

## Official Time

*Taxpayers paying for union work is officially a scam*

**By Trey Kovacs**

**Summary:** *Few Americans are aware that, through their tax dollars, they finance labor unions through a practice known as “official time” or “release time.” The cost to taxpayers is skyrocketing, while—thanks to Obama administration stonewalling—accountability is declining. Fortunately, reformers are working to rein in this costly, corrupt practice.*

Each working day, government employees report for work but do not perform governmental duties. Instead, they work for a private enterprise void of any public purpose—their union. Taxpayers pay for these employees’ wages, pensions, and health care benefits. Taxpayers pay for office space, supplies, and travel, too.

It’s all part of an expensive government subsidy to labor organizations known at the federal level as union “official time,” and on the state and local level as union “release time.” Government employees receive paid time off to perform union activities unrelated to their government responsibilities. Thanks to haphazard recordkeeping and lack of transparency, it is impossible to know the true cost of union official time, but the available records since 1998 indicate that, at the federal level alone, it has cost taxpayers *more than \$1 billion*.



**Time is money:** In the practice known as “official time” or “release time,” workers get paid by the government while working on union business.

When state and local official time is added to federal time, the total cost may be as high as \$1 billion a year for the employees’ man-hours alone—not including the value of office space, computers, telephones, automobiles, etc.

At the federal level alone, official time has increased from 2.9 million hours in 2008 to 3.4 million hours in 2011, the last year for which figures are available. The cost to taxpayers has risen from \$121 million in 2008 to \$155 million in 2011, up 28 percent in just three years!

The federal government is supposed to release a report each year around March documenting official time, but the Obama administration has dragged its heels, releasing reports

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eight months, even a year late. (That means that the report that includes the month before the 2012 election—when unions fueled the President’s get-out-the-vote effort—might not be released until 2014.)

Mallory Factor, co-author of *Shadowbosses* and of the lead report in the November 2012 *Labor Watch*, wrote in a *Wall Street Journal* op-ed: “Official time is a ruse for getting taxpayers to support union activities in the government workplace, including the lobbying of legislators for evermore benefits. This effectively subsidizes unions so they can spend more dues income on political organizing. And it’s all done without taxpayers’ knowledge. It’s a shadowy practice that must be stopped.”

More than 80 unions represent federal employees, including the American Federation of Government Employees, the National Treasury Employees Union, and the National Federation of Federal Employees.

### Origin of federal official time

The federal government first gave the privilege of collective bargaining to federal employee unions on January 17, 1962, when President John F. Kennedy signed Executive Order

10988. But it took until 1976 for the Civil Service Commission (predecessor to the present Office of Personnel Management) to direct government agencies to authorize official time. In 1978, the Civil Service Reform Act (CSRA) was enacted, formalizing the authority for collective bargaining and official time in the federal government. Jimmy Carter was President, and Congress at the time was dominated by pro-union Democrats. (Democrats had controlled both the Senate and the House of Representatives since the 1954 election.)

In the CSRA’s “findings and purpose”—the explanation of the rationale for the legislation—Congress found that “experience in both private and public employment indicates that the statutory protection of the right of employees to organize, bargain collectively, and participate through labor organizations of their own choosing in decisions which affect them” is a good thing because it “safeguards the public interest, . . . contributes to the effective conduct of public business . . . and facilitates and encourages the amicable settlements of disputes between employees and their employers involving conditions of employment.”

Under CSRA, federal employers must allow employees to use official time for representational activities, including processing grievances and collective bargaining negotiations. The Office of Personnel Management (OPM) is charged with collecting official time data in an annual report, “Official Time Usage in the Federal Government,” which has agencies report in four broad categories:

**1. General Labor Management**—Time used for meetings between labor and management officials to

discuss general conditions of employment; labor-management committee meetings; labor relations training for union representatives; and union participation in formal meetings and investigative interviews.

**2. Dispute Resolution**—Time used to process grievances and to process appeals of bargaining unit employees to various administrative agencies and the courts.

