



# Foundation *Action*

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of the National Right to Work  
Legal Defense Foundation, Inc.

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## Billion-Dollar Firm Faces Prosecution for Union Sweetheart Deal

*Foundation cases expose  
egregious union power grab*

WASHINGTON, DC — Foundation attorneys convinced General Counsel Arthur Rosenfeld of the National Labor Relations Board (NLRB) to prosecute Heartland Industrial Partners, LLP and the United Steelworkers of America (USWA) union for cutting a sweetheart deal that forces unionization on employees of affiliated companies.

On a related front, a Foundation federal court case moved forward when a federal Magistrate Judge ordered the Steelworkers union to turn over hundreds of documents sought in legal discovery.

David Stockman, Managing Partner of Heartland and former budget director for the Reagan administration, masterminded the deal which is alleged to have involved an “investment” of tens of millions of workers’ pension dollars in Heartland by the Steelworkers Pension Trust. It is alleged that Stockman agreed to assist USWA union organizing drives against employees and agreed to force those employees to pay union dues in exchange for commitments from union officials to waive employee rights in a manner favorable to management interests.

A central part of the deal is that employ-



**Steel workers union chief Leo Gerard (right) led a protest against the Bush administration while driving good jobs overseas with his forced unionism power grabs.**

ees of companies owned by the multi-billion-dollar venture capital firm are denied the opportunity to vote on unionization through the less abusive secret-ballot election process. Company officials must also hand over personal employee information—including home addresses—so that union organizers may track employees down and browbeat them into signing union authorization cards which are counted as “votes” for unionization.

In return for company assistance, union officials promised to stifle certain employee rights and to limit employees’ ability to influence their own wages, benefits, and working conditions.

Unwilling to be corralled into compulsory unionism without a fight, Collins & Aikman employees Linda Kandel, Galen Raber, Juanita Miller, and Renate Croll filed unfair labor practice

charges with help from Foundation attorneys in August 2003.

see **VENTURE CAPITAL**, page 6

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# Right to Work Supporters Turn Up Heat on Newspaper

*Hometown paper ignored story as union abuse garnered international attention*



**Automotive worker Donna Stinson joined other Foundation plaintiffs at a Capitol Hill press conference with Congressmen Charlie Norwood (R-GA) and Joe Wilson (R-SC).**

BRISTOL, Va. — Right to Work supporters turned up the heat on an apparently biased local paper for spiking a major story, and the newspaper buckled under the pressure.

After the Foundation alerted Bristol-area supporters of the *Bristol Herald-Courier's* brazen refusal to cover a major news development not favorable to union officials, Right to Work support-

ers sprung to action and successfully pressured the paper to do its job.

The incident came after automotive supplier Dana Corporation and United Auto Workers (UAW) officials cut a sweetheart deal involving health benefits and other substantive terms of employment without union officials having first obtained a majority of workers' support.

Dana officials at the Bristol plant forced workers to attend "captive audience" speeches, hinting there would be serious ramifications if the employees did not concede to unwanted unionization.

Foundation attorneys filed unfair labor practice charges on the workers' behalf, and persuaded the General Counsel of the National Labor Relations Board (NLRB) to issue the first known

complaint nationwide against this increasingly common and abusive union organizing method.

## Right to Work grassroots action pays off

When the NLRB announced it would issue a complaint, the story grabbed headlines in numerous large newspapers, and the *Associated Press* ran a wire story that was published by newspapers from California to Florida to the United Kingdom. Nevertheless, the local Bristol paper failed even to return repeated phone calls and e-mails from Foundation staff.

That's when Foundation Vice President Stefan Gleason alerted more than 1,000 Right to Work supporters in the Bristol area, writing, "*Bristol Herald Courier* editors seem to have deliberately spiked a national news event that occurred right under their noses — raising concerns about how well they are serving the community." Foundation supporters responded with letters, phone calls, and e-mails questioning the newspaper's inaction.

