



THE EAGLE

LOCAL 1103

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Finical Reform: Ending the Billionaire Bailouts



CWA Local 1103 Executive Board and staff present scholarship winners their checks at annual 1103 picnic. Also featured in the photo is US Representative John Hall who attended the picnic and had a great time.

Everything that goes up must come down. That's exactly what happened in the housing market. Beginning in 1998, housing prices began a rapid incline mostly due to easily obtained sub-prime mortgages. Yet in this case, the chicken came before the egg, because these marginal buyers were actually a product of the derivative "fantasy finance" market that needed a game to place their billion dollar wagers on. First time homeowners, those who bought houses to flip and contractors who built on speculation were the games of chance in their billion-dollar casino. Everything was going swell, the banks were making book on wages in the housing market and the billionaire players were making money hand over fist. Of course that was until 2008, when the housing market hit its peak because the gap between real value and market value was too wide. It was at this

point, the casino began to shake, then shutter and finally collapse. Everything that goes up must come down and it came down right on top of the American Dream.

The housing values didn't just level out, they nose-dived. Those who held sub-prime mortgages with variable rates suddenly found they could not afford their homes, nor could they sell or refinance them since the value was now so much less then when they bought. With no hope in sight they just walked away leaving the keys behind them. Now this should have been just a large economic hic-cup like when the dot.com bubble burst, except for one thing: the financial weapons of mass destruction. The CDOs, which were designed to provide protection against losses now, had become the reason for a thermal nuclear financial

continued on page 3

Financial Reform!

..... pg. 1 & 3

Independent Medical Examinations



..... pg. 4

Know Your Weingarten Rights



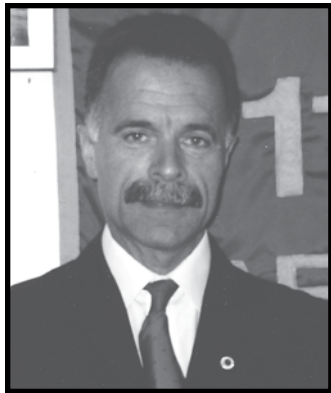
..... pg. 5

1103 Picnic Fun!



..... pg. 7

In My View . . .



In my last article I explained who really was responsible for the financial meltdown that hurt so many of us. Just in New York we lost 375,000 jobs, had 100,000 homes foreclosed on, and 58 billion dollars in wages gone. In the same time period we the tax payers bailed out


Wall St. and they were the only ones that rebounded to the tune of 61 BILLION DOLLARS in profits.(that's triple the profits they have ever made in recorded history). You would think that they would step up and agree to real reforms, but no. Instead these bums, brokers, and hedge fund bosses would rather pay a media that already hates us to run attack ads showing us as the problem deflecting blame from them. Sources on these statistics were supplied by the Fiscal Policy Institute of New York and the Economic Policy Institute.

In order for the Labor Movement to survive we must take steps now to become a movement once again so we can create good Union Jobs for the next generation of Workers. We must control the development of systems such as High Speed Rail like our foreign counterparts have done so successfully and High Speed Internet for all with no digital divide because without it there is no Union/ Middle Class. We must impose our Agenda at the "Table" where the rules are made.

The Employee Free Choice Act needs to become the law of the land, and our goals should have short and long term effects. Since April 19 this year I have attended meetings in New York City at CWA Local 1180's Headquarters. The task of our working group is to develop a progressive agenda for Workers. The make up of our committee is CWA President Larry Cohen, D1 V.P. Chris Shelton, CWA Local 1180 President Arthur Cheliotis along with many other CWA Local Leaders, economists, lawyers, and other Unions Leaders from every walk of life. So far we have identified two items worth exploring, the first is to reduce the rebate on present stock transfers and the second is to revise the New York State "Martin Act". Regarding the stock transfers this would deliver millions in additional revenue to the

state, and the second would give you the right to sue an collect funds from an investment firm that gave you false advice when investing your hard earned money. One of our other goals were to sponsor a major rally so on April 29 this year President of the AFL-CIO Richard Trumka led us on a "Protest March and Rally" into the "Belly of the Beast" on Wall Street. The event was a tremendous success with over 10,000 Union Men and Women participating. The meetings are on going and I will continue to update you on our progress.

