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Labor Watch

Mary Kay Henry Takes Over SEIU
Meet the New Boss, Same as the Old Boss

By Ivan Osorio

***Summary**: On August 12, SEIU secretary-treasurer Anna Burger announced she was stepping down from her position at America's most powerful labor union—four months to the day from when her old boss, SEIU president Andrew Stern, announced his retirement. Burger long had been considered Stern's heir apparent. However, the union picked Mary Kay Henry, a SEIU executive vice president, to replace him, instead. No one outside SEIU knows for certain why the union's leadership change played out the way it did. Like Kremlinologists during the Cold War, union-watchers must sift through what few public facts are known to piece together the likely story. Yet whatever the reasons for Henry's sudden ascendance, her tenure is unlikely to bring any major changes in the way SEIU does business. She worked alongside Stern for years, and even helped advance some of his more controversial decisions and policies.*

New SEIU boss Mary Kay Henry leads a demonstration in California.

The news hit like a bombshell. On April 12, 2010, *Politico* reporter Ben Smith broke the story that Service Employees International Union (SEIU) president Andrew Stern, America's most politically powerful labor leader, had announced to his staff that morning that he was retiring as head of the union he had led for 14 years. Almost immediately, commentators from across the political spectrum began to speculate on what was next for Stern (only 59 years old at the time of his retirement announcement) and what his resignation would mean for the future of SEIU.

Yet there was little immediate speculation on who would be his replacement. It was widely expected that SEIU secretary-treasurer Anna Burger would succeed Stern as head of the union. Burger had been Stern's top lieutenant for years, and her bid to become SEIU president had Stern's support. Yet over the next few weeks following Stern's retirement, expectations of Burger's seemingly imminent coronation fell by the wayside as another candidate from inside the union, Mary Kay Henry, surged ahead and eventually emerged as SEIU's new president.

For years, Burger had served as Stern's top lieutenant, and it was widely expected that she would be named to SEIU's top post, so it came as a surprise to most observers when several major SEIU locals lined up

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behind underdog candidate Henry. Soon after Stern announced his retirement, four SEIU executive vice presidents started campaigning for their colleague Mary Kay Henry to replace him, reported Steve Early, labor correspondent for the left-leaning publication *In These Times*.

On April 17, the four pro-Henry SEIU vice presidents—Gerard Hudson, Eliseo Medina, Dave Regan, and Tom Woodruff—released an open letter in which they said the union needed to "return to organizing" as its "top priority" and to "restore" its relationships with the rest of the labor movement and "progressive allies." They endorsed Henry as the right candidate for what Early described as "a rectification campaign that would be familiar to citizens in any one-party dictatorship," where "the 'correct' line can change abruptly, but without any formal admission that the central committee … has ever made a single political mistake that needs to be rectified." Yet the idea that Henry becoming SEIU president should signal a major change seems fanciful, since she worked alongside Stern for years, supporting his more controversial decisions.
Over the next few days, several major locals swung their support to Henry. Burger, seeing her support eroding, dropped out of the race on April 28, and endorsed Henry. On May 8, SEIU's 73-member executive board voted in Henry as SEIU's new president.

What prompted this group of high-ranking SEIU officials to promote Henry's candidacy is nearly impossible for anyone outside the union's leadership to fathom. As *In These Times*' Early notes, "the process of replacing Stern has been about as transparent as the College of Cardinals' method of picking a new pope in Rome." However, one thing that seems clear is that the selection of Henry, far from being a "Grass-Roots Choice," as a *New York Times* headline described her, was chosen to lead SEIU by the union's top brass.

One interesting take on what caused the shift away from Burger comes from ACORN founder Wade Rathke, who has longstanding ties to SEIU. In an April 24 entry on his blog (chieforganizer.org), he writes, "I would bet the farm a huge mover and shaker in the emergence of May Kay Henry as a compromise candidate is the old organizing director and [executive vice president] Tom Woodruff." Rathke says that Woodruff "went ballistic" when he learned that Burger tried to amend the Change to Win constitution, of which she was founding chairman, to extend her term as leader of the federation. (Rathke doesn't specify when exactly.) "Anna should have known then that if Tom stayed she now had a mortal enemy," writes Rathke. "With this leadership shift, Woodruff undoubtedly had been organizing an 'anybody but Anna' coalition for the last two years."

