

Subject: SEIU SERVES NOTICE OF TRUSTEESHIP HEARING TO ADDRESS  
FRAUD CHARGES AGAINST UNITED HEALTHCARE WORKERS

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Contact:  
Michelle Ringuette  
202-341-7057

SEIU SERVES NOTICE OF TRUSTEESHIP HEARING TO ADDRESS FRAUD  
CHARGES AGAINST UNITED HEALTHCARE WORKERS-WEST

SEIU Opens Separate Investigation into Financial Activities of Healthcare Michigan  
President Rickman Jackson

WASHINGTON, D.C. - Service Employees International Union today announced two new actions as it works aggressively to uncover and hold accountable any individual or activity that puts the interests of the union's members at risk. At an upcoming hearing, the International will ask an outside hearing officer to review significant evidence that the leadership of United Healthcare Workers-West (UHW-West) engaged in a pattern of financial malpractice and fraud involving the diversion of millions of dollars of union treasury monies and property, in possible violation of federal law. SEIU also announced that an investigative team is reviewing records in Detroit, Michigan, to examine allegations against Healthcare Michigan President Rickman Jackson. Mr. Jackson will be on voluntary leave for the duration of the investigation.

"We will not tolerate any action by any leader that harms the interests of our membership," said Andy Stern, President of SEIU. "We are committed to leading a reform movement within labor. Our members work some of the toughest jobs in America, and they deserve leadership of unquestioned integrity and financial responsibility. No leader stands above the union's duty to members, and anywhere we find evidence of questionable or harmful activity, we will act swiftly and decisively to eliminate the threat and hold the responsible parties accountable."

SEIU took action to pursue a trusteeship hearing on UHW-West after it received serious evidence of financial malpractice and misrepresentations to members. These allegations include:

- \* An illegal scheme to divert \$6 million dollars of members' money off the union's books into an outside fund conceived for the personal and political benefit of the leadership;
- \* Improper use of \$500,000 of members' funds to create a legal defense fund for the protection of the union leadership, circumventing democratic processes and

investigations into the abuses;

- \* The unlawful misappropriation and misuse of proprietary electronic records;
- \* Allegations by UHW-West members that they have been retaliated against for expressing their views on union affairs

Trusteeship will allow SEIU to provide UHW-West members with stable, strong and open leadership while the International conducts an exhaustive investigation into the allegations. An outside hearing officer will be appointed.

Separately, a team of financial and legal experts was sent to Healthcare Michigan last week to look into accusations involving President Rickman Jackson and Local 6434. President Jackson has taken a leave while the investigation continues, and the team will have unfettered access to all union documents and materials as it works to prepare a preliminary report to SEIU leadership. As the allegations are limited to Mr. Jackson, the local union's other leaders, including its Executive Board, will remain in place and will ensure the union's uninterrupted service to its members and their interests.

These latest actions follow the announcement last week that SEIU has imposed a trusteeship on Local 6434 in Los Angeles and that Local 6434's president has taken leave as the International investigates allegations of financial impropriety against the Local's leadership.

SEIU also announced the appointment of two nationally recognized legal experts in the matter involving Local 6434. John Van de Kamp, former California Attorney General and former President of the California State Bar, will assist in the investigation of the Local and review all findings. California Supreme Court Justice Joseph Grodin has agreed to serve as hearing officer in the trusteeship hearing to be held next month.

Justice Grodin's appointment will be submitted immediately to the International Executive Board for approval.

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With 2 million members in Canada, the United States and Puerto Rico, SEIU is the fastest-growing union in the Americas. Focused on uniting workers in healthcare, public services and property services, SEIU members are winning better wages, healthcare, and more secure jobs for our communities, while uniting their strength with their counterparts around the world to help ensure that workers, not just corporations and CEOs, benefit from today's global economy.