Obviously reeling from embarrassment, editors of the newspaper authorized an article that belatedly informed area residents about the plight of their neighbors who are simply trying to do their jobs at Dana Bristol without interference from the unwanted union.

"Thanks to the valued efforts of Foundation supporters, we can have hope that news of Big Labor abuses in Bristol may no longer be swept under the rug," said Gleason. "Incidents like this prove beyond a shadow of doubt that media bias is a challenge often faced by the forces of freedom." 📌

## Foundation Action

Rev. Fred Fowler	<i>Chairman, Board of Trustees</i>
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Stefan Gleason	<i>Vice President and Editor in Chief</i>
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The Foundation is a nonprofit, charitable organization providing free legal aid to employees whose human or civil rights have been violated by abuses of compulsory unionism. All contributions to the Foundation are tax deductible under Section 501(c)(3) of the Internal Revenue Code.

# Teamsters Charged for Threats Against Anheuser Busch Workers

*Union officials thumb noses at NLRB, threaten retaliation for refusal to pay unlawful dues*



Anheuser Busch employees refused to subsidize Teamsters union partisans like former Rep. Dick Gephardt (D-MO).

FAIRFIELD, Calif. — National Right to Work Legal Defense Foundation attorneys helped two employees of Anheuser Busch file federal charges against a Teamsters union local for violating the terms of a recent settlement agreement and threatening to have workers fired for refusal to comply with union officials' unlawful and coercive demands.

Catherine Anderson and Noemi Palmas, part-time weekend employees at Anheuser Busch's Fairfield and Van Nuys facilities, respectively, filed the unfair labor practice charges at the National Labor Relations Board (NLRB).

## Teamsters officials ignore terms of agreement

As a result of earlier federal charges filed by Anderson and Palmas in July 2003, Teamsters Local 896 officials settled the cases and agreed to properly

inform workers of their right to refrain from financially supporting the union's political and ideological activities. Teamsters officials also agreed to cease illegal threats to have workers fired for refusal to pay excessive initiation fees and to provide workers refraining from formal union membership "a precise and accurate statement" about the calculation of their forced dues.

In September, Teamsters union officials also had no choice but to agree to inform employees of the settlement agreement and their right to refrain from becoming a formal member of the union. However, in documents later obtained by Foundation attorneys, union officials once again clearly misrepresented workers' rights in announcing the settlement terms.

## New charges expose "business as usual" at Teamsters local

Unwilling to tolerate the abusive actions of union officials, Anderson and Palmas each filed a second unfair labor practice charge asking the NLRB to force the Teamsters hierarchy to live up to the terms of the agreement.

Foundation attorneys targeted the

violations, including the illegal practice of forcing workers to pay a second union "initiation" fee, seizing nearly full membership dues, and failing to provide a legally mandated audit of union expenditures.

Also included were new charges against the union officials' practice of forcing workers who refrain from full union membership to renew their objections each year, and the union officials' demand that workers show up in person at the union hall to settle all past "debts." Teamsters union officials later threatened to order the firing of any employee who refused to comply with the unlawful demands.

## Incident typifies national problem of forced dues

"This Teamsters union hierarchy wants workers simply to shut up and pay up," said Mark Mix, President of the National Right to Work Foundation. "The repeated attempts by union officials to run roughshod over workers' rights show the corruption that inevitably flows from forced unionism."

Teamsters union officials not only trampled the settlement agreement, but also clearly violated worker protections recognized in the Foundation-won U.S. Supreme Court ruling *Communications Workers v. Beck*. Under the *Beck* ruling, workers may not be compelled to pay dues beyond the union's proven collective bargaining costs, and they are entitled to an independent audit of union expenditures before any forced dues or fees are seized. ⚖️

For breaking news visit:  
[www.nrtw.org](http://www.nrtw.org)

# Complaint Filed Against UAW Union for Collusion

*Foundation files new, more expansive charges as government prosecution proceeds*

WASHINGTON, DC — National Right to Work Legal Defense Foundation attorneys helped a group of Freightliner employees file additional unfair labor practice charges against the United Auto Workers (UAW) union and the company for engaging in unlawful premature bargaining — despite the fact that an overwhelming majority of employees opposed the UAW union's organizing efforts.

