Big Coal, Big Tobacco & Doctors Behind Smear Campaign

Benjamin Campaign Turns Ugly

Skirting campaign finance laws and hiding behind a series of fake front groups big coal, big tobacco and doctors are financing a massive campaign to oust Warren McGraw from the Supreme Court.

It started during the primary election.

Big money from out-of-state financed ads and mailings to voters filled with lies about labor’s endorsed candidate Supreme Court Justice Warren McGraw.

Now, with the general election in full swing more money and more lies are being used to deceive voters in an attempt to buy control of the supreme court.

“The supporters of Brent Benjamin, and Benjamin himself, are using the sleaziest tactics I’ve ever seen,” said Roy Smith, Secretary-Treasurer of the WV State Building Trades.

They are attacking McGraw with a case that was before the court with McGraw as one of five judges. The case was about a probation violation but was twisted to look like McGraw supports child molesters.

Nothing could be further from the truth.

But the truth might not matter given the millions of dollars being poured into the Benjamin campaign.

The amount of financing for the assault is unclear, but what is known points to doctors, big coal, and big tobacco companies.

One group calls themselves “And For the Sake of the Kids.” They were created in August of 2004 by Carl Hubbard, owner of Heritage Equipment Company and Daniel McGraw, a doctor in Wood County.

The group has refused to identify its backers or how much money it is pouring into the campaign.

Heritage Equipment, Inc. services the coal industry. Hubbard is on record supporting overweight trucks at the legislature.

President of Heritage Equipment is Gary Kale. Kale and coal baron Buck Harless show up together on the Secretary of States listing for Snap Creek Mining, Inc.

Daniel McGraw, no relation to Warren McGraw, is a doctor in Parkersburg. Many doctors have been fooled by the insurance industry, and coal and tobacco companies to blame the Supreme Court for rising malpractice insurance rates.

Don Blankenship, of the notorious Massey Energy Corporation is one of the leaders of the fund raising effort to defeat McGraw. In fund raising letters Blankenship promises lower auto, homeowner and malpractice insurance rates if Benjamin is elected.

During the primary a group calling themselves “Citizens Against Lawsuit Abuse” (CALA) sent out similar mailings. Despite the name, the group is funded primarily by major tobacco companies according to a report by the watchdog group Public Citizen published in 2000.

“This report unmasking funding by self-serving mega-corporations that secretly spawned a national network of fake citizens organizations,” said Public Citizen President Jane Claybrook.

The report is called “THE CALA FILES: Secret Campaign by Big Tobacco and Other Major Industries to Take Away Your Rights.”

Together these groups will spend millions and may never disclose who is behind them or how much they spend.

Using a loophole in campaign finance law they claim their ads do not call for the election or defeat of a candidate, just provide information.

“These ads provide lies, not information,” said Smith. “Who pays for them and how much they spend is kept a secret because if you knew it was big coal and big tobacco it wouldn’t work.”

Big Companies Pay Little or No Taxes

Corporate Taxes Cut Since 2001

Many of the largest and most profitable corporations are paying little or no federal income taxes, and most are paying much less than they did four years ago.

These facts come from a study released on September 22 by Citizens for Tax Justice (CTJ) and the Institute on Taxation and Economic Policy (ITEP), both Washington DC based public interest groups.

The study looked at federal income tax payments of 275 major corporations from 2001 to 2003.

Although these companies are supposed to pay 35 percent of their profits in taxes, the 275 companies surveyed paid only 17 percent in 2003.

That was down from 21.4 percent in 2001.

“The sharp increase in the number of tax-avoiding companies reflects the results of aggressive corporate lobbying and a White House and Congress eager to do the lobbyists’ bidding,” said Robert S. McIntyre, director of CTJ and co-author of the report.

The study’s central findings include:

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Bricklayer Apprentices Compete

Bricklayer apprentices from across the state came together to compete in two locations during October.

The competition highlighted the skills bricklayer apprentices learn both on the job and in the classroom according to Apprenticeship Coordinator Joe Dalton.

Apprentices from the southern part of the state met on Saturday, October 2 in Putnam County at the Voc-Tech school. The following Saturday, October 9, apprentices from the northern half of the state met at the North Marion County Voc-Tech School.

The competition started with a written test followed by a hands-on demonstration.

