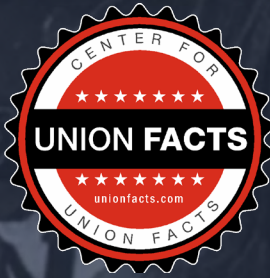


August 2022



UNITE
HERE!

Unite Where?

How Local 11 Abandoned Its
Membership During The Pandemic

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Executive Summary

UNITE HERE Local 11 makes a big show about how much it does for its members. Its website is replete with testaments to the local's organizing successes, how it stands up for its members, and how it helps workers prosper. But when push came to shove, Local 11 abandoned its members during the COVID-19 pandemic – likely the most difficult moment their members have, and ever will face during their lifetime.

The story of Local 11's conduct during COVID-19 is primarily one of self-interest; the local's leadership tragically seemed far too concerned with their own security rather than that of the members. This manifested in ways both big and small – from imposing an unprecedentedly large due fee increase during the pandemic, to keeping relatives employed by the Local while laying off the less well-connected.

Local 11 also failed to stand up for its members in the one way that truly mattered: making sure they would eventually be able to return to work. Throughout COVID-19, UNITE HERE fought government aid for the hospitality industry, fought efforts to reopen hotels, and even thwarted economic opportunities like potentially hosting the Olympics. At one point, Local 11 organized a frivolous protest against a restaurant *in Europe* – as if to admit the local was more concerned with thwarting economic development on another continent than helping its members.

In response to COVID-19, Local 11 may have even abused a loophole in federal pandemic aid to divert money meant for a nonprofit to itself. As the report details below, scores of Local 11 employees had a sudden career shift around the same time an affiliated nonprofit, the Hospitality Training Academy, qualified for tens of thousands in aid.

It should come as no surprise that Local 11 has exited the pandemic weaker and more indebted than at any other point in recent history. But as Local 11 looks to exit the pandemic and regrow its membership, the real question is: how could anyone trust its leadership again?

Local 11's Mishandling Of The COVID-19 Pandemic

Introduction

As the COVID-19 pandemic ravaged the country, the hospitality industry was particularly hard hit. At its peak, a Local 11 official estimated 90 percent of members were laid off.¹ In June 2020, early on during the pandemic, the consulting firm McKinsey estimated it could take until 2023 for the hotel industry to recover.² So how did Local 11's leadership respond to this unprecedented crisis?

Local 11 Failing To Protect Its Members During COVID-19

Early on during COVID-19, Local 11 officials prioritized their own paychecks over the wellbeing of members. Less than three weeks after California declared a state of emergency,³ Local 11 sent out due payment reminders to its members, most of whom were likely unemployed by this point, stressing how “critical” dues payments were.⁴ An anonymous Local 11 member slammed the reminders as “pathetic,” and accused leadership of caring only about “money.”⁵ The anonymous member also accused Local 11 representatives of suggesting medical insurance could be cut off if the dues

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- 1 L. Kasimu Harris and Avi Asher -Schapiro, “BIGGER PICTURE-Life far from sunny in Southern California where jobless hospitality workers face bleak future,” *Thomson Reuters*, September 28, 2020, <https://www.reuters.com/article/biggerpicture-health-coronavirus-hospita/bigger-picture-life-far-from-sunny-in-southern-california-where-jobless-hospitality-workers-face-bleak-future-idUSL8N2GP4ZH>.
 - 2 Vik Krishnan, Ryan Mann, Nathan Seitzman, and Nina Wittkamp, “Hospitality and COVID-19: How long until ‘no vacancy’ for US hotels?”, McKinsey & Company, June 10, 2020, <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/hospitality-and-covid-19-how-long-until-no-vacancy-for-us-hotels>.
 - 3 Sophia Bollag, “California declares state of emergency to contain coronavirus after 1st death,” *The Sacramento Bee*, March 5, 2020, <https://www.sacbee.com/news/politics-government/capitol-alert/article240903416.html>.
 - 4 Collin Anderson, “Hospitality Union Demands Dues From Members Left Unemployed By Coronavirus,” *The Washington Free Beacon*, March 27, 2020, <https://freebeacon.com/issues/hospitality-union-demands-dues-from-members-left-unemployed-by-coronavirus/>.
 - 5 Ibid

SECURITY MEMBERS

ROBERT "BOBBY" SCOTT, VIRGINIA, Chairman

BUSBY A. DAVIS, CALIFORNIA
BURL M. GELLMAN, ARIZONA
CAROL ANN TROUT, MISSOURI
MICHAEL L. FUDGE, OHIO
OREZIO HALL, CAROLINA
GREGORY S. WILSON, ARIZONA
FREDERICKA WILSON, FLORIDA
SWEENEY/DONALD, OREGON
NORMAN W. WILSON, CALIFORNIA
ALMA S. JONES, NORTH CAROLINA
MARK GESSALINGER, CALIFORNIA
DAVID L. WILSON, CALIFORNIA
FRANKE J. JAYSON, WASHINGTON
JOHN D. MCKINLEY, NEW YORK
SUZIE TRICKLE, MISSOURI
JOHN HARPER, CALIFORNIA
LUCY MCKINCH, GEORGIA
JAMES W. WILSON
LAUREN UNDERWOOD, ILLINOIS
JANE HANAHAN, CONNECTICUT
JOHN C. SHULKA, ARIZONA
ANDREW LINN, MICHIGAN
ELSON CHAN, MINNESOTA
SUE TRICKLE, MISSOURI
HALEY M. STEVENS, MICHIGAN
BRISE LEE, NEVADA
LOUI THORNTON, KANSAS
JACQUELINE CASTRO, TEXAS



MEMBERSHIP

VERNON FOX, NORTH CAROLINA
Marketing Director

DAVID P. ROE, TENNESSEE
GLENN THOMPSON, PENNSYLVANIA
TIM WALBURG, MICHIGAN

BRETT GUTHRIE, KENTUCKY
BRADLEY BRUNS, ALABAMA
GLENN GROTHMAN, WISCONSIN

ELISE M. STEINER, NEW YORK
ALAN D. GORDON, NEW YORK

LYNCH BLACKBURN, PENNSYLVANIA
JIM BOWEN, INDIANA

MARTY WALZER, NORTH CAROLINA
JOHN COOPER, KENTUCKY
BEN CLINE, VIRGINIA

ROSEBUD FULCHER, OHIO
STEUFEN C. BRATTON, JR., KANSAS

JOHN H. HART, TEXAS
DANN MUEHL, PENNSYLVANIA
DUSTY JOHNSON, SOUTH DAKOTA

FRIZ KELLER, PENNSYLVANIA
GREGORY J. MURPHY, NORTH CAROLINA
JAMESON VAIL, CALIFORNIA
JOHN W. WATSON, MISSISSIPPI

June 2, 2020

Donald Taylor
President, UNITE HERE
275 7th Ave.
New York, NY 10001-6708

Dear Mr. Taylor:

The coronavirus pandemic has created an unprecedented economic and social crisis that continues to impact our entire nation. Nearly 15 percent of Americans are unemployed. Tens of thousands of businesses are closing their doors, some permanently. Individuals, families, business owners, and other organizations are struggling to survive on little or no income. Every dollar counts, so we are writing to ask if UNITED HERE and its affiliate unions are collecting union dues from unemployed workers, as well as dues checkoff from the paychecks of employees who work at businesses receiving federal loans created by Congress to help keep workers on the payroll.

