

## The Obamacare ‘Oops!’

*Unions got the healthcare program passed, now want to exempt themselves*

By John Vinci

**Summary:** Unions are largely responsible for the passage of Obamacare, but once the program was passed, they fought to get themselves excluded from it because of the costs it would impose on them. They have already succeeded in receiving hundreds of waivers, and now they’re proposing even more extreme waivers that would cost taxpayers billions.

Leaders of labor unions provided the political muscle that got Obamacare through Congress. They furnished the troops at the grassroots level and in the nation’s capital to block efforts to repeal or reform the program. They declared that Obamacare is the law of the land and must not be altered or abridged.

Today some of those same union officials say that Obamacare is a disaster that will harm working people in general and union members in particular. Now—surprise!—they want Obamacare changed in ways to benefit their unions.

### President’s promise ‘simply not true’

Through the 2010 and 2012 elections, unions kept their concerns under wraps with regard to the Patient Protection and Affordable Care Act (often called the ACA or Obamacare). But in September, at the quadrennial convention of the AFL-CIO, the nation’s largest union federation, delegates were speaking openly of the need to reform or repeal the program.

Not even AFL-CIO President, Richard Trumka, one of the President’s closest allies, could quiet his members. The best he could do was to prevent passage of a resolution



**The Service Employees International Union played a key role in the passage of the Patient Protection and Affordable Care Act (Obamacare).**

calling for Obamacare’s outright repeal. The convention called for reforms instead.

One union, the International Longshore and Warehouse Union (ILWU), made its position especially clear. The ILWU withdrew its membership from the AFL-CIO just weeks before the convention and accused the labor federation of caving in to administration pressure regarding Obamacare’s tax on high-cost union health plans. (ILWU also cited the federation’s position on immigration reform and a local labor dispute.)

Last April, the United Union of Roofers, Waterproofers and Allied Workers International (the Roofers’ Union) called for the “repeal or complete reform” of Obamacare, stating that the healthcare program puts union workers at a competitive disadvantage and threatens their current

health plans. A month later, Joseph Hansen, the president of the United Food and Commercial Workers (UFCW), declared in an op-ed in the Washington newspaper *The Hill* that the President’s key promise about Obamacare—“if you like your [current healthcare] plan, you can keep it”—is “simply not true for millions of workers.”

The President made that promise, by the way, at the previous AFL-CIO quadrennial convention, in 2009.

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## Unions in jeopardy

Union officials aren't just concerned that their members will have to pay higher premiums under Obamacare or that their health plans won't be able to compete. They believe Obamacare threatens the very existence of their unions.

At the AFL-CIO's quadrennial convention in September, Joseph Nigro, president of the Sheet Metal, Air, Rail and Transportation Union had some frank words on what Obamacare may mean for the AFL-CIO in particular: "You allow an ACA bill to go through like this, I guarantee you by your next convention four years from now, you won't meet a quarter of this room. We won't be here."

"If unions' role in negotiating health coverage is taken over by the government, unions lose a big chunk of their utility," wrote *Forbes* health policy expert Avik Roy. Union health plans are fundamental to the success or failure of unions. Roy quoted Paul Starr, author of *The Social Transformation of American Medicine*, who noted that unions "derive some advantage of good will, power, or profit from serving as a financial intermediary in health care."

Many unions make health insurance available to their membership through so-called Multi-employer Health Plans (MHPs), which were authorized in the 1947 Taft-Hartley Act and are sometimes referred to as Taft-Hartley plans. Rather than covering all workers within a given company, such plans typically cover workers in different

companies, often workers in the same or related industries. By some reports, such plans cover 20 million Americans. Of the 1.3 million members in the UFCW, *The Hill* reports that 500,000 are covered by MHPs.

These plans must be negotiated as part of a collective bargaining agreement, and each is run by a board of trustees made up of both employer and union representatives. Such a plan has significant advantages. It allows employers, in lieu of salary, to pay for employees' health insurance with pre-tax dollars. If the plan is self-insured, it cannot be regulated by state insurance bureaucracies. In addition, MHPs make healthcare insurance portable for their union members. Union workers can work for multiple employers within a plan without having to change their insurance each time they change jobs. According to the International Foundation of Employee Benefit Plans, MHPs are common in the "construction, arts and entertainment, retail stores, transportation, service (including lodging and health care workers), mining and communication" industries.

Union officials list several reasons why Obamacare now threatens the existence of these plans.

