

Judicial Panel Charges Against Christopher Dugovich, Council 2 President

Charging Parties:

Anne Boerner, Local 114 Member
PO Box 31247
Bellingham, WA 98228

Amy Lathrop, Local 114 Member
Donna Grasdock, Local 114 Member
Colin Maycock, Local 1849 Member
Tom Veitch, Local 114 Member
Kirk Juneau, Local 114 Member

Accused Party:

Christopher Dugovich

Sent by Certified Mail and email

December 26, 2019

Ms Kathleen McConnell, Secretary Treasurer
WSCCCE Council 2
PO BOX 750
Everett, WA 98206-0750

Judicial Panel
AFSCME International Union
1625 L St NW
Washington, DC 20036

To Whom it May Concern,

Article X, Section 3 of the AFSCME Constitution states: Charges against an individual for actions taken in such individual's capacity as a council officer...shall be filed with and heard by the Council trial body in which the accused was an officer, delegate or staff employee at the time of the alleged actions...

However, in Council 2, this is virtually impossible because the President of Council 2 does not provide any contact information for any of the officers or elected members of the Executive board. Therefore, we are requesting that contact information. Currently, the only way of communicating about these charges with the trial body is through the accused party's email addresses or subordinates.

1. Violation of Saunders Order

On June 4th, 2019, AFSCME's full Judicial Panel, at the direction of President Lee Saunders, issued a reprimand and order to Dugovich to provide requesting locals and individuals of Locals 114 and 1849 with the information they requested in 2018. To date, Dugovich has made no effort to comply with President's Saunders' order to release the requested information. Despite repeated requests, no local officer or member has ever received any requested information or been allowed to view it. Dugovich continues to defy the Judicial Panel Order.

All undersigned members of Local 114 and Local 1849 do hereby request again the information in the Dec 21, 2018 letter. We update now this request to include the year of 2019. Letter is attached for your reference.

Constitution Provision Violated: Article X, Section 2
AFSCME Members Bill of Rights, #6.

2. Misrepresentations to Federal Court

On June 11th, 2019 and September 11, 2019 Dugovich provided a written declaration to Federal Court Judge Zilly that information requested by individual members and Locals 114 and 1849 would be made available when it was not and has never been. This is an ongoing charge. Dugovich continues to imperil AFSCME's reputation by misrepresenting to the Court his promise to provide access to the requested information. We expect this matter to be before the court again, unless AFSCME International enforces the order of the full Judicial Panel.

Constitution Provision Violated: Article X, Section 2

3. Threat of Abandonment of Local 114

On April 9, 2019 Dugovich knew or should have known the actions of his employee and Deputy Director, J. Pat Thompson when he made public, verbal threats that Council 2 was preparing to abandon Local 114. Instead of immediately terminating Thompson's employment, Dugovich rewarded Thompson with a lucrative contract to provide services after Thompson's retirement.

On June 11, 2019 Dugovich made a presentation at a Local 114 meeting in Bellingham where he again threatened that Council 2 would abandon us if the members did not vote out all the current officers. He stated that our members would not get a good contract if the Local did not start behaving.

On November 18, 2019 at a Judicial Panel Hearing held in Bellingham, WA, Dugovich was present and heard witness testimony and evidence relating to Thompson's and Council 2's threats to abandon Local 114. Yet, Dugovich continues to employ Thompson.

Constitution Provision Violated: Article X, Section 2

4. Denial of Representation

Since 2016, over 30 members of Local 114 have been denied by Dugovich the arbitration of grievances and/or unfair labor practice charges. The record shows (or lack of records in this case) that Dugovich has operated a council-wide scheme to deny the rights of individual members and local unions to arbitration of grievances, representation for charges of unfair labor practices, and representation at unit clarification hearings. Please note, out of the nearly \$10 million dollars in annual dues revenue that are received by Council 2, only \$17,000 is budgeted for arbitration.

Throughout 2017 & 2018, Dugovich misled to Local 114 President, Jael Komac, about the number of arbitration cases presented by telling her Council 2 arbitrates “lots of cases every year” when there is no evidence this has been done. At several meetings of Local 114 in 2018, Dugovich refused to provide Shayla Francis, then Secretary of Local 114, with arbitration information including the number of cases arbitrated and the results of arbitration cases presented.

We request a forensic audit of all arbitration requests and denials.