In Solidarity,
Joey Barca Jr.,
President



THE EAGLE

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Joe Mayhew Anthony Pugliese Kevin Scrobola

STAFF

Fran GottronOrganizer
Anthony Masini.....Office Administrator

Union Hall: 914-939-8203 Tape: 914-939-8205
website: www.cwa1103.org

EDITOR: Kevin Sheil

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meltdown. For each CDO (bundled sub-prime loans) the banks set up to reduce their risk, there were countless synthetic-CDOs that were nothing more than wages on the initial CDO security. Effectively the banks created a spider web of dominos from a single set of real securities, that once tripped began a cascading failure across the real world outside of the fantasy finance casino. This cascading effect is explained by The Looting of America author, Les Leopold, as a poker game in which each player at a table is borrowing from each other. Then one player suddenly loses all his chips to a player at different table. He can't repay the players at his table, who are also making bets at other tables that they now can no longer cover.

Banks and finance institutions begin to fail and did what any person would do when facing a natural disaster, they wrapped their arms around whatever they had left and refused to give it up. The Banks stopped loaning money, which in turn created an economic freeze. A spiraling effect began to take hold. The CDO securities became worthless junk bonds, investors were wiped out, and the banks held on to whatever assets were left. Without the banks providing financial services, businesses could not carry out commerce. Layoffs began in the hundreds of thousands, consumers stopped buying goods, and we were posed for another "Great Depression"

It took a trillion dollars of taxpayer money to shore up the banks so we wouldn't return to the bread lines of the Crash of "29". Because of the greed of the ultra-rich, and their need to expand their gaming tables to accommodate their excessive wealth, our children, and we, the middle class, will suffer for years to come. Because of their disregard for us, we not only have a right to regulate their hazardous investment practices we have an obligation to do so.

Today, Congress is working on legislation to reform financial practices. We have been told that it will be the most far-reaching legislation for financial reform since the "New Deal." CWA 1103 spoke with Les Leopold and asked him what he thought of the House and Senate finance reform bills that are now in conference committee. Here are his responses to a few of our questions:

CWA 1103-- The last two chapters of your book deal with methods to avoid another financial meltdown. One of those methods is the creation of a Financial Product Safety Commission. Currently the House of Representatives and Senate have versions of financial reform bills in conference committee, both proposed to create a new Consumer Financial Protection Agency. From what you have heard of them do you think they go far enough?

Mr. Leopold-- Unfortunately, not far enough. There are two problems: First the proposed Consumer Financial Protection agency will be housed in the Fed instead of being a stand-alone institution. What's it doing in a bank? It should be protecting us from banks. Second, it doesn't protect the economy from the creation of toxic assets. I wanted to see an agency that forced the banks to get their new financial products declared safe before usage just like the Food and Drug Administration.

CWA 1103--The Senate reform bill included a requirement for most derivatives to be traded on an open exchange and to force the major banks to spin off their derivative trading business. However in the latter case, there is considerable push back from not only Wall Street but also the administration. How important is it to separate and split the derivative trading from regular banking?

Mr. Leopold-- It's extremely important to get derivative trading away from banks. That's because the taxpayer insures banks and we don't want to have indirect taxpayer support for casino operations, which is precisely what derivative plays are all about. But the biggest flaw in the proposed legislation is that it exempts "customized derivatives" which are designed for one particular client. These are often the most dangerous ones and also the most profitable ones for the casino.

CWA 1103-- What do you like about the proposed reform bill in conference committee? What don't you like?

Mr. Leopold-- I like the attempt to force banks not to engage in "proprietary trading" -- the so-called Volcker Rule. This would mean they would have to spin off trading for their own accounts and not have them connected to basic bank practices like taking in deposits from the consumer, which is insured by the government. Pro-

proprietary trading means gambling on the markets and taxpayer guarantees shouldn't be connected to that activity in any way.

My biggest disappointment is that the reform measures utterly fail to attack "too big to fail," and the outrageous sums "earned" by bankers and hedge fund managers. The biggest banks got even bigger during the crisis. We can't let them fail. Therefore we should bust them into smithereens ASAP. Wall Street pay is ridiculous. The top 10 hedge fund managers received approximately \$900,000 an hour each! They got that money because we bailed out the financial system. It's our money. But Congress and the White House are too afraid to slap a windfall profits tax on the financial sector. It's a shame.

CWA 1103-- What do you think the role of the American people should be going forward to help protect our economy?

Mr Leopold-- We're in for a long, hard fight. There's a war going on between financial theocracy and democracy. The financial markets, now that we've bailed them out, are demanding cuts in worker-oriented programs like social security, health care and education. They say we have too much debt... and that's precisely because we had to bail them out and because they slaughtered the economy causing job loss to go through the roof and tax revenues to crash. It's going to come down again and again to finance fighting the rest of us. And politicians are really afraid of those markets. We have to organize and demand that the needs of people come before the needs of the financial casinos. There's no way we can ignore that fight. They're coming after us... now that we saved their butts.