► First, they point out that they have to compete against small companies (50 or fewer employees) that aren't subject to Obamacare's employer mandate and thus aren't required to purchase insurance for their employees. At the same time, unions are worried that employers with 50 or more employees may prefer to pay Obamacare's fines rather than bargain for union health plans. "The concern," says liberal health law scholar Timothy Jost, "is that employers will be less willing to collectively bargain with unions through Taft-Hartley if the employers believe their employees would be as well off or perhaps better off in the exchanges with the premium tax credits."

Unions are now admitting that Obamacare's employer mandate will cause people to lose their jobs. As *The Hill* reported:

... ACA includes a fine for failing to cover full-time workers but includes no such penalty for part-timers (de-

fining as working less than 30 hours a week). As a result, many employers are either reducing hours below 30 or discontinuing part-time health coverage altogether. This is a cut in pay and benefits workers simply cannot afford. For example, a worker making \$10 an hour that has his or her schedule cut by six hours a week would lose \$3,100 a year in income. With millions of workers impacted, this would have a devastating effect on our economy.

You would expect, then, that unions would have greeted President Obama's July decision to delay the implementation of the employer mandate with enthusiasm. They did not. On July 3, the AFL-CIO's Trumka called Obama's decision to delay the employer mandate "troubling."

Perhaps unions are more concerned that the Obama Administration is making concessions to businesses and not to unions. The *Wall Street Journal* reported that James Hoffa Jr. of the Teamsters called the President's decision "a huge accommodation for the employer community," while union requests for special favors have been "disregarded and met with a stone wall by the White House." In a statement the UFCW called it "a significant hand-out to employers," but added that the decision encouraged the union to continue seeking changes from the Obama Administration, since it "appears open to changing the rules."

► Second, Obamacare taxes high-cost healthcare plans, so-called "Cadillac" plans, by setting a limit on cost. Plans that cost more than the limit are taxed at 40% of the amount beyond the limit. Cadillac health plans often have small or no co-pays or deductibles.

Unions often enjoy Cadillac plans for reasons that go back, like so many problems connected with healthcare, to World War II. Wartime federal wage-and-price controls forced employers to give "raises" to their employees in the form of benefits like healthcare instead of in cash. Unions were happy because they could claim they obtained those benefits for their members. The government could have taxed the value of healthcare coverage as income,

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but instead it let employers purchase health insurance for their employees tax-free. This began a system that greatly distorted the health insurance market by linking insurance coverage to a person's job—something that became a major problem as society changed and people stopped spending their entire careers with the same employer.

Today, because of this tax benefit for employer-provided health insurance, many unions have negotiated generous health benefits instead of higher wages. Naturally, unions dislike the idea of taxing any of those benefits. As first drafted, the Cadillac tax would have gone into effect this year, but unions successfully lobbied for a five-year delay. Instead of starting this past January, the tax won't start until 2018.

Originally, the tax would have charged 40 percent of a health plan's cost that went over \$23,000 a year (\$8,500 for individuals). *Health Affairs* calculated that those thresholds would hit one in five large employer health plans. Now, in another change, the thresholds have been raised to \$10,200 a year for individuals or \$27,500 a year for families.

► Third, unions complain that their employees don't have access to the health insurance subsidies offered in the health insurance exchanges created under Obamacare. Exchanges are online insurance marketplaces where private health insurers can sell and individuals can purchase health insurance. Obamacare requires most individuals to have health insurance in the form of a plan meeting strict requirements set by the federal bureaucracy (including many things that consumers don't want, such as maternity coverage for a 60-year-old woman or drug-addiction counseling for non-addicts).

For people who have incomes between 100% and 400% of the federal poverty line (an arbitrary line set by bureaucrats) and whose employers are not providing affordable health insurance ("affordable" as defined by bureaucrats), access to the subsidies is limited. These individuals can only take advantage of the federal health insurance subsidies if they purchase insurance through a government health insur-

ance exchange, rather than, say, through a union.

► Finally, unions are particularly annoyed that Obamacare requires their healthcare plans to pay a tax of \$63 per employee to pay for their share of the new federal reinsurance program. That reinsurance program is one of three programs in Obamacare that attempt to keep insurers from seeking out healthy individuals to the exclusion of others. These three programs (risk adjustment, risk corridors, and reinsurance) are sometimes referred to as the Three Rs.

The Three Rs are complicated, but here's a brief explanation: Because Obamacare requires insurers to take all comers, regardless of people's current health conditions, some insurers could end up with a high percentage of customers with serious health risks, which has the potential to put insurance companies out of business. To avoid this, Obamacare uses the Three Rs to transfer money from health plans that have fewer high-risk individuals to plans that are spending more because they have more high-risk individuals.

