

What Were 'Blago' and SEIU Boss Talking About?

Union Bigwig Still Mum About Role in Alleged Senate-Seat Auction

Roughly half-a-century ago, then-U.S. Sen. John McClellan (D-Ark.) chaired a Senate select committee that held extensive investigations into the problem of labor racketeering and shocked the conscience of the nation with what it found.

The McClellan Committee's findings prompted Congress to try to clean up Big Labor corruption by passing the 1959 Landrum-Griffin Act. But years later, Mr. McClellan sadly concluded that "there is still much corruption in some labor unions today, and . . . compulsory unionism and corruption go hand in hand."

The late senator's observation regarding union corruption has been reconfirmed time and again in the past few years.

And now it seems that the lust for compulsory-dues dollars may have played a principal role in the top political scandal of early 2009: Illinois Democratic Gov. Rod Blagojevich's alleged attempt to hold an auction on the U.S. Senate seat that was held until recently by incoming President Barack Obama.

The U.S. Constitution gives governors the power to appoint temporary replacements for senators who are incapacitated, die, or resign from office.

According to a criminal complaint filed by U.S. Attorney Patrick Fitzgerald, Mr. Blagojevich, who is barred by state law from seeking another term as governor and must leave office two years from now, sought to exploit his appointment power to obtain a new prestigious, high-paying job for himself.

Union Kingpin Allegedly Agreed to 'Put That Flag Up and See Where It Goes'

In November, Mr. Fitzgerald, who had previously obtained a warrant to wiretap Mr. Blagojevich's office in connection with an unrelated criminal investigation, overheard the governor and his aides discussing various schemes to "auction off" the Obama seat.

In one such scheme, Mr. Blagojevich would be named as national director of the so-called "Change to Win" union conglomerate in exchange for appointing Obama confidante Valerie Jarrett, a



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What were Illinois SEIU boss Tom Balanoff (shown here speaking at last summer's Democratic National

Convention) and his cohorts willing to do to get another forced-dues payoff from Gov. Rod Blagojevich?

Chicago businesswoman, to the Senate.

There is no evidence at this time indicating Mr. Obama personally knew what Mr. Blagojevich was up to, and he eventually decided he would rather put Ms. Jarrett on his White House staff instead of seeking a Senate appointment for her.

However, the complaint does suggest that longtime Obama ally Tom Balanoff, the head of a powerful Chicago local of the Service Employees International Union as well as of the SEIU's Illinois chapter, was at the very least aware of Mr. Blagojevich's scheme and aired no objections to it.

When Mr. Blagojevich allegedly suggested that the SEIU could help form a nonprofit group that could employ him while also helping Ms. Jarrett get appointed to the Senate, an unnamed SEIU official (almost certainly Mr. Balanoff) agreed to "put that flag up and see where it goes."

Moreover, an internal report released last month by Mr. Obama's chief counsel confirms that Mr. Balanoff met personally with Mr. Blagojevich shortly after Election Day to discuss the soon-to-be-vacant Senate seat.

Unlike other parties who discussed the vacancy with Mr. Blagojevich or his aides, Mr. Balanoff has yet to deny publicly that he knew the governor was trying to

auction off the seat. Indeed, he is refusing to speak about the matter at all.

Rod Blagojevich and SEIU Bigwigs Have Long Been Trading Favors

One key reason to suspect that Mr. Balanoff and perhaps other SEIU officials were complicit in the Blagojevich scheme is that the governor was undisputedly preparing to issue an executive order that would have ultimately put millions of forced-dues dollars into SEIU coffers at the time of his arrest.

According to the *Wall Street Journal*, the order was intended to enable SEIU bosses to get monopoly-bargaining and forced-dues power over roughly 1200 workers in the state who care for developmentally disabled people in their homes.

It would have augmented a similar special-interest edict signed by the governor in 2003.

"Rod Blagojevich and SEIU union bigwigs have long been trading favors," commented Mark Mix, president of the National Right to Work Committee. "Frankly, it's never surprising when such unseemly dealings between union bosses and elected officials lead to brazen violations of the law." 📌