

# US: Blagojevich scandal points to unions' corrupt relations with Democrats

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The scandal surrounding Governor Rod Blagojevich of Illinois has inadvertently lifted the lid on one of the dirty secrets of American political life: the thoroughly corrupt relationship between the labor bureaucracy, including its so-called “reform element,” and the Democratic Party.

Blagojevich is accused of attempting to peddle president-elect Barack Obama's US senate seat, whose next occupant he was set to appoint, in exchange for money, privileges and whatever else he could squeeze out of the operation.

According to the authorities, the Illinois governor sent up various trial balloons, allegedly seeking to determine which camp would make the most lucrative offer.

The federal complaint asserts that only three days after Obama's November 4 victory, Blagojevich, his chief of staff John Harris and “Advisor B, a Washington D.C.-based consultant,” were already on the telephone sizing up the possibility of making a deal with the Service Employees International Union (SEIU) bureaucracy.

The trio discussed the possibility of “working a three-way deal for the open Senate seat,” according to the federal complaint. Harris explained that the governor was “interested in taking a high-paying position” with the Change to Win Coalition, a seven-union breakaway from the AFL-CIO, which the SEIU and its president, Andrew Stern, were instrumental in establishing in 2005.

As part of the proposed deal, Blagojevich would appoint Obama's first choice for the seat, Valerie Jarrett, to the senate and lobby for the new president to help Change to Win with its legislative agenda at the national level; in exchange, the union federation would employ Blagojevich in a well-paid position, or create one for him.

The following passages, based on wiretaps, provide some flavor of the discussion:

“Advisor B asked why SEIU Official cannot just give the job to ROD BLAGOJEVICH. HARRIS responded that it would be just a big ‘give away’ for SEIU Official and Change to Win since there are already individuals on the Change to Win payroll doing the functions of the position that would be created for ROD BLAGOJEVICH. HARRIS said that Change to Win will want to trade the job for ROD BLAGOJEVICH for something from the President-elect. ...

“ROD BLAGOJEVICH stated that for him to give up the governorship for the Change to Win position, the Change to Win position must pay a lot more than he is getting paid right now. Advisor B said that he liked the idea of the three-way deal. ROD BLAGOJEVICH stated that he is interested in making \$250,000 to \$300,000 and being on some organization boards. ...

“Also, ROD BLAGOJEVICH wanted to know whether SEIU could do something to get his wife a position at Change to Win until ROD BLAGOJEVICH could take a position at Change to Win.”

The *Wall Street Journal*, based on access to an internal SEIU memo, named the “SEIU Official” as Tom Balanoff, a vice president on the union's International Executive Board, its Illinois State Council chief and president of SEIU Local 1, with 40,000 janitors and security guard members in Chicago. However, there have been contrary suggestions that Stern himself was the official involved.

The SEIU has denied any wrongdoing. A spokesman for Change to Win, Greg Denier, told the *New York Times* that the federation “had no involvement, no discussion, no contact” with Blagojevich or his chief of staff about Obama's replacement.

Stern told the Associated Press that he didn't know anything about the charges set out in the federal complaint. “When I heard the charges I was rather shocked,” he said. “It was rather surprising.”

In any event, Blagojevich and the SEIU have a lengthy and mutually beneficial relationship. The *Wall Street Journal* notes that the union “was an early and strong supporter of Mr. Blagojevich, backing him over several other candidates [for Illinois governor] in 2002.” As a condition of its support, the SEIU won a pledge from Blagojevich that once in office he would issue an executive order directing the state government to negotiate a union contract with home health-care workers.

Shortly after taking office, the new Illinois governor signed an order allowing as many as 20,000 such workers to unionize. They were signed up by the SEIU. Blagojevich also appointed Balanoff to the Illinois Health Facilities Planning Board, which approves hospital construction projects.

A second executive order, signed in February 2005, allowed collective bargaining for child-care workers. “The day after it received a letter from the governor’s office saying that a union election could be held, SEIU submitted 18,000 cards from workers it had signed up” (*Wall Street Journal*). The workers involved are highly exploited, suffering from low wages and a lack of benefits.

Officials of the American Federation of State, County and Municipal Employees (AFSCME) complained of the “special relationship” the SEIU had with Blagojevich. The latter union was the number one contributor to the governor’s re-election bid in 2006, donating more than \$900,000, or some 5 percent of his total campaign fund.

The SEIU also has a close relationship with the president-elect. The union’s political action committee “spent at least \$26 million on Mr. Obama’s behalf in the presidential campaign, making it by far the largest single PAC donor in the campaign” (*New York Times*).

The union, in the words of the *Washington Post*, has “become an omnipresent force in Democratic politics.”

An SEIU spokeswoman, Michelle Ringuette, defended the contributions. “Many unions make political donations to political candidates,” she told the *Times*, “in the interest of making sure we have elected officials who represent the interest of working families, men and women who get up and go to work every day.”

Neither Blagojevich nor Obama represent “working families,” although they may posture along those lines. Their policies defend the interests of big business and the corporate-financial aristocracy. The present corruption scandal provides a glimpse into the reality behind the rhetoric of Democratic Party politics: corrupt, well-heeled individuals pursuing their own selfish goals.

Moreover, the SEIU and the rest of the American union bureaucracy do not make use of their members’ dues money in the form of contributions to Democratic candidates to advance workers’ interests, but to safeguard their own incomes and privileges.

Stern and the SEIU have recently made a specialty of reaching contracts with governments and corporations that benefit themselves and the employers, at the expense of union members. (See Backroom deals by US service unions strip workers of rights)

The SEIU broke away from the sclerotic and discredited AFL-CIO promising a new brand of dynamic unionism, with a special emphasis on organizing the unorganized. As the WSWS noted last May: “However, this has nothing to do with defending or improving conditions, but involves colluding with employers to impose union membership on low-paid workers, who are denied the right to vote on union certification and in some cases don’t even realize they are joining a union.”

The union has set itself up as a kind of labor contractor, offering employers “labor peace” in exchange for the right to collect dues.

In its contract with California nursing home chains, reported the *San Francisco Weekly*, the SEIU agreed that workers would have no input regarding hours, vacations, pay, layoffs, staffing levels or any other matter concerning their jobs. The newspaper reported, “The employers may outsource work performed by union members, and speed up, reassign, or eliminate jobs at will. The employer may eliminate vacations, or any time off, as the employer sees fit.”

The SEIU went on to use this arrangement as a model for other “organizing” efforts in Washington and New Jersey.

At the time of his arrest Blagojevich was reportedly preparing to issue another executive order that would have allowed 1,200 workers who care for the developmentally disabled in Illinois to organize. Spokeswoman Ringuette told the *Wall Street Journal* that the SEIU “was aware of the executive order but didn’t know what role, if any, the union played in developing it.”



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