Of course, someone has to pay for running these transfer programs, hence the reinsurance program to shift the risk. In 2014, HHS will raise \$12 billion dollars for the reinsurance program alone by taxing all health plans \$63 dollars per enrolled person per year.

#### **Waiverland**

In the year after it passed, Obamacare began to ban health plans from placing lifetime and annual limits on benefits. The problem was that many of the most affordable plans, called "mini-med" plans, had benefit limits well below the new mandates. Employers and insurers were faced with either raising the plans' benefit limits—thus making them unaffordable—or dropping the plans altogether because they violate the new law. As a result, Obamacare was poised to take affordable insurance away from millions of employees, including union members.

In an effort to save these plans, the Obama Administration created a waiver program just two months prior to the November 2010 congressional elections. Plans that

received a waiver were absolved for one year from having to meet Obamacare's new lifetime and annual limit mandates.

Soon after these waivers became available, the *Wall Street Journal* reported that McDonald's was planning to apply for waivers for its employees. Later it was discovered that many unions were doing the same. The Obama Administration began granting waivers to non-union and union plans alike. Many of the unions now calling for the repeal or reform of Obamacare received these waivers. For instance, both the Roofers' Union and the UFCW received multiple waivers.

A total of nearly 1,000 health plans have received waivers to date, and those plans cover 3.2 million mini-med enrollees, including 1.5 million union enrollees, according to federal statistics. The Administration issued so many waivers that Obamacare opponents joked about Waiverland, a vast swath of the American landscape metaphorically occupied by waived plans.

In late 2010 and early 2011, the tally of waivers announced each month by the media generated recurring, unwanted media attention. Administration officials realized that granting yearly waivers on a monthly basis was bad from a public relations standpoint. So in 2011 the Administration required officials who wished to renew their plans' waivers to request a single waiver that would last past the 2012 presidential election and through the end of 2013.

Come January 1, 2014, these waivers will expire. When they do, affordable mini-med plans will no longer be an option for American workers. Employers and unions will be forced to provide more expensive insurance or high-deductible alternatives to their lower-wage employees and members.

#### **Yet another waiver**

In January, the *Wall Street Journal* reported that unions had been quietly lobbying the Obama Administration to request a different sort of waiver, one that would let their members receive Obamacare's federal health insurance subsidies. It's hard to calculate what the unions' request would

cost American taxpayers, but here's one estimation from Avik Roy of *Forbes*:

If, suddenly, the 20 million people on Taft-Hartley plans were eligible for subsidies, Obamacare's costs would skyrocket. If half of those Taft-Hartley enrollees gained \$5,000 per year in tax credits along with their tax-free health benefits, we're talking \$50 billion a year in additional insurance subsidies for those individuals. That's more than half a trillion dollars over ten years, accounting for health inflation.

After news broke that unions were seeking these waivers, House Republicans pressured the Administration to admit that such waivers would be simply illegal. The Congressional Research Service found no legal way to give Obamacare healthcare subsidies to union members under a Taft-Hartley plan.

Undeterred, UFCW officials made it known publicly in May that they were

seeking waivers. In July, the administration announced its decision to delay the employer mandate (but not the individual mandate), infuriating the unions. Teamsters President James Hoffa Jr. wrote House Minority Leader Nancy Pelosi (D-Calif.) and Senate Majority Leader Harry Reid (D-Nev.) on behalf of the Teamsters, UNITE-HERE, and the UFCW. "Time is running out: Congress wrote this law; we voted for you. We have a problem; you need to fix it. The unintended consequences of the ACA are severe." Hoffa and the others declared that "perverse incentives" are "already creating nightmare scenarios."

Republicans took notice of the controversy over whether to grant unions a waiver. In a joint statement, Sen. Orrin Hatch of Utah and House Ways and Means Chairman Dave Camp of Michigan responded:

There has been far too much special treatment for politically favored friends of Obamacare. When it comes to employers and taxpayers picking up the

health care tab for labor unions—it appears that is a price that is simply too high. Perhaps even this administration recognizes that there are limits to them stretching the law to reward their friends.

But opponents of Obamacare shouldn't fool themselves. While some unions are attacking the program, hoping for special fixes that benefit their unions, others such as the SEIU remain wholly in support. And even strong critics among union leaders are likely to stay within the fold. When Sen. Ted Cruz (R-Texas) cited union complaints, Hoffa responded that "we disagree wholeheartedly with the efforts of extreme right-wing Republicans to gut the ACA."

