



**Retired Officers of
The ILGWU
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Dear Brothers and Sisters of the U.S. Labor Movement:

We write on behalf of the almost 200 current members of the Retired Officers of the International Ladies' Garment Workers' Union ("ROI"), a retiree organization established by retired ILGWU officers and organizers more than 50 years ago to protect retired ILGers and to further the progressive social and political policies of our Union. In addition to those ILGWU retired officers living in the Greater New York Area, about 120 retired ILGers from around the country are also associated with our organization. Our average age exceeds 80, with many ROI members in their late 80's and 90's. We go back to the early thirties and fought in all of the major labor battles which advanced our society: collective bargaining rights; minimum wage; 40-hour work week; health and safety regulations.

Having lost our retirement income security as a result of the selfish and unprincipled conduct of Bruce Raynor, we must bring to public attention the anti-worker, anti-retiree policies of this self-described labor "leader".

We are particularly disgusted by the crocodile tears Raynor sheds publically over the alleged attempted "takeover" by UNITE HERE of valuable assets and real estate which the ILGWU - not Raynor's ACTWU - had brought to the ill-fated 1995 merger between the ILGWU and ACTWU which formed UNITE.

In fact, the ILGWU funded the UNITE merger. When we formed UNITE in 1995, the ILGWU owned real estate worth about \$250-300 million. ILGWU properties included the buildings at 1710 Broadway, 275 Seventh Avenue, 218 W. 40th Street, Unity House, and the ILGWU Local 91 building on Union Square, New York City. The ILGWU also owned a building in Philadelphia and three other Pennsylvania properties. These ILGWU properties were controlled by the International, not by any regional locals or affiliates, and we brought them into the marriage with ACTWU. The ILGWU

also brought to UNITE approximately \$150 million in liquid funds held in our "knibbles," general funds, not regulated by ERISA. These funds were held by the ILGWU's Organization and Strike Fund, Affiliates Assistance Funds, and by three separate Union Label Promotion Funds. In addition we brought to UNITE an anticipated \$60-70 million reversion from the over-funded ILGWU Death Benefit Fund.

By contrast, Raynor's ACTWU brought very little to the UNITE Merger. First, ACTWU, unlike the ILGWU, was not a cohesive union, having arisen as an amalgamation of smaller, competing unions, such as the Hatters, Clothing Workers, and Textile factions. These ACTWU factions did not trust each other, and hence the ACTWU affiliates owned, in their own names, the great bulk of ACTWU assets. These ACTWU affiliates refused to bring their assets into the merger. ACTWU had only about \$2.4 million in liquid assets, but it brought debts totally almost \$2.5 million because, unbeknownst to the ILGWU, ACTWU, under its then-secretary-treasurer Bruce Raynor, had stopped paying bill for its operating expenses several months *before* the merger. After the merger, the ILGWU had to pay these bills for ACTWU health care premiums, stationery, and even for its convention. Moreover, at the time of the merger, all ILGWU retirement funds were over-funded whereas all ACTWU retirement funds were under-funded. Upon taking over UNITE, Raynor forced the ILGers to essentially make up the funding deficiencies of the former ACTWU plans. Raynor also brought to the marriage questionable ACTWU derivative investments which threatened the viability of his union.

While ACTWU did bring its 50% ownership interest in the Amalgamated Bank into the UNITE merger (the other 50% was owned by ACTWU affiliates), the Bank's shares are highly illiquid. Indeed, the ILGWU had to pump \$23 million into the Bank in order to allow UNITE to gain a 51% ownership interest in it.

Historically, the ILGWU paid comparatively low wages to its organizers and staff during our tenures. We got paid substantially less than Raynor and his cronies had received from ACTWU.

Given our low pay, and so as to encourage ILGWU organizers and staff to remain with the ILGWU, the Union's officers - from David Dubinsky on down - always informed us that when we retired, we would have higher than usual life insurance, paid for by the Union. As one of ROI's most esteemed members, Evelyn Dubrow, the *first* labor movement recipient of the Medal of

Freedom, said shortly after her 95th birthday:

Q. Now, when you first started with the union . . . were there discussions of salaries and benefits you would get?

A. [Ms. Dubrow] Yes. As a matter of fact, because we were a low-wage industry, our workers were getting -- we were getting in our contracts about 15 percent above the minimum wage for the people who were in the manufacturing section of the garment industry, and because Dubinsky -- and I always admired him for this -- felt that the workers in the garment industry weren't getting a heck of a big salary or pay for their work, that he felt that the people on the staff should not be paid excessively, because this was money coming out of the pockets of our members, to pay for our salaries. And he made it very clear, and I agreed with him, that instead of asking for an increase in wages or something, as far as I was concerned, I was perfectly happy to have it come to me after retirement and that my death benefit would be taken care of, would be referred to my heirs who are in the family.