Whatever the reason (and SEIU Kremlinology aside), some commentators described the election of Henry, formerly a SEIU vice president, as a change from Stern's notoriously brash, confrontational style. *New York Times* reporter Steven Greenhouse, who described Henry as a "dark-horse candidate," said, "Several service employee union officials said many leaders and members preferred Ms. Henry because Ms. Burger was viewed as too close to Mr. Stern, generating fears that she would take a top-down approach like the one many say he has taken."

There are stylistic differences between Henry and Burger. *In These Times* labor reporter David Moberg says that SEIU staff described Burger to him as "not widely liked" or "widely disliked," and that her critics considered her "mean" and a "bully." By contrast, Henry "is seen as more collegial and solicitous of others' opinions." Yet a change in style doesn't mean a change in direction of policy. As Moberg notes, "Henry was no dissident under Stern, and there is not likely to be any dramatic shift in direction for the union."

The *Times*' Steven Greenhouse reported that SEIU members "were looking for someone fresh and new, a consensus candidate," in contrast to the often abrasive, hard-charging Stern. Yet Henry is very far from that. She worked closely with Stern during his entire tenure as SEIU president. In 1996, shortly after he became SEIU president, Stern named Henry as one of the union's two organizing directors. That same year, she was elected to SEIU's International Executive Board. (In 2005, Stern expressed a similar commitment to revive organizing when he took SEIU out of the AFL-CIO in 2005 and created the new Change to Win federation.) Like Burger, Henry has supported—and helped to advance—many of Stern's more controversial decisions and policies.

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SEIU's Civil War in California

One of the most controversial of Stern's policies was his penchant for forcing local unions to merge, with the aim of creating a handful of giant mega-locals, which supposedly would have greater leverage when bargaining with employers. This was a top-down effort, directed from SEIU's national headquarters in Washington, D.C. Local union leaders knew they would be pushed aside if they resisted. However, when one Oakland, California, union leader fought tooth and nail against the forced merger of his local, it led to one of the most acrimonious intra-union disputes in recent American labor history. Henry was an active participant.

In August 2008, the *Los Angeles Times* broke the story of a major corruption scandal at a Los Angeles area-based SEIU local, which at the time was California's largest local union. The union at the time had 160,000 members, mostly low-wage home health care workers who earn around $9 per-hour taking care of ill and disabled people in private homes under government-funded programs. According to U.S. Department of Labor documents acquired by the *Times*, the SEIU local, called United Long Term Care Workers, and a related nonprofit paid more than $400,000 to businesses owned by the wife and mother-in-law of the local's then-president, Tyrone Freeman. The union also spent nearly $300,000 on a Four Seasons Resorts golf tournament, a Beverly Hills cigar club, expensive restaurants (including Morton's steak house), and a consulting contract with a Hollywood talent agency.

Some union members alleged that SEIU's national leadership knew about the corruption problem and failed to address it. The *Times* reported that a "source close to the union" said SEIU spokesman Steve Trossman had been informed six years earlier about the allegations against Freeman. "The source, who asked not to be identified because he feared retribution, said Trossman helped develop a strategy in 2002 to keep the allegations from embarrassing the SEIU at a time of epic membership growth," reported *Times* correspondent Paul Pringle. "Trossman's efforts succeeded, the source said. Freeman's local continued to expand as part of SEIU President Andy Stern's much-celebrated campaign to organize entire industries state by state."

