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September 24, 2007

Jan Witold Baran
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VIA HAND DELIVERY

Thomasenia Duncan, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: MUR 5931

Dear Ms. Duncan:

This office represents Sumter Electric Cooperative ("SECO") and James P. Duncan (collectively "Respondents"). This is the Respondents' response to the complaint ("Complaint"), which has been designated Matter Under Review ("MUR") 5931 by the Federal Election Commission ("FEC" or "Commission").

THE RESPONDENTS

SECO is an electric distribution cooperative, providing electricity to homes and businesses in seven Florida counties. SECO is also a member of the National Rural Electric Cooperative ("NRECA"), which has established the Action Committee for Rural Electrification ("ACRE") as a political action committee for its affiliated cooperatives' employees. James P. Duncan is CEO and General Manager of SECO.

SECO currently has 379 employees, of whom 200 are cooperative members and 171 are represented by a union.

COMPLAINT

On August 9, 2007, the FEC received the Complaint from R. Floyd Suggs on behalf of the International Brotherhood of Electrical Workers, Local 108 ("Union"). The Complaint alleged that the Respondents: (1) failed to inform employees in letters in which contributions to ACRE were discussed of the various rights that they have regarding any decision to contribute or not to contribute to ACRE; (2) held one-on-one meetings that were "inherently coercive" with employees who discontinued their contributions to the United Way and ACRE during which SECO supervisors made impermissible solicitations and threatened employees with job discrimination and other reprisals because of the employees' contribution withdrawals; and (3) improperly solicited non-member employees during mandatory employee meetings.

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Attached to the Complaint were a letter from Mr. Duncan dated June 5, 2007, a memo from Mr. Duncan to all employees dated June 7, 2007, and a letter from SECO's ACRE representatives dated June 7, 2007. The Complaint contained no supporting information regarding the annual meetings or the one-on-one meetings discussed therein.

LAW

A cooperative, as a membership organization, may solicit contributions for its own separate segregated fund as well as for a fund connected with an organization with which the cooperative is affiliated from "members and executive or administrative personnel, and their families, of the organization." 11 C.F.R. § 114.7(a); FEC Advisory Opinions 1999-40. "Executive or administrative personnel" are those employees "who are paid on a salary rather than hourly basis and who have policymaking, managerial, professional, or supervisory responsibilities." 11 C.F.R. § 114.1(c).

Employees who are represented by a labor union are not executive or administrative personnel. Id. § 114.1(c)(2)(i). Such employees, though, may be solicited as members of the cooperative if they "are currently satisfying the requirements for membership, affirmatively accept the membership organization's invitation to become a member" and either pay dues, have a "significant financial attachment" to the cooperative, or have "a significant organizational attachment" to the cooperative through "affirmation of membership on at least an annual basis; and direct participatory rights in the governance of the organization." Id. § 114.1(e)(2); see also FEC Advisory Opinions 1999-40 & 2006-17.

The means by which members and employees may be solicited are also regulated. First, a separate segregated fund is not permitted to use money or anything of value "secured by physical force, job discrimination, or financial reprisal." 11 C.F.R. § 114.5(a)(1). Second, any solicitation, whether oral or written, "must inform [the] employee or member of the political purposes of the fund at the time of the solicitation" and "must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal." Id. §§ 114.5(a)(3), (4), (5). Third, if a contribution guideline is suggested, then a solicitation, whether oral or written, must indicate that such a guideline is a suggestion and that "an individual is free to contribute more or less than the guidelines suggest and the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute." Id. §§ 114.5(a)(2), (5).

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Federal law mirrors these regulations with regards to soliciting only members, executive and administrative personnel and their families; prohibiting threats of force or job discrimination; and informing those solicited about the political purpose of the separate segregated fund and their right to refuse to contribute. *See* 2 U.S.C. §§ 441b(b)(3), (4).

