



Foundation Action

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Foundation Attorneys Win Over \$360,000 for Employees Behind Racketeering Case

*Important anti-corruption
precedent established
through Foundation's
federal lawsuit*

PHOENIX, AZ — Five Phoenix-based employees forced a \$360,000 settlement in a high-profile federal racketeering lawsuit exposing how union agents conducted a corrupt scheme to enrich themselves at the expense of rank-and-file workers.

The employees, who refrained from formal dues-paying union membership but were still forced to accept the International Brotherhood of Electrical Workers (IBEW) Local 1269 union's "representation," contacted the National Right to Work Legal Defense Foundation several years ago after union bosses and their employer orchestrated an illegal scheme to divert sales commissions tied to selling ads in the yellow pages away from the nonunion employees.

After sifting through more than 500,000 documents obtained through discovery, Foundation attorneys found damning evidence demonstrating union

officials manipulated rules at Dex Media, and the previous owner Qwest Communications, to receive greater performance-based pay to the detriment of the nonmember employees.

Some of the methods used to increase the union agents' compensation at the expense of the nonmember employees included reassigning accounts from the employees to union officials, giving union agents "double commissions" for sales made by other workers, and allowing union officials to regularly sell lucrative "group ads" while denying similar opportunities to their nonmember counterparts.

The employees also accused Quest Communications and Dex Media of bribing union officials with these advantages in return for union bosses selling out workers' interests during monopoly bargaining negotiations.

Foundation sets new precedent to combat compulsory unionism abuses

In their ground-breaking legal strategy, Foundation attorneys used the Racketeering Influenced and Corrupt Organizations Act (RICO) anti-corruption statute (first enacted primarily to prosecute illegal mafia activity) and the Labor Management Relations Act (LMRA) to attack the scheme.



"I'm excited about the fact that with National Right to Work's help, we have opened new doors to battle corrupt unions," said Foundation-assisted, former Dex Media employee Jon Bodine.

As reported in the May/June issue of **Foundation Action**, a United States District Court judge in April denied critical parts of the defendants' motions for summary judgment and green-

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Shady Fundraising: Union Bosses Launder Dues into Political Coiffers

Foundation files FEC complaint for illegal union PAC money laundering scheme

NASHUA, NH — When postal worker Philip Wakeman wrote a check to join the National Postal Mail Handlers Union (NPMHU) he had no idea that union bosses would illegally launder his membership dues into their political coffers. But two years later, an Internet search on his name caught him by surprise.

In July 2006, Mr. Wakeman gave a \$429 check to the NPMHU union (a division of the Laborers' International Union) for the full amount of annual union membership dues. He wrote "Union dues" on the "Memo" line at the bottom of the check. A union official later acknowledged receipt of the dues and everything seemed fine – that is until he received a chance phone call from a stranger in late 2008.

A woman called Mr. Wakeman for a character reference on a past rental property tenant and informed him that she found his information on the Internet. She then recommended Wakeman search his name on Google.com's Internet search engine.

Mr. Wakeman was astounded to

find his name disclosed as making a contribution in the exact amount of his NPMHU union membership dues to the NPMHU Political Action Committee (PAC). Apparently NPMHU union bosses had illegally diverted Wakeman's dues payment to the union's PAC.

"[I was] furious!" exclaimed Wakeman. "I have experienced identity theft before and this leaves me with the same feeling of being violated."

Mr. Wakeman contacted the National Right to Work Legal Defense Foundation, and Foundation attorneys filed a complaint with the Federal Election Commission (FEC) for him and the Foundation. "NRTW was quick to respond to my questions and quick to decide that they would help me," reflected Wakeman.

However, like many employees who question union boss corruption, Mr. Wakeman has dealt with some of the usual tactics of union militants' retaliation. "Some misinformation has been intentionally spread to distract people from the facts of the claim," stated Wakeman. "This misinformation has



"Campaign Contribution? — Comin' Up"



By Don Hesse
ST. LOUIS GLOBE-DEMOCRAT

caused an uncomfortable work situation at times."