. . . Dubinsky always felt that the people working for the union should not be getting big salaries that came out of the members' dues.

. . . And our feeling was that we were there to represent the members of the union, and for that reason, we should not be being paid unusually high wages for that, because we were representing the union, the members, who were not getting an awful lot of money.

Consequently, throughout the decades, the ILGWU promised its organizers and officers that they shouldn't worry about their old age because the life insurance benefit would be there. The Union even encouraged us to decline the "benefit-to-spouse" retirement option because the life insurance benefit would protect their spouses and children.

After spending our working lives building the ILGWU into one of the largest, wealthiest, and most powerful unions in the nation, and after being repeatedly told "not to worry about your below-market wages - we'll take care of you when you retire", we were devastated when UNITE, under Raynor's direction, summarily

reduced our union life insurance benefits by an average of 95%.

During his 60-year tenure with the ILGWU, our last secretary-treasurer, Irwin Solomon, had told scores of ILGers about the Dubinsky/ILGWU belief that organizers' salaries should be kept in line with those of the members, but also reassured them that the ILGWU life insurance benefit would always be in place to protect the retirement security of their spouses. Brother Solomon testified about the effect of Raynor's take-away on ILGers:

A. And there's a little story with Miriam Micelli that -- if you don't mind, as much as you asked the question, I would like to tell you what happened with her.

Q. Sure.

A. Miriam used to work for the South Jersey Joint Board which was under my jurisdiction at the time. I was the area director of Philadelphia, South Jersey. So we were very friendly. She was a Business Agent, and then she became Assistant Manager of the South Jersey Joint Board. After she retired, we still continued a friendship. She knew my wife. We saw each other every so often.

Q. Go ahead. I'm sorry. Keep going.

A. And shortly after the life insurance was reduced, she called me from the hospital to tell me that she had cancer and she wouldn't even have enough money to be buried. I found out which hospital she was in, and the next day I went, and sure enough, she died. She was dead when I got there. And to my knowledge, I don't know what happened. I don't know where she was buried or anything like that.

But that stayed with me and still stays with me. I still remember our conversation. It was very emotional. She said, How could they do this to me? How could they do this to me?

Raynor knew that the ILGWU had paid very low wages which

were insufficient to allow us to save financial nest eggs. He also knew that we relied primarily on the retiree life insurance to protect our families after we are gone. ROI member Sally Eisenberg, 93 years old and an ILGWU member along with her deceased husband, Sam, since 1937, said:

Q. Did you ever receive a notice from the union that the face value, the amount that you just read, \$118,000, was reduced?

A. Yes. First it was reduced to \$50,000.

Q. Tell me what your reaction was when you received that letter?

A. I hit the ceiling.

Q. Why did you hit the ceiling?

A. What do we do now? We're in our 80s. We couldn't get life insurance or any kind of insurance that we could afford at this point. Our whole life we were looking forward to it.

Q. Do you remember what Sam said after receipt of that letter?

A. He almost passed out. He was so upset. We just didn't know what to do.

Q. Whatever -- yes. Whatever you recall. Don't worry about using vulgar terms.

A. Really. Those sons of bitches. They [Raynor and cronies] came into our Union and took our money and have no regard for us as Union people. To do this to people that worked their whole life and to look forward to something, should I pass, that my wife should be able to get along, for a human being to do this is unbelievable. Unbelievable. [Then] we received this letter, it happens to be maybe five or six months before he passed away, that they're reducing -- it was bad enough they did it to \$50,000, now they're reducing it to \$5,000, which doesn't even pay for funeral services.

Q. Was Sam sick at the time?

A. Yes. He was sick at the time. We had a lot of problems with him. He wasn't able to walk. I had to get a motorized scooter for him to go out and get some air occasionally. Our expenses were high, and this was happening, to even reduce what we already had.

