



**CULINARY  
WORKERS UNION  
LOCAL 226**

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# The Nation.

July 11, 1994

## Organizing at the Emerald City Local 226 vs. MGM Grand

By Mike Davis

The eighty-eight-foot lion that guards the entrance to MGM's Emerald City looked unusually glum on the eve of the Memorial Day holiday. As dust devils chased early evening commuters down Tropicana Boulevard, Las Vegas police strapped tear-gas masks to their gun belts. Sullen resort security men in blue blazers stood sentry behind hastily improvised little signs declaring the adjacent sidewalk, probably the busiest section of the casino Strip, "private property." Earlier in the day, the management of Kirk Kerkorian's \$ 1.1 billion Oz-themed family gambling complex had warned employees about "dangerous chaos," while a police spokesman had fretted that "someone might be killed."

For months southern Nevada had been anxiously awaiting this dramatic rematch between the world's largest casino/ hotel and the nation's biggest private-sector local union. Last year the MGM Grand Hotel and Theme-park broke ranks with the other new mega-resorts - Luxor, Excalibur, Treasure Island and Mirage - and refused to bargain with Culinary Workers Local 226, the 40,000-member affiliate of the Hotel and Restaurant Employees International. Robert Maxey, MGM's famously unionbusting C.E.O., announced that "in the best interest of our employees" the 5,005-room resort, whose hyperbolic but mundane architecture encloses the biggest single concentration of cash-points on earth (3,500 slot machines and 150 gaming tables), would open without a union contract. When 4,000 union members and their families mobilized in December to picket the resort's opening-night extravaganza, the police prevented them from assembling on the sidewalks. Invoking the fine print of its deal with Clark County, MGM claimed ownership of the pedestrian easements around its property. Outraged union leaders cried, "The sidewalks belong to the people" and promised to return in 1994.

So on May 29 thousands of culinary workers, tiny American flags in hand, again gathered outside the gates of Oz. "We Get What We Take. We Keep What We Have the Strength to Hold," their banner declared. In a brief preliminary rally, State Senator Joe Neal from Las Vegas's largely black West Side urged demonstrators to become "lion killers," and Local 226 secretary-treasurer

Jim Arnold reassured them that "Bob Maxey, like the Wizard, is just a greedy fake."

For the next three hours, as union loudspeakers blasted Bruce Springsteen's "Born in the U.S.A.," the trespassers were arrested in groups of forty. Above the demonstration the electronic ghost of Sinatra periodically materialized out of the digital fog of the MGM sign. The high-spirited pandemonium of the culinary workers - more than half of them black and Latino, maids in blue uniforms and bartenders in Hawaiian shirts - amazed the crowds of tourists who gawked, uncomprehending, from behind police barricades.

But the police seriously underestimated both the scale and militancy of the demonstration. After the first 500 busts, police commanders threw in the towel. Hundreds of unionists, having waited hours to be arrested, demanded their place on the police bus. A weary officer quipped back, "Next time, you guys should make reservations." Thus ended the biggest mass arrest in Nevada history.

### **Last Union Town in America?**

"No contemporary labor movement in the country, with the possible exception of the Mine Workers, has endured longer, more bitter strikes, or faced such constant repression," says Glen Arnodo, the ex-machinist from Cleveland who leads the team of crack organizers assigned to MGM Grand. Yet the culinary workers have fought back with astonishing success, doubling their membership since 1984. For this reason, Arnodo and others like to refer to Las Vegas as "the last great union town in America." This is not the ordinary image of Sin City, and Local 226's surprising ability to survive the Darwinian swamp of Reagan/Bush-era labor relations, as well as the corporate restructuring of the gaming industry, demands an explanation.

The gene for class struggle, after all, was not part of the local's heredity. For a quarter-century until 1977 the culinary workers were dominated by their charismatic but roguish secretary-treasurer, Al Bramlett. Although Nevada became a right-to-work state in 1951,

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Bramlett negotiated a de facto union shop with Las Vegas's invisible government. In what many older workers still fondly recall as "the good old Mob days," the godfathers recognized Local 226 in exchange for labor peace and a reliable supply of skilled workers. They also provided Bramlett with the "comps" needed to sustain his ostentatious life style of fast cars, Italian suits and beautiful women.

This sweetheart deal lasted until the mid-1970s, when Howard Hughes's Summa organization - the vanguard of the corporate succession that sent the Mafia into retirement - began to pressure other casino owners into taking a hard line against the union. At the same time, according to allegations before a Senate racketeering subcommittee, Chicago gangsters were attempting to seize control of Local 226's lucrative health and dental plan. When Bramlett reputedly resisted them, he was kidnapped at McCarran Airport, taken out to the desert and shot three times in the heart and once in each ear. Horrified rockhounds later found his partially visible, decomposing face leering back at them from a hastily dug grave.

The back-slapping union machine and passive rank and file that Bramlett left behind were ill prepared to fight the giant corporations that were transforming Las Vegas's "green felt jungle" into a mass-market family resort. The first defining clash took place in 1984. Against the background of a local recession and the new competitive threat of Atlantic City, the Nevada Resort Association attempted to crush Local 226 and allied unions during a bitter, often violent sixty-one-day strike. For the first time in memory, strikebreakers were imported to keep the Strip operating, while a local judge enjoined mass picketing and the Metro Police filled the jails with 900 unionists. One strike veteran recalled the situation as "a literal Marxist paradigm - from judges to cops, the state was completely aligned with the casino owners."

On the brink of catastrophe, Vincent Sirabella, director of organizing for the International (commonly known by the acronym HERE), parachuted his best young organizers into the battle. Linking up with the most dogged rank-and-filers, they rallied the 17,000 strikers to keep the struggle going through the 100-degree heat of early June. The eventual settlement, covering forty-six hotels and casinos, was hailed by A.F.L.-C.I.O. president Lane Kirkland as a "major victory."

From the perspective of labor's national debacle in the early 1980s, it certainly was. But as D. Taylor, one of Sirabella's original commandos, explained to me: "The culinary workers also suffered grave wounds. Six casinos, led by Bob Maxey then C.E.O. of Elsinore Corporation, kept their scabs and decertified the union. Despite our public bravado, we knew that our members were demoralized and that the rest of the industry was simply biding its time until the next contract expiration to administer the coup de grace."

The subsequent five years, according to Taylor, were "a desperate race against time to rebuild the union. Our highest priorities were restoring belief in the efficacy of the strike weapon and convincing old members that organizing new members was more important than higher wages." The young turks from the International, including a "whiz kid" research team set up during HERE's famous clerical workers' strike at Yale University, made common cause with the 400 to 500 picket captains under Jim Arnold who had been the backbone of Local militancy in 1984. When contract time came up in 1989, they mounted such impressive demonstrations that the Resort Association backed down from new unionbusting attempts.

Local 226, moreover, won unprecedented contract language that year guaranteeing employer neutrality in organizing drives and immediate union recognition if a majority of workers signed union cards, eliminating the need for costly and bruising elections. The first such agreement was negotiated by Steve Wynn, the Strip's Wunderkind, and applied to the Mirage, the first of the mega-resorts. "In essence we brought the more progressive Canadian system of union recognition to Las Vegas," says Taylor. The 1989 contract also split away the giant gaming corporations from an increasingly virulent group of traditional family-owned casinos.

These notorious Five Families (the Binions, Boyds, Gaughans, Engelstads and Elardis) still retain great political clout in Nevada, even as they are economically overshadowed by the Fortune 500 mega-casinos. Since the 1984 strike they have tried to undermine union gains by demanding givebacks and firing union supporters without cause. Cowboy capitalism, of course, has always had inclinations toward fascism. Literally so in the case of the Imperial Palace's bizarre proprietor, Ralph Engelstad, who glorifies the Holocaust in a huge private suite decorated with swastikas and floor-to-ceiling portraits of prominent Nazis, collects human soap and skulls from death camp victims, and in April 1988 threw a lavish birthday party for Hitler.

Although Local 226, with the decisive help of Jesse Jackson and the city's black community, beat the most powerful of these families, the Binions, in a ten-month strike against the Horseshoe Casino in 1990, workers remain locked in deadly combat with the Elardis at the Frontier. Three years old this fall, the Frontier strike has projected extraordinary scenes, including a demonstration by 20,000 union supporters and a 300-mile march across the Mojave Desert to Los Angeles by twelve strikers. Incredibly, not a single Frontier striker has crossed the picket line, but the Elardis, despite the estimated loss of 40 percent of their gross revenue, remain intransigent. In a war of attrition carefully monitored by the entire industry, Local 226 is grimly determined either to win or to close down the Frontier and sow salt on its ruins.

# Organizing at the Emerald City

## ***Thunder From the Back of the House***

The union hall of Local 226 is surrounded by pungent symbols of this city's greed and despair. For most of the day it is in the shadow of casino owner Bob Stupak's mad phallic fantasy, the fifty-story (and still growing) Las Vegas World Tower. Just south of the hall are stucco tenements and converted motels that house the working poor who grease the wheels of the city's non-union employers. Meanwhile, a colony of homeless men has established itself across from the union parking lot. Some of them are what Las Vegans contemptuously refer to as "reverse Okies" - refugees from Southern California's structural recession.

Inside, the culinary workers have been preparing for contract negotiations with the unionized 80 percent of the gaming industry. A few days before the assault on Oz, the 1,000-member Citywide Organizing Committee, the union's "rank-and-file engine," met to discuss strategy and demands. D. Taylor had just given a familiar sermon on why the union must reinvent itself as a social movement in which each member is an organizer when the local's president, Hattie Carty, stepped forward to speak. Scanning the room for the tired faces of African-American and Latina women, she said: "Housekeepers! This is your time. You hold the keys to the 1994 contract. In order to be a true union, all departments must have a place at the table. This year you must be at the fore."

Local 226, reflecting the revolution in the size and composition of the gaming work force, is in the midst of a profound transition. In the Bramlett era the union was led by white men who primarily articulated the needs of high-paid tipped employees from the "front of the house" - doormen, bartenders, bellboys, waiters and cocktail servers. The maids and kitchen helpers (then largely black, now majority Latino) were frequently ignored. With the coming of the mega-resorts, however, the "back of the house" contingent has soared. Nine of the world's ten largest hotels are now in Vegas (the tenth is in Moscow), and each depends on several hundred housekeepers per shift. Indeed, some 9,000 maids and cleaners constitute the second-largest occupational category (after tablewaiting) in the city's booming economy.

The election of Carty, a black woman who raised ten kids while making beds in Maxim's, has given new prominence to the exploitation of housekeepers. According to the Monthly Labor Review, maids and housemen - exposed daily to backstrain, falls and toxic cleaning chemicals - suffer 60 percent of the disabilities in the lodging industry (which, in turn, has among the largest number of occupational injuries). Housekeepers I met at contract meetings argued passionately that killer quotas - having to clean as many as eighteen rooms per day in some hotels - must ultimately become

a strike issue for the whole union.

Empowering the "back of the house" also means enfranchising a new union majority: 25 percent Latino, 22 percent black and 7 percent Asian. And this extends beyond the union hall. A major aim, for example, of a union-run job-training center established last year is to provide young blacks from the West Side and North Las Vegas with the skills to enter previously white-only domains like cocktail serving and specialty cuisine. Yet some union activists frankly acknowledge that Local 226 must be more aggressive in the face of persistent discrimination by the large casinos.

Black workers, moreover, frequently express their fear of "creeping Miamization." An almost negligible stratum in 1960, Latinos - bolstered by 50,000 new arrivals from California, Arizona and Mexico since 1980 - are now the largest minority in the city. Unlike African-Americans, however, they have almost no political clout, and their poverty rate is considerably higher. As Hattie Carty emphasizes, the union is the major melting pot for the city's increasingly diverse ethnicities, and it must struggle ceaselessly to reinforce their solidarity inside and outside the workplace.

Local 226 is also the dike holding back a deluge of minimum-wage labor. Thanks to the post-cold war deindustrialization of Southern California, the supply of labor now far outstrips the demand. When MGM Grand began hiring last year, it was overwhelmed by more than 100,000 applicants, 30 percent of them former residents of the Los Angeles area. Evidence of a new immiseration - homelessness, crack addiction, youth gangs, even malnutrition - can be easily discerned in the side streets of the Strip. Unionized workers are becoming acutely conscious that the survival of their middle-class standard of living (two-thirds of Local 226 members own their homes) is strictly dependent on their fighting strength in the workplace.

## ***The Yellow Brick Road***

With MGM particularly, there's no underestimating the enemy. "Make no mistake," Glen Arnodo told me, "MGM Grand is a brilliant template for deunionizing Las Vegas. Unlike the smaller grind joints and scab casinos, its hourly wage structure is comparable to the union contract, and it provides an in-house medical clinic for employees, who also enjoy a flextime vacation scheme and company pension plan. It has even semantically abolished the subordination of labor to capital. From dishwasher to housekeeper, everyone has been transformed from employee into (cast member' with a (part,' and indoctrinated with an antiunion video."

Meanwhile, the privatized sidewalks and an elite security force, recruited from veterans of the Metro Police intelligence squad, keep organizers at a distance. Maxey has also imported the D.C. firm of Black, Mana-

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fort, Stone and Kelly to coordinate antiunion public relations. As Arnodo points out, "Their past clients have included such progressive causes as George Bush, Jesse Helms, Ferdinand Marcos and President Mobutu!"

Yet he is confident that Local 226 will eventually recruit a majority of the 6,000 MGM workers (out of a total "cast" of 8,000) who are eligible for union membership. "Maxey cannot provide the three S's that workers crave: security, seniority and solidarity. It will take time for green employees - including the refugees from L.A. and the kids fresh from McDonald's - to appreciate this, but hundreds of former culinary workers now working at MGM already understand the difference." Indeed, at the end of May a group of MGM workers risked their jobs to attend one of the union's huge precontract rallies. "I've worked at MGM since it opened," Barbara Bickson, a hotel porter and single mother of four, told the crowd, "but recently my hours were cut from eighty every two weeks to twenty-seven. There was nothing I could say about it. We need a union to protect job security and guarantee us a voice of our own."

Local 226's strategy for organizing Oz is a fascinating combination of C.I.O. fundamentalism and high-tech anticorporate guerrilla warfare. Arnodo, whose grandfather fought in the ranks of the bloody "Little Steel" organizing drive in the late 1930s, admonishes his MGM contacts that the burden of the struggle will be borne by the internal cadre. Members of the (inside) MGM organizing committee are being recruited solely on the basis of their willingness to risk their jobs and more. At the same time, 40,000 other culinary workers are being trained as a disciplined street army. The May 29 protest was just a dress rehearsal. (As for the sidewalk issue, the union has filed a class-action suit against MGM and Clark County for violation of free-speech rights. Nevada Deputy Attorney General Chuck Gardner has made a close legal analysis of MGM's sidewalk dictatorship, writing that the state has no authority "to (deed away) fundamental constitutional rights" like free speech and assembly.)

The union's research department has also been transformed into an offensive weapon. When MGM offered Barbra Streisand \$ 20 million for two New Year's performances, for example, the department sent female members of Congress videotapes of waitresses at a casino formerly run by Maxey (the nonunion Rio) who denounced him as "among the worst offenders of women's rights" and described how they were sexually harassed and made to wear degrading uniforms. A dozen Congresswomen urged Streisand to meet with union women. Although the liberals' godmother and world's wealthiest voice (an L.A. TV station calculated that Streisand would earn \$ 1,390 per second from the gig) ignored their request, the ensuing publicity drove Maxey into a daylong tantrum against Local 226's "corporate

terrorists."

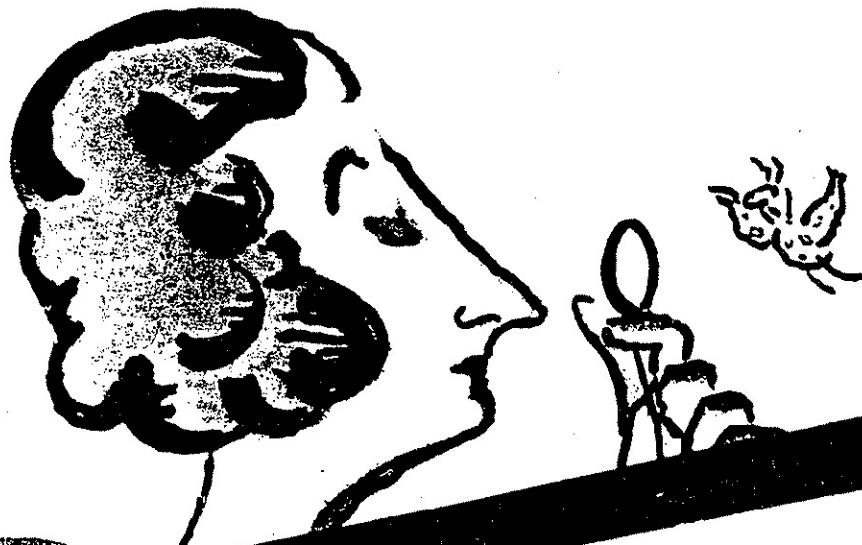
Focusing on Maxey rather than on owner Kirk Kerkorian is deliberate strategy. Whereas Oz's C.E.O. is drowned as a die-hard anti-union ideologue, its 73 percent owner, with whom the culinary workers eventually hope to negotiate a contract, has a reputation as a business pragmatist. In the next stage of their campaign (still under wraps), union researchers will put Kerkorian's bottom-line sensibility to the test by concentrating pressure on his highly leveraged corporation's access to capital. HERE will contribute political muscle around the country to block proposed MGM Grand expansion plans.

If organizers like Arnodo and Taylor have a vision of Vegas as the "Detroit of the postindustrial economy" which establishes a high-wage standard for service-sector workers across the country, they also have a nightmare that MGM Grand ("the River Rouge of gambling") may be the beginning of the end for Local 226. Sheraton-ITT, which will soon begin building the Strip's next billion-dollar resort, has already declared its intention of opening nonunion, as has the trendy but smaller Hard Rock Cafe Hotel, already under construction. As the old saying goes, the culinary workers don't need a weatherman... In D. Taylor's words: "This is the defining struggle for Las Vegas labor. It will be a very long, nasty campaign that could easily become the catalyst to a gigantic strike in this town."

Feb. 26 & Mar. 4, 1996

Price \$3.50

# THE NEW YORKER



LETTER FROM LAS VEGAS

## HOW THE MAIDS FOUGHT BACK

If they were going to clean rooms, they were going to be well paid—so  
they struggled for their union. And they're not about to give it up.

BY SARA MOSLE



LETTER FROM LAS VEGAS

# HOW THE MAIDS FOUGHT BACK

*If they were going to clean rooms, they were going to be well paid—so they struggled for their union. And they're not about to give it up.*

BY SARA MOSLE

**E**ARLY on a Monday morning last fall, a thin white woman in her late fifties was bending over to dust the legs of a chair in a hotel room in Las Vegas. The thick pile of the room's blue carpet had been freshly vacuumed. The king-size bed was neatly made with a quilted blue comforter. The woman emptied the ashtray and wiped off the faux Queen Anne dresser.

There are ninety thousand hotel rooms in Las Vegas, and, on a typical eight-hour shift, a maid may clean as many as sixteen rooms. "You might go into a room and they done had a fight or sex, and it might take you hours," a former maid explained. "But you might go into a room and everything is nice and neat, and you can be in and out of there in fifteen minutes."

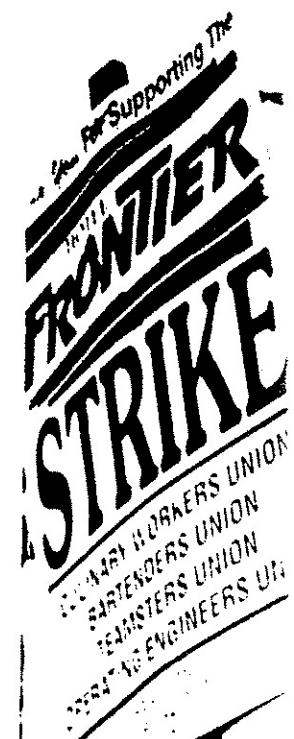
This particular room isn't actually in a Las Vegas hotel. It is on the second floor of a two-story federal housing project in west Las Vegas, a predominantly black part of town several miles from the Strip. The room, a replica of an old suite at the Flamingo Hilton, which donated the furnishings, is part of a small training school for hotel workers. Berenice Thomas, the housekeeping instructor, showed me around: "This is a real bathroom. We dirty it up. We put on hair and dirt—you know, lipstick, makeup, the real stuff. You can't teach people to clean in a clean room." The school is run by Culinary Workers Union Local 226, an affiliate of the Hotel Employees and Restaurant Employees International Union (HERE), which, in turn, is a member of the A.F.L.-C.I.O.

Maid's work in Las Vegas has become something of a high-tech industry, studied by teams of professionals, who have plotted, for instance, the most efficient routes through a room. "When

I started as a maid," Thomas recalled, "I had a bucket with soap, and I had this big old brush, and I had to rub and scrub. Nowadays, they got everything so it's spray and wipe—they got the soap in the bottle and you spray it on and you wipe it and you rinse it off." The work is akin to that of an assembly-line worker's, and, as in many factories, it pays union scale.

Beyond the Strip and the strip houses, Las Vegas has a surprisingly stable middle-class community. To the union workers who live there, Las Vegas is not Lost Wages but the safe bet, the sure thing. Hattie Canty, who is sixty-two, worked for more than a dozen years as a union maid at the Maxim casino and hotel, just east of the Strip. She is now the president of Local 226. She hired Thomas to run the school's housekeeping program, which graduated more than four hundred maids last year. Over the last ten years, when organized labor has been suffering setbacks across the country, Canty's union, which represents hotel workers—cocktail waitresses, dishwashers, fry cooks, maids, and so forth—in nearly all of Las Vegas's major casino hotels, has more than doubled its membership. With nearly forty thousand members, it is the nation's fastest-growing local in the private sector. Although most of its members are women, Canty is the first woman to serve as a top officer. Previously, the union had been dominated by men from "the front of the house"—doormen, bellhops, and waiters, who held jobs involving more contact with tipping customers. As president, Canty has helped to bring new power and prominence to the women of "the back of the house."

Canty was "found" by a HERE organizer, Roxana Tynan, at the Maxim in 1989. Tynan, who is the daughter of the critic Kenneth Tynan, became inter-





ested in unions in the mid-eighties as an undergraduate at Yale, where she rallied student sympathy for a strike by the university's clerical workers. Their union, like Carty's, was affiliated with HERE, which provides support and services to its locals around the country. After Tynan graduated, HERE recruited her to be a union organizer and sent her to Las Vegas, where she worked for the next four years.

Organizers are barred from talking to workers on the job, except in the employees' dining room or break room; in non-union companies they have no right to be on the property at all. Consequently, Tynan had to find people who were already working in the hotels and were willing to support a union drive from within. "Organizing was the scariest job that I could have imagined," she recalls. "It's really awkward. You'll knock on the doors of total strangers. Then, at some point, most of the workers hate you, because you're asking them to do something that they really don't want to have to do"—that is, risk their jobs.

Technically, of course, all workers in the United States (with the exception of a few public employees) have the right to organize and bargain collectively with their employers, but, as a waitress in Las Vegas points out, "you say the word 'union' in a non-union place and you get fired. If you want to organize, you're really putting your neck on the line."

"In a way, as an organizer you're sent out to look for Christian saints," Tynan says. "And you find them, which is even more impressive—they're always out there." In her experience, she says, "women are always more willing to step forward in any kind of organizing, anytime, anywhere." She goes on, "Women are always braver, without question. I think it's partly because women have less of a problem with the notion of the collective good. They have fewer ego problems. Hattie was the lady that all the other housekeepers talked about. It was like, 'Go see Hattie.' As soon as I met her, I knew."

**I**"DID maid's work for a long, long time," Carty said recently to a gathering of graduates of the union's training school. "It's a job that I never will be ashamed of." Carty is an inspi-

ration figure within the union, and her election to the presidency of her local reflects larger changes in labor nationally. Last August, Lane Kirkland, the president of the A.F.L.-C.I.O., gave up his office after sixteen years of what had come to be seen as increasingly moribund leadership. Two months later, delegates at the A.F.L.-C.I.O. convention in New York passed over Kirkland's handpicked successor and voted in John Sweeney, in the first openly contested election in the labor federation's history. Organized labor has been in need of an image overhaul. As one room-service worker in Las Vegas put it, "There's a social stigma about being in a union. Unions are viewed as lower class, and you have people all over the country who don't want to be in the lower-class club." In recent years, Las Vegas has been the site of mass demonstrations, reminiscent of the nineteen-thirties, in which thousands of workers, marching for higher pay, better health benefits, and improved working conditions, have flooded the streets, carrying picket signs and banners.

**I** AM blessed to live and work in Las Vegas," Hattie Carty told me. She was born in rural Alabama, and moved with her family to California in 1956. They settled in Las Vegas in 1961, the year after official segregation was ended on the Strip. Hattie's husband supported the family by working in construction and, later, in trucking. Except for a yearlong stint as a maid at the Thunderbird, which has long since closed, Carty stayed at home, keeping house and taking care of the children—she eventually had ten of them. Then, in 1975, her husband discovered that he had lung cancer. "When he got sick," Carty recalls, "he knew he was going to die, and he'd say to me, 'I could die in peace if I knew you could take care of the family.' I would go and hide the mail. I didn't want him to see that we were two months behind on our bills." He died a few months later, at the age of fifty-four, just shy of their twentieth wedding anniversary, leaving Hattie with eight of their ten kids still at home, to support on her own.

At this point, Carty's story might have taken a predictable turn: at best, a series of menial minimum-wage jobs

that would have put her further in debt; at worst, dependence on welfare. But, living in Las Vegas, she was able to join the Culinary Workers Union and get a job earning a decent salary as a maid at the Maxim. (Today, a union maid earns nine dollars and twenty-five cents an hour, five dollars more than the minimum wage.) Over the next dozen years, Carty worked her way up to a better-paid position as an attendant in the hotel's uniform room—a job that her oldest daughter, Rhonda, now holds. In addition to her salary, Carty received health-care benefits and a pension that will enable her to retire a few years from now. "My house is paid for," Carty said. "I bought cars while I was a maid. I bought furniture, I bought the things I needed for my family while I was a maid. And the way I did it is through organized labor."

**L**ABOR got its foothold in Las Vegas with Al Bramlet, a flamboyant union worker who arrived in Las Vegas in 1946 and made a deal with the Mafia. Bramlet promised to recruit workers to the remote desert town in return for union recognition and a few perks for himself. This arrangement lasted, essentially unchanged, until the mid-seventies. Howard Hughes pushed the Mafia out of town, and a few years later Bramlet turned up in the desert dead, stripped of his clothes and shot in the head and chest. (Despite the town's shady beginnings, the Culinary Union is now considered to be squeaky clean.) With Bramlet gone, the union's old leadership coasted, hardly aware of its own diminishing powers, until 1984, when union contracts with the hotels came up for renegotiation. When owners took a tough stance at the bargaining table, workers walked out. Heidi Hughes, an organizer in Las Vegas, explains, "Some cities haven't had a strike in forty years, but we've always had a history of fighting for the union in this town. We've had strikes all along." But, for the first time, a citywide strike didn't force the Strip to "go dark": management was able to keep the hotels open using scab labor. Although most owners settled after sixty-seven days, the strike lingered on at some places for more than a year, and the union lost six hotels. Glen Arnodo, a Las Vegas or-

ganizer, says, "Most workers assumed that it was the beginning of the end of the Culinary Union in Las Vegas."