DISCUSSION

At its core, this Complaint is a fruit borne of a labor dispute between SECO and the Union. This dispute revolves around two issues. First, SECO, after evaluating its employment structure and researching the structures of other cooperatives and utilities, made certain changes that resulted in the layoff of three employees that the Union represented. *See* Complaint, Ex. 2, Memo at 2-3; Cole Aff. ¶ 8; *see also* June 11, 2007, Letter from R. Floyd Suggs to Union members ("Union Letter") at 1-2, attached to this response as Exhibit 1. Second, SECO determined that previously signed Union dues deduction cards were invalid and mandated that Union members complete and sign new cards. *Id.* at 2. The Union believes that these actions were unwarranted. *Id.* at 1-2.

Apparently in support of the Union's position on these issues and at the Union's urging, numerous SECO employees terminated their voluntary payroll deductions to the United Way and ACRE. All of the letters, memos, and meetings that followed, therefore, must be viewed in terms of this dispute rather than as a concerted effort to solicit employees for contributions to the United Way or to ACRE.

1. Letters and Memos to SECO Employees

The Complaint includes the following as attachments: 1) a June 5, 2007, letter from Mr. Duncan to those employees who discontinued their automatic payroll deductions for the United Way and ACRE; 2) a June 7, 2007, "Manager's Memo" from Mr. Duncan to all SECO employees; and 3) a June 7, 2007, letter from the ACRE Committee. The Complaint alleges that these letters were solicitations by SECO of its employees. Complaint ¶¶ 19-21.

In order for the Complaint to state a valid claim, the Union must be assuming that the mere mention of ACRE or any SSF is, by default, a solicitation. Campaign finance laws and FEC opinions on this issue, though, do not agree with this assumption. In fact, they reject it out of hand. Instead, solicitations require the encouragement or facilitation of contributions to the SSF in question. Because these letters do neither, they cannot be considered solicitations.

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As the Commission has clearly stated in numerous advisory opinions, "a communication regarding SSF activity is not a solicitation under section 441b where the information provided would neither encourage readers to support the SSF activities nor facilitate contributions to the SSF." FEC Advisory Opinion 2003-14. Merely mentioning an SSF in an article, letter, or presentation, therefore, does not transform a communication into a solicitation. In fact, the Commission has determined that the following are not solicitations: (1) an article providing information about entities that a PAC has supported, see FEC Advisory Opinion 1979-66; (2) a "five minute presentation concerning the PAC" at an annual membership meeting where no request for contributions was made, see FEC Advisory Opinion 1981-41; (3) an insert in a shareholders' report or on an internal company website stating that the company supports an SSF and that more information about the SSF may be requested, see FEC Advisory Opinions 1982-65, 2000-7; (4) a newsletter article announcing the establishment of a corporate PAC, along with "factual, historical or statistical information" about the PAC, see FEC Advisory Opinion 1983-38; (5) a copy of a PAC's FEC reports posted on a bulletin board, see FEC Advisory Opinion 1988-2; (6) a newsletter in which the PAC would present its views on specific issues, including mention of legislators proposing certain courses of action, see FEC Advisory Opinion 1991-3; and (7) pins with the PAC's name on them distributed to employees for them to wear on their shop aprons. See FEC Advisory Opinion 2003-14.

By contrast, in those instances where the Commission has determined that newsletter articles or other written items were solicitations, clear evidence of encouragement or facilitation of employee contributions was found. In FEC Advisory Opinion 1979-13, the Commission determined that a newsletter article constituted a solicitation because it included the number of employees who contributed to the PAC in question, along with a quotation from the PAC's chairman which "commended the enthusiasm of employees whose participation . . . has indicated awareness of the connection between their welfare and government policies toward business" and encouraged future support from all employees. Similarly, in MUR 5681, the Commission considered a newsletter to be a solicitation that (1) contained the names of all non-contributing members; (2) included a special thanks to an individual member's significant PAC support; and (3) asked if members had made their contributions and given their "fair share" to the PAC. See also FEC Advisory Opinion 1999-6 (determining that a magazine notice discussing a PAC deduction system to be a solicitation where it promoted the allotment process, provided information on how to use the system, and included "several positive references to the convenience and advantages of using the

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allotment system"). Importantly, in each of these instances, the documents that the FEC reviewed were part of a larger fundraising activity specifically created to solicit contributions to a particular SSF.

