

Workers at federal subcontractor Maximus protest layoffs at call centers in Louisiana and Mississippi

Aaron Murch, J. L'Heureau
25 January 2023

Maximus workers, we want to hear from you! Contact the World Socialist Web Site by filling out the form at the bottom of this article. All comments will be kept anonymous.

Call center employees working for Maximus, a federal subcontractor, in Louisiana and Mississippi launched a protest this week after a sudden round of mass layoffs left over 100 workers without jobs earlier this month. The company, which employs over 10,000 workers across nine states, released a statement following the layoffs in Hattiesburg that it was “releasing 143 out of 930 employees currently employed. Staff being released were selected based on their tenure and schedule.”

No proper advance notice was given by the company ahead of the layoffs. According to the Worker Adjustment and Retraining Notification Act, workers are entitled to 60 days advance notice ahead of plant closings or mass layoffs. The company announced the layoffs in Hattiesburg on January 10, but by January 12, the Mississippi Department of Employment Security reported that no such notice was given by Maximus.

Protesting workers are asking for immediate rehiring of the laid-off employees or at least eight weeks of severance pay. In addition to those laid off in Hattiesburg, more than 100 workers in Bogalusa, Louisiana were also laid off on January 17. Three days later, workers protested outside of both the Bogalusa and Hattiesburg locations.

The timing of these layoffs coincide with a wave of mass layoffs across the tech industry and auto industry in the last several weeks. Corporate restructuring and the full-on assault on jobs have taken place across the

country as some 40,000 workers across the country were laid off last week in a massive offensive against the working class.

This latest protest comes after a year of protests and strikes by call center workers at Maximus across the regions. Workers in Louisiana, Mississippi, Virginia and Texas held walkouts and protests in March, May, August and November last year, as well as a protest outside the Maximus headquarters in Fairfax County, Virginia on June 17.

In August of last year workers at three of Maximus’s largest locations, in Louisiana, Mississippi and Virginia, staged walkouts to protest the company’s unsafe COVID-19 policies and poor working conditions, citing in particular the unreasonable and undignified policies on bathroom breaks. Following the walkouts, Maximus disciplined or otherwise intimidated employees who participated in the protest.

In response, the Communications Workers of America (CWA), waging a campaign to unionize the Maximus call center workers, filed charges with the National Labor Relations Board (NLRB) on August 18. The union alleges that Maximus used unfair tactics and retaliation to discipline workers who protested. It also alleged that the company called the police to interfere with the protest.

Company spokesperson Eileen Rivera denied any such disciplinary action took place and claimed that the authorities were only called due to disruptions from demonstrators who were not employed by Maximus.

Maximus Inc, a federal communications contractor in charge of employing workers to handle calls pertaining to Medicare and Affordable Care Act health plans, as well as other federal programs, has over 30,000

employees nationwide and has an annual revenue of over \$4 billion. Its market capitalization is \$4.4 billion, and it is the parent company of dozens of subsidiaries across 10 countries, including the US, UK, Australia, Italy, Saudi Arabia, Singapore and South Korea. The net worth of the CEO, Bruce Caswell, is nearly \$78 million.

In November 2022, workers in Louisiana, Mississippi, Kentucky and Virginia staged another walkout, this time demanding better pay and working conditions. The employees asked for a pay raise to \$25 an hour and for longer breaks. The workers cited extremely busy workdays with unreasonable workloads, as up to 20 calls can come in per day with each call averaging about 30 minutes.

Along with higher wages, workers have been demanding predictable schedules and better health coverage, citing the exorbitant deductibles that came along with the Maximus health plan.

While the company did honor the \$15 an hour minimum wage for federal employees and offered a lower deductible, cut from \$4500 to \$2500 last year, the subsequent rapid rise in inflation and living costs has made these meager concessions moot.

The National Employment Law Project (NELP) released a report in 2021 which found that the Centers for Medicare & Medicaid Services (CMS) had lobbied the US Department of Labor to prevent call center employees like those at Maximus from receiving any more than one pay increase per decade.

For its part, Maximus shifts the blame for employee outrage onto the Service Contract Act (SCA). The SCA, which required them to pay a \$15 minimum hourly wage for employees, has been manipulated by the CMS and Department of Labor to keep workers' wages down to a bare minimum. One spokesperson from the CMS stated, "The contractor may pay its employees more than the minimums established but would need to reduce costs elsewhere or request additional funding from CMS, as it did last year when wages were increased to \$15 per hour." In this way, Maximus is able to fall back on the language of the SCA to explain its inability to increase wages.

At the same time, unions such as the CWA work to stifle strikes or keep them as small and as manageable for companies as possible in order to prevent the emergence of a mass movement against the social order

creating such hardships. The increasingly untenable living situation for Maximus call center workers is a symptom of the broader deterioration of the health care infrastructure.

Last year in Buffalo, thousands of health care workers voted to strike against Kaleida Health, the corporation in charge of several health care facilities in the region. The CWA, representing those workers along with the SEIU, ignored the will of those workers and pushed forth a contract behind those workers' backs.

The CWA, along with the IBEW, also betrayed strikes by Verizon workers in 2016 and AT&T workers in 2019. Everything is being done by the unions, in concert with the big corporations and the two major political parties, to block a mass movement of the working class.

The CWA is indissolubly connected with the Democratic Party, and the pseudo-left Democratic Socialists of America play a significant role. The union's net assets for fiscal year 2022 totaled \$402 million, with cash disbursements for "political activities and lobbying" totaling \$9.5 million while disbursements for strike benefits during the same period totaled \$0. Overseen by a bureaucratic leadership that took home a "salary" last year ranging from \$163,346 to \$225,594, the CWA, like the entire AFL-CIO apparatus, fears above all else communications workers linking their struggles with nurses, hospital workers, and other sectors of workers into a broader struggle against the capitalist system.

In the coming months, contracts will expire with both the AT&T Mobility workers and the International Union of Electrical Workers-CWA workers at General Electric Aerospace. The workers at Maximus must appeal to these workers and break from the confines of the CWA union and build independent, democratic rank-and-file committees, affiliated with the International Workers Alliance of Rank-and-File Committees.



To contact the WSWS and the Socialist Equality Party visit:
wsws.org/contact