Working with both brick and block apprentices were judged primarily on quality, but had to work within strict time limits.

“Judges look at how plumb and level the work is as well as neatness and other quality factors,” said Dalton.

The judges were all members of the Bricklayers DC.

“We also got great support from suppliers like Peerless Block in Saint Albans, and from the Clarksburg Morgantown area Brixment and Central Supply Company,” said Leroy Hunter, Jr., Director of the Council.

Apprentices competed in three divisions based on their time in the training program.

The winners of the most senior division were Ronnie Stutler, Jr. from Local 9 Charleston and Frank Eberhart, from Local 1 Weirton.

The winners of the next senior group were Matt Jimmie, from Local 15 Fairmont and Michael Henry from Local 5 Huntington.

The winners of the beginners group were Will French, Local 5 Huntington and Phillip Lee, Local 15 Fairmont.

Each participant received a plaque and the six division winners at both competitions won a four foot level.

“When Labor and Management work together, like they do on these training programs, we produce the best quality product for the best possible price.”

ELEVEN APPRENTICES participated in the first competition held on Saturday, October 2. Front row (from left) Will French, Ronnie Stutler, Jr., Michael Henry; middle row Ken Jarrett, Matt Brewer, Paul Teel, Rusty Schafer, Jesse Stephens; back row Andrew Meadow, Brian Phillips, Paulo Tanzy.

Outsourcing Costs WV

Outsourcing is a new word for an old story, shipping good paying jobs overseas to low-wage countries.

But outsourcing has become a hot political issue, especially because the pace of job loss has increased and because some people are actually voicing support for the policy.

In February Gregory Mankiw, chairman of the president’s Council of Economic Advisers stated, “I think outsourcing is a growing phenomenon, but it’s something that we should realize is probably a plus for the economy in the long run.”

Many disagree.

Since January 2001 West Virginia has lost 7,000 manufacturing jobs due to outsourcing.

The data comes from job losses certified by the Trade Adjustment Assistance Program (TAA). TAA provides additional benefits to workers whose job was moved overseas or was lost due to increased imports.

The act only covers manufacturing jobs so workers in other industries, like communications workers recently laid off by AT&T, do not qualify.

Overall West Virginia has lost more than 10,100 manufacturing jobs since President Bush took office in January of 2001.

The state has seen job loss in a number of categories in the same time period.

For example, information jobs declined by 1,900; natural resources down 1,100; and construction jobs dropped 1,400.

There are 5,400 more unemployed workers now than in 2001 and about 20,000 less workers counted in the state since then.

National numbers are also bad. There are around one million fewer jobs today than when the Bush administration took office.

No other administration has overseen such job loss numbers since the great depression.

“When Labor Bush keeps telling us the economy is improving but it’s getting worse,” said Gary Tillis, Business Manager of the WV Laborers District Council.

“Costs for things like gas and health care are going up, but job creation is going the other way.”
This year’s election has a number of building trades union members running for state legislative offices.

Dave Mullins, a member of Operating Engineers Local 132 is running for the state Senate in the fourth district which includes his home county of Jackson as well as Putnam, Mason and parts of Roane County.

Mullins is going up against incumbent Karen Facemyer who is also from Jackson County. “We’ve recently lost two democratic senators from this district and I just feel working families are not being heard,” said Mullins.

With a campaign theme of ‘People over Special Interests’ Mullins says he is working hard to get out, meet voters and talk about issues he cares about.

“Creating jobs, making taxes fair, restoring ethics to government and looking for new ways we can all work together are the basic morals of my campaign,” said Mullins.

Mullins works as training director for the Operating Engineers Joint Apprenticeship Committee. He is also a member of the WV Economic Development Authority.

“I’ve worked cooperatively with labor and management, focused on training a high skilled and productive work force,” said Mullins. “I want to bring these positive abilities to the legislature to help my district.”

Orphy Klempa is business representative for the Mid-Atlantic Regional Council of Carpenters and a member of Carpenters Local 3, Wheeling.

He is running for the House of Delegates in the third district. Two people will be elected to serve the district that covers most of Ohio County.

“Jobs and health care are the two issues I hear over and over from voters,” said Klempa. “I can make a positive difference in peoples lives by focusing on these two issues if elected.”