Local 11's strongarm tactics on dues were severe enough to warrant a letter from two members of Congress who asked UNITE HERE's headquarters to investigate whether other locals were "collecting union dues from unemployed workers."¹² In response, UNITE HERE outlandishly claimed some unemployed members "voluntarily self-pay their union dues."¹³

6 Ibid

7 Bailey Schulz, “Furloughed, laid-off culinary union worker dues on hold,” *Las Vegas Review-Journal*, April 14, 2020, <https://www.reviewjournal.com/business/casinos-gaming/furloughed-laid-off-culinary-union-worker-dues-on-hold-2006285/>.

8 David Robb, “Cinematographers Guild Offering 100% Dues Relief & Assistance To Members During Coronavirus Shutdown,” *Deadline*, March 26, 2020, <https://deadline.com/2020/03/cinematographers-guild-offering-100-dues-relief-assistance-to-members-during-coronavirus-shutdown-1202893169/>.

9 Jonathan Handel, “SAG-AFTRA to Give Dues Relief for Affected Members Amid Virus Crisis,” *The Hollywood Reporter*, March 30, 2020, <https://www.hollywoodreporter.com/news/general-news/sag-aftra-give-dues-relief-affected-members-virus-crisis-1287474/>.

10 “Covid-19 Dues Relief,” United Association, May 2020, <https://www.ua27.org/wp-content/uploads/2020/05/Covid19-dues-relief.pdf>.

11 “Dues Relief Eligibility,” New York City District Council of Carpenters, April 2020, <https://www.nycdistrictcouncil.com/covid-19-updates/>.

12 Evie Fordham, “Members of Congress ask unions to stop collecting dues amid coronavirus unemployment,” *Fox Business*, June 2, 2020, <https://www.foxbusiness.com/money/coronavirus-congress-union-layoffs-dues>.

13 Ibid.

LM-2 filings for 2020 showcase how Local 11 officials prioritized its bottom line during the pandemic . Between 2019¹⁴ and 2020,¹⁵ the maximum monthly due payment went up by more than 15%, from \$66 to \$76. Not only did Local 11 choose to raise its dues during the midst of the pandemic, it imposed an unprecedented rate increase relative to past years: between 2015 and 2019, the average rate increase for Local 11 was under 4%,¹⁶ and from 2018 to 2019 the union did not raise its dues at all. Similarly, Local 11 dramatically raised its initiation fee for new members in 2020, from \$132 in 2019 to \$147 in 2020.

Local 11's Efforts To Hurt The Hospitality Industry

A great irony of Local 11's conduct during the pandemic was that the loudest voice for keeping hotel workers unemployed often was the union itself.

FOUGHT PANDEMIC AID FOR THE HOSPITALITY INDUSTRY

In March 2020, Congress responded to the COVID-19 crisis by unleashing billions of dollars of forgivable loans for businesses through the Paycheck Protection Program (PPP).¹⁷ PPP funds were meant to “help affected small businesses” and “help workers

14 2019 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 24, 2020, <https://olmsapps.dol.gov/query/getOrgQry.do>.

15 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 30, 2021, <https://olmsapps.dol.gov/query/getOrgQry.do>.

16 2015 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 29, 2016, <https://olmsapps.dol.gov/query/getOrgQry.do>; 2016 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 28, 2017, <https://olmsapps.dol.gov/query/getOrgQry.do>; 2017 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 28, 2018, <https://olmsapps.dol.gov/query/getOrgQry.do>.

17 Carmen Reinicke, “Paycheck Protection Program has run out of money for most borrowers. What you need to know,” *CNBC*, May 5, 2021, <https://www.cnbc.com/2021/05/05/ppp-has-run-out-of-money-for-most-borrowers-what-to-know.html>.

remain employed.”¹⁸ PPP was a huge success: study¹⁹ after study²⁰ has concluded the funds were a lifeline for small businesses in America during the early pandemic. In fact, a comprehensive review of the program by MIT estimated PPP funds saved more than 2 million jobs in America.²¹

In 2021, the Small Business Administration stated that the hospitality industry received 18% of all PPP loans.²² Many of the jobs saved by the program were those filled by Local 11 members. And yet, from early on, Local 11 was vehemently opposed to hotels receiving PPP funds.

In September 2020, Kurt Petersen, the co-president of Local 11, was quoted in a *Bloomberg* story alongside a UNITE HERE researcher who proclaimed PPP funds would do little to “bring [hospitality] jobs back.”²³ In July 2021, Local 11 released its own “analysis,” arguing the Paycheck Protection Program failed to return “workers to their jobs.”²⁴ Local 11 also called for Congress to investigate hotels who received PPP loans,²⁵ and demanded the Small Business Administration “halt” PPP loan forgiveness to a hotel chain.²⁶ Local 11’s intense scrutiny of PPP loans to hotels is especially

