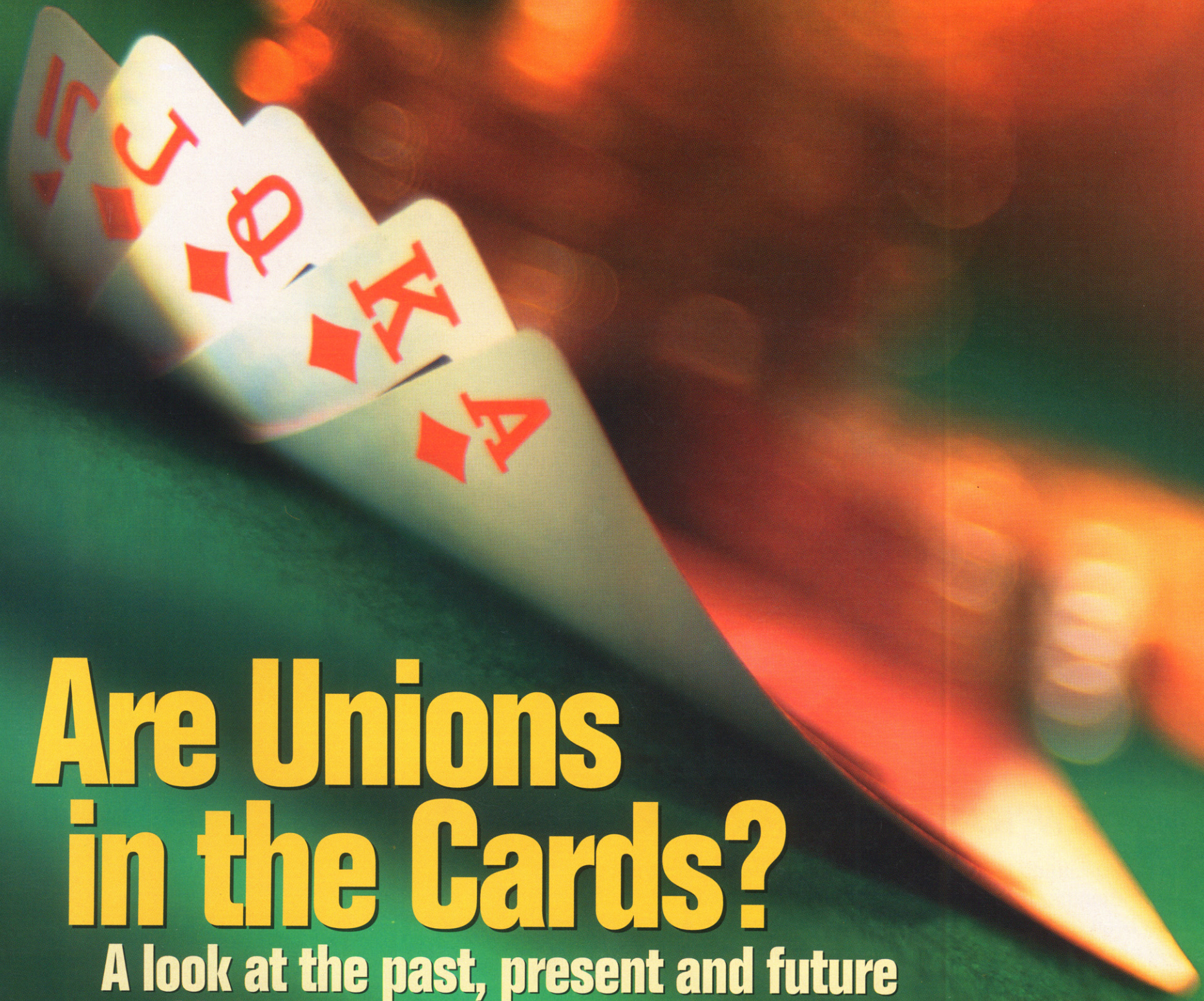


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Are Unions in the Cards?

