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ANTHONY VERRELLI, JUSTIN  
BALLANTYNE, ALEX LOPEZ,  
VANESSA SALAZAR, and SUSAN  
SCHULTZ,

Plaintiffs,

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: ESSEX COUNTY  
DOCKET NO:

*Civil Action*

v.

**COMPLAINT AND JURY DEMAND**

UNITED BROTHERHOOD OF  
CARPENTERS, EASTERN ATLANTIC  
STATES REGIONAL COUNCIL OF  
CARPENTERS formerly known as  
KEYSTONE MOUNTAIN LAKES  
REGIONAL COUNCIL OF  
CARPENTERS, and WILLIAM C.  
SPROULE, jointly, severally and in the  
alternative,

Defendants.

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ANTHONY VERRELLI, residing at 23 Washington Crossing Pennington Road,  
Pennington, County of Mercer, State of New Jersey, JUSTIN BALLANTYNE, residing at 18  
Wood Duck Court, Hackettstown, County of Warren, State of New Jersey, ALEX LOPEZ,  
residing at 8 O'Sullivan Lane, Monroe, County of Orange, State of New York, VANESSA  
SALAZAR, residing at 436 Mansfield Street, Highland Park, County of Middlesex, State of  
New Jersey, and SUSAN SCHULTZ, residing at 59 Oakdene Avenue, Teaneck, County of  
Bergen, State of New Jersey, by way of Complaint say:

### **NATURE OF THIS ACTION**

1. This is an action brought to remedy derivative retaliation and direct retaliation in violation of the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1, *et seq.* ("CEPA") and retaliation in violation of the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, *et seq.* ("LAD").

2. As discussed in detail *infra*, the Defendants seized on the COVID-19 pandemic to purge from their ranks individuals who were dedicated to eradicating fraud, criminality and discrimination from the Union and who sought to instill fairness and civility in its ranks. This conduct was knowing, deliberate, malicious, especially egregious, and designed to inflict harm on the Plaintiffs.

### **PARTIES**

3. During all times relevant hereto, the Plaintiff Anthony Verrelli (hereinafter "Plaintiff" or "Mr. Verrelli"), was an "employee" of the Defendants United Brotherhood of Carpenters (UBC), Keystone Mountain Lakes Regional Council (KMLRCC) of Carpenters and Eastern Atlantic States Regional Council of Carpenters (EASRCC), as that term is defined by CEPA, N.J.S.A. 34:19-2(b) and the LAD, N.J.S.A. 10:5-5(f).

4. During all times relevant hereto, the Plaintiff Justin Ballantyne (hereinafter "Plaintiff" or "Mr. Ballantyne"), was an "employee" of the Defendants United Brotherhood of Carpenters (UBC), Keystone Mountain Lakes Regional Council (KMLRCC) of Carpenters and Eastern Atlantic States Regional Council of Carpenters (EASRCC), as that term is defined by CEPA, N.J.S.A. 34:19-2(b) and the LAD, N.J.S.A. 10:5-5(f).

5. During all times relevant hereto, the Plaintiff Alex Lopez (hereinafter "Plaintiff" or "Mr. Lopez"), was an "employee" of the Defendants United Brotherhood of Carpenters (UBC), Keystone Mountain Lakes Regional Council (KMLRCC) of Carpenters and Eastern Atlantic States Regional Council of Carpenters (EASRCC), as that term is defined by CEPA, N.J.S.A. 34:19-2(b) and the LAD, N.J.S.A. 10:5-5(f).

6. During all times relevant hereto, the Plaintiff Vanessa Salazar (hereinafter "Plaintiff" or "Ms. Salazar"), was an "employee" of the Defendants United Brotherhood of Carpenters (UBC), Keystone Mountain Lakes Regional Council (KMLRCC) of Carpenters and Eastern Atlantic States Regional Council of Carpenters (EASRCC), as that term is defined by CEPA, N.J.S.A. 34:19-2(b) and the LAD, N.J.S.A. 10:5-5(f).

7. During all times relevant hereto, the Plaintiff Susan Schultz (hereinafter "Plaintiff" or "Ms. Schultz"), was an "employee" of the Defendants United Brotherhood of Carpenters (UBC), Keystone Mountain Lakes Regional Council (KMLRCC) of Carpenters and Eastern Atlantic States Regional Council of Carpenters (EASRCC), as that term is defined by CEPA, N.J.S.A. 34:19-2(b) and the LAD, N.J.S.A. 10:5-5(f).

8. During all times relevant hereto, the Defendant United Brotherhood of Carpenters (UBC) was the Plaintiffs' "employer" as that term is defined by CEPA, N.J.S.A. 34:19-2(a) and the LAD, N.J.S.A. 10:5-5(e).

9. Defendant United Brotherhood of Carpenters is a voluntary association and a labor organization which maintains offices for the transaction of business at 91 Fieldcrest Avenue, Edison, New Jersey and, during all relevant times hereto, also maintained offices for the transaction of business at 36 Bergen Street, Hackensack, New Jersey.

10. At all times relevant hereto, the Union transacted and continues to transact business throughout the State of New Jersey, and specifically in Essex County.

11. Acting under the direction of the UBC, defendant Eastern Atlantic States Regional Council of Carpenters (EASRCC) formerly known as the Keystone Mountain Lakes Regional Council of Carpenters (KMLCC) was the Plaintiffs' "employer" as that term is defined by CEPA, N.J.S.A. 34:19-2(a) and the LAD, N.J.S.A. 10:5-5(e).

12. In December 2019, the Keystone Mountain Lakes Regional Council of Carpenters was renamed as the Eastern Atlantic States Regional Council of Carpenters.

13. Defendant Eastern Atlantic States Regional Council of Carpenters is affiliated with and/or a subsidiary of the United Brotherhood of Carpenters, and is a voluntary association and a labor organization which maintains offices for the transaction of business at 1803 Spring Garden Street, Philadelphia, Pennsylvania 19130 and at 650 Ridge Road, Suite 200, Pittsburgh, Pennsylvania 15205.

14. At all times relevant hereto, Eastern Atlantic States Regional Council of Carpenters transacts business throughout the State of New Jersey, and specifically in Essex County.

15. During all times relevant hereto, Defendant William C. Sproule was and still is the Executive Secretary-Treasurer of the EASRCC (formerly KMLRCC) and was and still is a member of the Union's "upper management" as that term is defined by Cavuoti v. New Jersey Transit Corporation, 161 N.J. 107, 128-129 (1999).

16. Defendant Sproule was a decision-maker with respect to terminating the Plaintiffs' employment as described herein. Upon information and belief, Sproule was acting

at the direction of Douglas McCarron, President of the UBC, and Frank Spencer, Second Vice-President of the UBC.

17. At all times relevant hereto, Defendant Sproule has resided and continues to reside at 515 Pelham Drive, Galloway, New Jersey 08205-9667.

### **VENUE**

18. During all times relevant to this cause of action, Plaintiffs Ballantyne, Lopez, and Schultz worked in and conducted Union business in Essex County.

19. Members of Defendants UBC and EASRCC live, work and pay dues in Essex County, New Jersey. Employers who contribute to Defendants UBC, KMLRCC and EASRCC and their affiliated pension and benefit funds are based in Essex County, New Jersey. Current projects on which members of the Defendants UBC, KMLRCC and EASRCC and their affiliates are working are based in Essex County, New Jersey.

