

Electricians union's tactic for organizing suburbs: 'salting.'

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Fifteen years ago, International Brotherhood of Electrical Workers Local 98 routinely flouted labor laws, according to federal regulators and the companies the union targeted.

Illegal blockades. Aggressive picketing. Punctured tires. Smashed windows. Thinly veiled threats of physical violence to nonunion workers and their families.

The National Labor Relations Board finally cracked down after an illegal warehouse blockade in 1999. An agency lawyer who successfully brought that case described the powerful union, led by John "Johnny Doc" Dougherty, as "masters when it comes to unlawful . . . conduct, intimidation and coercion."

The union denied wrongdoing.

Today, Local 98's tactics are less overt - although arguably more effective. It relies on a discreet method of infiltration and financial coercion that takes place largely outside of the public eye, say electrical contractors and their attorneys.

The local floods nonunion shops with resumés and equips its applicants with a secret dual mission: If hired, gather inside information and attempt to unionize the workforce. If rejected or later fired, claim antiunion discrimination and seek back pay through the NLRB.

The tactic hits nonunion bosses in the pocketbook. And the union can get its way without having to lift a picket sign.

"It's like this whole big scam," said Sharon Ponticello, owner of Hard Hat Services in Norristown. "You might have one opening and they flush you with six applicants. Even if you hire one, they'll file charges on the other five."

Ponticello started Hard Hat in 2010. Her former company, State Electric, went out of business in 2005, two years after she agreed to sign up with Local 98 and began losing money, she said. The union has since returned to target Hard Hat.

"I've lost everything with them," she said. "People don't know this is happening. You've already done one thing to me. Leave me alone."

"Salting," as it's known in the labor world, is the longtime and widespread practice of sending union members into nonunion companies. The term dates back to the Gold Rush, when mine owners would sprinkle gold dust on worthless claims to gull marks into buying them.

Employers detest it. Labor unions say it's a necessary tactic, prompted by declining membership, new union-busting tactics, and laws that have hamstrung their ability to organize.

The courts have found that as an organizing strategy, salting is legal.

But the 4,700-member Local 98 uses a particularly sophisticated and aggressive approach that nonunion companies fear is geared more toward forcing employers to join the union or eliminating the competition altogether.

"The salting operation is much more effective in intimidating and bringing an employer to give in than picketing," said lawyer Walter Flamm, who represents companies targeted by the union. "The objective is to make the targeted contractor give up."

The union denies that.

"The purpose of 'salting' is solely to organize," union spokesman Frank Keel said in a recent statement. "It is absolutely not a tactic that is used to harm a contractor or to drive a company out of business."

Philip Dine, author of *State of the Unions: How Labor Can Strengthen the Middle Class, Improve Our Economy, and Regain Political Influence*, said salting is a legitimate technique necessary to combat shrinking membership and aggressive employers who use "union avoidance" consultants to prevent workers from organizing.

"What people don't know is it's harder to form a union in this country than in any democracy in the world," Dine said.

Dine said he had never heard of a union using salts primarily to accrue back pay from employers who failed to hire them.

"Any legitimate practice," he said, "can be taken to an extreme."

This summer, a series of highly publicized raids revealed that federal prosecutors and the FBI have been investigating Local 98. In part, they are seeking evidence of crimes that included what a search warrant called "attempted extortion of employer contractors by the wrongful use of economic fear."

One prong of the FBI investigation focuses on allegations of physical coercion, such as brawls that have broken out at a nonunion construction site in South Philadelphia. The other relates to economic pressures. According to sources familiar with the probe, the FBI is also investigating Local 98's salting program.

Steve Cook, owner of Cook's Service Co. in Avondale, said he had never heard of salting until this year, when, he said, Local 98 covertly targeted his family-owned firm.

"They'll send us an application of employment, and if you don't hire them, they consider it discrimination and file a charge," Cook said.

Once the unfair labor practices charge is filed with the NLRB, the workers will typically attempt to collect back pay from the company that didn't hire them. The union will file several complaints at once. The back pay claims and legal fees can accrue quickly.

"It's salting with a twist," Flamm said. "It's just a racket. The union frequently sends resumés and files unfair labor practices at virtually the same time."

Cook, whose firm unknowingly hired Local 98 salts, said he was concerned that the union could crush the company his father started 40 years ago if it is successful in organizing the workforce.

"Out of the blue, these seven guys walk into our company and want to destroy it," Cook said. "They'll try to get me to sign a contract I can't sign and it will be a year of hell. I'm scared to death."