Organizers expected management to try to bust the union once and for all when contracts came up again in 1989, and they were right. The first showdown occurred at Binion's Horseshoe, a famous downtown gambling joint, run by Jack Binion, who refused to settle. In January of 1990, workers struck the casino. The strike dragged on for months, into the long, hot summer and through the fall. Arnodo recalls, "I think Binion thought that we'd eventually go away, but we never did go away." The picketers' persistence paid off. After nine and a half bitter months, Binion settled. The next battle was at the Frontier, one of the oldest casinos on the Strip.

The Frontier, which was remodelled in the late eighties, is now a three-building complex with a fifteen-story mirrored-glass tower. It sits at an angle off the main drag, with a moatlike parking lot and one of the larger neon signs on the Strip. It is owned by Margaret Elardi and her two sons, Tom and John. They bought the place in 1988, just a few months before its Culinary Union contract expired. By law, the Elardis were required to bargain "in good faith" with the union to reach a new settlement, but after months of stalling the family hired Joel Keiler, a notorious union-busting lawyer. (Keiler, whom the National Labor Relations Board later suspended for a year from handling labor cases before it, no longer represents the Frontier.)

After a confrontation with the unions staged by Keiler, the Elardis unilaterally declared an impasse and imposed their own work rules. Salaries for new employees were drastically reduced; workers were fired without cause; seniority rules were essentially abandoned. Women who had worked days suddenly found themselves on the graveyard shift. A forty-hour work week, on which paid vacations and holidays depended, was no longer guaranteed. The Elardis stopped deducting members' union dues from their paychecks, refused to contribute to the union's health-and-welfare fund, and, in July of 1991, suspended all contributions to the workers' pension plans. (The Elardis did not return calls requesting an interview.)

On the morning of September 21st,

some five hundred and fifty workers, members of the Culinary Union and three other unions, walked out. Four and a half years later, they are still on strike. During that time, not a single striker has crossed the picket line to go back inside, and, in a show of solidarity rarely seen in labor these days, Culinary Union members voted to double their dues to support the strike fund. Arnodo told me how workers' lives had changed over the course of the strike: "Ninety children have been born, seven people have died, many more have gotten married, and a few moved from town." Strikers have strategically set up "shacks," which look like newspaper kiosks, at points of heavy traffic on the hotel's periphery. They congregate at the shacks and pass out leaflets explaining the issues of the strike; a tape player blares voices of workers chanting inspirational slogans; and, at any given moment, a few workers walk between the stations, carrying their signs.

Geoconda Arguello-Kline, or Geo, as her friends call her, is one of the picket captains at the Frontier. A forty-year-old former maid, who now works for the union, she is married and has three children. She has short black hair and dark skin. She was born in Nicaragua and moved to Miami in 1979. Her father had been a colonel in the Nicaraguan Army, and her family was fleeing the Sandinista revolution. In Nicaragua, Geo's family was upper middle class: "We had servants, people to take care of stuff." But in the United States, Geo told me, "we were suddenly a family who had nothing." She went on, "I could not get a good job. I worked under bad conditions—minimum wage, no health insurance—and I had no language skills for looking for better jobs. Twelve of us lived in an apartment with two rooms." Her brother moved to Las Vegas, and Geo followed: "I started working as a guest-room attendant"—or maid—"and I understood how here people were making more money, how they weren't scared to lose their jobs, how they had health care and health benefits. My daughter, she has health problems. She grows tumors in her body. If I was still living in Miami, I would have no money to take her to the doctor. Now it is completely different." Her father, the former colonel, holds a union job in town. "Not until the fight at this hotel did I understand that we

were fighting for the whole community," Geo said.

To see what is at stake in Las Vegas, one need only drive ninety-two miles south to Laughlin, Nevada, on the banks of the Colorado River. Laughlin, which has boomed in recent years, is like a little Las Vegas; land prices for some lots are said to match those on Vegas's Strip. The river forms the state border: on one side is Laughlin; on the other side is Bullhead City, Arizona. Some eighty per cent of the people who work in Laughlin live on the Bullhead side, and the contrast between the two communities is stark: on the Nevada side, the casinos rise up like the wall of a neon canyon; across the river is a dry, flat bed of mobile homes and trailer parks. Because Bullhead has almost no tax base, utility bills are astronomical. The majority of people rent. A modest mobile home starts at around fifty thousand dollars and, as one woman put it, "How are you gonna save a down payment for that on five dollars an hour?" Many of Bullhead's roads are still unpaved, and there are few sidewalks. Outside one antique-looking trailer, a ceramic lawn jockey stands grinning in blackface. Most of the area's inhabitants are white.

The Culinary Union has begun an organizing drive in Laughlin and is concentrating its efforts on the Pioneer, a folksy hotel and casino with a Western theme. The casino is owned by the Sahara Gaming Corporation, which is controlled by Paul and Sue Lowden. They bought the Pioneer from the Elardis in 1988. People in Laughlin say that, as bad as the Elardis may be, they treated their workers in Laughlin better than the Lowdens do.

The main gambling hall of the Pioneer is a cavernous, windowless room, where the slot machines, as in all casinos, keep up a continuous ringing. The night I was there, the crowd was middle-aged and boisterous. The men wore jeans and cowboy shirts. The women had bouffant hairdos and wore print dresses or sweatpants, and they tended to keep to the edge of the room, solitarily pushing the buttons on the video poker machines. The pit was thick with men. Cries kept rising from the gamblers at one of the craps tables. I watched a cocktail waitress in high heels and a bandanna-print blue uni-

form trimmed with white lace serve drinks from a tray double-stacked with twenty-five drinks. The tray must have weighed more than thirty pounds. In the back of the room, Rebecca Amoto, a tall, reedy woman in her late thirties, was working the bar, where customers stood three deep. Her brow was furrowed, and she was furiously pouring drinks with both hands. On her blouse was a union button.

Rebecca moved to the Bullhead area sixteen years ago. "I was living in Colorado," she explained. "I got divorced. I was twenty-three. I had two very small children. My parents had retired down here. My ex-husband was the violent type, and I basically had to make a big move to save my neck, and so I came down here because my parents were here. I never got any help from him as far as child support." Rebecca has since remarried and started a second family. Her husband is a carpenter in Las Vegas and commutes.

Rebecca's first jobs were minimum wage. "I don't think they pay anywhere near what the cost of living is around here," she said. "My money was budgeted down to the last penny. I'd pick my kids up at school, and they'd say, 'Can we get an ice-cream cone?' And I'd have to say, 'I can't.' I didn't have it. There are things in this area, like Bobbie Sox, which is a little-league softball team, and these things cost money. Which is why this area has so many kids that kind of wander around the streets. Their parents are strictly paying rent and utilities, and both parents have to work to be able to pay those bills. I know a lot of people who are on food stamps."

Nearly all the people on the organizing committee inside the Pioneer are women. "Women stand up quicker," Rebecca said. "Women fight, because they've had to. I had to go through seven and a half years of raising my kids on my own. I had to learn to stand up to people and learn not to be walked on. Women are far more willing to say, 'We've had it. We want a union.' The

men are kinda wimping out on us. They're sitting in the back saying, 'If you win, good, then we'll get better paid, we'll get better benefits, and we'll get a pension plan, but you girls go and fight for us, O.K.?"

Sharon Procter, until recently

a cocktail waitress at the Pioneer, agreed, saying, "The men are always full of excuses. They talk this stud-muffin stuff, but when it comes down to doing anything political, to standing up for their rights, they're just a bunch of weenies." Another cocktail waitress at the Pioneer was equally blunt: "I thought the men would be more excited, and at the beginning they were, but then they started saying, 'I'm not wearing no union button! I'm not going to lose my job!' I said, 'You guys are a bunch of cowards!' And here to me they had always been so big and bad."

A union button is hardly bigger than a silver dollar, but in the struggle between employees and management it is as heavy as a manhole cover; countless workers who have tried to unionize have been fired for simply putting one on. At the Pioneer, members of the organizing committee wore their buttons to work for the first time on August 9, 1995. Jean Cleland, a waitress, described what happened: "It was scary. My supervisor came and got me, and she said, 'I have to ask you to take that button off,' and I told her, 'No, I'm not taking my button off. I have a copy of my worker's rights here,' and I showed her where it said I have the legal right to wear a button. She was shaking. And I said, 'Michelle, don't shake and don't be scared. You're just doing your job. But I'm not going to take this button off.' Two hours later, her boss comes and gets me and I said, 'Am I fired or what?' And she said, 'Oh no, we want to talk to you.'" All the other committee members had been herded into a back room. Jean said, "Our bosses were trying to convince us to take off our buttons. But nobody did. The human-resources director kept saying, 'Jeannie, we love you, take it off!' And I said, 'No.' And she said, 'We love you! We love you! Take it off!'" The

workers were finally sent home for being out of uniform. Most were allowed to return the next day, but two sous-chefs on the committee were fired. The hotel claimed they were supervisors and couldn't support the union drive; this was news to the sous-chefs.

The Pioneer, like all casinos, has an elaborate surveillance system; video cameras are trained on customers and employees, because of the large amounts of money changing hands. One evening, while Rebecca was closing her "bank" at the bar the phone beside her rang. A few days earlier, she'd given an interview to the *Las Vegas Review-Journal* about her support for the union. When she picked up the phone, a male voice said, "Rebecca?"

She said, "Yes?"

The voice said, "I was just wondering if you got a copy of the *Review-Journal*—you know, the one where you were quoted as saying all those things."

"Who is this?" Rebecca asked.

"This is surveillance," the voice replied.

"Now, if you don't think my heart didn't come to here," Rebecca recalled. "It was going, wo, wo, wo! My back was to the camera, and I was thinking, O.K., be calm. Because I know he's sitting in that surveillance booth, and he's got that camera zeroed in on me. Surveillance holds my job in its sweet little hands. And I said, 'As a matter of fact, yeah, I do have a copy of that article.' And he said, 'O.K., I just wanted to make sure that you had a copy before I throw this in the trash.' And I said, 'Well, you know, that's real thoughtful of you.' And he said, 'If you didn't have a copy, I could have got you one.' And I said, 'Thanks,' and hung up." Rebecca took a deep breath. "Now, that's intimidation! That scared the living shit out of me."

Shortly after Rebecca and her co-workers showed up with their buttons, management hand-delivered a special memo, with the title "Our Relationship with You," to every worker in the casino. It read:

We believe our objectives at the Pioneer with respect to employee recognition, opportunity, and security can best be accomplished by continuing to interact with our employees on an individual basis rather than through a "stranger" or an outside organization. . . . In addition, we believe in the right of each individual to think, speak, and act for him/herself and we believe in the dignity, self-

respect, and fair treatment of all our employees.

Therefore, we believe it is not necessary for our employees to be represented by any outside organization.

"In the almost nine years that I've been at the Pioneer," Rebecca said, "I've gone through, like, eight bar managers, maybe more, and with each new bar manager somebody gets the axe, just for the show. It doesn't matter how good you are at your job. It doesn't matter how loyal you are to the company. If someone decides that you did something wrong or they don't like you or you didn't smile at them the right way or their cousin's brother's uncle needs a job, then *you don't have a job*. Laughlin has always been run like that. At another place I worked, I saw girls fired because they didn't have enough eyeshadow on, or their boss didn't like the way their makeup looked that day. You're outta there. See ya. Go clock out.' It's a power thing: 'We run this casino, and who are you? You're just a bunch of cocktail waitresses. You're nobody.' And that's basically why I got involved in the union. The casinos have grown. Laughlin has grown. It's prospered. It's time for the little working people who actually keep those casinos running to get a little recognition, too, and the only way they're going to get that recognition is in their pay envelope."

In all likelihood, Rebecca Amoto and her co-workers will have a long fight to gain union recognition at the Pioneer. A National Labor Relations Board election is a costly process that can take years; even if workers vote for the union, employers can keep appealing the results. Workers who are fired for supporting a union can file an "unfair labor practice" complaint with the N.L.R.B., but the grievance process also takes years. Meanwhile, the union drive can be effectively destroyed.

The ongoing strike at the Frontier in Las Vegas shows just how hard it is to sustain labor's gains, even in a strong union town. The solidarity of the strikers has done little to end the fight, even though the N.L.R.B. has repeatedly upheld the striking unions' charges: one judge, in finding the company's actions illegal, described the Frontier's efforts at

bargaining as "surreal." Then, last September, the Ninth Circuit Court of Appeals overwhelmingly upheld the unions' position again. The court found the Elardis' appeal "frivolous," declared their imposition of new work rules and suspension of the pension plan illegal, and upheld dozens of charges of unfair labor practices. The Elardis were therefore obligated to make illegally dismissed workers "whole" by paying back wages and to restore unpaid contributions to the pension plan. The court also awarded the union double all costs and attorneys' fees incurred by the appeal. The Elardis will, in all probability, end up paying millions, but the cost to the strikers has been at least as high. For four and a half years, they've been without their regular jobs, and six months after the court handed down its verdict they are still walking the picket line.

**W**OMEN are the future of labor unions," Peggy Pierce, a food server at the Desert Inn in Las Vegas, told me. "I have no doubt that if the A.F.L.-C.I.O. concentrated its efforts on women, a new labor movement would happen." Pierce, who is forty-one, looks a little like the young Liza Minnelli. She has short black hair, fair skin, and enormous eyes. She works in room service, an area that women, by an unwritten rule, were once excluded from, because of the purported danger to them in delivering late-night snacks to guests' rooms. She said,

"They think we might walk into a room and somebody might hand us a fifty-dollar tip, and, God knows, they wouldn't want that to happen! They're protecting us from higher wages." She added, "The only women in this country who are absolutely guaranteed to make the same amount of money as the men standing next to them doing the same work are women in unions. If you're not in a union and you're a woman and you work, you're getting screwed. That's seventy cents on the dollar and it's not coming out of union shops but out of the vast, non-union America."

The day I met Pierce, she had just been house-hunting. "Las Vegas is the last place in America where a maid or a food server can afford a house on a

forty-hour-week salary," she said. "The economics in Vegas *are* the union. We are the standard of living in this town. If I woke up tomorrow morning and the Culinary Union had disappeared, I would walk in to work and I'd be making the minimum wage and I would have no health insurance. There's not a casino owner on the Strip who doesn't grind his teeth when he has to write those checks for the pension plan and health-and-welfare. But they have to do it, because we *make* them."

When I asked women in Las Vegas and in Laughlin if they thought of themselves as feminists, none of them, except Peggy, said yes. Most of them seemed bewildered by the question. But when I changed the question slightly and asked them about activism more generally, they all saw the union as capable of transforming women's lives. One maid at the Desert Inn said, "You'll find women who were in bad situations, and they got involved in the union, and they left their bad situations, they got out of their bad situations."

**O**NE afternoon, I accompanied Hattie Canty to the Maxim. As she stood outside the employees' entrance, she threw open her arms and said, "If I could, I'd just put my arms all around this hotel and give it a big hug and a kiss!" We were going to have lunch with Hattie's daughter Rhonda in the employees' dining room. As we walked toward the dining room, I noticed a woman wearing a button that read, "A woman's place is in the union." Canty mused, "You know, I think about this hotel a lot, and this is home. This is where I raised my family. In a sense, the Maxim was like a husband to me."

After lunch, Canty took me to the uniform room, in the hotel's basement. It looked like a dry cleaner's. Long racks held rows of uniforms, organized by size and kind. Hattie showed me where she had worked. "This is the exact space. This is the same table that was in here, the same uniforms, just about everything that was here when I was here. A lot of my youth was spent here, and so my mark is here," she said. "It has not been a picnic for me, but I don't think I'd like to go on a picnic every day. I have enjoyed the struggle. I'm not the only Hattie. There's lots of Hatties out there." ♦



# LAS VEGAS SUN

## Perseverance rewarded for Frontier strikers

Monday, Feb. 2, 1998 | 10:02 a.m.

Their goal was simple: to stay on the picket line at the Frontier hotel-casino "one day longer" than the Elardi family owned the Strip resort.

A few minutes past midnight Sunday, after a historic journey that lasted 6 years, 4 months and 10 days, workers from five striking unions at the Frontier kept their word.

As new owner Phil Ruffin took over, the workers laid down their picket signs and marched triumphantly into the New Frontier alongside some of the biggest names in the labor movement.

Leading the way, amid chants of "union, union," was the spiritual father of the strikers, the Rev. Jesse Jackson, and Ruffin, the Kansas industrialist who was the hero of the hour.

Jackson, who had walked the picket line and counseled union leaders several times during the epic labor dispute, called the strike's end a "victory for America."

"Tonight we turn our pain to power," Jackson told a cheering crowd of several thousand. "Tonight we move from dark to light -- new ownership, new leadership, a new day and a real frontier."

Gov. Bob Miller and Sens. Harry Reid and Richard Bryan, both D-Nev., and a host of elected officials joined the strikers, as they ended the nation's longest and most talked-about labor dispute with a night of celebration that stretched into the early morning hours.

"I'm excited," Ruffin said inside, amid the crush of people, the likes of which the Frontier had not seen in 6 1/2 years. "I hope they spend a lot of money."

Ruffin received a key to the city and the thanks of the entire labor movement for buying the Frontier for \$165 million from Margaret Elardi and her two sons and turning it back into a union hotel. The Elardis had incurred the wrath of unions across the country for refusing to sign a collective bargaining agreement and taking away the benefits of the Frontier workers.

About 280 of the original 550 strikers from the Culinary Union and four other locals -- Bartenders 165, Teamsters 995, Operating Engineers 501 and Carpenters 1780 -- began returning to work at the Frontier over the weekend under a contract described as the best in the industry.

For Jim Arnold, secretary-treasurer of the 40,000-member Culinary Union, the magnitude of the celebration didn't hit home until he went back inside the Frontier after midnight for the first time since the strike began in September 1991.

Arnold recalled being arrested in an act of civil disobedience the last time he stood on the steps of the Frontier.

"It's very strange being back in here and seeing all of this excitement," Arnold said. "People are crying, hugging and kissing each other. I don't know if there are proper words to explain it."

James Boyd, one of the original strikers, could hardly believe his eyes, as he made his way through the casino.

"I'm glad it's finally over," he said, while the crowd rushed to the lounges to toast the strike's end. "This is great."

The celebration began hours earlier at a massive block party outside the Frontier, where national and local labor leaders hailed the strike as a symbol of the resurgence of the American labor movement.

Unions from New York to California and Florida to Vancouver, British Columbia, joined the festivities.

Richard Trumka, secretary-treasurer of the Washington-based AFL-CIO, reminded the workers of a statement the Elardi family made when the strike began Sept. 21, 1991.

"They said if the union wished to start a war in the state of Nevada, the Elardis will make them wish they never started it," said Trumka, the No. 2 man in the 13-million-member AFL-CIO.

"And our brothers and sisters responded simply by pledging to themselves, to their families and to their community to last one day longer.

"Well, after more than 2,300 days on the line and more human suffering than anyone can possibly imagine, the Frontier strikers have made a passionate statement on behalf of workers in our union from Maine to Mexico. And that message is, we don't start wars, we end them."

Gerald McEntee, international president of the American Federation of State, County and Municipal Employees, thanked the strikers for showing the "kind of solidarity that has been an inspiration to the entire labor movement."

Not one of the 550 strikers crossed the picket line during the protracted labor dispute.

"You fought for and protected the way of life for millions of families across this nation," said McEntee, one of the country's most active labor leaders.

Added Trumka: "Las Vegas is now a beacon of hope for every working family in our labor movement because Las Vegas is a union city. Las Vegas is where workers and employers and unions can build a new model of labor relations for our country -- a place where businessmen like Phil Ruffin can thrive and where the American dream can survive."

McEntee, who once led a rally of 6,000 of his union members outside the Frontier, chided the Elardi family for refusing to settle with the unions.

"Sisters and brothers, look around," he said. "We stand in a city that gambling has built. People come here every day to play the odds. You know and I know that there is one hard and fast rule when it comes to gambling -- sooner or later, the house is going to win."

"The Elardis forgot that rule. They forgot that in this 6 1/2-year gamble that they weren't the house. Because tonight, the house is calling the bet -- the House of Labor."

"So tonight," McEntee concluded, "when you walk up and down the Strip, remember that no matter how much has been won or lost in the casinos today, you are the biggest winners Las Vegas has seen in a long time, and the Elardis are the biggest losers of all."

At the close of the speech-making outside, Frontier strike coordinator Joe Daugherty presented Trumka and John Wilhelm, secretary-treasurer of the international Culinary Union, with special plaques for leading the national campaign against the Elardi family that brought an end to the strike.

Wilhelm, credited with helping Ruffin reach the deal to buy the Frontier in October, praised Daugherty, who never missed a day of work throughout the strike.

"The man who just read this plaque and gave it to me and Rich is my hero," Wilhelm said. "Joe Daugherty, the strike team and all of the Frontier strikers and all of the union members who stood with them ... have performed a service for working people in Las Vegas and working people throughout America."

Earlier in the day, all of the strikers received plaques inscribed with a statement from Trumka.

"To be a striker at the Frontier," the statement read, "is to be able to say that when you had to fight for your kids and your family and your future, you did not back down."

MONDAY, JUNE 7, 1999

## *At Some Casinos, The Worst Enemy Isn't a Card Counter*

**It's a Unionist Who Dissects Their Financial Failings To Push for Labor's Goals**

By CHRISTINA BINKLEY

Staff Reporter of THE WALL STREET JOURNAL

LAS VEGAS — Courtney Alexander thinks Paul Lowden is doing a lousy job as chairman of struggling Santa Fe Gaming Corp., and she is working hard to get him ousted.

She has circulated a highly critical analysis of Santa Fe's performance to Wall Street analysts and investors, held a conference call with bondholders, advising them to break up the company for its assets, and led a proxy fight that put two of her allies on the board.

"This company is better off if it's out of the controls of Paul Lowden," Ms. Alexander says coolly. "The company has not been run for the benefit of investors."

Not that she is an investor. Ms. Alexander isn't a take-over artist, corporate raider or unhappy pension-fund manager. She is the 33-year-old research director at a local of the Hotel Workers and Restaurant Workers International Union. Most of what she knows about finance is self-taught.

But as Mr. Lowden will attest, chief executives ignore her and her small staff at their peril. "We're under siege," he says. "They want to kill you. They want a scorched earth. . . . They go to your bondholders and try to bring you to your knees."

Ms. Alexander is in the vanguard of a union move to employ Wall Street skills to further labor's cause. She deconstructs deals, ferrets out financial data and courts investor allies to find flaws in the governance of companies and pressure them to meet union demands. "Picket lines just aren't that effective anymore," she says.

But "corporate campaigns," as they're called, are showing some success. Labor interests last year sponsored about 80 proposals that went to shareholder votes, with 11 passing, according to Institutional Shareholder Services. In one notable case, Marriott International Inc. met defeat for its plan to issue a new class of stock that would protect the Marriott family's control. A union colleague of Ms. Alexander's led a proxy fight against the move.

At Santa Fe Gaming, Ms. Alexander's goal is to get the company to sign a union contract — five years after its employees voted to be represented by her union. In this pursuit, she has joined forces with shareholders with quite different interests. One is David Lesser, president of Hudson Bay Partners Inc., a New York investment group that holds a third of Santa Fe's preferred stock — and hasn't been getting the dividends on them.

Santa Fe's failure to pay preferred stock dividends for several years triggered a provision calling for two members to be added to its six-member board. Mr. Lesser, even though he says he is "not a pro-union person," joined with Ms. Alexander in support of two candidates, who won. "Courtney's analysis and the work she's done tracking this company are first-rate," he says.

One of the two investors she helped put on the board is Peter J. Siris, president of Siris Group in New York. He, too, is candid



Courtney Alexander

*Continued From First Page*

## Unionist Dissects Foes' Finances

about not being very sympathetic to unions. But as far as he's concerned, the union's position is simply "that these people are running the company badly. They're hurting everybody."

The union found Ms. Alexander at Yale, where she organized a drive to force the university to shed its South African investments during the apartheid era, and also helped the Hotel Workers organize Yale cafeteria and housing employees. Though her career aims then were more academic — she was a history major — after her graduation she took a research job with the union in Connecticut, followed by a promotion to Local 226 in Las Vegas. This local, the union's strongest, is often called the Culinary Union.

Las Vegas was a bit of a shock for her. She was an ardent feminist in a city where women worked mostly as waitresses, hotel maids and showgirls. "It's very stark," she says. "Big money, big politics. There are no gray areas in Las Vegas. I had a real adjustment to make."

But unions can help equalize this power structure, she says. And her predecessor was already developing the concept of hitting recalcitrant employers where it hurts — in their business plans. Her office reflects the two worlds she straddles. Union slogans adorn the walls, while on her desk sit a "Bear Stearns Global Gambling Almanac" and, on one recent day, Ms. Alexander's thin Coach briefcase.

The Hotel Workers' power base here is the Strip, the stretch of elaborate casinos serving mostly visitors. The union is all but shut out of the smaller casinos catering to locals. But right now, it has battles going on both of those fronts: It is struggling to get a labor contract with Santa Fe Gaming, while fighting a threat to its base on the Strip from a new nonunion casino there, the Venetian.

The Venetian is the project of Sheldon Adelson, the entrepreneur who founded the city's annual Comdex trade show. He has declined to voluntarily hand union cards to employees, as most casinos on the Strip do; the Venetian's workers will be unionized only if the Hotel Workers can win an organizing election.

Ms. Alexander hasn't made life easy for Mr. Adelson. While he was trying to pull off a \$1 billion bond offering, she circulated a report to analysts and investors questioning his ability to pay the debt — and pointing out that much of his own equity in the project was borrowed. He eventually sold the bonds, but after a delay, and at a price that equated interest rates of as much as 14.25%.

The union also plumbed the Venetian's business plan, then sent critical analyses to firms that were thinking of opening shops in the Venetian, such as the Madame Tussaud wax museum and Cheesecake Factory Inc., a California restaurant firm.

Although both eventually went ahead, Cheesecake did so only after much discussion. Now, Mr. Adelson is suing the union for interfering with his business. The suit in federal court in Las Vegas seeks damages for higher costs — including that of hiring consultants to rebut her arguments. His term for Ms. Alexander and her colleagues: "corporate terrorists."

Ms. Alexander acknowledges she has to take care not to cross the line from pressuring companies to extorting them with threats. "Everything we do is absolutely legal," she says. "It's not threats or strong-arming. It's about representing our members to the best of our ability. And if that means fighting in a way that's less than traditional, then that's what we'll do."

These days, she mostly concentrates on Santa Fe Gaming and Mr. Lowden, a former piano player and show manager who owns 61% of the common stock. She first butted heads with him in 1992, when his company built its unlicensed Strip casinos and began operating elsewhere without the union. To keep tabs on shareholder com-

munications, the union bought a few shares of Santa Fe stock.