Under Commission doctrine, the letters attached to the Complaint cannot be considered solicitations. They include neither encouragement to employees to contribute to ACRE (or to the United Way) nor facilitation of employee contributions to either organization. Moreover, these letters were not sent as part of broad fundraising program, but rather were drafted and sent in response to these latest Union tactics.

The purpose of these letters was, in fact, far different from an encouragement of fundraising for ACRE or for the United Way. Rather, they discuss the termination of the payroll voluntary contributions to both the United Way and ACRE only as actions taken by those Union members to register dissatisfaction with certain SECO decisions. These letters provide SECO's side of the dispute, while asking its employees to view more critically the Union's assertions and to consider SECO's responses to the Union's criticism. See Complaint, Ex. 2, "Manager's Memo" at 2-3.

Specific mention of ACRE and the United Way is limited to concerns about the usage of contribution withdrawals as a protest technique. In his June 5, 2007, letter, for example, Mr. Duncan states that "it is difficult for me to understand how withdrawing your commitment to the United Way and to ACRE could possibly relate to the issues at hand" and describes his "disappointment" at the usage of those particular protest tactics. See id., Ex. 1; see also id. Ex. 2, "Manager's Memo" at 1 ("I am still struggling to understand how withdrawing financial support from needy individuals within the community and withdrawing support from an organization that lobbies daily to assure that cooperatives and their employees are protected, has anything to do with the Union contract.").

All of the letters, therefore, must be viewed in the context of the larger dispute between labor and management. They neither encourage nor enable employee contributions. The inclusion of ACRE in any communication between SECO and its employees occurred only because of the contribution withdrawals that the Union encouraged its members to make in protest of SECO's actions. In fact, no letter only addressed ACRE; contributions to ACRE and to the United Way are discussed together in each of the letters attached to the Complaint. The letters were drafted and sent solely to provide SECO's view of both the dispute and the Union

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contribution termination protest scheme. These letters, therefore, are not solicitations and the Complaint's allegations to the contrary must be dismissed.

Ironically, the Union, on June 11, 2007, sent a letter to all Union employees in which Mr. Suggs stated that "I *encourage* employees to contribute to the United Way through direct donations *and maintain political action through the union PAC Fund.*" Ex. 1, Union Letter at 1 attached (emphasis added). This letter, unlike the SECO letters and memo, in fact, actually uses the word "encourage." *Id.* Additionally, it contains neither a legend nor other statements that satisfy 2 U.S.C. § 441b(b)(3) or 11 C.F.R. § 114.5(a). If anyone has violated the disclaimer requirements it is the Union, not SECO.

2. *One-on-one Meetings.*

The Complaint also alleges that each meeting between a SECO supervisor and a Union member who had withdrawn his or her voluntary payroll deductions constituted a solicitation and, by the mere fact the meeting even took place, was "inherently coercive." Complaint ¶ 23. By holding these meetings, according to the Complaint, "Sumter and Duncan threatened employees with job discrimination and/or reprisals in violation of 2 U.S.C. § 441b(b)(3)(A)." *Id.* The Complaint, however, contains absolutely no evidence backing up any of these charges. In fact, no solicitation occurred. No coercion occurred. No threats were made. These are baseless charges with no support in the Complaint.

The Commission's regulations require "a clear and concise recitation of the facts which describe a violation" in order to avoid unsubstantiated complaints and the expense and effort associated with disproving them. Simply alleging that these meetings took place does not "describe a violation." More is needed, yet the Complaint provides nothing other than mere allegations.

According to John LaSelva, SECO's Director of Reliability and Operations, in an affidavit attached to this Response, on June 7, 2007, he held a conference call with the supervisors and superintendents in his division. LaSelva Aff. ¶ 3. In that meeting, Mr. LaSelva updated those in attendance on the status of the dispute between the Union and SECO, specifically that 1) the Union had filed a grievance with regards to the new signature cards that SECO was requiring each Union member to sign; and 2) on June 5, 2007, SECO's accounting department received numerous requests from employees seeking to discontinue their contributions to the United Way and ACRE. *Id.* ¶ 4. Fifty-four of those requests came from Mr. LaSelva's division. *Id.* ¶ 5.