**3. Term Bargaining**—Time used by union representatives to prepare for and negotiate a basic collective bargaining agreement or a successor agreement.

**4. Mid-term Bargaining**—Time used to bargain over issues raised during the life of a term agreement.

According to the OPM report, the cost to taxpayers of salaries and benefits paid for official time was \$129 million in 2009 and \$137 million in 2010. The majority of 2010 official time hours—2.4 million hours representing 77 percent of the total—was spent on “General Labor Management”; in other words, taxpayers are paying the cost of activities that are specific to the union’s concerns and provide no direct public benefit.

The primary limitation on official time is that it cannot be granted for internal union business, such as conducting union elections. Of course, when federal union employees are on official time, it takes them away from their regular jobs of serving the public. In some cases, this disrupts the operations of their agencies. The Office of Personnel Management’s 1998 report on official time—prepared by the Clinton administration—noted that, “When union officials are on official time, they are not available

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## New Jersey report scores taxpayer-funded union leave

The practice of taxpayer-funded union leave is the subject of a scathing report issued last May by New Jersey's government watchdog agency, the State Commission of Investigation. Among the report's findings:

Although it is not uncommon, nor is it necessarily improper, for government employers to grant some form of time-off for union work, the Commission found significant and questionable variations in how such leave is authorized, who qualifies for it, who keeps track of it, how it is constituted and who ultimately pays the bill. In many instances, costs associated with compensation and medical benefits for union officials on leave are borne by the labor organizations they represent. . . .

On the other hand, the Commission found examples in which all or a portion of the salaries of such individuals—some in the six-figure range—and/or health benefits and pension contributions are covered by public funds with no reimbursement by union organizations. Some union officials have been on paid leave for years or even decades while occupying government job titles but doing no government work. In some cases, union officials receive additional payment in the form of overtime at taxpayer expense if, beyond their union obligations, they perform duties associated with their official government jobs. In other cases, taxpayers also pick up the tab for cars, office space, computers and other equipment used for union business. Despite the public's stake in these types of arrangements, they are often crafted in ways that defy public transparency.



“Unless the union agrees to provide reimbursement, all salary and health benefit costs are borne by the public employer,” the Commission found. “The employee is entitled to advance up the pay scale and accrue sick and vacation time in the same manner as other employees not on leave.”

Between 2006 and 2011, the Commission found that government-paid union leave at the state and local level cost New Jersey taxpayers more than \$30 million. Often these arrangements were not clearly visible in contracts between governments and unions but were hidden in “sidebar” deals negotiated separately and “not easily discoverable by the public.”

In other instances, the Commission found, “leave was granted as a matter of longstanding ‘custom and practice’ with no written authorization. In one case, top school district officials themselves learned that the local teachers’ union president was on full-time leave at taxpayer expense only when information to that effect was brought to their attention by Commission investigators.”

Meanwhile, in contracts for police and fire personnel, it is not unusual for paid leave or release to be disguised in language such as “flex time,” “day tour of duty” or some similar artifice. Regardless of the employer of record—whether police or fire department, school district, county or state agency—a recurring theme is that union officials on paid leave are not required to account for their workday time and, in some instances, are not even required to report for work at any government facility. Aside from these systemic impediments to transparency and disclosure, the Commission encountered instances of sloppy, incomplete or nonexistent record-keeping and sometimes lengthy and inexplicable delays in the production of documents necessary for the completion of its investigation.

“The fundamental issue at hand here,” the Commission concluded, “is not about labor rights but rather one of fairness: the propriety of burdening taxpayers with the cost of activity conducted on behalf of a private entity. This matter is particularly compelling given the current backdrop of severe economic and budgetary pressures that demand scrutiny of all public spending.” The Commission could have added that Article VIII of the state constitution has a Gift Clause that prohibits local governments from aiding private groups.