Ms. Alexander started analyzing Santa Fe's plans to develop riverboat casinos, including reviewing terms of a \$42-million loan. "We got our hands on what the company was doing and basically determined that the company's plan was to expand by borrowing heavily on its existing operations," she says. "The more they borrowed, the more they didn't have the money to pay the workers who worked hard at the Santa Fe."

She also examined loans from a local bank — and called attention to the fact that its board included Mr. Lowden's wife, former state Sen. Sue Lowden. The union distributed leaflets outside the bank, stating details of its financial losses.

### Just the Facts

"It was all factual," Ms. Alexander says. "It was part of the overall goal to be everywhere the company was." The bank has been sold, and Mr. Lowden's wife now is on the board of the company that bought it.

When Mr. Lowden traveled to Boston on an investor "road show" a couple of years ago, union members followed and distributed a negative report on his company to potential investors as they arrived at the Ritz Carlton hotel.

And in a conference call with Santa Fe's bond investors in November, she correctly predicted that the company was about to default on a subsidiary's debt. (The unit is currently undergoing a bankruptcy reorganization.) She suggested that Mr. Lowden had botched attempts to expand while keeping control of Santa Fe Gaming's strong assets and leaving debt-holders responsible for weaker assets.

Asked during the conference call for her advice, Ms. Alexander suggested forcing the sale of several Santa Fe properties, such as a parcel of land in Henderson, Nev. "What I think would be in the best interest of noteholders," she said, "is to go after those assets." She contends that if the company were broken up and its casinos ended up in other hands, her union might fare better.

Mr. Lowden says Ms. Alexander doesn't know what she's talking about when it comes to his company. He says, for instance, that Santa Fe was unable to pay the preferred dividends because of covenants in certain loans, and that he had planned the board expansion all along. He says the union's campaign "just isn't fair. All of a sudden, you're not dealing with labor issues."

Ms. Alexander's conference call, however, won her still more investor contacts. And "I had a blast doing it," she says.

### Courtney Who?

The campaign has also raised her profile. Fred Weinberg, president of KRLV radio and a family friend of the Lowdens, routinely tweaks Ms. Alexander on his morning talk show. "We like to call her Courtney Love on the air because it drives her nuts," he says. (She says she doesn't listen to the station.)

"This woman passes herself off as an analyst," Mr. Weinberg continues. "This is all about a union contract. What does that have to do with bond prices?"

But Ms. Alexander sees a "commonality" between workers and investors: "Employees went four years without raises. Investors haven't gotten their dividends." Noting the CEO's \$1.1 million compensation last year, she says that "nobody seems to be winning at Santa Fe, except Paul Lowden."

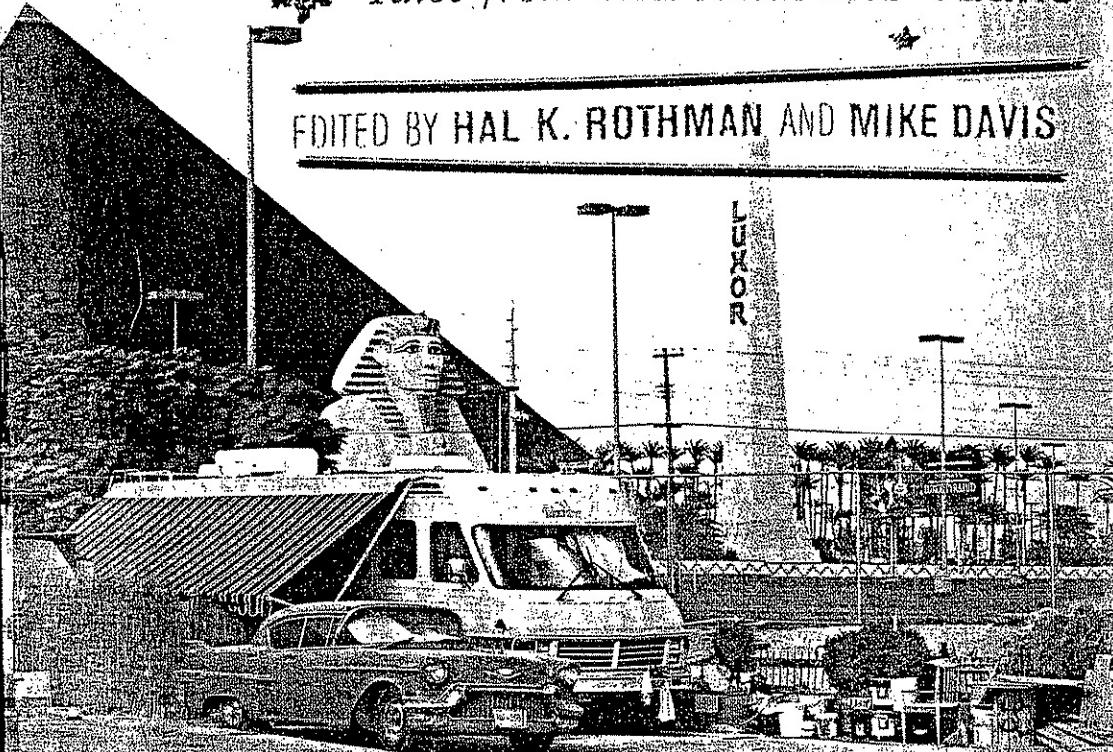
Given her financial expertise, union colleagues tease Ms. Alexander that her next move will be to Wall Street. No doubt she could earn more there than the \$45,000 a year the union pays her. "Sometimes I wonder what it would be like," she says. But "I don't know if I'd feel as good if the purpose was whatever goes on on Wall Street. I love taking apart these deals. I don't know if that's the same as putting them together."

# THE GRID

BENEATH THE GLITTER

Tales from THE REAL LAS VEGAS

EDITED BY HAL K. ROTHMAN AND MIKE DAVIS

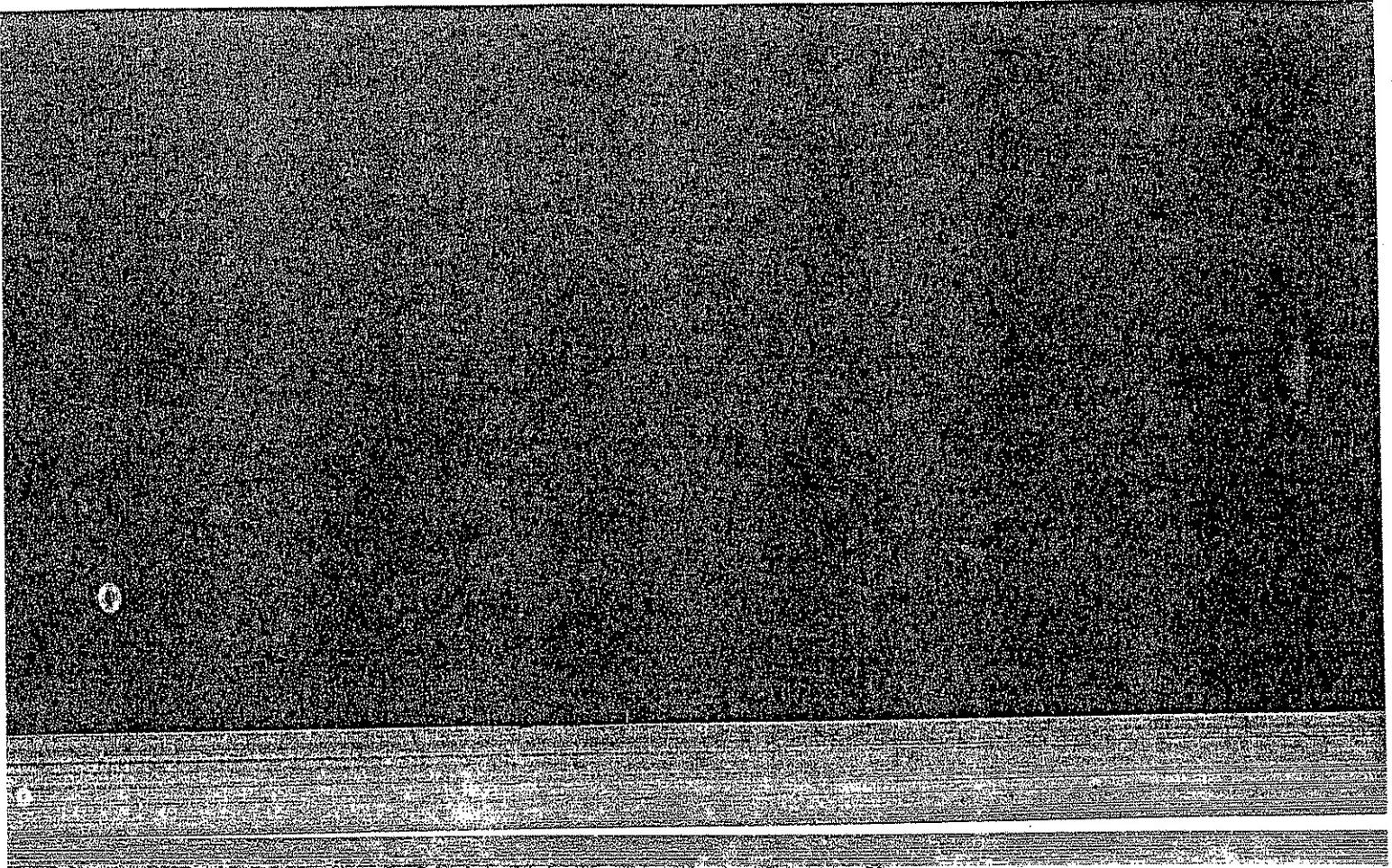


## Rise to Power

### The Recent History of the Culinary Union in Las Vegas

The story of the Culinary Union's rise to power in Las Vegas is a dramatic tale in which workers battle mega-resorts and wealthy casino families in the most unlikely union town in America. In the past decade, the casino economy and its enviable standard of living have been responsible for Las Vegas's explosive growth. Thousands of people move to the Las Vegas Valley each month because good jobs are being generated in the gaming industry. The jobs are part of a growing national service economy, but here they come with middle-class wages and benefits. That standard of living, which allows a hotel maid to own her own home, has been established through years of struggle by the Culinary Union, an affiliate of the Hotel Employees and Restaurant Employees International Union (HERE) and representative of many of the city's casino workers.

Since a brutal citywide strike in 1984, when some gaming companies undertook an unprecedented effort to destroy the union, the Culinary Union and its members have fought a series of strategic battles leading to the union's revival. These struggles were instigated by factions of casino owners who bet that they could break the only organization in the state not controlled by their wealth and influence in a grab for absolute power. Instead, the union charted a course through these battles that took advantage of a power struggle within the industry: gaming's founding families, who were used to dominating the power structure, were losing economic and political ground to emerging casino corpo-



iations. These corporations had in mind the transformation of gambling into a subset of the booming entertainment industry. The Culinary Union has doubled in size since 1984, to 40,000 members, in stark contrast to the general decline of trade unions in the United States, which have lost members and clout steadily for the past fifteen years. One in ten residents in greater Las Vegas is covered by the HERE Health and Welfare Fund, the best health insurance plan in the state, because someone in the family is a Culinary Union member. In 1996 alone, the union added 10,000 more members when four mega-resorts opened with union agreements. The union's remarkable growth, in a right-to-work state no less, has been achieved through a smart battle plan, creative leadership, and, supporting it all, a resilient union membership. The Las Vegas experience is now being looked at as one model for reviving the national labor movement. Here, the Culinary Union has become the counterbalance to gaming's consolidation of power, and in the context of Las Vegas's wild and chaotic growth, the stronghold of the middle class in this newest of American cities.

A decade of labor disputes that would inadvertently challenge the power structure in the city began in 1984. The Culinary Union, which had grown alongside the industry as its supplier of casino workers, represented approximately 20,000 workers on the Las Vegas Strip and in downtown's casino center. The Nevada Resort Association (NRA), an employer organization that represented half of the union casinos and also served as the lobbying arm of the gaming industry, took an aggressive approach to contract negotiations. As the citywide agreement expired in April 1984, a schism developed in the industry over labor relations. Members of the NRA, many of which were corporations, provoked a strike (with the noted exception of Circus Circus casinos), while eighteen nonmember casinos, many of them privately owned operations, settled contracts. In hindsight, this division revealed the beginning of a power struggle between the emerging corporate gaming industry and established family-owned casinos.

Gaming corporations like Hilton Hotels and the MGM Grand led the NRA to provoke a bitter, two-month-long strike that year at many Strip and downtown casinos. The association demanded control of the union health insurance fund, elimination of the 40-hour work week, and reduced tip guarantees, along with offering minimal wage increases. In this respect, the corporatization of the industry had a lot to do with its changing labor relations policies. Corporate-owned casinos were instituting new accounting and operational policies to satisfy the demands

of public investment. One such change targeted the old practice of treating the food, beverage, and hotel departments as "loss leaders," allowing those departments to generate losses as long as they attracted profitable gambling results. Those departments were generally labor-intensive, while generating lower revenues than the games. Loss-leading was embedded in Las Vegas's operating style, because it was a key to the city's reputation as one of the most affordable vacation spots in the country: room, food, and entertainment prices were artificially low because they had always been subsidized by gambling profits. While attempting to make each department profitable, the corporations turned to labor costs for concessions, seeing the 1984 contract negotiations as their opportunity.

In contrast, many of the privately owned casinos, like the Barbary Coast on the Strip and Binion's Horseshoe downtown, did not make that shift in operational emphasis, and they did not provoke a strike by their workers. These casinos were at odds with the NRA on a range of issues because of the corporations' growing dominance in policy making. Michael Gaughan, owner of the Barbary Coast, was by no means pro-union, but his negotiating position stemmed mostly from disengagement with the association. In an interview about the labor negotiations, Gaughan told the *Las Vegas Sun* on March 19, 1984: "I didn't care to be involved [in the NRA] with the bigger Strip hotels because their needs and my needs are different." Illustrating this split, the Nevada Hotel and Casino downtown, a noncorporate casino, published advertisements supporting the strikers and challenging the NRA's motivation. Don Pulliam, the hotel's representative, was quoted as saying: "It seems like giant resorts like the MGM, Hilton and Caesars want to monopolize on the gaming market and force smaller casino operators out of business. When it is all over the workers pounding the pavement will either have a strong union to maintain their living dignity . . . or there will be corporate monopoly. That's what is at stake."<sup>1</sup>

While the split between corporate and family-run casinos was not absolute in this dispute, this industry fissure would go on to dominate casino politics and labor relations over the next decade. At this juncture, the independent casinos pursued a unique strategy of positioning the Culinary Union on their side to check the increasing dominance of the corporate gambling interests.

The NRA's dual role as negotiator and lobbyist was evidence that the exercise of gaming's political power and its economic power were convergent. In pursuit of its goal of breaking the union, the NRA used

political power as its primary weapon. At the behest of the NRA, District Judge Charles Thompson issued an injunction against picketing, prohibiting strikers from walking within thirty-five feet of one another on the public sidewalks around the hotels. District judges in Nevada are elected officials who rely on campaign contributions to remain on the bench. The elected sheriff of the Las Vegas Metropolitan Police Department, who also relied on contributions from the industry, was in charge of enforcing the court's order. Under the injunction, the resorts were required to pay for the police officers who were stationed at their hotels, an obvious blurring of the lines between law enforcement and hired guns. Despite a federal judge's ruling that the arrests made for violating the injunction were unconstitutional, the state legislature later codified the restrictions in legislation, which the union dubbed the "Thompson Law."

Picketing continued throughout the dispute, and more than nine hundred strikers were arrested. The injunction and law enforcement's actions to uphold it were excessive responses, intended to shut down the picket line. Instead, such a clear-cut reaction reinforced workers' instincts about the strike: that it was about power, and they asked themselves whether they would have any in an otherwise casino-controlled world.

Stories of the arrests were broadcast nationally, and the industry emerged from the strike with a black eye. In the end, the industry's escalation of the dispute had hurt the casinos by damaging Las Vegas's image as a tourist destination and disrupting their ability to make money. The combination of lost business and a sullied image forced the corporations to negotiate a settlement after two months. There was an irony inherent in the corporations' choice to pick this fight: corporate casinos were driving the industry to expand its market, a move dependent on Las Vegas's public image, and they were susceptible to the concerns of public investors about lost cash flow. The experience of these companies in 1984 would inform their labor relations for the rest of the decade, as the industry's evolution into a casino entertainment business magnified the importance of image and public investment.

There were a few casino owners who followed the lead of these corporations into battle but decided not to settle the strike. One of them was the Boyd Group, which at that time owned the California Club downtown and Sam's Town Hotel and Gambling Hall in a southeastern Las Vegas neighborhood. The Boyd Group would come to epitomize the transition from family-owned casino company to corporate player. In 1984, the company was one of the more sophisticated and profitable

private casino companies, with layers of stockholders and executives. Bill Boyd, the company's chief executive, had just inherited his position from his father, Sam Boyd, who had built the company and was also one of the city's founding fathers. The Boyd Group's role in this strike would foreshadow the company's desire to be one of the industry's leading corporations. It also captured the new division between corporate and family ownership philosophies. When Bill Boyd forced his workers to strike, Sam Boyd joined them on the picket line. This largely symbolic act signified the end of the era in Las Vegas when casino owners treated their workers as part of the family.

Bill Boyd did not settle with the union when much of the industry did in June 1984, prolonging the strikes at both properties for more than a year. He had hired permanent replacement workers, who petitioned for a decertification election—an election in which the striking employees could not vote—and voted out the union a little more than a year after the strike began. Unlike the corporations he admired, Bill Boyd did not then have public investors to answer to or an image to maintain. His ability to accomplish what the corporations set out to do made him an inspiration to other family operators who had not engaged in the anti-union campaign of 1984.

Another company that rebelled against the citywide settlement was Elsinore Corporation, owner of the downtown Four Queens Hotel and Casino. Under the leadership of Robert Maxey, Elsinore Corporation endured the strike for fifteen months, sacrificing its financial health on the altar of anti-unionism. Maxey was successful in decertifying the union in July 1985, but the Four Queens lost money doing it. Between a \$2.8 million loss at that casino in 1984 and a \$33.6 million loss in 1985 at Elsinore's other casino, the Atlantis in Atlantic City, the company was hemorrhaging. Elsinore filed for Chapter 11 bankruptcy protection one month after Maxey's resignation from the company in October 1985. It remained on the ropes more than a decade later. Elsinore ignored the business reasons that forced the majority of the industry to resolve the labor dispute, putting ideology before the operation's viability. It would not be the last time this happened in Las Vegas.

The June 1984 settlement provided for a five-year contract with small increases in wages and contributions to the health insurance fund and an 80 percent new-hire rate for the first year of employment. Union members had beaten the casinos' plan to bust the union overall, keeping their contracts largely intact, but it was a costly victory; there were four casinos lost to the union in the wake of the 1984 strike. For the Culinary

Union, that loss created a powerful legacy: 1984 forced the union to fight for its very existence, and in doing so, set in motion the decade-long development of a more potent organization than any non-casino entity in the state.

For the family-owned casinos, which had not fought the union as a group in this last round of negotiations, the strike taught them that it was possible to become union-free operators. That belief was reinforced when a group of casinos with strong ties to Jackie Gaughan, Michael Gaughan's father, a Las Vegas patriarch and active NRA participant, began to follow Bill Boyd's lead. Jackie Gaughan had reluctantly settled the 1984 strike. After the Boyd Group and Four Queens' decertifications in 1985, Jackie Gaughan led six downtown casinos, the El Cortez, West-ern, Union Plaza, Las Vegas Club, Golden Gate, and Showboat, to freeze wages and ignore contract increases in health insurance payments. The union filed unfair labor practice charges with the National Labor Relations Board, prompting Jackie Gaughan's El Cortez and Western to honor the contracts. A seven-year legal battle ensued with the remaining "Downtown Four," as they came to be called. The union eventually won the litigation, but for two years these casinos thought they were union-free.

In 1987, in an effort to stem its disintegration, a new leadership was elected to run the Culinary Union. Jim Arnold, the union's new secretary-treasurer, requested organizing help from its parent organization, HERE, and its general president, Edward T. Hanley, who responded by sending a team of organizers and researchers to assist in the long-term plan for rebuilding the union. The Las Vegas team included seasoned organizers, rookie activists, and even Yale University graduates, who worked with the local union leaders in reviving Las Vegas's largest union.

Their experience was used to build an organizing committee of rank-and-file leaders who would resurrect the union inside their casinos. The organizers recruited committee leaders in various departments at all of the union properties who would participate in the union's decision-making process, attend negotiations, and lead their co-workers to back the union up on the job. It took guts on the part of members to stand up for their union after the losses of 1984, but they knew better than anyone that workers did not stand a chance against the innate power of the gaming industry without a strong union. This rank-and-file organization was democratic in nature, but disciplined in its leadership development, because day-to-day demonstration to managers of the union's

real power, collective action, could only happen on the casino floor. This new, diverse leadership returned the union to its members and inspired a new generation of union leaders in Las Vegas. Included among them was Hattie Canty, an African-American maid and mother of ten, who had become Culinary's president based on her pure instincts as a leader and through many years of hard work.

In December 1987, early in the organizing process, a federal judge ordered the Downtown Four to honor their collective bargaining agreements and pay millions of dollars in back wages and benefits, a decision appealed for years by the hotels. That ruling jump-started the union's campaign to make these hotels live up to their contracts, starting a battle with downtown casino owners that climaxed during the 1989 contract negotiations. In spring 1988, union members picketed the resorts, delivered petitions to management, and advertised the disputes to tour groups and travel agencies. The union program was called "The American Way to Play Is Fair," a challenge to the Las Vegas Convention and Visitors Authority's nationwide campaign advertising Las Vegas as "The American Way to Play."

The union also addressed the shareholders of Showboat, Inc., owner of the Showboat Hotel and Casino. That spring, Showboat's management wanted shareholders to pass eight anti-takeover measures designed to protect management from corporate raiders targeting undervalued companies. Analysts were estimating that Showboat's stock, which was trading around \$10 per share, might be worth \$18 a share in a takeover attempt that ousted the current management. At the shareholders' meeting on April 26, 1988, the company did not receive enough votes to pass the measures and continued the meeting to May 24, 1988. The union, which opposed the existing management team, obtained permission from the Securities and Exchange Commission, which regulates public companies, to solicit proxies from stockholders opposing the measures. On May 24, 1988, the union presented proxies representing 1.8 million shares to be voted against the anti-takeover measures. Showboat announced a week after the meeting that one million of those votes were not counted and the anti-takeover measures passed by an extremely small margin. Shortly thereafter, Showboat settled the labor dispute, on the eve of the 1989 citywide negotiations. The other three casinos did not settle, and their contract disputes were folded into the labor war brewing downtown.

Between 1985 and 1989, while the union focused on rebuilding its organizational strength, the industry was expanding rapidly. This was

the start of the era of "junk bonds," and such high-yield instruments fueled new casino construction throughout southern Nevada. The development of the industry during these years aggravated the split between corporate casinos and the established family-owned gambling halls, with the majority of new capital and expansion opportunities available to the corporations. Gaining unprecedented access to capital publicly owned casinos like the Golden Nugget, Circus Circus, Caesars Palace, the Hiltons, Ballys, and the Tropicana built 1,000-room hotel additions and expanded their gaming space, generating record gaming revenues for Las Vegas.

The privately held Boyd Group also took part in this race to expand dominated by corporate casinos. In 1985, shortly after Boyd Group casinos bust the union, the State Gaming Control Board chose that company to act as supervisor for two casinos whose licenses had been suspended, the Stardust Hotel and Casino on the Strip and the Fremont Hotel and Casino downtown. Despite the company's labor relations problems that year, the Control Board considered the Boyd Group a model gaming operator and granted it the lucrative job of running these establishments. Months later, the company negotiated agreements to purchase the properties, giving it a strategic foothold on the Strip. The company was one of the first private companies to have access to junk bond financing, using that market to raise the \$135 million needed to buy these two casinos.

Both the Stardust and the Fremont were subject to union contracts like the ones from which the company had just escaped, and successor owners were bound by their terms. The very purchases that brought the Boyd Group closer to its goal of being one of the corporate players in Las Vegas ironically forced the company to re-fight its union battle. Bill Boyd would spend the next five years with one foot in the camp of the established casino families, acting as their leader in the anti-union movement, and the other in corporate gaming territory, building a corporate structure that could take advantage of public financing and expansion possibilities. Boyd's labor relations prevented the Boyd Group from fully breaking with the family-owned casinos and becoming a corporate leader until after 1990.

Steve Wynn, chairman of Golden Nugget, Inc., used capital from the bond markets to become one of the industry's dominant corporate players. In 1988, Wynn borrowed \$623 million in junk bonds to build the Mirage Casino-Hotel, next door to Caesars Palace on the Strip. The Mirage led the entertainment revolution in the gaming industry with its

emphasis on must-see attractions like an erupting volcano and a white tiger display, radically changing the way Las Vegas made money. Wynn prospered in an era of Disney-esque performance entertainment designed to broaden the appeal of Las Vegas and gambling to a new generation of consumers.

The Mirage was scheduled to open shortly after the citywide contracts with the Culinary Union expired in June 1989, bringing growth into sharp focus at the negotiating table. By then, the NRA was no longer the negotiating agent for the industry, and groups of casinos aligned themselves on one side or the other of the corporate divide. Generally, the corporate casinos were highly leveraged, again with the exception of Circus Circus Enterprises, and as a result, they were dependent on uninterrupted cash flows to service their debt. Even national hotel companies like Holiday Corporation and Hilton Hotels produced as much as 40 percent of the cash available to meet debt obligations from their casinos. Against this backdrop, the corporate industry had to think hard about provoking another large-scale labor brawl.

Leading the corporations, Golden Nugget, Inc., negotiated a groundbreaking five-year agreement with the Culinary Union that included significant work-rule changes in exchange for language allowing the union to organize workers at the Mirage without opposition. The contract also provided for increases in wages and health fund contributions that would maintain no-cost insurance for the workers, and it halved the duration of the 80 percent rate for new hires to six months. At the heart of this landmark agreement with Golden Nugget was the notion of a partnership between labor and management that would grow as the company expanded. It took vision on both sides of the negotiating table to craft this partnership.

From the union's perspective, the contract's provisions for organizing new casinos were its most innovative aspect. Under the contract's "organizing language," the union agreed to exchange its right to take economic action against new casinos in exchange for the employer's agreement not to oppose union organization at its new operations in Las Vegas. The language included a formal provision for recognizing the union if a majority of its employees signed union authorization cards. It was designed to create an alternative to the National Labor Relations Board election process, which as a rule leaves workers vulnerable to nasty anti-union campaigns and years-long appeals processes. The organizing language was strategic to the union's goal of preserving its majority on the Strip in the face of unprecedented, if underestimated, pe-

riods of casino development. The Golden Nugget contract set the standard for the 1989 negotiations, and it was followed by similar agreements from the Big Six, a loose-knit negotiating group including Circus, Caesars Palace, the Las Vegas and Flamingo Hiltons, the Tropicana, and Bally's. This group included some of the aggressors in the 1984 strike, like Caesars and the Hiltons, who shifted away from that role primarily because they recognized that a better national image was valuable to gaming's future. That image was important to the customer market, a lesson learned in 1984, and to the legislative issues facing the industry, ranging from legalization of gaming on Indian reservations to taxation of gambling winnings. The benefits of a labor-management partnership in all of these arenas outweighed the financial incentive to play hardball in these negotiations for the corporate sector of the industry.