20. Pursuant to Rule 4:3-2(b), venue is proper in Essex County because the Plaintiffs Ballantyne, Lopez and Schultz worked in and conducted business in Essex County and because Defendants UBC, KMLRCC and EASRCC conduct business in Essex County.

### **FACTS RELEVANT TO ALL CLAIMS**

#### **A. John Ballantyne Files Suit Against the Union.**

21. On October 11, 2018, John Ballantyne, Robert Weakley and Laura Czarneski filed suit in the Superior Court of New Jersey, Essex County, under Docket No. ESX-L-7232-18 (hereinafter referred to as "the John Ballantyne matter"). They asserted claims under CEPA against the Union and Union Officers McCarron, Spencer and Capelli. A true copy of the Complaint in the Ballantyne matter is appended hereto as **Exhibit 1**.

22. On or about January 11, 2019, the parties in the Ballantyne matter filed a Stipulation of Dismissal of all claims and counterclaims with prejudice, ending that matter.

### **COUNT ONE**

#### **(Derivative Retaliation in Violation of CEPA)**

23. Plaintiffs repeat the allegations set forth above as if fully set forth herein.

24. As more fully described *infra*, all of the Plaintiffs were friends, relatives, colleagues and supporters of John Ballantyne and his efforts to protect Union funds from fraud and embezzlement. Defendants perceived plaintiffs as supporters of John Ballantyne and his programs to make the Union honest and accountable, and to remedy past discrimination by encouraging diversity and inclusion and eliminating racism, sexism, xenophobia, homophobia and Islamophobia. Defendants retaliated against Plaintiffs herein because of their relationship with John Ballantyne, the former whistleblower who was terminated and sued claiming he was retaliated against for whistleblowing in violation of CEPA, and because of their own whistleblowing and opposition to discrimination.

#### **Facts Relevant to Plaintiff Verrelli**

25. Plaintiff Verrelli's membership in the Union spans over 31 years, beginning in 1989. Since 2000, Plaintiff Verrelli served in an official capacity as a Council representative in service to over 40,000 union members. Plaintiff Verrelli was elected President of Local 254 in 2017 and held that position until August 2020, when he was removed by defendants.

26. Plaintiff Verrelli obtained his Council Representative position through an independent process conducted by Carpenter representatives in 1998. Over time, the Union consolidated from four State Regional Councils to one New Jersey council. Plaintiff Verrelli

served under five Executive-Secretary Treasurers. During his tenure with the Union, Plaintiff Verrelli was an exemplary member, who received nothing but positive reviews of his work and his service to the membership.

27. Prior to the termination of John Ballantyne, Plaintiff Verrelli worked proudly on programs to protect and expand diversity and inclusion within the Union. Plaintiff Verrelli was a close friend to and supporter of John Ballantyne. Verrelli joined with Ballantyne in efforts to rid the Union of corruption and discrimination and, instead, to foster an environment of fairness, honesty, transparency, diversity and inclusion.

28. During his tenure with the Union, Plaintiff Verrelli served as a Trustee on the Union's Pension Fund, Trust Fund, and Health & Welfare Fund.

29. In addition, Plaintiff Verrelli served as the President of four separate Carpenters' Locals, Locals 31, 119, 138 and 254.

30. As a result of his long tenure with the Union, Plaintiff Verrelli has extensive knowledge about collective bargaining, employment & labor law, and ERISA regulations.

31. Plaintiff Verrelli developed and/or supported programs designed to improve diversity and inclusion and member support such as "Shades of the Trades," "Sisters in the Brotherhood," and "Carpenters who Care." Plaintiff Verrelli personally founded "Carpenters Who Care," a program which was designed to provide assistance to members who were suffering from addiction in order to help them achieve sobriety.

32. During Plaintiff Verrelli's tenure with the Union, members were encouraged to join local boards and pursue elected office. Plaintiff Verrelli has held several local public offices including Ewing Township Zoning Board member, Mercer County Planning Board

member, Vice-Chairman of the Mercer County Improvement Authority, and served as a Mercer County Freeholder. In 2018 Plaintiff Verrelli was elected to the New Jersey Assembly for the 15<sup>th</sup> Legislative District.

33. In 2017, Plaintiff Verrelli blew the whistle on Union corruption. As a Trustee of the Carpenters' Funds, Plaintiff Verrelli openly and publicly supported then Executive Secretary-Treasurer John Ballantyne's decision to advise law enforcement that former Carpenters' Funds Administrator George Laufenberg had embezzled \$1.5 million from the Union's dues-funded Plan assets. This was protected conduct under CEPA. Laufenberg was later indicted by the US Attorney for the State of NJ.

34. After the May 30, 2018 termination of John Ballantyne, the Defendants retaliated against Plaintiff Verrelli and the other Plaintiffs because of their close relationship to and support of John Ballantyne who, with Plaintiff Verrelli, complained about and objected to fraud and theft by George Laufenberg and participated in efforts to rid the Union of discrimination and harassment.

35. In 2018, after the termination of John Ballantyne, a photo was published on social media of Plaintiff Verrelli with John Ballantyne. Plaintiff Verrelli was a close friend of John Ballantyne for over 20 years. After the photo was published on social media, Plaintiff Verrelli received a phone call from Trisha Mueller, the former Political Director of the NRCC referred to in the Ballantyne matter. During this phone call, Mueller claimed to be the "voice" of the Union, and stated that it was unacceptable that Plaintiff Verrelli have any relationship with John Ballantyne because he was responsible for her [Mueller's] activity with the Union being investigated. Specifically, Ms. Mueller, on behalf of the Union,



threatened Plaintiff Verrelli, stating, "You are a traitor to the organization and those individuals [John Ballantyne and his political director] had a scope shoved up my ass." Thus, Ms. Mueller made it clear that the Defendants perceived Plaintiff Verrelli to be a "traitor," who must be punished.

36. After this conversation, the Defendants followed through on Ms. Mueller's threat and punished Plaintiff Verrelli for his whistleblowing, relationship with and support of John Ballantyne, including John Ballantyne's whistleblowing about corruption, and Verrelli's opposition to discrimination and harassment.

37. Almost immediately after John Ballantyne's termination, the Defendants began to retaliate against Plaintiff Verrelli. Defendants terminated Plaintiff Verrelli's employment on March 27, 2020.

38. Defendant Sproule, who replaced John Ballantyne as Executive Secretary-Treasurer, directed and was personally involved in retaliating against Plaintiff Verrelli. Upon information and belief, Sproule acted at the direction of Douglas McCarron, President of the UBC, and Frank Spencer, Second Vice-President of the UBC.

39. Shortly after John Ballantyne was terminated, Plaintiff Verrelli was encouraged to leave his Team Lead position and instead take a position as a Service Manager.

40. Defendant Sproule made knowingly false representations about the Service Manager position to induce Plaintiff Verrelli to take the position. These material misrepresentations include, but are not limited to, claiming that Plaintiff Verrelli's job duties as the Service Manager would consist of: placing shop stewards in various areas of Local

254's jurisdiction; conducting day-to-day business of the local Union; contract negotiations; meeting with developers; handling day-to-day issues ranging from member complaints to jobsite related matters and interfacing with public officials. Additionally, Plaintiff Verrelli was supposed to have oversight on the Apprenticeship Committee, but the appointed members of that Committee, Robert Hopkins and Daniel Sebban, deliberately withheld critical information from Plaintiff Verrelli, undermining his ability to conduct oversight. Rather than sharing information with Plaintiff Verrelli, Messrs. Hopkins and Sebban only shared information with Team Lead Anthony Abrantes. The aforementioned duties reflect the Service Manager duties of former Service Manager Andy Pacifico.