Meanwhile, the National Labor Relations Board (NLRB) Regional Director in Winston-Salem, North Carolina, issued a formal complaint — ordered by the NLRB's General Counsel — in a previous charge against the Daimler-Chrysler subsidiary for withholding pay raises as part of a strategy to coerce employees into ceding to unwanted unionization.

## Union officials held pay raises hostage

Documents obtained by Foundation attorneys revealed that company officials posted notices announcing that long-scheduled pay increases were on hold at the demand of UAW union organizers. Union officials did not want management to receive any increase in employee goodwill, thinking that the employees would therefore be more likely to support unionization.

UAW organizers targeted Freightliner's Gaffney, South Carolina, plant even though approximately 70 percent of the plant's employees signed a petition stating that they reject union affiliation and prefer to negotiate directly with company officials over wages and benefits.

However, the UAW union and Freightliner continued to enforce a "neutrality agreement" that included a series of prearranged terms and conditions of employment in exchange for active employer assistance during the union organizing drive.



AP Photo



AP Photo

*UAW union boss Ron Gettelfinger and his cronies have cut backroom deals with Daimler-Chrysler officials to undermine workers' rights. A larger presence of forced unionism with automakers and their suppliers also raises costs, raises prices, and destroys jobs.*

## New documents reveal unlawful premature bargaining

Foundation attorneys filed the new round of unfair labor practice charges on behalf of Freightliner employees after discovering additional secret documents showing that the "neutrality agreement" included numerous pre-agreements of substantive terms of employment in exchange for monopoly union bargaining privileges.

"Freightliner and UAW officials cut a backroom deal to corral workers into union affiliation against their wishes," said Foundation Vice President Stefan Gleason. "While an overwhelming majority of workers simply don't want the union around, Freightliner and the UAW union refuse to get the message."

Under most "neutrality agreements," union organizers are given sweeping access to company facilities and non-union employees' personal information. Also, workers are usually denied the ability to decide their representation through a secret ballot election, and union operatives are allowed to sign up workers under a coercive "card check" authorization scheme.

The issuance of this complaint follows

precedent-setting orders issued recently by NLRB General Counsel Arthur Rosenfeld that unfair labor practice complaints be issued in a series of employee cases challenging organized labor's predominant "card check" organizing method.

## Foundation cases target coercive "card check" organizing

Foundation attorneys also convinced the NLRB General Counsel to issue complaints based on charges filed by workers who found themselves targeted for unionization by the unwanted UAW union at Dana Corporation's plants in Bristol, Virginia, and St. Johns, Michigan.

In recent years, as union organizers have had less success in persuading employees to vote for unionization during secret ballot elections, unions have focused on organizing employers.

Bolstered by a series of Clinton NLRB rulings, union operatives have increasingly used "neutrality agreements" and other "top-down" organizing techniques to force employers to recognize unions without a traditional secret ballot vote by the workers. Foundation attorneys are working aggressively to overturn these rulings. ↗

# Foundation Honored in *Bringing Justice to the People*

*Book chronicles Foundation's pioneer role in freedom-based law movement*

WASHINGTON, DC — A new book chronicles the freedom-based public interest law movement — a movement pioneered by Reed Larson when he formed the National Right to Work Legal Defense Foundation in 1968.

Proving the old adage that imitation is the sincerest form of flattery, there are today dozens of legal organizations that have followed the Right to Work Foundation's lead in using the courts to shape public policy in the direction of more individual freedom. These organizations have become highly effective players on the national stage, and the National Right to Work Foundation remains a leader in the movement.

At a recent ceremony launching *Bringing Justice to the People*, former Reagan U.S. Attorney General Ed Meese cited the Right to Work Foundation as the “forerunner to all of the groups” and complimented the central role it played in founding the freedom-based public interest litigation movement.

