HEALTH AND WELFARE

(Dependant Coverage)

The Health and Welfare Fund had six Trustees–two from the Culinary Union, one from the Bartenders Union, and three from the Bartenders Union, and three from management. It is the Trustees duty to know how much money is coming in form the hotels and how much is going out to cover the benefits. All benefits are modified only on the approval of the Trustees. No one Trustee can make a decision without the rest of the Trustees' approval.

The actual procedure of recieving the funds form the hotels and cutting the checks to the doctors is handled by an outside firm (the Administrator), which in turn reports to the Trustees. The Administrator charged 8% for its services. The Trustees supervises the Health and Welfare Fund but do not see or handle any money. That is the job of the Administrator.

On May 8, 1980 at 2:45pm. a Trustee meeting was held at the Culinary Union to discuss merging the Local 226 and Local 165 Health and Welfare Fund with the International Health and Welfare Fund.(Eagle Watch has obtained a copy of the minutes of this meeting and is willing to mail one to all concerned members.) Mr. Crane, Mr. Adkisson, and Mr. Smith were the Trustees on the management side. Then Secretary-Treasurer Ben Schmoutey and President Mike Pisanella of Local 226, and Jack Stafford, Secretary-Treasurer of Bartenders Local 165 were Trustees for the Union. Management Trustees asked then-Secretary-Treasurer Ben Schmoutey to leave the room during this discussion to avoid a conflict of intrest since Schmoutey, like Al Bramlet, was also a Trustee on the International Health and Welfare Fund. Schmoutey complied with their wishes. The remaining five Trustees discussed reasons why the two Funds should be merged.

1. The International Fund allowed the member mobility in moving to any local under the sponsership of the international and retain his Health and Welfare coverage without serving any probationary period.
2. The larger the Fund the lower the Administrative fees.
3. A savings in administrative, legal, and overall overhead costs would be plowed back into increasing benefits for the membership.

After each of the five trustees satisfied themselves that it would be in the best interest of everyone to merge, the agreed to merge on the condition that the insurance program provided by the Local Fund would be continued essentially intact as a SEPERATE unit of the international Fund.

As you can see Ben Schmoutey, who was not permitted to vote on the merger, can not be blamed for the merger itself nor the disasterous conditions we are facing now. In fact since the merger the administrative costs have dropped from an 8% fee for Earl Leavor, the previous Administrator, down to 6% for William Meyers, the present Administarator, resulting in a savings of millions of dollars. All this happened in 1980. As a result of the above savings, higher benifits were introduced with additional Dental coverage for the member and his dependants.

In June 1981, Jeff McColl took office as the new Secretary-Treasurer of Local 226 with over seventeen million dollars in reserve. An audit was conducted and Jeff McColl confirmed the solvency of our Union.

On June 30, 1982, a year later, we lost our dependent coverage and the Fund was losing more than a half a million dollars a month. WHAT HAPPENED? Why did we lose our benefits more than a year after Jeff McColl and Joe Hayes took office? What has changed?.

Jeff McColl and Joe Hayes said in a letter to the membership, "This situation was not caused by merging our Health and Welfare Fund with the International Union Health and Welfare Fund."

Keep in mind Schmoutey left office with a solvent Fund. Also keep in mind the International Health and Welfare was not affected, only our Fund which was kept SEPERATE.

Why did nothing go wrong between May 1980 and June 1981 when Ben Schmoutey was still in charge, but after Jeff McColl and Joe Hayes took office in June 1981 and the time June 1982 everything went wrong?.

When Jeff McColl and Joe Hayes took office in June 1981 the employers contrubutions to the Health and Welfare Fund began to dwindle and the outgoing funds began to increase. All this because of the following reasons:

●●● Jeff McColl and Joe Hayes has allowed some hotels to become delinquent in their payments like the Dunes, the Alladin, the Riviera to mention a few. Some hotels got away very cheap such as the Silverbird.

●●● When many houses were allowed to go non-union and decertify such as the Showboat Country Club, Royal Las Vegas, Four Macayo Vegas Restaurants, and etc the Health and Welfare Fund Suffers.

●●● Jeff McColl and Joe Hayes allowed massive lay-offs and a skeleton crew to do all the work. When 50% of the employees do not get a paycheck the Health and Welfare Funds receive 50% less in employer contributions.

●●● When Jeff McColl and Joe Hayes allow the hotels to operate with excessive "extra" employees (who have no minimum guarantee hours) instead of regular employees the Health and Welfare Funds suffers. A smaller paycheck means smaller employer contibutions.

●●● Hotels such as the Alladin were allowed to start paying an hourly wage instead of the contractual shift wage. If you worked only 5 1/2 hours you were paid only for 5 1/2 hours and not the contractual 8 hour shift wages. You got less than you were entitled to and the employer contribution to the Health and Welfare Fund was proporionaltely less.

●●● When Jeff McColl and Joe Hayes look the other way when senior employees are being laid-off or terminated to save on the four weeks vacation pay, the Health and Welfare Fund suffers once more. No vacation pay and no matching employer contributions.

●●● When grievances are not acted on, an back pay ignored, Health and Welfare is ignored. No back pay and no back employer contributions.

●●● When you allow managment to take over Union members duties and eliminate those Union jobs, Health and Welfare suffers.

●●● When the Union allow the hotels to repeatedly terminate employees on their 19th shifts before they become a regular employee on their 20th shift, the Health and Welfare is being undermined. The only one who benefits is the one who sells the referral slips down at the Union Hall.

●●● Every time Jeff McColl and Joe Hayes did not enforce the contract, this translated into less money for the members and thus less employer contributions to the Fund.

●●● Many employees were laid-off with little or no work, however they continued to make personal payments to the Fund. This covered only 112 hours per month. If the employees had been working, the employer contribuitons would have exceeded their personal payments by far. This was allowed to take place on a massive scale.