"Any suggestion otherwise," Hoffa declared, "is simply political posturing."

*John Vinci is a Virginia attorney, health care policy expert, and former staff attorney for Americans for Limited Government.*

## Rivera and the War Room: How unions got Obamacare passed

By Steven J. Allen

Unions were at the forefront in the desperate campaign for Obamacare.

The organization "Health Care for America Now!" included some 1,030 organizations and was the principal coalition working to pass the program. HCAN's 20-member steering committee included the AFL-CIO, the Communication Workers of America, the teachers' unions (both the National Education Association and the American Federation of Teachers), the American Federation of State, County and Municipal Employees (AFSCME), the United Food and Commercial Workers (UFCW), the United Auto Workers (UAW), and the Service Employees International Union (SEIU), along with Working America, an AFL-CIO front group.

Taking the lead in organizing unions and their allies for Obamacare was Dennis Rivera. Rivera was the longtime head of the nation's largest union local—Local 1199 (SEIU Healthcare Workers East)—until he left that job in 2007 to run SEIU's national effort to organize healthcare workers. In his new position, he was working for Andy Stern, the SEIU president who would later

be the most frequent visitor to the White House in the early days of the Obama administration. Back then, in 2007, Stern said Rivera was perfect as chair of SEIU Healthcare because "He's tough, smart, and compassionate, just what's needed to transform healthcare in this country. At this moment in history, as the winds of change are blowing toward fundamental healthcare reform, and as SEIU redoubles its efforts to fix our broken healthcare system, Dennis' decision to shift his focus to the national effort couldn't come at a better time."

Stern was eerily prophetic. Rivera was the perfect person to lead the change. Rivera's specialty at Local 1199 was forming alliances with businesses and hospitals, as well as spending heavily on campaigns that supported his political friends and punished his political enemies. He was close to the leading Democrats in New York (and served on the transition team for Gov. Elliot Spitzer in 2006-2007), but he also took advantage of splits within GOP ranks, partnering with Gov. George Pataki and other Republicans who had big business ties. His skill at building anti-taxpayer

coalitions would prove invaluable to the Obamacare effort.

In June 2009, shortly after President Obama took office, the pro-Obamacare "Kaiser Health News" reported that "Unions have created a formidable political machine for the battle on health care, one that they're already begun to deploy to support their positions and undercut those they oppose. They say they're ready to spend \$80 million."

The unions' greatest worry was that they would spark a backlash among voters, such as the backlash against Hillary Clinton's healthcare plan that, in 1994, gave Republicans control of Congress for the first time in 40 years. Said Len Nichols of the left-wing New America Foundation: The unions understand "that if Democrats fail, last time we got [House Speaker Newt] Gingrich, this time we could get [conservative radio host Rush] Limbaugh."

(The worriers were right: The backlash against Obamacare gave Republicans, in 2010, their best election in 60-80 years, but by then the program had already become law.)

Forewarned and forearmed, prepared for perhaps the key political battle of their lifetimes, the pro-Obamacare unions and their allies set up their “Health Care for America Now!” campaign on Washington’s K Street, the infamous home for special-interest lobbyists. The operation was funded by MoveOn.org and other organizations funded by billionaire George Soros, and by Soros-connected donors such as the Atlantic Philanthropies, Peter Lewis of Progressive Insurance, and Herb and Marion Sandler. The tax disclaimer for HCAN stated: “HCAN is related to Health Care for America Education Fund, a project of the Tides Center, a section 501(c)(3) public charity.” On the board of the Tides Center was ACORN founder Wade Rathke [see the article on page 6].

During the campaign for Obamacare, SEIU’s Dennis Rivera took the lead in forming alliances with industries that hoped to profit from the new system directly (health insurance, non-doctor-owned hospitals, the pharmaceutical industry) and indirectly (companies like Walmart that hoped to dump their employees’ healthcare costs onto the taxpayer). Rivera also took advantage of the can’t-we-all-just-get-along weariness of opponents of nationalized healthcare. Many of them had been persuaded by the major news media that President Obama and the Democrats and their healthcare-rationing ideas represented the wave of the future; others wanted a place at the negotiating table as the nation’s healthcare resources were divvied up. In 2009, *Crain’s New York Business* reported:

Dennis Rivera, the indomitable labor leader, was on Capitol Hill in late June to persuade members of a powerful House committee to include a public insurance option in its massive overhaul of the nation’s health care system. Karen Ignagni [representative of the health insurance industry], perhaps the most feared lobbyist on the Hill, was there to sway the lawmakers in the opposite direction. Yet during a break in the hearing, Ms. Ignagni—whose group of insurers served up the “Harry and Louise” ads that helped kill the Clinton health care reform effort—

walked over to Mr. Rivera, greeted him with a warm embrace and asked to meet the following week. . . .