Yet, the law is clear. It is illegal for union officials to fund union PACs using "dues, fees, or other moneys required as a condition of membership in a labor organization." NPMHU union bosses also stand accused of violating federal election law by making a political campaign contribution in another person's name and soliciting political contributions under false pretenses by failing to inform Wakeman that his membership dues would be used for political purposes.

Wakeman declared: "I filed this claim because people have got to speak up when they see something wrong. Too much slips by unquestioned, because people don't want to be bothered, or are afraid to get involved. This has got to change."

Foundation attorneys are also looking for evidence of whether there is a larger scheme afoot while they press the FEC to prosecute. It is quite possible union officials laundered other dues money into the PAC, including amounts under the \$200 federal disclosure threshold. ☛

Foundation Action

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Right to Work Internet Outreach Program Continues to Grow

Foundation spreads message through online petitions, videos, and more

SPRINGFIELD, VA — The National Right to Work Legal Defense Foundation continues to expand its online public information and outreach campaign to keep Right to Work supporters and other concerned Americans up to date with the latest developments in the battle against forced unionism.

The Foundation's easy-to-navigate website – the nerve center for the Right to Work movement – uses the latest cutting-edge Internet technology and social networking tools to disseminate and share the most recent news. Foundation staff regularly update Facebook, Twitter, and Del.icio.us pages with news and views about pertinent issues in labor law and policy.

A sophisticated e-mail program ensures that hundreds of thousands of Right to Work supporters learn about up-to-the-minute developments on pending legal cases and legislation, including information about the toxic union boss power grabs underway on Capitol Hill and across the country.

Hundreds of thousands of activists at the ready

“The e-mail communications allow Right to Work leaders to immediately contact so many of our most dedicated supporters and get them involved in grassroots projects when they can have the greatest impact,” said Stefan Gleason, vice president of the National Right to Work Foundation. “Using the Internet, we can mobilize literally tens of thousands of citizens to take targeted action on very short notice.”

For instance, the Foundation's e-mail program garnered over 16,000 open letters to President Barack Obama in just a few days urging the Administration not to bail out the militant United Auto



Senator Jim DeMint and Steve Forbes have helped the Foundation communicate with millions of people through the Internet.

Workers (UAW) union by giving it control over the very American automotive companies its forced unionism policies destroyed.

Other regular e-mail alerts feature op-eds and articles written by Right to Work experts, posts from the Foundation's *Freedom@Work* blog, videos and podcasts produced in the Foundation's state-of-the-art studio, and television and radio interviews on national programs like CNN's Lou Dobbs and Fox News' Neil Cavuto.

Zimdahl in-house media studio expands

In January 2008, the National Right to Work Foundation dedicated the Norma Zimdahl Studio to produce high quality video and audio segments about the Foundation's activities, and recently the studio underwent a major upgrade.

With all the latest cutting-edge production and editing equipment, Foundation staff routinely conduct video interviews with Right to Work experts, staff, and employees who want to share their stories of union boss harassment and intimidation. And the hard-hitting information is sent out on the Internet for all to see.

Earlier this year, staff members from the Foundation's public information department traveled to Albion, Indiana, to produce a series of video reports pro-

filing the constant barrage of harassment against Dana Corp. employees during an abusive card check campaign conducted by

UAW organizers.

Hard-hitting content spreads “virally”

The workers' story spread virally over the Internet, and some employees were ultimately featured on Fox News to discuss how UAW union organizers pressured and tricked employees into signing union authorization cards by using tactics which would become even more widespread if the Card Check Forced Unionism Bill becomes law.

In another Foundation video, high-profile advocates for the Right to Work principle Senator Jim DeMint, Steve Forbes, Senator David Vitter, and the *Wall Street Journal's* Stephen Moore discussed the growing threat of card check instant organizing and how the National Right to Work Foundation is playing a key role in protecting American workers from this abusive practice.