The Commission is a bipartisan, independent agency that acts in the role of an inspector general. Its purpose is to identify and investigate corruption, organized crime, and fraud, abuse, and waste in spending by state and local government bodies, including schools.

to perform the duties associated with their regular positions. This can hamper the agency in accomplishing its mission, as certain assignments must either be delayed, covered by other employees, or accomplished through the use of overtime. The use of significant amounts of official time . . . may adversely affect an employee's ability to keep his or her technical skills current."

The government must allot a significant number of man-hours to process employees' grievances and to defend itself, while unions can use official time to file those grievances. This leads to many frivolous lawsuits. At a congressional hearing, James Sherk of the Heritage Foundation detailed one such grievance: "The dress code at a federal prison in West Virginia prohibits wearing jeans, and that ban was negotiated into the collective bargaining agreement. The union president nonetheless repeatedly wore jeans to work, despite being reminded of the ban in the agreement. The union president also used the prison e-mail system to e-mail employees about union matters. The Warden ordered the union president to go home and change out of the jeans, and to stop using the e-mail system for union business. The union filed an unfair labor practice against the Warden challenging both these directives."

Official time also ends up effectively subsidizing union political activities. The Federal Labor Relations Authority, which governs labor-management relations within the federal government, has authorized the use of official time for lobbying activities. In a 2001 case, a court ordered that the Department of Defense award official time to the Association of Civilian

Technicians (ACT) for union duties, including "visiting, phoning and writing to Congress in support of legislation which would impact the working conditions of employees represented by ACT." Thus, with official time, U.S. taxpayers pay for special-interest lobbying that usually if not always runs counter to their own interests.

In a recent editorial, *Investor's Business Daily* commented on the use of official time at the U.S. Department of Transportation (DOT), where 35 officials, mostly air traffic controllers, make more than \$100,000 a year while on official time: "Unlike the average American, or even average DOT employee, these union officials draw an average \$138,000 in salary and benefits from the federal government, not to give something of value to the taxpayers, but to work exclusively for their unions—the National Air Traffic Controllers Association (NATCA), the AFL-CIO-affiliated Professional Aviation Safety Specialists (PASS) and two others. Eight make more than \$170,000. The lowest-paid gets \$80,000. That means taxpayers are actually paying for union efforts to shake down taxpayers for ever higher salaries and benefits for government workers." NATCA, by the way, is #2 on the list of unions contributing to pro-Democrat SuperPACs in the last election cycle.

Diana Furchtgott-Roth of the Manhattan Institute noted the absurdity of large amounts of official time for federal employees: "You might assume that being a union representative involves complex negotiations over wages and benefits, like the United Auto Worker negotiations with the Big Three in Detroit. But federal union representatives cannot negotiate salaries or fringe benefits for any-

one. Federal employee compensation, including fringe benefits, is set by statute, not by union representatives. Moreover, federal employees are prohibited by statute from striking.

"No salary negotiations? No strikes? What is a federal union representative on the public dime to do with his 'official time'? It turns out that one of the most important issues that they negotiate is how much time they, the union representatives, will be given not to work for the taxpayers. Of the more than 3 million hours of 'official time' [in the 2010 report], less than 10 percent is for any form of 'negotiations,' slightly more than 10 percent is for 'dispute resolutions,' and roughly 80 percent is for 'general labor management relations.' The approximate bureaucratic translation of the last category is 'not working for the taxpayer,'" Furchtgott-Roth said.

### **The battle for transparency**

Concerns over the lack of transparency arose soon after the 1978 passage of the Civil Service Reform Act, which codified the practice of official time into law. The General Accounting Office (GAO) soon discovered that 18 of 26 bargaining units at four agencies kept no record of their official time usage.

GAO recommended the OPM issue an annual report on official time. In the early 1980s, OPM directed agencies to develop record-keeping systems to measure the use of official time, but it didn't require agencies to report the figures on an annual basis. In 1994, when OPM's Federal Personnel Manual was discontinued, that ended any substantive effort to force agencies to keep accurate records on official time.