This was more than a case of typical union graft. Stern was trying to force another SEIU California health-care local, Oakland-based United Healthcare Workers-West (UHW), to merge with Freeman's corrupt L.A. union. He especially wanted to absorb its 65,000 health-care members into a statewide SEIU mega-local. UHW had a total of 150,000 members at the time. Stern authorized Freeman to act on his behalf in carrying out the merger. In a June 11, 2006, memo to the affected California locals, Stern called Tyrone Freeman one of his "Personal Representatives…charged with overseeing the process of creating the new entities" outlined in the memo.

SEIU responded to the allegations of nepotism and wasteful spending by announcing that former California Attorney General John Van de Kamp would investigate events at the Los Angeles local and that former California Supreme Court Justice Joseph Grodin would preside over an internal hearing on the inquiry. However, in its statement, Stern's office also accused the leaders of United Healthcare Workers-West of "engag[ing] in a pattern of financial malpractice and fraud." The allegations against the Oakland local included diverting $3 million in members' dues to the UHW leadership's personal and political use, misappropriating an internal database, and retaliating against UHW members who criticized the leadership.

Freeman stepped down as the L.A. local president on August 20, 2008 and on January 9, 2009, SEIU announced that its national executive board voted to approve the merger. Then on January 27, SEIU placed UHW in trusteeship for alleged "financial wrongdoing."

UHW president Sal Rosselli denounced the trusteeship as "an act of desperation by Stern" to deflect public attention from the Los Angeles scandal. Rosselli said Stern was trying to punish him for fighting the transfer of his members to the Los Angeles local. The next day, Rosselli and other dissident local leaders announced the creation of a new union, National Union of Healthcare Workers (NUHW), which, according to its website (nuhw.org), "was formed after a two-year struggle to expose and reverse SEIU President Andy Stern's drive to centralize power among a small clique of Washington-based officers and staff at the expense of rank-and-file workers' voices with their employers and in their own union."

Rosselli opposed Stern's efforts to centralize not only SEIU's institutional structure, but also its contract negotiations. Consistent with Stern's goal of organizing entire industry sectors in large geographic areas, the SEIU national headquarters has aimed to control large-scale contract negotiations with major employers. Rosselli charged that Stern intended to shut local union leaders out of the process.

A major point of contention is an agreement between SEIU and the hospital chain Tenet. Rosselli says that SEIU D.C.-based leadership barged in as UHW was entering negotiations with Tenet. "We were about to go into bargaining and then the International started bargaining with Tenet by themselves," Rosselli told the pro-union newsletter *Labor Notes* in a February 2008 interview. "The International excluded our members from bargaining with their employers. They reached tentative agreements without the input of our elected bargaining team."

SEIU first organized Tenet under an agreement under which newly unionized workers gave up the right to strike and to picket. When the time came to negotiate a second contract, union members elected Tony Aidukas, a rehab specialist at a Tenet facility in Palm Springs, to the organizing committee. Aidukas said the members wanted to gain the right to strike, have a greater say over patient care, and end subcontracting. Then SEIU's national leadership stepped in, "and Aidukas and his team were left to cool their heels outside while staffers from the national union sat down with Tenet," writes Esther Kaplan in *The Nation*. "At the time, 22 percent of Tenet was union; SEIU wanted closer to 100 percent. Toward this end, SEIU signed a tentative deal giving Tenet the right to subcontract up to 12 percent of the workforce. When SEIU agreed to wage givebacks and a seven-year extension of the no-strike clause, UHW walked out."

Mary Kay Henry, a SEIU vice president at the time, took an active role in the negotiations. Kaplan says that Henry later said that, "it was a mistake to bargain without any workers present," but that the union needed to present a "united front." Even so, says Kaplan, "in the end the union won the right to organize only one out of five additional Tenet facilities." According to *Nation* writer Max Fraser, Rosselli said Henry and the national SEIU negotiating team agreed to contract terms without clearing them with his local union. But Henry blamed a "rogue negotiator" and said that she quickly rectified the situation.