“By producing quality video content and disseminating it online through our blog, Facebook, Twitter, and our e-mail program, we're able to spread our message of employee freedom to new and younger audiences across the Internet,” said Gleason. “The battle against forced unionism is moving rapidly into cyberspace, and the Foundation is taking advantage of this developing medium.”

Foundation Targets Discriminatory “Project Labor Agreements”

Obama executive order widens schemes to muscle employees of nonunion contractors

SANTA ANA, CA — In late June, the National Right to Work Legal Defense Foundation joined a high-profile federal appeal challenging a public agency’s attempt to enrich union officials, punish nonunion workers, and stick taxpayers with the bill.

By arguing that a rigged “project labor agreement” (PLA) requirement illegally discriminates against construction workers who exercise their rights to refrain from union affiliation, Foundation attorneys hope to persuade the U.S. Court of Appeals for the Ninth Circuit to side with the vast majority of California construction employees who have chosen not to join or support a union.

Foundation litigators strike back

Foundation litigators filed legal briefs challenging an agreement between Rancho Santiago Community College and the International Brotherhood of Electrical Workers (IBEW) Local 1441 that can only be described as a naked attempt to impose unionization on workers employed by contractors with the community college district. This coercive organizing pact requires any contractor dealing with Rancho Santiago to use exclusive union hiring halls, grant union officials monopoly bargaining control over their employees, and ensure that workplace operations conform to bureaucratic union regulations.

Because California lacks a Right to Work law, union operatives were also able to slip in a provision forcing nonunion workers to pay dues or risk losing their jobs.

After reviewing the facts of the case, Foundation attorneys filed a hard-hitting brief challenging the legality of the agree-



The Foundation is challenging a discriminatory “project labor agreement” in California that gives construction union bosses the keys to access lucrative state contracts.

every federal agency to discriminate against nonunion construction workers by adopting union-only project

labor agreements. Not only do these agreements promote more layers of bureaucratic waste, they’re also particularly damaging to independent contractors seeking government work at a time when private sector opportunities are limited.

ment between Rancho Santiago and the IBEW. The Foundation contends that the PLA constitutes a straightforward political payoff to powerful union interests, who supported the community college’s renovation in recent years.

The Foundation further argues that implementing mandatory monopoly bargaining and wasteful union work rules will do nothing to help improve contractors’ efficiency, and will invariably lead to massive cost overruns and additional construction delays. Foundation attorneys also argue that the California agency is acting as a regulator (and not a market participant), thereby engaging in regulatory behavior that is pre-empted by federal labor law.

“Public agencies owe it to taxpayers to award contracts to those who will do the best work at the best price, not those who agree to impose union-boss control on unwilling employees,” said Stefan Gleason, vice president of the National Right to Work Foundation. “This discriminatory union-only contracting scheme is a blatant payoff to the union bosses, and to make matters worse, President Obama intends to impose these schemes everywhere in America.”

In early February, President Obama signed an executive order pressuring

labor agreements.

Not only do these agreements promote more layers of bureaucratic waste, they’re also particularly damaging to independent contractors seeking government work at a time when private sector opportunities are limited.

Executive orders expand scope of corrupt “project labor agreements”

Unsurprisingly, this latest executive order came on the heels of the massive “stimulus” package, which promises billions of dollars in federal contracting over the next few years. Because of the Obama Administration’s discriminatory policies, union bosses stand to gain the most from this massive windfall, leveraging their newfound position of power to acquire as much federal stimulus cash as possible.

In August, the Foundation demanded Obama’s Department of Labor either abandon or revise the discriminatory, union-only contracting rules. A federal court challenge may follow.

