

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

**CHARLES CHATHAS, ED MCGUIRE,  
JIM HASTINGS, BERNIE HICKEY, JR.,  
AND BOB PITLOCK,**

**Plaintiffs,**

vs

"

**No. 99 c 0400**

**LOCAL 134 IBEW, UNIFIED SOCIAL CLUB  
AND MIKE FITZGERALD, LARRY CRAWLEY,  
BOB PARILLI, RICH RIOUX, MIKE CADDIGAN,  
CHARLES DUNNE, MARTY MOYLAN,  
AND ED BUETTNER.**

**Defendants.**

**SECOND AMENDED COMPLAINT**

I

Introduction

Plaintiff union members seek declaratory, preliminary, and permanent injunctive relief against the defendant Local 134 International Brotherhood of Electrical Workers and the other defendants, to bar the union and its officers soliciting and accepting employer contributions made in violation of §302 of the Labor Management and Relations Act (LMRA), 29 U.S.C. §186, and to enjoin the defendant union and its business manager, the defendant Mike Fitzgerald, on a preliminary and permanent basis, from conducting the union's business with any officer who is in receipt of or enriched by such employer payments until such payments have been returned in full

2. Plaintiffs also sue Mike Fitzgerald, Larry Crawley, Bob Parilli, Rich Rioux, Mike Caddigan, Charlie Dunne, Marty Moylan, and Ed Buettner and the Unified Social Club for jointly participating in a scheme to solicit and collect money on behalf of the Unified Social Club from employers doing business with Local 134, constituting a breach of the fiduciary duty owed by Fitzgerald and his administration to Local 134 members. Employer payments to the Unified Social Club have created a serious conflict of interest between the Fitzgerald administration that will continue for the foreseeable future, The only relief that can possibly begin to rectify this blatant conflict of interest is a court ordered accounting by Fitzgerald, the other individually named defendants, and the Unified Social Club of all money received by the Unified Social Club from employers doing business with Local 134 since the inception of the Unified Social Club AND an order of court requiring the individually named defendants to make full repayment to each and every employer.
  
3. Finally, Plaintiffs sue Fitzgerald and the other individually named members of his administration for misuse of union money/property. The legal defense of this action has, to date, been financed from the coffers of Local 134. However, the conduct of the Fitzgerald and his fellow union officers which gave rise to this litigation was clearly outside the scope of their authority/employment with Local 134. The payment of legal expenses by Local 134 to defend union officials whose conduct was outside the scope of their authority/employment constitutes a misuse of union property pursuant to Title V of the LMRDA. A full accounting of all money paid by Local 134 for the defense of this action, to date, must be ordered, with Fitzgerald and the other individually named defendants further ordered to make full restitution to Local 134.

II  
Parties

Charles Chathas is an Illinois resident and a member of Local 134 IBEW (“Local 134”)

Ed McGuire is an Illinois resident and a member of Local 134

Jim Hastings is an Illinois resident and a member of Local 134

7. Bernie Hickey, Jr., is an Illinois resident and a member of Local 134.
8. Bob Pitlock is an Illinois resident and a member of Local 134
9. Defendant Local 134 is a labor organization within the meaning of §152 of Title 29 of the U.S. Code.
10. Defendant Unified Social Club is either a not-for-profit corporation organized under the State of Illinois, or an unincorporated voluntary organization doing business in Illinois within the jurisdiction of this court.
11. Defendant Mike Fitzgerald is an Illinois resident and Business Manager (chief executive officer) of Local 134 and has served in that position since 1995. Fitzgerald was one of the

original incorporators of the Unified Social Club and at all relevant times served as its Honorary Chairman.

12. Defendant Larry Crawley is an Illinois resident and an Assistant to the Business Manager of Local 134 (hereafter “Business Representative”) and has served in that position since being appointed to that office by Fitzgerald in 1995. Crawley was, at all relevant times, President of the Unified Social Club and served on the club’s Ad Committee
13. Defendant Bob Parilli is an Illinois resident and a Business Representative of Local 134 and has served in that position since 1995. Parilli was, at all relevant times, Vice President of the Unified Social Club.
14. Defendant Rich Rioux is an Illinois resident and has served as the elected Recording Secretary of Local 134 since 1995. Rioux was, at all relevant times, the Treasurer of the Unified Social Club.
15. Defendant Mike Caddigan is an Illinois resident and a Business Representative of Local 134, since being appointed to that office by Fitzgerald in 1995. At all relevant times, Caddigan served on the Ad Committee of the Unified Social Club.

