



September 2022 Case Study

Public Sector Unions: The Money-Laundering Scheme Preferred by the Progressive Political Class

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The National Association of Letter Carriers was formed in 1889. Membership was open to all U.S. Postal workers. It was one of the first unions formed for federal government employees.

Public employee unions are a serious threat to our constitutional republic because they turn the government from an institution that protects the rights of citizens to an institution that advances the interests of those who are in the government.

This case study will focus on the Internal Revenue Service and the union to which most IRS employees belong, simply because the IRS has been in the news following the signing of the Inflation Reduction Act.

The lessons offered here regarding IRS employees and their union apply to all government employees, at all levels — federal, state, county, and municipal — and the many public employee unions of which they are members.

MORE UNION MEMBERS

The “Inflation Reduction Act,” signed into law by President Biden on August 16, 2022, authorizes \$80 billion available for the IRS to hire 87,000 additional agents and bureaucrats.



Case Study Instructions:

At The Vino & Veritas Society, we have distilled the key principles of liberty into six precepts and four civic virtues.

These are the basic, foundational principles necessary for a free society and individual human flourishing. You should talk about these ideas, become familiar with them, and practice communicating them to fellow citizens.

Sometimes, adhering to these principles is straightforward. Other times, their practical application requires prudence, or practical wisdom, which is no easy thing.

Reasoning from first principles to the best policy or practical course of action, in a particular circumstance, poses great challenges, not least of which is that in politics we are often confronted with two or more options that are all bad.

Even identifying the lesser of evils is not always obvious.

Reasonable, smart, good citizens, who agree on the basic principles of liberty, can and do disagree about what is the prudent choice to make here and now.

We encourage members of The Vino & Veritas Society to approach the monthly case studies as exercises in prudence. We invite you to think for yourself what prudence requires.

Disagreement can be enlightening when it's informed by principles, facts, sound moral and political logic, and good civic intentions. Thoughtful disagreement can also lead to enlightened, prudent agreement, which is the goal of these case studies.

The IRS is currently 78,000 employees strong. If the existing employees remain, adding 87,000 new positions will more than double the size of the IRS.

Many commentators have expressed concern about this expanded army of tax bureaucrats. Will they spend their time targeting and harassing ordinary citizens in order to confiscate even more money from productive citizens? Will they return to targeting conservative organizations, like they did under Director Lois Lerner during the Obama Administration?

These are important questions, but there are even bigger problems hidden within Biden's legislative boon to the IRS.

Of the 87,000 additional employees to be hired at the IRS, almost all of them will become members of a public employee union. And public employee unions are little more than money-laundering schemes to fund the campaigns of Democratic politicians with YOUR tax dollars, whether you want to support those campaigns or not.

HOW TO GET YOUR MONEY?

Many progressive politicians feel entitled to your money. They think they are saving Planet Earth, after all, and dispensing social justice, so why shouldn't you be working hard to fund their efforts?

Moreover, progressives assume that you're too stupid to spend your own money wisely, and they're confident they know far better how to spend your money.

Still, even with their own sense of intellectual and moral superiority, progressive politicians know they cannot brazenly and openly pass legislation that authorizes the government to take money from citizens, in the form of taxes, and transfer it directly to their own campaign coffers. Too many Americans would be outraged.

The question, then, is: Is there another way they can use the powers of government to take your money and transfer it to their own campaigns. There is: Public employee unions, which provide money laundering services for the political class that many citizens never notice.

The laundering is not very complicated:

STEP ONE: Politicians take your money in the form of taxes.

STEP TWO: Politicians use your money (taxes) to pay the salaries of government employees.

STEP THREE: Government employees contribute part of their salaries (which is your money) to a union.

The largest federal government employee union today is the American Federation of Government Employees (AFGE), which has over 700,000 members. In 2020, the AFGE spent over \$2.5 million on political campaigns. Over 96% of that money went to Democrats.

STEP FOUR: The union sends (your) money to Democratic political campaigns and funds other progressive causes and organizations.

With public employee unions as their cover, the progressive political class uses the power of taxation to make YOU fund THEIR campaigns, whether you know it or not, whether you agree or not.

Of the current 78,000 IRS employees, nearly 70,000 are dues-paying members of the National Treasury Employees Union (NTEU), which has a total membership of 150,000 bureaucrats employed at over 30 government agencies.

In the 2019-20 election cycle alone, the NTEU spent \$737,588 on lobbying and political contributions. The NTEU gave 98.79% of that money to Democrats, 1.21% to Republicans.

DON'T FORGET THE UNION'S PAC

But there's more to the union than just the union: There's the National Treasury Employees Union (NTEU), and there's also the NTEU's political action committee, the Treasury Employees PAC (TEPAC), which has given over \$9 million almost exclusively to Democratic candidates and PACs since 1990.

The TEPAC contributes tens of thousands of dollars to Democratic Senatorial and Congressional campaign committees every election cycle, often targeting their giving to the most at-risk Democratic candidates.