In 1998, with Republicans in control of the House of Representatives, the House Committee on Appropriations directed OPM to prepare a one-time report quantifying the use of official time. OPM collected data from 70 federal agencies over a six-month period and submitted its findings to the Appropriations Committee. A separate investigation by the Social Security Administration into abuses of official time produced a report by the agency's inspector general, who found that 23 percent of the Administration's managers had concerns about union abuse of official time.

Not until 2002 were federal agencies required to report how many employee hours were devoted to union work. Then-OPM Director Kay Coles James issued a memorandum requiring that agencies report on official time by the following March. "The right of agencies to grant official time and the right of employees to use it on behalf of their unions creates a shared responsibility to the taxpayer," she wrote. "I believe that labor and management are equally accountable to the taxpayer and have a mutual duty to ensure that official time is authorized and used appropriately."

After 30 years of official time in federal agencies, the George W. Bush administration in 2008 finally required agencies to report what activities were conducted on official time, along with the amount of time. But when President Obama took office in 2009, the OPM stopped annually collecting the data and making the "Official Time Usage in the Federal Government" report publically available. When the agency got around to issuing its memorandum to federal

departments and agencies requesting the compilation of official time data, the request was a year late.

The deadline for the report itself came and went, and Reps. Darrell Issa (R-Calif.) and Phil Gingrey (R-Ga.) demanded its release. On June 1, 2011, Rep. Dennis Ross (R-Fla.), chairman of the House Subcommittee on the Federal Workforce, held a hearing on the administration's record-keeping practices. Finally, OPM released the FY 2009 report over a year late, accompanied by a false disclaimer that "There are no legal or regulatory requirements to publish official time data."

IT released the report for FY 2010 on October 28, 2011, eight months late. As of this writing, the FY 2011 report still hasn't been released, although details surfaced in a November 26 article in *Federal Times*: 3.4 million hours of union work that cost taxpayers \$155 million.

Each year under Obama, official time usage and cost have grown, while accountability has declined.

### **State and local union release time and the Gift Clause**

The nature of "union release time"—the state and local version of official time—varies widely. In some places, union release time is provided for in the law, while in others it is a matter of policy in collective bargaining negotiations. Sometimes the union must reimburse fully or partially the cost of release time, but in most cases taxpayers pay the cost. Whether release time is tracked and recorded likewise varies.

Ben DeGrow of the Independence Institute's Education Policy Center reports that paid time for union activ-

ities is "very common in every unionized school district" in Colorado.

As the *New Mexico Watchdog* reported:

Districts provide paid union leave either through specified employee salaries or through a pool of hours made available to the union to assign and use as it chooses. In the Jefferson County School District, Colorado's largest, the union is given 275 days a year it may allocate in its discretion. The school district then must pay a substitute teacher to fill the opening caused by a unionized teacher being absent from work to do union business.

In 2010, DeGrow says his organization documented teachers on paid leave lobbying the legislature in connection with a bill concerning teacher evaluations. The cost of union administrative leave is not easily quantified. A substitute teacher to fill in for a regular teacher performing union work costs over \$100 per day, says DeGrow.

Union release time burdens nearly every state and local government, but those governments have a tool with which to attack the problem. Forty-seven state constitutions prohibit the use of public expenditures to aid private entities, a constitutional provision commonly called the Gift Clause. For example, Wyoming's Constitution states: "Neither the state nor any county, city, township, town, school district, or any other political subdivision, shall loan or give its credit or make donations to or in aid of any individual, association or corporation . . . nor subscribe to or become the owner of the capital stock of any association or corporation."

Gift Clauses arose in reaction to scandals involving the corrupt transfer of taxpayers' money to private enterprises. For example, in the 1830s, Illinois defaulted on interest payments after the state "invested" money to finance 1,341 miles of railroad (only 26 miles were built), and Indiana was forced into default as the result of "investment" in canals, turnpikes, and railroads.

