



## **The Racist: Labor Secretary Tom Perez is said to be near the top of Hillary Clinton’s VP list**

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Few Americans have heard of Tom Perez, but the current Secretary of Labor is one of the front-runners for the Democratic nomination for Vice President.

If he’s not Hillary Clinton’s running mate, he’ll likely play a big role in her administration (Attorney General?) if she wins, or in the next Democratic administration, whenever that occurs.

He is, by all accounts, a rising star on the Left and in the Democratic Party—one who just might soon be Vice President of the United States.

And he is a racist. If you’re in the political mainstream, and the prospect of Perez as VP doesn’t give you a chill down your spine, you don’t know Tom Perez.

Running mate

Edward-Isaac Doveve, writing in Politico:

Aside from the wonkiest of Washington circles and the most progressive corners of the left, no one’s heard of Tom Perez. He isn’t young or handsome. He has zero foreign policy experience. The highest office he’s been elected to is a suburban county council.

Yet the labor secretary has emerged as a sleeper pick for vice president, with chatter building among top Democrats—including Elizabeth Warren.

Warren is a radical firebrand, now a U.S. Senator from Massachusetts, who became rich and famous by exploiting “affirmative action” with the pretense that she is an American Indian. Politico quoted Warren during a discussion of possible running mates for Hillary Clinton, “Oh, you’d be great, Tom.” Politico added that the “other senators quickly started agreeing [that] maybe Perez was the one who could make Clinton stick to the progressive politics people in that group wanted.”

According to Politico, many top aides in the White House favor the selection of Sen. Tim Kaine (D-Va.), who’s close to the President.

But over beers, some of the rank-and-file White House staffers who are part of what's been referred to as the "cult of Perez" see things differently.

"My strong guess," one White House aide said, "is that if you took a straw poll of staffers here about who they'd pick for the ticket, Tom would do very well." . . .

Perez has more credibility with committed progressives—who measure politicians by their battle scars—than almost anyone else around. The unions love him so much that they campaigned against his nomination to replace Eric Holder as attorney general in late 2014 because they didn't want to lose him at the Labor Department.

Per Politico, Perez is adored in the White House, a key player in setting President Obama's second-term agenda. He checks the boxes that, in the view of many Hillary Clinton supporters, would make for a good VP pick: He's the son of immigrants (Dominican). He's wildly popular among "Progressives" (the Far Left), yet he endorsed Hillary Clinton early in the 2016 contest, only the third current Cabinet member to do so. And, unlike his fellow-Latino rival for VP, Housing and Urban Development Secretary Julián Castro, Perez speaks fluent Spanish.

Mary Kay Henry, president of the Service Employees International Union, called him "one of the finest labor secretaries since Frances Perkins," FDR's labor secretary.

Perez appeared on USA Today's "power ranking" of potential Democratic VP candidates, ranked as the third most likely pick for Clinton's running mate.

Chris Cillizza of the Washington Post ranked Perez as fourth most likely, on the ground that "The Labor secretary checks two boxes for Clinton (and, yes, some of vice presidential picking is box-checking): He's well regarded in liberal circles, and he's Hispanic. Also, he's not named 'Elizabeth Warren' or 'Bernie Sanders'—neither of whom Clinton wants to pick."

Amie Parnes of The Hill, who put Perez on her "top five" list, made essentially the same argument: "Perez is very well-liked in the White House and maintains a close relationship with Obama chief of staff Denis McDonough. Many see him as having all the right attributes to fill the ticket and win over progressives. Unions love him, plus he speaks fluent Spanish, which could help further drive Latinos to Clinton's column."

Alex Pfeiffer wrote in the Daily Caller: "There has been much worry recently on the Left that Trump could get union support not typical for a GOP candidate, and Perez could quell those fears." (See our report on Trump's appeal to union members in the April and May issues of Labor Watch.)

In National Review Online, Jim Geraghty noted Perez's relative obscurity outside the world of unions and leftists.

On the shortlist of potential Democratic running mates filled with senators and governors, one name stands out for its obscurity. Tom Perez? Who? . . .

Perez's liberal credentials are as impeccable as they come. [The leftist magazine] Mother Jones called him "one of the administration's most stalwart progressives." Conservative policy experts who have followed his work in the Justice and Labor Departments consider him perhaps the Obama administration's most radical and relentless ideologue.

Iain Murray, the Competitive Enterprise Institute's vice president of strategy, calls Perez "possibly the most dangerous person in the administration right now."

"His rewriting of U.S. labor law is probably the most fundamental attack on the free-enterprise system going on at present," Murray says. "If he has his way, we won't just revert to the 1930s. We'll do things that even Franklin Roosevelt couldn't do, like eliminate vast numbers of independent-contractor jobs and unionize those that remain."

Murray sees Perez's ideological vision as driven by an arrogant insistence that most workers are oblivious to their own exploitation by employers, and need the state to intervene to help them understand proper "work-life balance" or to make basic choices about work.

His work in the Justice Department was just as extreme. "He essentially operationalized Eric Holder's radicalization of the Department of Justice," says Ilya Shapiro, a senior fellow in Constitutional Studies at the Cato Institute. "No civil-rights theory too crazy to pursue, no litigants too awkward to pay off."

"Perez has shown a glaring inability to tell the truth and dispassionately apply the basic constitutional tenet of 'equal justice under law,'" declared Judicial Watch President Tom Fitton.

