunesse, vice president and legal director of the National Right to Work Foundation. “Giving union bosses access to employees’ contact information is an open invitation to harassment and abuse.”

“Card check” trashes employee free choice

Although Mardi Gras Gaming is not yet unionized, the company entered into a euphemistically termed “Memorandum of Agreement” with UNITE HERE Local 355 in August 2004. It turns out that this pact was little more than a blueprint for a coercive union organizing drive, as union operatives received access to company facilities, control over the company’s communications with employees, and workers’ confidential contact information.

Workers’ home addresses and contact information are extremely valuable to union organizers, who use the company’s data to aggressively seek signatures on cards authorizing unionization from individual workers.

These so-called “card check” agreements between companies and union officials pave the way for union organizers to browbeat and intimidate workers into accepting unionization. Armed with employees’ home addresses and access to company facilities, union officials frequently harass workers on and off the job until they agree to sign cards that count as “votes” towards unionization.

In other Foundation-assisted cases, employees have testified to and documented the pressure, bribery, and outright fraud union organizers use to obtain workers’ authorization cards.
Foundation Faces Many New Attacks in Obama Era

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But Gettelfinger’s comments are not isolated. In the same month, union lawyers also filed court papers in a California case signaling they will seek a court order to obtain the names and addresses of our financial supporters.

Union lawyers dust off old tactic

From 1973 to 1986, the AFL-CIO and twelve international unions pursued the largest multi-union lawsuit in history to compel the National Right to Work Foundation to turn over its supporter list. Twice then-Foundation president Reed Larson risked being thrown in jail for violating a court order to betray the confidentiality of Foundation supporters.

Current Foundation President Mark Mix has promised, if this danger ever presents itself again, he is willing to do the same. After all, union enforcers have a reputation of using ugly tactics to inflict retribution on those who oppose them – including blacklisting, beatings, bombings, and arson.

Last year, Foundation attorneys filed a lawsuit in U.S. District Court in Southern California seeking injunctions against and monetary damages from an AFL-CIO affiliate that has continuously bullied a group of orchestra musicians in Hollywood who have exercised their right to refrain from formal, full-dues-paying union membership.

In December, union lawyers filed their formal response, claiming “interested employers have financed this litigation by providing support or financing to the National Right to Work Legal Defense Foundation” and that federal labor law, therefore, precludes legal action against the union hierarchy.

Foundation supporters to be fully protected from union retaliation

“We expect to see union discovery requests demanding contributor records as union lawyers work to prove their case,” said Stefan Gleason, vice president of the National Right to Work Foundation.

“While they almost certainly know they will fail in these frivolous attacks, union lawyers hope to bog us down in costly institutional battles while Big Labor moves forward aggressively to grab more coercive power,” Gleason continued.

With union bosses spending well over one billion dollars (in mostly forced dues) on national, state, and local races in the 2008 election season, they clearly expect to be paid back by the politicians they helped elect. With a union partisan as President and strong forced unionism majorities in Congress, this payback could include harassment by the Internal Revenue Service and other forms of pressure by the Big Labor-controlled Department of Labor.

“Now more than ever, we need the continued support of the thousands of Americans who generously give to the Foundation to hold the line against Big Labor’s coming onslaught and defend rank-and-file workers from forced unionism abuses,” said Gleason.

Important Tax Benefits to You

Tax-deductible gifts of cash are excellent. But a gift of stock or other securities to the National Right to Work Foundation can provide donors with an even bigger tax break.

Not only will you be able to support the Foundation and our expanding strategic litigation and media programs right now, but you can save significantly on taxes at the same time. Appreciated securities are subject to a capital gains tax when they are sold. If you donate a gift of stock (that you have owned for more than one year) to the Foundation, the capital gains are not taxable to you. At the same time, you will benefit from a charitable tax deduction for the FULL fair market value of the securities as of the date of the gift.

Please, consider a gift of stock today.

The Foundation’s investment account information is as follows:

Electronic Transfer of Securities:
c/o National Right to Work Legal Defense and Education Foundation, Inc.
UBS Financial Services, Inc.
DTC#0221 Account # WS-39563

If you do decide to send a gift of stock, please let us know at 1-800-336-3600 Ext. 3303.
FEC Complaints Seek Federal Prosecution of Corruption

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according to the complaint. Federal law prohibits unions from using “dues, fees, or other moneys required as a condition of membership in a labor organization” for contributions to a PAC. Additionally, union officials failed to inform Waites or Fox of their right to refuse to contribute to the PAC without penalty. It is also illegal to make campaign contributions in the name of another person.

SEIU imposes illegal fundraising quota on locals

The September/October issue of Foundation Action spotlighted the Service Employees International Union’s (SEIU) new rule adopted at its summer national convention requiring local affiliates to meet fundraising targets for the union’s PAC. According to the new rule, if a local union does not raise the constitutionally mandated amount for the SEIU Committee on Public Education (COPE), the SEIU will impose heavy fines.