[After his success in New York forming coalitions with Republicans and businesses, Rivera] has exported his mastery of transactional politics to the Beltway, appealing equally to would-be adversaries’ self-interest and their fears to lure them to the table. . . . As chairman of the Service Employees International Union’s health care division, he’s brought together groups including insurers, drugmakers and doctors—all of whom defeated previous attempts at reform. In a nation grown weary of confrontational politics, Mr. Rivera’s brand of bridge-building has injected civility into a complex process, forging a path to health care reform that has eluded Washington for decades.

Rivera, as the healthcare chief of the union most closely connected to President Obama, blurred the lines between his union and the Obama Administration. “To some degree, Dennis is an independent actor, and to some degree, he’s working for the White House,” said a senior vice president of a medical technology group. “That played into making the process a success and people wanting to get involved. It’s not too great to be on the wrong side.”

During the Obamacare campaign, Rivera convened strategy sessions at 9 a.m. in a “war room” at SEIU headquarters. According to *Crain’s*, the campaign deployed “an army of 400 SEIU staff and members who are fanned out across 16 priority states. Union leaders have identified 20 senators and nine representatives they believe need some swaying to the cause of reform, and researchers have produced 100-page dossiers on each of them. The reports contained detailed information ranging from lists of associates who might influence these legislators to notes about how they typically respond to TV ads that protest their positions. The union has drawn up specific plans to target each elected official, ranging from writing letters and making phone calls to bird-dogging and holding sit-ins. If an official typically doesn’t respond to union pressure, it’s

duly noted, and sympathetic leaders from religious or women’s groups have been primed to work them over.”

Particularly valuable in Rivera’s effort were left-wing groups that are not perceived by the general public as left-wing, such as the AARP and the American Cancer Society, which are thought by most people to be a senior citizens’ group and a traditional charity.

One of the key politicians with whom Rivera formed an alliance was Sen. Max Baucus (D-Mont.), chairman of the Senate Finance Committee. A relative moderate from a conservative state, Baucus had little history with SEIU before 2008. Rivera targeted Baucus, gradually building a relationship, then using the endorsement of so-called “reform” by Walmart as leverage to get Baucus on board. Without the help of Baucus, it’s unlikely Democrats would have held together in support of Obamacare—and without the unanimous support of the Senate’s 60 Democrats, the legislation could not have passed.

The irony: It was Baucus who, this year, labeled the rollout of Obamacare a “train wreck.”

Rivera’s efforts bore fruit when Obamacare passed Congress. In the course of the campaign, the legislation’s supporters had labeled opponents as racists who only fought against the President’s program because it was proposed by a black man. In a 2010 speech, AFL-CIO President Richard Trumka recalled personally witnessing the racism of Obamacare opponents on the day of the key vote: “I watched them spit at people. I watched them call [civil rights hero and U.S. Rep.] John Lewis the N-word.” Recordings of the incident proved that no such display of racism ever occurred, but it hardly mattered. Claims by opponents that Obamacare would be a disaster, claims that were backed up by the most thoughtful analysis available, hardly mattered. To the unions, what counted was victory. Any problems could be fixed later—right?

*For more on the role of unions and allied groups in the passage of Obamacare, see the May 2010 issue of Labor Watch and the other Capital Research Center publications Organization Trends (July 2010) and Foundation Watch (August 2010).*

# ACORN spinoff, other left-wing groups push people into Obamacare

By Matthew Vadum and Steven J. Allen

A corrupt union official who orchestrated massive campaigns involving identity fraud in furtherance of voter fraud and who covered up a million-dollar embezzlement will soon have unfettered access to confidential information on thousands of people seeking health insurance.

That man is disgraced ACORN founder Wade Rathke, and his shady union will soon be helping people enroll in Obamacare exchanges. Rathke's labor vehicle, United Labor Unions (ULU) Local 100 in New Orleans, announced on its Facebook page September 15 that it was gearing up "to do mass enrollment and help navigate people into the marketplaces in Arkansas, Louisiana, and Texas under the Affordable Care Act."

"Local 100's role as a Navigator, suggest[s] the program is less about health care and more about building a new progressive infrastructure," said longtime ACORN-watcher Mike Flynn of Breitbart.com.

