

**SFGate**.com:**Union head moves to oust West Coast dissident**

Zachary Coile, Chronicle Washington Bureau

Thursday, March 27, 2008

**(03-27) 04:00 PST Washington - --**

The president of one of the nation's largest labor unions moved this week toward ousting the leaders of its West Coast affiliate, in a power struggle that could affect hundreds of thousands of California workers and the state's strained health care industry.

Andy Stern, president of the Washington-headquartered Service Employees International Union, sent a letter on Monday - obtained by The Chronicle - that alleges misconduct by Sal Rosselli, president of the Oakland-based United Healthcare Workers West, who has been Stern's most vocal critic.

Rosselli and other leaders of the union - which has 150,000 members, many of them in the Bay Area - said the allegations appear to be a prelude to a trusteeship, under which Stern would replace the union's elected leaders with his own appointees.

The battle between Stern and Rosselli is being closely watched by all of SEIU's 600,000 California members and could have long-term effects on how the labor movement organizes, elects its leaders and negotiates contracts nationwide. It also could have a seismic impact in the health care industry, where Rosselli's union remains a potent political and economic force.

The labor leaders have clashed in recent months over Gov. Arnold Schwarzenegger's failed health care plan (Stern backed it, Rosselli opposed it); over the union's endorsement of Sen. Barack Obama; over Stern's efforts to reorganize SEIU's California unions; and over bargaining tactics with hospitals, nursing homes and other employers.

Rosselli insists Stern is seeking to oust him for his outspoken views. Last month, Rosselli resigned from SEIU's executive committee after accusing Stern of consolidating power in the hands of his allies while marginalizing other elected leaders. He also alleges that Stern has cut deals with corporate leaders to grow SEIU's rolls at the expense of current members' contracts.

"It's retaliatory because we are speaking out against his ideology, his direction," Rosselli said. "The simplest way I can say it is, it's top-down versus bottom-up, corporate unionism versus social unionism."

### **Seiu denies retaliation**

SEIU officials denied any effort to retaliate against Rosselli for his views. They also insist that Rosselli's allegations against Stern are false and suggest he represents a minority view within the 1.9 million-member union.

Andrew McDonald, an SEIU spokesman, said the letter was sent in response to complaints from union members about Rosselli's actions at United Healthcare Workers West.

"The key thing is that these are very serious allegations that have come from members and so the union is taking this very seriously," McDonald said. But he added that it's too soon to speculate whether the charges could lead to a trusteeship, saying "It's premature to talk about any formal action."

The letter lists a series of charges against Rosselli - breaches of fiduciary duty, interference with collective bargaining rights, financial irregularities and unethical conduct - which are grounds for removing a union's elected leaders under federal labor law.

"Reading the document, it clearly tries to establish a basis for justifying an unlawful trusteeship with these bogus complaints," said John Borsos, the administrative vice president of United Healthcare Workers West.

The letter alleges that Rosselli created a shadow entity last year and diverted money into it to evade scrutiny by the union. Rosselli said the 501(c)3 he created to educate members and the public about health care issues was approved unanimously by the union's executive board, and is similar to entities run by SEIU nationally.

The document also charges that Rosselli conducted a deceptive and phony mail-in election last month to scare some of the Oakland union's long-term care workers from joining a new union being created as part of Stern's reorganization. Rosselli said the election was approved by the local union's board, and the results showed that 99 percent of nursing home workers and 96 percent of the home care workers did not want to leave United Healthcare Workers West.

The letter also alleges that Rosselli was colluding with the California Nurses Association and trying to form a new independent union separate from SEIU, a charge Rosselli calls outrageous.

### **Clashes over health care**

The charges, which are unproven, are just the latest skirmish between the two men. When Rosselli resigned from the SEIU executive committee, he issued his own laundry list of Stern's alleged offenses. Rosselli's camp created an anti-Stern Web site - [www.seiuvoice.org](http://www.seiuvoice.org). SEIU has responded with its own Web site, [www.seiufactchecker.org](http://www.seiufactchecker.org).

The two men were on opposite sides during California's fight last year to overhaul the state's health care system. Stern played a key role in the proposal, convincing Schwarzenegger that he could help rally labor support for the plan. Rosselli and other prominent state labor leaders opposed the plan, saying it failed to address affordability. The plan ultimately died in the Legislature.

Rosselli, who at the time was president of the SEIU California State Council, felt Stern had cut a secret deal behind his back. After the bitter dispute, Rosselli was knocked out of his position as state president by Stern's backers on the state council.

Rosselli says Stern resisted his efforts to endorse Obama for president. The state SEIU had endorsed former South Carolina Sen. John Edwards, but when he pulled out on Jan. 30, Rosselli and his union quickly voted to urge the state council to endorse Obama before the state's Feb. 5 primary.

Stern initially urged the state council to stay neutral, Rosselli said. Obama was eventually endorsed by the state and national SEIU. McDonald, the union's spokesman, disputed Rosselli's account, saying Stern fully backed the union's endorsement of Obama.

"The fact is SEIU endorsed Barack Obama and is going to work incredibly hard to get him elected," McDonald said.

### **Showdown at convention**

The dispute between the two leaders is likely to come to a head at SEIU's convention in Puerto Rico in June, an event held every four years where members debate the union's direction.

Rosselli and a dissident faction in the union want to force a vote on a series of reforms that would lead to direct election of SEIU's top leaders - rather than the current system where delegates to the convention elect the president. The proposals would also give local unions a greater say when national leaders seek to merge them.

Rosselli's union is likely to have the second-largest slate of delegates at the convention, with 146. He views Stern's letter as an effort to intimidate the union.

"If he puts us in trusteeship, we can't go to the convention," Rosselli said. "He's trying to eliminate his political opposition."

Stern wouldn't respond to those allegations. But his spokesman said Rosselli is grandstanding to distract people from the charges against him.

"How many times is Sal Rosselli going to recycle the same tired set of allegations and misleading information about the internal deliberations of SEIU?" McDonald asked.

## **The players**

### **Andy Stern**

President, Service Employees International Union

He has helped turn the SEIU into the nation's fastest-growing union, but critics say he's usurped the power of local unions and been too willing to cut deals with corporate leaders.

### **Sal Rosselli**

President, United Healthcare Workers West (SEIU affiliate)

One of California's most powerful labor leaders, he's criticized Stern for his management style and for backing Gov. Arnold Schwarzenegger's health care plan. But Rosselli's jabs at Stern have turned off some SEIU members.

E-mail Zachary Coile at [zcoile@sfehronicle.com](mailto:zcoile@sfehronicle.com).

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