A look at the past, present and future
of labor unions in the casino industry

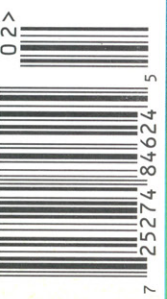
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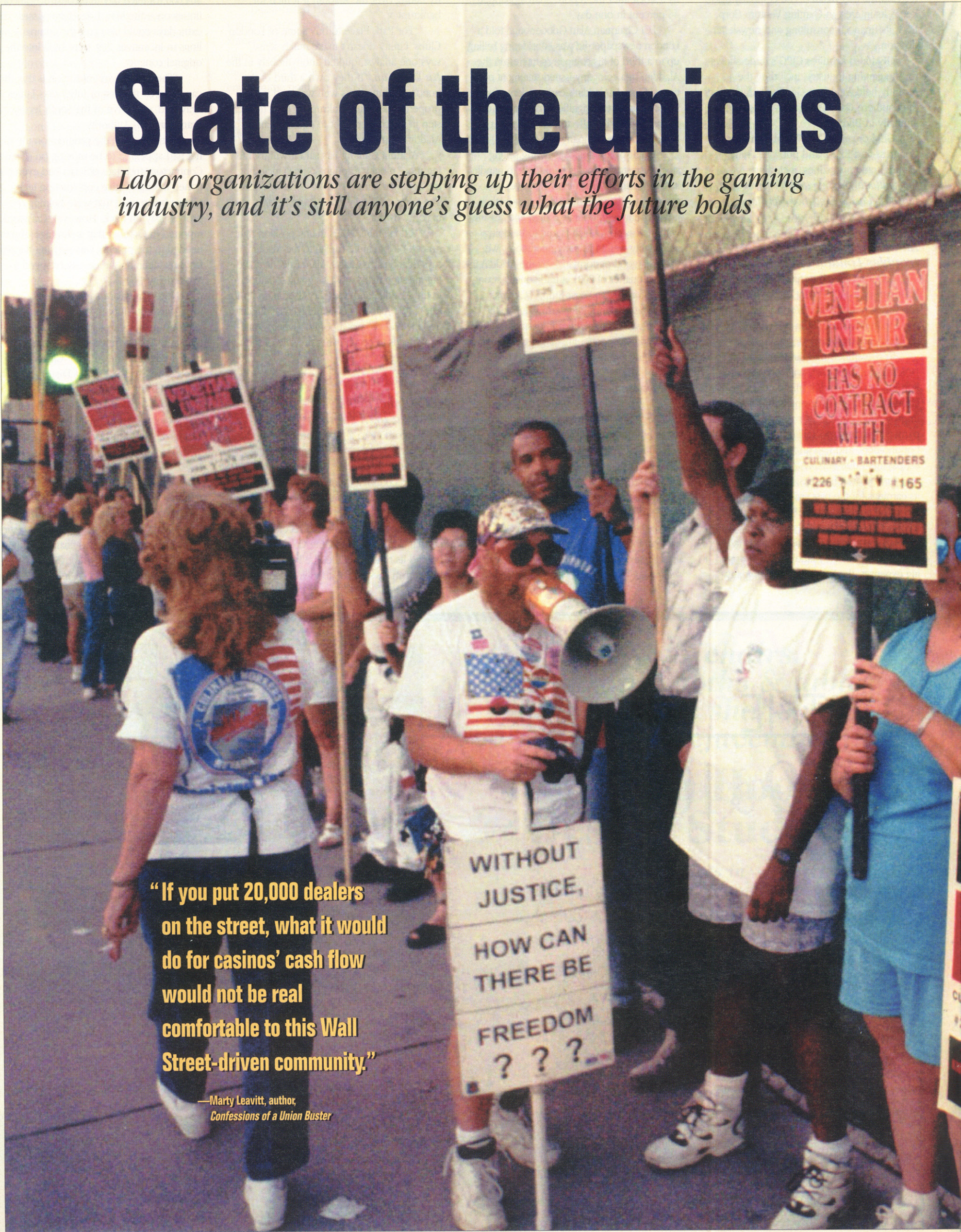
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State of the unions

Labor organizations are stepping up their efforts in the gaming industry, and it's still anyone's guess what the future holds



“If you put 20,000 dealers on the street, what it would do for casinos’ cash flow would not be real comfortable to this Wall Street-driven community.”

—Marty Leavitt, author, *Confessions of a Union Buster*



Culinary workers in Las Vegas, shown at a protest before the Venetian opened, count owner Sheldon Adelson as an arch-foe. So does he.

By Andy Holtmann

They're out there, watching every move a casino makes, calculating the right moment to step up and make themselves heard. Unions.

They cast themselves as watchdogs of the employee. In large numbers, they fight for better wages and benefits. They speak out against what they consider unfair labor practices. They push for employers to sign collective-bargaining agreements.

Few casino and hotel operators are apt to discuss their relationships with unions and don't consider them to be a pressing issue, but most agree their presence in the gaming industry cannot be overlooked. In fact, union efforts within the gaming industry are growing by leaps and bounds.

"The union issue is just starting to heat up and I think it will become a sizable one in 2001," says Shannon Bybee, director of the International Gaming Institute at the University of Nevada, Las Vegas. "There seems to be a lot of movement on the union front and I think we could start to see a lot of new things happening."

The largest union operating within the gaming industry, the Hotel Employees and Restaurant Employees International—better known in Las Vegas as the Culinary Union—represents more than 300,000 food, beverage and service workers nationally. Their efforts have led to the presence of union employees at nearly every casino in Las Vegas, Atlantic City and Detroit. But Culinary officials say their work is far from over, and are already mounting new campaigns at nonunion properties.