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- 18 “The Small Business Owner’s Guide to the CARES Act,” U.S. Senate Committee on Small Business & Entrepreneurship, Accessed April 25, 2022, https://www.sbc.senate.gov/public/_cache/files/2/9/29fc1ae7-879a-4de0-97d5-ab0a0cb558c8/1BC9E5AB74965E686FC6EBC019EC358F.the-small-business-owner-s-guide-to-the-cares-act-final-.pdf.
 - 19 Glenn Hubbard and Michael R. Strain, “Has the Paycheck Protection Program succeeded?” Brookings Institution, September 23, 2020, <https://www.brookings.edu/bpea-articles/has-the-paycheck-protection-program-succeeded/>.
 - 20 Robert P. Bartlett III & Adair Morse, “Small Business Survival Capabilities and Policy Effectiveness: Evidence from Oakland,” National Bureau of Economic Research, July 2020, <https://www.nber.org/papers/w27629>.
 - 21 Jonnelle Marte, “PPP small business aid saved 2.3 million jobs, study estimates,” *Reuters*, July 22, 2020, <https://www.reuters.com/article/us-usa-economy-ppp/ppp-small-business-aid-saved-2-3-million-jobs-study-estimates-idUSKCN24N2TK>.
 - 22 “Paycheck Protection Program (PPP) Report,” U.S. Small Business Administration, February 2021, https://www.sba.gov/sites/default/files/2021-02/PPP_Report_Public_210207-508.pdf.
 - 23 Paige Smith, “When a Paycheck Protection Effort Meant to Save Jobs Doesn’t,” *Bloomberg*, September 24, 2020, <https://news.bloomberglaw.com/daily-labor-report/when-a-paycheck-protection-effort-meant-to-save-jobs-doesnt>.
 - 24 “Hotel Worker Employment Data Reveals Paycheck Protection Program’s Failure to Keep Workers on Payroll,” UNITE HERE Local 11, July 9, 2021, <https://www.unitehere11.org/wp-content/uploads/UNITE-HERE-Local-11-Hotel-Loan-Forgiveness-Analysis.pdf>.
 - 25 Hugo Martin, “How has this hotel firm spent its PPP money? Eight members of Congress want to know,” *Los Angeles Times*, October 13, 2020, <https://www.latimes.com/business/story/2020-10-13/katie-porter-urges-ppp-investigation>.
 - 26 “UNITE HERE Locals 11 and 40 Demand U. S. Government Stop Forgiving Westmont-Connected Paycheck Protection Program Loans,” Business Wire, July 20, 2021, <https://www.businesswire.com/news/home/20210720006135/en/UNITE-HERE-Locals-11-and-40-Demand-U.-S.-Government-Stop-Forgiving-Westmont-Connected-Paycheck-Protection-Program-Loans>.

hypocritical, given evidence they may have abused the program themselves (more on this later).

Local 11 even came out in opposition to Congressional aid targeted at the hospitality industry. The “bipartisan”²⁷ Save Hotel Jobs Act proposed additional support for the hospitality industry at a time when “the hotel industry and its workers [were] still reeling.”²⁸ In May 2021, UNITE HERE’s international president even argued the bill would provide “crucial” support for “the hardest hit hotel workers.”²⁹ Bizarrely, only a few days later, Local 11 released a press release slamming the bill as a federal handout and stating its “firm opposition” to the bill’s passage.³⁰ Likely in part due to Local 11’s aggressive advocacy efforts, the Save Hotel Jobs Act never passed Congress.

UNITE HERE Local 11

UNITE HERE Local 11 Opposes Federal Handouts to Hospitality Industry in Proposed “Save Hotel Jobs Act”

May 24, 2021

UNITE HERE Local 11 Opposes Federal Handouts to Hospitality Industry in Proposed
“Save Hotel Jobs Act”

Local 11’s press release attacking the Save Hotel Jobs Act (May 24, 2021)

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- 27 “For hotels, business travel still in the doldrums, report says,” *The Daily Record*, September 16, 2021, <https://thedailyrecord.com/2021/09/16/for-hotels-business-travel-still-in-the-doldrums-report-says/>.
- 28 Letter, UNITE HERE and American Hotel & Lodging Association, May 17, 2021, <https://www.politico.com/f/?id=00000179-7bd5-d60d-a9f9-ffd7b1e80000>.
- 29 Ibid
- 30 “UNITE HERE Local 11 Opposes Federal Handouts to Hospitality Industry in Proposed ‘Save Hotel Jobs Act,’” UNITE HERE Local 11, May 24, 2021, <https://www.unitehere11.org/press-local11-ahla/>.

FOUGHT TO KEEP HOTELS CLOSED WHILE CANVASSING DURING THE 2020 ELECTION

Meanwhile, Local 11 was also aggressively lobbying against government efforts to re-open the hospitality industry. In June 2020, Local 11 wrote to Los Angeles' County's board of supervisors calling for an immediate "pause" to efforts to reopen hotels,³¹ which had been closed across the state since March. Revealingly, the union's main issue was that its "input" was not sought.³² The next month, in July 2020, Local 11 organized public protests against reopening, despite the industry's new COVID-19 health standards having been developed with help from the administration of Democratic governor Gavin Newsom.³³ In December 2020, Local 11 joined onto a petition calling for the board of supervisors to enact "a true lockdown" for an *entire month*.³⁴ Speaking to the *Los Angeles Times* about his support for the petition, Kurt Petersen admitted 90% of his members were still unemployed.³⁵

Local 11's uncompromising support for a complete shutdown of the entire hospitality industry may have been defensible if the local was not simultaneously sending out scores of its volunteers to door knock for Joe Biden. In late July 2020, Local 11 began a massive

 **UNITE HERE Local 11**
@UNITEHERE11

.@Ash_Kalra and @JaneKim joined our canvass today in Arizona. Here is Rep. Kalra with @unitehere_19 members before hitting the doors. #TakeBack2020 #Retomemos2020



2:17 PM · Oct 10, 2020 · Twitter for iPhone

An example of a Local 11 tweet bragging about its canvassing efforts, while the local was simultaneously opposing efforts to re-open the hospitality industry.

31 Letter, UNITE HERE Local 11, June 19, 2020, <https://eyeson11.com/app/uploads/2020/06/UH11-Letter-to-LA-County-BOS-re-reopening-of-hotel-industry-6.19.2020.pdf>.

32 Ibid

33 Kevin Smith, "Workers protest hotel reopenings amid coronavirus flareups," *Los Angeles Daily News*, July 9, 2020, <https://www.dailynews.com/2020/07/08/workers-protest-hotel-reopenings-amid-covid-19-flareups/>.

34 "LA County: We demand a circuit breaker and direct relief to save lives," The Action Network, Accessed April 25, 2022, <https://actionnetwork.org/petitions/a675c94b2d81beb0dcf1d76fff401fd7dc21ed6a/?hash=289f4e97f33f73da6e03e16bc2ca99e1>.

35 Howard Blume, "Unions for teachers, nurses, grocery and hotel workers call for L.A. County shutdown in January," *Los Angeles Times*, December 17, 2020, <https://www.latimes.com/california/story/2020-12-17/unions-call-emergency-la-county-covid-19-shutdown>.

canvassing operation in support of Joe Biden’s presidential campaign.³⁶ Roughly two weeks later, a senior Democratic spokesperson slammed door to door canvassing efforts for endangering lives.³⁷ Despite this, Local 11 frequently boasted³⁸ on social³⁹ media⁴⁰ about its canvassing operation.

EFFORTS TO SABOTAGE CALIFORNIA’S HOSPITALITY INDUSTRY

Some of Local 11’s activities during COVID-19 came off as actively harmful to the state’s hospitality industry. For example, in October 2021, Local 11 issued a 12-page report outlining its demands for allowing the City of Los Angeles to host the Olympics and Paralympics.⁴¹ The report ominously warned that Los Angeles must decide “who loses” if the city hosts the Olympics. Yet the report also admitted the 2028 Games “will support more than 74,000 jobs.”⁴² As usual, Local 11 seemed only interested in creating jobs if it can line its own pockets at the same time. The union even called on the city to delay voting on the deal.