“Bringing people together” is the theme Klempa uses to communicate with voters. Klempa points to his experience working with a variety of groups to accomplish much for Ohio County.

Klempa is Co-Chairman of Project BEST, a successful labor-management program, and serves on the board of directors for numerous organizations and civic groups such as the Ohio Valley Medical Center, the Ohio County Development Authority, the Wheeling Area Chamber of Commerce, and the United Way.

Klempa enjoys the campaign trail and pledges to run a active campaign. “I hate to lose, and I will continue to work hard to make sure I am elected,” said Klempa. “But my supporters deserve the credit, they inspire me and have been the key to my success so far.”

Both Mullins and Klempa say this is their first run for an elected political office.

Two members of the Laborers International Union have had a little more experience with campaigns. Charlene Marshall is running for the House of Delegates in Monongalia County, a position she held two years ago.

But when she made an unsuccessful run for state Senate in 2002 she had to give up her House seat.

Four people are selected for the 44th district, long time labor friend Barbara Fleischauer is the only other endorsed candidate in the district.

Diane Parker is trying her second time to win the House of Delegates seat for Taylor County.

Two years ago she lost in the primary, but this time having won in the primary she has an excellent chance of winning an open seat.

Parker works as assistant Business Manager for the WV Laborers District Council, taking care of non-construction workers such as public employees, health care, service and general industry.

Marshall and Parker don’t come from the construction side of the labor movement but they have a better understanding of what working families need than most.

“Union members need to take advantage of their rights to elected office,” said Parker. “We need people who understand what our members do for a living.”

Early Voting Starts Oct. 13

Take advantage of new rules that allow early voting. The election is Nov. 2 but you can start voting as early as Oct. 13. Just see your county clerk for details. Don’t be caught out of town on election day.
Members of the North Central WV Building Trades Council protested the use of out-of-state, unlicensed contractors at a Morgantown job site late last month.

Two contractors from Texas have been cited by the WV Department of Labor for operating without a WV contractors license.

Three Texas companies were also cited for having 18 workers without proper identification. The 280 unit, student housing project is owned by Houston Texas based EA Morgantown LLC.

With 21 four story buildings planned, the project could be around $30 million worth of construction.

“Local contractors were not even allowed to bid,” said Ed Boone, Business Manager for Plumbers and Pipefitters Local 152.

Some also wonder if West Virginia University is not somehow involved because of their recently announced ten year - $40 million housing plan.

WVU officials have denied any involvement but acknowledge that students may end up living at the complex.

“These apartments are going up because WVU is here and our tax dollars built WVU,” said Jason Hershman, Business Agent for Laborers Local 379.

“We’ve got the people and contractors right here to do this work.”

**LETTING THE PUBLIC know about out-of-state, unlicensed companies and unauthorized workers are (from left) Larry Young, ACT Foundation; 152 Ed Boone, UA Local 152, Butch Rovder Bricklayers Local 15, Dan Donham Jr., J. Brett Wolfe, Joe Trentini, and Dave McCrobie UA 152; Kristi Merritt and Joe Dalton, Bricklayers 15; and Jason Herschman, Laborers’ Local 379.**

**Tax Rate**

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Eighty-two of the 275 companies paid no federal income taxes in at least one year from 2001 to 2003. In those tax-free years, these 82 companies reported a total of $102 billion in pretax U.S. profits.

In 2003 alone, 46 companies paid no federal income taxes. These 46 companies reported U.S. pretax profits in 2003 of $42.6 billion. The list includes big-name companies like AT&T, CSX, Manpower, Reebok, and Walt Disney.

The study points to changes in the federal tax code such as ‘accelerated depreciation’ and ‘stock options’ as part of the explanation for the decline in tax payments.

Changing corporate depreciation rates were supposed to be an incentive for corporations to invest in the U.S. The study points out new investments in plant, property and equipment fell rather than rose during the time period.

Writing off stock options is another way companies avoid tax payments. Microsoft alone saved more than $5 billion in tax payments while enriching top executives.

The ACT Foundation helped get the word out in West Virginia about the study.

“That an average West Virginian family paid more in federal income tax than 46 major corporations - combined - is outrageous,” said Steve White, director of ACT.

“When large corporations get huge tax breaks, working families and small businesses are left to pick up the slack.”

Full text of the study is available on the ACT website.