41. Plaintiff Verrelli relied on Defendant Sproule's representations about the Service Manager position when he accepted the position.

42. Organizing/Political Director Abrantes, a close ally with Messrs. McCarron, Spencer and Defendant Sproule, replaced Plaintiff Verrelli in his Team Lead position. After acquiring the Team Lead position, Mr. Abrantes was then elevated above Plaintiff Verrelli, and then joined with Defendant Sproule in retaliating against Plaintiff Verrelli. Mr. Abrantes did this by stripping Plaintiff Verrelli of his promised Service Manager job duties and constantly changing Plaintiff Verrelli's job duties. Many of Plaintiff Verrelli's newly assigned job duties as Service Manager had never been assigned to any prior Service Manager - they were created and assigned only to Plaintiff Verrelli.

43. Defendant Sproule and others deliberately ostracized and isolated Plaintiff Verrelli and prevented him from obtaining information which was essential for him [Plaintiff Verrelli] to perform his job duties.

44. Defendant Sproule and others also retaliated against Plaintiff Verrelli by using his role as an elected official against him. Other members who held public office and who were loyal to Messrs. McCarron, Spencer and Defendant Sproule received accolades for their public service, while the Defendants surveilled Mr. Verrelli and falsely claimed that he did Assembly work on union time.

45. Despite having provided Defendant Sproule and others with his schedule of political activities, Plaintiff Verrelli was frequently interrogated about his alleged "time off" to attend to the duties and responsibilities of his public office. Plaintiff Verrelli never permitted the duties and responsibilities of his public office to interfere with the completion of his Union related job duties.

46. Unlike Plaintiff Verrelli, who was an ally of John Ballantyne, the other elected officials who were allies of Messrs. McCarron, Spencer and Defendant Sproule, were not questioned about their time or accused of not performing their job duties. This was the case despite the fact that other Union officials spent more time in their public jobs than they did in the Union's office.

47. The Defendants also retaliated against Plaintiff Verrelli by forcing him to attend the political events that were the farthest away from his home in an attempt to undermine his ability to provide effective representation to the Union. As a local elected official, Plaintiff Verrelli would be most effective attending events in the region where he held office and was the most well-known, but the Defendants purposely assigned Plaintiff Verrelli events as far away from his home as possible, or deliberately failed to advise him about local events that he could have attended in his capacity as an Assemblyman.

48. As part of a pattern of retaliation, shortly after Defendants terminated John Ballantyne, Defendants surreptitiously placed a tracking device on Plaintiff Verrelli's vehicle.

49. The Defendants' retaliation against Plaintiff Verrelli caused him to suffer emotional distress and personal physical injury for which Plaintiff Verrelli sought treatment.

50. On March 27, 2020, the Defendants retaliated against Plaintiff Verrelli by immediately and abruptly terminating his employment in a letter signed by Defendant Sproule.

51. The Defendants falsely claimed that they were terminating Plaintiff Verrelli (and all of the other Plaintiffs) as a result of "the coronavirus." This claimed reason is a pretext, designed to cover up the real reason for Plaintiff Verrelli's termination; retaliation and/or derivative retaliation in violation of CEPA and/or the LAD.

52. Plaintiff Verrelli's termination was retaliation for his complaining about corruption and fraud, for his relationship with John Ballantyne, and for his objections to discrimination and harassment.

53. The Defendants' alleged justification of the coronavirus as the reason for the Plaintiffs' termination is false because:

- (a) Plaintiffs had seniority over other lesser qualified employees who were not terminated;
- (b) there was no work stoppage caused by the coronavirus, instead, the Union continues to assign work to the remaining members;

- (c) the “out of work” lists for Local 253 and Local 254, which track the number of Union members who are currently not working, show that the lay-off was pretextual; and
- (d) Council Representatives in other councils such as the New York City District Council of Carpenters and the North Atlantic States Regional Council were furloughed, not terminated like the Plaintiffs.

#### **Facts Relevant to Justin Ballantyne**

54. Plaintiff Justin Ballantyne is the son of John Ballantyne, the whistleblower described above who was terminated by the Union in violation of CEPA and one of the Plaintiffs in the Ballantyne matter.

55. Plaintiff Justin Ballantyne followed in his father's footsteps and became a Union carpenter in 2004 at the age of 18. For the last 16 years, Plaintiff Justin Ballantyne has been a Union carpenter and now, at the age of 34, it is the only professional career he has ever known.

56. Plaintiff Justin Ballantyne's career ended on March 27, 2020, when he was abruptly and summarily terminated in violation of CEPA.

57. Plaintiff Justin Ballantyne was notified of his termination via email with an attachment of a termination letter dated March 27, 2020, signed by Defendant Sproule.

58. Prior to his termination, Plaintiff Justin Ballantyne had an unblemished and exemplary record with the Union. In 2016, Plaintiff Justin Ballantyne obtained the position of Council Representative with the former Northeast Regional Council of Carpenters

(NRCC). When the NRCC was dissolved, several councils were merged into the Keystone Mountain Lakes Regional Council of Carpenters in May, 2018. That same day, after John Ballantyne was fired, the Defendants began to retaliate against John Ballantyne's son, Plaintiff Justin Ballantyne. The Defendants retaliated against Plaintiff Justin Ballantyne by:

- (a) demoting the team lead that Plaintiff Justin Ballantyne worked for and moving his team to a different team room, ostracizing Plaintiff Justin Ballantyne and his other team members;
- (b) spreading a rumor that Plaintiff Justin Ballantyne was a "spy" working with the federal government;
- (c) removing Plaintiff Justin Ballantyne from a high profile campaign to address corruption in the Union and reassigning him to daily rotations, a *de facto* demotion;
- (d) repeatedly reassigning him from county to county, which had the effect of hindering his ability to perform his job duties and establish relationships both within and outside of the Union; and
- (e) creating an atmosphere of fear and distrust toward Plaintiff Justin Ballantyne which led other members to avoid working or communicating with him.

59. Just as his father had done before him, Plaintiff Justin Ballantyne objected to racism, discrimination, harassment and sexism in the Union. Plaintiff Justin Ballantyne repeatedly objected to discriminatory comments and conduct, including, but not limited to:

- (a) some union representatives calling some minority recruits "illegals" who were

“undermining the industry;”

- (b) minority members being denied work by union representatives because they were of Arabic descent;
- (c) a member being referred to as a “fat spic;”
- (d) union representatives using racist terms towards African-American members;
- (e) union representatives commenting that women in the work force were a “joke;”
- (f) union representatives’ statements that women should stay at home and raise a family;
- (g) a union representative coaching a job foreman on how to eliminate minority members from job sites after a minority union member complained to the foreman about his use of derogatory and discriminatory language toward minorities; and
- (h) union representatives commenting that the Sisters in the Brotherhood campaign was a “joke.”

60. During Plaintiff Ballantyne’s tenure with the Union, he heard certain Union representatives constantly demean female members, especially those involved in the Sisters in the Brotherhood. Plaintiff Justin Ballantyne found discriminatory comments about women particularly offensive because his mother was a union electrician.

61. Plaintiff Justin Ballantyne’s supervisors Peter Gowing and George Schreck personally witnessed racist and sexist comments, as well as Plaintiff Justin Ballantyne’s objection to such comments, and took no action to stop the discriminatory conduct or to

remedy the hostile work environment. Thus, they made it clear that the Union ratified and condoned these illegal racist and sexist statements and behaviors.