### Origin story

A 2005 profile in the Washington Post described Perez's background:

Perez, 43, grew up in Buffalo in the 1960s and '70s, the youngest of five brothers and sisters. His maternal grandfather, Rafael Brache, was the Dominican Republic's ambassador to the United States in the early years of Rafael Trujillo's dictatorship. After Brache spoke out against the regime in 1935, the ambassador was declared *persona non grata* by his own government. He chose to stay in the United States.

Brache's daughter Grace, Perez's mother, married Rafael Perez, a Dominican who received U.S. citizenship after serving in the Army following World War II. "Politics," Perez says, "was my dad's passion," in part because it had cost his father-in-law his country. Both men risked their lives by defying Trujillo.

Perez's father, Rafael, was a physician in Atlanta, then moved to Buffalo, New York, to work at a veterans' hospital. The Post:

Perez's father was a Democrat unimpressed by centrists: "A Rockefeller Republican is still a Republican," he used to say. Rafael Perez died when Tom was 12; he found a surrogate in a

friend's father, a Teamster who had lost his job. The union helped keep his friend's family afloat in hard times, and their experience made Perez a labor supporter

Perez was born in Buffalo in 1961. He graduated from Canisius High School, an all-male Roman Catholic Jesuit private school in Buffalo, in 1979. To supplement grant and scholarship money for college, Perez worked his way through school, as a trash collector, in a warehouse, in Brown University's dining hall, and for the Rhode Island Commission for Human Rights.

In 1981, he received an A.B. in international relations and political science from Brown University. In 1986, as a Harvard law student, he worked as a law clerk for U.S. Attorney General Edwin Meese (who today is a member of the board of the Capital Research Center). In 1987, he received a J.D. from Harvard Law and a Master of Public Policy from Harvard's John F. Kennedy School of Government.

From 1987-89 Perez was a law clerk for a federal judge, Zita Weinshienk of the U.S. District Court in Colorado, who had been appointed by President Jimmy Carter. In 1989-95, he was a federal prosecutor, then as deputy assistant attorney general for civil rights under President Clinton's attorney general, Janet Reno. From 1995-98, Perez worked as special counsel to Sen. Edward Kennedy (D-Mass.).

In 1996, Perez was instrumental in the passage of the Church Arson Prevention Act, a bill founded on the false premise that African-American churches were being targeted at a disproportionately high rate by arsonists. (For information on the church arson hoax, see "A Church Arson Epidemic? It's Smoke and Mirrors" by Michael Fumento, Wall Street Journal, July 8, 1996, and "Fanning Imaginary Flames: A Look Back At The Great Church Fire Propaganda Campaign" by Scott Swett, American Thinker, June 11, 2011.)

In the last part of the Clinton administration, Perez served as deputy assistant attorney general and in the Department of Health and Human Services as director of the Office of Civil Rights. He chaired the inter-agency Worker Exploitation Task Force, which focused on the working conditions of illegal aliens.

An advocate of "disparate impact" theory, which sees racism as a driving force in human affairs, he worked to eliminate the supposedly disproportionate assignment of black and Hispanic students to special-education programs and Asian and "white" students to gifted-and-talented programs. Perez and others of his mindset, in the name of fighting racism, have effectively denied many students the sort of education that was appropriate to their academic ability.

Perez was a volunteer for CASA de Maryland, a George Soros-funded advocacy group representing the interests of illegal aliens. He served on the organization's board in 1995-2002, rising to president. Sen. Jeff Sessions (R-Ala.) has called CASA de Maryland "a fringe advocacy group that has instructed illegal immigrants on how to escape detection and also promoted illegal labor sites and driver's licenses for illegal immigrants." Big donors to CASA de Maryland include Soros's Foundation to Promote Open Society (at least \$270,000 in 2010-2013), the National Council of La Raza (\$70,000 in 2004-2013), and two government-supported entities, the Neighborhood Reinvestment Corp. (at least \$40,000 in 2011-2013) and the Maryland Legal

Services Corporation, which is supposed to provide legal services to the poor (at least \$630,203 in 2005-2013). For more on CASA de Maryland, see our sister publication *Organization Trends*, September 2012.

Perez was elected in 2002 to the county council of Montgomery County, Maryland, outside Washington, D.C. In that race, with the help of unions, he defeated the local head of the Chamber of Commerce. As a council member (and, in 2004-2005, council president), he continued his advocacy for illegal aliens, calling for the state to recognize matricula consular cards, issued by Mexican and Guatemalan consular offices, as a valid form of ID. Such cards, notoriously prone to being issued and used fraudulently, help illegals get easier access to taxpayer-funded social services.

He sponsored a bill aimed at giving illegals better access to banks and backed a policy to permit illegal immigrants who attend college in their state of residence to qualify for the same discounted, in-state tuition rates that are available to legal residents. In 2004, he went before the Maryland state legislature to testify against a number of immigration-enforcement bills, including one that sought to prevent illegals from acquiring driver's licenses and another proposing that people be required to prove their citizenship before registering to vote. He opposed efforts to study and document the financial burdens that illegal aliens placed on the Maryland state budget.

From 2001 to 2007, Perez taught at the University of Maryland School of Law and, part-time, at the George Washington University School of Public Health. Former Justice Department official J. Christian Adams (about whom, more below) wrote that Perez, during his time working on healthcare policy, he focused on matters of race. "While at George Washington University's School of Public Health in Washington, D.C., his teaching and research centered on 'health care workforce diversity' and 'racial and ethnic disparities in health status.' At the University of Maryland's School of Law in downtown Baltimore, he taught courses and law clinics which 'explored the intersection between health care and civil rights issues.'"