The book, edited by Lee Edwards, Distinguished Fellow in Conservative Thought at The Heritage Foundation and himself an employee of National Right to Work in the 1960s, details the movement's history.

Of course, the far left has been using the courts to achieve its goals for many years, but organized advocates of freedom were largely absent from the courtrooms until 1968. Today, aside from defending against forced unionism and promoting employee freedom, public interest litigation groups work to defend property rights, school choice, religious freedom, and individual liberty across the board.

## Right to Work Foundation sparked a movement

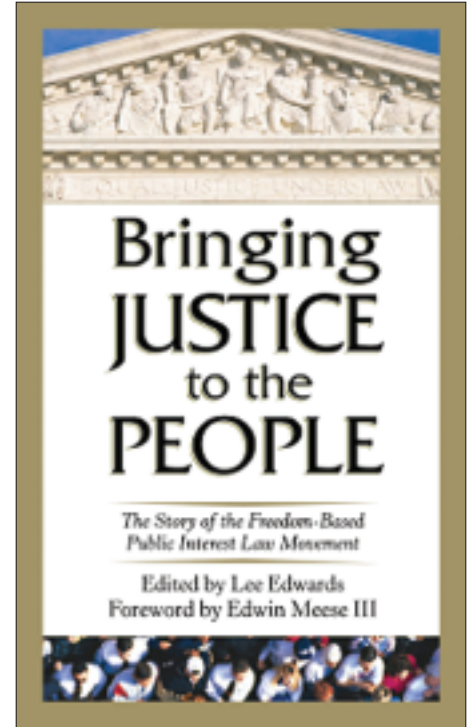
In 1968, the National Right to Work Committee's Board of Directors authorized Larson to organize the Foundation as a 501(c)(3) charitable, legal aid organization, with articles of incorporation modeled on those of the National Association for the Advancement of Colored People (NAACP) Legal Defense Fund. By borrowing the NAACP's legal structure, Larson ensured that potentially hostile Internal Revenue Service bureaucrats would have little choice but to grant the Foundation charitable status — lest they jeopardize the tax status of the ultra-left organization. This made it possible for the Right to Work movement to focus on legal battles on a full-time basis using tax-deductible funds.

At first, the Foundation supported litigation through outside counsel. However, Larson and the Foundation's other officers soon realized that the Foundation's litigation program would be more effective if the Foundation had an in-house legal staff. Therefore, the National Right to Work Foundation began hiring staff attorneys and law clerks in 1971.

Since then, Foundation attorneys have assisted as clients tens of thousands of workers victimized by

compulsory unionism and assisted nearly a half million workers in class actions. Foundation attorneys have won or settled favorably the vast majority of the Foundation's cases in federal and state courts and administrative agencies.

*“The National Right to Work Foundation was the forerunner to all of the groups,” said Reagan Attorney General Ed Meese.*



Graphic courtesy of The Heritage Foundation

These victories include six of the eleven cases decided by the United States Supreme Court that were briefed and argued by Foundation attorneys. Among other precedents, these Foundation-won Supreme Court victories limit the activities for which union officials can seize compulsory union dues from workers' paychecks.

One of the most well-known and far-reaching of these landmark decisions is *Communications Workers v. Beck*, which recognized the right of employees to refrain from formal union membership and the right not to be forced to pay for costs unrelated to collective bargaining, such as union political activity.

*Bringing Justice to the People* is available to Foundation supporters by sending a \$5 contribution payable to the National Right to Work Foundation, attn: Jean Griffith, 8001 Braddock Road, Suite 600, Springfield, Virginia 22160. ☎

## Foundation Aids Challenge of Union-Only \$300M Contracting Deal

*California's nonunion contractors banned from working on 28 public-improvement projects*



AP Photo

**Discriminatory union-only PLAs such as Boston's Big Dig typically bog down public works projects in lengthy delays while bilking taxpayers out of billions of dollars.**

SANTA ANA, Calif. — Foundation attorneys have helped persuade the U.S. District Court for the Central District of California to clear the way for a lawsuit

against a wave of discriminatory union-only “project labor agreements” (PLAs).