In *Nebraska ex rel. Beck v. City of York* (1957), the Supreme Court voided revenue bonds in aid of a private hog packaging company, finding no public purpose and a violation of the Gift Clause. "The financing of private enterprises with public funds is foreign to the fundamental concepts of our constitutional system. . . . To permit legislation of this character to stand in the face of constitutional prohibitions would constitute a death blow to the private enterprise system and reduce the Constitution to a shambles in so far as its protection of private enterprise is concerned."

Over time the courts changed direction, creating so many exceptions that the Gift Clause fell into disuse. Still, an Arizona case provides hope. Arizona's Gift Clause forbids the state, or any local government within it, to "ever give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual, association, or corporation." The Goldwater Institute, a pro-free-market public policy organization located in Arizona, filed a suit based on the Gift Clause to strike down the union release time provision from the Phoenix police union's collective bargaining agreement.

Phoenix has seven collective bargaining agreements with public employee

unions that permit release time. In total, taxpayers subsidize 73,000 hours of annual union release time that cost taxpayers \$3.7 million per year. The Goldwater Institute targeted the city's collective bargaining agreement that has the most lavish terms for release time, the one with the Phoenix Law Enforcement Association (PLEA). The contract allows union release time for negotiating union contracts, lobbying for legislation, and attending union functions, as well as for job training. The top six PLEA officials enjoy 100 percent union release time, accumulating full pay and benefits while conducting *only* union activities. Overall, the release time costs taxpayers \$1 million per year.

On May 5, 2011, the Maricopa County Superior Court ruled that contracts which pay government union employees for conducting union business violate Arizona's constitution. "Such activities promote the private interests of PLEA and, as a result, do not constitute public purposes," ruled Judge Katherine Cooper. "It is a subsidy and subject to gift clause analysis." Unfortunately, the resulting injunction applied only to the PLEA's then-current contract, which expired on June 30. Phoenix city officials have approved the union's new contract, which continues the practice of release time. On July 2, 2012, the Goldwater Institute reapplied to enjoin the PLEA contract with the City of Phoenix. A related action is underway in Albuquerque.

### Reform?

At the state and local level, efforts are underway to use the Gift Clause to rein in the practice, which raises an interesting point: Why not enact a Gift Clause at the federal level? The "gift" of special benefits to special in-

terests, both unions and corporations, is a major contributor to the federal government's poor fiscal condition. Public "investments" in private ventures often go bankrupt, leaving taxpayers stuck with the bill. At one point in American history the people demanded that government stop this practice, which led nearly every state to enact a Gift Clause.

In response to the Obama administration's failure to address the problems of official time, Reps. Gingrey and Ross have crafted legislative remedies. In 2009, Rep. Gingrey sponsored the initial legislation to reform official time, the Federal Employee Accountability Act, which he reintroduced in 2011 and in the current Congress. Gingrey estimates that repealing this official-time rule would save more than \$686 million over five years and more than \$1.3 billion over 10 years.

Another reform measure, introduced by Rep. Ross, would increase disclosure of the cost and activity performed by federal employees using official time. The bill would expand recording and public disclosure requirements to include the specific activity and purpose for granting official time, the total number of employees granted official time, and the fair market value of any office space or supplies provided by the government to employees using official time. As Ross observed, "Receiving a taxpayer-funded salary to be nothing more than a political operative for a union organization is inherently wrong."

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**LW**

# Secretary Solis' legacy of pandering

By Terrence Scanlon

*[This op-ed appeared in the Washington Times, January 17, 2013.]*

Hilda Solis is leaving her position as Secretary of Labor—or, as she saw the job, Secretary for the Support of Unions.

The official mission of the Labor Department is, “To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.” There’s nothing in that description about unions, which today represent fewer than one in sixteen workers in the private sector. But from her first day in office to the last, Solis was the unions’ faithful servant.

Solis was born into the labor union movement; her father was a Teamster and her mother a member of what is now the United Steelworkers. During her time in Congress (2001-2009), she received more than \$900,000 in contributions from unions, and she was a member of the so-called Progressive Caucus, the far left among members of Congress.