In 2005, Perez served as a trustee and an action-fund board member of the Center for American Progress, a left-wing group closely associated with the Clintons. Its founder, John Podesta, served as President Bill Clinton's chief of staff and currently chairs the Hillary Clinton presidential campaign.

In 2007, he ran for attorney general in Maryland, backed by the teachers' union and the Service Employees International Union, but was disqualified by the Maryland Court of Appeals (the state's supreme court) for failure to meet the requirement that the state AG have 10 years' experience as a lawyer in Maryland. (He had joined the state Bar in 2001.) After the disqualification, he focused on supporting Martin O'Malley in the governor's race and was rewarded by Gov. O'Malley with the appointment to run the Maryland Department of Labor, Licensing and Regulation.

In 2008, Perez backed Barack Obama's presidential campaign and served on the presidential transition team. President Obama nominated Perez to be assistant attorney general in charge of the Civil Rights Division. His controversial background brought the opposition of Sens. Tom

Coburn (R-Okla.) and David Vitter (R-La.), and the confirmation process was further slowed when it was revealed that the Civil Rights Division had dismissed an open-and-shut, caught-on-video case of election-day voter intimidation by a gun-toting member of the racist New Black Panther Party. (Perez, it would be revealed, was a key player in the decision to dismiss.) Nominated in March 2009, Perez was not confirmed until October. The vote was 72-22, with only Coburn and Vitter speaking against confirmation.

## Race obsession

Upon taking office, Perez declared that part of the mission of the Civil Rights Division was to help those Americans who were “living in the shadows”—illegal aliens as well as “our Muslim-American brothers and sisters subject to post-9/11 backlash,” “communities of color disproportionately affected by the subprime meltdown,” and “all too many children lacking quality education.”

Perez pledged to greatly expand DOJ’s prosecution of alleged hate crimes, depicting such crimes as predominantly cases in which a “white” person targets an African-American. (Actually, according to statistics gathered by the Obama administration, an African-American is 12 times as likely to murder a “white” person as vice versa.)

In his new job, Perez focused on cases of “disparate impact.” Under that concept, any mathematical difference among groups serves as prima facie evidence—proof, unless rebutted—that illegal discrimination has occurred.

An example: American Samoans are 57 times as likely as other Americans to play in the NFL. Under “disparate impact” theory, that fact would be prima facie evidence that the NFL discriminates against non-Samoans.

Under this concept, it would be unlawful for an employer to, say, use test scores as a basis for hiring or promotion, unless different groups all did equally well on the tests.

In 2009, Perez and the Civil Rights Division pressured several universities to discontinue an experimental program whereby students could purchase their textbooks in digital formats which they could read via the Amazon Kindle, because the Kindle—notwithstanding its text-to-voice feature for the narration of books—was not fully accessible (in its menu options) to blind students. Until the Kindle rectified this injustice, said Perez, universities that made their textbooks available on the e-reader would be investigated for possible violations of the Americans with Disabilities Act.

That year, Perez and the CRD launched an investigation of Maricopa County, Arizona sheriff Joe Arpaio, known for his strict enforcement of immigration laws. This investigation, which led to a federal lawsuit, grew out of a February 2009 demand by some Democrats in Congress that the Justice Department examine Arpaio’s “discriminatory” practices toward illegal aliens. Perez and

his associates also sued to block an Arizona law deputizing state police to check the immigration status of criminal suspects whom they believed might be in the U.S. illegally.

On April 23, 2012, Perez's Justice Department sued the city of Jacksonville, Florida, claiming that its use of written tests to determine promotions in its fire department had "resulted in a disparate impact upon black candidates," who registered passing grades at significantly lower rates than others. "This complaint should send a clear message to all public employers that employment practices that have the effect of excluding qualified candidates on account of race will not be tolerated," said Perez.

This was just one of numerous Perez/DOJ lawsuits designed to force various municipal fire (and police) departments to do away with written tests. In a case against the New York Fire Department, Perez and DOJ argued in favor of what amounted to strict racial quotas, even if the candidates scored as low as 30 percent on their qualifying exams.

Likewise, bankers and mortgage lenders are committing discrimination if they reject loan applications for different groups at different rates, even if that's because some people are rated, based on objective criteria, as less likely to pay back their loans. Such lenders, says Perez, discriminate "with a smile" and "fine print," but their subtle brand of racism is "every bit as destructive as the cross burned in a neighborhood." In other words, they're Klansmen!

Remember: Forcing lenders to give loans to unqualified borrowers, in order to avoid accusations of discrimination, was the spark that led to the financial crisis of 2008. Perez would continue to support the idea of government intimidation of lenders, based on their "disparate" lending, long after the American people and the world saw the disastrous consequences of a race-based lending policy.

Perez's desire to protect the preposterous basis for his policies—the idea that "disparate impact" is prima facie evidence of discrimination—led to a scandal known as "Perez's quid pro quo."

According to Perez in testimony before Congress, the Civil Right Division filed "a record eight lending-related federal lawsuits" in 2011, resulting in eight settlements that netted "more than \$350 million in relief to the victims of illegal lending practices." In many of those cases, Perez used "disparate impact" analysis to advance the notion that if banks were rejecting "white" and "nonwhite" loan applicants at different rates, they were, by definition (and regardless of intent), engaging in discrimination that violated the Fair Housing Act.