16. Defendant Charlie Dunne is an Illinois resident and a Business Representative of Local 134. Dunne has served, at all relevant times, as a member of the Unified Social Club Ad Committee.
  
17. Defendant Marty Moylan is an Illinois resident and a Business Representative of Local 134. Moylan was a member of the Ad Committee of the Unified Social Club at all relevant times.
  
18. Defendant Ed Buettner is an Illinois resident and a Business Representative of Local 134. Buettner was also a member of the Unified Social Club's Ad Committee during the relevant period.

#### Jurisdiction

19. Jurisdiction of this Court is invoked pursuant to §302 of the LMRA, 29 U.S.C. §186, and under other jurisdictional provisions, including 29 U.S.C. §1331 and 29 U.S.C. §1337 and Section 9 of the National Labor Relations Act ("NLRA"), as amended, 29 U.S.C. §159. Jurisdiction of this Court is further invoked pursuant to §501 of the LMRDA, 29 U.S.C. §501.
  
20. Venue is appropriate in this judicial district because all the events described herein took place in this judicial district and all defendants reside or do business here.

### Facts

21. Local 134 is the long established and principal LBEW local union representing electricians in the Chicago area, including those who work for small and independent contractors and other members of the Electrical Contractors' Association (ECA) in the Chicago area.
22. Local 134 at present, has approximately 17,000 members.
23. Local 134 historically has had a variety of social clubs which were established to provide social activities, services, and entertainment for groups of like-minded or neighboring Local 134 members or members of other IBEW locals (active or retired).
24. The social clubs are legally distinct from Local 134 but are open for membership only to Local 134 members or members of other IBEW locals. In former days and even at the present, the social clubs engaged in charitable activities, both for social club members and their families in times of distress and others. They also provide membership programs, education and entertainment, such as golf outings, dances and other social events.

### The Creation of the Unified Social Club

25. In 1995, Mike Fitzgerald defeated the incumbent Warren Jennings for the position of Local 134 Business Manager-Financial Secretary, which is the Chief Executive Officer position of Local 134.

- 26 During the 1995 election, the two rivals had separate campaign organizations. Jennings' group was known as "Rank and File," and Fitzgerald's group was known as the "Unified '95 Slate."
- 27 Following the 1995 election, Fitzgerald and others established the "Unified Social Club" to carry on as a successor or by-product of the "Unified Slate" organization.
28. However, the Unified Social Club was unlike other social clubs in that a primary purpose of the Unified Social Club was to promote the candidacy and political interests of Mike Fitzgerald and other members of the Unified Slate.
29. For example, the Unified Social Club has continuously published newsletters signed by Mike Fitzgerald that promote Mike Fitzgerald and the Unified Slate and set forth the views of Mike Fitzgerald and the Unified Slate on various internal union issues.
30. The Unified Social Club newsletters have the evident overwhelming purpose of promoting and/or celebrating the achievements of Mike Fitzgerald and the Unified Slate.
31. Unified Social Club newsletters also attack and even vilify the political opponents of Mike Fitzgerald and the Unified Slate.

32. Members of the Unified Social Club have also had special advance notice that important issues will be addressed at certain union meetings, information that should normally be received by all members of Local 134.
33. For example, a Unified Social Club mailing alerted Unified Social Club members that during the March 1998 Local 134 meeting, proposed changes to the IBEW Constitution and increases to international pension benefits would be voted upon. There was no “local wide” mailing alerting the entire membership of these impending votes, nor was this information disseminated in the Local 134 ‘News and Views’, the Local’s membership wide publication.
34. Following the 1995 election, the Unified Social Club continued to raise money. In 1998, Mike Fitzgerald’s original campaign organization, ‘Unified ‘95’, was reformed or re-established as ‘Unified ‘98’. Unified ‘98 was the vehicle or entity by which money raised by the Unified Social Club was spent to promote the candidacy of Mike Fitzgerald and the Unified Slate in Local 134’s 1998 election of officers.
35. The organizations have similar names and logo’s and are, at best, only technically separate. (While the The Unified Social Club maintained a Post Office Box in Palos Hills, Illinois, the Unified ‘98 Slate had its offices in downtown Chicago at 600 West Washington Street.)
36. In the very year Fitzgerald was re-elected, the Unified Social Club raised significant sums of money that were either spent directly in Fitzgerald’s behalf by the Unified Social Club,

transferred to 'United Slate' campaign, or spent in furtherance and/or in support of Fitzgerald and the "Unified Slate."