Foundation attorneys filed an *amicus curiae* brief arguing that federal labor law preempts the agreement between the Los Angeles/Orange Counties Building and Construction Trades Council (CTC) union and the Rancho Santiago Community College District (District) that effectively forces workers on all 28 projects into union collectives.

A PLA is a monopoly bargaining agreement that contractors must become a party to as a condition of performing work on a government-funded construction project. PLAs invariably require contractors to grant union officials monopoly bargaining privileges over their workers, use exclusive union hiring halls, and operate according to

wasteful union work rules. A PLA's function is to foist compulsory union representation onto the backs of employees of nonunion contractors who choose the freedom to work without union involvement.

Aside from being anathema to individual rights, union-only PLAs are notorious for massive cost overruns, disruptive strikes, and construction delays.

Another provision of the discriminatory PLA at issue forces all apprentices to drop out of any current non-union apprenticeship programs and enroll in one of the signatory union training programs. These apprentices must also pay union dues to be eligible to work on the projects covered by the PLA.

see **TAXPAYER GIVEAWAY**, page 8

## Venture Capital Firm Cuts Backroom Deal with Union

*continued from cover*

Collins & Aikman is an Ohio-based automotive part manufacturer that was bought out by Heartland in 2001.

### “Virus clause” believed to be unlawful

The deal requires Heartland to impose “neutrality agreements” on any company with which it conducts substantial business. In a virus-like manner, the newly unionized company is then required to impose the same agreement on companies with whom it has certain business dealings. It is this aspect of the agreement that compelled the NLRB General Counsel to act, because the arrangement is tantamount to an illegal secondary boycott.

“The purpose of this pact is to grease the skids for thousands and thousands

more American workers to be locked into compulsory unionism,” said Stefan Gleason, Vice President of the National Right to Work Foundation. “Defeat of this aggressive new coercive organizing strategy has become a top priority of the Foundation’s legal team.”

### Court clears path in parallel legal case

The NLRB prosecution runs parallel to a U.S. District Court lawsuit filed by Foundation attorneys, *Patterson et al. v. Heartland Industrial Partners LLP et al.*, challenging the “neutrality agreement” between Heartland and the USWA union as a violation of provisions in the Taft-Hartley Act. The Act prohibits employers from delivering “things of

value” to a union.

In January, the U.S. District Court cleared the path for full discovery into details of the agreement, rejecting pleas by company and union lawyers to throw out the case.

Denying the motion to dismiss, the court wrote that the company “has apparently selected and contracted with a union of Heartland’s choice” without any employee input. Foundation attorneys and the employees they represent therefore gained the ability to discover documents related to the secretive deal.

Not surprisingly, the defendants stonewalled production of hundreds of responsive documents, causing the federal Magistrate Judge of the U.S. District Court to issue an order in October that the documents be handed over to the Foundation’s legal team. **TF**

## Supporters May Avoid Capital Gains and Get Larger Deductions Through Gifts of Stock

Did you realize that how you make gifts to the National Right to Work Foundation plays an important role in your financial planning?

While cash gifts are essential to the Foundation, gifts of stocks or other securities can benefit you as a contributor, thanks to vitally important incentives present in our tax system.

Many securities you own may be worth much more now than what you originally paid for them. These *appreciated* assets can be very attractive charitable gifts, if you have owned them more than one year.

Remember that once you decide to give, *what* you give can help you determine *how much* you can afford to give. The possibilities are many and the opportunities exciting.

How large are the tax savings?

Is the deduction for the cost of the security, the value, or the value minus capital gains taxes? Gifts of stocks, bonds and other securities to the Foundation are fully tax deductible. You may be surprised to learn that, generally speaking, the deduction is for the *current fair market value* of the securities given, if they have been held more than one year.

The deductible amount includes both what you paid and your gain. So you can use the amount of the profit on paper as the deductible amount even though it is never taxed or reported as income – no capital gains tax penalty.

