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Union takes its privatization fight international

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By Steve Peoples

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PROVIDENCE — The fight over whether to privatize housekeeping and food service at Eleanor Slater Hospital has gone global.

A union representative distributed a 63-page packet yesterday detailing a multi-billion dollar United Nations scandal and alleged health and safety violations associated with a prospective private bidder.

The company is a subsidiary of Compass Group PLC, a multinational corporation that recently agreed to a multi-million dollar settlement to resolve allegations of improperly secured food contracts for peacekeepers in the small African country of Burundi.

The disclosure is the latest sign that the battle between Governor Carcieri and the powerful state employees union — which comes as lawmakers struggle to close a projected \$300-million budget deficit for Fiscal Year 2008 — is becoming an all-out war.

“We’re going to make this as painful as possible,” said James Cenerini, a lobbyist for Council 94, the American Federation of State, County and Municipal Employees, which represents more than 8,000 Rhode Island employees.

Despite a public-relations blitz that included two \$10,000 anti-privatization advertising campaigns in the last month, the governor has refused to back off plans to replace an estimated 180 union workers with private employees at the state-run hospital and veterans home. If anything, the governor is more deeply entrenched in his position.

More than 100 fiery union supporters, hospital patients and lawmakers filled the State House rotunda yesterday afternoon to blast the governor’s proposal.

“‘No’ to privatization!” Cenerini screamed into a microphone as the crowd roared back a collective, “No!”

“‘No’ to a bad budget and a bad governor!”

“No!” they hollered.

But at roughly the same time, just a few doors down the hall, the governor’s spokesman, Jeff Neal, was distributing a news release touting the privatization plan as better than

ever. The state increased expected savings to \$13 million over the next five years by privatizing housekeeping services alone, Neal said, citing a recently received bid from Boston-based Hurley of America.

“We can either cower in fear because of the state employees union’s assault after assault, or we can do what Don Carcieri was elected to do,” Neal said. “State employees are constantly blaming Don Carcieri for the budget deficit. The fact is, however, Don Carcieri is the only person in this building who is trying to cut spending.”

But Neal was the only Carcieri supporter speaking to the media yesterday afternoon.

Among those at the Council 94 rally was Frank Beazley, a longtime resident of Zambarano Hospital in Burrillville, one of the sites slated for privatization.

“We ask you, governor, please leave us alone and let us enjoy our life,” he said, his voice cracking. “Please governor, we’re handicapped people. I hope you do hear us loud and clear.”

And standing along the line of elderly hospital patients, some in wheelchairs breathing from oxygen tanks, were Representatives Raymond E. Gallison Jr., D-Bristol, and Edwin R. Pacheco, D-Burrillville.

“We have a lot of difficult issues we’re going to face in the next few months, but I have not seen the dramatic savings the governor is talking about,” Pacheco said, acknowledging the looming budget deficit. “I’d love to compare his numbers with mine.”

Neal would not release a copy of the bid for housekeeping services that he said produces a savings of \$13 million. Next year’s projected savings are \$1.7 million, he said.

The bid is described generally in a letter sent yesterday from the administration to Council 94 inviting the union to “meet to discuss the advantages and disadvantages of this proposed privatization contract.” The letter is required by law.

“We have received a comprehensive and responsive proposal that will provide full benefits to the vender’s employees, and will cover all personnel costs, provide all new cleaning equipment, chemicals and certain supplies, a new truck for waste collection and disposal, and uniforms for all staff,” wrote Department of Administration Director Beverly E. Najarian.

There is no requirement that current union employees be rehired under new management.

Among those facing a potential layoff is Janice Fagnoli, who moved in recent years to a home a mile from the Cranston hospital to “make it to work in snowstorms.”

Fagnoli, a janitor at Eleanor Slater Hospital for the last 19 years, took a couple hours of vacation time to travel to the State House yesterday. She said she's less concerned with her fate than that of the hospital patients.

"For some, we're all they have," she said. "We're the ones who make them laugh. Sometimes all they do is blink, but it's a response."

Like other critics, Council 94 Executive Director Dennis Grilli is skeptical of the governor's math skills.

"We don't think it's going to save \$1.7 million, certainly not \$13 million," he said. "If need be, we'll have people examine the books, people from Washington, to turn over every little item they say will save money."

Meanwhile, a spokesman from Compass Group, which may bid for the hospital's food service contract, said yesterday that the corporation had worked hard in recent months to address concerns raised in the Burundi scandal.

"The whole issue has been an unfortunate episode in the group's history," said Chris King from the company's British headquarters. "There were lawsuits brought against us. We settled with them. We would have resolutely defended those interests, however, we felt in the interest of the business, and indeed our shareholders, that prolonged litigation wouldn't have been in the business' or shareholders' interest."

King continued: "The previous management left a year ago. We now have a new chairman and a new chief executive officer. They've taken decisive steps to ensure that a repeat of the U.N. issue never happens."

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