Another union is attempting to organize one group of casino employees who have never been represented—dealers. The Transport Workers Union of America, which has enjoyed previous success with auto and airline workers, is seeking to begin what could become a national effort by attempting to organize some 35,000 dealers in Las Vegas. Some say the group's efforts could lead to a bitterly waged campaign between the casinos and dealers.

"It could have the makings of a war," says one casino executive, who wishes to remain anonymous. "A simi-

lar effort was mounted in Atlantic City years ago, and it created a big stink then."

Although the potential for heated battles and controversy exists with any organizational campaign, it is by no means unexplored territory, and history has both sides prepared.

Labor unions and the gaming industry have always gone hand in hand, bound together in an often-rocky marriage that dates back to the days when casinos were little more than weekend hideaways for only the most avid of gamblers.

In that era of the early 20th century, labor unions were seen as the saviors of the working man. Unions like the United Auto Workers, Steelworkers and Mine Workers represented thousands of employees in desperate need of better working conditions. It was a time when being a union worker made sense.

The Culinary Union, which was gaining significant ground at the time, even put some of its own money into helping build the casino industry. Close ties between union representatives and casino developers led to open-door agreements.

But as the gaming industry blossomed and ownership changed hands, the idea of having outside parties involved with the operations of a casino became less appealing. It created conflict.

Some say that conflict has served as a motivator, keeping pressure on the casinos, and justifying the present-day presence of unions.

"The standard of living in [Las Vegas] has been basically able to be established because of union presence," says D. Taylor, staff director for Culinary Local 226 in Las Vegas. "Gaming is the largest industry [here] and because of good pay, good benefits and job security, we've had a stable work force which has allowed this town to prosper and for workers to share a fair piece of the pie."

But it is no easy task. Today, most of the larger casinos are operated by corporations, and Taylor says reaching collective-bargaining agreements has become more of a struggle.

For hotel and casino operators, unions are still a highly complex issue, and there are arguments for and against their presence.

"It all depends on the circumstances at hand," says Alan Feldman, a spokesman for MGM Mirage Inc. "In the very best examples, our relationship with unions has actually enhanced our business. But that doesn't mean we don't disagree, and it certainly doesn't mean we simply offer a blanket reception of all union activity."

Planes, Trains and Casino Dealers

For the Transport Workers, Las Vegas is unexplored territory, a fact that some gaming industry insiders say could lead to the demise of their efforts to organize casino dealers.

That's not to say the union isn't giving its all to the effort. It was successful in securing elections at the Las Vegas Hilton, Tropicana Las Vegas, Luxor, Monte Carlo, MGM Grand and Stratosphere. At press time, only the Tropicana had voted in favor of the union. It was voted down at both the Monte Carlo and Las Vegas Hilton, with elections still to be decided at the MGM Grand and Stratosphere. The TWU cancelled the vote at the Luxor due to anti-union sentiment that union officials claim was a response to threats by management.

Previous unionization efforts by the Teamsters and the Operating Engineers fell flat when the unions failed to win elections at key resorts. The Teamsters made the most progress, winning elections in 1977 and 1981 at the Frontier, but contract negotiations were stalled. When a Frontier employee began a decertification petition in 1987, the Teamsters pulled out.

Observers watching the latest campaign say the Transport Workers are running a more concentrated and sophisticated campaign, and that their chances for success are the best in years.

"The Transport Workers see this as an opportunity—one they have looked at for some time," says Howard Cole, a lawyer who specializes in management issues at Lionel, Sawyer & Collins in Las

“Gone are the days when union bosses were the protectors of working-class Americans. They have become just another special interest working to line their own pockets and build their own political power.”

—Sheldon Adelson, owner, The Venetian



Sheldon Adelson, owner, *The Venetian*



Alan Feldman, vice president, *MGM Mirage*

Vegas. “Their strategy has not been to cherry-pick properties like was the case with similar efforts in the past. They have an ongoing effort and have already filed a number of petitions with the National Labor Relations Board for representation of employees, elections to be conducted and campaigns to be run. The jury is still out in terms of whether they prove successful.”

One person who believes the effort will succeed is Marty Levitt. A former anti-union consultant and author of *Confessions of a Union Buster*, Levitt is partly behind the latest effort to organize the dealers.

Levitt, a former “union buster,” now works as a consultant to unions nationwide, telling those behind unionization efforts what to expect from management. He explains that when dealers in Las Vegas heard that their counterparts with Las Vegas-based casino companies in Detroit were recently included in negotiations with the United Auto Workers, they saw it as renewed hope that organization could occur in Las Vegas. Several of them contacted Levitt for help, who in turn found their new ally in the Transport

Workers.

