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After Obama Win, Will Companies Follow Through on Layoff Threats?

By Leslie Kwoh and Rachel Emma Silverman

In the weeks leading up to the presidential election, top executives from several companies sent email blasts to employees, warning that an Obama victory could lead to layoffs and other business problems.

“If any new taxes are levied on me, or my company, as our current President plans, I will have no choice but to reduce the size of this company,” wrote David Siegel, CEO of Florida-based Westgate Resorts, according to [CNN](#). “Rather than grow this company I will be forced to cut back. This means fewer jobs, less benefits and certainly less opportunity for everyone.”

Siegel isn’t the only one who hinted that an Obama win would spell doom for businesses and potentially workers, though other executives were more circumspect.

Dave Robertson, president of Koch Industries – run by brothers David and Charles Koch, who have given millions to conservative causes – sent a mailing to 45,000 employees of subsidiary Georgia-Pacific alluding to “consequences, including higher gasoline prices, runaway inflation and other ills,” the [Daily News](#) reported. And [Wynn Resorts WYNN -1.60%](#), headed by CEO [Steve Wynn](#), sent a “Voter Guide” to 12,000 employees, saying that preferred candidates “support policies that help promote a friendly business and living environment to Wynn Resorts,” the [Huffington Post](#) reported.

After the president’s decisive win on Tuesday, do workers at those firms have cause for worry?

So far, management isn’t saying much. Siegel did not respond to a request for comment, and other executives like Saddle Creek Corp. president Cliff Otto and Rite-Hite owner and chairman Mike White –who also warned workers of the consequences of an Obama win–declined to comment through company spokespeople. (Read Otto’s letter [here](#); read White’s letter [here](#).)

Scott D. Farmer, CEO of [Cintas Corp. CTAS -0.92%](#), which provides uniforms and other corporate services, sent a [memo](#) to employees in October suggesting that election results could lead to higher taxes and more regulation. A Cintas spokeswoman declined to comment on the company's or Farmer's reaction to the election.

Lacks Enterprises CEO Richard Lacks and ASG Software Solutions CEO Arthur Allen, who both sent emails to employees in support of Republican challenger Mitt Romney – without mentioning him by name – also did not respond to requests for comment. In his [letter](#), Allen said an Obama re-election would most likely mean ASG gets acquired or lose its independence otherwise, eventually leading to downsizing.

The emails, while not illegal, have raised eyebrows among employment lawyers and others.

Deborah Weinstein, an employment lawyer at The Weinstein Firm, a Philadelphia employment law firm advising businesses and a lecturer on employment law at Wharton, attributes the trend of executive email blasts to the 2010 “Citizens United” Supreme Court case, which “opened the door much wider to employers attempting to influence their employees’ political attitudes.”

However, she says that federal law may not allow employers to intimidate voters by threatening consequences if employees fail to vote a certain way, and some state laws expressly prohibit such activities.

“The law in that area is not cut and dry,” she says. That means that employers should be cautious if they attempt to use scare tactics to spur employees to vote their way, she adds.