



March 27, 2008

Andy Stern's threat to trustee UHW is without merit: United Healthcare Workers-West is a model local union

Purporting to inquire about anonymous "concerns," SEIU President Andy Stern's accusations are nothing more than a thinly veiled attempt to lay the foundation to impose an illegal trusteeship on UHW. According to Title 3 of the Labor-Management Reporting and Disclosure Act (LMRDA), a Union can be put into trusteeship for three reasons:

- "for the purpose of correcting corruption or financial malpractice"
- "assuring the performance of collective bargaining agreement or other duties of bargaining representative"
- "restoring democratic procedures, or otherwise carrying out legitimate objects."

In all three areas, UHW is a highly competent, functional local union:

- **Finances:** UHW is financially healthy and sound. Its strike fund is healthy with more than \$5 million in assets, and it is second highest among all SEIU locals in actual COPE (the SEIU federal political action fund) contributors and percentage of COPE contributors. Reports are made bi-monthly to our executive board and every single check the union writes is available for any UHW members' inspection.
- **Performance of collective bargaining and other duties of bargaining representative:** UHW is proud that its members have fought for and won some the best healthcare workers contracts in the country. Currently, UHW is in the early stages of the largest coordinated bargaining campaign in American healthcare history.
- **Restoring democratic procedures:** UHW is a model of democracy. Members elect stewards and officers, adopt bargaining proposals, participate directly in the bargaining process and ratify contracts. In fact, UHW has already submitted several constitutional amendments to incorporate a number of the democratic practices that its members enjoy to the SEIU Convention in Puerto Rico.

Any objective analysis of UHW's administration would conclude that UHW's success prohibits Stern from imposing a lawful trusteeship based on the criteria of federal law and the SEIU constitution. Rather, This is merely the most recent example in a long list of actions undertaken by Stern to chill internal dissent, marginalize political opposition, further centralize control of the International Union, and thwart member democracy.



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Andy Stern's Political Attack on UHW

Following are some of the actions initiated by the Stern administration in an all-out political attack on UHW and its leadership, which dared to challenge his policies:

1. Misuse of SEIU members' dues dollars for political reasons:

- Assigning International Union staff and officers to engage in a disinformation campaign against UHW and its leadership.
- Using International Union resources to hire political consultants to carry out this same disinformation campaign against UHW and its leadership.
- Use of International Union resources for the purposes of mailings, telephone calls and the establishing a Web site in an attempt to create dissension within UHW and to dissuade UHW members and officers from participating in internal union activities protected by both the SEIU Constitution and Title 1 of the LMRDA.

2. Abuse of power and breach of membership confidentiality by releasing UHW membership lists and telephone numbers to other SEIU locals, including, but not limited to, Local 6434, and District 1199 West Virginia, Ohio and Kentucky.

3. Direct interference in UHW's internal affairs, specifically attempting to dissuade UHW long-term care members from exercising their rights as protected by Title 1 of the LMRDA to participate in an internal vote to determine UHW members' opinion regarding affiliation and/or merger.

4. With Stern's knowledge and apparent encouragement, his appointed president of SEIU Local 6434, Tyrone Freeman, engaged in the following acts to hurt UHW members' interests, including, but not limited to:

- Collusion with Nursing Home employers to sabotage the collective bargaining efforts of UHW members by working together with alliance operators to determine a joint 6434/employer bargaining strategy against UHW
- Conducting clandestine negotiations to market 6434's substandard insurance product to Nursing Home Employers to replace a better health plan already in place for UHW members.
- Collusion with a Nursing Home Employer in Petaluma to terminate negotiations as workers are fighting back against concessions demanded from employer
- Engaging in a campaign of misinformation against UHW leaders and officers through phone calls, mailings and electronic mail to UHW long-term members through phone calls and addresses obtained illicitly.
- Verbal and other forms of harassment against UHW rank-and-file Nursing Home Division leaders through phone calls and mailings designed to chill participation in internal UHW affairs.
- Refusing to coordinate bargaining with UHW for past five months thereby putting at risk UHW members' right to negotiate successor contracts.

5. Falsely claiming that UHW coordinated with the California Nurses Association (CNA) to assist the CNA in its anti-SEIU campaign in Ohio and Nevada.



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Stern's Trumped-up Charges vs. The Truth

Political agenda behind bogus charges leveled at UHW

To silence the voices of UHW members and to prevent UHW from being able to propose significant changes at the SEIU Constitutional Convention in June, SEIU President Andy Stern has leveled a number of baseless allegations against our union. The truth behind these accusations is as follows:

- 1. Stern is politically threatened by the establishment of the United Healthcare Workers and Patients Education Fund.** Stern's allegation that UHW has created "a shadow entity" is false – and ironic, considering the International Union's use of not-for-profit subsidiaries like the SEIU Education and Support Fund, Five Stones, the Institute for Change, and others.

