

To: The Honorable Chris Gorsek
Co-Chair, Joint Subcommittee On Public Safety
The Honorable Janeen Sollman
Co-Chair, Joint Subcommittee On Public Safety

From: Ben Straka, Labor Policy Analyst

Date: April 5, 2021

Re: House Bill 5014

Co-Chairs Gorsek, Sollman and Members of the Committee,

Thank you for the opportunity to speak today. As you consider the next biennial budget for the Department of Justice (DOJ) and weigh the department's historical performance and various functions, I'd like to call your attention to a pattern of alleged fraudulent activity that we believe has fallen through the cracks under the department's watch and deserves additional scrutiny by this committee. As stewards of the people's tax dollars, we hope the committee will take this issue seriously and urge the Attorney General to take steps to address it moving forward.

Over the past two years, numerous Oregon public employees have approached us with similar allegations of fraud by their labor union. Specifically, these employees have alleged that their signatures were forged or otherwise fraudulently obtained on union membership applications, which subsequently locked them into having union dues deducted from their wages without their consent. Unfortunately, no state action has yet been taken to protect these employees – whether legislatively, or through the Attorney General's enforcement of consumer protection laws – and they have been forced to seek outside legal help to protect themselves.

Consider the case of Jill West¹, a State of Oregon employee who was told she couldn't stop her union deductions because she signed a union membership form on an iPad. Ms. West was sure she never authorized the deductions, and when presented with a "copy" of her electronic authorization by the union, realized it was registered to an out-of-state IP address and completed with an email address she had never used in her life. Or Margo Cash Schiewe², a longtime State of Oregon employee who was told she signed an electronic membership form only to see that, upon closer inspection, the form did not contain any evidence of a valid electronic signature. Yet another state employee, Staci Trees, recently turned to us for legal assistance after recognizing that her signature was crudely forged on a physical union membership application.³

In each of these cases, and many others, the fraudulent authorizations were used to divert a portion of these employees' wages to a private labor organization against their will.

Most of these cases involve the same labor union, and such activity is occurring with enough frequency to warrant the DOJ's attention. Unfortunately, the only action the DOJ has taken thus far

¹ *Wright v. SEIU 503 et al.*, No. 20-35878 [9th Cir.].

² *Schiewe v. SEIU 503 et al.*, No. 20-35882 [9th Cir.].

³ *Trees v. SEIU 503 et al.*, Case 6:21-cv-00468-MK [Or. Dist.].

has been to defend the state in court and claim no responsibility on the state's part – despite the state's role in performing the unauthorized deductions on behalf of the union.

There is something inherently problematic with a system in which the State of Oregon unquestioningly follows the directions of a private membership organization with a financial interest in deducting dues from state employees' pay, rather than the employees from whom the deductions are made. Currently, state law directs the state to defer to the union's information about whether employees have authorized the deductions⁴, but it is becoming increasingly clear that such information cannot always be relied upon.

Absent legislation to protect public employees from this type of activity, the Attorney General should investigate and take appropriate enforcement action to prevent any further fraudulent deductions from employees' pay. As taxpayers who are ultimately on the hook for funding the department, we have a corresponding expectation that it protects all Oregonians from injustice and unlawful business practices. So far, the DOJ has not done this. We have seen firsthand the growing number of public employees who have fallen victim to this alleged fraudulent activity by their unions.

In considering the department's next biennial budget, the committee should keep in mind its failure to address such activity up to this point, and its need to do so going forward.

Thank you,



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⁴ ORS 243.806.