Several months later, in March 2021, the local launched a website grading the COVID-19 policies of hotels in Los Angeles County.⁴³ Conveniently for Local 11, one of the metrics in their grading system centered on whether the hotel codified its COVID-19 policies in an agreement with workers – in other words, whether the hotel was unionized.⁴⁴ As a

36 Sasha Abramsky, “How Unite Here Turned the West’s Biggest Red State Blue,” *The Nation*, June 14, 2021, <https://www.thenation.com/article/politics/unite-here-arizona/>.

37 Lily Adams, Twitter, August 5, 2020, [HTTPS://TWITTER.COM/ADAMSLILY/STATUS/1291069828804075521?S=20](https://twitter.com/ADAMSLILY/status/1291069828804075521?s=20).

38 UNITE HERE Local 11, Twitter, October 10, 2020, <https://twitter.com/UNITEHERE11/status/1314993461695672320>.

39 UNITE HERE Local 11, Twitter, August 15, 2020, <https://twitter.com/UNITEHERE11/status/1294688508842397696>.

40 UNITE HERE Local 11, Twitter, September 30, 2020, <https://twitter.com/UNITEHERE11/status/1311510185718890496>.

41 “Fair Games,” UNITE HERE Local 11, October 2021, <https://www.unitehere11.org/wp-content/uploads/Fair-Games-UNITE-HERE-Local-11-FINAL.pdf>.

42 Ibid

43 “UNITE HERE Local 11 Launches New “COVID Hotel Grade” Website,” *Business Wire*, March 11, 2021, <https://www.todayshotelier.com/2021/03/24/unite-here-local-11-launches-new-covid-hotel-grade-website/>.

44 Charlyce Bozzello, “On Local 11 Hotel Grades, Garbage In Means Garbage Out,” *Santa Monica Lookout*, March 15, 2021, https://www.surfsantamonica.com/ssm_site/the_lookout/letters/Letters-2021/03_15_2021_OPINION_On_Local_11_Hotel_Grades_Garbage_In_Means_Garbage%20Out.html.

result, non-unionized hotels all received “failing grades” on the website.⁴⁵ On top of all this, Local 11 paid to send out physical mailers blasting the non-unionized hotels for their alleged failing grades.⁴⁶

Local 11 also sought to abuse the California Environmental Quality Act (CEQA) to thwart the construction of new economic projects in the state. Though ostensibly an environmental bill, CEQA has been repeatedly⁴⁷ called⁴⁸ out for its abuse by bad faith actors, most recently when homeowner groups tried to use CEQA to force UC Berkeley to deny 2,500 accepted students.⁴⁹ In November 2020, Local 11 was the “one exception” to widespread union support for an “iconic development” project in Santa Ana.⁵⁰ Local 11 accused the project of violating CEQA because of excessive “lot density”⁵¹ – language more reminiscent of anti-development groups than a union local focused on jobs for its members. In January 2021, the law firm Gideon Kracov submitted comments to the City of Manhattan Beach on behalf of Local 11 calling on the city to reject a proposed hotel project.⁵² Shockingly, Local 11’s comments highlighted the “minimum of 60” jobs the project would create as proof the project had too high of a GHG impact.⁵³ To add insult to injury, Local 11 paid Gideon Kracov more than \$11,000 the next month.⁵⁴

45 Jorge Casuso, “Hotel Union Assigns Grades Based on COVID-19 ‘Guarantees,’” *Santa Monica Lookout*, March 12, 2021, https://www.surfsantamonica.com/ssm_site/the_lookout/news/News-2021/March-2021/03_12_2021_Hotel_Union_Assigns_Grades_Based_on_COVID_19_Guarantees.html.

46 “Does Local 11 Really Want Hotels to Reopen?” *Eyes on Local 11*, April 28, 2021, <https://eyeson11.com/does-local-11-really-want-hotels-to-reopen/>.

47 Chris Carr, “UC Berkeley Case Shows Why Comprehensive Reform Badly Needed to End CEQA Abuse,” *Pacific Research Institute*, March 23, 2022, <https://www.pacificresearch.org/uc-berkeley-case-shows-why-comprehensive-reform-badly-needed-to-end-ceqa-abuse/>.

48 Tracy Hernandez, Lucy Dunn, and Jennifer Hernandez, “Berkeley case proves CEQA needs to be reformed,” *Cal Matters*, March 15, 2022, <https://calmatters.org/commentary/2022/03/berkeley-case-proves-ceqa-needs-to-be-reformed/>.

49 Patrick Sisson, “The Landmark Environmental Law Inside a NIMBY Firestorm,” *Bloomberg*, April 20, 2022, <https://www.bloomberg.com/news/features/2022-04-20/the-landmark-environmental-law-inside-a-nimby-firestorm>.

50 Roxana Kopetman, “Santa Ana approves development that could remake downtown,” *The Orange County Register*, November 19, 2020, <https://www.ocregister.com/2020/11/18/santa-ana-approves-development-that-could-remake-downtown/>.

51 *Ibid*

52 “RE: Item 10, City Council Regular Meeting Scheduled January 19, 2021; Appeal – MB Hotel Partners, LLC Hotel Project (600 S. Sepulveda Blvd.),” Gideon Kracov, City of Manhattan Beach, January 19, 2021, <https://www.manhattanbeach.gov/Home/ShowDocument?id=45639>.

53 *Ibid*

54 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 31, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>.

Staff Report Greenhouse Gas Emissions	
Project Phase	Proposed Project (MT CO ₂ e/year)
Construction (amortized over 30 years)	31.72
Area	0.01
Energy	326.83
Mobile	2,046.64
Waste	13.14
Water	27.11
Total	2,445.45
Service Population	60
Service Population Efficiency	40.76
Threshold	3
Exceed?	Yes

An excerpt from Local 11's comments to Manhattan Beach, attacking the project for the 60 jobs it was expected to create.

Local 11's Self-Dealings And Frivolous Spending

LAI D OFF EMPLOYEES WHILE MAINTAINING SALARIES FOR LEADERSHIP AND THEIR RELATIVES

Some of Local 11's activities during COVID-19 look particularly tone deaf to its unemployed members. Foremost, Local 11's leadership felt no need to even symbolically suffer during the pandemic, despite the fact that up to 90 percent of members lost their jobs.⁵⁵ In fact, Local 11 itself laid off up to 40 percent of its employees during the pandemic.⁵⁶ Meanwhile, UNITE HERE's LM-2 filings for 2020 and 2021 show that many of Local 11's leadership continued to earn impressive salaries

55 L. Kasimu Harris and Avi Asher -Schapiro, "BIGGER PICTURE-Life far from sunny in Southern California where jobless hospitality workers face bleak future," *Thomson Reuters*, September 28, 2020, <https://www.reuters.com/article/biggerpicture-health-coronavirus-hospita/bigger-picture-life-far-from-sunny-in-southern-california-where-jobless-hospitality-workers-face-bleak-future-idUSL8N2GP4ZH>.