At the center of this conflict is a philosophical dispute over what the future of unionism should look like. Stern sought to increase the overall number of union members within a workforce in order to gain greater clout in negotiations with employers. This is known as increasing union "density," and it has often meant compromising on contract terms in order to lessen employer resistance. Rosselli, on the other hand, has pursued a more militant approach of driving a hard bargain to gain the best contract terms for his union's existing members (even while trying to organize new members). Throughout this conflict, Henry worked alongside Stern to achieve the goal of greater "density," which Rosselli has derided as "organizing workers for the sake of numbers."

The SEIU-NUHW conflict still rages on. In June, NUHW filed for a National Labor Relations Board-supervised election in the hopes of replacing SEIU as the exclusive bargaining representative for 43,000 Kaiser Permanente workers in California, reports *Labor Notes.* (The proposed choices on the ballot are SEIU, NUHW, and "no union.") SEIU's response recently prompted United Farm Workers co-founder Dolores Huerta—a legend in labor circles who has been referred to as the "female Cesar Chavez"—to openly condemn SEIU's tactics. In an August 3 open letter to Henry, published in the Huffington Post, Huerta says:

> I recently visited four Kaiser medical centers in Northern and Southern California, in order to meet with healthcare workers and lend my support. In every facility, I witnessed identical conduct by SEIU staff. Workers met in the cafeteria—a public space in the hospital where their right to talk about the union is protected by federal law. Every time workers met to talk about NUHW, SEIU staff surrounded them and began chanting and yelling insults, refusing to let workers talk, and being so disruptive that Kaiser security (sometimes the local police) had to shut down the entire cafeteria.
>
> Each time workers were ordered out of a cafeteria, your staff cheered. These disruptions are clearly a planned tactic to stop workers from organizing their union by denying them the right to talk with their co-workers in the one public space in the hospital. An SEIU planning memo actually instructs staff and members to "Create WWIII"—in California hospitals—in order to drive out NUHW supporters.

The atmosphere between Rosselli's union and the national SEIU leadership remains toxic and, if history is any guide, is likely to remain so. *In These Times*' Steve Early says that, "In 2008-9, Henry was a major cheerleader for the occupation army of staffers, assembled at great cost from around the country, to seize and dismantle UHW." Quoted by *The Nation*'s Fraser, Rosselli says that in the 30 years he spent working with Henry in SEIU's health care division, "there were times of absolute collaboration and times of absolute betrayal." (Rosselli and Henry both worked at Local 250, which is now part of UHW.) Meanwhile, Henry says she will consider "no settlement with Sal Rosselli that falls short of him pulling out of all elections" to win back his union's old members. Rosselli has said he has no intention of doing so. He told *The Hill*, "Mary Kay has been accountable to Andy Stern for 30 years. That has been her whole constituency. I can't imagine any major change there, no."

No Ordinary Unionist: How Henry Built Her Career at SEIU

Mary Kay Henry, a native of Michigan, grew up in the suburbs of Detroit. After graduating from Michigan State University with a degree in industrial labor relations (i.e. union activism and organizing), she became an organizer for SEIU in 1979. As noted, she got a major career boost in 1996, when incoming SEIU president Stern named her an organizing director and she joined SEIU's Executive Board. Since then, she has focused on organizing workers in the health care industry. She became executive vice president in 2004.

In late April, when Henry's election seemed assured, *In These Times*' Steve Early (no right-winger) described Henry as "a prototypical product of the SEIU managerial class first recruited and installed by Stern or his predecessor, John Sweeney, several decades ago." In other words, she has been a union professional for her entire career. Early says:

> Unlike Stern and Burger—but like a majority of those elevated to high positions by them—Henry has never been a working member of SEIU. She managed to get on the [International Executive Board], as a Stern appointee, 17 years later without ever having been elected to any local union position—not shop steward negotiation, e-board member, or president. She has never even run a local union as a Stern-appointed trustee (the usual path to upward mobility in SEIU for college-educated staffers hired from the outside).