62. The UBC under the current leadership demands a cult-like adoration of its leaders and, especially during the federal investigation that led to the indictment of George Laufenberg, constantly engaged in loyalty tests. For example, shortly after his father John Ballantyne was terminated, Plaintiff Justin Ballantyne was pressured by George Schreck, his Supervisor, to attend a political breakfast held to honor labor leaders. The keynote speaker for the event was supposed to be Trish Mueller, who was accused of misconduct in the John Ballantyne Complaint. Ms. Mueller did not attend the event, so someone else gave the keynote address in her place. The audience of union members gave the speaker a standing ovation. Plaintiff Justin Ballantyne remained seated. Days later, Plaintiff Justin Ballantyne was confronted by George Schreck and reprimanded for not having participated in the standing ovation.

63. After John Ballantyne's termination, the Defendants began to monitor and surveil Plaintiff Justin Ballantyne's activities. For example, when Plaintiff Justin Ballantyne attended quarterly staff meetings, he generally sat in the rear of the room so that he could network and speak with members before they took their seats. On one occasion, Plaintiff Justin Ballantyne noticed that International Representative Ray Brugueras was seated near him and was speaking with the Union's attorney, Al Kroll, Esq. When Mr. Brugueras noticed that Plaintiff Justin Ballantyne was within earshot, he immediately became visibly upset. Thereafter, George Schreck, Plaintiff Justin Ballantyne's boss, chastised Plaintiff Justin Ballantyne about his seating location, and told him that union leadership had taken



notice of where Plaintiff Justin Ballantyne sat and told him that he [Plaintiff Justin Ballantyne] should sit with his co-workers at the quarterly staff meetings. Plaintiff Justin Ballantyne was the only attendee at the quarterly staff meetings to have his seating location dictated to him.

64. The Defendants also sought to undermine Plaintiff Justin Ballantyne and ostracize him from his peers. For example, a member told Plaintiff Justin Ballantyne that Peter Gowing, his Supervisor, told other union representatives that Plaintiff Justin Ballantyne had a “chip on his shoulder.” Another union representative told Plaintiff Justin Ballantyne that he was being “pumped for information” about Plaintiff Justin Ballantyne. Other representatives confirmed to Plaintiff Ballantyne that others who were “no friends” of Plaintiff Justin Ballantyne were “pumping” them for information about Plaintiff Justin Ballantyne and telling union representatives not to work with him. Such conduct damaged Plaintiff Justin Ballantyne’s reputation within the Union.

65. At or about this same time, Plaintiff Justin Ballantyne learned that tracking devices were being placed on cars operated by Plaintiff Verrelli and others who were closely associated with Plaintiff Justin Ballantyne’s father, John Ballantyne. Shortly thereafter, Plaintiff Justin Ballantyne and other members were forced to provide the Union with their Apple IDs and passwords, which the Defendants then used to turn Plaintiff Justin Ballantyne’s iPhone, iPad and laptop into tracking devices.

66. The Defendants further retaliated against Plaintiff Justin Ballantyne by denying him insurance coverage for an auto accident in which he was involved while driving a car owned and insured by Defendant KMLRCC.

67. In April, 2019, Plaintiff Justin Ballantyne was out of state in California attending the funeral of his mother-in-law. While he was out of state, a newspaper article was published in which it was reported that the Union was being investigated by federal law enforcement. Plaintiff received a telephone call from a union representative advising him that Union representatives were claiming that he [Plaintiff Justin Ballantyne] was an FBI informant. Defendants actively sought to ostracize Plaintiff Justin Ballantyne from his co-workers by creating the false impression that he was an informant for the federal government.

68. On March 27, 2020, the Defendants retaliated against Plaintiff Justin Ballantyne by immediately and abruptly terminating his employment. The letter terminating Plaintiff Justin Ballantyne's employment was signed by Defendant Sproule.

69. The Defendants falsely claimed that they were terminating Plaintiff Justin Ballantyne (and all of the other Plaintiffs) as a result of "the coronavirus." This claimed reason is a pretext, designed to cover up the real reason for Plaintiff Justin Ballantyne's termination; *i.e.*, retaliation and/or derivative retaliation in violation of CEPA and the LAD.

70. Defendants terminated Plaintiff Justin Ballantyne and the other Plaintiffs, all of whom had seniority and/or longevity with the Union, while retaining lesser qualified and newly hired union representatives.

### **Facts Relevant to Alex Lopez**

71. On November 3, 1999, encouraged and mentored by John Ballantyne, Plaintiff Lopez was initiated into Bergen County, Local #15 as a Journeyman carpenter after having performed journey level skills in all facets of the skills evaluation.

72. On May 12, 2003, Plaintiff Lopez began his career as a Union Representative after being encouraged by John Ballantyne to apply. Plaintiff Lopez was hired after scoring #1 during the 3-day evaluation which was conducted by Union Representatives from around the country. Since that time, Plaintiff Lopez has excelled in his job duties, and by 2018, he was promoted to Team Lead.

73. Plaintiff Lopez was appointed by John Ballantyne to the Board of Directors for the American Red Cross in 2014. He served in that capacity until 2018 and was honored with the Pace Setter Award for outstanding volunteerism.

74. Plaintiff Lopez was the only Mexican-American Union Representative in the State of New Jersey and speaks Spanish fluently.

75. In January 2016, John Ballantyne assisted Plaintiff Lopez in becoming appointed as a Trustee of the Northeast Carpenters Funds.

76. Over the 17 year period of time between 2003 and 2020, Plaintiff Lopez was a close friend and supporter of John Ballantyne. Plaintiff Lopez' close relationship with and support of John Ballantyne was well known throughout the Union, and specifically among members of the Union's upper management such as Mr. McCarron, Mr. Spencer and Mr. Sproule.

77. In December, 2017, Plaintiff Lopez voted to approve the Union's investigation into Mr. Laufenberg's illegal and fraudulent activity including Laufenberg's misappropriation of member funds. This constituted protected activity under CEPA. The Defendants were aware of Plaintiff Lopez's vote to investigate Mr. Laufenberg's illegal and fraudulent conduct.

78. On May 30, 2018, Defendants terminated John Ballantyne.

79. Less than two months later, Defendants began to retaliate against Plaintiff Lopez. On July 9, 2018, Ray Brugueras demoted Plaintiff Lopez from the position of Team Lead.

80. The Defendants further retaliated against Plaintiff Lopez by transferring him from the Hackensack Team Room, where Plaintiff Lopez had been working since 2007, to the Edison Team Room. The Defendants did not provide any reason for the sudden transfer to a location far from Plaintiff Lopez's home. As a result of this "reassignment," the Defendants doubled the length of Plaintiff Lopez' commute from approximately 40 miles to over 80 miles.

81. Defendants further retaliated against Plaintiff Lopez by removing him from his position as Trustee of the Northeast Carpenters Funds.

82. Defendants further retaliated against Plaintiff Lopez by reducing his weekly salary by \$160 starting with the pay period ending July 24, 2018.

83. On March 27, 2020, the Defendants retaliated against Plaintiff Lopez by immediately and abruptly terminating his employment. Just as with Plaintiff Justin

Ballantyne, the letter terminating Plaintiff Lopez's employment was signed by Defendant Sproule.

84. The Defendants falsely claimed that they were terminating Plaintiff Lopez (and all of the other Plaintiffs) as a result of "the coronavirus." This claimed reason is a pretext, designed to cover up the real reason for Plaintiff Lopez' termination; *i.e.*, retaliation and/or derivative retaliation in violation of CEPA and the LAD.