“Union bosses gave hundreds of millions of dollars to elect Obama last fall, and this latest political giveaway was pay-back, pure and simple,” added Gleason.†

Obama Hands Big Labor Goodies While Congress Bogs Down

Executive orders and other favors begin payback for election-year spending

WASHINGTON, DC — Although grassroots pressure from Right to Work supporters and others have so far blocked Barack Obama and his allies on Capitol Hill from ramming through Big Labor's top legislative priorities, the new Administration's executive orders and administrative shake-ups have made the first down payment on Obama's deep political debt to the union bosses.

Big Labor's biggest political priority — the Card Check Forced Unionism Bill — has run into a buzz saw of grassroots opposition, but top union political operatives have meanwhile been extracting a slew of regulatory privileges from the new Administration. What's unfolding can only be described as political payback for the one billion dollars spent by Big Labor to elect Barack Obama in the last election cycle.

"Big Labor is going about the business of transforming the federal government into a gigantic union organizing tool," said Mark Mix, president of the National Right to Work Foundation.

Obama's executive orders grease the wheels for coercive union organizing

Just weeks after taking office, the incoming Administration issued a series of executive orders designed to facilitate Big Labor's ambitious union organizing plans. First, the Administration repealed a previous order requiring federal contractors to post notices informing workers of their right to opt out of union dues unrelated to workplace bargaining. As a result, many workers will be unaware of their legal rights and may be illegally or unknowingly forced to fund union activities outside the workplace, including union political activism or more organizing.

In the wake of a massive "stimulus" bill designed to funnel billions of dollars to federal contractors, the Administration also took steps to ensure that Big Labor would benefit the most from these outlays. The same executive order empowered the Secretary of Labor to blacklist companies for failing to post in the workplace slanted notices explaining only employees' rights to join and organize unions, thus effectively putting the federal government on the side of Big Labor's organizing drives.

Moreover, the Administration is now pressuring every single federal agency — many of whom are poised to increase their outlays — to adopt discriminatory "project labor agreements" to bar non-union contractors from winning federal contracts. These arrangements give unionized companies preferential access to lucrative government contracts, despite the fact that asinine union work rules frequently result in expensive cost overruns and project delays.

New measures gut union transparency guidelines

Not satisfied with denying workers information about their legal rights to refrain from supporting union electioneering and giving Big Labor an inside track on a series of massive government contracts, the Administration's top political operatives are also undermining basic union transparency guidelines.

Apparently the only department that



Stymied by advocates of worker freedom in Congress, the Obama Administration is intent on expanding Big Labor's special privileges through executive orders and other non-legislative giveaways.

didn't benefit from Obama's recent spending spree is the Office of Labor and Management Standards (OLMS),

which lost four million dollars from its already relatively small budget for 2010. Adding insult to injury, the Administration is now proposing to close down the Employee Standards Administration (ESA) at the Department of Labor. Both agencies are charged with overseeing union finances and rooting out corrupt Big Labor practices.

"Transparency is no substitute for stopping union bosses from extracting forced dues from unwilling workers, but if we're going to let union bosses seize employees' money, we should at least have the decency to let them know what they're paying for," continued Mix.

Foundation challenges corrupt Administration practices

Despite the Administration's best efforts to hide their collaboration with Big Labor from public view, Foundation attorneys have been working to counteract the impact of Obama's latest union boss hand-outs.

The Foundation has filed a formal Freedom of Information Act (FOIA)

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New Precedent Set Using RICO to Attack Corruption

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lighted Foundation litigators' efforts to hold the IBEW Local 1269 union officials and companies accountable for their collusion. The judge's decision and an earlier decision denying motions to dismiss the case have established a favorable anti-corruption precedent allowing federal racketeering statutes' use against other Big Labor corruption.

Precedent a step in right direction, long road ahead remains

"Foundation attorneys were successful in establishing a new precedent using RICO, and now we have another tool to fight compulsory unionism abuses for independent-minded workers," said Mark Mix, president of National Right to Work.

Although the terms of the settlement are confidential, publicly available court documents show that Qwest Communications, IBEW Local 1269,

and two union officials agreed to settle with the five employees for \$362,500.