Therefore, the net savings of a gift of securities can be very attractive. This can help increase the amount you can afford to give.

*“I saved thousands of dollars in capital gains tax by giving my stock to the Foundation.”*

*Helen M.,  
Des Moines, IA.*

### ***Exciting possibilities to advance the cause of freedom***

As you can see, tremendous benefits can result from giving the National Right to Work Foundation gifts of stocks or securities. Giving securities is one of many ways you can combine your charitable giving goals with effective estate and financial planning.

To make a contribution, simply transfer the unliquidated stock to the Foundation’s Merrill Lynch account. The specific routing information is DTC #5198, Credit to Account 86Q – 04155, n/o National Right to Work Legal Defense Foundation, Inc. If you want to alert us in advance of the transfer, or you are interested in receiving more information or giving the Foundation gifts of stocks or other securities, please call our Planned Giving Department at 800-336-3600, ext. 3304.

*Donations to the National Right to Work Foundation are tax deductible in the same manner as donations to a church or university. As in all legal, tax and financial matters, you should consult with your own advisor.*

## Taxpayer Giveaway

continued from page 6

### Union officials obstruct open bidding

Foundation attorneys asserted that the discriminatory PLA between the CTC union and the District runs afoul of the NLRA as interpreted in the U.S. Supreme Court ruling *Building and Construction Trades Council v. ABC of Massachusetts/Rhode Island* (“*Boston Harbor*”). Under *Boston Harbor*, a state or local government may not attempt to regulate a given industry across the board through a PLA. By denying work to nonunion contractors on \$300 million worth of public projects, Foundation attorneys argued, the District is attempting to regulate the regional construction industry.

“It is wrong for the state government to sponsor a scheme that bilks taxpayers out of millions of dollars and deprives employees of their basic right to choose whether or not to affiliate with a union,” said Foundation President Mark Mix. “Work should be awarded on the basis of who is willing to do the best job at a reasonable price, not on who is most willing to sell workers out to compulsory unionism.”

### Discriminatory PLAs squander taxpayer dollars

The court, agreeing with arguments made by Foundation attorneys and attorneys representing the seven nonunion apprentice workers, denied the union’s spurious motion to dismiss. Although it has not yet addressed whether a PLA can be extended to more than one project, the court concluded that the *Boston Harbor* case and the NLRA do not give union lawyers complete *carte blanche* to run roughshod over employee rights. †



### Message from Mark Mix

President  
National Right to Work  
Legal Defense Foundation

Dear Foundation Supporter:

The 2004 election season has finally ground to a close. Now, as we ponder the future implications of George W. Bush’s victory, as well as the results in Senate and House races, it is a good time to focus on the value of making a year-end contribution to the National Right to Work Foundation.

Like me, you’ve probably been deluged in recent months with mail from candidates and party committees seeking your support. Maybe you put off making a contribution to the Foundation because you felt that some of these appeals needed your immediate attention.

This is the reason why the Foundation has experienced a fall-off in contributions recently.

But the Foundation’s strategic legal program to fight coercive union power remains as important as ever. That’s why I hope you’ll consider a generous, tax-deductible year-end contribution to the National Right to Work Foundation.

As the articles in this issue of **Foundation Action** show, our struggle against coercive union power continues all year round. It’s not tied to a particular election season, because Big Labor’s assaults on workers’ rights continue all year round, too.

Remember that, in addition to straightforward contributions of cash, you can make contributions of appreciated stocks or property and receive additional tax benefits. Take a look at the article on this subject on page 7. And remember, any gifts made before December 31 will qualify for a tax deduction on your 2004 taxes.

It will take a while to sort through all the implications of the 2004 elections for the future of the Right to Work cause. But one thing we know is that the struggle for individual freedom and against compulsory unionism will continue, and your National Right to Work Foundation will be leading the charge in defense of freedom.

Please consider a tax-deductible, year-end contribution to support our fight. And thanks for everything you do to support this critical cause.

Sincerely,

Mark Mix