85. Defendants terminated Plaintiff Lopez and the other Plaintiffs, all of whom had seniority and/or longevity with the Union, yet retained other less qualified and newly hired members

#### **Facts Relevant to Vanessa Salazar**

86. Plaintiff Salazar is 42 year old, Latina female, who started her career as a Union carpenter on July 5, 2005. She was continuously employed by the Union until her abrupt termination on March 27, 2020.

87. Plaintiff Salazar was encouraged and mentored by John Ballantyne. She excelled in her job duties and, in January, 2011, she began working as a Council Representative in the capacity as a Business Agent for the New York City District Council of Carpenters, also due to encouragement by John Ballantyne. Plaintiff Salazar held that position through August, 2016.

88. Just as with the other Plaintiffs, during Plaintiff Salazar's employment with the Union, she was a close friend and supporter of John Ballantyne. Plaintiff Salazar's close relationship with and support of John Ballantyne was well known throughout the Union, and

specifically among members of the Union's upper management such as Mr. McCarron, Mr. Spencer and Mr. Sproule.

89. Plaintiff Salazar first met John Ballantyne when she was an apprentice with the New York City District Council. Later, John Ballantyne recommended that Plaintiff Salazar apply to his Regional Council. She did so and was hired as a Council Representative.

90. Thereafter, Plaintiff Salazar worked with John Ballantyne on diversity and gender inclusion projects in the Union. During this time, Plaintiff Salazar was a vocal supporter of John Ballantyne and his efforts to rid the Union of discrimination towards women and minorities.

91. After the Defendants terminated John Ballantyne in May, 2018, they made it clear to Plaintiff Salazar that the "new leadership," such as Mr. William Waterkotte and Defendant Sproule, both white men, were not interested in ridding the Union of race and sex discrimination. Specifically, Plaintiff Salazar's supervisor, Robert Satriano, directed that she cease her efforts regarding diversity and inclusion.

92. Under the NRCC, Plaintiff Salazar had been the Chairwoman of a Council Committee known as Shades of the Trades, whose mission included:

- (a) increase the recruitment and retention of people of color and women in the Union;
- (b) develop solutions to overcome the challenges presented by the workforce demographics;
- (c) engage in community involvement and coalition building in order to reach the goals of diversification; and

- (d) reshape the Union's public image to exemplify a commitment to all working people.

93. Despite her repeated inquiries with leadership, specifically Lee Manges, a member of KMLRCC's "upper management," and Ray Brugueras regarding the continuation of the Shades of the Trades Committee, Union officials refused to engage regarding that program. Plaintiffs Lopez and Schultz also served on the Shades of the Trades Committee.

94. In October, 2019, the Defendants retaliated against Plaintiff Salazar by taking away her office, requiring her to work in a cubicle in the Edison Team Room.

95. Plaintiff Salazar witnessed and observed her peers making numerous inappropriate and offensive comments regarding female and/or minority members. Supervisors were present and likewise witnessed this behavior, but took no action to stop it. For example, on December 16, 2019, Plaintiff Salazar heard Council Representative Daniel Sebban, a white male, create a hostile work environment by making offensive racist comments about Indian parents, specifically that "Indian people do not care about their kids the way we do, if they lose a kid they will go ahead and just have another one." Plaintiff Salazar confronted Council Representative Sebban about his offensive racist comments. Council Representative Sebban was visibly annoyed and defended his comments claiming that he was "entitled to his opinion."

96. The same day, Plaintiff Salazar emailed a formal complaint about Council Representative Sebban's racist comments to her Supervisor, Robert Satriano and Melissa Russell, Director Human Resources. Plaintiff Salazar copied Team Lead Anthony Abrantes on her email to Mr. Satriano and HR Director Russell.

97. Plaintiff Salazar's formal complaint to HR about discrimination in the workplace was protected conduct under the LAD.

98. Team Lead Abrantes then contacted Plaintiff Salazar after work, asking her why she reported Council Representative Sebban's racist comments to HR, and why she sent it to Robert Satriano with a copy to Abrantes. Plaintiff Salazar explained that she copied Abrantes on the e-mail out of professional courtesy because she felt he should be aware of Council Representative Sebban's racist comments.

99. Plaintiff Salazar advised Human Resources and Union officials that since John Ballantyne's termination, inappropriate comments were frequently made in the Team Room.

100. After her demotion, Plaintiff Salazar was told by Abrantes that she no longer reported to Mr. Satriano – but she reported to him [Abrantes]. Abrantes did not provide Plaintiff Salazar with any job description or job duties.

101. During a follow-up meeting with HR Director Russell, Russell told Plaintiff Salazar that the Union's executive leadership did not take HR Director Russell seriously and did not take complaints about discrimination seriously and that HR had no real authority to correct behaviors or affect change, especially when it came to the behavior of the Union's upper leadership or the Council Representatives. In other words, once John Ballantyne was fired from the Union, all of his efforts to eradicate sexism and discrimination were erased and the Union reverted to its white male dominated world, where minorities and women were considered to be second class citizens and unwanted within Union ranks, and Union HR had no inclination or power to change such behavior.



102. Plaintiff Salazar requested that HR Director Russell, or someone in upper management such as Team Lead Abrantes, speak to her peers to stop the racist and sexist comments. She also requested that HR Director Russell speak with Council Representative Sebban and request that he prepare a statement about the incident as well. HR Director Russell told Plaintiff Salazar that she would speak with Team Lead Abrantes. HR Director Russell never again spoke with Plaintiff Salazar about her complaints and/or any response by the Union. No further investigation or remedial action was taken.

103. The day after Plaintiff Salazar met with HR Director Russell, Team Lead Abrantes was promoted to the position of Political Director.

104. As a result of Plaintiff Salazar making a formal complaint to HR, the Defendants retaliated against Plaintiff Salazar. Plaintiff Salazar was ostracized by many of her peers, who would not speak to or talk in front of her. This conduct, which was ratified and condoned by the Union's upper management, made Plaintiff Salazar feel isolated and unwelcome.

105. In February, 2020, Plaintiff Salazar's mother began to experience health issues. On March 9, 2020, Plaintiff Salazar requested leave to care for her mother.

106. On March 27, 2020, the Defendants retaliated against Plaintiff Salazar by immediately and abruptly terminating her employment. Just as with Plaintiffs Verrelli, Ballantyne and Lopez, the letter terminating Plaintiff Salazar's employment was signed by Defendant Sproule.

107. The Defendants falsely claimed that they were terminating Plaintiff Salazar (and all of the other Plaintiffs) as a result of "the coronavirus." This claimed reason is a

pretext, designed to cover up the real reason for Plaintiff Salazar's termination; *i.e.*, retaliation and/or derivative retaliation in violation of CEPA and/or the LAD.

108. Defendants terminated Plaintiff Salazar and the other Plaintiffs, all of whom had seniority and/or longevity with the Union, yet retained other lesser qualified and newly hired members.

#### **Facts Relevant to Plaintiff Schultz**

109. Plaintiff Schultz has been a Union member for 41 years, having begun her employment with the Union as a carpenter in 1979. During her tenure with the Union, Plaintiff Schultz held a number of different positions and excelled in her job duties.

110. On June 1, 2015, encouraged by John Ballantyne, Plaintiff Schultz obtained the position of Council Representative, and was assigned to work out of the Edison, New Jersey office.