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Mr. LaSelva wanted to know whether these withdrawals were a response to any unknown morale problems within the division or were due to the current labor dispute. Id. ¶ 6. If an employee had withdrawn his or her support from the United Way and ACRE in support of the Union's position, then the supervisor was to provide background on the issues in dispute. Id. ¶ 7. As he states in his affidavit, Mr. LaSelva emphasized that employee contributions were voluntary and told his supervisors to remind their employees of that fact. Id. ¶ 8.

The one-on-one meetings that occurred mirrored the instructions that Mr. LaSelva gave his supervisors. Two men who conducted some of these meetings — Carl Cole, a SECO supervisor, and Charles Castle, a SECO superintendent — have provided affidavits also attached to this Response. Mr. Cole and Mr. Castle asked each employee with whom they met what the employee had heard with respect to the dispute between the Union and SECO and why the employee had decided to withdraw his contributions to ACRE and the United Way. Cole Aff. ¶¶ 6, 10; Castle Aff. ¶ 8. They then provided the background behind SECO's actions with regards to the layoffs, which was the principle employee concern. Cole Aff. ¶¶ 8, 9; Castle Aff. ¶ 10.

Neither Mr. Cole nor Mr. Castle ever coerced any of their employees to continue their contributions to the United Way or to ACRE. Cole Aff. ¶ 13; Castle Aff. ¶ 14. No threats were made because an employee terminated his or her payroll deductions for the United Way or ACRE. Cole Aff. ¶ 14; Castle Aff. ¶ 15. In fact, both Mr. Cole and Mr. Castle emphasized in their meetings that contributions to both ACRE and the United Way were voluntary. Cole Aff. ¶ 11; Castle Aff. ¶ 12. Finally, at no time did either Mr. Cole or Mr. Castle solicit an employee in these meetings by encouraging or facilitating employee contributions to either the United Way or ACRE. Cole Aff. ¶ 12; Castle Aff. ¶ 13.

SECO supervisors and superintendents conducted conferences with their employees in order to determine if the reasons behind their withdrawals of support for the United Way and ACRE were due to unhappiness with SECO or because of one or more of the issues that the Union had raised. See LaSelva Aff. ¶ 6; Cole Aff. ¶ 4; Castle Aff. ¶ 5, 6. As with the letters to SECO employees, no encouragement or facilitation of contributions to ACRE or the United Way took place. ACRE was only discussed in terms of the decision to withdraw support in support of the Union. Commission regulations do not prohibit the mention of an SSF in a meeting nor consider meetings where an SSF is mentioned to be coercive. Finally, as the affidavits of Mr. Cole and Mr. Castle demonstrate, no solicitation, coercion, or threats occurred in any of the meetings with SECO employees. The Complaint

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offers no evidence to the contrary. As such, this portion of the Complaint must be dismissed.

3. *"Mandatory" Annual Meeting*

Finally, the Complaint alleges that mandatory meetings were held in which non-member employees were solicited. Complaint ¶ 24. Again, as with their allegations about the one-on-one meetings discussed in the previous section, no supporting evidence was included with the Complaint.

Once a year, SECO conducts meetings for its employees. They follow the basic structure described by Barry Bowman, Director of Corporate Communications and Energy Services, in his affidavit attached to this Response. The main purpose of the meetings in question is to inform employees about changes to employee benefits for the upcoming year. Bowman Aff. ¶¶ 4, 7. These meetings, numbering between six and eight, take place at SECO's headquarters over several days to allow those employed at SECO satellite offices to attend once and receive the information provided in them. Id. Aff. ¶ 5. These meetings have never been mandatory. Id. ¶ 6.

A typical meeting would commence with the presentation on employee benefits, lasting nearly one hour. Id. ¶ 7. At the end of the benefits presentation, employees would be given a fifteen minute break and told that a presentation about ACRE would follow the break. Id. ¶ 8. The ACRE presentation has never been a mandatory part of the meeting and often employees who have attended the benefits portion do not return after the break. Id.