37. As a result of a huge and crushing financial advantage from Unified Social Club fund raising, Mike Fitzgerald's 'Unified Slate' easily won re-election in 1998.

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Employer Contributions to Fitzgerald's Unified Social Club

38. Despite the severe and obvious federal law prohibitions, some of the principal sources of the Unified Social Club's fundraising for Fitzgerald and his party were and are employers with collective bargaining agreements with Local 134 IBEW.
39. Furthermore, prior to the filing of this lawsuit, all the officers of the Unified Social Club were employed as representatives of Local 134 members.
40. Nonetheless, since 1996, Fitzgerald and the officers of the Unified Social Club have systematically targeted their fund raising from IBEW employers through, among other things, the Unified Social Club's annual "Valentine's Day Dinner Dance." Indeed, prior to 1999, cover letters accompanying order forms for tickets and space in an advertising book clearly stated that the dance was sponsored by "Unified In '98 Election Committee."

41. With each year's dinner dance, the Unified Social Club published a program book and sold advertising pages in the book to employers with collective bargaining agreements with Local 134.

For example, in the 1998 program book, IBEW employers were requested to pay \$100.00 for a full page ad, \$60.00 for a half a page ad, and \$200.00 for a full gold page ad.

43. The 1998 program book lists the following IBEW employers as buying pages in the The Unified Social Club Valentine's Dance Ad Book

<u>Company/Person</u>	<u>Page Type</u>
9 11 Electrical Contractors Assoc.	Gold
A & G Electrical Contractors	Gold
Accord Electric	Gold
Advent Systems, Inc.	Gold
Air Comfort Corporation	Gold
Apple Coring Co.	Gold
Aspen Electric, Inc.	Gold
Belcore & Son Electrical Contractors	Gold
Belec Electric, Inc.	Gold
Bonus Electric, Inc.	Gold
C.D.S., Inc.	Gold
Commercial Light Company	Gold
Communication Contractors, Inc.	Gold
Continental Electrical Construction Co.	Gold
Crown Engineering Co.	Gold
Current Communications Corp.	Gold
Dow Electric Co.	Gold
J.C. Power & Control	Gold
Fire & Security Specialists, Inc.	Gold
Gcary Electric, Inc.	Gold
Gurtz Electric Co.	Gold

Hardt Electric, Inc.	Gold
Hawthorne Race Course	Gold
Illinois J. Livingston Co.	Gold
Jamcrson & Bauwens Electrical Contractors	Gold
Jaymore Electric	Gold
Malko Electric	Gold
Mamn Electric	Gold
S & H Electric Co., Inc.	Gold
S.M.C. Electrical Corp.	Gold
Sharlen Electric	Gold
T.B.G.E.C Electrical Contractor Inc.	Gold
Avondale Electric Inc.	Gold
Chris Electric	Gold
Elite Electric Co., Inc.	Gold
Huen Electric, Inc.	Gold

**Company/Person**

**Page Type**

Kelso-Barnett Co.	Gold
Maywood Park (Parimutuals)	Gold
Phoenix System & Service, Inc.	Gold
Shamrock Electric Inc.	Gold
Suarez Electric Co.	Gold
U. S Electric	Gold
Westbrook Electric	Gold
Whiteway Sign	Gold
McWilliams Electric Company	Gold
Sportsman Park	Gold
Control Engineering Corp.	Gold
Gibson Electric Co., Inc.	Gold
Prime Electric Co., Inc.	Gold
M.G. Electric Service, Inc.	Full
Boyd Electric	Full
Candor Electrical Contractors	Full
Dunning Electrical Services	Full
E.C.I. - Electrical Contractors, Inc	Full
E. Stone Inc.	Full
Electrical Contractors Inc.	Full
G.S.K. Electric Inc	Full
Grand Kahn Electric, Inc.	Full
Great Line Communications	

and Electrical Contractors	Full
Hawk Electric	Full
Helm Electrical Services, Inc.	Full
Henry Electric	Full
Hyre Electric Co.	Full
Jones Electrical	Full
Lyons/Pinner Electrical	Full
C & S Contractors, Inc.	Full
Peterson Electric Panel Mfg. Co.	Full
Phoenix Electrical Contractors, Inc.	Full
Maywood Park (Parimutuals)	Full
Prospect Electric Company	Full
Rex Electric Inc.	Full
S&M Electric Inc.	Full
Signature Electric Company	Full
Simon Electrical Contractors Inc.	Full
Teco Electric	Full
Terrance Electric Company	Full