111. Plaintiff Schultz was a close friend and supporter of John Ballantyne. Plaintiff Schultz' close relationship with and support of John Ballantyne was well known throughout the Union, and specifically among members of the Union's upper management such as Mr. McCarron, Mr. Spencer and Mr. Sproule.

112. Plaintiff Schultz was a vocal and active supporter of John Ballantyne's efforts to rid the Union of discrimination and harassment and served as Chair of the Sisters in the Brotherhood program whose mission is to create a network of active, female union carpenters who promote the values of leadership, mentorship, strength and unity within the labor movement.

113. From June 1, 2015 to May 30, 2018, Plaintiff Schultz worked directly for John Ballantyne.

114. After John Ballantyne was terminated in May, 2018, Plaintiff Schultz was subjected to derivative and direct retaliation, including her 2019 reassignment from the Edison office to the Hackensack office.

115. After John Ballantyne was terminated in May, 2018, the Union began to reverse course with respect to discrimination against women and minorities. For example, the Union cut in half Plaintiff Schultz' female recruitment programs.

116. The Sisters in the Brotherhood Recruitment and Retention program was an initiative developed by the International Sisters in the Brotherhood Committee in order to remedy years of sex discrimination and increase representation of women within the Union's apprenticeship. Plaintiff Schultz was in charge of developing and implementing this initiative.

117. In December 2019, Chief of Staff Ray Brugueras told Plaintiff Schultz that the Union was ending female specific pre-apprentice programs. In late 2019, the Union disbanded the Sisters in the Brotherhood pre-apprentice program.

118. Chief of Staff Brugueras' claim that the female recruitment programs were "expensive" was blatantly false because by December, 2019, Plaintiff Schultz had already secured a \$125,000.00 grant to support her program. Because the Defendants cancelled the female specific recruiting program, Plaintiff Schultz was forced to return the grant monies.

119. Plaintiffs Schultz and Salazar continued to advocate for female specific recruitment programs and did so until they were terminated on March 27, 2020. Specifically,

Plaintiffs Schultz and Salazar developed a 2020 Sisters in the Brotherhood Recruitment and Mentoring plan for the Council that was submitted on December 20, 2019. Plaintiffs Schultz and Salazar never received a response and were terminated on March 27, 2020.

120. Plaintiff Schultz' efforts to end discrimination and sexism in the Union was protected conduct under the LAD.

121. On March 27, 2020, the Defendants retaliated against Plaintiff Schultz by immediately and abruptly terminating her employment. Just as with Plaintiffs Verrelli, Ballantyne, Lopez and Salazar, the letter terminating Plaintiff Schultz's employment was signed by Defendant Sproule.

122. The Defendants falsely claimed that they were terminating Plaintiff Schultz as a result of "the coronavirus." This claimed reason is a pretext, designed to cover up the real reason for Plaintiff Schultz' termination; *i.e.*, retaliation and/or derivative retaliation in violation of CEPA and/or the LAD.

123. Defendants terminated Plaintiff Schultz and the other Plaintiffs, all of whom had seniority and/or longevity with the Union, yet retained other lesser qualified and newly hired members.

124. The Defendants acted maliciously in terminating the Plaintiffs' employment, as exemplified by the fact that after the Plaintiffs were terminated the Defendants refused to permit them to re-enter the workplace to gather their personal belongings. In some cases, the Plaintiffs had been employed with the Union for decades, yet they were immediately barred from their former workplace.

125. Plaintiffs are protected by law from being subjected to retaliation for associating with and supporting the efforts of someone who objected to, refused to participate in, and disclosed to a public body violations of law including fraud and criminal activity which defrauded Union members, pensioners, and retirees. N.J.S.A. 34:19-3.

126. As a direct and proximate result of Defendants' unlawful retaliation, Plaintiffs have suffered and continue to suffer financial loss, emotional distress, as well as personal physical injury and sickness.

127. By and through the actions described above, Defendants have engaged in unlawful retaliation and derivative retaliation in violation of the Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq. ("CEPA").

**WHEREFORE**, cause having been shown, Plaintiffs demand judgment against Defendants, and seek the following relief:

- (a) Economic damages, such as back pay and front pay, loss of retirement benefits and career path losses;
- (b) Compensatory damages, including damages for personal physical injury and sickness and emotional distress;
- (c) Attorneys' fees and costs of suit;
- (d) Punitive damages; and
- (e) Such other relief as the Court may deem equitable and just.

## **COUNT TWO**

### **(Violation of CEPA - Plaintiffs Verrelli and Lopez)**

128. Plaintiffs repeat and re-allege the allegations contained in all preceding paragraphs of the Complaint as if set forth herein at length.

129. As noted above, in 2017, Plaintiffs Verrelli and Lopez, in their positions as Trustees of the Carpenters' Funds, openly and publicly supported then Executive Secretary-Treasurer John Ballantyne's decision to advise law enforcement that former Carpenters' Funds Administrator George Laufenberg had embezzled \$1.5 million from the Union's dues-funded plan assets.

130. Plaintiffs Verrelli and Lopez are protected by law from being subjected to retaliation for objecting to, refusing to participate in, and disclosing to a public body violations of law including fraud and criminal activity which defrauded Union members, pensioners, and retirees. N.J.S.A. 34:19-3.

131. Plaintiffs Verrelli and Lopez's conduct was protected conduct under CEPA.

132. Defendants retaliated against Plaintiffs Verrelli and Lopez for their whistleblowing with regard to George Laufenberg's illegal conduct.

133. As a direct and proximate result of Defendants' unlawful retaliation, Plaintiffs Verrelli and Lopez have suffered and continue to suffer financial loss, emotional distress, as well as personal physical injury and sickness.

134. By and through the actions described above, Defendants have engaged in unlawful retaliation and derivative retaliation in violation of the Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq. ("CEPA").

**WHEREFORE**, cause having been shown, Plaintiffs Verrelli and Lopez demand judgment against Defendants, and seek the following relief:

- (a) Economic damages, such as back pay and front pay, loss of retirement benefits and career path losses;
- (b) Compensatory damages, including damages for personal physical injury and sickness and emotional distress;
- (c) Attorneys' fees and costs of suit;
- (d) Punitive damages; and
- (e) Such other relief as the Court may deem equitable and just.

**COUNT THREE**

**(Retaliation in Violation of the LAD - All Plaintiffs)**

135. Plaintiffs repeat and reallege the allegations contained in all preceding paragraphs of the Complaint as if set forth at length herein.

136. During the Plaintiffs' tenure with the Defendants, they objected to race and gender discrimination and harassment in the Union, and supported programs designed to eradicate this illegal conduct.

137. This conduct was protected conduct under the LAD. Plaintiffs are protected by law from being subjected to reprisals for opposing discrimination under the New Jersey Law Against Discrimination, N.J.S.A. 10:5-12(d).

138. The Defendants knew that the Plaintiffs engaged in this protected conduct and, after John Ballantyne was terminated, the Defendants welcomed discrimination, creating

a hostile work environment in the Union and retaliated against the Plaintiffs for their objection to the discriminatory practices.

139. As a direct and proximate result of Defendants' unlawful retaliation, Plaintiffs have suffered and continue to suffer financial loss, emotional distress, as well as personal physical injury and sickness.

140. By and through the actions described above, Defendants have engaged in unlawful retaliation and derivative retaliation in violation of the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1, et seq. ("LAD").

**WHEREFORE**, cause having been shown, Plaintiffs demand judgment against Defendants, and seek the following relief:

- (a) Economic damages, such as back pay and front pay, loss of retirement benefits and career path losses;
- (b) Compensatory damages, including damages for personal physical injury and sickness and emotional distress;
- (c) Attorneys' fees and costs of suit;
- (d) Punitive damages; and
- (e) Such other relief as the Court may deem equitable and just.