The ACRE presentation generally has included an overview of what ACRE does, as well as an update on the political issues of interest to SECO employees and members in which ACRE has been involved. Id. ¶ 10. During the presentation, those in attendance are also told that contributions are voluntary and that SECO does not review who contributes and who does not contribute to ACRE. Id. ¶ 11. In fact, the form that was distributed to employees at the 2006 ACRE presentation, id. ¶ 12, included the statement that employees "have the right to refuse to contribute." Id. Attach.

Clearly, therefore, those in attendance were told of the political purpose of ACRE, that contributions to ACRE were voluntary, and that employees had the right to refuse to contribute to ACRE without reprisal.

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After receiving the Complaint and reviewing SECO's solicitation and contribution procedures, SECO discovered that it may have unwittingly solicited non-member employees who were not executive or administrative personnel. Of the 322 current employees who have made contributions to ACRE through SECO, it appears that 108 of those contributors were neither members of the cooperative nor executive or administrative personnel.

In response to this discovery, SECO is taking the following remedial steps:

- It has cancelled all payroll deductions from non-member employees who are not within the restricted class.
- It will continue to review all donations in the past three years and will refund any contribution that was made by any non-member employee who is not within the restricted class.
- It is changing its method of solicitation so that non-member employees who are not SECO executive or administrative personnel are no longer solicited for voluntary contributions to ACRE.

CONCLUSION

SECO acknowledges that it has unwittingly solicited some non-exempt, non-member employees and accepted ACRE contributions from those employees. SECO is committed to rectifying those errors promptly.

The Complaint, however, does not provide any evidence of impropriety. SECO did not improperly solicit employees through the letters or memos that addressed its dispute with the Union. SECO did not make any solicitations, threats, or otherwise act in an inappropriate manner by holding meetings with the employees who had terminated their payroll deductions to the United Way and ACRE. SECO has used all required notices when soliciting voluntary donations.

Sincerely,



Jan Witold Baran
Kevin J. Plummer

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Exhibit 1

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International Brotherhood of Electrical Workers

Local Union #108

10108 Highway 92 East
Tampa, FL 33610-5981
(813) 621-2418
Fax: (813) 621-1687
Web Site: www.ibew108.org



R. Floyd Suggs
Business Manager and
Financial Secretary

Robert A. Thomas
President

June 11, 2007

RE: Mr. Duncan's Memo Dated June 7, 2007, "Employee Update – The Rest of the Story"

Dear Brothers, Sisters, and Employees covered by the Collective Bargaining Agreement,

I am writing this letter to correct some inaccurate statements made by Mr. Duncan in his memo dated June 7, 2007.

I am enclosing a copy of my letter dated June 6, 2007 to HR Director Alex Markley on the subject of United Way and ACRE. Nowhere in my letter do I take any credit for the action of employees withdrawing their support to the United Way or ACRE. What I did say, was that I support this action and I encourage employees to contribute to the United Way through direct donations and maintain political action through the union PAC Fund. I support employees in their protected right under the NLRA, and any other law which gives them the right to give their money to anyone, including the right to be part of the Union or not.

As to "The Rest of the Story", in 2006 when the Union and SECO were in negotiations, at no time did SECO management or Mr. Duncan address the Service Planner position during the entire negotiations process. In addition, the Cooperative created this position in April 2006 without notifying the Union or any of the Unit Officers. The Cooperative has recently changed the Engineer Technician position to Senior Engineer Technician. At that time Mr. Harold Watson did not wish to bid on or move to the Senior Engineer Technician position. He was then laid off. Mr. Watson filed a grievance on the layoff and the Cooperative using contractors. The Cooperative reached an agreement with Mr. Watson and he withdrew his grievance without prejudice or precedent.