In the beginning of this series we asked the question "Who is to blame for what is now referred to as the Great Recession?" By now, we all know the real answer. The high stakes rollers of the Wall Street roulette wheel in the fantasy finance betting parlor are to blame. The same thing happened in October 1929, and legislation was created to protect the working class and that same legislation help created the middle class. We can do it again. Les Leopold is right; we can't afford to ignore this fight, because the working middle class can no longer afford to be the Billionaire Bailout Society.

**Joe Mayhew
Business Agent**

Independent Medical Examinations

CWA Local 1103 has many different contracts with many different employers, and we represent a wide and diverse Membership, but one constant across the employer spectrum is their motivation to limit legal exposure and employee expense, even when it is a matter of your health. A particularly sinister employer practice is the manipulation of medical examinations, called ironically enough, Independent Medical Examinations. These unscrupulous exams are conducted by doctors, chosen by the employer's insurer, who diagnose employee/patients injured on the job, and invariably find against the employee under the guise that it's independent.

What is an Independent Medical Examination?

An Independent Medical Examination (IME) is an appointment with a doctor who is picked by, and paid for, by the employer's insurer. You will be examined, but you will not receive treatment during this visit. Keep in mind that the doctor is acting on behalf of the employer, so he/she may want to prove that your illness is NOT related to your work or job.

The exam will include:

- Looking over documents provided by your employer or its insurer;
- Asking you questions about your symptoms and/or illnesses, and any treatment you have received;
- In some cases, a brief physical examination;
- Note taking by the doctor about your illness and about what treatment, if any, you have received.

Note: Nothing in the law entitles the IME to take a written statement from you, or ask you to fill out any forms regarding your medical history. If you are asked for this information, do not provide any information in writing to the doctor.

What are your rights under the law?

- IME offices must be in an accessible location and within reasonable distance from your residence.
- The Notice of Examination sent to you must be in writing and received seven business days prior to the examination. This notice should also inform you of your rights.
- Examinations must be performed during regular business hours, except with your consent or for your convenience.
- Examinations must be conducted at a facility that is suitable for conducting medical examinations.
- **You're allowed to videotape the examination and to be accompanied by a person of your choice. (We recommend this strongly)**
- Any communication between the insurer and the IME must be relayed to the Workers' Compensation Board.
- The examiner must be a board-certified doctor.
- The regulations require the Independent Medical Examiner to mail a copy of his/her report to you, your workers' compensation doctor and your lawyer, within 10 business days.

**Kevin Sheil,
Vice President**

YOUR WEINGARTEN RIGHTS

Local 1103 Members have a right to union representation during investigatory interviews. This is known as your Weingarten right and was established under a 1975 US Supreme Court decision. An Investigatory Interview occurs when management questions an employee to obtain information and the employee has a "reasonable belief" that discipline or other adverse consequences may result by what he or she says.

Under the Weingarten Decision, the following rules apply:

Rule 1 – The employee must make a clear request for union representation before or during the interview. The employee cannot be punished for making this request.

Rule 2 – After the employee makes the request, the employer must choose from among three options. They are:

- a. Grant the request and delay questioning until the union representative arrives and has a chance to consult privately with the employee, or
- b. Grant the request and end the interview immediately, or
- c. Give the employee a choice of (1) having the interview without representation or (2) ending the interview.

Rule 3 – If the employer denies the request for union representation and continues to ask questions, it commits an unfair labor practice and the employee has the right to refuse to answer. The employer may not discipline the employee for such a refusal.

Steward Role

Although some supervisors assert that the only function of a Steward at an investigatory interview is to observe and to remain a silent witness, they are wrong. The Steward has the right to counsel the Member during the interview and assist the employee to present the facts. Legal cases have established the following rights and obligations of the Steward.

(1) When the Steward arrives, the supervisor must inform the Member and the Steward of the subject matter of the interview (the type of misconduct which is being investigated);

(2) The Steward can take the employee aside for a private pre-interview before questioning begins;

(3) The Steward can speak during the interview, but has no right to bargain over the purpose of the interview or interfere with the interview;

(4) The Steward can advise the Member not to answer questions that are abusive, misleading, badgering, confusing or harassing; and

(5) After questioning, the Steward can provide information to justify the Member's conduct.

**Kevin Scrobola,
Business Agent**

HAPPY JULY 4th – Enjoy Your Freedom

Editor's Note: the July issue of the Eagle may not reach you pre-July 4th; but we thought running this article was more than appropriate as we commemorate Independence Day. This is a reprint of an article that appeared in The Daily News in 2000 and we have reprinted it previously; but it's never too late to go back in history to appreciate what we have today.

Have you ever wondered what happened to the 56 men who signed the Declaration of Independence?