**SMITH MULLIN, P.C.**  
Attorneys for Plaintiffs

BY: 

NANCY ERIKA SMITH (Id. 027231980)

Dated: December 1, 2020



**JURY DEMAND**

Plaintiffs demand trial by jury with respect to all issues that are so triable.

**SMITH MULLIN, P.C.**

Attorneys for Plaintiffs

BY:   
NANCY ERIKA SMITH (Id. 027231980)

Dated: December 1, 2020

**DESIGNATION OF TRIAL COUNSEL**

Plaintiffs hereby designate Nancy Erika Smith, Esq. as trial counsel of record in this matter.

**SMITH MULLIN, P.C.**

Attorneys for Plaintiffs

BY:   
NANCY ERIKA SMITH (Id. 027231980)

Dated: December 1, 2020

**CERTIFICATION**

Pursuant to New Jersey Court Rule 4:5-1, I hereby certify that to my knowledge, the matter in controversy is not and will not be the subject of any other litigation or arbitration in any court or before any body nor do I know of any other party who should be joined in this action.

  
NANCY ERIKA SMITH (Id. 027231980)

Dated: December 1, 2020

# **EXHIBIT 1**

**SMITH MULLIN, P.C.**  
Nancy Erika Smith, Esq. (Id. # 027231980)  
240 Claremont Avenue  
Montclair, New Jersey  
(973) 783-7607  
Attorneys for the Plaintiff

JOHN BALLANTYNE, ROBERT  
WEAKLEY and LAURA CZARNESKI,

Plaintiffs,

v.

UNITED BROTHERHOOD OF  
CARPENTERS, DOUGLAS J.  
MCCARRON, FRANK SPENCER and  
MICHAEL CAPELLI, jointly, severally and  
in the alternative,

Defendants.

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION: ESSEX COUNTY  
DOCKET NO:

*Civil Action*

**COMPLAINT AND JURY DEMAND**

JOHN BALLANTYNE, residing at 21 Quaker Church Road, Allamuchy, County of Warren,  
State of New Jersey, ROBERT WEAKLEY, residing at 259 Knollcrest Road, Mountainside, County  
of Union, State of New Jersey, and LAURA CZARNESKI, residing at 82 Brookview Circle,  
Jamesburg, County of Middlesex, State of New Jersey and by way of Complaint say:

**NATURE OF THIS ACTION**

1. This is an action brought to remedy illegal retaliation and derivative retaliation in  
violation of the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq.  
("CEPA").

### PARTIES

2. During all times relevant hereto, the Plaintiff John Ballantyne (hereinafter "Plaintiff" or "Mr. Ballantyne") was an "employee" of the Defendant, United Brotherhood of Carpenters (hereinafter "the Union" or "Defendant") as that term is defined by CEPA, N.J.S.A. 34:19-2(b).

3. During all times relevant hereto, the Plaintiff Laura Czarneski (hereinafter "Plaintiff" or "Ms. Czarneski") was an "employee" of the Defendant, United Brotherhood of Carpenters (hereinafter "UBC" or "Defendant") as that term is defined by CEPA, N.J.S.A. 34:19-2(b).

4. During all times relevant hereto, the Plaintiff Robert Weakley (hereinafter "Plaintiff" or "Mr. Weakley") was an "employee" of the Defendant, United Brotherhood of Carpenters (hereinafter "the Union" or "Defendant") as that term is defined by CEPA, N.J.S.A. 34:19-2(b).

5. During all times relevant hereto, the Defendant United Brotherhood of Carpenters was the Plaintiffs' "employer" as that term is defined by CEPA, N.J.S.A. 34:19-2(a).

6. Defendant United Brotherhood of Carpenters is a voluntary association and a labor organization which maintains offices for the transaction of business at 91 Fieldcrest Avenue, Edison, New Jersey and 36 Bergen Street, Hackensack, New Jersey. At all times relevant hereto, UBC transacts business throughout the State of New Jersey, and specifically in Bergen County.

7. During all times relevant hereto, Defendant Douglas J. McCarron was the General President of the Defendant United Brotherhood of Carpenters, the highest level executive in the International Union. Defendant McCarron was a decision-maker with respect to terminating the Plaintiffs' employment as described herein.

8. During all times relevant hereto, Defendant Frank Spencer was the Second General Vice President of the Defendant United Brotherhood of Carpenters. Defendant Spencer is a very

high-level executive in the International Union. Defendant Spencer was a decision-maker with respect to terminating the Plaintiffs' employment as described herein.

9. At all times relevant hereto, Defendant Spencer has resided at 426 Kings Highway East, Haddonfield, New Jersey.

10. During all times relevant hereto, Defendant Michael Capelli was the Eastern District Vice President of the Defendant United Brotherhood of Carpenters. Defendant Capelli is a very high-level executive in the International Union. Defendant Capelli was a decision-maker with respect to terminating the Plaintiffs' employment as described herein.

11. At all times relevant hereto, Defendant Capelli has resided at 365 Unionville Road, Glassboro, New Jersey.

#### VENUE

12. Members of Defendant UBC live, work and pay dues in Essex County, New Jersey. Employers who contribute to Defendant UBC and affiliated pension and benefit funds are based in Essex County, New Jersey. Current projects on which members of the Defendant UBC and its affiliates are working are based in Essex County, New Jersey. Pursuant to Rule 4:3-2(b), venue is proper in Essex County because Defendant UBC actually conducts business in Essex County.

#### COUNT ONE

##### **(Violation of CEPA - Plaintiff John Ballantyne)**

13. Plaintiff Ballantyne has been a member of the United Brotherhood of Carpenters ("UBC" or "International") for 36 years. He has held numerous positions on the Union staff for the past 20 years.

14. In December of 2015, members of the UBC elected Plaintiff Ballantyne Executive Secretary-Treasurer ("EST") of the Northeast Regional Council of Carpenters ("NRCC"), a regional division of the UBC.

15. Over the two decades during which Mr. Ballantyne has held staff positions in the Carpenter's Union, he fought for good Union governance, accountability, developing a culture of best practices, and ethical behavior.

16. During his tenure, Mr. Ballantyne was co-chair of the following funds: the Northeast Carpenters Fund; the Carpenters Benefit Funds of Philadelphia and Vicinity; the Mid-Atlantic Regional Council of Carpenters Fund; Carpenters Local 491 Fund; Northeast Carpenters Training and Education Fund; Philadelphia Carpenters Training Fund; and the Mid-Atlantic Regional Training Fund. Plaintiff Ballantyne also served as co-chair of the Carpenters Contractors Trust and was a Trustee to the UBC Eastern District.

17. Mr. Ballantyne had oversight of the Northeast Regional Council of Carpenters and all of its 17 Locals over five states with assets of approximately \$224 million.

18. On May 30, 2018, Mr. Ballantyne was called to a meeting in Washington, D.C. and told that the NRCC was being merged into the Keystone (Pennsylvania) Region. International General President Douglas McCarron and Second General Vice President Frank Spencer told Plaintiff Ballantyne that there was "no role for him" and that he "should retire." Defendants, exhibiting retaliatory malice, also sought to immediately take Mr. Ballantyne's Union issued car away. The Defendants' plan was thwarted because Mr. Ballantyne had taken the train to Washington, D.C.

