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Dear Brothers and Sisters:

As SEIU's top officials in Washington, D.C., SEIU President Andy Stern and Secretary-Treasurer Anna Burger set the tone and direction of SEIU. In recent weeks, it's become clear that Stern and Burger are out of control and could severely damage the American labor movement and distract us from more important goals at this crucial time.

Since August, a series of newspaper articles have revealed a pattern of apparent corruption and cronyism among SEIU officials who were handpicked and appointed to their leadership positions by Andy Stern. Three local SEIU presidents have been placed on leave because of investigations into questionable financial dealings, including hundreds of thousands of dollars paid to officials' family members.

This crisis should have been an opportunity for Stern and Burger to show great leadership. They could have taken a close look at the way they've been leading SEIU, and the people they've chosen to promote along the way. They could have begun working to empower SEIU's rank-and-file members, instead of centralizing the union's power and authority in Washington.

Instead, Stern and Burger are trying to divert attention from the failings of those they personally promoted. They are doing so by attacking UHW.

Stern and Burger are sending officials to California to hold a hearing that could result in UHW being taken over by their appointees, accountable only to Stern and Burger. If that happens, UHW's elected rank-and-file executive board would be disbanded and UHW officers fired. Such a move would jeopardize the open contracts that we are currently bargaining for more than 75,000 UHW members, and place all of the victories we've already achieved as a union at risk.

And just days ago, Stern and Burger announced their intention to hold a phony vote in California in which UHW members will be given a false choice of: 1) allowing SEIU to separate 65,000 long-term care members from our UHW or 2) choosing to have UHW go out of existence to create a new healthcare workers union with leaders appointed by Andy Stern, rather than elected by rank-and-file members. In either case, through this phony vote, the only one who would win is Andy Stern—who would use the vote to eliminate UHW, one of the only unions in California that still is under rank-and-file membership control.

(over)

www.seiu-uhw.org

Sal Rosselli, *President*

Jorge Rodriguez, *Executive Vice President*

Joan Emslie, *Secretary-Treasurer*





Enclosed is an article by two investigative reporters that was published in the online journal *Counterpunch*. It contains more details about the scandal currently raging in SEIU, and Stern and Burger's bogus threat against UHW. Additionally, keep checking our website, www.seiuvoice.org, for more details. We will post information about the upcoming hearing as soon as it is available.

In the meantime, ask your local union's leaders to support democracy in SEIU. Ask them to oppose the bogus trusteeship of UHW and to support workers in California having the right to support a union of their own choosing.

In Unity,

Sal Rosselli
President

Jorge Rodriguez
Executive Vice-President

Joan Emslie
Secretary-Treasurer

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counterpunch

TYRONEGATE AND TRUSTEESHIP:

Can SEIU Members Exorcize the Purple Shades of Jackie Presser?

By STEVE EARLY and CAL WINSLOW

September 3, 2008

Note: The following quotations are excerpts from the article.

Read the entire article online at www.counterpunch.org/early09032008.html.

Stern Appointees Forced To Step Down

"Stern picked a bad time for his latest UHW take-over bid. His own skills as a union CEO and talent scout are now in question. In August alone, three close followers, all just appointed or promoted to big-paying jobs in key locals or at SEIU headquarters, have been forced to step down due to mishandled funds. Among those being investigated are Tyrone Freeman from Los Angeles, president of SEIU's second-largest local union; Annelle Grajeda, chair of its California State Council; and Rickman Jackson, a Michigan local leader involved in the widely-condemned disruption of the Labor Notes conference in Michigan last April by four bus-loads of SEIU staffers and stewards. (See "Purple Punch-Out in Dearborn," CounterPunch, April 15, 2008.)"

A Million Dollars in Union Dues Looted

"As Paul Pringle of the Los Angeles Times has reported in a stunning investigative series, the U.S. Department of Labor is probing "payments of hundreds of thousands of dollars by the union and a related charity to firms owned by relatives of Freeman and expenditures of similar sums on a golf tournament, restaurants such as Morton's steakhouse, and entertainment companies." (Associated Press estimates the total amount misspent to be \$1 million.) Freeman is a 38-year old former SEIU staffer from Georgia, whose 160,000 members in California earn \$9 an hour as home care workers. He initially responded to The Times' revelations in memorable fashion. "Every expenditure has been in the context of fighting poverty," he told Pringle, a struggle that apparently includes even his \$10,000 tab at the Grand Havana Room, a Beverly Hills cigar bar known for its Hollywood clientele.

Within a week of that interview, Freeman took leave of his job "for the duration of the investigation" but is still collecting his \$213,000 salary (quite a bulwark against poverty), while a Stern-installed trustee runs the local."