Henry helped Stern's efforts to impose centralized control over the union. *In These Times* writers Bill Fletcher, Jr., and Nelson Lichtenstein described these efforts thus:

> In the struggle to eliminate old enemies, the Stern leadership took on the more corrupt and backward union leaders. In almost magical fashion, one leader after another fell. In many if not most cases, the weapon of the trusteeship was utilized in order to eliminate this strata (sic), composed in most cases of leaders from Sweeney's generation.

Stern also used trusteeship in his efforts to forcibly merge locals, which helped lead to his conflict with Rosselli.

As noted, Henry has also worked to unionize workers in the health care industry. According to *The New York Times*, "she has played a major role in some of its biggest organizing drives, at Beverly Enterprises, Catholic Health Care West (sic), Tenet and HCA." The Catholic Healthcare West (CHW) campaign is illustrative of Henry's tactics and self-definition of her role as an organizer.

Henry has cited her Catholic upbringing as having instilled in her a passion for fighting for "social justice," and has even served as a labor adviser to the U.S. Conference of Catholic Bishops. In an organizing campaign, framing the union's case in a religious context can help the organizers seize the moral high ground, thus putting the employer on the defensive—even as unlikely a target as CHW.

Catholic Healthcare West, the largest nonprofit private hospital system in California, was founded in 1986 by the Sisters of Mercy. Launched in 1997, the SEIU campaign culminated in a contract that unionized 9,000 employees at 20 hospitals across California. In a word, SEIU prevailed against a group of nuns! How did the union do it? SEIU resorted to obnoxious tactics that included one- and two-day work stoppages at CHW hospitals and noisy outdoor demonstrations. For example, doctors and patients complained about picketers who chanted slogans and beat on drums, and the smell of barbecue wafting from the picket line. But that wasn't the only kind of pressure SEIU applied in this instance.

The hospital chain's size and its religious mission made it unexpectedly vulnerable. It also made it an ideal target for Henry. SEIU accused the hospital chain of not living up to Catholic social teaching, which recognizes collective bargaining by workers. When CHW did not immediately recognize SEIU as the bargaining representative for its workforce, the union claimed that hospital management was undermining the Church's social justice mission by "resisting" unionization.

An important SEIU ally in this fight was the National Interfaith Committee for Worker

Justice (NICWJ), a coalition of left-leaning religious activists founded in 1996 by Kim Bobo, a Chicago-based activist with ties to the labor movement. At the Catholic Health Association's 1998 annual meeting in San Francisco, Henry and Bobo participated in a panel entitled, "A Just Workplace: Seeking Greater Understanding." Henry argued that union representation is essential because Catholic teaching requires a "just workplace," as SEIU members protested outside the convention hall.

Expanding and Unionizing the Public Sector

Henry's experience in organizing health care workers dovetails well with her union's expectations of growth stemming from the Obama health-care legislation. SEIU was heavily involved in the battle for Obamacare. Now, as the federal government gets set to increase its involvement in health care delivery, more and more health care workers could come to be classified as public employees—and thus become easier targets for unionization. From a union perspective, the fight for Obamacare may be considered the biggest union corporate campaign of all. Unions typically use the tactics of a corporate campaign (P.R., political pressure, boycotts, etc.) to put pressure on a company in order to get the management to grant the union access to its workers. In short, unions, through their use of corporate campaigns, seek to organize *employers,* not *employees*. The difference here is that the effort to unionize more health-care workers under Obamacare involves the government, not a private sector company.

SEIU and other unions with members in the public sector support the government provision of health care not only because it will shift health-care costs from unionized employers to taxpayers, but because government control and oversight of one-sixth of the American economy will create new opportunities to mandate union representation.

To organize home health-care workers, SEIU and other unions are seeking to expand the definition of "public" by trying to organize contractors who receive any sort of state payment. For example, in 2007, Washington State authorized collective bargaining for adult home care providers who receive Medicaid and other state aid. Under such an arrangement, union fees can be deducted from paychecks before the individual care providers even see them. For SEIU, this is a promising avenue for growth. Between 2002 and 2006, more than half of all new SEIU members were, according to *The Nation*'s Kaplan, "government workers or government contractors, such as state-funded childcare providers, who came into the union as a result of pressure campaigns on governors and state legislatures." (The Michigan-based Mackinac Center is challenging in court such an arrangement in that state.) Today, SEIU has about 500,000 home care workers, accounting for about a quarter of its total membership.