Many unions, including SEIU under Stern's leadership, have created and funded nonprofit entities. UHW is no different. Last year, in anticipation of an expected state ballot measure to achieve healthcare reform, preparation for our 2008 contract campaign, and other initiatives, UHW's Executive Board unanimously approved the creation of a nonprofit United Healthcare Workers and Patients Education Fund "to provide education to healthcare workers and patients concerning issues related to the healthcare crisis, as well as other issues of importance to healthcare workers and their patients." Before creating the fund, UHW received clearance from outside legal counsel. UHW's creation of this educational fund is not improper and, in fact, is protected under Title I of the LMRDA.

Stern may not like his opponents having access to significant resources to pursue an agenda that he can't control, but that's his political problem, not a legal matter.

- 2. Stern is covering for SEIU leaders who are colluding with the nursing home industry against UHW nursing home workers.** Stern alleges that UHW conducted secret talks with five California nursing home employers, but it's a smokescreen to hide the collusion with nursing home employers of one of his strongest partners, Tyrone Freeman, the Stern-appointed president of SEIU United Long Term Care Workers Union. While UHW had exploratory discussions about Medi-Cal reimbursement rates with several nursing home employers who had been part of the controversial California Nursing Home Alliance, UHW members were involved and informed at all stages of the discussions.

Stern's appointed president of ULTCWU also knew in advance of those meetings and has since not only held similar meetings, but has gone further and agreed with employers on a bargaining process designed to undercut UHW's nursing home workers, who make up 75 percent of SEIU's nursing home membership in California, and force them into a deal to be decided without their participation.

- 3. Stern attempts to disguise SEIU's failures in Ohio by blaming UHW for colluding with CNA.** Stern alleges, but offers no proof, that UHW leaders have conspired with the California Nurses Association "to coordinate anti-SEIU activities and to discuss an

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alternative union outside SEIU.” Stern is rightfully upset, as is UHW, by CNA’s campaign against SEIU in Ohio where CNA disrupted multiple elections at Catholic Health Partner facilities. What he fails to acknowledge is that SEIU put out press releases detailing the exact dates and locations of the Ohio union elections and that the secret agreement negotiated between SEIU and CHP prevented the Union from even talking to workers about what was going on. UHW has denounced CNA’s activity and is now itself the subject of CNA attacks.

- 4. Stern accuses UHW of using tactics that he employed regarding internal disputes, but that UHW has rejected.** In 2004-5, Stern was very public in his criticism of the AFL-CIO and its leader John Sweeney. When it was clear that Stern couldn’t win majority support at the July 2005 AFL-CIO convention, he boycotted the event and then led the creation of Change to Win, an alternate labor federation. Ironically, today Stern now accuses UHW of his kind of tactics, saying that UHW is secretly plotting to decertify bargaining units represented by UHW and to form an independent union in an alliance with CNA or the AFL-CIO. While it is true that UHW has profound disagreements with the direction in which Stern and other officers of SEIU are currently leading, UHW has stated publicly and privately that SEIU is OUR union and that leaving SEIU is not an option. SEIU is OUR union, that’s why we’re fighting to change it.
- 5. Stern, the opponent of union democracy, falsely accuses UHW of thwarting internal debate:** Like the pot calling the kettle black, Stern alleges that UHW is “chilling membership free speech rights” by, among other things allegedly “removing Kaiser stewards from their steward positions if they do not agree with [our] current convention platform.” This is perhaps the most ridiculous of the allegations. The UHW Constitution and By-laws do not empower the president or any UHW officer to appoint or remove any steward in the union. Unlike some SEIU local constitutions in which the local union president has the right to appoint and remove union stewards, the UHW constitution puts that power in the hands of the members. A union steward can only be elected by members in the workplace and can only be removed by members in the workplace. It’s indicative of the lengths Stern will go to silence his critics that he attempts to deflect criticism of anti-democratic practices in SEIU with such easily refutable charges.
- 6. Stern seeks to shift blame for SEIU’s “shady deals” in Puerto Rico.** Finally Stern alleges that UHW has been colluding to undermine SEIU affiliation talks for teachers in Puerto Rico. UHW is not, nor has it ever been, in contact with the “rival union that is attempting to undermine affiliation talks between SEIU and Asociacion de Maestros de Puerto Rico (AMPR) and its bargaining arm.” While UHW has some serious concerns regarding the issues raised and the bad publicity generated by SEIU’s activities in Puerto Rico, what UHW has learned from the situation comes only from press reports, most notably the New York Daily News, which has denounced SEIU leaders for concluding “shady deals” around this incident involving the governor of Puerto Rico, Anibal Acevedo Vila, who was indicted just today on 19 counts of campaign finance violations.