Q. What did Sam say about it after receiving that letter?

A. I don't even know. He was very upset. He was a man who worked his whole life for the Union and fought for workers to get a substantial salary and make something of themselves. And this other party [Raynor] comes along who is supposed to be part of a Union that helps people, and they take everything away from us that he worked his whole life to have.¹

Ironically, at around the same time that he pushed through the virtual elimination of our retirement security, Raynor raised his own salary as UNITE's president and those of his cronies by more than \$15 thousand to \$20 thousand. Raynor also started milking the Amalgamated Bank, ostensibly owned by the Union's member, for his personal gain. In 2006 the Amalgamated Bank had paid its chairman, Bruce Raynor, \$33,999 in "fees", \$47,058 in "car service", and \$14,164 in "sporting tickets". In other words, Raynor, who supposedly worked *full-time* as UNITE HERE's general president, received \$130 *per day* from the

¹ Like many ILGers, the Eisenbergs were a strong union family. Sally, at 93, is still proud of her own contributions to the ILGWU membership:

Q. Did you become involved in the organizing, as well?

A. The same way. We were both on the picket line.

Q. Did you believe in what the ILGWU was doing?

A. Yes.

Q. What was the Union trying to do?

A. Lower our working hours. We worked from 8 in the morning to 5 in the evening and a half day on Saturday. And there was a sign in the factory, "If you don't come in Saturday, don't come in at all!" We thought it wasn't fair, it wasn't right.

At the same time that Raynor was enjoying the use of his "car service", he forced the UNITE HERE pension plans under his control to invest heavily in risky real estate and so-called "private equity" products sponsored by the Bank. He launched his campaign to boost the Bank at precisely the time when the Bank, upon Raynor's urging, had begun shifting away from its historically conservative investment approach to a much riskier one based heavily on real estate-related investments.

Although the UNITE HERE ERISA plans under Raynor's control are required in their Annual Reports to identify any party-in-interest relationships that exist between the plans' fiduciaries and their service providers - such as the Amalgamated Bank - the UNITE HERE ERISA plans falsely and uniformly state that "none" exist. Raynor, apparently, does not want the membership to know that he receives almost \$100 thousand per year from the Amalgamated Bank in addition to union salary.

When Raynor and his cronies first reduced the ILGers life insurance, we and several other retired ILGWU officers attempted to meet with him at the union's headquarters, 1710 Broadway. Raynor and Romney declined to meet and ordered us restricted to the lobby - the lobby of one of the ILGWU's buildings! We then submitted a 50 page administrative appeal of the take away, which Raynor and his cronies totally ignored. Instead of addressing our lengthy, detailed petition for redress, Raynor simply and vindictively reduced our retirement security again - this time to \$5,000.

As longtime trade unionists, we have closely followed the internecine war which has broken out between the UNITE HERE factions. We are intimately familiar with the progressive values and traditions of the International Ladies' Garment Workers Union. Our focus, historically, has always been to benefit the workers, without regard to craft or industry. A hotel worker is as much a member of the working class as a garment worker in our day. We are more concerned with the principles which guide the union than with the members' trade or craft. We firmly believe in rank and file democracy; we abhor the "top down" leadership style of Bruce Raynor. At our last meeting, we applauded his eviction from our House of Labor.

On the other hand, we view favorably the "bottom up" style

of democratic union leadership represented by John Wilhelm and incorporated into UNITE HERE's new Constitution. Unlike Raynor, who has refused over the years to meet with the ILGers, John Wilhelm has sought us out, met with us, knows about the history of our dear union, the ILGWU, and understands the need to benefit from our experiences as organizers and trade unionists.

Finally, we have learned over decades with the ILGWU, that the raiding by one union of another union's members is totally unacceptable, inimical to the working class, and destructive of the values we stand for as ILGers. Raynor is a banker first and foremost. Wilhelm is a trade unionist.

We look forward to UNITE HERE gaining full control over all former ILGWU assets and buildings. Once UNITE HERE achieves that goal we will all feel comfortable again visiting our House of Labor at 275 Seventh Avenue and sharing our experiences with the young hotel and restaurant organizers and workers who make up UNITE HERE.

Yours truly,

**The Retired Officers of the ILGWU
Executive Committee**

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