56 "Local 11 Leaders Continue to Thrive, Despite Flailing Membership," *Eyes on Local 11*, April 4, 2022, <https://eyeson11.com/local-11-leaders-continue-to-thrive-despite-flailing-membership/>.

throughout COVID-19. Notably, this included co-president Ada Briceno, and the international vice-presidents Susan Minato and Kurt Petersen, both of whom earned more than \$120,000 per year in both 2020 and 2021.

Salary Of Select Local 11 Leadership Throughout COVID-19			
Year	2019^{57, 58}	2020^{59, 60}	2021^{61, 62}
Salary paid to Susan Minato (International Vice-President)	\$135,202	\$125,578	\$124,712
Salary paid to Ada Briceno (Co-President)	\$126,058	\$128,919	\$121,879
Salary paid to Kurt Petersen (International Vice-President)	\$123,245	\$119,826	\$124,216
Salary paid to Karine Mansoorian (Executive Vice-President)	\$103,792	\$99,504	\$101,723
Salary paid to Martin Lopez (Recording Secretary)	\$82,719	\$78,245	\$81,558
Salary paid to Jose Calderon (Trustee)	\$51,532	\$53,116	\$58,107

Not only did Local 11's leadership make it through the pandemic seemingly unaffected, but so too did some of their relatives. The union continued to employ Hannah Petersen, Kurt Petersen's daughter, and increased her organizer salary throughout the pandemic.⁶³

57 2019 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 24, 2020, <https://olmsapps.dol.gov/query/getOrgQry.do>.

58 2019 Form LM-2, National Headquarters, UNITE HERE, U.S. Department of Labor, March 26, 2020, <https://olmsapps.dol.gov/query/getOrgQry.do>

59 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 29, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>.

60 2020 Form LM-2, National Headquarters, UNITE HERE, U.S. Department of Labor, March 31, 2021, <https://olmsapps.dol.gov/query/getOrgQry.do>

61 2021 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 31, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>

62 2021 Form LM-2, National Headquarters, UNITE HERE, U.S. Department of Labor, March 31, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>

63 2019 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 24, 2020, <https://olmsapps.dol.gov/query/getOrgQry.do>.

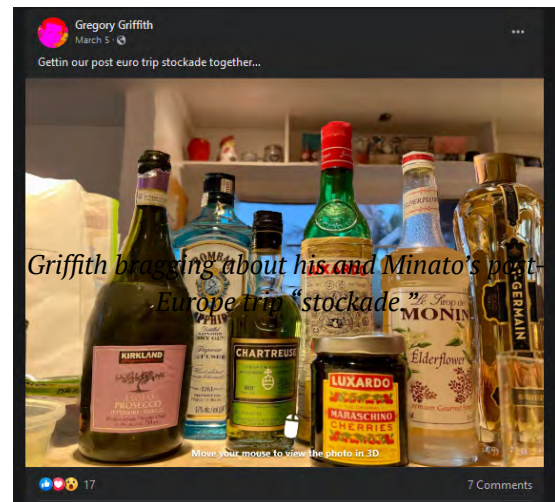
^{64, 65} Similarly, Local 11’s LM-2 filings show it continued to rely on Susan Minato’s husband, Gregory Griffith, an IT consultant who the local already had paid almost a half a million dollars between 2014 and 2019.⁶⁶ As we have previously detailed, Griffith’s salary seems inflated by as much as three times compared to another UNITE HERE local.⁶⁷ It is also unclear what Griffith’s qualifications for the role are: according to his LinkedIn, he currently works as a DJ at a bar in Los Angeles.⁶⁸ In March 2017, Griffith’s online username (Ggplush) posted to HP’s support forum, asking for help with a laptop that would not turn on⁶⁹ – sophisticated work for someone who earned more than \$94,000 that year. Local 11 continued to compensate Griffith handsomely throughout the pandemic; he was paid \$80,800 and \$81,425 in 2020 and 2021, respectively.

FANCY VACATIONS TO EUROPE

In March 2022, Local 11 organized a “delegation”⁷⁰ to the U.K., all for the purpose of putting on a sparsely attended protest of a restaurant. The stunt, which was organized by British activists, Local 11, and Britain’s Socialist Party⁷¹, targeted the bar Abandon Ship in London. The small crowd – one photo shows less than fifteen people altogether⁷² – stood in front of the restaurant waving flags, while chanting “everything sucks!”⁷³

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- 64 2021 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 31, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>
 - 65 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 29, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>.
 - 66 “NEW INVESTIGATION: Local 11 Pays Union Exec’s Husband Inflated Salary for IT Services – Over 3x As Much As Its San Fran Counterpart,” Eyes on Local 11, July 10, 2020, <https://eyeson11.com/new-investigation-local-11-pays-union-execs-husband-inflated-salary-for-it-services-over-3x-as-much-as-its-san-fran-counterpart/>.
 - 67 Ibid
 - 68 Gregory Griffith, LinkedIn, Accessed April 25, 2022, <https://www.linkedin.com/in/gregory-griffith-7450022a/>.
 - 69 Ggplush, “HP Stream laptop - no boot w/ caps lock led flashing 2x,” HP, March 22, 2017, <https://h30434.www3.hp.com/t5/Notebook-Boot-and-Lockup/HP-Stream-laptop-no-boot-w-caps-lock-led-flashing-2x/m-p/6042409#M109731>.
 - 70 “Hospitality workers fight exploitation here and in US,” Socialist Party, March 23, 2022, <https://www.socialistparty.org.uk/articles/93526/23-03-2022/hospitality-workers-fight-exploitation-here-and-in-us/>.
 - 71 London Socialist Party, Facebook, March 9, 2022, <https://www.facebook.com/LondonSocialists/posts/2099547896877186>.
 - 72 “Hospitality workers fight exploitation here and in US,” Socialist Party, March 23, 2022, <https://www.socialistparty.org.uk/articles/93526/23-03-2022/hospitality-workers-fight-exploitation-here-and-in-us/>.
 - 73 Unite Hospitality, Facebook, March 9, 2022, <https://www.facebook.com/watch/?v=2270764749727872>.