The Cooperative then hired Mr. Richard Bixler to fill the position of Senior Engineer Technician. Mr. Bixler served his six month probationary period but the Cooperative, for no reason, wanted to extend his probationary period. The Cooperative did not request the extension within the six month probationary period which led Mr. Bixler to file a grievance. In turn, the Cooperative then laid Mr. Bixler off from his position of Senior Engineer Technician. Mr. Bixler filed another grievance challenging the layoff, which is now pending arbitration.

SECO management met with Senior Engineer Technicians at 8:00 A.M. on April 20, 2007 to discuss the Service Planner position. Employees were told to bid on the Service Planner position and receive over a ten percent (10%) raise for the next twelve months or face possible layoff. The Senior Engineer Technicians were told that this position would not be covered under the Collective Bargaining

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Agreement. The Cooperative did not notify or discuss this with the Union until after the meeting, when Mr. Forehand notified Assistant Business Manager, John Murphy that Senior Engineer Technicians would now have to bid on the Service Planner position or face being laid off. The Union filed a grievance and Board charges against the Cooperative and HR Director Alex Markley which are now pending.

The Service Planner position was allegedly changed and a bid was posted. The Service Planner position was awarded to seven (7) Senior Engineer Technicians. Four (4) Senior Engineer Technicians did not bid on the position. The Cooperative has hired two (2) or (3) three Service Planners off the street and laid off the junior Senior Engineer Technician, Michael Colon. Still, the Cooperative has at least one (1) contractor doing Senior Engineer Technician work and eight (8) or nine (9) Service Planners doing Senior Engineer Technician work.

We have employees laid off while the Cooperative continues to hire new employees and use contractors. Will the Cooperative continue with further layoffs of the other Senior Engineer Technicians? Do these actions show loyalty to the employees by Mr. Markley or Mr. Duncan?

Sumter Electric Cooperative has recently notified the Union (which is you) that after June, the dues deduct cards that have been used for many years will be invalid. Revised cards have been printed and must now be filled out and signed by members/employees. This action further shows the Cooperatives unwillingness to cooperate with its covered employees. The Company is intentionally creating an inconvenience to both you and your co-workers by requiring that all existing cards be replaced. The Cooperative could have easily honored the existing cards from current members and required new members to sign the revised cards. What is the real reason for this action?

Now you have "The Rest of the Story."

We will be having a Solidarity Party on Tuesday, June 19, 2007 at 6:00 P.M. at the Lake Panasoffkee Community Center. The regular unit meeting will follow at 8:00 P.M. Food and drinks will be provided, so please come.

If you have any questions or need any additional information please do not hesitate to call me. I can be reached at (813) 621-2418.

In Solidarity,



R. Floyd Suggs
Business Manager/
Financial Secretary

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Sumter Electric Cooperative, Inc., and
James Duncan

)
) MUR 5931
)

Affidavit of Barry Bowman

1. My name is Barry Bowman, and I make the following statements to the best of my knowledge and belief.
2. I am employed by Sumter Electric Cooperative, Inc ("SECO") as the Director of Corporate Communications and Energy Services. I have been employed at SECO for twelve (12) years
3. I have been involved in the solicitation of employee contributions to Action Committee for Rural Electrification ("ACRE") for twelve (12) years.
4. In 2006, the last year that contributions to ACRE were solicited, I gave a presentation soliciting contributions for ACRE at SECO's annual benefit meetings. Such presentations are usually given at the annual benefit meeting.
5. These annual meetings are held at SECO's headquarters. Approximately six to eight meetings are scheduled over a one week period to allow employees located at other SECO offices to be able to attend one of the meetings.
6. These meetings are not mandatory, though a large percentage of SECO employees attend.
7. At these meetings, a presentation about changes to employees' benefits packages is given. This presentation lasts approximately forty-five minutes to one hour.
8. After the benefits presentation, there is a break that lasts approximately ten to fifteen minutes. Before the break, employees are told that the presentation about ACRE will follow the break. At no time is anyone required to stay for the ACRE presentation. In fact, some employees do not return after the break.
9. When the break is over, the presentation regarding ACRE begins.
10. The presentation consists of a brief update about public policy items of interest to SECO employees and members in which ACRE is involved, as well as a brief overview of the role and importance of ACRE.
11. During this presentation, I make it a point to tell all in attendance that contributions to ACRE are voluntary and that employees may contribute or not contribute. I further state that such a decision is a purely personal matter for each employee and that no attention is paid to whether an employee contributes or does not contribute.