"A Betrayal of the Public Trust and Malfeasance"

"Last but not least, over Labor Day weekend, Pringle reported a third investigation-related "voluntary leave." With Stern's backing, Annelle Grajeda became head of SEIU's California State Council earlier this year after Rosselli was forced out of that position. She now has stepped down from the Council and two other union jobs over accusations that she permitted double- (or triple?)-dipping by her ex-boyfriend. Grajeda is a former local union staff director, who has never been directly elected by the rank-and-file to any SEIU office. Yet her loyalty to Stern was rewarded in San Juan just three months ago, in the form of a new \$200,000 a year paycheck as one of six SEIU International Executive Vice-Presidents. Her ex-boyfriend, Alejandro Stephens, is accused of remaining on the payroll of Los Angeles County, while collecting "tens of thousands of dollars" from various SEIU entities, including the state council headed by Grajeda, Grajeda's own 75,000-member local, and the international union.

"SEIU is now trying to recover some of the money paid to Stephens, in belated response to a formal complaint filed by SMART member Arturo Diaz, who is also a county worker. Diaz called the multiple pay-outs a "betrayal of the public trust and malfeasance." He and other members of Local 721 want to know what role Grajeda might have played in enriching Stephens. Says Diaz: "I think he's totally taken advantage of the membership."

Trusteeship vs. Dismemberment

"When CounterPunch last visited the embattled members of UHW in late March, they were rallying, by the hundreds, in their Oakland union hall and calling for Stern's ouster. At that time, the SEIU President had just sent his first letter to UHW laying the groundwork for removal of its elected leaders on bogus charges. However, that politically-motivated missive was quickly followed by the PR fiasco of SEIU's failed invasion of the Labor Notes conference in Michigan, where SEIU rival Rose Ann DeMoro from the California Nurses Association was scheduled to speak. And, then on May Day, the always image-conscious Stern opened his New York Times to find a highly unusual "letter of concern" addressed to him from 100 labor-oriented intellectuals around the country, including Frances Fox-Piven, Adolph Reed, Robin D. G. Kelley, Noam Chomsky, Howard Zinn, and Mike Davis. This half-page ad warned that "putting UHW under trusteeship would send a very troubling message and be viewed, by many, as a sign that internal democracy is not valued or tolerated within SEIU.

"But the powerful (and always persistent) SEIU president was not deterred for long. Stern quickly moved to Plan B, which called for dismemberment of UHW.... So, at the San Juan convention in June, Stern rammed through a "jurisdictional change" paving the way for 60,000 home care and nursing home employees to be moved from UHW to Tyrone Freeman's local....

"Internal foes of dismemberment were backed by outsiders who share that UHW concern. Both fear that Stern wants to revive an industry-wide "organizing rights" deal with nursing home operators that compromised SEIU's ability to engage in patient advocacy, while, at the same time, didn't deliver promised improvements in pay, benefits, and workloads for union members. In a July 9 open letter, UC-San Francisco sociologist and nursing professor Charlene Harrington, a top researcher on nursing home financing, applauded a different kind of contract, negotiated recently by UHW with Mariner Health Care facilities in northern California. That agreement, she contends, "empowers caregivers to stand up for their residents" and "shows there is a better path to improve nursing home quality." According to Harrington, SEIU's attempt to push UHW out of long-term care lobbying and bargaining "may have serious negative consequences for nursing home residents and quality care."

From Justice for Janitors to Injustice for UHW

"On August 25, SEIU headquarters issued a press release giving notice of a Sept. 22-23 "trusteeship hearing to address fraud charges" against UHW. The "fraudulent" acts cited are mainly the very reasonable steps UHW has taken, with full knowledge of its elected leadership, to protect itself, legally and organizationally, from any abuse of Stern's trusteeship powers. In the release, Stern declares that he's now "committed to leading a reform movement in labor." His first objective is apparently to crush the reform movement that already exists in his own union, via a purge of Rosselli, plus all UHW senior staff and elected officers. Snuffed out along with them would be the local's valuable website (www.seiuvoice.org), which has rallied SEIU dissidents around the country, before, during, and since the union's Puerto Rico convention."

Loyalty to Stern vs. Competence and Honesty

"How did a national union culture, long touted as one of labor's most dynamic and progressive, engender such a mess? How did it produce a Tyrone Freeman and the kind of press coverage he's been getting lately (which hurts all unions, not just SEIU)?...

"One of Freeman's early mentors, who asked not to be identified, had this explanation of Tyrone's rise and fall (as well as the career trajectory of similar Stern protégés): "These are folks who did not earn their status, they were handed it and that leads to a dependence on who handed it to you. The union's leadership bench is actually very shallow today... A person's talent and skill and upward mobility now seem to be in inverse proportion in SEIU.

"If loyalty to Stern, rather than competence or honesty, is what leads to rapid career advancement, and that would appear to be the case, there may be two, three, many Tyrones in the union's future. That's because scores of Stern-installed leaders now preside over huge, consolidated locals with few structures for membership accountability or control; many have gotten where they are today via initial appointment rather than through membership election. Many have never worked a day in their life as an SEIU member but their local by-laws have been rigged to insure that they will not ever be easily replaced by anyone from the rank-and-file...."