In February 2012, Perez had used his influence to prevent the U.S. Supreme Court from hearing *Magner v. Gallagher*, a case where local slumlords from St. Paul, Minnesota, were accusing that city of racism for enforcing its housing code. St. Paul, in turn, challenged the notion (embraced by Perez) that racial discrimination can be proven simply by presenting disparate-impact statistics, rather than actually ascertaining intent or examining the specifics of each case.

Here's how it all went down, according to an editorial in the Wall Street Journal:

Soon after Mr. Perez assumed his job [at the Civil Rights Division] in October 2009, Attorney General Eric Holder established a unit under Mr. Perez to examine loans to minorities. The unit proceeded to threaten a series of lawsuits against banks under the 1968 Fair Housing Act.

The lenders quickly settled these cases rather than run the reputational risk of being called racist in court. But on November 7, 2011 the Supreme Court agreed to hear the City of St. Paul's appeal in *Magner v. Gallagher*, which concerned the legality of disparate-impact theory in housing. St. Paul believed it had an excellent chance to prevail because the text of the Fair Housing Act doesn't explicitly allow for disparate impact.

That's when the Obama Administration kicked into gear. On November 17, Mr. Perez emailed a former colleague . . . to probe if city officials might be convinced to withdraw *Magner* . . . according to documents that the Justice Department sent to Congressional investigators. . . . [Perez was referred to another lawyer] who was advising St. Paul on a pending False Claims Act case against the city filed by a private citizen.

Mr. Perez had stumbled onto a potential quid pro quo: The feds could decline to intervene in the false claims case (known as *Newell*) in exchange for the city withdrawing *Magner* from the Supreme Court. . . . [A series of contacts and negotiations followed.] In early January, Justice made a proposal to St. Paul: The feds would decline to intervene in another private False Claims Act case against St. Paul (known as *Ellis*) if the city would withdraw *Magner* from the Supreme Court. Then Justice would also decline to intervene in *Newell*.

In other words, Perez and the DOJ agreed to give up a case that could have recovered \$200 million for taxpayers, in exchange for the City of St. Paul dropping its legal challenge to Perez's theory of "disparate impact." Why? Because at that point, prior to the death of U.S. Supreme Court Justice Antonin Scalia, it appeared that the Court would throw out the concept, which is critical to the success of Perez and other race-baiting politicians. The *Journal* summed it up: "A senior Justice Department official, Mr. Perez, intervened to undermine two civil complaints against the City of St. Paul in order to get St. Paul to drop a Supreme Court case that might have blown apart the legal rationale for his dubious discrimination crusade against law-abiding businesses."

## Vote fraud

Perez and his associates assert that voter ID laws—the same kind of laws used in Mexico, in Canada, and in South Africa under Nelson Mandela—are a racist effort to deprive "people of color" of their voting rights. Consistent with that claim, Perez led the Obama administration's assault on voter ID laws during the run-up to the 2012 elections.

In December 2011, for instance, the Justice Department blocked a new South Carolina law requiring voters to present valid identification at their polling places on Election Day. Perez contended that the law violated Section 5 of the 1965 Voting Rights Act, because of a supposed



racial disparity: that 8.4 percent of the state's registered "white" voters lacked photo ID, compared to 10 percent of "nonwhite" voters.

Perez also led a 2012 Civil Rights Division lawsuit that succeeded in overturning Texas's voter ID law.

In 2012, Florida election officials had identified some 53,000 still-registered voters who were deceased, and another 2,600 who were non-citizens. State officials began an effort to verify the identity and eligibility of the people listed on its voter rolls—and Perez and DOJ ordered the state of Florida to halt its efforts.

DOJ explained its actions by saying that it had not yet been able to verify that Florida's efforts "neither have the purpose nor will have the effect of discriminating on account of race, color, or membership in a language minority group." In a letter to the Florida Secretary of State, Perez charged that Florida was violating the National Voter Registration Act and the Voting Rights Act. "Please immediately cease this unlawful conduct," he wrote.

The U.S. Constitution and federal statutory law prohibit the denial of voting rights. Leftists like Perez get around that restriction by blocking measures like voter ID laws. As a result, real voters have their votes cancelled out by fraudulent voters.

Actual law runs against Perez's efforts to prevent honest voting. For example, the Supreme Court in 2008 ruled 6-3 that an Indiana law requiring photo ID did not present an undue burden on voters. In recent years, officials in various states have bent over backwards to ensure that all people have access to them. For example, South Carolina's law explicitly addressed potential disenfranchisement by offering state-issued IDs free of charge, and free transportation to anyone who needed a ride to a location where a picture ID could be obtained. South Carolina also showed how badly the state needed voter ID when an extensive data review conducted by Department of Motor Vehicles Director Kevin Shwedo found that more than 900 deceased people had "voted" in recent elections in South Carolina—depriving more than 900 living people of their right to vote by cancelling their votes out.

#### Whistle blown

In 2010, a Justice Department official, J. Christian Adams, resigned from the department to protest the "corrupt nature" of DOJ's dismissal of the New Black Panther Party voter-intimidation case mentioned above. The case involved two Philadelphia-based members of the New Black Panther Party who had intimidated voters with racial slurs and threats of violence on Election Day 2008. Adams cited Perez and Thomas Perrelli (the associate attorney general) as the two DOJ officials most responsible for dropping the case. In July 2010, Adams gave damning public testimony about how Perez and other Obama DOJ officials believed that "civil rights law should not be enforced in a race-neutral manner, and should never be enforced against blacks or other national minorities."