The now-defunct 400,000-member ACORN (the Association of Community Organizations for Reform Now) was the nation's pre-eminent protest group to be inspired by the work of Saul Alinsky. ACORN has a long relationship with the labor union movement. In 1979, ACORN created the United Labor Unions, which it used to organize low-wage, fast-food, and home healthcare workers in Louisiana, Arkansas, and Texas.

The former employer and legal client of Barack Obama, ACORN is the nonprofit group that knowingly hired felons

convicted of identity theft to work on voter registration drives, giving them custody of sensitive voter information.

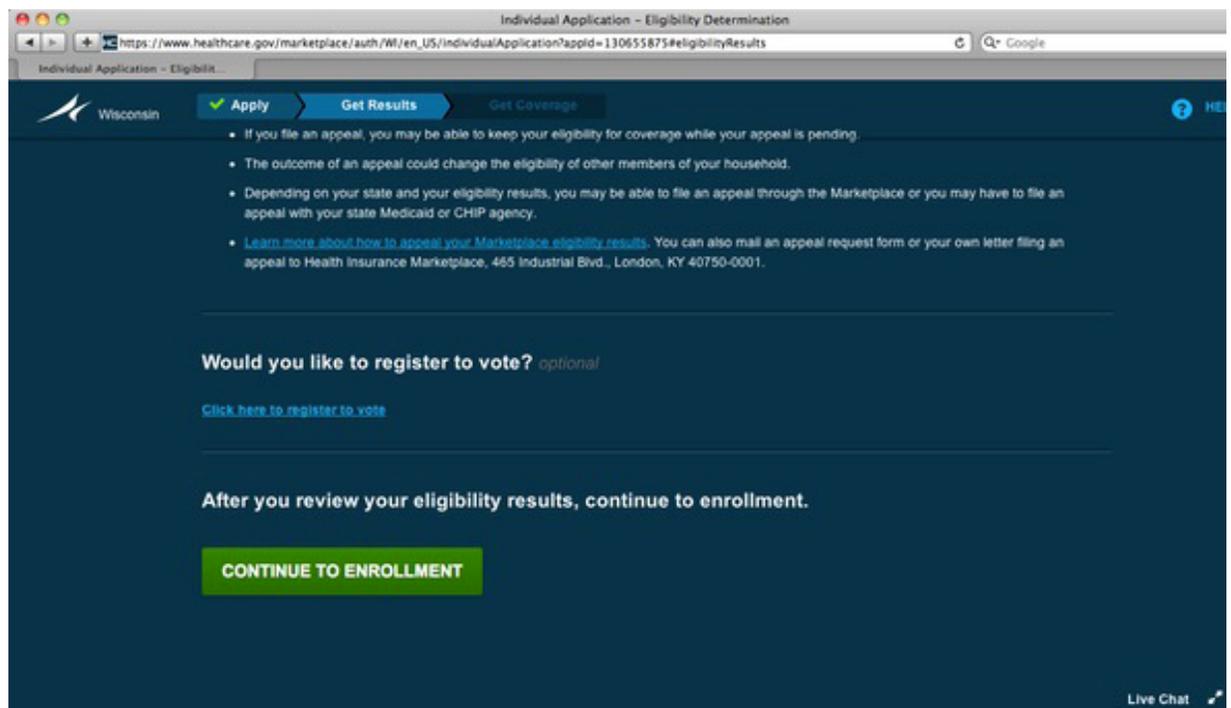
As one of us, Matthew Vadum, shows in the ACORN exposé *Subversion Inc.* (WND Books, 2011), ACORN is infamous for such practices as hiring felons without bothering to do background checks, storming hospital emergency rooms and city council chambers, using voter fraud to turn graveyards across the nation into Democratic electoral strongholds, and using mob violence against bank executives and other shakedown targets. The organization has a record of ruthlessly exploiting its own employees, even going to court to seek an exemption from minimum wage laws. ACORN's record was so atrocious that one of the two union locals it controlled, Local 100, was kicked out of the SEIU, America's most prominent radical union. (The other, Local 880 in Illinois, was absorbed by a larger SEIU bargaining unit.)

The group collapsed three years ago after a series of long, painful scandals. In mid-2008 Wade Rathke was caught covering up his brother's theft of approximately \$948,000, some of it from ACORN pen-

sion funds. After ACORN's national board expelled the group's own founder, foundations ran away from the group. In fall 2009, undercover videos by James O'Keefe III and Hannah Giles showed ACORN employees giving advice on how to lie to the government, commit tax fraud, and trick banks into providing loans for brothels.