**Company/Person**

**Page Type**

Vincent Electric	Full
Imperial Maintenance Co.	Full
Bison Electric	Full
Kelso-Burnett Co.	Full
Great Lakes Electrical Contractors Inc.	2 Gold
Divane Bros. Electric Co.	2 Gold
Driscoll Electric company	2 Gold
Lakewood Electric	1/4 Page
Rex Electric, Inc.	1/4 Page
Holbrook-Carey Inc.	1/4 Page
S&J Electric Co., Inc.	1/4 Page
Kettler Electric Co.	1/4 Page
Alltech Electric	1/4 Page
White Way Sign	1/4 Page
Cambell Electric Inc.	1/2 Page
Hy-Power Electric Co.	1/2 Page
Marchione Electric Inc.	1/2 Page
Monarch Electric	1/2 Page
De Cor Lighting Retrofit Inc.	1/2 Page
W.J. Electric	1/2 Page

- 43 In addition to ads in the program book, IBEW employers were also requested to buy tables at the Valentine's Dinner Dance.
45. In 1998, for example, the cost of a table was \$750.00, and some employers either as an alternative or in addition to an ad in the program book, paid money to the Unified Social Club through the purchase of such tables.
46. The employer contributions in 1998 to the Unified Social Club, simply from the ad book, amounted to at least \$15,000.00 for the use and benefit of Mike Fitzgerald and the Unified Slate.
47. The contributions were requested by Mike Fitzgerald and other officers of Local 134/Unified Social Club from persons who were employers or associations of employers or labor relations experts, advisors, or consultants, within the meaning of §302 of the LMRA.
48. In return for these payments to the Unified Social Club, which were made for the benefit of Mike Fitzgerald and the Unified Slate, IBEW employers may reasonably have anticipated receiving favorable treatment by Local 134 in matters pertaining to employers individually and to the electrical contractors as a whole. These payments certainly create a conflict of interest for Fitzgerald and his administration, as well as, at a minimum, the appearance of impropriety.

49. In a manner the same as or similar to previous years, Fitzgerald and Local 134 and the Unified Social Club solicited payments from employers for the Valentine Day Dinner Dance in February 1999.
50. The ability of such employers to make contributions openly to Fitzgerald and The Unified Social Club has compromised the integrity of the Local as a collective bargaining institution and caused irreparable injury to Local 134's ability, and the perception of its ability, to act loyally and exclusively for its members.

COUNT I  
Injunctive Relief for Violation of Section 302

51. Plaintiffs incorporate by this reference paragraphs 1 through 46 above
52. By the acts set forth above and in violation of §302 (a) (1) of the LMRA, defendant Mike Fitzgerald, and defendant the Unified Social Club, as the agent of Mike Fitzgerald and the Unified Slate, unlawfully requested, demanded, received, or accepted payments and deliveries of money and other things of value prohibited by §302 (a) (1) of the LMRA.
53. By the acts set forth above, and in violation of §302 LMRA (a) (4), defendants Mike Fitzgerald and the Unified Social Club as the agent of Mike Fitzgerald and the Unified Slate,

have unlawfully requested, demanded, received or accepted payments made by employers with the intent to influence decisions by officers of Local 134.

54. By the acts set forth above and in violation of §302 LMRA, Local 134 has conducted and continues to conduct union business through officers and business agents who have been in receipt of or benefitted from such illegal employer payments.
55. By acts set forth and in violation of §302 LMRA, Local 134 has assisted in or tolerated the soliciting of employer payments to Fitzgerald and the Unified Social Club.
56. On December 17, 1998, the Department of Labor filed suit under Title IV of the LMRDA to overturn the outcome of the Local 134 officer election in June 1998, in Herman v. Local 134 IBEW, 98 C 8 122, but in this case, plaintiffs seek no relief to overturn the 1998 election but only a remedy to stop the continuing practice of soliciting employer monies for union-officer campaign purposes, and not to stop violations of §302 generally.

WHEREFORE plaintiffs pray this Court to:

- a. Declare that by the acts set forth above, defendants Mike Fitzgerald and the The Unified Social Club have violated §302 of the LMRA in that the said two defendants solicited and accepted payments from employers with collective bargaining agreements with Local 134.

