



Labor Relations WeekTM

Source: Labor Relations Week: News Archive > 2010 > 04/15/2010 > Lead Report > Service Employees: SEIU President Stern Announces Retirement, Says He's Leaving by Choice With No New Job

24 LRW 569

Service Employees

SEIU President Stern Announces Retirement, Says He's Leaving by Choice With No New Job

Andy Stern, the high-profile and controversial president of the 2.2 million-member Service Employees International Union, April 14 announced his plans to retire.

In a videotaped announcement to his members, Stern said he has been a member of the union for 38 years and president for 14 of those years. "There's a time to learn, a time to lead, and then there's a time to leave. Shortly will be my time to retire... and end my SEIU journey."

Stern, 59, did not indicate a departure date, but a press release said that one of his last official acts as SEIU president will be April 16 when he plans to engage in civil disobedience with workers outside the headquarters of food and facilities management company Sodexo in Gaithersburg, Md..

In his message, Stern dismissed rumors about why he is retiring. "I've never been healthier. I've been vetted before being named to the president's [National Commission on Fiscal Responsibility], and I leave the job I love by choice."

"SEIU members helped elect a great president and we just helped pass historic health care reform," Stern said. He added, "We have a solid plan to grow stronger and SEIU'S local leadership is not only the most experienced but also the most diverse in labor's history."

No New Job or Specific Plans

Stern said he does not have another job or any specific plans, but "whatever is next, my strong belief in justice for workers will anchor my life."

Noting that there is "never a perfect time for any long-time leader to depart or for organizations to make transitions," Stern said that he had seen "too many leaders stay on too long. I have no intention of being one of them."

In his message, Stern ticked off his achievements during his 14-year tenure as president including adding 1.2 million new members in traditionally low-wage jobs such as home care, child care, and janitorial.

In terms of politics, Stern said that SEIU was recognized as having the most effective political program in the country in 2006 and 2008 by the *National Journal*, and has the largest political action committee in the nation. He said the union has a grassroots army of more than 100,000 that helped elect President Obama, and the union was the largest contributor to his election efforts.

The SEIU president said that he "held accountable Wal-Mart and Bank of America," made

alliances with onetime adversaries such as Kaiser Permanente, and helped rebuild the nation's progressive infrastructure by founding or helping to fund organizations such as America Votes, the Center for American Progress, the Blue-Green Alliance, among others.

While Stern did not address in his videotaped message who will succeed him, the press release quoted him as saying that SEIU Secretary-Treasurer Anna Burger would assume the role of interim-president until the union's International Executive Board votes on a successor within 30 days.

Possible Contest to Replace Stern

Stern's departure could set up a possible contest for his position between Burger, his second-in-command for the last 14 years and president of Change to Win, and Executive Vice President Mary Kay Henry, who is expected to challenge Burger, according to several sources.

One source told BNA that both Burger and Henry had recently been calling board members seeking their support for the presidency of the union. Neither Burger nor Henry could be reached for comment.

Under the SEIU constitution, Burger as secretary-treasurer will assume his duties for no longer than 30 days. During that time the international executive board will fill the vacancy by majority vote for the rest of Stern's term, which expires in 2012. Delegates to the union's next convention in 2012 then would elect a full slate of officers.

Under the SEIU constitution, Burger as secretary-treasurer will assume his duties for no longer than 30 days. During that time the international executive board will fill the vacancy by majority vote for the rest of Stern's term, which expires in 2012.

Stern has served as president of SEIU since 1996 after his former boss and mentor John J. Sweeney left SEIU to become president of the AFL-CIO.

Stern, whose union spent millions to help elect President Obama, was the most frequent visitor to the White House during Obama's first six months in office, according to White House records. Seen as a force in Washington politics, Stern was named Feb. 26 by Obama to the National Commission on Fiscal Responsibility (24 LRW 325, 3/4/10). Ringuette told BNA April 13 that Stern "definitely is staying on the commission."

The SEIU president has been credited by many with organizing successes that have made his union one of the fastest growing unions in the country.

But he also has been a controversial figure both within the entire labor movement as well as within his own union.

Stern has been a lightning rod within the labor movement since 2005 when he led six unions out of the AFL-CIO and formed the Change to Win federation.

For a good part of last year, presidents of about a dozen unions, and leaders of the AFL-CIO, Change to Win, and the National Education Association, met to discuss the possible reunification of the labor movement (23 LRW 919, 6/11/09). When the talks broke off shortly before the AFL-CIO convention where Richard L. Trumka was elected the federation's new president, numerous sources said they believed that SEIU, under Stern's leadership, never would go back into the AFL-CIO.

Trumka declined to comment on Stern's retirement. When asked whether Stern's retirement

would make it easier to reunify the labor movement, Trumka told BNA, "I think that all depends on who his replacement is—the answer could be absolutely yes or absolutely no, but it would just be speculation at this point."

Stern also faced criticism from other union officials, including some in Change to Win, when he became involved in an intraunion fight that led to the breakup of UNITE HERE. Most former UNITE members left the union, forming Workers United, and affiliating with SEIU. The breakup left UNITE HERE made up mostly of former HERE members, and UNITE HERE then left Change to Win and rejoined the AFL-CIO (23 LRW 1519, 9/24/09).

Administration Rocked by Several Scandals

In the last several years, Stern's administration also has been rocked by several scandals involving leaders who were appointed by Stern. Stern protege Tyrone Freeman, who was put in charge of United Long Term Care Workers Local 6434 in California, in late 2008 was permanently banned from holding union office or membership after a hearing officer found Freeman violated the SEIU constitution and local bylaws through "a pattern of financial malpractice and self-dealing" (22 LRW 1712, 12/4/08). Anelle Grajeda, who Stern appointed as president of Local 721 in Los Angeles, and was later elected international executive vice president of the union, stepped down from both those positions following internal allegations that the local paid money to a former boyfriend of Grajeda in violation of a severance agreement he signed in 2007 (23 LRW 428, 3/19/09).

Stern also has been in a bruising battle with the former leaders of SEIU's third largest local—United Healthcare Workers West in California. He placed the local in trusteeship and removed the leaders, who then formed a new union—the National Union of Healthcare Workers—that is competing with UHW for their former members. A federal jury recently ruled in SEIU's favor, finding the former UHW leaders owe UHW \$1.5 million on SEIU's claims they breached their fiduciary duties and violated the international and local union constitutions (see related article in this issue).

Sal Rosselli, the interim president of NUHW, issued a stinging statement April 13 on the rumored resignation of Stern, stating that if he steps down "a sad chapter in the once proud union's history will come to an end."

Rosselli contended that Stern's "legacy is that he took control of an organization built by more than a million hardworking janitors, healthcare workers, and public servants, and used their resources primarily to secure his own political power.... Instead of uniting the labor movement's strength, Stern tore apart the AFL-CIO and created the Change to Win federation, only to tear apart Change to Win four years later with an unprecedented raid on SEIU's closest partner in the federation, UNITE HERE."

Rosselli contended that Stern's multimillion dollar fight against his union and UNITE HERE "diverted resources from healthcare reform and employee free choice, weakening the former and scuttling the latter."

By Michelle Amber

Contact us at <http://www.bna.com/contact/index.html> or call 1-800-372-1033

ISSN 1522-8819

Copyright © 2010, The Bureau of National Affairs, Inc.. Reproduction or redistribution, in whole or in part, and in any form, without express written permission, is prohibited except as permitted by the BNA Copyright Policy. <http://www.bna.com/corp/index.html#V>