After the conclusion of the suit, lead plaintiff Peter J. Marceau stated, "I just got to say, my biggest win in this whole thing was when National Right to Work took up our case... I just hope this case will give [union bosses] pause to not do this stuff in the future. We didn't get a verdict but we did get [satisfaction], but that's as far as [union bosses] are concerned about over anything else."

Although Foundation attorneys established a favorable precedent and achieved a successful conclusion in this highly involved case, compulsory unionism-rooted corruption still rears

its ugly head in workplaces across the country.

The case also highlights why a more meaningful way to limit union corruption is stripping union officials of their government-granted monopoly bargaining

privileges and making union affiliation truly voluntary.

"So long as union bosses have the government-granted privileges to compel millions of workers to pay union dues to get or keep a job, the National Right to Work

"Foundation attorneys were successful in establishing a new precedent using RICO, and now we have another tool to fight compulsory unionism."

Foundation – supported by voluntary donations from individual donors – will use cutting-edge legal strategies to counter Big Labor's pervasive corruption caused by forced unionism," added Mix. †

Corrupt Administration Practices Challenged by Foundation

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request with the Department of Labor, asking the Administration to release all of its personnel ethics pledges to the public. Foundation attorneys hope to use this information to spotlight any questionable ties between high-ranking Administration officials and Big Labor, like the appointment of Deborah Greenfield, a top AFL-CIO lawyer who was later named to Obama's presidential transition team.

Foundation attorneys have also submitted comments opposing the now-infamous Executive Order 13502, which encourages federal agencies to hire only unionized contractors. The Foundation's

comments call for the rescission of the presidential directive on grounds that it is illegal, noting that so-called project labor agreements force unwilling workers into union collectives and result in costly overruns that are then passed on to the taxpayer.

"Union bosses may have their ally firmly installed in the White House, but the National Right to Work



Stymied so far by successful grassroots lobbying of Congress, Labor Secretary Hilda Solis is working with union bosses like AFL-CIO Chieftain John Sweeney (pictured right) to expand Big Labor's special privileges through regulation.

Foundation vows to expose and challenge these regulatory maneuvers in court and in the court of public opinion," said Mix. †

Philadelphia Nurses Defeat Unwanted National Union

Meanwhile, Obamacare threatens to unionize 16 percent of the U.S. economy

PHILADELPHIA, PA — After enduring a coercive organizing campaign at the hands of union militants, a Philadelphia-area nurse restored professionalism and a “patients first” mentality at Hahnemann University Hospital by fighting off a disruptive union that has been working to impose itself on medical facilities across America.

The case typifies the larger battle waged against independent-minded nursing professionals who are desperately trying to fend off compulsory unionism in an effort to preserve high quality patient care.

Moreover, alarming plans to impose similar coercive organizing schemes on all health care professionals in America are contained within President Barack Obama’s socialized medicine proposal currently pending in Congress.

Unfair organizing pact allowed union militants to force their way into hospital

In February 2009, Kimberly Hummel of Deptford, New Jersey, filed unfair labor practice charges against the Pennsylvania Association of Staff Nurses and Allied Professionals (PAS-NAP) union, a local affiliate of the national California Nurses Association (CNA) and her employer, Tenet Healthcare Corporation, with the help of Foundation attorneys.

The charges challenged a backroom deal between union organizers and her employer, listing multiple violations of employee rights that hindered nurses’ effort to resist professional CNA organizers. Under the agreement, Tenet managers were gagged from responding truthfully to employee questions about the CNA, and nurses who opposed



With the help of her fellow nurses, Kimberly Hummel successfully kept unwanted California union bosses out of her hospital.

unionization were forbidden from using Tenet facilities to express their views. Outside union organizers, on the other hand, were given free rein to pressure nurses into voting for unionization, including hospital access and employees’ personal contact information.

In early June, Foundation attorneys filed another round of unfair labor practice charges against the CNA, alleging that union militants harassed and stalked Hummel in retaliation for her efforts to challenge CNA’s aggressive organizing tactics.