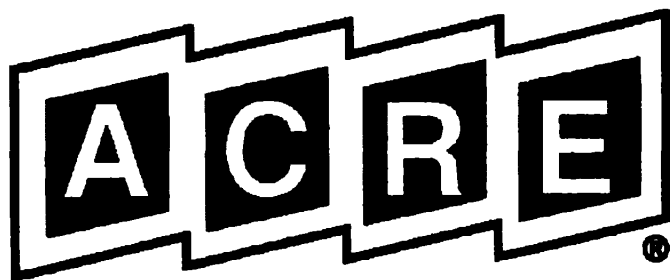
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ACTION COMMITTEE FOR RURAL ELECTRIFICATION

2007 MEMBERSHIP DRIVE

☐ NEW MEMBER

☐ RENEWAL

☐ \$25 Regular Membership (\$1 per pay period)

☐ \$100 Century Membership (\$4 per pay period)

☐ \$500 President's Club (\$20 per pay period)

☐ Please payroll deduct ☐ Pay by check

☐ One time payroll deduction

Signature _____

(The law does not permit corporate checks or contributions.) Contributions or gifts to ACRE are NOT deductible as charitable contributions for federal income tax purposes. You have the right to refuse to contribute.

Please Print

Name _____

Job Title _____ Dept./ Division _____

Address _____

City _____ State _____ Zip _____

I would like an ACRE pin? ☐ YES ☐ NO

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BEFORE THE FEDERAL ELECTION COMMISSION


In the Matter of
Sumter Electric Cooperative, Inc., and
James Duncan

)
) MUR 5931
)

Affidavit of John LaSelva

1. My name is John LaSelva, and I make the following statements to the best of my knowledge and belief.
2. I am employed by Sumter Electric Cooperative ("SECO") as the Director of Reliability and Operations. I have been an employee at SECO for seven (7) years.
3. On June 7, 2007, I held a conference call with the supervisors and superintendents in my department.
4. In that conference call, I first updated those on the call about the latest events that had occurred in the dispute between the International Brotherhood of Electrical Workers, Local 108 ("Union") and SECO. I discussed a recent Union grievance involving new signature cards that SECO was requiring union members to sign. I also informed the attendees that on June 5, 2007, SECO's accounting department had received roughly 65 requests from SECO employees terminating their contributions to the United Way and the Action Committee for Rural Electrification ("ACRE").
5. Fifty-four of those requests came from Reliability and Operations employees.
6. I wanted to find out if there was some unknown morale problems within my department or if these terminations were related to the problems that SECO was having with the Union.
7. In order to find out, I directed those participating on the call to meet with each of the employees in his or her area who had withdrawn support in order to find out why they had done so. If an employee terminated his or her payroll deductions out of support for the Union's position, I wanted the supervisor to give the background on the layoffs that had occurred and on the union membership cards. If other reasons were given, I wanted to know what these concerns were, so that I could address them.
8. I emphasized that these contributions were voluntary and that the employees were to be made aware of that fact in the meetings that the supervisors held with them.
9. At no time did I ask any supervisor to solicit contributions to ACRE or the United Way from any employee.
10. At no time did I ask any supervisor to coerce any employee to contribute to ACRE or to the United Way
11. At no time did I ask any supervisor to threaten any employee for their decision to stop contributing to ACRE or to the United Way.

