

Organized Labor and Citizens United

When President Obama delivered his tongue-lashing to the Supreme Court in his State of the Union address—accusing the justices of opening "the floodgates for special interests"—he didn't mention the No. 1 beneficiary of the Court's *Citizens United* decision. Nor did Sen. Chuck Schumer (D., N.Y.) when he excoriated the campaign finance case as a victory for "corporate America."

The unmentioned winners massively outspend any corporation on politics. By their own admission, they dropped roughly half a billion dollars in the 2008 elections, overwhelming any group representing business.

Despite enjoying access to the highest reaches of the federal government, many of this group's leaders avoid detection of their lobbying simply by removing their names from official lobbying databases. One of the group's most powerful executives referred to its legislative shopping list as "payback" in return for lavishing financial support on politicians. And if that weren't enough, the group even represents thousands of foreigners.

So what is this political powerhouse that Washington politicians dare not mention by name? Organized labor.

The central ruling of *Citizens United v. FEC* allows corporations to engage in independent advocacy during elections. This applies equally to labor unions. And unlike corporations, unions are far better positioned to take advantage of the ruling because they have virtually no other restraints on their capacity to engage in political action.

Public companies have to deal with earnings targets, investment analysts, ratings agencies and dividend-hungry shareholders. That's why most corporations spend little or nothing on politics and can be expected to do the same going forward.

Labor unions, on the other hand, can spend whatever they want on elections with no accountability at all. The AFL-CIO regularly imposes special fees on union members to fund their political programs. Last year the country's largest union, the SEIU, passed a resolution setting quotas for its local affiliates to cough up "voluntary" contributions to its political action committee, and requiring that shortages be made up from general treasury funds. This fund-raising scheme has been challenged in a complaint to the Departments of Labor and Justice as a violation of federal election law.

Unions also aren't held to any financial performance standards. SEIU chief Andy Stern admitted last year that he had taken out tens of millions of dollars in loans to pay for campaign ads, saying: "We maxed out the credit card and now we're paying it off." What corporation could get away with that?

Given the unions' capacity for dominating political spending, should Congress curtail organized labor's free speech rights? Absolutely not. The First Amendment applies equally to unions as it does to business.

At the same time, however, Congress should take steps to protect the free speech rights of union members who don't support their leaders' political agenda, and to ensure the integrity of union political activism. As lawmakers evaluate appropriate responses to the *Citizens United* decision, these proposals should be on the table:

- Require secret ballot elections, supervised by the National Labor Relations Board, to approve political spending.
- Strengthen "pay-to-play" reforms to prohibit government employee unions from spending money to elect politicians who will oversee their labor contracts.
- Allow union members to deduct from their dues all union lobbying and political expenditures, as calculated by an independent auditor.

- Get the government out of the business of automatically deducting union dues from paychecks and require an affirmative check-off for union political spending.
- Prohibit unions that are under the influence of organized crime—as determined by the Department of Labor's inspector general—from ingratiating themselves with politicians by spending money on elections.

There is a great deal of hyperventilating on Capitol Hill these days about the power of corporations. There is conspicuous silence about organized labor. Coincidentally, unions give nine out of 10 election dollars to the party that currently runs Washington. If Congress attempts to inhibit corporate political speech while treating unions with kid gloves, that's not reform. It's just another special-interest payback.

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