“Union reps in Las Vegas had contacted the UAW, but the UAW wouldn’t touch Las Vegas dealers,” Levitt says. “The Transport Workers were busy with a campaign to organize Delta Airlines when I contacted them, and even then, it wasn’t like they said, ‘Sure, we’ll take that one.’ They wanted to research it well first, make sure they weren’t stepping on anyone’s toes.”

That research, Levitt says, led to the realization that some dealers in Las Vegas are hungry for representation and prepared to fight for it.

Dealers, he says, have an untapped power because they can severely affect a casino’s bottom line by banding together in actions. “The dealers are the only work force that can clearly shut [Las Vegas] down. If you put 20,000 Culinary workers on the streets, it causes an inconvenience to the casinos—maybe a bed isn’t made as fast, or the restaurant operates slower. But if you put 20,000 dealers on the street, or even have them slow their play at the tables, what it would do for casinos’ cash flow would not be real comfort-

able to this Wall Street-driven community.”

So what do the dealers want? According to Jack Lipsman, they want the same benefits as other hotel-casino employees who are union. Lipsman is vice president of the National Federation of Gaming Employees (formerly the Nevada Casino Dealers Association), which mounted previous unsuccessful efforts to organize the dealers. The NFGA is currently working alongside the TWU in the current efforts.

Lipsman says there are seven key issues the dealers would like to see changed:

■ **Wages.** While casino dealers in Las Vegas make anywhere between \$40,000 and \$100,000 per year with tips, according to recent Nevada Department of Employment, Training and Rehabilitation figures, Lipsman says the base salaries of \$6 per hour are unfair. “Kids at fast-food restaurants make more than the dealers, and some have been there for 20 years, still making the same amount.”

■ **Tips.** The dealers rely on their tips to survive, but Lipsman says it’s becoming more common for casinos to divvy the tips up

among all the workers, including nondealers such as pit bosses and floor men. “The bottom line here is we don’t want anyone getting hold of the dealers’ money that doesn’t deal the game.”

■ **Job security.** Lipsman says casinos can fire the dealers at will and often do. Without union protection, there are no grievance procedures and dealers have little say in the matter. He adds that casino management can change dealers’ schedules, shifts and vacations at will, making an already difficult job all the tougher. [Casino experts disagree. They say well-established grievance boards made up of employees do exist, and all dealer complaints are dealt with based on standardized procedures.]

■ **Work-related injuries.** Lipsman says dealers often suffer carpal tunnel syndrome from their repetitive motions with cards and dice. He says casinos often are unwilling to pay for treatment even through benefits packages, and don’t allow time off for treatment or healing.

■ **Extra-board dealers.** “It’s a way for casinos to have extra labor, without paying the benefits,” Lipsman says. He claims these “on-call” dealers are subject to hectic work schedules that force them to plan their entire life around their work.

■ **Secondhand smoke.** Lipsman says the dealers are the most susceptible to the smoke since they are required to man their posts at all times. While ventilation has been improved in most casinos, the dealers claim it is not enough to mitigate the problem.

■ **Respect.** Now that corporations run most of the casinos, Lipsman says the “good old days” when a dealer could talk to management about his or her problems are over, with employees taking a back seat to the value of a customer’s dollar. A former dealer himself, Lipsman says he has witnessed several instances where dealers were forced to deal with an abusive customer, and if they

Who’s the man busting the busters?

Marty Levitt, a prime force behind the current Las Vegas attempt to unionize casino dealers, claims to be an expert on the practice of “union busting.” After all, he did spend some 19 years of his life as a self-proclaimed union buster.

In his recent book, *Confessions of a Union Buster*, the Las Vegas resident chronicles what he calls his “time working for the dark side,” helping stave off union campaigns at many large companies, casinos included. “Our job was to overwhelm people by singling them out,” he says. “We saturated them to the point they regretted the thought of ever joining a union in the first place.”

Levitt’s career as a “union buster” began benignly enough. In 1969, as a successful executive recruiter at the age of 25, he answered a blind ad in the *Wall Street Journal* for a management consultant. He was interviewed by a former union organizer from Chicago whose firm had been running anti-union campaigns, and got hooked by the exciting pace of the work and a starting billing rate of \$250 per day.

Levitt began focusing on counter-union organization efforts. “The

enemy was the collective spirit,” he says. “I got hold of that spirit while it was still a seedling. I poisoned it, choked it, bludgeoned it if I had to; anything to be sure it would never blossom into a united work force, the dreaded foe of any corporate tyrant.”

Levitt says he targeted both rank-and-file and supervisors, sending them to a virtual anti-union boot camp. He even got into employees’ personal lives, trying to dredge up police records, sexual affiliations; anything to discredit them with their peers or subject them to termination.