When President Obama picked her as his Labor Secretary, John Sweeney, then the president of the AFL-CIO, said he was “thrilled.” At a United Food and Commercial Workers Union convention, she told conventioners, “President Obama has your back, and so do I.” At a convention of the plumbers and pipefitters union, she called her audience “brothers and sisters” and called the labor union movement “our movement.”

In the Bush administration, the Labor Department had conducted a program of “compliance assistance,” a good-cop approach that sought to avoid crippling fines for businesses even as it resulted in record-low workplace death and in-

jury rates and record-high back pay collected for workers. When she became Labor Secretary, Solis abandoned that approach and hired hundreds of investigators (710 of them by early 2010) to go after businesses that, she said, were shortchanging workers, denying them rightful benefits, and endangering their safety. She would be, in her words, the “new sheriff in town.”

She sought scores of new rules and regulations on business, 90 in 2010 alone, but she got rid of rules that unions didn’t like.

One of her biggest changes in direction was her reversal of Bush administration efforts to fight union corruption. Solis’s predecessor, Elaine Chao, had issued several rule changes to make it easier for union members and watchdogs to detect wrongdoing, especially conflicts of interest among union officials and the people with whom they do business.

Regarding a conflict-of-interest that union officials file, the Bush administration offered amnesty to first-time filers in 2005, and the number of filers went from 96 to 13,326. The form, which had not been updated for 40 years, was made more detailed, and coverage was extended to cover more officials such as, in some cases, shop stewards.

The new disclosure rules helped union members by exposing corruption. For example, they forced Tyrone Freeman, head of California’s largest union local, out of office after the revelation of the union’s contract with his wife’s video production firm and of the expenditure of nearly \$10,000 of union money at a cigar bar. In Denver, a local president of the United Food and Commercial Workers was voted out of office and replaced with a Safeway bakery clerk after disclosures that he spent union money on alcohol and Broncos tickets and that, while making \$162,000 a year,

he put his wife and son on the payroll for a combined \$268,000.

The Chao rules helped the Labor Department’s Office of Labor-Management Standards obtain 929 convictions, mostly for embezzlement, and recover some \$93 million. Other rules would have made it easier to track the operation of union trusts such as those set up for health benefits, pensions, training programs, and strike funds.

Solis rolled back the Chao reforms.

Her excuse? The changes “had a detrimental impact on workers” and “made the union financial reporting requirements not only overly burdensome but ineffective.” In response, Chao accused the Obama administration of “not enforcing laws on union transparency and democracy” and “telling unions that they don’t have to comply.”

Today, private-sector unions are failing enterprises. They seem unable to adapt to a changing environment—to global trade, to the advance of information technology and robotics, and to the rise, in states like Indiana and Michigan, of political leaders who do not fear them. In the private sector, 38% of workers belonged to unions 60 years ago; today the figure is 6.2%.

Ironically, given unions’ critical role in electing and re-electing Barack Obama, the jobs-destroying taxes and hyper-regulation of the Obama Era may make it even worse for unions. Unionized businesses, lacking the flexibility of non-unionized businesses, will be less likely to grow and more likely to fail, which will further diminish the influence and membership of unions.

Hilda Solis ran the Labor Department as an extension of the union movement, but her heavy-handed approach, seeing business as an enemy rather than as a partner in creating jobs, may have simply been another nail in that movement’s coffin.

*Terrence Scanlon is president of the Capital Research Center.*

# LaborNotes

**Karen Lewis**, head of the **Chicago Teachers Union**, has not mellowed in the wake of the union's recent, successful strike. Speaking at a recent tribute to heroes of the labor union movement, she said, "Do not think for a minute that the wealthy are ever going to allow you to legislate their riches away from them. Please understand that. However, we are in a moment where the wealth disparity in this country is very reminiscent of the **Robber Baron** ages." She paused dramatically, then added: "The labor leaders of that time, though, were ready to kill. They were. They were just ready. It's like, 'Off with their heads!'" The audience laughed. "They were seriously talking about that," Lewis noted. ". . . The key is they think nothing of killing us. . . . Which side are you going to be on?" Fortunately for Lewis, only **conservatives** and **Tea Partiers** get accused of using violent rhetoric (for such offenses as referring to "targeted" districts in a political campaign).