Although it ultimately accepted the pattern agreement, the Holiday Hotel-Casino on the Strip resisted the organizing language for some months, until it was persuaded that its workers would not settle for a substandard contract. This dispute would test whether the new organizing language would be applied industrywide or just to the leading corporate casinos. The Holiday Casino, owned by the Holiday Corporation (now Harrah's Entertainment) has for years exhibited anti-union behavior, even in its unionized casinos in Las Vegas and Atlantic City. Arguing that it had no plans to operate another casino in Las Vegas, the company agreed to all of the other terms of the Strip contract save the organizing language. The negotiating committee, made up of Holiday workers of various classifications, rejected the second-class proposal, and over 95 percent of the employees signed an open petition to maintain the Strip contract. The demonstration that an overwhelming majority of employees would stand up for the whole contract was bolstered by an alliance between the Culinary Union in Las Vegas and its sister local in Atlantic City, whose contract with the company's Harrah's Manna Hotel and Casino expired in September 1989. Those two casinos generated approximately 40 percent of Holiday's cash flow, a critical proportion of the amount needed to pay interest on \$2 billion worth of long-term debt. After engaging in picketing demonstrations and a trip to Laughlin, Nevada, to see firsthand how Holiday treated nonunion employees—the bus was greeted by police cars and paddy wagons lining the only highway into the city—the workers called Holiday's bluff. The company agreed to meet the terms of the Strip contract rather than subject itself to sustained labor action.

The real fight in this contract round came from the family-held casinos that sought to pick up where they had left off in 1984. The Boyd Group recruited Binion's Horseshoe, Michael Gaughan's Barbary Coast, Jackie Gaughan's casinos, and the Elards' Frontier into an alliance by arguing that they were not in the same league as the large Strip resorts and deserved a less demanding contract. Their position was based on the growing division between corporate mega-resorts and old-style gambling halls. This opposition group believed it could regain position in the economic battle between family- and corporate-owned casinos by cutting labor costs. This short-sighted view did nothing to address the real problem facing these operations: that the corporate casinos were setting a new standard of entertainment and service on the Strip and at the Golden Nugget downtown that demanded renovation and innovation from the older operations. While the corporations transformed the industry, the family-owned gambling halls chose instead to foment labor troubles.

Although the Boyd Group was clearly leading this alliance, Binion's Horseshoe downtown became the center of the dispute when it illegally fired the union's rank-and-file negotiating committee after they opposed the casino's contract offer. On January 19, 1990, after filing numerous unfair labor practice complaints with the NLRB, the union struck. The casino had been built by Benny Binion, one of the city's most politically astute casino owners, and had been inherited by his son Jack. The Binion family was a political powerhouse in Nevada, backed by elected officials from the Sheriff's Department to the governor's office. During the strike, Jack Binion hired John Moran, Jr., son of the long-time sheriff, as one of the casino's lawyers. The younger Moran and Binion gloated as they watched strikers being arrested for violating noise restrictions along Fremont Street, always noted for its revelry.

The Horseshoe was also one of the most profitable family-owned casinos in Las Vegas. The company had approximately \$100 million in retained earnings, made anywhere from \$20 to \$40 million annually, and had almost no debt. The Horseshoe accepted any bet, no matter how large, and displayed \$1 million in a giant glass horseshoe at the casino's entrance. It was best known as the home of the World Series of Poker, one of the Old West's highest-profile gambling tournaments. The Horseshoe's clientele was an intensely loyal mixture of local residents and Texas cowboys, none too sympathetic to the strikers. Nevertheless, after months of picketing the casino, groups of customers began going elsewhere, especially locals, who had an increasing selection of neighbor-

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borhood casinos to patronize. Despite Binion's money, political clout, and strong business, the strike hurt.

A combination of factors, not the least of which was the tenacity of the strikers, who persevered for nine months in the face of Binion's raw power, drove that success. The remaining Culinary Union members doubled their monthly dues to pay \$200 a week in strike benefits, which helped mitigate the financial impact on strikers. Another critical factor was the union's legal strategy of pursuing violations of federal labor law to protect the strikers' jobs. The NLRB issued a collection of complaints alleging unfair labor practices, including the illegal firing of union activists and threats of retaliation from security guards. The breadth of the complaints formed the basis for a declaration from the NLRB that the strike was an "unfair labor practice strike," not an economic dispute, which effectively prevented the Horseshoe from hiring permanent replacement workers and holding a decertification election like the ones that had voted the union out of Boyd's casinos in 1985. These two factors combined meant that this strike would not free Binion's Horseshoe of a union.

The Culinary Union also became involved in other states with other groups that were opposed to Binion's interests. The union's strategy of broadening the dispute outside of the workplace, and often outside of Las Vegas, was becoming its trademark. One effort in this vein was the distribution of videos telling the story of a federal indictment handed down against the Horseshoe for alleged racketeering activities. The indictment was later dismissed. These activities, combined with a picket line that cut the casino's business by an estimated \$16 million during the strike, prompted Binion to settle the dispute in November 1990.

Binion's political and financial power made the settlement that much more important for the union. The local owners had believed that the restraints on public investment and image, which led the corporate casinos to settle in 1984 and 1989, were not applicable to them. But if the union's new strategies succeeded with Binion, the remaining casino owners would be far less likely to prevail in a war of attrition.

The success of the Horseshoe strike also revived striking as a viable tactic, and the remaining unsettled downtown casinos were vulnerable to job actions focused on their market. The Horseshoe strike had aggravated the decline of downtown Las Vegas as a thriving casino market. The growth of Strip resorts coincided with the emergence of neighborhood casinos and satellite gaming markets in Stateline and Laughlin, which siphoned off a significant portion of downtown's low-budget

gamblers. The compact layout of Glitter Gulch helped to widen the impact of the Horseshoe strike by driving some of those customers into new markets.

With the Horseshoe strike settled, the Boyd Group was next. That company's anti-union campaign had begun at the Stardust and Fremont shortly after their purchase and pursued the goal of decertifying the union in 1989. The union began preparing workers at the Boyd properties for this fight in 1987 by building a strong organizing committee of rank-and-file leaders throughout the two casinos to counter management's campaign. The union's organizing was not taken lying down. The Boyd Group sought to divide the local union from its parent organization by barring union representatives who were on the payroll of HERF from its premises. The rank-and-file committee became the only presence of the union inside the Boyd casinos, making committee members stronger union leaders in the end.

The union also began studying the Boyd Group's financial condition and business plan. Analysis of the company's financial condition revealed a strategic fact to the union: the Boyd Group was no longer one of the most profitable casino companies in Las Vegas. The company owed almost ten times more in debt than it had in 1984, when it had had a 13 percent profit margin, high enough to withstand a year-long strike. By September 1990, having borrowed heavily to buy the two casinos, and borrowing another \$100 million to add 1,500 rooms to the Stardust, the company was overleveraged, and its profit margin had shrunk to almost nothing. Armed with these facts and the success of the Horseshoe strike, the organizing committee was confident that the Boyd Group could not weather a strike this time around.

Another part of the union's strategy was to build an alliance with the company's lenders in this dispute. The union had spent years communicating with the company's junk-bond holders and other lenders about the dangers associated with the Boyd Group's plan to borrow a mountain of money, while it simultaneously provoked a costly labor dispute. In 1989, the union also investigated the company's partners in its Sam's Town Gold River casino in Laughlin, revealing their questionable character to that project's investors. When the Gold River partnership filed for bankruptcy protection in 1990 as a result of its huge debt load, the Boyd Group's lenders could see how risky the company's course actually was.

During spring 1991, the union prepared to strike the Stardust and Fremont casinos with two thoughts in mind. First, a strike after the

opening of the Stardust's new tower would have the most impact on the company's ability to meet its debt obligations; second, the condition of the downtown casino market was so fragile that the threat of a strike at the Fremont might cause all of the unsettled downtown casinos to negotiate, which was exactly what happened. After years of being leaders of the anti-union movement, the Boyd casinos agreed to a union contract without a strike and corralled the remaining downtown properties, including Jackie Gaughan's, into a settlement.

This contract settlement was a milestone for the Culinary Union. The company that had bust the union in 1985 and led the family-owned casinos in their quest to be nonunion made a strategic decision not to

provoke a strike in 1991 in order to implement its business plan to become one of the more successful, multi-property gaming companies in Las Vegas. Assured of labor peace, the Boyd Group made the leap over the next few years from a family-owned casino company to a public corporation with a national gaming presence, now known as Boyd Gaming Corporation. The Boyd settlement signaled the end of an older attitude and was an early indication that companies that wanted to take advantage of public financing and the industry's expansion opportunities could not afford to provoke their workers.

On a more subtle level, the settlement of the downtown contracts was recognition that the corporate casinos had the right business strategy and labor relations policies. While battling the union, the family-owned casinos lost valuable time in which to make the changes necessary to keep up with gaming's evolution. A January 10, 1991, *Wall Street Journal* feature entitled "Las Vegas Clans Hope Cards Will Turn," run months before the downtown settlement, addressed this division:

While the old-line gaming families retain substantial power and wealth, their clout has been shrinking. Corporate players now dominate political giving in Nevada as well as much of the state's political agenda. . . . The current round of casino-industry labor talks illustrates the town's changing power balance. The corporate players all quickly reached agreement with the Hotel Employees and Restaurant Employees International Union. But the family casinos rejected the deal as too onerous. . . . Mr. Binion concedes his family operation has been "losing ground" to the corporate casinos. But neither the Binions nor the other families intend to simply fade away. "We'll outlast the corporate guys," vows Michael Gaughan, a leader of his gaming family.

The downtown settlements meant that family-run operations would not gain a financial advantage over the corporate industry by cutting labor costs and were compelled to find a more proactive solution to the

competitive decline of their casinos. Once the labor disputes were resolved, the downtown casinos tackled their dilemma together, forming a partnership to develop the Fremont Street Experience, a \$70 million light and video canopy and street that opened in December 1995. The Fremont Street Experience increased overall revenues and capital improvements after its debut and marked downtown's integration into the entertainment revolution in gaming.

Meanwhile, the Culinary Union kept getting stronger, with the addition in 1989 and 1990 of 5,000 new members from the industry's newest casinos, the Mirage, Excalibur, and Hilton's O'Sheas' on the Strip.

With the Boyd settlement came a perceptible shift in the balance of power, which became visible during the now five-year-old Frontier strike. Margaret Elardi and her two sons, Tom and John, had bought the Frontier and its neighbor, the Silver Slipper Casino, from Summa Corporation, Howard Hughes's casino holding company, in 1988. Margaret Elardi had been involved in gaming since the mid 1970s, when she was part owner of the Pioneer Club in downtown Las Vegas. Her anti-unionism first surfaced there when she bust the Culinary and Bartenders Unions in an apparently unprovoked challenge to the highly unionized state of the industry, with a strikingly similar strategy of bargaining in bad faith and litigating into oblivion. In the early 1980s, Elardi sold her first casino to buy the Pioneer Hotel and Gambling Hall in the tiny Colorado River town of Laughlin, Nevada. The nonunion Pioneer in Laughlin, which generated roughly \$20 million annually in profit, made most of her money. In 1988, shortly before buying the Frontier and Silver Slipper on the Las Vegas Strip, she sold the Pioneer to Sahara Gaming Corporation for approximately \$90 million more than she had paid for it. The family was cash rich, but it was out of place on the Strip.

Upon buying the Strip casinos, the Elardis tore down the Silver Slipper, "an odd fixture of Nevada politics," made famous by Howard Hughes.<sup>2</sup> From 1968 to 1971, Hughes had financed Nevada's political races to the tune of \$858,500 from the tables of the Silver Slipper. The Elardis' demolition of the Silver Slipper reflected the family's lack of participation in Nevada's political process. This political stand-offishness, uncommon among casino owners, was one of the factors that isolated the Elardis. The Silver Slipper site is now an empty parking lot. The Desert Inn Superarterial roadway, a major east-west corridor, runs through it.

The Elardis then took a number of steps to turn the Frontier into a

"grind joint," a casino with few amenities, no entertainment, and little emphasis on anything but slot machines. They closed the showroom, which had been home to the magicians Siegfried and Roy, who went on to gain top billing at the Mirage at \$85 a ticket, and focused their marketing of it on the same customers who frequented their Laughlin casino: low-budget gamblers from Arizona and southern California. The Elardis even refused to book rooms to conventioneers, ignoring the growing convention market in Las Vegas. These changes were in stark contrast to the innovations of the Mirage and Excalibur, which created a new level of nongaming amenities designed to enhance the entertainment experience in Las Vegas. As one corporate casino executive told the *Wall Street Journal*, "You are going to need more than a slot palace . . . run by the seat of your pants."<sup>3</sup> Simply put, the Elardis, who had waited so long to make it on the Strip that they named their company Unbelievable, Inc., were battling the transformation of the industry.

On September 21, 1991, over 500 workers from four different unions struck the Frontier Hotel and Gambling Hall on the Strip in response to a slew of unfair labor practices by management. In addition to retaliating against union members, as had the Horseshoe, the Frontier had illegally implemented some of its contract proposals, such as the elimination of pension contributions and implementation of new work rules without negotiating with the union. The Elardis also switched to an inferior health insurance plan that made approximately 100 workers ineligible, slashed wage rates by up to \$4 per hour, and gutted the grievance procedure that regulated compliance with the contract. The proposals were designed to eviscerate the collective bargaining agreement and force the union to strike. They were also motivated by the family's desire to lower its operating costs to gain an advantage over the booming corporate casinos, a strategy proven unsuccessful during the downtown disputes.

The Elardis had no intention of operating a union casino, and even though the family had watched the union's recent successes, they thoroughly underestimated the resolve of Frontier workers and their union. When the strike ended in 1997, almost six years later, it was the longest in American history. Not one striker crossed the picket line to work at the Frontier during this strike, a remarkable testament to their courage and conviction.

The family's lack of political involvement and its opposition to the now-dominant corporate wing of the industry isolated the Elardis from the power structure even before the strike began. By contrast, the union

had succeeded in battles with the most powerful patriarchs in Las Vegas, increasing the organization's influence throughout the city. Those two developments made this strike different from previous disputes. The political forces that had lined up against the union in past strikes, the courts, the Metropolitan Police Department, the state's politicians, and the local newspapers, had little affinity for the Frontier. There were no nightly arrests on the picket line, and the newspapers editorialized about the need to resolve the strike.

The Frontier aggravated its isolation by trying to drag the rest of the Strip into its dispute. During the early months of the strike, the hotel placed advertisements in the *Los Angeles Times* headlined "Culinary Union Strikes the Strip," infuriating the managements of other Strip casinos, who had settled union contracts in part to avoid publicity like this. Not until this false advertising was referred to the district attorney by the Clark County Commission, a casino licensing authority, did the Frontier desist. The Frontier's lawyer, Joel L. Keller, who had been suspended from the Washington, D.C., bar for masquerading as a neutral arbitrator in a case involving one of his associates, became the unwelcome public face of the hotel when he appeared on local news insulting conventioneers who supported the Frontier picket line. The Frontier's slash-and-burn approach to this dispute was making some powerful enemies.

One was Circus Circus's powerful chairman, William Bennett, who had a history of union contracts and offered to feed the strikers out of pure generosity. Bennett's food truck visited the picket line three times a day to feed the strikers in what was the most unique display of the division between corporate and family-owned casinos. "Las Vegas has enough of an image problem without the Frontier making it worse. We [Circus] just had a record quarter, and we're unionized," Bennett told *Fortune* magazine.<sup>4</sup> The Frontier strike also inspired government involvement in a different way than in the past.

On May 19, 1992, Nevadans for Labor Peace, a group made up of political leaders at the state, county, and city levels, held a press conference calling for both sides to agree to mediation or binding arbitration of the Frontier strike. The Frontier would not agree. It was the first time that a group of public officials in Las Vegas had pressured a casino to resolve its labor troubles. In July 1992, Governor Bob Miller facilitated negotiation between the two sides, which ended without progress but demonstrated the state's interest in ending the strike. By April 1993, nineteen months into the strike, Miller announced that he was appoint-

ing an independent fact-finder to recommend ways of resolving the dispute, and that the Frontier would be obliged to cooperate. While the appointment was welcomed by the unions and supported by a bipartisan group of thirty-nine legislators, the Frontier agreed to participate only "under duress." Sam Kigel, the governor's fact-finder, who had fifty years of mediating experience, issued his report on March 1, 1994. Kigel blamed the Frontier for the failure of the negotiating process. The governor's willingness to intervene in this dispute, although not yet successful, highlighted the shift in the balance of power that has occurred since the Horseshoe and Boyd settlements.

Despite the Frontier's cavalier attitude during this dispute, the strike cut business at the casino by an estimated 40 percent in the first year. The strikers also received tremendous support from union members throughout the country. On December 5, 1991, approximately 12,000 union members from every labor organization in southern Nevada marched up the Strip to support the Frontier strikers. In December 1992, the striking unions invited union members from around the country to a march called "Desert Solidarity: Our Line in the Sand." With help from the AFL-CIO, the December 5 rally attracted 20,000 participants, closed the Strip for four hours, and attracted national media attention. The Frontier strikers found themselves leading the rebirth of American unionism.

In the meantime, the NLRB processed scores of complaints by the union. Case after case was tried before federal judges, and every major ruling was favorable to the union and appealed by the company. These rulings both vindicated the union's actions and started assigning financial liability to the Frontier. Judges decided that the Frontier had violated the law when it halted pension contributions and changed the employee handbook outlining the hotel's work rules without negotiating the changes. Reimbursing employees for these unilateral changes cost millions, and the liability grew daily. In addition, a federal labor judge declared the strike an "unfair labor practices strike," like the Horseshoe strike, preventing the Frontier from hiring permanent replacement workers and decertifying the unions. The Elardis could ignore the judges' decisions, choosing to appeal, but they would not be able to rid the Frontier of the union.

In 1993, Michael Gaughan's Barbary Coast gave the Elardis an inkling of what might happen. The Barbary Coast had employed the same lawyer as the Elardis, intending to become a nonunion operation. Unlike in 1984, when he had fought the NRA's strike-baiting proposals,

Gaughan now had a highly successful nonunion casino, the Gold Coast Hotel and Casino, located in a southwestern neighborhood. Gaughan was also still fighting the corporate casinos on legislative issues. For some time, his desire to "outlast the corporate guys" made reaching agreement with the union almost impossible.

The Barbary Coast made the same negotiating mistakes that the Frontier did, halting payments to the union health insurance fund and implementing work-rule changes without going through the negotiating process. Gaughan also lost ruling after ruling. When faced with an estimated \$11 million liability in 1993, which grew during any appeal, he settled a labor agreement. This settlement left the Frontier alone in its fight against the union. Gaughan has gone on to merge the Barbary Coast and Gold Coast into a quasi-public corporation with publicly traded debt. Instead of outlasting them, he has become one of the corporate guys.

While the Frontier strike continued, workers from a newly opened neighborhood casino, the Santa Fe Hotel and Casino, called the Culinary Union. The Sahara Gaming Corporation, which also owned the unionized Sahara and Hacienda casinos on the Strip, launched the Santa Fe in February 1991, and given its Culinary Union contracts, the workers had expected the new casino to be unionized too. The Santa Fe was part of Sahara Gaming's plan to expand its nonunion operations, however, and the company joined the Elardis in defiance of the changing balance of power.

Although Sahara Gaming was a public company and had fully participated in the use of public financing to fund its growth, a majority of the company's stock was controlled by Paul Lowden. In truth, Sahara Gaming was a family-run operation behind the facade of a public company. Lowden borrowed millions from the company, even though it generated bottom-line losses, and he paid insiders substantial fees to perform services for the company. Its corporate structure was complex, with public stockholders, public limited partners, and public bondholders, all investors with no say in the direction of the company. Lowden's myriad financial transactions maintained his absolute control, while obscuring a company that was borrowing too much money and producing constant losses. In 1992, the company lost \$9.4 million, having spent \$19.6 million on interest payments alone. Lowden's obsession with control colored his business decisions, from labor relations to financing arrangements, and locked him out of the lucrative changes sweeping the industry.

In the fall of 1992, over 75 percent of Santa Fe employees signed union cards and demanded recognition based on a card check, the same process by which the Mirage and Excalibur had recognized the union. The workers at the Santa Fe wanted parity with their co-workers at the Sahara and Hacienda: on average, they made \$2 per hour less in wages, had to pay for their health insurance, if they were eligible (many full-time workers, like most of the maids, were classified as temporary workers, who were ineligible for insurance), and had no job security. Santa Fe management refused to consider a card check, insisted on a cumbersome and time-consuming election, and launched a vicious campaign of retaliation and delay that continued until 2000, when the Santa Fe was sold to the Station Group, another nonunion local casino chain.

The dispute between Sahara Gaming and the union had obvious political overtones, because Lowden's wife, Sue, had been elected to the state senate in November 1992. One of her first acts after taking her seat as state senator was to fire a Santa Fe union member who had testified before her labor committee on the casino's health and safety problems. In February 1993, a Santa Fe cook was fired just three days after giving testimony, but was rehired after a firestorm of negative publicity about the senator's retaliation. Sue Lowden's action set the tone for a nasty, long-running fight over the unionization of the Santa Fe.

The Santa Fe was eager to use the NLRB's election process, because it routinely allows employers to delay the results of any election for as long as six years. Despite that risk, the Culinary Union, the Teamsters, and Operating Engineers filed a joint petition with the NLRB in the summer of 1993 for a union election at the Santa Fe. Confident of the workers' support, the union's strategy was to demonstrate the abuses of the NLRB process, while being able to tie an election victory into the 1994 contract fight with the company's two union casinos. On the night of October 1, 1993, despite a string of labor law violations by management, the unions won the election by 300–241. The Santa Fe predictably contested the results, calling the election a "close vote," even though the union had received the same percentage of votes as Senator Lowden had in her election to the state senate. The Santa Fe's challenges to the election were overruled in their entirety in April 1995, but the company continued to appeal.

During this dispute, Sahara Gaming was desperately trying to take advantage of the rapid legalization of gaming outside of Nevada by developing casinos in emerging jurisdictions. This was a company that mostly considered how it would buy or build its next casino. Sahara

Gaming had doubled in size since 1988, buying the nonunion Pioneer Hotel and Gambling Hall in Laughlin from Margaret Elardi—unwittingly providing her with \$100 million with which to fight the union at the Frontier—and building the Santa Fe, all with borrowed money.

In 1993, Sahara Gaming wanted to refinance the company's outstanding loans and borrow additional funds for riverboat projects. Bear Stearns, a leading investment bank for gaming companies, was hired to do a "global refinancing" that would lower the company's interest payments and provide expansion funds. There was a catch: bond buyers wanted stock warrants to sweeten the deal. Lowden refused to issue additional stock, because it would lower his holdings below 50 percent, the threshold of absolute voting control. Instead, the company leveraged the successful Santa Fe casino, issuing \$115 million in junk bonds in December 1993. Lowden was willing to bet his last hand in order to preserve his absolute control over the company's stock.

Cash flow from the Santa Fe casino paid the interest on that debt rather than being used to improve the wages and benefits of the casino's employees; in essence, the company's expansion plans were being financed by the Santa Fe's workers. The Santa Fe could afford to meet those interest obligations at the time because it had a monopoly in its northwest neighborhood, but overall the company was highly leveraged and gambling on its ability to generate higher and higher revenues. In contrast, the bulk of the industry was expanding through stock offerings, a more financially stable source of funding, but one that required power-sharing. Lowden's obsession with control led the company into a financial quagmire.

Consequently, the union chose to oppose Sahara's new riverboat plans actively. There was Moline, Illinois, where Sahara lost the last of ten state casino licenses to what is now the highest revenue generating riverboat in the state; Parkville, Missouri, a small bedroom community on the Missouri River, which endured four public referenda on the issue of gaming and emerged deeply divided and without a casino; and Mississippi, where Sahara managed two riverboat casinos for Treasure Bay Gaming and Resorts, which filed for bankruptcy and ejected Sahara management late in 1994. The union submitted testimony to gaming regulators in all three states and distributed information about Sahara's record to Parkville's voters in that town's three successive gaming elections.

By July 1995, Santa Fe had to write off \$25 million spent on the failed Missouri and Mississippi riverboats, while it desperately held on

to one last expansion project. Addicted to debt, the company had taken out a one-year loan of \$15 million in March 1994 to buy a piece of vacant property in the Las Vegas suburb of Green Valley on which to build a neighborhood casino modeled on the existing Santa Fe. In the fall of 1994, Sahara attempted to raise \$75 million in the bond market to finance the project, called Santa Fe Valley, but the offering was unsuccessful. With its \$15 million loan coming due, the company negotiated a sale of the Green Valley property to Players International, a riverboat company looking for Las Vegas operations. After the union informed Players about the "organizing language" in its existing union contracts, Players terminated the agreement to purchase the Green Valley property. Sahara Gaming sued the Culinary over its letter, but the case was dismissed and appealed. Shortly thereafter, Sahara Gaming sought a buyer for its Hacienda and Sahara casinos on the Strip in part to repay the Green Valley loan.

Meanwhile, the union's citywide contracts came up for renewal in June 1994. By then, the Strip looked very different than it had five years earlier. In fall 1993, Mirage Resorts opened Treasure Island, another mega-resort, near the Mirage, and Circus Circus Enterprises opened the pyramid-shaped Luxor Hotel and Casino next to the Excalibur. Both were highly themed resorts, pushing Las Vegas casinos to the next level of entertainment. They also recognized the Culinary Union and agreed to the Strip contract under the same process used at the Mirage and Excalibur. Those two casinos increased the union's citywide membership by another 5,500 workers months before the 1994 labor negotiations began.

The corporate landscape was also transformed. Most casino companies had issued public stock, taking advantage of Wall Street's fascination with gaming in the early 1990s. The Boyd Group went public, changing its name to Boyd Gaming; Jack Binion from the Horseshoe set up a new public company called Horseshoe Gaming to pursue riverboat casino projects, while keeping the Las Vegas casino in the family's hands; and many of the privately held and nonunion neighborhood casinos—Palace Station, Arizona Charlie's, and the Rio, issued public stock in one form or another. The division between corporate and family-owned casinos had shifted: the new divide was between the entertainment-oriented mega-resorts and the older, second-tier gambling halls.