Once they're in, Local 98 salts can persuade their nonunion employers to hire other salts before they vote to organize. Then they may leave for the next company on the target list.

"They're like locusts," said Tom Spano, owner of Greywolf Electric in Concordville. "I didn't realize how devious the union was."

Spano, for example, unknowingly hired several Local 98 salts this year. At least four went on strike soon after, then headed to Cook's, he said. The two owners later found out the same crew had previously hit another firm.

"They kind of played us like a fiddle," Cook said. "I know they're doing what they have to do to stay in the local, but I don't know how they sleep at night."

Spano, 27, opened his company about a year ago and has 15 employees. In August, Local 98 won an election to unionize his company after its members were hired. Spano is challenging the results.

On the day of the election, Spano said, the salts he hired were joined by a group of Local 98 members who didn't work at Greywolf. They, too, cast votes, claiming that they had the right to vote because they had applied for a job there and weren't hired due to their union affiliation, Spano said.

"Guys I've never even seen before were showing up to vote," Spano said.

The union has also filed about 15 NLRB complaints, alleging that Spano discriminated against its members by not hiring them, he said.

"It's people that sent me a resumé in my email that I never even opened," Spano said. "That's their tactic, to wear you down. They're hard to beat."

Keel, the Local 98 spokesman, said the union does not comment on specific organizing campaigns, other than to say that it follows the law.

"Local 98's salting program has been very successful and has allowed it to organize and thus represent many new union members," Keel said. "While a nonunion employer may not like Local 98's salting programs, such programs have again been found to be legal by our nation's highest court."

Local 98 has still faced a problem with dwindling membership. Putting aside growth from mergers, its membership is down about 20 percent over the last decade, an even more rapid decline than the national trend for the IBEW, according to U.S. Department of Labor records.

Some of the Local 98 organizers active in the salting program have faced heavy criticism in NLRB reviews, federal records show.

One such organizer is Timothy Browne, whom the union paid \$180,000 in salary and other disbursements in 2015, according to public records.

In 2012, an administrative law judge found, the union demanded that a nonunion contractor at a big Philadelphia apartment rehab project pay a \$250,000 fine for alleged violations at another job. Then, the contractor testified later, Browne told him "your legal problem will probably go away" if he dropped out of the Philadelphia project.

A decade earlier, the NLRB said Browne had told employees of a small Fishtown construction company "that he knew where they lived, knew who their wives were . . .

knew how their wives dressed, knew how their kids dressed." The agency concluded that the union was violating its order to "cease coercing employees."

Browne and the union have disputed these allegations. Records kept by one recent Local 98 salt include a minute-by-minute log he sent to Browne. Keel said Browne would have no comment for this article.

Bob Keares, owner of Keares Electrical Contracting in Downingtown, has faced dozens of NLRB complaints from Local 98 members, settling some because the legal fees exceed the back pay claims.

"There's nothing wrong with the unions that represent our workers in this country," he said. "It's these tactics from 98. People don't want it."

Ponticello serves as an informal adviser for companies targeted by Local 98. She's been sparring with them for decades.

In 1999, the NLRB said, Browne showed up at a Ponticello job site to photograph employees - and their car license plates. He allegedly told one worker: "I know who you are, I know where you live. We're going to get you someday," the agency said.

Ponticello calls the local "a cartel" that's eliminating the competition. The NLRB, she added, "is signing our death warrants."

An NLRB spokeswoman declined to comment for this article.

Wally Zimolong, a lawyer who has represented companies in labor disputes, said salting is common among unions in the construction industry. But, he said, Local 98 runs the area's most seasoned operation. He said the union uses salts to organize workforces and inflict economic harm by bombarding companies with NLRB complaints.

"They just want a payoff," Zimolong said of the NLRB cases. "I think they take enjoyment in doing it, to tell you the truth."

The Inquirer and Daily News contacted several known salts for Local 98. None returned requests for comment. Dougherty declined to be interviewed for this article.

Some Philadelphia contractors who have been salted did not want to be identified for fear of union retaliation. One owner said he can no longer run public job ads because the Local 98 salts will start swarming.

"If you say something, they'll come down on you," one company owner said. "I don't want to get harassed by these guys. They're brutal."

Another owner who has been salted by several unions said Local 98 appears to be stepping up its efforts in the suburbs.

"He pretty much owns the city," the owner said of Dougherty, "but they're out in the suburbs now trying to do the same thing."