**Luke Rosiak** of the *Washington Times* has taken a look at the nepotism that runs rampant among unions. "Labor unions are dedicated to ensuring every worker an equal voice, but it helps to have the right last name," he wrote. "For the **Laborers Local 1015** in **Canton, Ohio**, that name is **Mayle**. Fourteen staffers and officers oversee \$1.7 million in assets for 685 members, but five of them, including the treasurer, auditor and business manager, belong to the Mayle clan. At **Kentucky's Laborers 1445**, five of 17 officials are named **Oney**. They are business manager Johnny W., who makes \$80,000; Johnny N., who makes \$61,000; auditor Roger, treasurer Mitchell, and secretary Rhonda. . . . **Teamsters 710** of **Mokena, Ill.**, pays its treasurer, **Patrick W. Flynn**, \$435,000 a year, but that wasn't enough. Both his son and daughter have taken jobs at the union. President **Michael Sweeney** brought on his sister Maureen at a \$60,000 salary, while trustee **James Dawes**, who received a \$215,000 bonus, brought on his daughter for \$45,000, tax records show. . . . **Armand E. Sabitoni** is treasurer of the **Laborers** national union, making \$425,000 a year, with at least two relatives on staff. Five members of the Sabitoni family are officers at Laborers locals." And on and on.

Remember when **President Obama** made "recess appointments" to the **National Labor Relations Board** even though the Senate was not in recess at the time? That allowed him to get around the Constitutional requirement for Senate confirmation. Sure, it was illegal, but, as a mobster might say, whatcha gonna do 'bout it? One of the appointees was **Richard Griffin**, then general counsel for the **International Union of Operating Engineers**. Now, a federal complaint by 10 union members in Local 501 accuses Griffin of participating in the cover-up of a "scheme to defraud" the local—a scheme involving bribery, kickbacks, extortion, violent threats, and a breast augmentation for a union official's mistress. The *Wall Street Journal* reported that, "In the past decade, dozens of IUOE members have been arrested, indicted or jailed on crimes ranging from extortion to workplace sabotage," and IUOE locals have been implicated in organized crime prosecutions.

**Senator Mike Lee** (R-Utah) is pushing legislation that would include labor unions under the **Hobbs Act**. Currently, unions are exempt from the 1946 legislation, which targets extortion and robbery using the threat or fear of force. **Mark Mix**, president of the **National Right to Work Legal Defense Foundation**, told **Bill McMorris** of the *Washington Free Beacon* that the Hobbs exemption "is really an amazing special privilege only granted to unions. We are trying to clarify the provisions of the act so that picket line violence is treated the same as rioting and other forms of violence, but union influence has killed [the bills] every time." Unions have allegedly been involved in a number of recent violent or dangerous acts, including arson at the non-union construction site for a Quaker meetinghouse, loose airplane seats and delayed flights during a dispute between pilots and **American Airlines**, and the mixing up of medical records and ID tags during a walkout at nursing homes. (The word "sabotage," by the way, comes from protesters' practice of throwing wooden shoes called sabots into industrial machinery.)

The Obama administration is seeking to make life harder for disabled people by extending overtime and minimum wage rules to many of the workers who care for them. Under a 1974 amendment to the **Fair Labor Standards Act**, those rules don't apply to "companionship services for individuals who (because of age or infirmity) are unable to care for themselves." The proposed change, expected to take effect in March, would end this so-called Companionship Exemption in cases involving agency-employed, non-medical caregivers. Even the government's own **National Council on Disability** has stated that the rule "will create changes that may have devastating impact on the community of Americans with disabilities that rely on such services."