In sworn testimony before the U.S. Commission on Civil Rights, Perez claimed that “no political leadership” was involved in the DOJ decision to back down on a voter-intimidation lawsuit brought against the New Black Panther Party. However, the organization Judicial Watch, in a Freedom of Information Act suit, later obtained documents contradicting Perez’s claim. According to Judge Reggie B. Walton, “The documents reveal that political appointees within DOJ were conferring about the status and resolution of the New Black Panther Party case in the days preceding the DOJ’s dismissal of claims in that case, which would appear to contradict Assistant Attorney General Perez’s testimony that political leadership was not involved in that decision.”

This contradiction led Judicial Watch to declare that “Thomas Perez has shown a glaring inability to follow his sworn duties to tell the truth and dispassionately apply the basic constitutional tenet of equal justice under law.”

In September 2010, Christopher Coates, chief of the DOJ’s Voting Section, testified before the U.S. Civil Rights Commission and corroborated Adams’ assertion that the department had routinely ignored civil rights cases involving “white” victims. For more than a year, Perez had denied the Commission’s requests to hear Coates’ testimony and had instructed Coates not to testify. But Coates finally chose to go public with his story and asked for protection under whistleblower laws. In a similar vein, an Inspector General report released in March 2013 stated that Perez believed voting rights laws did “not cover white citizens.”

In July 2011, Perez addressed a luncheon meeting of the National Council of La Raza (NCLR), a group with which he has long had a close relationship. NCLR supports amnesty for illegal entry/immigration, and takes its name from the term “La Raza,” which means “the race” in the context of the supposed racial superiority of Latinos. (The late Cesar Chavez considered the term racist and refused to use it, noting that, “when you say ‘la raza,’ you are saying an anti-gringo thing, and our fear is that it won’t stop there” before being used to exclude other groups from “la raza” status, including dark-skinned Mexicans. Chavez’s lieutenant LeRoy Chatfield once said, “A few months ago the Ford Foundation funded a la raza group and Cesar really told them off. The foundation liked the outfit’s sense of pride or something, and Cesar tried to explain to them what the origin of the word was, that it’s related to Hitler’s concept,” i.e., of a superior or “master” race.)

In his remarks to the “La Raza” group, Perez praised NCLR’s work and expressed gratitude for its steadfast support of President Obama’s agenda. He also lauded the organization’s members as valuable “change agents” and “serial activists” who will help “move America forward.” And he asserted that those who oppose a left-wing version of “immigration reform” are bigots, creators of “an absolute headwind of intolerance.”

In August-September 2011, the journalism group PJ Media published a series of exposés revealing that, without exception, every attorney hired by the Civil Rights Division under Perez had a pedigree as an activist for the Left or the Democratic Party. (The Justice Department refused to provide the résumés, but PJ Media sued successfully to obtain them.)

In March 2013, the American Spectator expanded on PJ Media's work, noting that "Perez has overseen most of the unprecedentedly naked politicization of DOJ's Civil Rights Division," as evidenced by the fact that "every one" of the 113 people his CRD had hired for supposedly non-political civil-service positions were "demonstrably liberal activists." Moreover, said the report, Perez had "insisted on personally approving each of these new hires."

## From DOJ to DOL

In 2013, President Obama nominated Perez for Secretary of Labor. Praise for the nomination came pouring in from the Left. AFL-CIO president Richard Trumka said, "At a time when our politics tilts so heavily toward corporations and the very wealthy, our country needs leaders like Tom Perez to champion the cause of ordinary working people."

Conservative commentators strongly opposed the nomination. Michelle Malkin, for example, referred to Perez as an "extremist race-baiter" for "selectively enforc[ing] the law in a racially, not neutral way." And Senate GOP Leader Mitch McConnell (R-Ky.) called Perez "a committed ideologue who appears willing, quite frankly, to say or do anything to achieve his ideological end."

Most Republican Senators participated in the filibuster against Perez's confirmation, but six "RINOs" joined Democrats to invoke cloture and bring about a vote. (A "RINO" or "Republicans In Name Only" is a Republican who runs from fights with the Left.) The Republicans who backed cloture were Lamar Alexander and Bob Corker of Tennessee, Susan Collins of Maine, Mark Kirk of Illinois, Lisa Murkowski of Alaska, and John McCain of Arizona.

Having voted to bring Perez's nomination forward, the six switched and opposed his confirmation on the final vote. Thus, Perez was confirmed with a 54-46 party-line vote.

Little more than a year after his confirmation, Politico reported that Perez had "energized" the Labor Department. Enforcement had gone up, the department was raising the profile of issues like minimum wage and paid medical leave, and employees were happy. According to a survey by the Office of Personnel Management, federal government employees since 2011 had been reporting increasing disengagement and dissatisfaction, employees at Labor reported feeling more engaged and more satisfied.

And why not? Perez has turned the Labor Department into a regulation-issuing machine, just as the Left wants.

### ► Persuader rule

As Diana Furchtgott-Roth of the Manhattan Institute warned in the May 2013 Labor Watch, the Labor Department changed the so-called "persuader rule," overturning more than 50 years of precedent. This rule stacks the deck against employers when employees are considering

unionization, requiring employers to publicly disclose any consultants they hire when faced with unionization efforts.

According to Politico, while the rule doesn't require that employers disclose what advice they are being given, "it will require them to report when they 'plan, direct, or coordinate managers to persuade workers; provide persuader materials to employers to disseminate to workers; conduct union avoidance seminars; and develop or implement personnel policies or actions to persuade workers' on union organizing, according to the Labor Department."

