

# Forced-Unionism Abuses Exposed

The facts Big Labor bosses would rather you didn't hear about.

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*Compulsory unionism breeds corruption. In each issue of "Exposed," the National Right to Work Committee will highlight yet another example of union-boss abuse spawned and perpetuated by Big Labor's government-granted privilege to force workers to pay union dues, or be fired.*

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## **Disgraced Bosses of 325,000-Member Plumbers and Pipefitters Union Get 'Golden Parachutes' From Union Executive Board**

Last October, more than six years after rank-and-file union members began publicly speaking out against union czar Marty Maddaloni's extravagant squandering of their pension money, and two years after the U.S. Labor Department sued Maddaloni and his cohorts, two former officers of his union finally stepped up to the plate.

Writing on behalf of former Plumbers and Pipefitters union General President Marvin Boede and former Assistant General President C. Randall Gardner, attorney Daniel Katz urged the union's executive board of directors to take action against current General President Maddaloni and Secretary-Treasurer Thomas Patchell.

The former officers of the Plumbers and Pipefitters (whose formal name is the United Association of Journeymen and Apprentices of the Plumbing and Pipefitters Industry of the United States and Canada, abbreviated as UA) asserted that the union's financial condition is so unhealthy that "its ability to pay for the 2006 convention has . . . become an issue."

Boede and Gardner charged that Maddaloni and Patchell had "mismanaged the UA's assets, used the UA's assets for purposes other than solely for the benefit of the UA and its members, [and] invested and spent the UA's money in violation of the UA's constitution." Moreover, they had "dealt with the UA as an adverse party, acquired interests that conflict with the UA's and failed to account fully to the UA and its members with regard to significant financial transactions."

Between 1997 and 2002, Maddaloni, Patchell and other trustees of the Plumbers and Pipefitters National Pension Fund (PPNPF) dumped roughly \$800 million, or more than 20% of the fund's assets, into the purchase and redevelopment of the Diplomat Resort and Country Club in Hollywood, Fla. Last summer, Maddaloni, Patchell and other trustees, rather than face a civil trial for this obvious misappropriation of workers' retirement assets, agreed to resign from the PPNPF and other UA pension funds and pay nearly \$11 million in restitution and civil penalties.

Since the current value of the Diplomat is as little as \$217 million, the scheme by Maddaloni and his cohorts to fulfill his dream of building a luxury hotel featuring a “Marty’s” restaurant and “Maddaloni” coffee at the hotel bar may have cost PPNPF participants nearly \$600 million.

Boede and Gardner charged that Maddaloni and Patchell had misused UA general funds (which are derived overwhelmingly from dues and “fees” that workers are forced to pay in order to practice their trade) as well as pension fund money.

For example, Maddaloni and Patchell “invested” \$3 million from the UA’s forced-dues treasuries in Value America, an online retailer that went bankrupt in 2000, and \$2 million in Cyber Labs, a dot-com start up. They also extended the latter company a \$2 million unsecured loan.

Boede and Gardner’s letter was the straw that finally broke the camel’s back. Having for years ignored pleas from rank-and-file UA members to stop Maddaloni and Patchell from misusing pension and forced-dues funds for their personal glorification and for the benefit of their business cronies, the UA executive board finally forced the two bosses to resign in November.

However, in yet another insult to the union rank-and-file, the board decided Maddaloni and Patchell would continue to collect their full salaries, plus expenses of \$950 per week, for the remainder of their terms (that is, more than two years). Maddaloni and Patchell also received special “buyout” packages and will get to keep their pensions. Getting rid of these two officers, who the UA board itself admits have brought “disrepute” on the union, will cost union members an estimated \$1.7 million, nearly all of it forced-dues money.

While the overwhelming majority of the UA’s 325,000 members are undoubtedly glad that Maddaloni and Patchell are finally gone, a number have already publicly stated that the two deserve lengthy stays in a federal prison – not so-called “golden parachutes.”

Unfortunately, federal labor policy strongly favors the Maddalonis and Patchells of this world. It authorizes them to get workers blacklisted from their trade or fired for protesting Big Labor corruption as soon as they see it by refusing to pay any union dues or “fees.” Only in the 22 states with Right to Work laws do workers have the power to resign from the union and cease paying all dues without losing their jobs as a consequence.

No wonder the UA executive board, even after the Labor Department has ousted Maddaloni and Patchell from their pension posts and other UA officials have denounced them, continues to seem more concerned about keeping the two disgraced union chieftains happy than about addressing the rank-and-file’s legitimate grievances.

The Maddaloni scandal is an excellent example of why America needs a national Right to Work law barring forced union dues and “fees” in all 50 states.

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