Constitution Provision Violated: Article X, Section 2

5. Election Rigging

On August 3, 2019 we allege Dugovich rigged his reelection as Council 2 president and improperly held a Council 2 convention by the following actions:

- a) On March 8-9, 2019 Dugovich prohibited Local 114 member Keith Fredrikson from distributing his campaign literature criticizing his salary. Mr. Dugovich requested the Executive Board pass a motion to suppress the free speech of members. Mr. Stemler, the member’s legal representative did not voice opposition to the proposed motion. This charge was sustained in the Judicial Panel ruling of October 15, 2019. As a result, a new election had to be scheduled and wasting valuable union time and money;
- b) On multiple dates from Dec 2018-Aug 2019 Dugovich either directed his staff to refuse to provide Local 114 members with Election rules or he himself refused to provide Council 2 election rules to Local 114 and its declared Council 2 Executive Board candidate, Keith Fredrickson;
- c) On April 10th, 2019, Dugovich set the convention on a date in August 2019 which is prohibited by the Council 2 constitution. When his mistake was discovered, he took no responsibility and blamed others.
- d) In the weeks leading up to the Council 2 2019 State Convention, Dugovich used union-paid resources in his own election campaign by ordering staff (on paid union time and using union resources) to collect proxy votes for himself. It is commonly

known in this Council that keeping their boss in office is part of the Staff Reps job and if they fail to collect votes for him on company time, using union resources, they will be terminated.

- e) On August 2, 2019 Dugovich (as the presiding chair of the event) prevented a rival candidate and the candidate's supporters from speaking at the convention even though the rules in the convention packets clearly stated that they have the right to do so;

Remedy: conduct a third-party investigation into the working conditions of Council 2 to ensure that this is a workplace free from harassment and intimidation. Train Council 2 officers on proper election conduct.

Constitution Provision Violated: Article X, Section 2

6 Retaliation and Interference with Duties of Officers

On October 11, 2018 Dugovich banned all members of Local 1849 from the annual Council 2 President's conference—a training session for Council 2 local leaders. This action was in retaliation for the inquiry made by Colin Maycock for the information he requested and the Judicial Panel appeal Maycock filed.

6a Interference in Elections

Dugovich came to the June 2019 Local 114 meeting and stated that the membership needs to vote out all of the current officers or Council 2 would not work with the Local to get a good contract. He said a new slate of officers were needed for the city and the Council to work with our Local.

Constitution Provision Violated: Article X, Section 2

7 False Accusations against Union Members

On or about April 2018 Dugovich conducted a phone conference with Council 2 staff alerting them to the Freedom Foundation website which publicizes Dugovich's compensation package. A Council 2 Staff Representative shared this information with Local 1849 leader and executive board member, Colin Maycock. Maycock referenced this website in his inquiry to Dugovich. Despite the origins of this information, Dugovich has continually falsely accused Local 1849 leaders of working with Freedom Foundation.

Through the summer and fall of 2018, Dugovich ordered Council employees to spread false rumors to union members alleging that the Freedom Foundation was behind Colin Maycock's Judicial Panel appeal and subsequent federal lawsuit.

We demand that Mr. Dugovich provide evidence to support his slanderous accusations.

Constitution Provision Violated: Article X, Section 2

8 Surveillance of Union Members

At the Council 2 Annual Weekend Legislative conference held in early 2019, Dugovich placed union member delegates and conference attendees known or suspected to oppose him in the upcoming election under personal surveillance by paid staff, Mike Rainey (and others). Staff members Mike Rainey and Matt Miller shadowed Local 1849 members at the 2018 President's Conference in Chelan. J. Pat Thompson shadowed members at the Summer 2018 AFSCME International convention. "Shadowing" means following them closely, listening to conversations, noting who they were speaking to and what they were speaking about.

Constitution Provision Violated: Article X, Section 2

9 Collusion with Employer

On June 5, 2018 Dugovich colluded with employer representatives to undermine Local 114 efforts to bargain a fair contract. Dugovich went behind the backs of the Local 114 bargaining committee, exchanged proposals with City of Bellingham representatives and reached an agreement which Dugovich then compelled Local 114 members vote on. He falsely stated to Local 114 officers and members that a "no" vote was a "strike" vote.

Constitution Provision Violated: Article X, Section 2

10 Violation of Fiduciary Responsibility

- a. Stock Ownership in Council 2 Real Estate. In the past decade it appears Dugovich has engaged in a scheme where he became a part-owner, through stock ownership, of approximately \$3.5 million in real estate assets of Council 2. Dugovich is also the president of this private corporation called the "Rainier Building Corporation. "

Remedy, investigate this information and disclose to Council 2 dues-paying members the extent of this situation. It is our understanding that the Federal Authorities have been notified.

- b. Excessive Compensation. In the past decade, and likely longer, Dugovich's paid compensation was in excess of comparable positions within AFSCME. Dugovich has made himself eligible for two retirement plans. Further, as noted above, he has engaged in efforts to conceal his compensation by ignoring or denying all requests, including from an executive board member, to view his compensation. Not one executive board member likely can give a complete accounting of Dugovich's compensation. This action violates IRS standards.