Unsurprisingly, the protest generated little to no media attention. We can only guess how much Local 11 spent on the overseas delegation, which involved at least three California activists.⁷⁴ Local 11 may have gotten the idea for the Europe trip in the first place from international vice-president Susan Minato and her husband Gregory, who only weeks prior⁷⁵ wrapped up a lavish vacation to Paris, Venice, and Rome.⁷⁶ Highlights of their trip included staying at a luxury hotel⁷⁷ where a stay for two adults is nearly 2,000 euros per night,⁷⁸ purchasing a “stockade” of alcohol,⁷⁹ and dining⁸⁰ at a restaurant *The New York Times* described as a hangout for the “trust fund crowd.”⁸¹



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- 74 This includes Ramon Lacayo, Martha Lacayo, and Thommi Gross.
- 75 Gregory Griffith, Facebook, March 5, 2022, <https://www.facebook.com/gregory.griffith.96/posts/10226607856200105>.
- 76 Gregory Griffith, Facebook, February 14, 2022, <https://www.facebook.com/gregory.griffith.96/posts/10226503346427426>.
- 77 Gregory Griffith, Facebook, February 25, 2022, <https://www.facebook.com/gregory.griffith.96/posts/10226562915516616>.
- 78 “Select A Room,” Bauer Palazzio, Accessed April 27, 2022, <https://be.synxis.com/?adult=2&arrive=2022-04-28&chain=24447&child=0¤cy=EUR&depart=2022-04-29&hotel=6893&level=hotel&locale=en-US&rooms=1>.
- 79 Gregory Griffith, Facebook, March 5, 2022, <https://www.facebook.com/gregory.griffith.96/posts/10226610101216229>.
- 80 Gregory Griffith, Facebook, February 23, 2022, <https://www.facebook.com/gregory.griffith.96/posts/10226553471880531>.
- 81 Jay Cheshes, “Restaurant Review: Derrière in Paris,” *The New York Times*, February 4, 2010, <https://www.nytimes.com/2010/02/07/travel/07bites.html>.

Local 11's Possible Abuse Of PPP Loans

Most egregious of Local 11's conduct throughout the pandemic are the PPP funds that a Local 11 affiliate, the Hospitality Industry Training and Education Fund applied for and received. Again, Local 11 was *laser focused* on alleged abuse of PPP loans by hotels – so much so, that often it seemed like the local was more concerned with that rather than ensuring its members got back to work. It is consequently fitting that throughout the pandemic, Local 11 not only made use of PPP funding through its own related entities, but may have skirted the rules to do so.

In May 2020, the Hospitality Training Academy, a Local 11-linked nonprofit whose self-described purpose is to place “students in jobs in union hotels,”⁸² received nearly \$260,000 in PPP loans.⁸³ At best, HTA's application for a PPP loan seems curious. PPP loans required applicants to attest that a loan was necessary because of “current economic uncertainty.”⁸⁴ Yet according to the HTA's own 990 tax filing, revenue for 2020 was up more than 1,800 percent in 2020 compared to the previous year, and the group finished 2020 with more than \$4,500,000 in net income.⁸⁵

PPP loans also required applicants to promise funds would “be used to retain workers and maintain payroll.”⁸⁶ But the HTA's 990 filing shows that the group's payroll increased by more than 30 percent in 2020: from \$817,916 in 2019, to \$1,085,787. Around the time that the HTA received hundreds of thousands in federal PPP money, many Local 11 employees coincidentally had a sudden career change.

82 “Reach Your Career Goals,” Los Angeles Hospitality Training Academy, April 2015, https://lahta.org/wp-content/uploads/2015/04/LAHTA_RoomAttendantFlyer_english.pdf.

83 Hospitality Industry Training And Education Fund, Tracking PPP, ProPublica, May 1, 2020, <https://projects.propublica.org/coronavirus/bailouts/loans/hospitality-industry-training-and-education-fund-9914457705>.

84 “Paycheck Protection Program Borrower Application Form,” U.S. Small Business Administration, Revised January 8, 2021, <https://www.sba.gov/sites/default/files/2021-01/PPP%20Borrower%20Application%20Form%20%28revised%201.8.2021%29.pdf>.

85 Form 990, Hospitality Industry Training & Education Fund, Internal Revenue Service, November 15, 2021, <https://eyeson11.com/app/uploads/2021/12/HOSPITALITY-INDUSTRY-TRAINING-AND-EDUCATION-2020-PUBLIC-INSPECTION-COPY.pdf>.

86 “Paycheck Protection Program Borrower Application Form,” U.S. Small Business Administration, Revised January 8, 2021, <https://www.sba.gov/sites/default/files/2021-01/PPP%20Borrower%20Application%20Form%20%28revised%201.8.2021%29.pdf>.

One such employee was Sean Glynn, who spent years working as a union representative for Local 11. Since 2008, Local 11 paid Glynn a steady, annual salary totaling more than \$570,000. However, in 2020, Local 11's LM-2 report states Glynn was only paid around 40 percent of his regular salary — likely because he was caught up in Local 11's WARN Act layoffs.⁸⁷ Glynn himself claims he parted ways with Local 11 in March 2020, only to join HTA as a project manager the next month.⁸⁸ Sometime around June 2020, Glynn and many other former Local 11 staff were suddenly added to HTA's website as employees.⁸⁹

A similar story emerged with Vicky Beza, a former probationary organizer for Local 11, who in 2020, was paid 37 percent of her normal union salary. In June 2020, around the time Beza was added to the HTA's website as an employee, she wrote to Los Angeles County's Board of Supervisors as "a proud member of Unite Here Local 11" and argued hotels should not be allowed to reopen.⁹⁰ In February 2021, the HTA publicly thanked Beza for helping Local 11 members during the COVID-19 pandemic.⁹¹

Then there's Eva Gil, a Local 11 employee who was only paid 62 percent of her normal salary in 2020, and who was also added to the HTA's website in June 2020. The next month, in July 2020, Gil was identified in a pro-labor publication as an HTA employee.⁹² Ms. Gil worked alongside Aaron Greenberg, a Local 11 researcher who was also added to HTA's website around June 2020, but whose LinkedIn omits any mention of the career change.⁹³

Another Local 11 employee who chose a good time to join the HTA was Danielle Jones, a probationary organizer for Local 11 who received only 39 percent of her regular salary in 2020. In June 2020, around the time Jones was added to the HTA's website as a "case manager,"⁹⁴ she became a new Executive Board member for Local 11.⁹⁵

87 "WARN Act Notice," UNITE HERE Local 11, April 2020, https://eyeson11.com/app/uploads/2021/05/UNITE_HERE_Local_11_04-02-2020.pdf.

88 Sean Glynn, LinkedIn, Accessed April 25, 2022, <https://www.linkedin.com/in/sean-thomas-glynn/>.

89 "HTA Staff," Los Angeles Hospitality Training Academy, Archived June 17, 2020, <https://web.archive.org/web/20200617171605/https://lahta.org/about/hta-staff/>.

90 "Public Request To Address The Board Of Supervisors," County of Los Angeles, June 24, 2020, <http://file.lacounty.gov/SDSInter/bos/supdocs/146817.pdf>.