The new resorts were joined by the \$1 billion, 5,000-room MGM Grand Hotel, Casino and Theme Park, which opened on December 17, 1993. The Wizard of Oz-themed resort was developed by MGM Grand

Inc., a public company 73 percent owned by Kirk Kerkorian. A multi-billionaire with forty years of experience investing in gaming, Kerkorian had built the International Hotel, now the Las Vegas Hilton, and the first MGM Grand, now Bally's. The new MGM Grand's chairman was Robert Maxey. Maxey had survived the Elsinore disaster, reemerging years later with a reputation for opening casinos on time and within budget. His management style was still driven by ideology, and he waged a highly public and costly campaign to prevent the union from organizing MGM Grand's employees. Long before the casino was completed, the defining union battle of the 1990s was launched.

MGM Grand became the first mega-resort since 1984 to risk its public image and public investment on an anti-union crusade. In 1992, when MGM Grand was putting the project's financing together, the union worried the investment community of Maxey's operating and labor relations record. It was the beginning of a campaign by the union to educate stock analysts and bond buyers that the most successful operations in Las Vegas embodied the spirit of a labor-management partnership, and that the MGM Grand would be managed with the goal of preventing unionization, not making the highest profit. The union also pointed out that companies with active union opposition, like MGM Grand, would face difficulties when competing for projects in the new gaming jurisdictions, because many were in cities with historically strong unions.

Part of Maxey's plan was to counter Culinary's growing political power before the casino's opening. Unlike most gaming companies, which as a matter of course give to both parties, sometimes in the same race, Maxey decided to contribute almost exclusively to Republican candidates for office. This alienated the state's Democratic party. MGM Grand also hired Black, Manafort, Stone and Kelly, a Washington-based lobbying firm known for representing dictators like Ferdinand Marcos of the Philippines, to forge a political agenda and a high-tech anti-union campaign. MGM Grand even had a "war room" from which executives and consultants directed their union-busting program.

The key to that program was MGM Grand's *union-scale* wage and benefit package. The company advertised the best wages and benefits in Las Vegas, highlighting the casino's on-site medical clinic, flex-time instead of vacation days, an in-house grievance procedure, and the University of Oz. It was a clear example of who set the standard of living among casino workers: in order to be nonunion, MGM Grand had to beat the union standard. Amid the greatest employment hype ever seen in Las Vegas, 100,000 people applied for 8,000 jobs. Included in the

orientation program was a Wizard of Oz video in which Dorothy says that MGM Grand employees won't need outside representation. The tactic was anything but subtle.

On MGM Grand's opening night, 5,000 union members from Culinary and other service trades picketed the VIP celebration, causing a majority of the state's politicians not to attend. The governor and a host of state legislators, commissioners, and council members honored the picket line; it was the first time the governor had not attended the opening of one of Las Vegas's mega-resorts. Politically, a real tug-of-war ensued. Unlike the Elardis, MGM Grand was by nature a leader in the powerful corporate wing of the industry, not to mention being backed by a billionaire. But in the 1992 election season, the union had defeated Doc Pearson, a county commissioner supported by gaming, who had crossed the Frontier strike line to take contributions from the Elardis. The 1994 elections were around the corner, influencing politicians' choices that opening night.

After the opening, Maxey began searching for expansion opportunities outside Las Vegas. The stock market rewarded gaming companies that could expand into new jurisdictions, and after the casino's opening hype, MGM Grand's stock price was falling. The company chose China for its proximity to the Asian gambling market. MGM Grand negotiated an agreement with a resort town on the pristine island of Hainan, China, to develop a mega-resort. However, the Chinese central government was fundamentally opposed to gambling and had reacted schizophrenically to recently opened tourist-oriented casinos. The union investigated the difficulties and uncertainties affecting plans for gaming operations in China, and Hainan in particular, and reported them to gaming companies and investors.

MGM Grand's nonunion status became the centerpiece of labor negotiations that spring, making the union's rally on December 17 the first step in an ongoing battle. On May 26, 1994, days before the citywide agreement was set to expire, another 5,000 union members rallied, this time under threat of arrest. In a tactic reminiscent of a 1930s company town, MGM Grand laid claim to private ownership of the sidewalk and enlisted county bureaucrats to subvert the normal process of dedicating public sidewalks in a construction project, allowing the hotel to retain private property rights over them. MGM Grand then filed an easement granting pedestrians use of the sidewalk on its terms. No union activity was permitted. A showdown followed.

Defiantly asserting their constitutional rights, 500 union members

were arrested that night for trespassing on the MGM Grand's sidewalk. They had not retreated in 1984 when arrests were used to squash union activity, and they would not back down in 1994. In response, the Culinary Union filed a civil rights lawsuit against MGM Grand, Clark County, and County Manager Pat Shalmy. The union argued that the three had conspired to deprive union members of their free speech rights in violation of the U.S. Constitution. The district attorney refused to prosecute the charges against the sidewalk picketers pending the litigation's outcome. The union casinos watched.

The MGM Grand situation dominated contract negotiations throughout the city. Across the board, companies proposed three-year agreements, instead of the standard five, because of uncertainty about whether the union would succeed in organizing their nonunion competitor. Most union casinos wanted labor peace, so that they could focus on their booming business and the myriad expansion opportunities outside of Nevada. They were also mindful of the tenacity of the Frontier strikers, who had demonstrated that the union would not give up.

Generally speaking, the casinos grouped themselves by size, with the mega-resorts negotiating together, the second-tier Strip casinos as a group, and the downtown casinos as another group. A number of casinos negotiated independently, like the Mirage casinos, the Sheraton-Desert Inn, and Harrah's. Among the mega-resorts, the roughest issue was subcontracting, or outsourcing, as it is called in manufacturing, the emerging practice of contracting out union work to nonunion employers. MGM Grand led the industry in leasing casino restaurants to independent restaurant companies. Resorts like Caesars Palace, Bally's, the Hiltons, and Harrah's wanted to attract similar restaurateurs by allowing them to hire nonunion workers. In turn, the union wanted to protect the jobs of its union members, as well as maintain the union standard in the industry. After members held mass meetings with managers in each of these casinos and picketed Harrah's over the issue, the mega-resorts agreed to language requiring that subcontracted work be done by union members under the collective bargaining agreement. The settlement also provided for 25 cents an hour in raises each year, continuation of the organizing language, and preservation of no-cost health insurance for workers and their families, making the union's the only no-cost family plan in the industry.

Two Strip companies, Sheraton-Desert Inn and Sahara Gaming, fought the agreement. Sheraton-Desert Inn proposed to open a 5,000-room Desert Kingdom next door and did not want to agree to language

that facilitated unionization. Sheraton, a subsidiary of ITT Corporations had recently purchased the Desert Inn, a luxury casino on the Strip. Despite being a newcomer to gaming, ITT attempted to undercut the industry standard. The Desert Inn became the focus of the union's membership, which held a variety of demonstrations at the resort and communicated the Las Vegas dispute to union members at other Sheratons. In addition, the same planning lawyer who had helped privatize the MGM Grand sidewalks represented ITT. The union protested Desert Kingdom's planning approval before the County Commission, demanding that the sidewalks remain public. The union's protests delayed the project's approval by two months, after which the company put its plans for Desert Kingdom on indefinite hold. After a six-month campaign that also raised questions about ITT's insurance business and risky derivative investments, Sheraton-Desert Inn accepted the Strip contract with an agreement not to fight unionization at the new project.

The second-tier Strip companies, including Sahara Gaming, formed their alliance in the belief that the smaller properties deserved a less costly contract, a position staked out by the Frontier. Their proposals were similar to downtown's. These groups made proposals such as lowering the number of hours in required shifts from eight to four, abolishing the 40-hour work week, and not extending the organizing language. The proposals were met with a fierce reaction by workers in those hotels, causing most of the casinos to drop out of the second-tier alliance and ultimately settle on the Strip contract. That left the Sahara and Hacienda casinos, owned by Sahara Gaming, alone with the Frontier.

Sahara Gaming was overburdened with debt and vulnerable to a job action at any of its casinos, especially the Sahara Hotel. The Sahara and Hacienda workers negotiated for over a year alongside the Santa Fe employees, picketing and boycotting the company's convention business. Instead of agreeing to the Strip contract, the Lowdens decided to sell the Sahara and Hacienda, its only Strip casinos. In an affidavit given late in 1995, Paul Lowden said: "The inability to reach agreement with Culinary for successor agreements was a major factor in my decision to seek a buyer for the Sahara and Hacienda and to sell those properties."<sup>5</sup> The new owners of the Sahara and the Hacienda signed the same union contracts as the rest of the Strip.

On April 20, 1995, Administrative Law Judge David Heilbrun issued a sweeping decision on the Santa Fe's challenge to the union election. He dismissed every charge brought by the Santa Fe against the union

discredited every witness who had given testimony on behalf of the Santa Fe, and ordered certification of the unions. Senator Lowden, who was by now the president of the Santa Fe, and her husband appealed that decision too. The irony was poetic: Senator Lowden, who sat in the legislature as the result of the electoral process, was ignoring the results of the union election because she did not like the outcome.

On April 29, 1995, 1,500 union members picketed the Santa Fe, launching a neighborhood boycott of the casino that over the next year would utilize tactics like placing yard signs in union members' front yards saying, "Stay Away from the Santa Fe," systematically calling customers, and appearing on radio talk shows. The union also contacted business customers like the Ben & Jerry's Scoop Shop, which planned to open inside the Santa Fe. In that case, the union obtained an unprecedented agreement that Ben & Jerry's would delay its opening by five months in support of the union boycott. The boycott roughly coincided with the opening of two new casinos in the Santa Fe's marketing radius: the Fiesta Hotel and Casino, which opened in December 1994, and Texas Hotel and Gambling Hall which followed in July 1995. The Santa Fe's cash flow dropped 40 percent after it lost its monopoly, and the casino no longer generated enough cash to pay the interest on the debt it borrowed for its failed riverboat projects.<sup>6</sup>

The Santa Fe's labor dispute also has a growing liability now. Despite the company's appeals, the union is certified as the employees' representative. As a result, all changes in working conditions must be negotiated with the union before the hotel implements them, just like at the Frontier. The NLRB has issued complaints over unilateral changes in the health plan, schedules, and work hours, for which every worker must be made whole under the law. That liability could be more than the Santa Fe can absorb in its current condition. The Santa Fe has been fighting unionization for three years, following in the footsteps of the Frontier, both facing the same bitter end.

In September 1995, the Ninth Circuit Court of Appeals made the final ruling that the Frontier's changes in working conditions, implemented four years earlier, were illegal, that Frontier workers were entitled to be made whole for those changes, and that the strikers were entitled to their jobs back. The total liability was estimated at between \$10 and \$60 million, a record decision in the history of labor relations in Nevada and an embarrassment to the gaming industry in this state. The dispute still lingered on. The strikers have been vindicated at every

step of the process, but ultimately, the system has failed them. The Frontier broke the law, and the strikers are the only ones who will hold the casino accountable. In the end, union action brought the Elardis to their knees. In 1997, they sold the Frontier to Paul Ruffin, an out-of-town investor, who immediately settled the strike. It was a tremendous victory for the union and a defeat for the mentality represented by the Elardis. Stuck in the low-budget, nonunion mentality, the Elardi family fought and lost the entertainment revolution, of which the union is a growing part, now taking Las Vegas by storm.

In December 1995, the MGM Grand, which provided leadership for the Elardis and Lowdens from the potent corporate wing of the industry, resolved its union conflict. The company agreed to halt its anti-union campaign and recognized the Culinary Union as bargaining agent for 3,500 workers. In addition, New York New York, MGM Grand's joint venture with Primadonna Resorts, located across the Strip from the MGM Grand, agreed not to oppose unionization and to recognize the union based on a card check.

After MGM Grand's first year of operations, its revenues were flat. Operating income fell. Additionally, under Maxey's direction, the company had failed to execute any of its plans to expand outside Nevada, partly as a result of the union's campaign. Under mounting pressures to refocus the company's operations and end the labor dispute, Maxey resigned in June 1995 as MGM Grand's chairman and was replaced by J. Terrence Lanni, a former CEO of Caesars World. In the quarter ending March 31, 1996, nine months after Lanni took over operations, the MGM Grand produced a record 525 percent increase in net income and announced a refinancing plan to fund expansion into the coveted Atlantic City market. MGM Grand's stock price doubled during the first years of Lanni's reign.

Since the agreement with MGM Grand, the union tide has turned. Stratosphere Tower, Hotel and Casino, which opened on April 30, 1996, with 1,300 union workers, recognized the union based on a card check and agreed to a union contract substantially similar to the Mirage contract. Stratosphere is majority-owned by Grand Casinos, an emerging gaming company that manages Native American casinos and owns riverboat casinos in Mississippi. It was the first company without a pre-existing labor contract to agree to an amicable process for unionization in Las Vegas. It did so after careful observation of the Frontier strike and the MGM Grand agreement. On June 17, 1996, the new Monte

Carlo Hotel-Casino, a joint venture between Mirage and Circus Circus, recognized the union in a similar manner, as did downtown's Main Street Station and New York-New York, the newest entertainment superstore, or mega-resort, later that year. These four casinos added approximately 5,000 workers to the union fold. Most of the mega-resorts on line on the Strip have been developed by companies with union contracts and are union, including Mirage's Bellagio and Hilton's Paris.

Further evidence of the union's rise is the appointment of John Wilhelm, Culinary's chief negotiator and general secretary-treasurer of the HERE International Union, to the National Gambling Impact Study Commission, a congressionally mandated commission charged with studying the nationwide growth of gaming. He was appointed by Congressman Richard Gephardt to represent the point of view of the industry's workers, an appointment supported by many in the Las Vegas industry familiar with his keen understanding of the business.

The success of the Culinary Union's organizing efforts during this decade prompted the newly elected leadership of the national AFL-CIO to commit substantial resources to new organizing in Las Vegas, in a pilot program aimed at revitalizing the country's labor movement. Since the election of John Sweeney, Richard Trumka, and Linda Chavez-Thompson to its top three offices, the AFL-CIO has funded projects by the Building Trades and Service Employees Unions to organize construction and health care workers throughout Las Vegas, as well as supplementing Culinary's program to unionize the rest of the casino industry in Nevada. In Sweeney's words, Las Vegas has become the "heartbeat of the American labor movement."

The Lowdens and the Elardis were the last of the old-style casino families who had desperately held on to their ideological opposition to power sharing—the very heart of a partnership between labor and management. Senator Lowden sacrificed her position as the rising star of the state's Republican party to such ideology in 1996's most closely watched local election. Hundreds of union members volunteered for months to elect a political novice in Lowden's district, sending shock waves through the power structure on the November 5 election night. Her campaign was financed by the industry, and she was defeated by its workers.

As her company faded from the gaming scene in Las Vegas, Senator Lowden has become a good example of the old style of Las Vegas politics, where the casino-political complex was unchallenged. Her style

was growing increasingly out of sync with the new balance of power, with respect not only to the union,<sup>2</sup> and broad-based roots in the community but potentially to the influx of new residents, who are forever changing the one-industry, small town politics of Las Vegas. Arguably, the Lowdens and Elardis lost their place in the new Las Vegas, although it seems safe to say there will in the future be the occasional casino owner who, like them, puts ideology above business and challenges the distribution of power.

The Culinary Union will continue to be a partner in Las Vegas's development, striving to ensure that gaming jobs provide a middle-class standard of living. That role was challenged by the emerging corporate gambling interests in 1984 and then by the family-run gambling halls. Those disputes forced the union to defend itself during the most tumultuous time in gaming's history. As Las Vegas's old-line families were consumed by the entertainment revolution of the corporate casinos, the union wove a path through the changes to emerge as one of the more powerful organizations in the state.

The Culinary Union has earned its place as the counterbalance to gaming's wealth and clout, securing its future in the industry's growth by being innovative, focused, and disciplined, just like the industry itself.<sup>3</sup> In contrast, Las Vegas is expanding at an explosive rate and is enveloped in an unsettling sense of chaos. Unfettered construction, a haphazard infrastructure, and regressive policies for using the desert's scarce resources are the results of a laissez-faire approach to growth, an approach that is contributing to an unmanageable future. Las Vegas's boom recalls the early growth of Los Angeles, another western city overcome by chaos. As this desert city grows to an estimated 2.5 million residents in the next two decades, the Culinary Union's drive to unionize the rest of the industry will play a pivotal role in determining whether Las Vegas's working class, its economic foundation, will keep up with the rising cost of living. In the end, Las Vegas's hope of being different from Los Angeles and other sprawling southwestern cities lies in the fact that it is graced by a strong union movement with a unique ability to improve gaming's middle-class standard of living and maintain the new balance of power.

#### NOTES

<sup>1</sup>. Don Pulliam quoted in "Hotel Exec: Corporations Strangling LV Economy," *Las Vegas Review-Journal*, April 10, 1984.

2. Michael Dresnin, *Citizen Hughes* (New York: Holt, Rinehart & Winston, 1985), 131.
3. *Wall Street Journal*, January 10, 1991.
4. *Fortune*, September 21, 1992.
5. Affidavit of Paul Lowden, December 11, 1995.
6. Santa Fe's cash flow, or EBITDA, for the March quarter for 1996 was 43 percent lower than in the March quarter 1994, before the competition was open.

# THE AMERICAN PROSPECT

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## Las Vegas as a Workers' Paradise

HAROLD MEYERSON DECEMBER 11, 2003

From the archives: Why the current battle over holding Nevada caucuses in casinos? It comes down to the power of the hotel worker's union which transformed dead-end jobs into middle-class careers.

*Editors' Note: This piece was originally published in the January 2004 print issue. Harold Meyerson has further reflections on the upcoming Las Vegas caucus [here](#).*

### What's right with this picture?

LAS VEGAS -- In the middle of his life, Sylvester Garcia decided he'd had enough of the cold and the heat. He'd been a welder in the copper-mining towns of New Mexico for almost a quarter of a century, but, he says, "I got tired of welding, of the mud, of the rain, of too much hard work. So I told my wife, 'I'll try the casinos.'" In short order, he became a dishwasher at the Dunes Hotel on the Las Vegas Strip, then moved to the Luxor when the Dunes was leveled to make way for the Bellagio.

At first glance this wasn't a great career move. Dishwashing in America, as everybody knows, is almost always a minimum wage job devoid of benefits or security. Nonetheless, Garcia insists, "I love my job." And he's not kidding.

Among his fellow dishwashers, however, he has to be in a distinct minority. According to "The Coffee Pot Wars," an essay by Annette Bernhardt, Laura Dresser and Eric Hatton in the new Russell Sage Foundation study of low-wage work, the median hourly wage of the American hotel dishwasher in 2000 was \$7.45 -- a little better than the housekeeper's \$7.09. Even luxury hotels seldom pay their low-end employees much more than the minimum wage. And while wages have stagnated,

hours have declined, from 40 a week for low-end hotel workers in 1960 to 31 in 2000. At one hotel they studied, the authors concluded that 60 percent of the kitchen staff held down two jobs.

Garcia holds just one, but his hourly wage at the Luxor is \$11.86 -- \$4 higher than the industry average. He is paid for 40 hours every week, even if the company actually needs him for fewer. He has family health insurance paid for entirely by his employer. He has a defined-benefit pension. He has three weeks of vacation every year, which he likes to spend hunting in Canada.

Far from a life of quiet desperation, Garcia's seems full of noisy exaltation. On the evening I visit him, three grandchildren are careening around his house, a six-bedroom home built in 1988. Garcia's next-door neighbors are an attorney, a minister and, over the back fence, an air-conditioning mechanic. A legion of his fellow hotel workers inhabits the surrounding blocks.

Garcia's is a face, and his neighborhood a place, that doesn't neatly fit into America's current image of itself. Beneath a wave of silver hair, his face has the crevasses of someone who's worked in the Southwest sun for decades. With his droopy moustache, he could pass for a Mexican village chieftain or a sailor on Sergei Eisenstein's *Battleship Potemkin*. And this patriarchal proletarian inhabits a relatively new middle-class-working-class-white-Latino suburb at a time when such neighborhoods hardly exist anywhere else in the country.

Something is right with this picture, so right that in an America where Wal-Mart and a thousand other unnatural shocks drive working-class living standards downward, we can scarcely account for it. The picture is incomprehensible unless you understand the role that a union -- Culinary Workers Local 226, the Las Vegas local of the Hotel Employees and Restaurant Employees International Union (HERE) -- has played in the lives of its 48,000 members, their families and the city as a whole.

Local 226 is probably the largest -- and surely the most remarkable -- local union in the United States. While most unions have been shrinking or struggling to hold their own over the past several decades, and while hotel union membership has declined from 16 percent of the hotel workforce in 1983 to 12 percent in 2000, Local 226 has

grown by 30,000 members since its low point in 1988. It has done that by organizing virtually every hotel on the Vegas Strip, so that roughly 90 percent of the jobs in the city's major hotels are unionized. Considering that Nevada is a right-to-work state where employees can work in unionized workplaces without joining the union, this is a breathtaking achievement.

The key is "union density" -- the unionized share of total jobs in a local occupation or industry. The authors of the Russell Sage study conclude that hourly wages in the hotel industry are \$3 higher in cities with high union density than they are in ones where it's low. Even in unionized cities, however, the authors write that the union effect is minimal on work schedules or career ladders for such dead-end jobs as housekeeping. "This industry doesn't focus on mobility," one hotel executive told Bernhardt, Dresser and Hatton. "We've done a really poor job of recognizing talent and building our own."

But there's high density and then there's Vegas. Housekeepers in Las Vegas make \$11.40 hourly; tipped hotel employees have a \$9.60 hourly base wage, the highest in the land. At a time when draconian bottom-line pressures on most hotel chains have increased the number of rooms that housekeepers must clean, Local 226's contract last year actually reduced the number of rooms that housekeepers must attend to in many Strip hotels. And at the union's thriving culinary academy, funded entirely by contributions from the hotels, housekeepers can learn the skills to become cooks or servers -- and servers to become gourmet waiters or wine stewards, and gourmet servers and wine stewards to become sommeliers.

Nor is it only union members who benefit from the union's work. D. Taylor, the secretary-treasurer of Local 226, figures that when you add in the workers at nonunion Vegas hotels that have to match the wage levels at unionized hotels, and the families of all these hotel employees, the total number of people whose living standards have been raised is 175,000 to 180,000 (and that's not counting the merchants and workers at whose stores the hotel employees shop). In a metropolitan area of 1.4 million, that means the union has transformed the entire city.

Viewers of Frank Capra's classic *It's A Wonderful Life* will recall how Jimmy Stewart's character of George Bailey heads a Building and Loan where working-class residents

of Bedford Falls can borrow the funds to purchase homes. When Bailey wishes he'd never been born, he's shown a nightmare image of Bedford Falls called Pottersville, named after the town's miserly banker who has closed down the Building and Loan, impoverished the working class and immersed it in a world of booze, loose women and other depravities.

Ever since it was a gleam in Bugsy Siegel's eye, Las Vegas has been America's No. 1 Pottersville, rife with gambling, pawnshops and prostitution. Now, courtesy of Local 226, it's also America's No. 1 Bedford Falls -- the only city in the land where service-sector workers in supposedly dead-end jobs can afford to buy homes, retire securely and put their kids through college. "We've forced the social contract [into existence] HERE," says D. Taylor. And "forced" is a carefully chosen word.

### **A new-model union**

HERE came to Vegas in the 1950s, as the first generation of Strip hotels were still going up and the Rat Pack was just beginning to appear together. "The union kept up with the growth HERE until the late '70s," says HERE President John Wilhelm, the mastermind of Local 226's rebirth and subsequent explosive growth in the '90s. But by the late '70s the union was losing its footing. In the mid-'80s, six hotels decertified the union, persuading their workers to vote the union out as their bargaining representative. Four other hotels that had signed the 1984 contract illegally reneged on the agreement and got away with it. The union's health-care plan was going belly up. Not surprisingly, workers were quickly losing confidence in their once-powerful union. With negotiations looming two years hence, the membership elected new local leaders in 1987, who then approached the international for help. The international responded by sending in a new team with a new approach to unionism.

In a number of old-guard HERE locals, the union's business was performed by less than accountable business agents. In the late 1960s, however, HERE hired recent Yale graduate Wilhelm to organize the university's clerical and blue-collar workers. Under the guidance of veteran HERE official Vinny Sirabella, Wilhelm took the opposite tack, building a campus-wide organizing committee that grew to include many hundreds of members. It turned out that member participation actually worked: In 1984, the union organized Yale.

When the Vegas local called for help, HERE responded by sending in Sirabella's disciples -- Wilhelm in overall charge, D. Taylor to run the day-to-day operations and a host of others -- to build a new kind of union. Local 226 had never had workers' committees. "We had to build committees in hotels to ward off any more [decertifications] and to prepare for street actions -- for the first time ever," Taylor recalls.

The local's make-or-break challenge was to organize the Mirage, the first mega-hotel on the Strip, which was set to open in November of '89. The Mirage's developer was Steve Wynn, who already owned the Golden Nugget downtown and whose giant, themed hotels would change the face of Vegas. What the union wanted from Wynn was a neutrality agreement pledging that management would not wage an anti-union campaign. In recent decades, most American companies facing a unionization campaign threaten workers with job loss or plant closing, or actually fire known union supporters -- totally illegal tactics for which the law, alas, stipulates no serious penalties. Now, the union asked Wynn to recognize it when it had obtained the signatures of a majority of his workers -- a process known as "card check."

To get this deal, the union offered to scrap obsolete work rules that had established 130 job classifications, most of them never even filled. It also used its political clout in Washington to derail a pending Internal Revenue Service plan to withhold the casino winnings of noncitizens, which would have wiped out much of the casinos' high-roller trade. Alongside these carrots, the union brandished the stick of its newly created, possibly militant workers' committees. Soon Wynn became the first owner to sign a contract that authorized card-check recognition. The reconstruction of Local 226 had begun.

Other hotel owners, however, were appalled at card checks, and 13 refused to sign. All the while, the union was hiring new staffers, who were identifying and developing hundreds of activists at each of the hotels. "We had to convert from business unionism to rank-and-file unionism," says Taylor -- and they did.

The first key battle came at the Horseshoe, a downtown hotel owned by Jack Binion, a Wild West entrepreneur if ever there was one. The local struck the Horseshoe in January of '89; picketers by the hundreds were arrested. But the Horseshoe's

business plummeted, and after nine and a half months, Binion signed. The other hotels, stunned at this show of union resolve, fell into line.

All, that is, but the Frontier, an aging strip hotel whose ancien régime cowboy owners adamantly refused to recognize the union. The local struck the Frontier on Sept. 21, 1991, and stayed out for six years, four months and 10 days, during which time not a single one of the Frontier's 550 unionized workers crossed the picket line. Finally, in early 1998, their business ruined, the Frontier owners sold the hotel to new buyers who agreed to card check, and the strike ended with a mass victory rally that closed down the Strip.

"I remain to this day in awe of the Frontier strikers," says Wilhelm. "They made clear that the workers would do whatever was necessary to protect their standard of living."

Going into the negotiations of 2002, the union's chief strategy was to demonstrate to management that its members' resolve had not in any way flagged. This was chiefly accomplished at the local's bargaining rally, held in the University of Nevada, Las Vegas' cavernous Sports Arena, which was attended by 23,000 members of the local -- slightly less than half the total membership. After that, no hotel was willing to risk a strike. The new contract cut the housekeepers' workload, left the employers' responsibility for health coverage intact and provided members with an average \$3.23 hourly raise.

