

19 c) William Waggoner Provided Politicians With
20 Transportation on the Local 12 Jet, But that In-Kind
21 Contribution Was Frequently Not Reported

22 287. Hilda Solis' congressional election campaign in 2008 was heavily
23 funded by the Operating Engineers and other unions. In fact, during her time in
24 Congress (2001-09), she received more than \$900,000 in contributions from unions
25 (not including the in-kind contributions discussed below). Ms. Solis flew on Local
26 12's Cessna jet while serving in Congress, though it appears that she failed to
27 report the in-kind contributions from Local 12.

28 288. Defendant Waggoner announced at the Western Conference (where he
1 was and remains the Director) that Ms. Solis had been flown to Washington D.C.
2 on the Local 12 Jet around the time that she was under active consideration and
3 confirmation for Labor Secretary in 2009. Waggoner bragged openly that he was
4 flying Solis back to Washington D.C. for this purpose. Vince Giblin responded to
5 this boasting by declaring, "We finally have a friend in the Department of Labor."
6 He then chastised other Business Managers for failing to make similar investments
7 in political candidates.

8 289. In late 2012, Waggoner flew Larry Hopkins and Ron Havlick to
9 Washington D.C. to meet with Ms. Solis over a Local 12 problem involving the
10 Department of Labor ("DOL") when Waggoner believed that legal action was
11 imminent. An article discussing Ms. Solis's policy of protecting unions is attached
12 as Exhibit "5", and there is little doubt about her close ties to Local 12, Waggoner,
13 and IUOE as pictured below:



1 290. A comprehensive review of the 2008 election cycle data maintained
2 by the Federal Election Commission, current through March 2013, shows no in-
3 kind contributions from Local 12, whether in the form of Cessna jet time, or
4 literature printing and postage provided by the Local 12 printing press operations
5 for that election cycle.

6 291. On information and belief, other politicians, including certain members
7 of Congress, were also recipients of in-kind contributions consisting of
8 uncompensated, undisclosed transportation on the Local 12 jet, sometimes as part
9 of a detour trip when the Local 12 jet was en route for some other purpose.

10 Waggoner (who had the exclusive authority to direct the destinations of the Local
11 12 jet), through this deceit, misused assets of Local 12 for the benefit of Local 12's
12 PAC, which was not paying for the Cessna jet time and expense associated with
13 these in-kind contributions.

14 292. Local 12's General Fund and its members, including Plaintiffs, were
15 harmed as a result of this misuse of the union's valuable jet which could and should
16 have been leased out to financially benefit the union, or, if it could not be leased for
17 some reason, at least left in its hangar when not needed for union business, rather
18 than being misused at high operating costs and without compensation to the union
19 by Waggoner for his personal benefit and the benefit of his relatives, friends and
20 favored politicians.

21 293. In sum, William Waggoner provided politicians with transportation on
22 the Local 12 jet, but that in-kind contribution was frequently not paid for or
23 reported. Officers of Local 12, including Mickey Adams, Ron Sikorski, Larry
24 Davison and Dan Hawn were aware of Waggoner's misuse of Local 12 assets, but
25 did nothing to stop it and helped to conceal it from the members of Local 12.

14 298. Since the initial filing of this lawsuit, Local 12 has attempted to hide
15 the widespread non-reporting by filing its own amended contribution reports. The
16 problem with this concealment tactic is that there is no coordination with those
17 candidates who reported some contributions from a different contributing entity,
18 namely, the Local 12 Political Action Fund. Now Local 12 is in the position of
19 having recently amended its reports to claim that *it* donated in-kind contributions,
20 when, years ago, the candidate reported a contribution from the Political Action
21 Fund. As to those politicians who never reported an in-kind contribution, at least
22 Local 12's suspiciously late amended reporting does not have to be reconciled with
23 an inconsistent filing by a politician. Notably, Local 12 failed to amend reporting
24 for the in-kind contributions to Hilda Solis and the Nevada Senator. These falsified
25 filings tolled members' obligation to bring suit under Title V of the LMRDA.