This fact highlights an important caveat to claims about SEIU's "explosive" growth. In fact, the union has organized very few new individual members. SEIU claims that it has added around 900,000 new members since Stern became president. But 500,000 of those are the home-care workers mentioned above, another 200,000 came from a merger with a New York health-care union, another 200,000 are not full members but agency fee payers (workers in non-right-to-work states who must pay the equivalent union dues as a condition of employment), and 35,000 are retirees.

Intimidation Tactics Never End

Shortly after she became SEIU president, Mary Kay Henry quickly showed herself willing to engage in the kind of strong-arm tactics for which her predecessor Andy Stern was renowned. On Sunday, May 16, hardly more than a week after she was officially named SEIU chief, Henry led her union in sponsoring a series of protests in the Washington, D.C., area aimed at intimidating opponents of the Obama administration's proposals to regulate the financial sector.

SEIU took part in a 700-person protest in front of the home of Bank of America general counsel Gregory Baer. Baer's neighbor, *Fortune* columnist Nina Easton, was home at the time and provided an account of the incident:

> Waving signs denouncing bank "greed," hordes of invaders poured out of 14 school buses, up Baer's steps, and onto his front porch. As bullhorns rattled with stories of debtor calls and foreclosed homes, Baer's teenage son Jack—alone in the house—locked himself in the bathroom. "When are they going to leave?" Jack pleaded when I called to check on him.
>
> Baer, on his way home from a Little League game, parked his car around the corner, called the police, and made a quick calculation to leave his younger son behind while he tried to rescue his increasingly distressed teen. He made his way through a din of barked demands and insults from the activists who proudly "outed" him, and slipped through his front door.

> "Excuse me," Baer told his accusers, "I need to get into the house. I have a child who is alone in there and frightened."

Easton noted that SEIU invited no reporters to the protest—with one exception: "Instead, a friendly *Huffington Post* blogger showed up, narrowcasting coverage to the union's leftist base." SEIU then evaded Easton's queries. "When I asked Stephen Lerner, SEIU's point-person on Wall Street reform, about these tactics, he accused me of getting 'emotional,'" said Easton. "Lerner was more comfortable sticking to his talking points." SEIU then responded with a feeble guilt-by-association personal attack on Easton, over her husband's affiliation with the Business Roundtable, which has the Bank of America as a client.

The next day, Henry spoke at a rally at McPherson Square in downtown Washington, D.C., which was followed by a March to Bank of America's offices on K Street, "creating a traffic gridlock for more than an hour," according to the *Fiscal Times.*

For all of SEIU's posturing against Bank of America, the union's narrative leaves out an important fact: As of last year, SEIU owed Bank of America $87.7 million, according to its 2009 Department of Labor financial report, including an $80 million loan for the union's new headquarters, in Washington's fashionable Dupont Circle neighborhood. In effect, SEIU publicly attacked its own biggest creditor! What SEIU hoped to accomplish by doing so is anyone's guess, but the size of its own debt to the bank should raise eyebrows.

Since taking the helm at SEIU, Henry has announced other initiatives. In addition to recommitting the union to organizing its strongholds in health care and the public sector, she said SEIU would expand its organizing efforts into new fields of employment, including security guards, bank tellers, and grocery store workers. She recently announced a $4 million commitment to create a new research and development fund to design new strategies for private-sector organizing. And SEIU is planning to spend $44 million to help pro-union candidates this November.