But federal election law forbids organizations from extracting political contributions through threats of financial reprisal. The National Right to Work Foundation is particularly concerned that local affiliates used non-member employees’ dues payments to meet the SEIU COPE quotas or pay any related fines.

Federal and state laws have established that unions may force nonmembers to pay for activities which the union can prove relate to collective bargaining. But non-bargaining activities, such as union politics, organizing, and member-only events, may only be charged to actual voluntary union members.

Accordingly, a nonmember who fears her forced fees may be illegally funneled to the SEIU COPE has joined the complaint with the FEC. As a condition of her employment with the Kettle Moraine School District in Wales, Wisconsin, Karen Glass is forced to pay fees to SEIU Local 150 as well as the national union.

“The basic letter of the law clearly states that political contributions must be entirely voluntary,” said National Right to Work Foundation President Mark Mix. “But beyond that, extra vigilance must be done to ensure that nonmembers like Karen Glass, already forced to pay dues against their will, are not secretly being compelled to fund union political activities.”

Gov. Blagojevich scandal highlights concerns

The SEIU’s illegal scheme to fund its PAC is especially significant in light of the recent pay-for-play scandal involving Illinois Governor Rob Blagojevich. As reported on the Foundation’s blog, Blagojevich was arrested in early December on allegations that he was attempting to sell the open Senate seat vacated by Barack Obama to the highest bidder.

According to the federal criminal complaint, Blagojevich dropped the appointment to various interested parties seeking personal gain. Notably, Blagojevich was willing to let the SEIU handpick Obama’s replacement in return for a cushy job with the SEIU’s Change to Win coalition upon leaving office.

Blagojevich has a long history with the SEIU. According to the Illinois Sunshine Database, the SEIU PEA International gave Blagojevich $821,294 for his first gubernatorial campaign in 2002.

It’s no surprise that Blagojevich was more than happy to return the favor. As governor, Blagojevich repaid the SEIU by issuing executive orders that effectively ensured that the union brass would “represent” (and get forced dues from) 5,000 home-care and 48,000 child-care providers in the state.

The SEIU Illinois Council PAC, pleased with the tens of millions of dollars in increased dues revenue, became the governor’s top contributor for his re-election in 2006 with $908,382.

“Hopefully, the FEC investigations will put the brakes on these NEA and SEIU political fundraising schemes,” stated Mix. “But the only way to truly mop up this corruption is to pass Right to Work protections which ensure that no worker may be compelled to join or pay dues to a union as a condition of employment.”

Free Newsletter

If you know others who would appreciate receiving Foundation Action, please provide us with their names and addresses. We’ll rush them the next issue within weeks.
Dear Foundation Supporter:

The New Year brings great new challenges to the cause of employee freedom.

After spending well over a billion dollars to elect pro-forced unionism candidates, the union bosses expect President Barack Obama and Congress to return the favor by enacting one Big Labor power grab after another, starting with the Card Check Forced Unionism Bill to eliminate the secret ballot in workplace unionization drives.

Obama has already shown his eagerness to advance Big Labor’s agenda. Hilda Solis, his pick for Secretary of Labor, has long had close ties to the union hierarchy and will likely turn the Department of Labor into an even more powerful union organizing tool – while gutting the one division that polices union-boss corruption.

But card check and budget cuts to union oversight at the Department of Labor are likely just the beginning. Efforts to overturn every state Right to Work law by federal fiat are gaining steam.

The noble forces of freedom have faced grave danger before.

As Thomas Paine wrote before the Battle of Trenton in 1776, “These are the times that try men’s souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country; but he that stands it now, deserves the love and thanks of man and woman...The present winter is worth an age, if rightfully employed.”

My friends, now is the time to give it everything we’ve got. That’s why I am so grateful for the investment you’ve made in this cause. We’ll need your continued help as we move forward.

Sincerely,

Mark Mix

President
National Right to Work
Legal Defense Foundation

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Case emphasizes dangers of Big Labor’s card check legislation

UNITE HERE’s latest effort at coercive organizing represents the tip of the iceberg if union bosses successfully enact their legislative priorities in the Obama era.

Regular *Foundation Action* readers already know that union political operatives spent over one billion dollars of workers’ forced dues in 2008 to push Big Labor’s candidates across the electoral finish line. Now that the election is over, they’re looking to cash in their legislative chips. Union bosses’ top priority is the grossly-misnamed “Employee Free Choice Act” (more aptly, the Card Check Forced Unionism Bill), a piece of legislation that threatens to make coercive card check organizing the law of the land.

Under current law, an employer can insist that employees get a federally-supervised secret ballot election when choosing whether to unionize. Although the status quo inappropriately legitimizes union bosses’ monopoly bargaining privileges, it does provide a modicum of protection for workers who wish to vote their conscience in the privacy of a voting booth.

The Card Check Forced Unionism Bill would change all that. This legislation would allow union organizers to unilaterally bypass secret ballot elections in favor of coercive card check organizing. The end result would leave employees increasingly vulnerable to intimidation from both employers and union organizers, as they would be forced to publicly declare their workplace preferences over the course of a union organizing campaign.