## **The skilling fields**

When workers apply for employment at the Vegas hotels under contract with Local 226, they go to the union hall for a skill assessment. If they have no experience, or wish to improve their skills, they are referred to the local's Culinary Training Academy. There, they are offered free courses in every nonmanagerial aspect of hotel work. The academy is funded entirely by employers, who in the latest contract with the union agreed to pay 3.5 cents per worker per hour to fund the training, with a curriculum developed jointly by management and labor.

Roughly 18,000 workers have graduated from the academy in the past nine years;

three-quarters of them, says Taylor, are still employed by the hotels. Currently, 2,500 students are enrolled in the academy, according to Executive Director Steven Horsford, and with new Strip hotels springing up regularly, the owners "are asking us to double that figure." On graduation day, the hotels often hire the entire graduating class. Those not hired become extras at the union's hiring hall, where most move up to full-time employment.

This May, the academy moved its digs to the new Nevada Partnerships complex in North Las Vegas, a café au lait-colored group of buildings perched atop a hill and set off against the brilliant blue desert sky. The looks can be a bit deceiving; as Horsford points out, the African American neighborhood in which the school is situated has 15 percent unemployment, and the academy spends a good deal of effort recruiting young people from the area for its entry-level classes.

The entry hall is taken up largely by a dining room, where a class in busing tables is under way when I enter, and a class in serving is taking place when I leave. As events would have it, I tour the school on Wednesday, the day that its one and only 45-week course is held. This is its famous sommelier class, initiated in 1997 and still taught by Angelo Tavernaro. One of the 53 certified master sommeliers in the world, Tavernaro was in charge of wines at Caesar's Palace for 20 years and founded the wine cellar at the Rio.

Tavernaro's students are a testament to the union's -- and Tavernaro's -- vision and determination. There's Mike, who was hired to bus tables at the Luxor 10 years ago. Through courses at the academy, he moved up the ladder to server, waiter in a gourmet restaurant and now wine steward. There's Diane, who eight years ago went to the union to see about getting a job in wine and now counsels Caesar's Palace patrons who want the proper bottle for their room-service dinners. The union said, "'You can do this!'" she recalls.

Today's course is on the wines of Australia, and Tavernaro, who's provided his students with reams of handouts and numerous wines to taste, proceeds region by region, valley by valley, vineyard by vineyard, noting soil composition, annual rainfall, temperature variance and their effects on flavor, acidity and much else. It's a lot of material to master, and it comes interspersed with lessons in history,

marketing and philosophy. Shiraz, he notes, was originally developed in the ancient Persian city of the same name, and was brought to Australia more than a millennium later by Silesian immigrants who settled in the warm (like Persia) Barossa Valley. Some Vegas high rollers, Tavernaro points out, may not really have all that much money and just want to impress their friends, so he customarily begins by recommending the cheapest of his great wines, not the bottles going for \$4,000. Until the past few decades, he laments, for the mass of Americans, "Wine has historically been not something to drink but get drunk with." This Tavernaro attributes to "the Puritan influence," words he spits out as if tasting the foulest of merlots.

## Vegas whole

If the example of Local 226 demonstrates anything, it's that union density is the most sweeping and effective -- and likely the only -- way to bring middle-class income, stability and security to the lives of otherwise low-wage service-sector workers and their communities. In a globalized economy, even high levels of unionization in manufacturing industries such as auto and steel have been unable to protect workers from seeing their jobs shipped abroad and having to take lower-paying jobs in their stead. But with the continuing shift to a service-sector economy, the number of workers whose jobs cannot be exported -- from sales clerks and cashiers to janitors, servers and housekeepers -- continues to grow.

Yet the shift from a manufacturing to a service economy has occurred during (and contributed to) a period of union weakness, a period in which many unions have forgotten how to organize. The success of HERE and the Service Employees International Union (SEIU) in organizing and winning decent living standards for hotel workers and janitors remains more the exception than the rule within the labor movement. What sets HERE and the SEIU apart is their relentless focus on increasing their density in local markets and their ability to convert themselves into unions where rank-and-file stewards address the needs of the current members while the staff is freed up to devote all its time and resources to organizing.

The consequences of that transformation are plainly visible in Vegas. UNLV economist C. Jeffery Waddoups has compared the hotel industries in Nevada's two major gambling centers, concluding that the median wage for hotel work in Vegas is

40.2 percent higher than in nonunion Reno. The union in Vegas has also narrowed the disparity between white and Hispanic living standards. (Local 226 is 43 percent Hispanic, 41 percent white.) Fully 81 percent of non-Hispanic and 78 percent of Hispanic hotel and gaming employees in Vegas have job-based health insurance, a level of parity not found in other sectors of the local economy. Among Vegas construction workers, for instance, 70 percent of non-Hispanic workers have such coverage, while just 41 percent of Hispanic employees do.

The union, then, has not directly transformed working-class Las Vegas outside its own industry. But in its effect on the city as a whole, says Jan Jones, who was mayor from 1991 through 1999 and now handles public affairs for the Harrah's chain, "It's made a remarkable difference." Local 226 "ensured that the employees were earning a living wage, and could buy cars and homes."

In Jones' first year as mayor, Vegas had 15 million visitors annually; when she stepped down eight years later, it had 36 million. Housing construction boomed, and the electorate felt economically secure enough to approve bond measures for parks, libraries and schools -- enabling the city to build a new school every month. Voters also passed a sales-tax increase to double the city's water capacity. "This is what management and labor working together can produce -- a vibrant economy," says Jones.

On my last night in Las Vegas, I get to see the city whole. Sylvester Garcia and union representative Mike Cifaldi drive me to a hilltop at the edge of town and point out which parts of the city were barren desert 10 years ago, or five, or just last spring. "This town has done good for me," says Garcia, as we look out over the lights of casino capitalism and social democracy, of Pottersville and Bedford Falls, shimmering brilliantly in the Vegas night.

The New York Times

ORGANIZED

# Local 226, 'the Culinary,' Makes Las Vegas the Land of the Living Wage

By STEVEN GREENHOUSE

Published: June 3, 2004

LAS VEGAS - Ask people here why Las Vegas is the nation's fastest-growing city, and they point to the thriving casino industry and to its ever-growing appetite for workers.

But there is another, little understood force contributing to the allure of Las Vegas, a force often viewed as the casino industry's archnemesis. It is Culinary Local 226, also called the Culinary, the city's largest labor union, an unusual - and unusually successful - union that has done a spectacular job catapulting thousands of dishwashers, hotel maids and other unskilled workers into the middle class.

In most other cities, these workers live near the poverty line. But thanks in large part to the Culinary, in Las Vegas these workers often own homes and have Rolls-Royce health coverage, a solid pension plan and three weeks of vacation a year.

The Culinary's extraordinary success at delivering for its 48,000 members beckons newcomers from far and wide. By many measures, the Culinary is the nation's most successful union local; its membership has nearly tripled from 18,000 in the late 1980's, even as the rest of the labor movement has shrunk. The Culinary is such a force that one in 10 people here is covered by its health plan, and more than 90 percent of the hotel workers on the Strip belong to the union. The union is also unusual because it is a rainbow coalition, 65 percent nonwhite and 70 percent female. It includes immigrants from Central America, refugees from the Balkan wars and blacks from the Deep South.

The Culinary's success cannot be separated from the industry's wealth. With the profits rolling in, the casinos have decided to be relatively magnanimous to their workers to ensure labor peace and a happy work force.

"When you're in the service business, the first contact our guests have is with the guest-room attendants or the food and beverage servers, and if that person's unhappy, that comes

across to the guests very quickly," said J. Terrence Lanni, chairman of the MGM Mirage, which owns the MGM Grand, the world's largest hotel, with 5,000 rooms and 8,200 employees. "These are people who are generally happy. Is it perfect? No. But it's as good as I've seen anywhere."

Under the Culinary's master contract, waiters are guaranteed \$10.14 an hour before tips, the highest rate in the nation. In Las Vegas, unionized hotel housekeepers generally earn \$11.95 an hour, 50 percent more than in nonunion Reno. The Culinary contract guarantees workers 40 hours' pay each week, meaning housekeepers earn at least \$478 a week, while in other cities housekeepers often work 30 hours and earn just \$240. The Culinary's workers pay no premiums for health care, and they often pay just \$10 for a dentist's visit, while nonunion workers often pay upwards of \$150.

"Our wages are higher, the medical benefits are great, and we have a guaranteed 40-hour week," said Marianne Singer, a waitress at the unionized MGM Grand. "Thanks to all that, I have a beautiful 2,000-square-foot home with a three-car garage."

The Culinary has struggled to shed a once-unsavory image. A half-century ago it worked closely with Bugsy Siegel and the other gangsters who built up Las Vegas. In 1977, its president, Al Bramlet, was found shot dead in the desert; some say the mob killed him because he opposed its efforts to take over the union.

The Culinary owes its successes to war and peace: first a war that most of the hotel casinos waged against it in the 1980's, and more recently, a broad partnership with the industry. The main war was a two-month strike in 1984 in which 900 picketing workers were arrested. Many casinos wanted to break the Culinary, but the union managed to pressure most into signing a good contract. The Culinary was badly shaken by the dispute, with six hotels refusing to sign a contract and eliminating their union presence. To gird itself for future battles, the union revamped, bringing in veteran organizers and young activists who organized vigorous rank-and-file committees in each hotel. The union also began doing strategic research on the industry, striking fear into some gambling companies by warning Wall Street that the casinos had dangerously high debt levels and could not withstand a strike.

Still smarting from the 1984 dispute and seeing that the union was a formidable force, the casinos made a strategic shift toward peace and partnership. In 1989, Steve Wynn, who transformed Las Vegas with his grandiose theme hotels, signed a groundbreaking

agreement with the Culinary when he opened the Mirage, famed for its white tigers and erupting volcano.

Mr. Wynn vowed not to fight unionization, saying he would recognize the Culinary once a majority of the Mirage's workers signed cards saying they favored a union. In return, the Culinary gave Mr. Wynn two things he wanted. It rewrote archaic contractual language to whittle 134 job classifications down to 30. The union also pledged to use organized labor's lobbying clout to advance the industry's interests. Caesars Palace, Bally's, Circus Circus and other casinos soon signed similar labor agreements.

"The last thing you want is for people who are coming to enjoy themselves to see pickets and unhappy workers blocking driveways," Mr. Lanni said. "I swore then that we would never have such problems again."

Except for a few strikes at small casinos, the 1989 accords have ushered in 15 years of cooperation and prosperity. Management and union have worked hand in hand to improve service and to press the city's hospitals and doctors to hold down costs, saving the industry millions each year.

Twenty-four casinos help finance the Culinary Training Academy, hailed by many experts as the industry's finest job-training school. It teaches 2,500 students a year to step up to jobs as waiters, cooks or even sommeliers. Courses are free to members of the union, while the unemployed can take courses with federal or state grants.

Steven Horsford, the academy's executive director, said the industry's needs for trained workers were so great that the academy would double its capacity to 5,000 students a year by 2006.

"In Las Vegas, more so than any place in the country, the hospitality industry and the union have realized it is not mere rhetoric to say, 'We're all in this together,' " said John W. Wilhelm, president of the Culinary's parent union, the Hotel Employees and Restaurant Employees International Union.

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The Nation | COLUMN ONE

## He helps give labor the edge

In Las Vegas, the head of the Culinary Union gets results with his blue-collar style. He's a must-see for Democratic presidential hopefuls.

July 12, 2007 | Mark Z. Barabak | Times Staff Writer

Las Vegas — D. Taylor is anxious, pacing irritably as the rabble-rousing continues.

About 150 workers have gathered at the Culinary Union headquarters here to rally and make signs for a Friday night caravan. Their plan is to clog traffic outside the big casinos to protest lagging contract talks. Many are just off the day shift, small children in tow.

Taylor, head of the union local, fidgets as Culinary organizers fire up the crowd. "When you bring kids you've got to get started," he mutters to no one in particular. Then he claps his hands and begins hollering: "Let's go. Let's GO. LET'S GO!!!" The rhetoric ends. The sign-making begins.

Nevada has assumed new prominence in the presidential race because, for the first time, its caucuses will be held in January, right after Iowa starts the nominating process. That, in turn, has created a new set of political power brokers; few in Nevada are more important than the leader of Culinary Local 226, which represents a majority of those who make the beds, fry the eggs, serve the steaks and bus the dishes in America's adult playground.

Their support, and the union's organizing muscle, could be a huge boost for some favored White House contender.

At more than 60,000 members and growing, the Culinary Workers Union is a rare labor success story, defying decades of decline that have thinned union ranks nationwide and diminished labor's clout. To Taylor, Las Vegas represents the once-and-future America, a place where a blue-collar employee, a housekeeper, say, can work hard and obtain the middle-class dream: a home, a car, college for the kids. "What we represent is what a unionized service economy can be," said Taylor, who goes by just his first initial. "Our folks aren't rich, but they're doing OK."

The same might be said of Taylor, 50, a model of inconspicuous consumption, with his crumpled khakis and open collars, cheap lunch haunts and aversion to executive power perks. He has no entourage, no office wall covered with celebrity photos (the closest he comes is a picket-line snapshot with Cesar E. Chavez), no reserved parking spot. "Listen," he says, "if you can't find a place like anyone else, something's wrong with you."

Democrats awarded the early presidential caucus to Nevada partly to give labor, a longtime ally, a bigger say in choosing its nominee. (Republicans, eyeing the action on the Democratic side, have set their vote for the same Jan. 19 date.) For Local 226, the biggest union and most powerful political organization in Nevada, the vote provides an opportunity to promote its agenda -- higher wages, pro-

labor job rules, a pathway to citizenship for immigrant workers -- well beyond Las Vegas.

"We want to talk about issues affecting our workers across the country," said Pilar Weiss, 31, the union's political director. "We want that language and those issues injected into the campaign all through the 2008 cycle."

Taylor is key to that effort, though he strongly denies it. The union prides itself on being a member-driven, bottom-up organization. (There are 500 people on its bargaining committees.) That approach saved the union by restoring morale after years of misrule and a crippling 1984 citywide strike.

But Taylor is no idle observer, as demonstrated by the way he cuts off speeches and gets sign production started at the headquarters rally. Venting is fine, but Taylor prefers action and, even more, results. "I like to find solutions," he says. "Statements and platitudes really don't mean much."

The bottom line is the bottom line. Consider: A union cook in Las Vegas makes \$16.20 an hour, better than 60% above the national average; housekeepers earn \$13.07 an hour, or 50% more.

"The union's delivered," said University of Nevada, Las Vegas, professor William N. Thompson, an expert on the gambling industry. And not just for its members. Businesses throughout the Las Vegas area pay more because "they know if they want to avoid turnover, they have to keep up" with wages in the big casinos, Thompson said.

The union won't be wasting its endorsement on symbolic gestures like the last time it backed a presidential candidate. In 1992, Jerry Brown got the nod over Bill Clinton simply for joining picketers outside the Frontier hotel-casino.

"In politics, there's a lesson I learned," Taylor says. "It's not like a horse race, where you can still make money on second and third place. In elections, you either win or lose."

D. Taylor once thought of being a spy.

Growing up, he loved the novels of John le Carre and Frederick Forsyth, and he thought it would be "very cool and intriguing" to work for the CIA.

The youngest of four children, Taylor was the only boy. He was named after his father, a lawyer and judge in Williamsburg, Va., but his mother said one Donald per household was plenty; thenceforth he was simply D. His parents divorced when he was 12. Taylor and the youngest of his sisters moved with their mom

from the countryside to a two-bedroom apartment in town.

The three lived one payday to the next. There were no vacations, and dining out was a rarity. "Nothing nice or fancy," Taylor recalls. He earned his first paycheck at age 14, at a Kentucky Fried Chicken, and worked through college, attending Georgetown University on and off as money allowed.

Taylor's notion of a spy career ended during his freshman year, after he read Philip Agee's "Inside The Company," an account of dirty tricks and other intelligence abuses. "I thought it was there to help democracy, not suppress people," Taylor says of the CIA.

Disillusioned, he took classes in social studies and history, an abiding passion. He waited tables, alternating between Washington during the school year and two summers in Cape Cod. He still remembers late Philadelphia Mayor Frank Rizzo visiting one season and tipping \$3 on a \$78 check.

Taylor joined the restaurant workers union in 1979 and became a shop steward. Part of the reason was his austere upbringing. It bothered Taylor to see his mother work full time and still struggle financially. "No institution is perfect," he says, but organized labor was "the only institution I saw that allowed workers to have a better say."

In 1980, he graduated from Georgetown's School of Foreign Service. (Not bad training, he jokes, for a union with members from 87 countries.) In fall 1981, he was hired by the Culinary Union to organize workers in the Lake Tahoe-Reno area. He was dispatched in 1984 to Las Vegas, where he helped see the local through a disastrous two-month strike.

Taylor sits in his modest office at union headquarters as he relates this history. The space is dominated by family photographs (a wife, two daughters), Boston Red Sox memorabilia (another passion) and various portraits and keepsakes celebrating the labor movement.

The building itself, in an industrial area just off the Las Vegas Strip, is a worn, jury-rigged complex sprawling over 36,000 square feet. Long corridors are intersected by narrow, alley-like passageways. Reaching the second floor requires a trip outside. Blue-and-white placards direct traffic, like signs around a road hazard.

The feeling, even with cheery member photos lining the walls, is decidedly low-rent. But after a history of corruption tied to organized crime, the modest quarters make a statement: Our money goes into organizing, not opulence. (Law enforcement and corporate ownership of the big casinos eventually drove the mob from Las Vegas; there hasn't been a hint of scandal surrounding the Culinary Union in years.)

Taylor makes \$140,000 a year as head of Local 226 and vice president of its labor parent, Unite Here, leading its national gaming division. He was part of the team that helped purge the organization and rebuild its strike-thinned ranks. A turning point came in 1989, when the union reached an agreement that led to spectacular growth. In return for work-rule concessions, including one making it easier to broaden job responsibilities, the major casino owners agreed not to fight organizing efforts. Because of this, membership grew by leaps -- it has roughly tripled since 1984 -- as the Mirage, Treasure Island, Bellagio and other mega-resorts opened. Over the next decade, the union is projected to add 20,000 to 30,000 members.

Taylor's assignment was supposed to last six months. He never left, but not because Las Vegas is his favorite place in the world. The desert summers are brutal -- "I'm a water person," he says. The 10-mile commute from his two-story tract home northwest of the city -- "Stucco-land," Taylor calls it -- has more than doubled to 45 minutes.

And the overt sexuality -- just stand along the Strip and witness the rolling billboards of semi-clad women -- makes for a challenge raising daughters. But there is, Taylor says, no better place in America to represent the interests of working men and women.

ONE after another, the Democratic presidential candidates have come to pledge their allegiance to Local 226.

Sen. Hillary Rodham Clinton of New York tells members the IRS should quit badgering people who work for tips and pursue corporate scofflaws. New Mexico Gov. Bill Richardson calls for unionizing Indian casinos. Sen. Joseph R. Biden Jr. of Delaware pledges to be labor's best friend since Franklin D. Roosevelt.

The Culinary Union is months away from making its endorsement. Leaders are adamant the process remain open, even though former Sen. John Edwards of North Carolina is friendly with John Wilhelm, head of Unite Here. "We're looking forward to having our members meet with all of them," Taylor says of the Democratic candidates.

The endorsement process hasn't even been set, though it promises to be exhaustive.

"We're not going to have a scorecard: He answered three questions correctly and two wrong. She answered four right and one wrong, therefore she gets the endorsement," said Weiss, the union's political director. "We're going to take a lot of time and make sure when we endorse, the members will follow through." (Republican candidates have been invited to address union members, but none has taken up the offer.)

Taylor, of course, will be deeply involved. Though members will ultimately decide whom to endorse, "it takes a little leadership on my part to come to that," Taylor said. "Figuring out the questions that need to be asked, the kind of real tests that need to be done."

"I'm going to be part of the process," he adds. "I'm not a sheep."

THERE is the "work D" and the "home D." The one at home, his wife says, smiles a lot more.

At work, Taylor has mastered the bland expression and measured response. When things grow testy, he may allow a shrug here, a lifted eyebrow there. He plays rough.

Last fall, the Culinary Union joined the Las Vegas Police Protective Assn. and hired a private investigator to snoop on Clark County Commissioner Lynette Boggs, a political enemy. She lost her reelection bid and was indicted after surveillance raised questions about her residency. Taylor shrugs: "You reap what you

sow."

But at home, the steel core melts.

The bare-knuckle political brawler has been banished to the far end of the soccer field after yelping once too often at Gray, his 12-year-old. The tough talker lapses into Old English to entertain Chenault, 18, a fellow Shakespeare buff. The tough bargainer yields to his wife and surrenders his cherished "Beavis and Butt-Head" soundboard (push the button, and it goes "heh heh heh") after Gray began parroting the crude characters.

At 6-foot-2, Taylor has a loping stride, receding gray-brown hair, deep-set eyes and a stone face perfect for poker -- except he never gambles. (He swore off it more than 20 years ago after losing bets on the Washington Redskins football team.)

Though revered by members -- at a spring rally featuring several White House hopefuls the cheers were longest and loudest for Taylor -- he receives more grudging respect in Las Vegas' corporate suites.

His wife, Bobbette, works for the union's health fund. The couple has been married for 19 years, following a courtship that began on a Washington, D.C., picket line at 5:30 on a winter morning.

She smiles at her husband's hard-nosed reputation, telling how the women at work, knowing his serious sweet tooth, ply him with flan and sweet potato pie, and how his girls keep Dad wrapped tightly around their pinkies. Taylor, seated off to a side, grins, then does something unexpected -- he giggles.

With all the sweet talk from candidates, Taylor is asked sometimes whether he has any interest in seeking political office himself. His response is the same: a smile, polite refusal. He is perfectly happy where he is.

As his wife puts it, "Not many people get to make a career out of something they believed in as a 22-year-old."

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# LAS VEGAS SUN

## Much at stake economically, politically in Station, Culinary fight

By **Jon Ralston**

Sunday, Jan. 22, 2012 | 2 a.m.

An escalating conflict between the city's dominant, homegrown casino company and the state's most aggressive, successful labor organization has emerged from the shadows of resorts to the brightness of the public square, threatening to force politicians to take sides and to inflict collateral damage on others inside and outside Nevada.

The Culinary Union's cutthroat, guerilla tactics, used for years against casinos with Strip ZIP codes, have been deployed for months now against locals goliath Station. But the previously sub rosa effort, which has included complaints with federal authorities and letters to potential Station customers, now has sparked a multimedia counterattack unlike any the union — or Las Vegas — has ever seen.

(Go to my blog at [lasvegassun.com/ralston](http://lasvegassun.com/ralston) to see samples of the Station and Culinary campaigns. You can also see Thursday's Station vs. Culinary on "Face to Face With Jon Ralston.")

The stakes here are enormous, especially for the union, and are much broader than whether this conflagration allows the Culinary in the door at Station properties after decades of trying. After a year in which other vaunted unions — especially the firefighters — saw a public backlash as the economy worsened and government tanked, the Culinary is vulnerable during a time in which other working folks are thankful just to have a job or angry about not having one.

For years, Local 226 has been seen as perhaps the most potent grassroots political force in Nevada, able to singlehandedly sway elections, mostly in local and legislative contests. But the union suffered a blow in 2008 when it went out on a limb for Barack Obama only to see Hillary Clinton, aided by her husband and others, win the state by 5 percentage points.

Now, on the cusp of another presidential year, and with critical races for the U.S. Senate, the Legislature and Clark County Commission, the Culinary is taking on a political player that has only become more influential, pouring money into elected official coffers from Carson City to Grand Central Parkway.

The Station ad campaign is motivated both by frustration and anger at the Culinary tactics, which have included websites to pillory board members and companies deemed too friendly to Station (Zappos) as well as those letters to potential guests and performers. The union has been relentless, as it always is, writing to entertainers and convention organizers, outlining the National Labor Relations Board complaint that has yielded a preliminary victory on 87 counts — that is, they were not dismissed. In one missive to an agent of a performer at Red Rock Resort, the union wrote, "Station Casinos is mired in an ugly, contentious labor dispute that is creating growing ill will in the Las Vegas community."

The Station response has been to try to create some ill will of its own in the community toward the Culinary, with a series of ads portraying the union as a job-killer, not job-creator. And the

Fertittas are a different strain from others the Culinary has run its marathon campaigns against, integrated into the community and power structure in a way few Culinary foes ever have been. They may engender sympathy that the union does not anticipate.

Some who have been here awhile will feel a sense of déjà vu, with the argument of the union insisting on employees simply signing a card to embrace the union vs. Station saying a secret-ballot election is allowed and welcomed. Both sides are disingenuous on this, with the union knowing how much easier a card check process is — and casinos have submitted in the past — and the employer having many advantages to dissuade, even intimidate, if a secret ballot were to occur.

Station, ironically, seems to have Culinary-like resolve, buttressed by the Fertittas' pride and deep pockets as well as the reality that no other locals company has been unionized, so it's a competitive imperative, too. This is an endurance test the company seems prepared to win, going so far as to hire former union ally Mike Sloan to help plot strategy.

The Culinary, too, shows no signs of relenting and last year expanded its assault to the jewel in the Fertitta crown, the Ultimate Fighting Championship, sending boss Dana White into rhetorical paroxysms of fury caught on camera. Maybe White will be featured in the next round of anti-Culinary ads?

I also wonder if the Culinary can count on the support it has enjoyed in the past from the Democratic political elite. Many Democrats, warned by the union about having events on Station properties, are raking in the company's cash as the year begins.

And therein lies the real collateral damage that may occur as, sooner or later, folks in the political and business worlds are going to be asked to take sides in a labor-management war that could make the ones since the 1984 Strip strike look tame.

# LAS VEGAS SUN

## Former housekeeper first woman to lead Culinary union in Las Vegas

By Sun Staff ([contact](#))  
Tuesday, Dec. 11, 2012 | 9:25 a.m.

Geoconda Arguello-Kline, a former housekeeper and union organizer, has been elected to the top position with the Culinary Workers Union Local 226 in Las Vegas, the first woman to hold the post of secretary-treasurer.

She replaces [D. Taylor](#), who left the post to head UNITE HERE, the Culinary's parent union, which represents about 250,000 workers nationwide.

"I'm tremendously honored to take on this position. It is a testament to our diverse and incredible members that has put me here," Arguello-Kline, who was the first Latina elected president of Local 226, said in a statement. The local union represents about 60,000 workers.

Arguello-Kline left Managua, Nicaragua, as a political refugee in 1979. She arrived in Miami with her two children and worked a series of service jobs, including housekeeping and truck driving.

In 1983, at her brother's suggestion, she moved to Las Vegas. She found a job as a guest room attendant at the Fitzgeralds Casino downtown.

In 1990, Arguello-Kline was hired as a union organizer. She was one of the leaders on the picket line for six years, four months and ten days during a strike at the Frontier on the Las Vegas Strip.

In 2002, she was elected president of Local 226 and today serves as vice president of UNITE HERE and is a board member of the Culinary Academy and Citizenship Project.