The hiring of 87,000 additional IRS bureaucrats will more than double the number of IRS employees in the NTEU and increase the overall size of the NTEU by nearly 60%, going from a union of 150,000 government employees to 237,000.

Based on these numbers, we should expect the NTEU to increase its funding of Democratic campaigns to well over a million dollars a year — all of which is tax money, YOUR money, going into the campaign coffers of politicians you might not know about, or positively oppose.

As if these injustices were not enough, there are even more problems that spring from public employee unions. IRS agents, as just an example, spend hundreds of thousands of hours each year, on the clock, NOT helping taxpayers resolve problems, but, rather, working for their union, the NTEU.

HELP CITIZENS? SORRY, BUSY HELPING THE UNION

The IRS is part of the United States Treasury Department. In 2019, 1,421 IRS and other Treasury Department employees spent a total of 353,820 documented hours performing work for the NTEU. About 80 percent of

all Treasury employees are employed by the IRS, so the vast majority of employees doing work for the union would have been IRS employees.

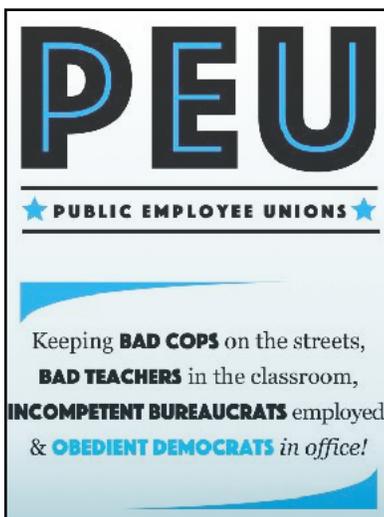
Add 87,000 more employees to the IRS, and the IRS union will have a literal army of bureaucrats available to do its work, all while on the clock at the IRS and being paid by taxpayers like you.

Keep that in mind next time you call the IRS with a question and get placed on hold only to have a bureaucrat hang up on you without ever answering your question or helping you solve the problem you're trying to solve.

Also keep in mind: When IRS employees are at their jobs, on the clock, working for their union, they are effectively working for Democratic political campaigns, because much of what their union does is support Democratic political campaigns.

You're effectively supporting the political campaigns of progressive Democrats twice: First, you support those campaigns with your tax dollars, which end up in Democratic campaigns after being laundered by the IRS union. Then you support those campaigns again by paying the salaries of IRS employees, who use their work time to help the union, which is helping Democratic candidates.

Until public employee unions are abolished, every increase in the number of government civil service employees—every increase in the number of unelected bureaucrats—increases the likelihood of the election and re-election of Democratic politicians.



PUBLIC EMPLOYEE UNIONS: THE PROBLEM

The fundamental problem with public employee unions — *all* public employee unions — is what they are. There is no reforming them, or making them less harmful.

Public employee unions are justified by those who insist that government employees need a union to bargain collectively with their employers and to better represent in government the interests of government employees.

Public employees, however, are employed by the government. The government IS the people.

We The People decide what kinds of jobs we want our government to offer, and how much we want government employees to be paid, through *elections*.

If We The People change our mind, we make the change known during the next election. We elect different representatives and we demand different laws and policies. We *don't* change our mind — we don't change

our government — because a union representing our own government employees threatens a strike or anything else. This is why even Franklin Delano Roosevelt, a progressive President who expanded the size and scope of government — and who was a big supporter of unions within private businesses and various industries — opposed public sector unions.

Government employees are citizens like the rest of us. Each of us, as a citizen, is represented in government by electing government representatives. So why do government employees need to be represented in government *again* by a union?

Government is supposed to protect the equal individual rights of each and every citizen. Government is *not* supposed to advance the interests of those in government, as if they are a separate and superior class over ordinary citizens.

Public employees are part of the government. When a union is formed to represent government employees to those in government, the government is effectively representing the interests of government to itself.

Imagine if members of Congress formed a union to represent members of Congress, lobbying members of Congress to increase the salaries of members of Congress.

Sounds ridiculous, right? Sounds like an utter betrayal of the proper purpose of government, right?

Yet, every public employee union — whether it be the National Treasury Employees Union, or the much larger American Federation of Government Employees (membership of over 700,000 Washington D.C. and other federal workers), or local public teachers unions — is government representing the interests of government to those in government.

It is shameful.

Public employee unions are so antithetical to the very purpose of any kind of constitutional self-government, they should not exist. Their days should be over. The only question that should be asked, repeatedly, about public employee unions is: When shall we dissolve them?

DISCUSSION QUESTIONS

- *Can you explain how a public employee union launders your money and transfer it to the campaigns of Democratic political candidates?*
- *If single representation in government — meaning one vote per citizen per elected office per election — is good enough for citizens who do NOT work for the government, while do government employees need DOUBLE representation in government? Why should they have the right to vote in elections AND have their interests represented by unions that lobby those in government with our tax dollars?*
- *Should unelected government bureaucrats be working for a union when they are at their government job? Or should they be helping citizens and doing their government job?*
- *What can you do to build momentum toward the goal of abolishing one or more public sector unions?*