By 1983 he went solo, but called upon people he used to work with to aid him in anti-union tactics. It was watching their techniques, he says, that slowly made him doubt his profession. “Not only were working people crushed by the cruelty of the union busters, but the companies themselves were raped, as consultants and attorneys conspired to wring as much money as they could out of their clients.”

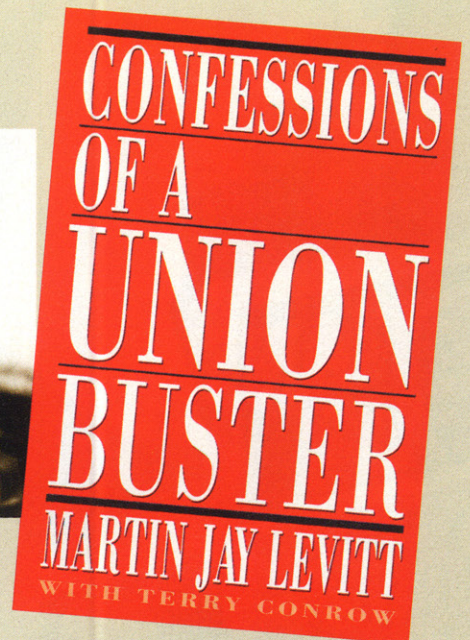
By 1987, Levitt had run more than 200 anti-union campaigns, losing only five. “I was making \$200,000 a year and living on a five-acre wooded estate



in an exclusive community. I traveled, dined and lodged first class and drove only the finest luxury cars.”

Then Levitt had a personal awakening, as he realized he was wasting his own life. He turned to alcohol for solace, and says he placed himself in a self-destruct mode that nearly killed him.

As he fought his way back to sobriety, he promised himself he would make amends, not for himself, but for the thousands of people he says he made suffer. Levitt called the AFL-CIO office in Washington and told an attorney there that she “had one less union buster to worry about.”



Marty Levitt’s book explains why he turned from “the dark side” to help unions fight union busters.

“That conversation led indirectly to my new vocation, as a consultant to unions on how to bust busters,” says Levitt. Today, he travels the world, speaking to unions on what to expect from management during organization campaigns.

—Andy Holtmann

said or did the wrong thing, they were instantly fired.

While the NFGE has been unsuccessful in forcing change, Lipsman said he has confidence that the Transport Workers have the financial resources to do the job. The union, however, would not comment on how much money it would spend on its effort to unionize the dealers in Las Vegas.

Aladdin Gaming CEO Richard Goeglein believes the next few years will prove to be challenging for all unions.

"I look at the way union presence is in Las Vegas now, and I think it will be a challenging year for the unions," Goeglein says. "As for the Transport Workers, time will tell if they can prove successful, but from what I've seen, I have my doubts."

MGM Mirage has taken a stance against organizing the dealers. While Feldman won't predict the level of success the Transport Workers might have, he notes it'd be a decision the dealers really need to think about: "They have to decide if they want to be represented by a union from New York with no history, no knowledge, understanding or sensitivity to this business."

Feldman says the dealers' feelings indicate there is a misunderstanding that resulted from a lack of communication. Dealers, he explains, were once the "princes of the city." But when Las Vegas underwent social and business changes that placed more emphasis on nongaming attractions to lure visitors to the casinos, dealers' status lessened.

"Many of the dealers now think that the industry doesn't respect them anymore," Feldman says. "What we really have here is a communication breakdown. It is true that management citywide has done a less than stellar job of communicating with employees and specifically the dealers. It creates the wrong impression with the dealers that we don't care, which isn't true."

He adds that now that these communication issues are bubbling to the surface, there is little that can be done since the TWU's organizing campaigns are under way.

"There are legal ramifications that prohibit management from making any changes right now, or even making promises of changes. So the irony is, until these elections get resolved, management can't do anything to address the issues."

Even Levitt has concerns as to how the efforts will play out.

"I believe the first round of elections will go to the dealers; after that, it's hard to say what's next," he says. "For this to work, just about every casino, or 90 percent of them, need to be organized. If only one or two succeed, they'll be bargained into the ground."

If that happens, Lipsman says, it will be a long time before another effort is attempted. "It will be a long, cold day in hell before another union makes the attempt."

If the organizing try succeeds, Levitt says, he envisions Las Vegas becoming the all-important starting block for similar efforts in the other gaming markets.

Culinary Cooking

The Transport Workers are not the only ones making waves in gaming. The Culinary Union is busy with campaigns of its own.

Fresh off having five years of Justice Department supervision lifted by a New Jersey federal judge, the Culinary has its sights set on doubling its efforts in the gaming industry.

It recently was part of a four-way union agreement to organize workers at two of Detroit's three casinos—MGM Grand and MotorCity—and is expected to make a strong

push to have the Borgata in Atlantic City a union property once it opens in 2003.