Unionization votes are often forced on employees in short periods of time so they are pushed to make rush decisions with little information. Meanwhile, their employer is limited from discussing the issue with them, even as they are bombarded with union propaganda. Perez seems to care only that, "too often, workers don't know that the messages being delivered by management, including trusted front-line supervisors, have been in fact created by paid outsiders."

Furchtgott-Roth noted in a recent Wall Street Journal op-ed that the new rule "will require companies to make public the names of the outside attorneys and consultants that give them advice on unionization. These attorneys and consultants, in turn, would have to make public all the other clients they help with union matters, and how much they charged these clients. The rule would deter many if not most outside attorneys and consultants from offering their services to companies facing a unionization drive. The burden will fall heavily on small businesses that do not have the in-house staff of large corporations. The rule does not apply to consultants offering advice to unions." How ridiculous is the new rule? "Suppose a firm puts in a gym at the same time as a rival is unionized. The gym could be construed as an attempt to fend off a union drive and the designer could qualify as an adviser—and be forced to declare its other clients."

#### ► Overtime rule

Politico called the overtime rule "the most ambitious intervention in the wage economy in at least a decade." Christine Harbin of Americans for Prosperity said the rule—

will dramatically increase the salary threshold exemption for overtime pay from \$23,660 to [\$47,476], requiring employers to pay time-and-a-half for hours worked exceeding 40 hours per week for employees below the arbitrary new limit.

Like the fiduciary rule, this overtime rule will make it significantly more difficult for many Americans to move up the economic ladder—particularly those who are just starting their careers. Moreover, recent research from the Mercatus Center at George Mason University shows that employers will face a high cost of compliance and workers will face cut hours, lower overall compensation, and less flexibility.

The Labor Department itself predicts that pay will drop for salary workers covered by the new overtime threshold by around 5.3 percent next year. Businesses will face added costs in money and time as they move employees from salaried positions to hourly in order to better keep track

of hours and not run afoul of the law. Overall, retail chains, restaurants, colleges, and any small business with on-site managers will be the hardest hit.

As Walter Olson of CATO wrote, this regulation would “frustrate ambitious individuals who willingly tackle long hours to rise into management ranks.” It would also “force millions of workers into time-clock or hour-tracking arrangements even if they themselves prefer the freedom and perks of salaried status.”

When House Democrats attempted to make a point by complying with the spirit of the rules in their own offices, they allegedly faced “a series of headaches including the prospect of unanswered phones and other gaps in constituent service, layoffs, and even closure of some district offices.”

Trey Kovacs of the Competitive Enterprise Institute wrote in *The Hill* that businesses will, of necessity, cope with the overtime rule by cutting hours and pay. “Cutting wages would make up for 80 percent of overtime costs, according to U.S. Bureau of Labor Statistics economist Anthony Barkume. Or businesses could hire more part-time employees and hourly workers, limiting workers’ hours to 40 and reducing fringe benefits. Workers will bear the brunt of the harmful impact of the overtime rule and its unintended consequences. Salaried employees now on a management track may have their work status downgraded to hourly, which will have some impact on their long-term career prospects, earnings, and other benefits, like healthcare and a pension.”

The overtime rule will be particularly tough on women. In the December 2014 *Labor Watch*, Diana Furchtgott-Roth noted that, as the rule was proposed, “employees who receive overtime pay would not be allowed to take time off, or comp time; they would have to receive overtime pay. Some people may prefer overtime pay, but others, especially working mothers, may prefer more leisure. . . . Overtime rules hurt women by reducing flexibility with their employer. Many women with children, particularly young mothers who cannot afford childcare, would prefer flexibility in their schedule rather than extra overtime pay. When overtime hours are allowed to count toward time off instead of pay, women can change their work schedules according to their needs.”

#### ► Fiduciary rule

The Labor Department’s new “fiduciary rule” adds new disclosure requirements and compliance costs on financial advisors, which could raise the costs of these advisors beyond what lower-income Americans are able to pay. Christine Harbin of Americans for Prosperity wrote in the *Daily Caller* that the fiduciary rule

will empower unelected, unaccountable bureaucrats to take control over Americans’ retirement choices by imposing significant new disclosure requirements and compliance burdens on the nation’s financial advisors—and at a significant cost to ordinary workers. American Action Forum estimates that the final rule will create nearly 57,000 paperwork hours and will cost Americans over \$75 billion in duplicative fees, making it the most expensive proposed or finalized rule of 2016.

For average Americans, the fiduciary rule means that they will face restricted access to financial advice and have a harder time opening and maintaining an Individual Retirement Account (IRA). Small businesses may be less likely to offer 401(k)s to their employees. Experts predict many brokers will stop serving households with less than \$50,000 in assets—small investors who need guidance on their investment decisions the most.

Congress passed a resolution expressing disapproval over the fiduciary rule; the House had a party-line 234-183 vote, while the Senate voted 56-41 to criticize the rule. But Perez and the Labor Department are charging forward with the rule, regardless of the will of Congress.

### ► Joint employers

Perhaps the most insidious action perpetrated by Perez's Department of Labor is the redefinition of the term "joint employer." According to Iain Murray, writing at National Review Online, the category of joint employer applies when "two or more employers are jointly responsible or liable for a worker's employment conditions."

By reinterpreting legal terminology—without notice, without a hearing—the Labor Department under Tom Perez is threatening the future of some 800,000 small businesses that use the franchise model. National franchisors (for example, McDonald's) would be held liable for actions taken by each of the thousands of McDonald's franchises—which would mean that McDonald's could no longer afford to let the local franchises be run by local people. Meanwhile, local franchises would be subject to the same regulations that apply to colossal multinational companies.