# NEWS / PRESS RELEASES

JUN 01, 2014

## **Unions Conclude Contract Negotiations for 44,000 Workers**

**FOR IMMEDIATE RELEASE**

June 1, 2014

**Media contact:**

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## **UNIONS CONCLUDE CONTRACT NEGOTIATIONS FOR 44,000 WORKERS**

LAS VEGAS, NV – Union negotiating committees representing workers at the Golden Gate Hotel and Casino reached a tentative agreement for a new five-year contract with the company on June 1. The latest settlements conclude the Culinary and Bartenders Unions' year-long citywide contract negotiations for 44,000 housekeepers, cooks, food servers, cleaners, cocktail servers, and other hospitality workers at major casino-hotels on the Las Vegas Strip and Downtown Las Vegas whose contracts expire June 1, 2013.

There are now new contracts with: MGM Resorts International, Caesars Entertainment, Tropicana, Riviera, Treasure Island, Stratosphere, LVH, Golden Nugget. Properties with tentative agreements where workers will have to vote next week to ratify: The D, Four Queens, Binion's, Fremont, Main Street Station, Plaza, Las Vegas Club, El Cortez, and the Golden Gate.

"Having a union contract means that I don't have to worry about whether I can cover my family's medical bills," said Mike Parker, a houseman at the Golden Gate. "I love seeing how Las Vegas has evolved over the years and am proud that hospitality jobs continue to be good jobs here."

"We are pleased that we have settled new contracts with our major employers that will allow union members to have an opportunity to provide for their families through hard work under a fair contract," said Geoconda Arguello-Kline, Secretary-Treasurer of the Culinary Union. "We will

make sure that other casino workers in Las Vegas who aspire to the same union standard of living will be able to join our union family soon.”

“We have had to do a lot of hard work inside and outside our hotel to get our new contract,” said Monica Munguia, a housekeeper at Paris. “We are now ready to support the Cosmopolitan workers, and the workers at Station Casinos to win their fights, too.”

“We are not the Mandalay Bay Union, Caesars Palace Union, or the Golden Nugget Union. We are the Culinary and Bartenders Union,” said Victor Chicas, a server assistant at the Mandalay Bay. “We are stronger when we stand together and we will continue to work hard every day to make Las Vegas a better place to live, work, and visit.”

As of release date, over 44,000 workers in Las Vegas on the Strip and Downtown are working with a new 5-year union contract which protects their health benefits and pensions, improves housekeeping working conditions, and facilitates workers’ return to work in food and beverage jobs. The non-profit Culinary Health Fund covers approximately 120,000 people in Las Vegas with no monthly premium, low co-pays, and an extensive network of doctors, specialists and hospitals. The Culinary and Bartenders Pension Fund ensures that workers can enjoy a dignified retirement after long years of demanding work in the hospitality industry. The laundry workers are still in negotiations for a new contract.

Culinary Workers Local 226 and Bartenders Local 165, Nevada affiliates of UNITE HERE, represent over 55,000 workers in Las Vegas and Reno, including at most of casino resorts on the Las Vegas Strip and in Downtown Las Vegas. UNITE HERE represents 270,000 hospitality workers in gaming, hotel, and food service industries in North America.

[www.CulinaryUnion226.org](http://www.CulinaryUnion226.org) / [@Culinary226](#)

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LETTER FROM NEVADA

## Why Obama Went to Vegas

Hint: It's not just about immigration.

By JON RALSTON | November 21, 2014

**S**ome may ask of President Barack Obama's decision to go to Nevada Friday to sign his immigration executive action: Why Las Vegas? I say: Why not?

Las Vegas provides the president with perfect meshing of the political and the substantive, of the symbolic and the real. And, most of all, it is home to one Harry Reid, the soon-to-be defrocked majority leader who needs a lot of help to get re-elected to a sixth term.

The president wants to boost the Democratic leader, even after Reid unleashed his chief of staff before the results came in two weeks ago to essentially blame Obama for the [Senate turnover](#). But the fingerpointing is over and now both men need each other the way the president needed Reid to pass Obamacare and the way the senator needed Obama to help build a formidable Democratic machine in Nevada six years ago so he could survive in 2010.

Now this beautiful friendship, or at least political symbiosis, has been reinvigorated after a red wave washed over Nevada, accentuating Gov. Brian Sandoval's status as a potent force, and coincidentally a Hispanic one, who would be a heavy favorite should he choose to run against Reid.

So what's a president to do but help a fella out by agreeing to go to Reid's home base? Here he can begin the process of rallying a base that deserted the Democrats two weeks ago and that Reid needs to reinvigorate if he has any chance to survive in two years. Hispanics are a key constituency for Reid, a demographic that helped him destroy [Sharron “Some of you look a little more Asian to me” Angle](#) in 2010.

The final figures are not in, but the Hispanic vote in Nevada this year dropped precipitously after growing each of the previous three cycles, reaching [18 percent in 2012](#).

Hispanics are about a quarter of Nevada's population and could be as much as 20 percent of the electorate in 2016.

By announcing the executive action and then coming to Vegas to consecrate it with Reid at his side, the president shows he is willing to help rebuild the party's base for the besieged senator. And the venue, Del Sol High School, also is meaningful for Obama, who has been there twice before, including in January 2013 when he made his [immigration reform pitch](#) shortly after he was inaugurated for a second term. This is a White House that loves symbolic gestures, so this will be a bookend to Obama's speech last year.

The president also well knows of Nevada's importance in the 2016 White House sweepstakes, and while he is a lame duck, he cares about the party and who succeeds him. Nevada remains a purple state whose hue became a little redder after 2014, after becoming a little bluer in the two presidential elections Obama won here. Now an invigorated and burgeoning Latino vote could help it turn bluish again.

But beyond the favor to Reid, Obama can easily justify choosing Nevada for the signing ceremony. This is not homerism: Nevada, and Las Vegas specifically, is the best place to make the case for immigration reform. Why?

The most important labor force in the state, the one that populates the gaming industry, is the Culinary union, a 50,000-member organization that, coincidentally, was an early endorser of a 2008 underdog named Barack Obama. It was the first union in the country to embrace the future president, who actually lost Nevada in the popular vote to Hillary Clinton but won more delegates because of the caucus system his campaign mastered.

The Culinary is a melting pot, with more than 50 percent of its workers Hispanic, 14 percent Asian and 88 countries represented. There's a reason MSNBC is setting up a live truck at union headquarters Friday.

While the Mexican border states come first to mind when discussing the problem of immigration, it's Nevada that actually has the **highest share of undocumented immigrants** in any state in America, at 7.6 percent.

The problem here is real and it is growing, affecting the school system, the job market and the state's social service infrastructure. And what's more, there is no better face for immigration reform than Astrid Silva, the remarkable young Nevada woman whom Obama **cited** in his Thursday evening speech and whom Reid has mentioned on the Senate floor more than once, including when the Senate bill **passed** a year and a half ago.

Silva's compelling life story and her passion on the issue have given her national prominence, which reached its zenith Thursday evening. She spoke out in frustration many times this year, and she was nearly **reduced to tears** the night before the announcement because her father is facing deportation.

Obama's invocation of Silva, whose story surely was provided to him by Reid, crystallized how this is about the re-cementing of the Reid-Obama bond that had so recently frayed. The media will queue up the gambling clichés when Obama signs the order today, but perhaps a play on another one more accurately describes why the president is doing it at Del Sol High School:

What happens in Vegas can only help Harry Reid.

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Jon Ralston, contributing editor at POLITICO MAGAZINE, has covered Nevada politics for more than a quarter-century. He has worked for both major Las Vegas newspapers and now has his own site, email newsletter and television program.

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**Additional credits:**

 Lead image by Getty.

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# UNLV exhibit looks at Culinary Union influence



Culinary Union participates in Gay Pride parade (courtesy)



## Preview

What: "Line in the Sand: The People, Power, and Progress of the Culinary Union"

When: during regular operating hours, Friday through April 1

Where: Lied Library at UNLV, 4505 S. Maryland Parkway

Admission: Free (702-895-2255; [www.UNLVPublicHistory.com/Culinary](http://www.UNLVPublicHistory.com/Culinary))

By GINA ROSE DIGIOVANNA  
SPECIAL TO THE LAS VEGAS REVIEW-JOURNAL

Henry Shepherd held onto his old union dues books. They're relics of his nearly 45-year career in Las Vegas hospitality, and a throwback to days when union members went down to the union hall to pay dues and have their books stamped.

Shepherd, whose career recalls the heyday of Sammy Davis Jr. and Wayne Newton, worked in the back of the Sands hotel-casino washing dishes until desegregation gave him a shot at apprentice bartending. His dues-paying, book-stamping union hall visits were a chance to rub shoulders with other members, including the union's president, vice president and secretary-treasurer.

"It was more like a meet-and-greet," says Shepherd, now a member of UNITE HERE Bartenders Local 165. "Chitchat. Tell everybody it's going to be OK."

Shepherd contributed his dues books to "Line in the Sand: The People, Power and Progress of the Culinary Union." The UNLV Public History program's student-curated exhibit will run from Friday through April 1 in the first-floor gallery of UNLV's Lied Library.

The exhibit represents a massive collaboration, not only between UNLV and the 55,000-member Culinary Local 226. The collaboration also extends cross-departmentally, within UNLV, and with the Nevada State Museum.

The Culinary union is, according to its digital strategy director, Bethany Khan, the largest local of UNITE HERE, which

represents hospitality workers in the United States and Canada. Khan calls the exhibit a “greatest hits” collection that includes buttons, pins, T-shirts, oral histories and photographs related to nearly 80 years of Culinary history in Las Vegas.

Themes ranging from labor and race to immigration and LGBT issues are all at play in the exhibit. All have been paramount for a union that claims to be the largest immigrant organization in Nevada, with a health insurance program that led the way in the state, covering same-sex domestic partners.

The organization’s members speak more than 40 languages, representing workers from more than 160 countries. Fifty-one percent are Latinos, and more than half are women. Among them are kitchen workers, housekeepers, cocktail waitresses and cooks.

The exhibit documents highs, lows and sacrifices embedded in the organization’s history, including the citywide strike in 1984 and the Frontier strike in the 1990s, says the union’s secretary-treasurer Geoconda Arguello Kline.

Those strikes were “key in this fight we have had for the standard of living in the city,” she says.

Hannah Robinson, the exhibit’s graduate student curator, shows archival items on display at Lied Library. A “Support Frontier Strikers” button reads “Desert Solidarity: Our Line in the Sand.” T-shirts commemorate the more recent struggle with Station Casinos. Yet another T-shirt reads: “We Struck. We Stuck. Scabs Suck. I Was a Jailbird for Culinary Local 226 ’84.”

Then there’s the entity privately dubbed by some as the “Gray Lady,” a statue about 10 feet tall, approximating Lady Liberty. She earned her place in Union history by appearing at pickets and holding banners from 1992 to 1998, Khan says. For years, she’s sat idly outside at the Culinary union, plaster flaking in the desert sun. But the students who’ve pulled the exhibit together have been trying to patch her up while maintaining historical integrity.

Besides an estimated 35 objects, the exhibit includes 10 oral histories offering stories from protesters, and a round-table discussion with five Las Vegas bartenders. More interviews may be added to the collection later, says Claytee White, director of the Oral History Research Center at UNLV Libraries. White conducted all of the interviews, with some help from a graduate student.

“I really didn’t know much about Las Vegas at all,” says Robinson, who moved here from Washington state more than a year ago. “I’ve been able to learn about economic history, tourist history, and at the same time, labor history in the Southwest, which I absolutely knew nothing about before this project.”

But even locals might be surprised by the unexpected turns the exhibit documents, White says, such as the transformation of civil disobedience over decades.

“Back in the 1970s and ’80s, the police department would round up the strikers and put them onto a bus with windows closed and the people handcuffed,” she says. “We’re talking about midsummer. So the bus would turn into a heat box.”

Compare that, she adds, with more recent events at The Cosmopolitan of Las Vegas, where arrangements were made between the police department and strikers, so police knew what time the strikers would hit the street. Strikers knew that they would be handcuffed, sometimes so loosely that handcuffs fell off.

Deirdre Clemente, associate director of UNLV’s public history program, has led the charge, with 13 students, in a graduate-level colloquium on public history. Clemente, a clothing historian, served as a consultant for the 2013 movie version of “The Great Gatsby,” which starred Leonardo DiCaprio.

In hot pursuit of what she describes as “material culture,” she and her students gradually shaped the exhibit, drawing on expertise from the UNLV photography department and the Nevada State Museum, among others. Along the way, they’ve delved into local history with experts Michael Green and Eugene Moehring.

This past spring, the class launched a treasure hunt in a hot tin shed in the union’s parking lot, where relics from the union’s past had been sitting, gathering dust. Sweating students began cataloging the remnants of Culinary’s history, wrapping and storing them in archival boxes for preservation.

The hunt also extended into union offices and closets, with those associated with the union’s history also making

contributions.

Clemente says the exhibit was born about two years ago of an emerging campuswide interest in labor studies. Along with that came an interest in developing a relationship with the Culinary union. At the center of it all was Christopher Hudgins, dean of UNLV's College of Liberal Arts. Hudgins' interest in the union goes back to 1993.

More recently, student internships at the union and the possibility of expanded archive collections in UNLV's library system, with help from the union, have been points of discussion, Hudgins says.

"(The exhibit) gives a picture of just how central the Culinary union has been to developing our, I think, number-one-in-the-country service industry," he says.

Arguello Kline came from Nicaragua and moved to Las Vegas in 1983, starting as a guest room attendant. For her, the exhibit is important in demonstrating the sacrifices workers made over the years to create a decent living standard.

"They don't make money if they're outside," she says. "And in the summer, you walk outside. But if they didn't do it, Las Vegas wouldn't be the city it is now."

White says, "This exhibit shows that we are one of the most powerful labor union cities in the country. We have been that for a long time. People don't know that."

# The Cosmopolitan agrees to 4-year union contract

By [J.D. Morris](#)

Published Tuesday, Dec. 1, 2015 | 11:40 a.m.

Updated Tuesday, Dec. 1, 2015 | 4:17 p.m.

The Cosmopolitan and a major Las Vegas union announced today that they have concluded negotiating a contract that will cover about 2,000 employees at the nearly 5-year-old resort.

The Culinary Workers Union Local 226 said that it and the Bartenders Union Local 165 have agreed to a four-year contract with the Cosmopolitan that includes workers in the food, beverage, housekeeping, bar and lounge, and bell departments. Employees have voted on and accepted the contract, a Culinary statement said.

Since it opened in late 2010, the Cosmopolitan had been one of only a few major Strip resorts without a union contract. A tense relationship between the Culinary and the resort's previous ownership led to major demonstrations in the past.

The contract comes a year after the private equity firm Blackstone bought the Cosmopolitan for \$1.73 billion. Both the new ownership and the union [signaled](#) in February that they wanted a productive relationship when they held a press conference and champagne toast beneath the resort's multi-story chandelier.

Geoconda Arguello-Kline, the union's secretary-treasurer, said in a statement today that the union saw the leadership of Blackstone and Cosmopolitan CEO William McBeath "as a positive turning point in this long awaited partnership."

"We welcome new members to the union, which turned 80 years old this year, and we are committed to continue raising the standard of living for hospitality workers and their families throughout this great city," Arguello-Kline said.

The contract includes "successorship language" that protects workers' seniority, wages and benefits if the resort is ever sold again, according to Culinary spokesperson Bethany Khan.

It also guarantees the Cosmopolitan's owner will remain neutral in the organizing process at any future casinos it acquires in Las Vegas, Khan said. The contract otherwise sticks to the union's standard terms for wages, job security and health benefits, she said.

Not long after the Cosmopolitan opened, a majority of workers the union would represent signed cards in favor of organizing, but the union and the resort's previous owner, Deutsche Bank, never agreed on a contract.

As tensions rose in 2013, protesters affiliated with the union staged multiple demonstrations against the resort.

They sat in the [middle of Las Vegas Boulevard](#) and on the [resort's casino floor](#), intentionally provoking mass arrests. Union demonstrators that year were also captured on video insulting people entering the Cosmopolitan, including calling them "[losers](#)" and "[beached whales](#)."

But the situation changed when Blackstone and McBeath, who was appointed last December, took over. Both reiterated today what they had previously expressed in February: The days when the Culinary and the Cosmopolitan had an adversarial relationship are gone.

“This contract is an example of when multiple parties have a vested interest in the outcome, lives can be changed,” McBeath said in the statement. “I am pleased that a contract has been finalized as we at The Cosmopolitan pride ourselves on creating great relationships with our CoStars and providing them with a positive work environment.”

Similarly, Jon Gray, Blackstone’s global head of real estate, said that after acquiring the resort last year, his firm “made it a priority to find a resolution as quickly as possible to the satisfaction of all parties.”

# CULINARY WORKERS UNION LOCAL 226



## NEWS / PRESSRELEASES

Sep 06, 2016

### Workers at Boulder Station Vote to Unionize Through NLRB Secret-Ballot Election

#### FOR IMMEDIATE RELEASE

Tuesday, September 6, 2016

##### Media Contact:

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#### Workers at Boulder Station Vote to Unionize Through NLRB Secret-Ballot Election

LAS VEGAS, NV – Over Labor Day weekend, workers at Boulder Station Casino & Hotel have voted by a landslide of 67% to be represented by the Culinary Workers Union Local 226 and the Bartenders Union Local 165 through an NLRB secret-ballot election. Over 570 Boulder Station workers will be represented by the Unions.

"It is very simple: we voted for the union because we want to have a union at Boulder Station," said Rodrigo Solano, a cook at the casino, which opened in 1994.

"After all these years of fighting to make our jobs better, it is time for management to listen to us: we want to have fair wages and good health benefits like tens of thousands of other casino workers in Las Vegas."

The union filed for an election on August 15, and over 530 employees in the union's bargaining unit voted on September 2 and 3 on-site at the Boulder Station casino-hotel. The decision by Boulder Station workers to unionize comes less than a year after workers at a Station Casinos-managed tribal casino in Northern California ratified their first union contract. Boulder Station is the first of Station Casinos' properties in Nevada to unionize with the Culinary and Bartenders Unions.

"We applaud the tremendous courage and determination of the Boulder Station workers, who have resoundingly rejected the company's anti-union campaign to discourage and scare them over the years, especially over the last two weeks," said Geoconda Arguello-Kline, Secretary-Treasurer for the Culinary Union. "Workers at Boulder Station have made their choice to unionize, and we look forward to contract negotiations starting as soon possible."

The Culinary Union continues to call on Station Casinos to agree to a fair process at its other Las Vegas properties so that workers can decide whether to unionize free from management interference, intimidation, bullying, and litigation.

"We know about the Culinary and Bartenders Union and the union standard that workers have fought to have for over 80 years, and we made our decision to unionize based on those facts," said Jeri Allert, a cocktail server at Boulder Station. "I look forward to negotiating a good union contract that protects my coworkers and our families."

"Our company has enjoyed great success because of the hard work we put in every day to provide great service and hospitality," said Maria Portillo, a food runner at Boulder Station. "We deserve to have a union contract that gives us job security, fair wages, good healthcare, and a pension so that we can have the opportunity to provide for our families through our hard work."

At the large casino-hotels owned and operated by Station Casinos in Las Vegas, including soon-to-be-acquired Palms, workers have been demanding publicly a fair process to exercise their right to choose whether to unionize. Responding with a vicious anti-union campaign, Station Casinos has broken federal labor law eighty-eight times and is the worst labor law violator in the history of Nevada gaming. Recent changes to NLRB rules have created new opportunities for workers to choose whether to unionize through secret-ballot elections despite the continued prospect of management interference, intimidation, bullying, and litigation.

Boulder Station is a subsidiary of Station Casinos LLC, which is partially owned by Red Rock Resorts, Inc. (NASDAQ: RRR). Deutsche Bank owns approximately 16% of the Las Vegas gaming company.

*Culinary Workers Union Local 226 and Bartenders Union Local 165, Nevada affiliates of UNITE HERE, represent over 57,000 workers in Las Vegas and Reno, including at most of casino resorts on the Las Vegas Strip and in Downtown Las Vegas. UNITE HERE represents 270,000 workers in gaming, hotel, and food service industries in North America.*

*The Culinary Union is Nevada's largest immigrant organization with over 57,000 members - a diverse membership that is approximately 55% women and 56% Latino. Members -who work as guest room attendants, bartenders, cocktail and food servers, porters, bellmen, cooks, and kitchen workers- come from 167 countries and speak over 40 different languages. The Culinary Union has been fighting for fair wages, job security, and good health benefits for working men and women in Nevada for over 80 years.*

*The Culinary Union is encouraging Nevada locals, political candidates, and tourists to avoid staying at/or patronizing hotels under an active labor dispute such as Station Casinos, Palms Casino Resort, and the Trump Hotel Las Vegas. To see the full list properties with an active labor dispute, go to:*

**VegasTravelAlert.org.**

**CulinaryUnion226.org / @Culinary226**

# This Land

## Latina Hotel Workers Harness Force of Labor and of Politics in Las Vegas

The 57,000-member Culinary Union, which is 56 percent Latino and includes guest room attendants, is a powerful supporter of Nevada Democrats.

This Land

By DAN BARRY NOV. 5, 2016

LAS VEGAS — She begins her day in black, the natural black before dawn and the requisite black of her uniform: the T-shirt, the pants, the socks, the shoes with slip-resistant treads, all black. The outfit announces deference.

She crams fresh vegetables into a blender and holds a plate over its mouth as the machine whips up her green liquid breakfast. Its whine sounds the alarm for her four school-age grandchildren who, one by one, emerge sleepwalking from corners of their crammed rented house.

Time to go. Before shepherding the children into her silver Jeep Patriot, the woman straps on a fabric back brace and covers it with the last piece of her uniform, a gray and black tunic. Then, above her left breast, she pins two small union buttons beside her silver name tag. The combined effect says:

This is Celia. Underestimate her at your risk.

Celia Vargas, 57, with dark wavy hair restrained by a clasp, works at one of the hotels in perpetual gleam along and around the Strip. She is a “guest room attendant” and a member of the Culinary Union, one of more than 14,000 who clean hotel rooms while guests donate money to the casino of their choice.

Ms. Vargas, who is from El Salvador, and her Latina union colleagues are a growing force in the politics and culture of Nevada, vocal in their beliefs and expectations. Their 57,000-member Culinary Union, a powerful supporter of Nevada Democrats, is now 56 percent Latino — a jump from 35 percent just 20 years ago.

“The power and courage of guest room attendants are the foundation and a big source of strength of the Culinary Union,” Bethany Khan, the union’s communications director, says. These workers, she adds, “are the majority of the middle class in Nevada.”

Most of the hotels on and around the Strip are union shops, but the one that employs Ms. Vargas has yet to sign a contract. Even though its workers voted to unionize last December, and even though it is violating the law by not coming to the bargaining table — a point reinforced in a decision and order issued on Thursday by the National Labor Relations Board.

So Ms. Vargas wears her back brace, hidden, but also her buttons, prominent.

A wooden rosary draped over the rearview mirror sways as her Jeep wends through a working-class stretch of Las Vegas; this is not where Donny and Marie live. She drops her grandchildren at their school, then goes to the house of a friend from the Dominican Republic. She is standing outside, dressed in the same black and gray.

The Jeep drives deeper into the Vegas peculiarity, past the 7-Elevens and massage parlors, the smoke shops and strip clubs. Soon the casino and hotel giants of the Strip are framing the view, including one that sticks out like a gold tooth in a wicked grin.

This is where Ms. Vargas will clock in at 8:30, and where she is expected to clean a checked-out room in less than 30 minutes and a stay-over in less than 15. Every room seems to reveal something about the human condition.

“Sometimes I open the door, and I say ‘Oh my God,’ ” Ms. Vargas says. “And then I close the door.”

Despite their name tags, guest room attendants are anonymous. They go unnoticed by many as they push their 300-pound carts to the next room, and the next.

A glimpse of what is expected of these attendants can be found at the Culinary Academy of Las Vegas, a joint venture between the culinary and bartenders unions and many properties along the Strip. Here, people are trained as cooks or baker’s helpers, bus persons or bar apprentices — or guest room attendants.

A corner of the academy’s building features a series of mock guest rooms, each one representing a specific hotel’s style: a Bellagio suite, an MGM Grand, a Caesars Palace. Students learn how to lift mattresses without injuring their backs; how to wear gloves while reaching with care into wastebaskets; and how to maintain quality while moving quickly, because there’s always another room.

“Get in and get out,” says Shirley Smith, a former guest room attendant who now trains others.

Consider all the items on that cart. Linens, magazines, water bottles, coffee, toiletries, tissues, glass cleaners, disinfectants, bathrobes, dusters, a vacuum, and assorted brushes, including one for the toilet and one for the crevices around the tub and shower.

Now consider the job itself.

“We make the beds, dust, vacuum, mop, fill the coffee, the creamer, the sugar,” Ms. Vargas says. “We wash the toilet, the bathtub, the shower, the Jacuzzi. Worst, sometimes, is the kitchen. We clean the kitchen.”

All in a half-hour. Nine, 10, 11 times a day.

And when her shift ends in the early evening, Ms. Vargas has often sweated through her back brace and black T-shirt. Aching here there and everywhere, she drives home and tells her family that Grandma needs to lie down for a little bit.

Grandma's full name is Celia Menendez Vargas. She grew up in the city of Santa Ana, the daughter of a soldier and a nurse. As civil war engulfed El Salvador in the early 1980s, her husband was killed in a bus bombing, and various family members fled to asylum in Canada and Australia. She entrusted her two children to an aunt and sold her belongings to pay for illicit transport to the United States. She was smuggled in a wooden container on a truck bound for Los Angeles.

"Illegal," she says. "Like a lot of people."

She worked for four years as a live-in housekeeper, applied for residency and saved up the money to arrange for her two sons to join her legally. She remarried, gave birth to a girl in 1986, divorced and kept working. Newspaper deliverer. Garment factory worker. Babysitter. School custodian. Food-truck cook, making pupusas, those Salvadoran corn tortillas filled with cheese or meat or beans.

In 1996, Ms. Vargas became an American citizen. Her reasoning is familiar, yet fresh: "For me this was very important. I always think this country was the best for the future of my kids."

Friends were urging her to come to the soccer fields some Sunday and meet a man who was also from Santa Ana, but her heavy work schedule precluded romance. "Always working," she says. "Working, work, work."

They met, finally, she and Jorge Alberto Vargas, and were married in 2003. A few years later they moved to Las Vegas, on word that jobs were plentiful in the neon oasis.

Mr. Vargas, who had a work permit based on political asylum, became a chef at a casino on the Strip, and things were fine until they weren't. Three years ago, he was detained after being arrested a second time for driving under the influence, although the family maintains his second arrest was a medical episode related to diabetes. He spent more than two years being shipped to various federal detention centers —

Nevada, California, Texas, Louisiana — before being deported back to El Salvador in July.

Ms. Vargas saw him last a year ago, for 30 minutes; she cries at the memory. She keeps his clothes boxed in the garage, and files document after document with the government, working toward that day when they might be reunited.

