

Lessons from the Washington Teachers Union



The Washington Teachers Union (WTU) is the exclusive bargaining agent for District of Columbia government school teachers. Teachers represented by WTU must, as a condition of continued employment, pay union dues whether they want WTU representation or not. Its website, www.wtulocal6.org, boldly proclaims its motto, “Building Better Schools: It’s Union Work.”

Last December a sickening story of embezzlement, money laundering, fraud, and illegal campaign contributions over a six-year period became public. The extent of the scandal is still unfolding as the FBI, IRS, U.S. Department of Labor, and D.C. inspector general carry on their investigations. The alleged perpetrators of what is now estimated to be a \$5 million plundering of the union treasury for personal gain are former WTU president Barbara A. Bullock, former treasurer James O. Baxter III, and Gwendolyn M. Hemphill, Bullock’s special assistant.

The extraordinary details of the scandal are explained in depth by Patrick J. Reilly in the March issue of the Capital Research Center’s *Labor Watch* (www.capitalresearch.org). In brief, it is alleged that Bullock, Baxter, and Hemphill charged personal expenditures on WTU credit cards, forged signatures on WTU checks, changed names of payees on

checks, and with the help of Bullock’s chauffeur, Leroy Holmes, laundered WTU money through to their own personal accounts. At this writing only Holmes has been charged with a crime; he pleaded guilty to at least one count of money laundering. Additional criminal charges are expected. The FBI confiscated much of the loot—including furs, ball gowns, art, furniture, china, crystal, silver, jewelry, and electronic equipment—from the homes of the alleged perpetrators and some relatives.

Hemphill had been well-connected in D.C. politics and with politicians such as former mayor Marion Barry for many years. She was co-chairman of Mayor Anthony Williams’s re-election campaign in 2002. WTU money helped him win. Baxter was director of the D.C. government’s Office of Labor Relations and Collective Bargaining under both Barry and Williams. Baxter’s brother, Curtis Lewis, who was the union’s lawyer, hosted fund raisers for Williams and allegedly paid for them with a WTU credit card. Campaign contributions were made from the WTU treasury to the Democratic National Committee and to the senatorial campaign of Hillary Clinton in 2002. The DNC and Clinton returned the money when the scandal became public.

This systematic looting of the WTU treasury was uncovered only because of a blunder by the alleged perpetrators. The treasury was so depleted that the union could not pay its 2002 per capita dues to its parent, the American Federation of Teachers (AFT). Bullock needed \$700,000 to turn over to the

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AFT in order for WTU representatives to be seated at the AFT's annual convention in 2002. She allegedly "solved" this problem with a one-month increase of the dues that D.C. teachers were forced to pay, from \$16 to \$160. The extra \$144 per teacher would have raised enough money to pay the AFT assessment. However, several teachers were outraged at the unexpected, and unauthorized increase, and complained to the AFT, which then began to make inquiries and ultimately hired an independent firm to undertake a forensic accounting investigation of the WTU. In addition several teachers filed civil suits against the union.

The AFT constitution requires its member unions to have their books audited at least every two years. There had been no audit of the WTU since 1995. The AFT at least should learn to enforce the provisions of its own constitution. More important, union rank and file should learn that their union leaders cannot always be trusted. They must exert more diligence and control over their own locals. Before the scandal broke, the WTU had not held a membership meeting in five years because the required quorum of 100 teachers could not be assembled. The WTU represents 5,000 teachers.

Reporting Requirements

As long as teachers are forced to fund the union against their will, policymakers should tighten up the legal reporting requirements imposed on unions and should see to it that those requirements are enforced. The Security and Exchange Commission (SEC) imposes tight reporting and independent audit requirements on public corporations. In like manner, the Department of Labor (DOL) should impose and enforce similar rules on unions. The Secretary of Labor has

recently proposed revising the LM-2 reporting requirements that already exist for unions, but her proposals do not go far enough. As I said in my last column, at the very least DOL should require that unions get and publicize an annual independent audit of their books.

More important lessons concern the very nature of compulsory unionism itself. Union members are not diligent because they have no effective control over union officers. If each teacher were free to choose whether to join and support a union or not, union leaders would have to pursue teacher interests rather than their own interests, because members would have the ultimate power of exit. With that power members would naturally be diligent.

For state and local government employees to have that freedom, 34 states and the District of Columbia would have to repeal their laws that provide for exclusive representation (selecting a union by majority vote rather than individual choice) and union security (compulsory dues payments). In the private sector the National Labor Relations Act would have similarly to be repealed.

Union officials and the politicians in their thrall will dismiss such reforms as too radical to be taken seriously. I suspect most of the electorate would agree with them. But that is the real outrage. Individual freedom of association is guaranteed by the First Amendment to the Constitution. It ought to be widely accepted as a mainstream idea. That it isn't is perhaps the worst legacy of Franklin Roosevelt's New Deal, made possible by a complicit Supreme Court, whose fallacies have ever since been promulgated by the government-school monopoly. Building better schools isn't union work. It is the work of competition and entrepreneurship in an open education market. □