"I'd be floored if there was not a substantial union presence at [the Borgata]," says Feldman, whose company is part-owner in the project along with Boyd Gaming.

Las Vegas has also been a hotspot of Culinary Union activity, with most of the recent activity revolving around the Rio and Station Casinos.

In December, the union took its battle to organize 3,000 Rio workers to a Nevada state court, asking that the Rio's parent company, Harrah's Entertainment Inc., be forced to honor a card count by employees seeking representation. Rio officials sought to convince employees that the representation wasn't necessary, and Harrah's officials have argued that since their contract with the union doesn't include subsidiaries like the Rio, it isn't the parent company's decision.

The Culinary's battles with Station Casinos have centered on the company's recent acquisitions of the Santa Fe and Fiesta properties in Las Vegas, and the decision to make the employees of those properties reapply for positions with Station. Union officials, who fought with former Santa Fe owners Paul and Sue Lowden for representation at the property, say the procedure is a ploy by Station to cancel out elections the union won at the property several years ago.

"I think it's a disgrace to the entire industry that 2,000 employees have been fired in the last few months," says Local 226's Taylor. "It's a bad move, especially by a company that claims to have the interests of Las Vegas first and foremost."

Station officials, though they declined to talk about the layoffs to *Casino Journal*, have publicly stated that the layoffs are contingent with hiring the best employees for the properties and add that many of the former employees have been rehired.

The recent nonunion openings of The Venetian and The Aladdin have also kept the Culinary Union busy waging what have thus far been unsuccessful campaigns.

In each case, Culinary members picketed outside the properties during the respective grand openings. The union has also been very vocal about both privately owned properties' decisions not to negotiate with the unions.

Taylor says he is confident the unions can win representation over time.

But the managements of the properties have different plans.

"We're not concerned with the unions," says the Aladdin's Goeglein. "We offer our employees the very best in benefits packages and we're primarily focused on making our property a great place to work."

Although Venetian owner Sheldon Adelson has said that he welcomes a decision by his employees if they choose to vote for a union, Culinary officials criticize him for opening the property without union presence and allege that he has waged an anti-union campaign with his employees.

The Culinary union has never accepted Adelson's offer to allow the employees to vote for or against union representation.

Adelson has since fired back, saying the union's motives are based upon the desire for money and power.

"By attacking the future vision of Las Vegas represented by The Venetian, we have seen how the narrow political agenda of the Culinary Union bosses has threatened the free spirit that has made Nevada one of the leading job-producing states in the country," Adelson has said. "Gone are the days when union bosses were the protectors of working-



"I look at the way union presence is in Las Vegas now, and I think it will be a challenging year for the unions."

—Aladdin Gaming CEO
Richard Goeglein

Protests at the Aladdin opening in Las Vegas yielded no push for unionizing.

class Americans. Instead they have become just another special interest working to line their own pockets and build their own political power."

Adelson claims that the Culinary's continued efforts with the Venetian are an attempt to force him into accepting the unions with open arms.

To counter that, Adelson and The Venetian offer what they call better employee wages and benefits than the Culinary. So far, the strategy has worked, as employees have made no internal push for union representation.

Those who follow the union's activities say that the Culinary is stronger and cleaner than ever despite recent law-enforcement suspicions.

"I think the Culinary Union has already played a substantial role in many respects," says UNLV's Bybee. "They've become a major stakeholder in the gaming industry nationwide. They have more alignment than any other union and are keeping pace. As this industry grows, so will they."

Still a Need?

Despite recent increases in union activity, many gaming-industry insiders question their present-day worth.

As Cole explains, public perception of the role that unions play has changed dramatically from the mid-1900s. Around 1950, at the height of union activity, close to 40 percent of the American workforce was represented by a labor union, Cole says. In 2000, the total figure, including the public sector where unions have been extremely successful, is approximately 13 percent. Exclude the public sector, and Cole says only 8 to 9 percent of Americans are union.

"Those figures speak volumes to the argument that, to a certain extent, the agenda of the labor organizations has been achieved," Cole says. "Now, there's a legitimate question as to whether they serve a purpose today."

Bybee points to social changes in different gaming markets that have led to a different view of unions, even by the employees.

"Because of how this industry has grown, casinos have had to bring in a number of people who haven't grown up in the industry," he says. "It's not like 20 years ago, when everyone was union. Today there are a number of issues pro and con as to the benefits of joining one."

Social characteristics of the different gaming markets also play a role in the need for union presence. In the Gulf Coast, Louisiana and Mississippi markets, jobs in a casino generally pay more than their nongaming counterparts. Gaming analysts like Hibernia Southcoast Capital's Danny Davila argue that the better employment packages have rendered the need for unions in that area pointless.