Remedy: investigate these claims and make the information available to all elected Executive Board members as well as dues-paying members who request to see the

information. It is our understanding that the IRS has been notified of Council 2's non-compliance.

- c. Failed Obligations as a Trustee. Since 2014, Dugovich has failed in his role as trustee of Council 2 trusts by engineering his appointment as president of all Council 2 controlled trusts. For example, Dugovich has the sole authority to deny or pay benefits of the Dental Trust. Dugovich has refused to provide details of trust expenditures, leaving many questions of Dugovich not acting in the best interest of members by and using the trust as a revenue source for purposes other than the benefit of members. There have been at least two documented occasions where Dugovich has referred to himself verbally in conversations with former President Komac as the "tooth fairy". This is what he calls himself because he has put himself in a position of being able to approve or deny the decisions of supposedly third-party Welfare and Pension Trust Administrators of the Dental Plan. Member Bianchi and Member Herrick had claims altered due to the personal intervention of Dugovich. Dugovich also came to meetings to pressure the Local into remaining participants of the Dental Trust. He made reference to specific members claim histories, for instance: "Joe sure made use of his benefit this year didn't he?" No one should have access to patient files or claim history except the 3rd party administrators without written and direct permission.

Remedy: investigate these claims and make the membership of Council 2 dental participants whole. Remove the ability for the president of the Council to also be President of the various trust funds. Clearly, Council 2 cannot police themselves and avoid conflicts of interest. The Insurance Commissioner for the State of Washington will be notified of these and other concerns related to health and welfare trusts related to Council 2. All documentation in possession of past plan participants will be turned over to them to aid in their investigation.

- d. Co-mingling of Personal and Union Resources. Dugovich has co-mingled union resources with his own private company.
- e. Withholding Dues Payments.
 - a. On May 31, 2019 Dugovich withheld payment of local dues from Local 114. This was done without notice, hearing or reason.
 - b. On June 30, 2019 Dugovich withheld payment of local dues from Local 114. This was done without notice, hearing or reason.
 - c. On July 31, 2019 Dugovich withheld payment of local dues from Local 114. This was done without notice, hearing or reason.
- f. On August 23 the past due reimbursements were paid. Subsequent communications from Dugovich referred to a "normal rebate" procedure as if there was some reason to

not treat our Local as “normal”. He also cautioned us “not to dig the hole any deeper.” This was yet another retaliatory action on Dugovich’s part toward us.

Remedy: investigate and hold Dugovich accountable for withholding our member’s dues. This is stealing. This is not and never was his money.

- g. Season Tickets for Sporting Events. Over the last decade Dugovich has authorized union funds to be spent on season tickets, including suites for professional sports teams. These purchases were originally to be spent on legislative and lobbying purposes. However, these have become the personal playground of Dugovich. He refuses to provide the amount spent, the purpose behind the purchase, or the policy whereby members can gain access to this benefit.

Remedy: investigate and assist Council 2 in writing a policy where Unions funds that are used to purchase entertainment have controls.

The violations above ignore the Council 2 conflict-of -interest policy and likely violates IRS laws and endanger the non-profit status of Council 2.

Constitution Provision Violated: Article X, Section 2

11 Failure to Provide Non-Profit Documentation

On October 2, 2019 Dugovich failed to respond to Jael Komac’s request for information when she sent this email:

In light of your recent reprimand by the International Union for violating the International Constitution, I expect full compliance of the following request for Council 2 documents:

- 1. Copy of the IRS Form 990 for 2017 and 2018;*
- 2. A copy of the current, written Conflict of Interest Policy;*
- 3. A copy of the current, written Whistleblower Policy;*
- 4. A copy of the current, written Document Retention and Destruction Policy;*
- 5. A copy of the Compensation Policy for Exempt Staff;*
- 6. A copy of the 2018 audit for Council 2 and all trusts and subsidiary companies, including Rainier Building Corporation.*

Constitution Provision Violated: Article X, Section 2

Also violated: State Law governing Not For Profits

Charging Parties Demand for Legal Representation

Because Dugovich uses our dues money, union resources, his paid staff, and the Council 2 attorney as his personal attorney, we are requesting the International Union provide us the same benefit by either appointing an attorney to represent us or by entering into a private

contract with a Washington State law firm to prepare and present our case. Please be advised our local is under trusteeship and has no access to our dues money.

Remedy

For the above reasons we demand Dugovich be immediately removed from office, that all local and union member requests for information be fully and completely answered, that Dugovich be compelled to personally pay for all necessary expenses of the re-ordered Council 2 election, and a forensic audit be ordered and conducted by an outside agency with no attachment to AFSCME whatsoever and the results be given to every union member of Council 2.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Boerner". The script is cursive and fluid.

Anne Boerner
Amy Lathrop
Donna Grasdock
Tom Veitch
Colin Maycock
Kirk Juneau