Five signers were captured by the British as traitors and were tortured before they died. Twelve had their homes ransacked and burned. Two lost their sons who served in the Revolutionary Army. Another had two sons captured. Nine of the 56 fought and died from wounds and hardships of the Revolutionary War. They pledged their lives, their fortunes and their sacred honor.

What kind of men were they? Twenty-four were lawyers and jurists. Eleven were merchants. Nine were farmers and plantations owners. All were men of means and well-educated, but they signed the Declaration of Independence knowing that the penalty would be death if captured.

Carter Braxton of Virginia, a wealth planter and trader, saw his ships swept from the seas by the British Navy. He sold his home and properties to pay his debts and died in rags.

Thomas McKean was so hounded by the British that he was forced to move his family constantly. He served in Congress without pay and his family was kept in hiding. His possessions were taken and poverty was his reward.

Vandals and soldiers looted the properties of Ellery, Hall, Clymer, Walton, Gwinnet, Heyward, Rutledge and Mittleton.

At the battle of Yorktown, Thomas Nelson Jr. noted that the British General Cornwallis had taken over the Nelson home for his headquarters. He quietly urged General Washington to open fire. The home was destroyed and Nelson died bankrupt. The home of Francis Lewis was also destroyed. The enemy jailed his wife and she died within a few months.

John Hart was driven from the bedside of his dying wife. Their 13 children fled for their lives. His fields and gristmill were laid to waste. For more than a year

he lived in the forests and caves, returning to find his wife dead and his children gone. He died shortly thereafter, heartbroken. Morris and Livingston suffered similar fates.

Such were the stories and sacrifices of the American Revolution. These were not wide-eyed, rabble-rousing ruffians. These were soft-spoken men of means and education. They had security, but they valued liberty more. Standing tall, straight and unwavering, they pledged "for the support of this Declaration, with a firm reliance on the protection of the divine providence, we mutually pledge to each other our lives, our fortunes and our sacred honor."

They gave us a free and independent America. The history books never tell us much of what happened in the Revolutionary War. We were British subjects at that time, and we fought against our own government. Too often, we take these liberties for granted.

So – while you are enjoying the festivities of the July 4th holiday, take a few minutes and silently thank these patriots for their heroic contributions. It is not too much to ask for the price they paid. Freedom is never free.



Family Fun at Local 1103 Picnic

The annual CWA Local 1103 family picnic was held on Sunday, June 13, 2010 at the Ridge Road Park in Hartsdale with over 200 in attendance. As in the past, the picnic was free for Members and Retirees who attended. Everyone who attended received a free CWA Local 1103 beach bag at the door. The

children enjoyed a day filled with games, rides, and watersports. They filled up on ice cream, cotton candy, and popcorn throughout the day. A clown also entertained them with face painting and balloon making. The event was a great success due to those that volunteered their time, so we would like to thank Bob McCormick, Dom Dimezza, and Dan Constance for their efforts.





COMMUNICATIONS WORKERS OF AMERICA - LOCAL 1103

(AFFILIATED WITH A.F.L.-C.I.O.-C.L.C.)

345 WESTCHESTER AVENUE • PORT CHESTER, NY 10573



*Happy 4th of July
from the cwa 1103
Executive Board.*

PERIODICAL

CONGRATULATIONS TO THE RECENTLY RETIRED CWA LOCAL 1103 MEMBERS!

AS YOU ENTER A NEW PHRASE IN YOUR JOURNEY, YOUR CWA LOCAL 1103 RETIRED MEMBER'S CHAPTER (RMC) IS HERE FOR YOU.

OUR RMC HAS MOVED INTO THE NEW MILLENNIUM. THIS YEAR WE LAUNCH OUR OWN WEBSITE AND IT IS CONNECTED TO PAYPAL[®] FOR EVERYONE'S CONVENIENCE.

WE KNOW THERE'S A LOT OF GREAT TALENT IN THIS NEW GROUP OF RETIREES JUST WAITING TO BE TAPPED. WE HOPE YOU WILL CONTINUE TO REMAIN A VITAL PART OF CWA 1103 FAMILY BY JOINING OUR RMC.

YOU CAN GO TO OUR WEBSITE AND DOWNLOAD AN APPLICATION TO JOIN OUR CWA LOCAL 1103 RMC. YOU CAN REGISTER YOUR DUES THROUGH PAYPAL[®] ON LINE OR SEND YOUR CHECK: CWA LOCAL 1103 RMC AT 345 WESTCHESTER AVENUE, PORT CHESTER, NEW YORK 10573

SPECIAL INTRODUCTORY DUES FOR NEW JUNE 2010 RETIREES: ONLY \$10.00 FOR YOUR 1ST YEAR'S DUES.

**JEANETTE SPOOR,
PRESIDENT – CWA LOCAL 1103 RMC
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