91 Hospitality Training Academy of Los Angeles, Facebook, February 11, 2021, <https://www.facebook.com/HospitalityTrainingAcademy/photos/a.544579632238786/4342886125741432/>.

92 Jordan Palmer, "A Brief History of the UNITE HERE Local 11 Remote Unemployment Insurance Mutual Aid Network," *The Forge*, July 7, 2020, <https://forgeorganizing.org/article/brief-history-unite-here-local-11-remote-unemployment-insurance-mutual-aid-network>.

93 Aaron Greenberg, LinkedIn, Accessed April 26, 2022, <https://www.linkedin.com/in/aaron-greenberg-a5489010/>.

94 "HTA Staff," Los Angeles Hospitality Training Academy, Archived June 17, 2020, <https://web.archive.org/web/20200617171605/https://lahta.org/about/hta-staff/>.

95 UNITE HERE Local 11, Facebook, June 22, 2020, https://www.facebook.com/watch/live/?ref=watch_permalink&v=3275086989176288.

One Local 11 member even spent her time at the HTA being interviewed by media, while presenting as a run of the mill worker. Across 2019 and 2020, Alice Stanford was paid more than \$9,000 for her work serving as an elected member of Local 11’s leadership as its Chair of Trustees. In May 2020, *The Guardian* interviewed Stanford, who discussed helping Local 11 members sign up for benefits.⁹⁶ Around that same time, Stanford was added to the HTA’s website⁹⁷ where she continues to be listed as “case manager,”⁹⁸ but according to her LinkedIn, Stanford has only ever been an organizer for Local 11.⁹⁹ In January 2021, the HTA honored Stanford for her work during the pandemic. In February 2021, the next month, a snazzy Local 11 video featured Stanford, who self-described as a member of Local 11. In the months after being hired by the HTA, Stanford repeatedly¹⁰⁰ promoted¹⁰¹ Local¹⁰² 11¹⁰³ activities¹⁰⁴ and campaigns¹⁰⁵ on Facebook during regular work hours — a good indication of what Stanford’s position with the HTA entailed.

Most insightful of all is the example of Juan Munoz. In April 2020, Juan Munoz, a Local 11 “lead canvasser,” joined the HTA for a brief stint of only three months as a “case manager,” before returning to Local 11 in June.¹⁰⁶ In May 2020, the HTA thanked

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- 96 Alexandra Villarreal, “‘We’re scared’: US service workers see livelihoods vanish amid coronavirus,” *The Guardian*, May 17, 2020, <https://www.theguardian.com/world/2020/mar/17/service-workers-coronavirus-us-wages-tips-restaurants-bars>.
 - 97 “HTA Staff,” Los Angeles Hospitality Training Academy, Archived June 17, 2020, <https://web.archive.org/web/20200617171605/https://lahta.org/about/hta-staff/>.
 - 98 “HTA Staff,” Los Angeles Hospitality Training Academy, Accessed April 26, 2022, <https://lahta.org/about/hta-staff/>.
 - 99 Alice Stanford, LinkedIn, Accessed April 26, 2022, <https://www.linkedin.com/in/alice-stanford-765551129/>.
 - 100 Alice Stanford, Facebook, May 4, 2020, <https://www.facebook.com/aj072103/posts/10221378889329026>.
 - 101 Alice Stanford, Facebook, June 22, 2020, <https://www.facebook.com/aj072103/posts/10221861636917414>.
 - 102 Alice Stanford, Facebook, June 29, 2020, <https://www.facebook.com/aj072103/posts/10221928923799544>.
 - 103 Alice Stanford, Facebook, July 16, 2020, <https://www.facebook.com/aj072103/posts/10222088985520987>.
 - 104 Alice Stanford, Facebook, September 21, 2020, <https://www.facebook.com/aj072103/posts/10222640995280886>.
 - 105 Alice Stanford, Facebook, October 1, 2020, <https://www.facebook.com/aj072103/posts/10222714390315716>.
 - 106 Juan Muñoz, LinkedIn, Accessed April 26, 2022, <https://www.linkedin.com/in/juan-mu%C3%B1oz-41212a12a/>.

Munoz for his work “on the HTA/Local 11 Team”¹⁰⁷ – proof that not even the nonprofit recognizes any distinction itself and Local 11.

The HTA’s creative approach to PPP funds was not an isolated one. Another Local 11-backed organization that successfully applied for PPP funds was Central Arizonans For A Sustainable Economy (CASE), an Arizona nonprofit that is allied with Local 11 and that received more than \$150,000 from the union in 2019 alone.¹⁰⁸ In May 2020, CASE received a PPP loan for nearly \$52,000.¹⁰⁹ The next month, in June 2020, Magdalena Acosta, a probationary organizer for Local 11,¹¹⁰ listed herself as a relief coordinator for CASE.¹¹¹

Mismanagement Left Local 11 Badly Weakened

Given Local 11’s reckless and self-interested activities throughout the entirety of the pandemic, it should come as no surprise that the local now finds itself weaker, smaller, and more indebted than at any other point in recent history.

In March 2022, Local 11 filed an amended LM-2 report for 2020, which disclosed the union’s membership had become almost non-existent. While the original 2020 report listed a roughly 55 percent drop in membership (down to 13,480),¹¹² the newer

107 Hospitality Training Academy of Los Angeles, Facebook, May 23, 2020, <https://www.facebook.com/juanmunoz2011/posts/10219809019190015>.

108 2019 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 24, 2020, <https://olmsapps.dol.gov/query/getOrgQry.do>.

109 “CENTRAL ARIZONANS FOR A SUSTAINABLE ECO,” Tracking PPP, ProPublica, May 2, 2020, <https://projects.propublica.org/coronavirus/bailouts/loans/central-arizonans-for-a-sustainable-eco-9782177309>.