Here's what we wrote about this, in the March 2015 Labor Watch:

If you've taken your car to Jiffy Lube, stayed at a Choice Hotel, or ordered a pizza from Papa John's, you've most likely patronized a business built on the franchise model. From KFC, Wendy's, Arby's, and Dairy Queen, to Planet Fitness, Ace Hardware, Supercuts, RE/MAX, and H&R Block, franchises are at the heart of small business in America.

Despite the strong national brand identification associated with these names, they are actually part of the small business mosaic of America. Franchisees are independent business people, running their own shops under the marquee of a brand customers that know and trust, often actually located on Main Streets across the country. Franchises give small businesses, many of them family businesses—literally "mom-and-pop operations"—the opportunity to take advantage of national brand-name recognition and advertising, supply networks, business expertise, and other advantages that would otherwise be available only to the big guys. Many franchise operators are the first in their families to run businesses, and many are immigrants or members of "minority" groups.

There's a world of difference between a local franchise business and a multinational corporation. The point seems so obvious it should hardly need to be made. Yet a series of developments in

federal labor law is lumping these two classes of businesses together in a way that could imperil some of the 8.9 million jobs the franchise industry provides in this country.

In addition, the new rules could lump subcontractors in with the companies that hire them to perform such services as waste disposal and recycling, office cleaning, clothes cleaning, security, parking services, and photocopying.

The inevitable result of this is obvious. Being held liable for labor decisions whether they make them or not, corporations will bring local personnel decisions under their control, effectively ending the franchise model and destroying small businesses across the country.

Why would the Department of Labor do this? It's simple once you recall that Perez believes the Department exists to serve union bosses, not workers. Today, fast-food workers can only be unionized franchise by franchise. But if fast food workers were all employed by a single large corporation, then tens if not hundreds of thousands of workers could be unionized in one fell swoop, swelling the pockets of union officers as well as the campaign chests of the Democratic candidates to whom those officers send nearly 100 percent of their organizations' political contributions.

But wait, there's more!

Tom Perez's record of corruption and extremism is so extensive that it's hard to keep track of all his wrongdoing and kookery. A few more examples:

► In a July 2014 speech to hundreds of students at the historically black Howard University, Perez denounced the so-called "school-to-prison pipeline" that, he suggested, funnels large numbers of African-American youth into the prison system without cause. To drive the point home, Perez declared that school authorities in Mississippi had recently had black high-schoolers arrested for infractions as small as wearing the "wrong color tie" or the "wrong color socks," or for "flatulence."

"This is Meridian, Mississippi, where we still see separate and unequal. . . . We thought we had made progress [but] this is America" today. Perez assured the students that "I'm not making this up."

Yes, he was. Hoover Institution Fellow Paul Sperry noted that, in fact—

Meridian Public School District students have never been jailed simply for breaking school dress code, as he implied. That would be false imprisonment. They have, however, been mildly disciplined for wearing the wrong uniform to school. Meridian, which is mostly black, has a strict dress code to prevent gang violence. . . . Perez made it sound as if Meridian were run by a bunch of white, racist Bull Connors. What he failed to mention is that the Meridian school superintendent, Dr. Alvin Taylor, and four of the five Meridian school board members are all black. So is the judge running the juvenile court.

Why would Perez say these things? Sperry's answer: "To rile young African-Americans up about the specter of a still-racist America."

► Under Perez at the Justice Department, the DOJ repeatedly slow-walked efforts intended to help ensure that overseas military personnel (who tend to support Republican candidates by a wide margin) could exercise their voting rights. Meanwhile, Perez's division strove, without jurisdiction, to help felons (who overwhelmingly support Democratic candidates) regain voting privileges in a number of states.

► During his time at the DOJ's Civil Rights Division, Perez was a featured speaker at a number of events held by the American Constitution Society, telling its members that "your mission and ours [at the Civil Rights Division] share a lot in common." ACS promotes the idea of a "living Constitution," asserting that judges can and should ignore the Constitution and just decide cases in ways that reflect the political climate of the times (which is exactly what the Supreme Court did in *Plessy v. Ferguson*, the 1896 decision that established the doctrine of "separate but equal"). The ACS was founded by a law professor who was involved in the 2000 effort by Al Gore's presidential campaign to deprive Florida voters of their rights. It is the far-left counterpart to the mainstream/conservative Federalist Society. A 2014 report by our sister publication, Foundation Watch, found that "benefactors of ACS include George Soros's Open Society Institute (\$2,201,500 since 2002), Ford Foundation (\$600,000 since 2003), Sandler Foundation (\$200,000 in 2003), Tides Foundation (\$25,000 since 2002), Barbra Streisand Foundation (\$20,000 since 2002)."

► In January 2015, Perez said that raising the minimum wage and changing the overtime rule were religious imperatives. "This is really about biblical teachings," he told an AFL-CIO conference. "This is about what is taught in the Quran and what is in the Torah and what we learn about making sure we 'do unto others.' . . . This about who we are as a nation." He attacked businesses that, in his view, violate the will of God: "Low wages are a choice, not a necessity. Low benefits are a choice, not a necessity." (As noted in the June 2014 Labor Watch, minimum wage laws make it effectively impossible for unskilled workers to find employment, which disproportionately hurts minorities, which is why those laws were originally promoted by groups that wanted to protect "white people's jobs"—groups like the Ku Klux Klan.)