While there have been a handful of small efforts to organize in southern gaming markets, Davila says there is a general lack of interest by the gaming employees.

"The employees who work at places like the Isle of Capri properties, Beau Rivage and Grand Casinos are very happy there," Davila says. "They'll tell you they're making more money and enjoying better benefits than they would anywhere else."

The bigger labor problem, Davila says, has been a lack of qualified employees, a factor that has actually led to better pay as incentive.

"Part of what has affected Harrah's New Orleans has been a dearth of talent," he says. "Their staffing costs became higher. It's also very similar to what plagued the Beau Rivage in their first 12 to 18 months of operation."

Union representatives, though, say regardless of the market conditions or public perception, the mere existence of their organizations helps ensure a better way of life for the workers, and in some cases even the gaming industry.

The Culinary's Taylor says the pressure exerted on casinos in Las Vegas has helped drive up wages and benefits at nonunion casinos wishing to avoid unionization.

A recent study by UNLV economics professor Jeff Waddoups seems to validate the unions' claims. The study shows that gaming employees in Las Vegas make 24 percent more than their counterparts in Reno,

“Because of good pay, good benefits and job security, we’ve had a stable workforce which has allowed Las Vegas to prosper and for workers to share a fair piece of the pie.”

—D. Taylor, staff director, Culinary Local 226



AP PHOTO/JACK DEMPSEY

The bitter Frontier strike lasted most of a decade before the Las Vegas Strip property was sold to a new owner.

a traditionally nonunion city, despite the fact that Reno’s overall per capita income is 15 percent higher and its cost of living is 10 percent higher.

According to recent news reports, a 10 percent increase in gaming employee wages in Atlantic City over the past two years is at least partly due to the presence of the Culinary there.

Levitt explains that in Detroit, deals were struck between the city, unions and the casino developers to allow representation of their employees. “The union power in Detroit is the United Auto Workers, and without their blessing, I can assure you there would not be legalized gambling there today.”

Unions are even scrambling to get in on Native American casinos, primarily in California, Connecticut and Wisconsin. And while legal wrangling continues as to whether the unions have a right to organize on reservations, it would appear the unions’ efforts have already resulted in union-to-reservation agreements.

The first such agreement occurred in March 2000, when the Viejas Band of Kumeyaay Indians in Palm Springs, Calif., agreed to let the Communications Workers of America organize at its casino. But Viejas Chairman Anthony Pico notes his tribe’s decision was viewed a little differently than those of casinos in the traditional gaming markets.

“Some of this was driven by the tribe itself because we felt that the unions were natural allies with Native Americans,” Pico recently told the Associated Press. “We have to defend our rights any way we can.”

Casino operators have noted the impact unions have, but add that, like any other industry, just because a worker in Detroit is union, it doesn’t mean a worker in the same position in Biloxi has to be union also.

“I believe there is no one-size-fits-all union policy,” Feldman says. “I do believe there is a one-size-fits-all employee policy. Your attitude toward employees needs to be consistent everywhere. Employees must be treated with respect, and as integral partners in the success of the business everywhere, whether or not a union is involved.”

Tom Gallagher, CEO of Park Place Entertainment, agrees. While he declined to take a position on recent union efforts at Park Place properties, he noted that employees are the most vital element of the company’s operations. Whether unions exist or not, he says he’ll take a proactive approach with all employee issues.

“We as a company should be doing what is in the best interest of all of our team members,” he says. “That’s the message I’ve been trying to send. We should do what we can to empower them to do the best job they can. If we do that, then we have done our job as managers.”

Feldman adds that when MGM Mirage feels the best interest of its employees is for them to not join a particular union, the company will take an aggressive position against organization efforts.

‘Union Busting’

What some casino operators call an aggressive stance or education campaign against union representation, union officials say amounts to little more than “union busting.”

“Casinos will use high-priced hired guns to rain terror, manipulate or confuse employees in a campaign,” says Levitt. “These people call themselves ‘human resource consultants,’ ‘communications specialists’ or ‘labor relations consultants’ to management.

In his book, Levitt details the life he used to live as a “union buster,” chronicling the tactics he says are used to scare employees into voting against a union.

Levitt says that after the National Labor Relations Act was passed in the 1930s, “union busting” was transferred from the billy-club to the briefcase and, in today’s case, the laptop. He claims present-day “union busters” willingly violate laws associated with the National Labor Relations Act.

“As schemers like I was came on the scene, we recognized that the penalties for these violations were nothing more than a slap on the wrist,” he says. “There isn’t a union buster on the scene today that doesn’t violate the act. If they don’t, they aren’t doing their jobs.”