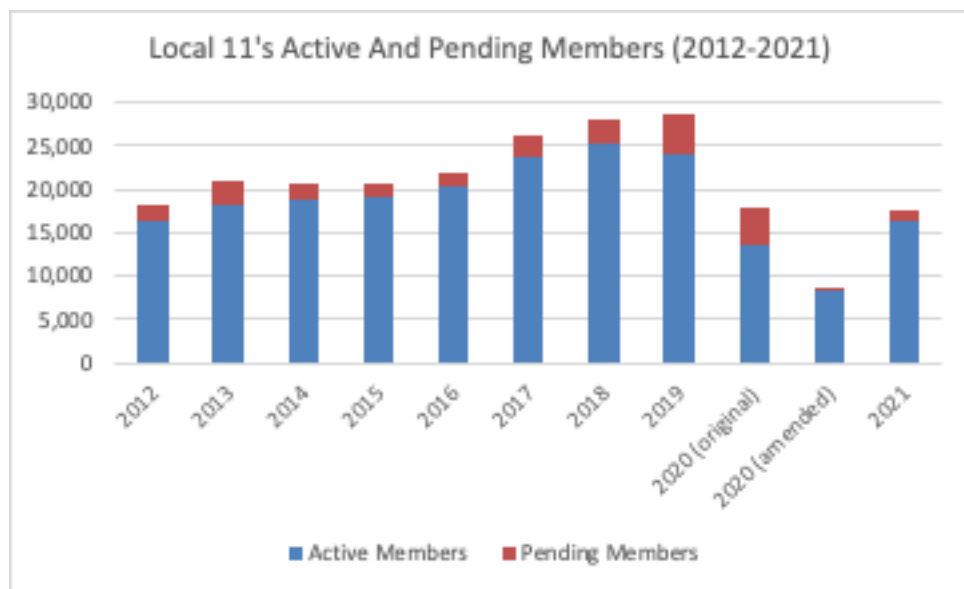
110 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 30, 2021, <https://olmsapps.dol.gov/query/getOrgQry.do>.

111 Campaign Finance Report, Betty for Phoenix City Council District 5, City of Phoenix, August 16, 2020, <https://apps-secure.phoenix.gov/CampaignFinance/Reports/PrintReport/bd78f7dc-119e-4883-a468-f4ce8dd04c25>.

112 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 30, 2021, <https://olmsapps.dol.gov/query/getOrgQry.do>.

figure pegged the drop at more than 65 percent (down to 8,398).¹¹³ In 2021, Local 11's membership managed to recover somewhat, back up to 16,301, but only enough to put the union's membership in line with figures last seen in 2012.¹¹⁴ Also notable is that Local 11 disclosed far fewer pending members in 2021, compared to previous years.

Local 11 made sure its pandemic-era budget involved no cuts whatsoever for both its leadership and their relatives. Based on the Local's LM-2 filings, the union may have paid for this largesse in part by taking on a significant amount of new debt. Throughout 2020, Local 11's total liabilities increased by nearly double; from \$2,408,346 to more than \$4.7 million.¹¹⁵

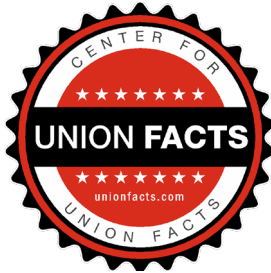


113 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 29, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>.

114 2012 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 27, 2013, <https://olmsapps.dol.gov/query/getOrgQry.do>.

115 2020 Form LM-2, Local 11, UNITE HERE, U.S. Department of Labor, March 29, 2022, <https://olmsapps.dol.gov/query/getOrgQry.do>.

Appendix – SBA Complaint



January 24, 2022

The Honorable Isabel Guzman
Administrator, U.S. Small Business Administration
409 3rd St, SW
Washington, DC 20416

Dear Administrator Guzman:

We write today to urge the Small Business Administration to investigate potential abuse of the Paycheck Protection Program (PPP) committed by UNITE HERE Local 11, a hospitality workers union based in Southern California and Arizona. The Center for Union Facts is a watchdog group that seeks transparency and accountability in America's labor movement.

During your Congressional nomination, you committed to being “a good steward” of PPP funds. Accordingly, it is important that you are aware of disturbing issues recently reported by the *Washington Free Beacon*. In May 2020, the Hospitality Training Academy (HTA), a Local 11-linked nonprofit, applied for and received nearly \$260,000 in federal PPP loans. We believe the HTA's PPP loan was wrongly submitted and granted for two reasons: (1) The HTA did not in good faith meet the criteria for a PPP loan, and (2) The money was used to circumvent clearly intended Congressional restrictions on labor groups receiving PPP funds.

PPP loans required applicants to attest that a loan was necessary because of “current economic uncertainty” caused by the COVID-19 pandemic. Yet according to copies of the HTA's 990 tax filings, the group's annual revenue in 2020 went up

by more than 1,800 percent compared to 2019. The group ended the year with more than \$4,500,000 in net income. The *Washington Free Beacon* reported that the HTA's executive compensation went up by nearly 250 percent in 2020 compared to the year prior.

We believe the HTA's PPP loan violated the letter of the CARES Act, which barred 501c(5) groups from applying for funds. As the *Washington Free Beacon* has reported, many Local 11 employees suddenly began working for the HTA after the nonprofit received a PPP loan. According to Web Archive, the HTA's website added these former Local 11 staff as employees in June 2020, approximately one month after the PPP loan was approved. As the *Washington Free Beacon* reported, the HTA spent 33 percent more on staff wages in 2020.

One notable example of this sudden influx of employees to the HTA was Sean Glynn, who spent years working as a union representative for Local 11, but parted ways with the union in March 2020 and joined the HTA as a project manager the next month. Similarly, the HTA also hired two former probationary organizers for Local 11. Around the time of their hiring, one of the former organizers wrote to Los Angeles County's Board of Supervisors as "a proud member of Unite Here Local 11," and another became a new Executive Board member for Local 11. The HTA also hired a member of Local 11's Chair of Trustees who repeatedly promoted Local 11 activities and campaigns on Facebook during regular work hours after joining the HTA. At least two former Local 11 employees who joined the HTA around June 2020 even appeared to continue engaging in union-related work by helping Local 11 members file for unemployment.

The HTA's troubling hiring activities should not be viewed as an isolated case. Two other Local 11-backed nonprofits, the Los Angeles Alliance for a New Economy (LAANE) and Central Arizonans for a Sustainable Economy (CASE) also may have used PPP loans to employ Local 11 workers. LAANE and CASE received PPP loans in April 2020 and May 2020 respectively. In June 2020, a Local 11 probationary organizer suddenly listed herself as a relief coordinator for CASE. A few months later, in October 2020, a Local 11 organizer was identified by the *Fullerton Observer* as a researcher for LAANE.

We are concerned about the possibility that the HTA exploited pandemic funds to instead fund union organizing, in clear contravention of Congressional intent. We are equally concerned that when given the chance to explain these discrepancies to a media outlet, the HTA and Local 11 both refused to comment. In order to

fully investigate the possible abuses that took place, we believe the SBA should seek the following information from UNITE HERE Local 11 and the Hospitality Training Academy:

- Did the HTA apply for a PPP loan knowing it was financially secure?
- Did the HTA coordinate with Local 11 to keep union workers employed using COVID-19 pandemic funds?
- Did the Local 11 employees hired by the HTA continue to engage in union organizing?

We hope the SBA will take all appropriate measures to hold Local 11 and the HTA accountable for all possible abuses of taxpayer funds, and look forward to your addressing these abuses.

Thank you,

A handwritten signature in black ink, appearing to read 'Charlyce Bozzello', with a stylized, cursive script.

Charlyce Bozzello, Center for Union Facts