“The agreement between union officials and Tenet is standard operating procedure for CNA bosses,” added Raymond LaJeunesse, vice president and legal director of the National Right to Work Foundation. “We’ve seen similar backroom deals in hospitals as far afield as Houston, where we’re also providing free legal aid to nurses.”

Despite this intimidation, Hummel and other concerned nurses successfully voted against CNA bosses. In early July, Federal agents supervising the election

from the National Labor Relations Board (NLRB) announced that the union lost the election. As a result, CNA officials may not force nurses to accept their “representation.”

Union operatives file spurious charges to preserve monopoly bargaining power

After enduring a decisive loss, CNA union bosses are still intent on gaining forced-dues power. Union lawyers have since filed objections at the NLRB and before labor arbitrators hand-picked by Tenet and the CNA, claiming that union operatives were stalked and prevented from disbursing pro-CNA propaganda during the decertification election.

“It takes a lot of nerve for CNA lawyers to complain about unfair treatment after what they did,” said LaJeunesse. “We’re confident that these frivolous objections will be dismissed.”

Obamacare will impose coercive unionization

Unfortunately, the experience of Hummel and other victims of coercive unionization drives may become standard operating procedure for the American healthcare industry if Obama’s “reform” legislation passes. National Right to Work leaders recently uncovered the fact that the pending health care bills are deliberately written to facilitate the forced unionization of America’s entire medical system, potentially empowering them to shut down medical facilities using strikes and dictate terms and conditions of employment to health-

Unwanted Union

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care professionals across the country.

Several versions of the proposed legislation guarantee Big Labor seats on oversight boards for government-run health insurance, giving union bosses significant access to the levers of healthcare policy. Moreover, every piece of legislation taxes small businesses' health insurance policies while ensuring that Big Labor enjoys a special tax-free exemption.

Worse, several versions of the proposed "reform" threaten to unionize entire sectors of the healthcare industry. One provision buried in the bills would grease the skids for state governments to re-classify home care workers as state employees, instantaneously making them targets for coercive union organizing drives.

Other provisions make nursing education grants contingent on the endorsement of union officials, who would invariably use this power to discriminate against professional nurses who refrain from union membership. These union special privileges in the bills help explain why union goons have been beating up concerned citizens at townhall meetings across America.

As in other sectors of the economy, compulsory unionism threatens to undermine the quality of healthcare services across the United States. Healthcare "reform" will inevitably lead to wasteful Big Labor work-rules, layers of union bureaucracy, and the insidious, disruptive, and militant behavior of union bosses who care more about extracting forced dues than providing quality patient care.†

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Message from Mark Mix

President
National Right to Work
Legal Defense Foundation

Dear Foundation Supporter,

As fall beckons and winter approaches, a long Labor Day weekend has already helped many of us steel ourselves for the cold months ahead.

And it's not just the weather that's taking a turn for the worse.

As Congress comes back into session, Big Labor's political allies hope to ram massive new power grabs through the legislature and get them to President Obama's desk.

But before we wade into another difficult fight, I hope we all take a moment to remember why we honor Labor Day in the first place.

Labor Day is – or should be – a celebration of America's workers. As the most prosperous and free nation on Earth, the United States is still blessed with an incredible tradition of hard work and entrepreneurship. The monumental achievements of American workers and businesspeople are a testament to this legacy.

Unfortunately, Big Labor's propagandists work every year to exploit Labor Day to spread disinformation, bash job providers, and rally for more power to force workers under the yoke of forced unionism.

The first step towards a system of laws that recognizes the rights of individual Americans is an acknowledgement that workers, not union bosses, come first.

So as we prepare ourselves for difficult months ahead, we should also remember the achievements of the American worker. We also thank you, our generous supporters, who make it possible for your Foundation to continue fighting this battle against tyranny.

Sincerely,

Mark Mix