COUNTY OF SUMTER


John LaSelva

Type of identification _____

Nora Brown Kometa
Commission # DD503724
Expires January 18, 2010
Bonded Troy Fan Insurance Inc 800-355-7019

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Sumter Electric Cooperative, Inc., and
James Duncan

)
) MUR 5931
)

Affidavit of Carl Cole

1. My name is Carl Cole, and I make the following statements to the best of my knowledge and belief.
2. I am employed by Sumter Electric Cooperative ("SECO") as a T&D Line Supervisor. I have been an employee at SECO for nineteen (19) years.
3. On June 7, 2007, John LaSelva held a conference call with the supervisors and superintendents of the Reliability and Operations division in which I work. I dialed into the conference call.
4. In that conference call, Mr. LaSelva provided an overview of the situation between SECO and the International Brotherhood of Electrical Workers, Local 108 ("Union"). Specifically, he told us that the Union had been questioning recent layoffs and that Union members had terminated their contributions to the United Way and the Action Committee for Rural Electrification ("ACRE"). Mr. LaSelva asked supervisors to meet with each of the employees under their direction that had withdrawn their contributions, find out why they had done so, and give them SECO's side of the labor dispute.
5. On June 7, 2007, I held separate one-on-one meetings with five employees.
6. I first asked each employee what he had heard with regard to the dispute between SECO and the Union.
7. Each employee told me that they had heard from the Union that SECO was trying to do away with the Union and that their jobs might be at risk.
8. I explained to each employee the situation from SECO's point of view. I told them that the position of Senior Engineering Technician was changing from a focus on one specific type of engineering task to a broader focus on all of the types of engineering tasks. SECO gave to each of the eleven employees who held the position at the time an opportunity to keep their job with the new responsibilities. SECO offered each affected employee additional compensation and training. The affected employees were also told that the new position would be a management position, rather than a Union position. SECO management told the employees that if any of them did not wish to take this new job, they did not have to do so, but that SECO would fill any open position from outside the company. Those employees who did not take the new position were warned that they may find themselves out of a job.
9. I emphasized with each employee that he was not at risk of losing his job or his Union representation because of the change to the Senior Engineering Technician position.

11. I further told each employee that if he did not wish to support ACRE or the United Way, he did not have to do so. Contributing or not contributing was his own prerogative. SECO had never forced employees to contribute to either organization in the past and would not do so now or in the future.

13. At no time did I coerce any employee to contribute to ACRE or to the United Way

STATE OF FLORIDA

Under penalty of perjury and any other penalties possibly applicable under law, I swear that the foregoing statements are true to the best of my knowledge, belief, and recollection, and after due investigation of all my records.

Carl Cole

Sworn to and subscribed before me this 21st day of September, 2007 by Carl Cole who is
Personally known to me ☒ or Produced identification ☐.

Anna Bloom Korrett

Nora Brown Kometa
Commission # DD503724
Expires January 18, 2010

Bonded Troy Farm Insurance Inc. 800-385-7011

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Sumter Electric Cooperative, Inc., and
James Duncan

)
) MUR 5931
)

Affidavit of Charles Castle

1. My name is Charles Castle, and I make the following statements to the best of my knowledge and belief.
2. I am employed by Sumter Electric Cooperative ("SECO") as Superintendent. I have been an employee at SECO for 40 years.
3. On June 7, 2007, John LaSelva held a conference call with the supervisors and superintendents of the Reliability and Operations division in which I work. I dialed into the conference call.
4. In that conference call, Mr. LaSelva told us that some Union members had terminated their contributions to the United Way and the Action Committee for Rural Electrification ("ACRE").
5. I was surprised that employees had taken such an action. I felt that morale in my section had been high and that if anyone had any problems they would come to me with them.
6. I reviewed the list of employees who had withdrawn their support of the United Way and ACRE and identified four employees with whom I wanted to speak. I considered these four to be employees with significant potential to advance in the company and I wanted to make sure that they were not unhappy with SECO.
7. On June 19 and 20, 2007, I held separate one-on-one meetings with these four employees.
8. I asked each employee why he had withdrawn his support from ACRE and the United Way.
9. Each employee told me that he was united with the Union. They had not liked what the Union had told them about the lay-offs and felt that SECO's actions were not right.
10. I told each of them that they had only heard the Union's side of the story. I explained that each employee who was affected by the change in the Senior Engineering Technician position had been given the opportunity to take this new position, with new responsibilities, a higher salary, and additional training, but that those employees had chosen not to do so.
11. The employees with whom I spoke indicated that they had not heard this information before.