ACORN had received some \$79 million in federal taxpayers' money over the years, but after the O'Keefe/Giles exposé the government spigot was cut off and those donors who were not already put off by the embezzlement scandal stopped giving. The group went bankrupt. Today, however, although ACORN the nonprofit entity may be dead, its many successor groups are operating under different names (see "ACORN International" in the October *Organization Trends*).

ACORN's resurrected groups aren't the only ones involved in the effort to "sell" Obamacare. Many left-wing groups that have not signed contracts with the Department of Health and Human Services or received government grants to enroll new patients have nonetheless pledged



As seen on this screen from the Obamacare sign-up site, visitors are encouraged to register to vote.

to help promote the exchanges being created under Obamacare. Each recognized “Champion of Coverage” group vows to promote enrollment by emailing its members, hanging posters or giving out fact sheets and brochures, holding conference calls, or promoting enrollment in other ways. The HHS list of groups involved in the effort includes such left-wingers as Families USA, AARP, the League of Latin American Citizens (LULAC), the National Council of La Raza (“The Race” in Spanish), and the U.S. PIRG Education Fund.

### **Primetime propaganda**

Along the way, the Navigator effort will be aided by Hollywood. According to *Newsmax*, the Obama administration is “turning its focus on primetime television series, using the influential platform and the power of celebrity to spread the word about its healthcare initiative.”

With the White House’s blessing, the University of Southern California’s Annenberg Norman Lear Center, which has a “Hollywood, Health & Society program,” has accepted a \$500,000 grant from the left-wing California Endowment to get pro-Obamacare information to TV producers, writers, and directors so they can incorporate it into their programs. It will also generate public service announcements to mirror the TV shows’ storylines.

The USC program also promotes Global Warming theory. Officials boast that the program’s “storytelling resources” contributed to more than 550 Hollywood storylines over just three years on programs ranging from “Mad Men” to “All My Children” and from “The West Wing” and “Desperate Housewives” to “Malcolm in the Middle” and the *news* show “60 Minutes.”

### **Navigators of the Left**

One reason most unions still support Obamacare is the huge influx of cash it provides to the Left’s organizing efforts for the 2014 election and beyond. Obamacare regulations provide for the hiring of an army of “Navigators” who will help “educate” the public about the program, at an initial cost of at least \$53 million. Navigators come largely from unions such as the SEIU and that union’s left-wing political allies such as the NAACP and the

Urban League. The abortion industry will also provide Navigators, with more than \$1 million going to Planned Parenthood in Montana, Iowa, New Hampshire, and Washington, D.C.

Obamacare may be considered too complex for the average citizen or even the average Ph.D. to understand, but the Navigators will be hired without regard to minimum educational requirements, and they’ll receive only about 20 hours of training before starting work at a pay rate of up to \$48 an hour.

They will be hired without licensing or standard background checks, even though they will have access to Americans’ most personal information, ranging from employment and income history and Social Security numbers to a person’s record of medical conditions and pharmaceutical use. That information will come from a “data hub” that gathers personal records from at least seven government agencies, including the IRS, the Department of Veterans Affairs, the Social Security Administration, and the Department of Homeland Security. “Besides the obvious identity theft concerns, this is a frightening development in light of the political activities and invasion of privacy, which the IRS and others have engaged in during the Obama presidency,” noted Gov. Bobby Jindal (R- La.).

Jindal, formerly the top adviser to the HHS Secretary in George W. Bush’s administration, is painfully aware of ACORN’s antics over the years. He warns that the Obamacare Navigator program, like all of Obamacare, is deeply flawed. “‘Navigator’ is a crafty name, but in reality, there are very few restrictions on who they are, and what exactly they are supposed to be doing,” Jindal said. “‘Navigators’ are supposed to be hired to help consumers understand the law and the insurance coverage provisions in the new health exchanges. Sounds like a job for a rocket scientist.

“The Navigators are prohibited from having financial ties to an insurance company, but other than that there are few constraints. Union organizers and community activists are among the types that are allowed to be hired as Navigators, and having prior experience working in the

healthcare field doesn’t seem to necessarily be a prerequisite for the job.”

### **Turning the tide**

Here’s what’s likely to happen: Funded by taxpayers, Navigators will promote the idea that Obamacare is a historic achievement by a kind and loving federal government, one for which we should all be grateful. They will also register people to vote [see the illustration on the previous page]. They will build profiles of voter preferences based on their personal information, and build door-to-door networks that will be used to turn out the vote for favored candidates. Their efforts will focus especially on states and districts with key races that will decide control of Congress.