According to the NLR’s Lipsman, these individuals are paid millions of dollars by casinos to run anti-union campaigns. He says the real reason casinos don’t want unions has little to do with money, it has to do with control. “The money it would cost them if the unions got in is small when compared to what they are spending to keep them out.”

But others say these individuals are doing nothing wrong, and it is the casinos’ right to utilize them.

“It’s a highly sophisticated practice,” says Cole. “What you’re dealing with is a matter of connotation. The unions will point fingers at

the people who are the persuaders, calling them anything from ‘strike breakers’ to ‘union busters.’”

Cole says the professionals the casinos hire are not only licensed consultants, but are well aware of what the restrictions are with regard to threats, interrogations, promises, surveillance and other issues associated with organization campaigns. What it boils down to is an effort from both sides to convince the employees.

Cole says most employees who vote in a union election have generally only heard or considered one side of the argument.

Officials from several casinos that have been targeted by union campaigns say allegations of harassment of pro-union employees are grossly exaggerated in order to whip up public support in the media.

“The fact they would attack The Venetian, and me personally, to make money and gain political sway is at least understandable,” Adelson said, referring to claims of unfair labor practices and repeated pickets at his \$2 billion resort by the Culinary Union.

But while both sides contend they run clean, unbiased campaigns, there are recent examples that show that might not always be the case.

In July, the National Labor Relations Board filed a complaint against the Rio after finding evidence that management of the property might have interrogated workers about union activity, threatening them with firings, suspensions, loss of work hours and physical harm.

The 20-page document alleges 143 illegal acts by 44 managers. Rio officials denied the charges, and a hearing originally set for October has been delayed until March.

Cole says the Teamsters union in Las Vegas was also the subject of questionable acts with regard to organizing employees that led to a takeover by the union’s international branch. Unions across the nation have been fined for inciting brawls, or conducting illegal picketing.

Common Goals

Although scuffles between unions and the gaming industry are well documented, there are mutual benefits that often get overlooked. Both sides need the industry as a whole to be successful in order to succeed themselves.

Bybee says the Culinary has already taken significant steps toward that goal by offering training to the employees they represent, and teaming with gaming-industry officials on

legislative and political issues that affect the casinos’ business.

“The unions need casinos to do well in order for their employees to have jobs,” Bybee says. “I think the Culinary has recognized that and supported that idea.”

Both sides agree that if positive relationships are built between unions and casinos, the payoff can be immense. Taylor says the Culinary Union’s dealings with companies like Park Place, MGM Mirage and Mandalay Resort Group have resulted in a number of benefits both for the casinos and employees—most importantly, the presence of a worry-free work environment.

Feldman says MGM Mirage’s relationship with the Culinary has been mutually beneficial. He says without their input, many issues would go unresolved and that the industry’s clout would be weakened.

“They have worked with us to identify operating efficiencies and to solve problems. We certainly have disagreements with them, but we work hard to sort those out.”

Bybee says the relationship between unions and casinos in Atlantic City is among the strongest he has seen. “I operated there, and it was a good working environment. We handled issues, opened new places. We did a lot there, and it was never really adversarial, which took a lot of the stress out of decisions.”

Bitterly waged campaigns are detrimental to both sides, Bybee says, recalling the lengthy Frontier strike that ended in the late ‘90s. While the striking workers did little to affect the property’s business, it created a black mark for the rest of Las Vegas, he says.

“I remember, [current Sahara owner] Bill Bennett was over at Circus Circus at the time and he actually sent food to the striking workers. Everyone wanted to see it resolved fast.”

Some observers say the Culinary’s latest battle with the Rio could hamper relations between the union and the industry just when that bond is needed the most. Both sides were gearing up to fight a proposed sports betting ban likely to return to Congress last month, and the Rio situation was seen as a potential strain on relations. The union is also miffed that the gaming industry asked the nonunion Adelson for his assistance before approaching union reps for help.

Mike Happel, an associate gaming analyst for Morgan Stanley Dean Witter, says that while union campaigns don’t appear to have an impact on stock prices, they can have meaningful impacts on margins and a company’s stability.

“From my discussions with management teams, I’ve found that they view unions as an issue that can have an effect on their business in one way or another,” Happel says. “I think most places realize that when it comes to union campaigns.”

Park Place CEO Gallagher says, “It depends on the agenda of the particular union and how it plays out. We’re going to continue our business as usual in terms of the kind of initiatives we take with our employees. I’m pretty comfortable in who we are and where we’re going.”

Bybee hopes the agenda of the Transport Workers is not to disrupt the very industry that provides dealers with jobs. He notes that the casinos not only provide well-paying jobs, but also provide a large amount of state and local funds to the regions they operate in.

“If they attempt [walkouts or negative campaigns], they do so at the risk of their future as well,” Bybee says. “Not only would they hurt the industry they work for, but also the communities they live in.” ♣