This and other travails consume Ms. Vargas. But she has returned to the work force, finding a job as a guest room attendant in this glittering gold nonunion hotel. It paid a little more than \$14 an hour — about \$3 less than what unionized housekeepers were making, and with nowhere near the complement of benefits.

Some of her colleagues began to agitate for a union vote. Union pamphlets and cards were surreptitiously exchanged in the parking lot, in the bathrooms, under tables in the employees' dining room. Ms. Vargas joined in, motivated in part by the \$17,000 in debt she had accumulated by undergoing surgery for breast cancer; she wanted better health care benefits.

At one point she and a few other workers were suspended for wearing union buttons, but this concerted union activity is federally protected. After the Culinary Union filed unfair labor practice charges with the National Labor Relations Board, she was quickly reinstated with back pay, her buttons intact.

It has not been easy. Downsizing after her husband's deportation, selling her bedroom set, moving in with her daughter and her family. Publicly agitating for the union — and for the Democratic nominee for president — and then fretting that there might be retaliation at her nonunion, pro-Republican workplace. And working, constantly working.

"I tell my children, we have to work," Ms. Vargas says. "It's not for government to support me. We work work work."

She pulls into the employee parking lot of the gold hotel, set aglow now by the unsparing morning sun. Searching for a parking spot, she passes other women, many of them also in black and gray tunics, hurrying toward the service entrance.

Soon she is heading for the same door, one more guest room attendant who wears a back brace while cleaning rooms for a presidential candidate whose name is on the bathrobes she stocks, on the empty wine bottles she collects, on her name tag.

He will receive her labor, but not her vote.

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# Embattled Democrats, Labor Allies See Nevada as a Beacon

The state was a rare electoral bright spot for the party, helped by culinary union's organizing efforts



Sen.-elect Catherine Cortez Masto (D, Nev.) spoke to supporters after an election-watch party in Las Vegas early in the morning of Nov. 9. PHOTO: CHASE STEVENS/ASSOCIATED PRESS

By Alexandra Berzon

Updated Nov. 21, 2016 3:50 p.m. ET

LAS VEGAS— Donald Trump's presidential victory has been widely interpreted in part as a sign of organized labor's waning influence over its members. But not in Nevada, where the Culinary Workers Union helped to deliver a nearly clean sweep for Democrats in several races.

The union, which represents housekeepers, cocktail waitresses and other casino workers, was credited by many with helping to produce a blue wave that flipped two U.S. House districts to Democrat from Republican, won a close Senate race for Democrats and helped the party gain control of both state legislative bodies. Hillary Clinton carried the state even as she lost many traditional organized-labor strongholds in the Midwest.

"Nevada is definitely a hopeful place" for the labor movement, said Steve Rosenthal, a longtime union political organizer who ran the Service Employees International Union's national political effort during the election.

At the Democrats' election-night party, many union volunteers wearing anti-Trump T-shirts stood on stage chanting as Ruben Kihuen, the son of a union member and housekeeper, gave a speech celebrating his victory in a close race for a Las Vegas-area House seat previously held by a Republican.

"This is the American dream," Mr. Kihuen said of his victory.

Exit polls show that people from union households voted as a greater share of the electorate—19%—than four years ago in Nevada and supported the Republican presidential candidate at about the same clip as they had then, around 40%.

In some of the Rust Belt states that Mr. Trump picked up, union households made up a little over 20% of the electorate. The difference was that they were more likely to favor the Republican than they did in previous elections. Mr. Trump received around 54% of the union vote in Ohio compared to Mitt Romney's 37% in 2012; 40% in Michigan compared to 33% for Mr. Romney; and 43% in Wisconsin compared to 33% in 2012, according to exit polls.

Nationally, around 18% of the electorate was from union households, the same as in 2012; Mr. Trump was supported by 43% of those union-household voters, compared with 40% for Mr. Romney.

Tom Buffenbarger, who recently retired as president of the International Association of Machinists and Aerospace Workers, said that the results indicate that as union density in America has dropped amid a decline in manufacturing, an increasing number of the remaining members are no longer voting automatically Democratic as most union endorsements ask them to.

For D. Taylor, president of the Culinary's parent union Unite Here, part of the answer lies in the Culinary's on-the-ground effort in Nevada.

"It meant going door to door, talking to people, listening to people, trying to move people," Mr. Taylor said. "I think that's very, very doable. That's what Democrats and labor used to do."

The union began its political organizing with a citizenship drive at the beginning of the year, helping to naturalize about 2,200 people so they could vote. In the fall, it paid for 100 members to take weeks off from work to help with organizing. By election day, 300 members were working on the effort.

The union thinks that it was responsible for getting about 53,000 people to the polls—a far larger number than the margin of victory in either the presidential or Senate races—said Yvanna Cancela, who recently stepped down as its political director. Of those voters, 16,000 were union members; the rest were identified by the union as low-propensity Democratic voters. The union spends very little of its political money on advertising.

Whether labor's Nevada success can become a national model—or even leave a lasting imprint on Nevada—is a matter of debate.

Get-out-the-vote efforts were aided by several factors that are particular to the state, including widespread early voting and a population that is heavily Latino and concentrated in one region, Las Vegas. The Culinary union's service-sector members haven't been as much affected by outsourcing and other forces buffeting industrial unions.

Another unique factor in Nevada is retiring Senate Minority Leader Harry Reid, who has been an exceptionally effective Democratic party fundraiser and organizer for the state.

Some Republican operatives in the state said they are hopeful that now that Mr. Reid is retiring it may become easier to counteract the political efforts from unions and others.

"It can be frustrating being a Republican operative in Nevada going up against this Harry Reid machine," said Robert Uithoven, a political consultant. "A lot of us have been looking forward to his retirement for sometime."

Others think the outcome in Nevada could be a model for Democrats girding for more fights as Republicans, who tend to oppose union-backed agendas, will now control Washington, D.C., and continue to hold power in most state capitals.

"If you have a dynamic union that does a lot of work, that is enough," said Nelson Lichtenstein, a history professor who studies unions at the University of California, Santa Barbara.

# Trump Hotel employees in Las Vegas secure a contract with powerful Culinary Workers Union



Hundreds of workers for the Culinary Workers Union protest outside the Trump International Hotel Las Vegas earlier this year. (Mike Nelson / Getty Images)

It's owned by President-elect Donald Trump and is among a handful of hotels on the Las Vegas Strip that is not unionized.

But that will change soon.

For more than a year, Trump and his staff at the Trump International Hotel Las Vegas have fought efforts by employees to join Culinary Workers Union Local 226. But a four-year contract announced by the union on Wednesday will offer Trump employees annual wage increases, a pension and family healthcare, among other benefits.

In Nevada, the culinary union is the state's largest and most powerful, representing nearly 55,000 workers who serve cocktails and prepare food at hotels throughout the state. A majority of the union's members are Latino.

Bethany Khan, a spokeswoman for the union, said the contract with Trump was a step in

the right direction. "We've been picketing and protesting for much of the last year and here we are finally with a contract," Khan said. "We're very, very pleased."

In December 2015, nearly 500 workers at the Trump International voted in favor of joining the union. Yet Trump and managers at the hotel refused to negotiate, assailing the vote as rigged. Managers at the hotel had filed more than a dozen objections with the National Labor Relations Board, alleging intimidation and forgery by union officials in the vote. (Once Trump becomes president, he'll have the authority to appoint members to the board.) Each of the claims was either withdrawn by Trump or dismissed by the labor board.

On Wednesday, a spokeswoman representing Trump's hotel declined to comment about the new contract.

The pact with the Culinary Workers Union wasn't the only labor victory involving Trump. In Washington, Unite Here Local 25 announced an agreement to permit an organizing campaign for employees at the recently opened Trump International Hotel at the Old Post Office building near the White House.

Throughout the presidential campaign, Nevada Democrats castigated Trump for not negotiating a union contract for his employees — many of whom earn far less than workers at other hotels along the Strip. Political observers were baffled by Trump's resistance to allow his employees to unionize given his past support for organized labor and his populist pitch to working-class voters.

"He doesn't want a battle with unions hanging over his head as president," said Jon Ralston, a longtime Nevada political journalist, about the four-year contract.

In July, a complaint filed against the hotel on behalf of two employees who supported an effort to join the union was settled. The complaint alleged that one employee was fired and another was denied a transfer to a full-time job because of their vocal support for hotel workers' bid to join the union.

The hotel, co-owned and managed by the Trump Organization, agreed to pay a total of \$11,200 in lost wages to the employees, according to a statement from the union.

Ahead of a presidential debate in Las Vegas in October, the culinary union helped organize the placement of dozens of taco trucks outside Trump's Vegas hotel — an effort to call attention to the efforts to win a contract and to unflattering statements by a Trump surrogate about Mexicans and taco trucks "on every corner" of the United States.

Carmen Llarull has worked in housekeeping at Trump's Las Vegas hotel for four years. The new contract, she said, will ensure employees have more respect.

"It's very difficult to work for a company when there is no contract," said Llarull, 64, noting she believes she now has more job security. "We just had to constantly fight for respect; now it'll be a little easier and better."

# Deal sets stage for Palace Station workers to unionize

By [Thomas Moore](#)

Tuesday, March 14, 2017 | 6:25 p.m.

In a rare agreement, signed Monday, Station Casinos has agreed to stop fighting the attempt by Culinary Workers Union Local 226 to unionize Palace Station.

Cornele Overstreet, regional director of the National Labor Relations Board, said that according to the agreement, the first bargaining session has to take place within 12 weeks. Once that session occurs, the union and Station has from six months to a year to come up with a contract.

The agreement was reached after Overstreet looked into allegations that Station had violated the National Labor Relations Act during an election at Palace Station in mid-October to see if workers there wanted to be represented by the Culinary.

According to the National Labor Relations Board, 262 people voted to unionize in the election and 266 voting not to unionize.

In the wake of the Palace Station loss, the union claimed Station had rigged the election. Overstreet looked into the allegations, including one that Station tried to influence workers by lowering health insurance premium costs at every location but Boulder Station, where the union had won an election to unionize workers only a month earlier.

“We allege that not giving the same offer to Boulder employees was essentially sending a signal to employees at Boulder and other Station Casinos properties that if you select the union you will be punished,” Overstreet said.

Initially it appeared that another election would be held at Palace Station. However, Overstreet said that the alleged violations made that impractical.

“In certain circumstances, we may find the unfair labor practices are of such significance that they preclude the holding of a fair election,” he said.

Overstreet also explained that any official conclusion about the allegations would be made by a federal administrative law judge.

However, because labor law cases can be appealed all the way to the United States Supreme Court, the NLRB will often ask a local judge to order the parties to enter into negotiations.

“While the case is being tried before the federal judge, there’s no bargaining. And sometimes it takes years to get a decision. So in these cases we ask for an immediate injunction ordering this company to bargain with the union ... So that possibility had not been made yet but that possibility was looming out there.”

Overstreet said that cases like this, where allegations are made and the company faces this kind of legal pressure to negotiate, are rare. “Maybe two in a year will end up in bargain order of this type or sort,” he said.

In a press release, the Culinary applauded workers at Palace Station.

“The union and Boulder Station workers’ negotiation committee have been in contract talks with Boulder Station since December, and Palace Station workers will soon join in bargaining,” the union said in the release.

"We commend the Palace Station workers for their courage and resilience in the face of the company's massive anti-union campaign," said Geoconda Arguello-Kline, secretary-treasurer for the Culinary Union. "We look forward to starting contract negotiations so that workers can have fair wages, job security, and good health benefits."

In a statement, Station acknowledged its intent to enter into negotiations.

"In October, the Culinary Workers Union was narrowly defeated in a secret ballot election held at the property, which was conducted by the National Labor Relations Board. However, the union objected to the election results, claiming that Palace Station interfered with the conduct of a free and fair election. Rather than engage in lengthy, disruptive and distracting proceedings, the company has decided that it would be in its best interests to proceed with negotiations with the union as the collective bargaining representative at Palace Station for the eligible bargaining unit team members at that property," the statement reads.

Overstreet said that as part of the settlement, Station agreed to reimburse all Boulder Station employees for the difference in health plan premiums.

# Culinary Health Center opens today in east valley

By [Mick Akers](#) ([contact](#))

Thursday, June 15, 2017 | 2 a.m.

Members of the Culinary Union will receive a shot in the arm and a whole lot more with today's opening of a one-stop shop for their medical needs in east Las Vegas.

Gov. Brian Sandoval and former U.S. Sen. Harry Reid are among the dignitaries expected to attend the grand opening ceremony of the 59,000-square-foot Culinary Health Center, 650 N. Nellis Blvd.

Open for all eligible Culinary Health Fund members, the two-story building houses a full range of medical care, including adult and pediatric primary care, as well as dental, optometry and urgent care. A pharmacy and a lab are also on site.

"We're bringing quality health care to workers in Nevada in a major way," said Bethany Khan, Culinary Union spokeswoman. "The Culinary Union has fought for health care policy for decades, so this one-stop facility is doing that with everything it offers."

There are 26 primary adult care rooms, nine pediatric care rooms, 15 dentist rooms and 13 urgent care rooms. The facility also houses an X-ray room, an 80-slice CT scanner, a call center and a social care center.

The building was funded by the Culinary Health Fund, made up entirely of a portion of Culinary Union member fees. The project was a complete remodel of a previous building and took three years from planning to construction to complete.

Culinary officials chose the area in the valley because 46,000 members live within a close radius of the facility.

"We have a huge amount of membership right here in this general vicinity, so the health center is literally in their backyard," said John Socha, vice president of health center design and strategy. "It comes out to 30 to 35 percent of our membership."

The health center has 150 employees, with many of the primary care medical staff coming from outside of Nevada.

"Much of them are from out of state, and that was by design," said Dr. David Pak, medical director for primary and pediatric care. "We already have a capacity issue here (in Nevada). We don't have enough primary care providers, so the Culinary Union really made it a priority to recruit more primary care physicians from out of state to here."

After looking at the best practices across the country, the team picked their favorite pieces from various facilities and incorporated them into the center. The construction was carried out with local union labor through the Penta Building Group.

"The whole idea was to blow up health care," Socha said. "We got rid of the white walls, to instead of being cold, to engage folks and make them feel like this is their health center. If you walk into the waiting room, it feels like a living room."

Primary care is projected to get about 35,000 visits per year, urgent care will get 10,000 per year and the pharmacy could fill up to 250,000 prescriptions each year.

The Culinary Health Fund's provider network remains intact, and members will not be required to visit the Culinary Health Center or change providers. The new center serves as another venue for members to address their

health care needs.

Culinary Health Center's care partners include Activate Healthcare, Clinical Pathology Laboratories Inc, Desert Radiology, The EyeCare Center, Nevada Dental Benefits, OptumRx and U.S. Acute Care Solutions.

Distance care is also offered. Patients can call in, describe their symptoms to a doctor and email photos of affected areas if needed. They then will be told if they should come in for a visit or if they can be prescribed medication over the phone.

The goal of the center is to make the patient's experience at the facility as quick and enjoyable as possible, Pak said.

"It's not about us — it's about the patient," Pak said. "What we want to do is create an environment where they can get most or all of their health care needs in one facility."

The Health Center will be open 7 a.m. to 6 p.m. Monday through Friday, and 7 a.m. to 2 p.m. on Saturday. The urgent care is open 24 hours a day, seven days a week.



**By Megan Messerly, Michelle Rindels, Riley Snyder and Jackie Valley**

Republican Gov. Brian Sandoval swung through Las Vegas today to sign a number of key pieces of legislation, from a bill mandating transparency on diabetes drug prices to a measure to bring back the rooftop solar industry.

Sandoval signed three energy-related bills at a Tesla energy warehouse in southwest Las Vegas before attending an opening of the Culinary Health Center, where he signed two health care related bills backed by former Culinary political director and Democratic Sen. Yvanna Cancela. Later in the afternoon, he signed three more higher education bills at UNLV, including one appropriating money to plan a UNLV engineering building and additional money for the medical school.

He also greenlighted SB555, a bill that expands the Opportunity Scholarships program (<https://thenevadaindependent.com/article/the-indy-explains-esas-opportunity-scholarships-and-how-a-school-choice-compromise-could-affect-parents>) by \$20 million over the biennium. The program, backed by business donations made in exchange for tax credits, pays private school tuition for low- and middle-income children and was part of a bipartisan compromise adopted in lieu of the more controversial Education Savings Accounts.

The governor still has one more day to sign or veto bills otherwise they automatically become law at midnight on Friday. For a look at the bills he has signed and vetoed, as well as those still on his desk, click here ([https://docs.google.com/spreadsheets/d/1-5PaeaoEle5taNHYEHAzSDLY\\_Czt02ltJu5UtrEFw5k/edit?usp=drive\\_web](https://docs.google.com/spreadsheets/d/1-5PaeaoEle5taNHYEHAzSDLY_Czt02ltJu5UtrEFw5k/edit?usp=drive_web)).

Here's a recap of the bills Sandoval signed in Southern Nevada on Thursday:

## **SB539**

([https://www.leg.state.nv.us/Ap\\_p/NELIS/REL/79th2017/Bill/5822/Overview](https://www.leg.state.nv.us/Ap_p/NELIS/REL/79th2017/Bill/5822/Overview)):

### **Diabetes drug transparency**

Sandoval today signed a first-in-the-nation diabetes drug transparency bill to require manufacturers of diabetes drugs and the middlemen in the drug pricing process known as pharmacy benefit managers (PBMs) to disclose certain costs and profits.

The signing culminated months of work spearheaded by Cancela to place transparency mandates on insulin manufacturers into law. The final bill Sandoval signed into law

was an amalgam

(<https://thenevadaindependent.com/article/vetoed-pharmaceutical-transparency-bill-will-be-given-second-life-grafted-onto-related-republican-legislation>) of Cancela's original bill (SB265

([https://www.leg.state.nv.us/Ap\\_p/NELIS/REL/79th2017/Bill/5206/Overview](https://www.leg.state.nv.us/Ap_p/NELIS/REL/79th2017/Bill/5206/Overview)), which Sandoval vetoed earlier this month and a piece of legislation sponsored by Republican Sen. Michael Roberson (SB539 ([https://www.leg.state.nv.us/Ap\\_p/NELIS/REL/79th2017/Bill/5822/Overview](https://www.leg.state.nv.us/Ap_p/NELIS/REL/79th2017/Bill/5822/Overview))).

focusing on the role of PBMs play negotiating between manufacturers and insurance companies to set drug prices.

"I would be remiss if I didn't recognize just how important this bill is not only for Nevada but across the country," Cancela said at the bill signing. "Governor Sandoval has shown from the beginning of his time in office that he puts Nevadans first, and he's done that in a number of arenas but especially in health care and for a number of examples of why that's true today, this adds to that list."



*Nevada Senator Yvanna Cancela, right, speaks with Soila Solano during the opening of the Culinary Health Center in Las Vegas on Thursday, June 15, 2017. Daniel Clark/The Nevada Independent Follow @DanJClarkPhoto*

Her glowing comments about Sandoval stand in stark contrast to a statement she issued after he vetoed SB265, in which she said she was “deeply disappointed” in the governor.

“Nevada had the potential to lead the nation in taking on high drug costs, and tonight we have lost that opportunity. I know patients deserve better and so do all those who voted for and supported this bill,” she said in the statement.

The main provisions of the bill require manufacturers of diabetes drugs, such as insulin, whose drug prices have increased by more than a prescribed amount over the previous year report the costs of producing and marketing the drug, as well as any rebates they offer, and also mandates PBMs submit a report to the state including the total amount of all rebates that PBMs negotiated with diabetes drug manufacturers in the preceding calendar year and the amount of rebates retained by PBMs.

Other provisions of the bill require pharmaceutical sales representatives to annually report details of interactions with doctors, including who they visited and what samples or gifts they handed out, specifies that PBMs act in insurers’ best interests and bars PBMs, insurers and other third parties from placing gag orders on pharmacists preventing them from discussing lower-cost alternatives with patients.

In his veto message, Sandoval expressed concern that Cancela’s original bill only mandated transparency from manufacturers and not from PBMs.

“Complete transparency would shed light on every stage in the prescription drug supply process, and require all participants to share the same disclosure responsibility,” Sandoval wrote. “The selective and narrow approach reflected in this bill is unlikely to achieve sound public policy solutions for patients in Nevada.”

During the bill signing, Sandoval revealed a personal tie to the legislation he hadn’t previously discussed publicly — his grandfather suffered from diabetes.

"It is personal. This was my mom's dad, and he's somebody that I saw suffer because of that and he passed away several years ago," Sandoval told reporters Thursday. "It's something I typically don't talk about — personal things — but it kind of just welled up in me as I was here today. So this was an important bill for me personally but also statewide."

At a last-minute hearing on the bill on the Assembly floor in the waning days of the session, a pharmaceutical industry representative said passing the bill would cost the state a significant amount of money in legal challenges. But Sandoval says he thinks the new version of the bill lessens the possibility of a successful court action.

"Part of this new bill makes the legislation or the law less susceptible to a legal attack. Every bill is subject to legal attack, so that's always a concern but in terms of as I looked at the pieces of the bill, we get threats of legal attacks all the time," Sandoval said. "Again I thought it was important at least as a former judge and a former attorney general, somebody that can analyze those types of things and mitigate a susceptibility to a legal challenge, I think it was important to do that."

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One portion of Cancela's SB265 that didn't migrate over to SB539 was a section of the bill requiring manufacturers to notify the state 90 days ahead of certain planned price increases. Sandoval — and pharmaceutical industry representatives — said they worried about a particular stockpiling effect

**Letters to the Editor:**

# Union will stand strong

**By Geoconda Arguello-Kline, secretary-treasurer for the Culinary Union**

Wednesday, July 12, 2017 | 2 a.m.

The Culinary Union has been fighting for Nevadans for over 82 years, and we will not stop. As the largest immigrant organization in Nevada, we are proud to have helped over 16,000 immigrants become American citizens and new voters since 2001.

We will resist any attempt to attack workers, Muslims, women, people of color, immigrants and LGBTQIA+.

We will not allow our families and the people we love to be separated. We will not let divisive tactics distract us from our goals of economic justice and ensuring that workers have fair wages, job security, good health care and the opportunity to provide for their families.

We will hold politicians — who have been elected to represent us — accountable for their inactions and deafening silence in the face of President Donald Trump's actions on immigration enforcement and his travel ban.

We commend our elected officials who have declared their support for sanctuary cities, and we demand that those who have not yet pledged support of immigrants who are under attack do the same.

This country was built on the backs of slaves, on land stolen from Indigenous peoples, and most of its inhabitants are descendants of immigrants. We will not be silent as our government discriminates based on religion and national origin — it is unconstitutional and shameful. Refugees are welcome, and we should let them in.

When our communities are under attack, we will stand up and fight back to ensure that all people who make this country great have a seat at the table.

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# CULINARY WORKERS UNION LOCAL 226



## NEWS / PRESSRELEASES

Nov 09, 2017

### Workers at Green Valley Ranch Casino Resort Unionize

FOR IMMEDIATE RELEASE

Thursday, November 9, 2017

Media Contact:

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#### Workers at Green Valley Ranch Casino Resort Unionize

LAS VEGAS, NV – Workers at Green Valley Ranch, a luxury casino resort owned and operated by Station Casinos, voted to unionize on November 8 and 9. Green Valley Ranch is the fourth Station Casinos-operated property to unionize since 2015. Workers at a Station Casinos-managed tribal casino in California ratified a first union contract in October, 2015. Workers at two of its Las Vegas properties –

Boulder Station and Palace Station – were unionized in September, 2016, and March, 2017, respectively.

During the two-day election conducted by the National Labor Relations Board, 730 workers voted and 78% voted “YES” for the union. Approximately 900 Green Valley Ranch workers will be represented by the Culinary Workers Union Local 226 and Bartenders Union Local 165, Nevada affiliates of UNITE HERE. Station Casinos is the operating subsidiary of Red Rock Resorts, Inc. (NASDAQ: RRR).

“Over the course of organizing, I’ve picketed, protested, and even fasted for seven days. I’m happy to have been able to help organize my coworkers and I felt so proud to vote “YES” for the union!” said Michael Wagner, a bartender who has worked at Green Valley Ranch since it opened in December, 2001. “I look forward to joining together with other Station Casinos workers in negotiations with the company so we can have a fair union contract soon.”

"This latest victory by Station Casinos workers is a testament to the courage and resilience of working people," said Geoconda Argüello-Kline, Secretary-Treasurer of the Culinary Union. "We welcome the new members to the Culinary Union, and applaud the Green Valley Ranch organizing committee for their hard work to get their co-workers to stand up and demand a better future for themselves and their families."

"We voted 'YES' to join the Culinary Union because we deserve fair wages and good benefits," said Gladis Sosa de Funes, a guest room attendant at Green Valley Ranch. "Everyone knows the Culinary Health Plan is the best health insurance in Las Vegas, and we want our families to have it."

In 2010, workers at Station Casinos started a public organizing drive. A super majority of workers in Culinary and Bartenders' bargaining unit (which includes most of the hotel and food and beverage workers in a casino hotel) signed a public petition to demand a fair process to exercise their right to choose whether to unionize.

Recent changes to NLRB rules created new opportunities for workers to choose whether to unionize through NLRB-supervised secret-ballot elections even with the continued prospect of management interference, intimidation, bullying, and litigation.

Green Valley Ranch, a AAA Four Diamond Award-winning property, is the first boutique luxury resort built off the Las Vegas Strip, according to the company. Green Valley Ranch has approximately 495 hotel rooms, 2,295 slots, and 48 gaming tables and is owned and operated by Station Casinos, the third-largest private-sector employer in Southern Nevada with 10 casino hotels and 10 casino taverns in the region. Red Rock Resorts (NASDAQ: RRR) became the parent company of Station Casinos through an IPO last year. The company is controlled by Frank and Lorenzo Fertitta, who own 10-to-1 super-voting Class B shares of Red Rock Resorts. In addition to Boulder Station, Palace Station, and Green Valley Ranch, the company's other casino-hotels in Las Vegas include: Red Rock Resort, Palms Casino Resort, Santa Fe Station, Sunset Station, and Texas Station, Fiesta Henderson, Fiesta Rancho.

### **ABOUT THE CULINARY UNION:**

Culinary Workers Union Local 226 and Bartenders Union Local 165, Nevada affiliates of UNITE HERE, represent over 57,000 workers in Las Vegas and Reno, including at most of the casino resorts on the Las Vegas Strip and in Downtown Las Vegas. UNITE HERE represents 270,000 workers in gaming, hotel, and food service industries in North America.

The Culinary Union is Nevada's largest immigrant organization with over 57,000 members - a diverse membership that is approximately 55% women and 56% Latino. Members -who work as guest room attendants, bartenders, cocktail and food servers, porters, bellmen, cooks, and kitchen workers- come from 167 countries and speak over 40 different languages. The Culinary Union has been fighting for fair wages, job security, and good health benefits for working men and women in Nevada for over 82 years.

**[CulinaryUnion226.org](http://CulinaryUnion226.org) / @Culinary226**

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