Speaking last year at a convention of the National Action Network, headed by the radical preacher Al Sharpton, HHS Secretary Sebelius declared: “In our country what we know is health care inequality [has been] one of the most persistent forms of injustice, but over the past three years, as Rev. Sharpton reminded us, we have begun to turn the tide. Now is not the time to turn back.”

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**Many thanks,**

**Terrence Scanlon  
President**

# LaborNotes

During the partial government shutdown, the **Obama administration** barricaded the World War II Memorial on the Mall in Washington, and elderly veterans who pushed through the barriers were threatened with arrest. At one point, approximately 20 protesters arrived and started chanting “Boehner, get us back to work!”—suggesting that **Republicans** like **House Speaker John Boehner** were responsible for the shutdown. But it turned out that they were from the **Service Employees International Union** (SEIU), the union most closely aligned with the White House, and they were *pretending* to be government employees. One protester wearing a **McDonald’s** employee shirt admitted that the SEIUers were paid \$15 an hour to protest.

Although the Mall was closed to veterans visiting their memorial, it was opened the next day by the **National Park Service** for a rally in support of illegal aliens, with **House Minority Leader Nancy Pelosi** (D-Calif.) among the speakers. The sponsors of the rally included the **AFL-CIO** and the SEIU.

A survey by the **California Public Policy Center** (CPPC) and the **California Teachers Empowerment Network** (CTEN) has found that 37% of Californians in union households would opt out of the union if they could do so without penalty.

CPPC and CTEN have launched a campaign to inform teachers of their right to receive a \$300-\$400 rebate from the **California Teachers Association** (CTA), representing money the union spent on politics. Over the past 14 years, CTA has reported political spending of more than \$290 million. That outlay has been effective: The teachers’ union has won 75% of the ballot initiative votes in which it fought, and it recently carved out a “pedophile exemption” for teachers—an exemption from a law that gives victims of child abuse a “window” in which to sue their abusers’ employers.

**Union Corruption Update** reports the **National Labor Relations Board** (NLRB) has signed an agreement with **Mexico’s Foreign Ministry** “to promote the rights of Mexican workers on U.S. soil,” including “undocumented workers.” To promote awareness of the right to unionize and other employee rights, the NLRB will work with some 50 Mexican consulates throughout the U.S. The consulates exist mainly to serve illegal aliens, such as by issuing *matricula* cards that some financial institutions and local and state governments accept as identification.

According to the **Office of Personnel Management** (OPM), the federal government paid more than \$156 million in 2011 to civil service employees for work they did for unions. Last year at the **Department of Veterans Affairs**, 258 workers were each paid \$26,420 to \$132,000 for “official time” (union work). So what happened during the partial government shutdown? The Obama administration quietly changed the rules “to allow government employees who are union representatives to return to work and receive a regular paycheck,” according to the **Washington Examiner**. After first ruling that only “excepted” (i.e., “essential”) government employees could do union work on the taxpayers’ dime, “OPM issued updated guidance that provides several carefully crafted carve-outs for furloughed government workers to perform union work on official, paid time.”

The **Kansas City Star** reported last year that officers of the 60,000-member **International Brotherhood of Boilermakers** (IBB) had great deals: more than \$600,000 in compensation for the president, \$340,000-\$495,000 for eight other officers, and more than \$110,000 each for more than half of the union’s 125 employees. As lead administrator for a job training program conducted by the IBB, **Angela Heninger** made \$173,000 in pay and benefits in 2011. But apparently that wasn’t enough. In federal court in Kansas City, Kansas, Heninger has pled guilty to embezzling some \$50,000 (although the missing amount was reported to be \$480,000).

The **U.S. Circuit Court** in **Michigan** has upheld that state’s ban on government-mandated Project Labor Agreements, which require the unionization of large taxpayer-funded projects. Currently, mandatory PLAs are banned in 18 states.

The case of **UNITE HERE Local 355 v. Mulhall** involves a sweetheart deal between a union and a racetrack-operating company. The union would conduct a \$100,000 campaign to legalize casino gambling at racetracks and, in return, the company would help push employees into the union. The company promised to give the union personal information about nonunion employees, allow the use of company property for organizing, allow unionization by “card check” (i.e., without a secret ballot), and guarantee the union a collective-bargaining agreement. Now the **National Right to Work Legal Defense Foundation** has taken the case to the **U.S. Supreme Court**. The Court could outlaw such deals, called “neutrality agreements,” that are (as one expert put it) “perhaps the most important tool the union movement has created” to overcome private-sector employees’ lack of interest in unionization.

*CRC’s Haller intern Paul McGuire contributed to this report.*