Conclusion

Andrew Stern's decision to step down as president of SEIU was momentous. Unexpectedly, one of the Obama administration's most influential allies rode into the sunset, and just as unexpectedly, then-SEIU vice president Mary Kay Henry managed to beat out Stern's chosen successor for the union's top post. Henry has inherited much of Stern's clout. In June, the *Hill* newspaper named her one of the top lobbyists in Washington for 2010. And, like Stern, who was not registered as a lobbyist but visited the White House 22 times in 2009, Henry also has not registered as a lobbyist since 2006, according to House lobbying disclosure forms.

While characterized as less divisive than Stern, Henry's differences seem more stylistic than substantive. Henry worked with Stern to implement his policies even as they alienated many of the union's own members and allies. Despite the sudden change in SEIU's leadership, we should expect more of the same from the union.

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LaborNotes

August brought more dismal job numbers from the Labor Department. Not only did the economy shed another 131,000 jobs in July, but the May and June numbers were revised downward by 97,000 jobs. The official unemployment rate held steady at an anemic 9.5 percent.

Another taxpayer-funded bailout for yet another union: On August 10, the House of Representatives approved, by a vote of 247-161, a Senate bill funneling $26.1 billion in aid to the states. In the words of the *Wall Street Journal* editors, this state bailout, $10 billion of which is allotted to education, is in fact aimed at “maintaining the salaries and generous benefit plans for members of teachers unions.” The cost of keeping those cushy union jobs and benefits? Not much, only food for the poor – according to FOXNews.com, “the bill also requires that $12 billion be stripped from the Supplemental Nutrition Assistance Program, commonly known as food stamps, to help fund the new bill,” a program upon which 41 million people depend, people who, unlike the teacher’s unions, were apparently not a large collective source of Democratic Party campaign donations.

On July 28, **Michael J. Forde**, the former head of a New York City carpenter’s union, pleaded guilty “to one count of racketeering and another count of racketeering conspiracy, charges that each carry a maximum of 20 years in prison,” according to the *New York Times*. Forde and nine other union officials were named in a 29-count indictment last year, and are accused of “stealing millions of dollars from the union and its benefit funds.” The carpenter’s union in New York has a long history of infamy – almost two decades ago, the Feds moved to break up its ties to organized crime and end its “culture of contractor bribery.” The more things change….

Union bosses and employees are not content to let New York hog the labor corruption spotlight: In June David Miller, the former treasurer of the **Independent Workers Union** Local 373 in Michigan, was sentenced to 13 months in prison for embezzling over $50,000 from the union coffers. **Stanley Teasley** must be jealous: the former secretary-treasurer of **International Association of Machinists** Local 1426 in Iowa was sentenced in April to a decade in the clink for siphoning $17,000 in union funds. Meanwhile, **Paula Dorsey**, former president of **American Federation of State, County and Municipal Employees** District Council 48 in Wisconsin proves that the ladies are no slouches when it comes to organized labor shenanigans – Dorsey has pleaded guilty to embezzling a whopping $180,000 from the union purse…allegedly to cover her gambling losses.

A new study by labor economists **William Even** (**Miami University** in Ohio) and **David Macpherson** (**Trinity University** in Texas) published by the **Employment Policies Institute** shows that federal minimum wage legislation has profoundly depressed the employment prospects of America’s youngest and least experienced workers. In fact, 100,000 fewer teen-agers are employed today as a result of last year’s 41 percent raise in the federal minimum wage, according to the report. One doesn’t have to posses an economics degree to see why: As the *Wall Street Journal* reminds us, in spite of the good intentions of minimum wage laws that are ostensibly designed to lift workers out of poverty: “Research…has shown that minimum wage hikes…fail as an antipoverty measure because workers who receive the higher wage are counterbalanced by others who get laid off.” So the government wades into a problem and makes things worse with ill conceived solutions; in other news, mice like cheese.

On August 4, President **Barack Obama** promised the **AFL-CIO** at their executive committee meeting that he has not abandoned card check, big labor’s most fervent legislative wish: “We’re going to keep on fighting to pass the Employee Free Choice Act,” the President told the assembled union leaders. This after some recent rumors of trouble in the Obama/Labor love affair over trade and other issues. But we knew those kids would get back together – it’s kismet.