- b. Declare that by the acts set forth above, defendant Local 134 has violated §302 of the LMRA:
- (1) by allowing certain of its business agents to collect employer payments to Fitzgerald and the The Unified Social Club at IBEW work sites,
  - (2) by conducting its official union business through persons enriched by or in receipt of or benefitting from illegal employer payments, and
  - (3) by giving concessions and favorable treatment to various IBEW employers who made the payments to Fitzgerald and The Unified Social Club.
- c. Issue a preliminary and permanent injunction against all defendants to restrain them from soliciting and accepting contributions or payments from IBEW employees.
- d. Enjoin Local 134 from conducting its business through officials who are in receipt of or enriched by any past employer payments until all such past payments are returned.
- e. Enjoin Local 134 from giving any special favors or favorable treatment of any kind to an employer making any contribution to Mike Fitzgerald or the The Unified Social Club.

- f. Waive the requirement of an injunction bond in this matter because of the public interest in the issuance of such injunction.
- g. Grant such other relief including legal fees and costs as may be appropriate.

COUNT II - Dismissed

COUNT III  
Title V Breach of Fiduciary Duty

- 57. Plaintiffs incorporate by this reference paragraphs 1 through 52 above.
- 58. Defendant Mike Fitzgerald and the other individually named defendants are officers holding a position of trust within the meaning of 29 U.S.C. §501.
- 59. By the acts set forth above, Fitzgerald and his named members of his administration used their positions as union officers to induce employers of Local 134 to contribute to the Unified Social Club in which they contemporaneously held office or other position of authority..
- 60. Employers have contributed tens of thousands to the Unified Social Club whose officers, prior to the filing of this lawsuit, were also officers of Local 134.

61 Fitzgerald and the officers of Unified Social Club targeted employers for fund raisins, although they knew or should have known that such employers would reasonably feel pressure to contribute because of the positions held by Fitzgerald and the other officers of Unified Social Club who were also representatives of their employees.

62. Nonetheless, Fitzgerald and the other officers of Unified Social Club pressed the employers to contribute by direct mailings and other forms of solicitation.

63. By these methods, Fitzgerald and other business agents or union officers raised unprecedented sums from the employers and obtained large sums of money to dispose of as they saw fit.

64. Accordingly, by the acts set forth above, Fitzgerald and the other named officers of Local 134 abused their positions of trust as with Local 134 in that they used their offices to enrich their political organization by means of employer contributions to the Unified Social Club, which had a purpose of promoting the name, visibility, and achievements of Mike Fitzgerald and his slate.

WHEREFORE, Plaintiffs pray this Court to:

- a. Order Mike Fitzgerald, the other individually named defendants, and the Unified Social Club to make a full accounting of all contributions of any kind

(cash/merchandise/goods/services etc.) made by employers doing business with Local 134 since the creation of the Unified Social Club.

b. Further order Fitzgerald and the other individually named defendants to return the full value of all employer contributions received by the Unified Social Club, since its inception, to those employers;

b. Grant Plaintiffs their legal fees.

c. Grant plaintiffs such other relief as may be appropriate.

### COUNT III

#### Title V Misuse of Union Money/Property

65. In an “Open Letter to the Membership of IBEW Local 134” dated November 1999, Fitzgerald states, among other things, that Defendants’ Motion for Permanent Injunction in these proceedings was motivated, in part, by a desire to save the members of Local 134 “another \$100,000.00 in legal fees”. Thus, this “Open Letter” is an admission by Fitzgerald that Local 134 paid for the legal defense of this litigation against Fitzgerald and the other officers of Local 134 whom Plaintiffs now seek to individually join in this action,

66. The expenditure of money by Local 134 for the payment of the legal defense in these proceedings constitutes a misuse of union funds and/or property, constituting a separate and distinct claim under Title V of the LMRDA.

07. The conduct complained of in the First Amended Complaint, the solicitation and/or collection of money by Fitzgerald and other officers of Local 134 on behalf of the Unified Social Club, were allegations of conduct clearly outside the scope of the employment/authority enjoyed by Fitzgerald and his administration with Local 134. Thus, it was a clear misuse of Local 134's money to pay for the legal defense of this action, since the acts complained of were not acts conducted on behalf of Local 134 by its officers acting within the scope of their authority.

WHEREFORE, Plaintiffs respectfully request that the Court enter an order

- a. Requiring a full accounting by Fitzgerald and Local 134 of all money spent by Local 134 in defense of this action to date and an order requiring Fitzgerald and the other individually named defendants to make full restitution to Local 134.
- b. Barring Local 134 from providing for, or paying for, any future legal costs or fees of Fitzgerald, or any of the other Local 134 officers who may be joined, in these proceedings.
- c. Granting Plaintiffs their attorneys' fees in this action.
- d. Granting Plaintiffs any and all further relief as is just, lawful, and equitable.

BY: \_\_\_\_\_

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