► It is illegal for government employees to conduct government business on a personal e-mail account or to destroy government e-mails. That's because such e-mails belong to the taxpayers and must be kept accessible in case of Congressional or criminal investigation, or Freedom of Information Act requests from reporters and others seeking to expose corruption. Yet the Obama administration has seen one official after another caught in the practice of stealing these public documents by using private e-mail systems or by destroying e-mails on a government system. That includes former EPA Administrator Lisa Jackson, EPA Region 8 Administrator James Martin, former director of the IRS Exempt Organizations Unit Lois Lerner, and former Secretary of State Hillary Clinton. Add Perez to the list.

At a May 2013 hearing before members of the House Oversight and Judiciary Committees, Perez testified that he could not recall ever having used his personal e-mail account to conduct Justice



Department business at his Takoma Park, Maryland home. Perez was then confronted with e-mails showing conclusively that he had conducted DOJ business on his home account, and he conceded their authenticity.

► Another type of corruption in which Perez was involved is a despicable practice that allows corrupt officials to funnel money to activist groups that support them. It works like this: After plaintiffs win judgments in civil rights cases, compensatory payments then go not only to the actual victims of discrimination, but also to “qualified organizations” approved by the Justice Department. How do you “qualify”? Support the administration’s political agenda. (More on this in future publications of the Capital Research Center.)

### One heartbeat

The vice presidential candidate rarely plays a significant role in voters’ choice for President. Typically, the only direct effect of the VP selection on the election results is a point or a point-and-a-half in the VP candidate’s home state, added to the vote a party would otherwise have received in that state. Indirectly, the selection is important in what it tells us about the presidential candidate’s character and values—for example, John Kerry’s choice in 2004 of the appalling John Edwards.

People should pay more attention than they do. After all, a Vice President can become President at any moment. And the odds of a Vice President eventually becoming President by succession or election are about one in four. Hillary Clinton’s running mate may have a better than average chance of making it to the Oval Office, as Robert Spencer noted at PJ Media:

. . . it could well be 1944 all over again. That year, Franklin Delano Roosevelt was virtually assured of victory over the strutting New York prosecutor Thomas E. Dewey. The real race was at the Democratic convention—for vice president. Everyone knew FDR was gravely ill, and that the vice presidential nominee would likely become president sometime before the 1948 election.

Sitting Vice President Henry Wallace was ultimately cast aside in favor of Harry Truman, largely because Democratic Party leaders were alarmed at the prospect of a Communist sympathizer like Wallace becoming president. (How times have changed, at least in that respect.)

Hillary Clinton is 68, and beset by a persistent cough that she has never adequately explained. According to Ed Klein, author of *Unlikeable: The Problem with Hillary*, she also suffers from “blinding headaches, exhaustion, insomnia, and a tremor in her hands.”

Not only is there the possibility that Clinton’s health problems might cut short her presidency, or that she might retire after one term with her VP as a likely successor, but

If Clinton became unable to serve prior to the election, the obvious move for the Democrats would be to promote her vice presidential nominee to the presidential slot—and it will not be Bernie. Hillary has not yet announced her choice, but one name that has been bruited about for months as one of her most likely running mates is Tom Perez, the Secretary of Labor.

The notion that Perez, or whomever the Democratic vice presidential nominee turns out to be, could become president of the United States on January 20, 2017—or sometime thereafter—is not just a remote possibility.

And what will it mean, if Perez is a key player in the next administration? J. Christian Adams, who resigned from the Justice Department to protest the policies of Perez and his allies, wrote in an April 2016 article for PJ Media:

Although much of Perez’s history is well-known to PJM readers due to his many fringe policies at the Justice Department Civil Rights Division, the Immigration Reform Law Institute (IRLI) recently obtained his revealing eight-page résumé. Nearly every single entry of his career history involves some form of racial activism. . . .

The document shows that with Perez near the White House, race-based politics and social division in America will be sure to intensify. Picking Perez would ensure the most extreme and marginalized policies of the Obama years would carry on into a Clinton administration.

With Perez in the White House, the current “war on cops” likely won’t skip a beat. His résumé praises his heavy involvement in “Department efforts to address police misconduct,” and for having “[p]rosecuted federal civil rights violations nationwide involving police misconduct and racial violence.” His résumé also mentions a paper he published with an academic journal on what the DOJ could do to “curb police misconduct” and further police accountability.

Another career focus for Perez seems to be injecting race into health care policy. When he was appointed director of the Office for Civil Rights in the Health and Human Services Department, he worked on cases involving “redlining and other racial discrimination in health care,” and “discrimination in welfare to work programs based on race.”

He also worked to “address the wide-ranging challenges confronting immigrant populations seeking to access health and human services.”

This means using the levers of federal power—such as attaching strings to federal money—to force local recipients of the federal money to adopt race-centric transformative policies that beltway bureaucrats dreamed up. . . .

Perez is a utopian. I’ve sat in rooms with him listening to his progressive vision of a future free from everything he dislikes. He is a true believer that the government can force the transformation of a culture and a society for good. He isn’t enough of a student of history to know where those ideals lead.

Tom Perez’s history of racialized decision-making at the Department of Justice further politicized an already tarnished executive agency, and his actions at the Department of Labor have added untold costs to small businesses and burdened our nation’s economy while benefiting his union allies.

As Mitch McConnell put it when Perez was nominated to be Secretary of Labor, he is “a committed ideologue who appears willing, quite frankly, to say or do anything to achieve his ideological end.” How far will his zealotry take him? This year or in the years to come, the sky’s the limit.