19. Although Defendants have the right to restructure the Union under the International Constitution, they do not have the right to use such restructuring as a tool, cover or pretext to illegally retaliate against Plaintiffs for protected whistleblowing activity.

20. Defendants Spencer and McCarron also told Plaintiff Ballantyne that there would be "no role" for him in the transition.

21. In the period leading up to the Defendants' decision to terminate Plaintiffs Ballantyne and Weakley, they had consistently engaged in a pattern of protected conduct under CEPA by objecting to and refusing to participate in behavior which they reasonably believed was unethical, fraudulent and illegal.

22. The Defendants' decision to terminate Mr. Ballantyne and Mr. Weakley was retaliation in violation of CEPA.

23. Some examples of Mr. Ballantyne's whistleblowing include, but are not limited to, the following:

**A. George Laufenberg**

24. Just prior to Mr. Ballantyne being elected EST, Eastern District Vice President Mike Capelli asked Mr. Ballantyne to enter into a five-year employment contract with Northeast Carpenters Fund Administrator, George Laufenberg. Laufenberg was a close friend of both Defendants Capelli and Spencer. When Mr. Ballantyne questioned why the Union would do so, Capelli said Mr. Laufenberg confided in him that Plaintiff Ballantyne made him "nervous" because of Ballantyne's "Boy Scout" reputation. Laufenberg wanted job security. While investigating the potential of an employment agreement for Laufenberg, Plaintiff Ballantyne learned that Laufenberg

had engaged in self-dealing by collecting his pension and a deferred compensation package while working - and collecting a paycheck - without the knowledge of the current Board of Trustees.

25. Plaintiff Ballantyne formed the reasonable objective belief that Laufenberg's self-dealing was illegal. When informed about this situation, Mr. Spencer asked Mr. Ballantyne not to dismiss Mr. Laufenberg until he (Spencer) spoke to the UBC's attorney.

26. Plaintiff Ballantyne refused to cover up Laufenberg's wrongdoing. The Trustees were advised to terminate Laufenberg. It was later found that George Laufenberg had also misused funds' assets in the training center by having training fund employees build dining room tables for Laufenberg's wife.

27. Both Mr. Spencer and Mr. Capelli expressed anger about the termination of their good friend Laufenberg. Defendant Capelli told Plaintiff Ballantyne that, "this whole situation" should have been handled "in house." Defendant Capelli also stated that "George [Laufenberg] was a good man and he has done a lot of favors for people." Defendant Capelli's main concern was the conversations he had with Mr. Laufenberg throughout the years about various employee retirement packages.

28. Two weeks after Mr. Laufenberg was terminated, Defendant Spencer told Plaintiff Ballantyne that he (Spencer) was considering appointing Laufenberg to head up the new Pharmaceutical program that the UBC (the International) was putting together. Plaintiff Ballantyne reminded Spencer that Laufenberg's conduct could be viewed as criminal and that he could possibly be indicted. Subsequently, Plaintiff Ballantyne and counsel met with representatives of the Department of Justice, Department of Labor, IRS, and Port Authority regarding Mr. Laufenberg's potential crimes.



29. Later, it was discovered there were "ghost employees" (employees who got paid but did no work) at the Funds including Fred Mihelic, a long-time associate of George Laufenberg. Plaintiffs Ballantyne and Weakley removed Mihelic from payroll and sought restitution.

**B. Fran Weikel**

30. During his employment with the UBC, Plaintiff Ballantyne also discovered that Frank Spencer's brother-in-law, Fran Weikel, was an "employee" of the pension fund while he was also an "employee" being paid through apprenticeship training funds as an IT computer specialist.

31. Plaintiff Ballantyne was advised by a Union attorney that Weikel admitted he never worked as an IT specialist at that fund.

32. When Defendant Spencer was advised that Mr. Weikel's pay from the Apprentice Fund was going to be stopped immediately, Spencer admitted that Weikel's pay was broken up between the two funds (Apprentice and Pension) so Mr. Laufenberg could give him a raise without drawing attention from the Board of Trustees.

33. Several weeks later, Mr. Spencer directed Plaintiff Ballantyne to have Mr. Weikel's pay re-established to its former amount and to provide him with remuneration for his losses.

34. Plaintiff Ballantyne objected to and refused to participate in this fraudulent conduct with respect to Mr. Weikel.

35. Since the NRCC was dissolved, Mr. Weikel has been hired by the Keystone Mountain Lakes Council as a Union employee, entitling him to a second pension.

**C. Gerry Spencer**

36. Gerry Spencer, Defendant Spencer's wife, claimed she was entitled to be paid for unused sick time, vacation time and floating holidays that she claimed she accumulated during her

"employment" as Defendant Spencer's (her husband's) assistant. This time was so excessive that the Union Comptroller asked Plaintiff Ballantyne to speak with Defendant Spencer because she was concerned about the excessiveness and possible fraud.

37. When Plaintiff Ballantyne spoke to Defendant Spencer, Defendant Spencer said he would speak to his wife.

38. Over Plaintiff Ballantyne's objections and in order to personally enrich his wife, Defendant Spencer directed Plaintiff Ballantyne to convert Ms. Spencer's annuity payments into a pension program.

39. Over Plaintiff Ballantyne's objections, Defendant Spencer directed the Comptroller to allow his wife to collect her pay from January through May without coming to work.

**D. Trish Mueller**

40. Former Political Director of the NRCC, Trish Mueller, has referred to herself as Defendant Spencer's "daughter" because of their close relationship. Mueller's company, Groundworks Strategies ("Groundworks"), has a \$15,000.00 per month consulting contract which Plaintiff Ballantyne "inherited" as EST for which she produced little to no work product.

41. In addition to the money being paid by the NRCC, Trish Mueller was also paid \$15,000.00 a month from the Eastern District under a UBC grant, and an additional \$3,500.00 on her original contract with the Eastern District, for a total of \$33,500.00 per month. When Plaintiff Ballantyne, in his role as Trustee to the Eastern District, questioned Mike Capelli about the money being paid to Groundworks, he was reprimanded for bringing it up in front of other Trustees.

42. Defendant Capelli further told Plaintiff Ballantyne "to work with him" temporarily on this issue because he and Defendant Spencer needed Mueller for "special projects." Plaintiff Ballantyne objected to this fraudulent and/or illegal conduct.

43. Plaintiff Ballantyne engaged in discussions with the Trustees and the HR Director Plaintiff Weakley regarding the invoices and payments submitted by Ms. Mueller's company. Ms. Mueller was informed by the Compliance Director, Peter Nichols (who was also terminated during the merger), that she needed to show a work product in order to get paid on the invoices.

44. In order to live up to his fiduciary duty to Union members and protect their assets, when Mueller produced no work product, Plaintiff Ballantyne requested detailed work invoices.

45. Despite repeated requests, Mueller refused to provide detailed bills. Therefore, she was not paid.

46. Plaintiff Ballantyne objected to and refused to participate in what he reasonably believed was illegal, fraudulent and/or unethical activity.

47. Ms. Mueller, without authorization, entered into a contract with Sheraton Hotels in Philadelphia for 300 rooms with an approximate cost of \$218,000.00 unbeknownst to the Council. The event never happened. When Plaintiff Ballantyne received a notice of suit from The Sheraton, Plaintiff Ballantyne questioned Ms. Mueller, at which point she informed Plaintiff Ballantyne and UBC attorney that she would take full responsibility and that she was in the process of negotiating a settlement with the Sheraton. Approximately five weeks later, Ms. Mueller asked Plaintiff Ballantyne to have the Council pay the settlement amount she had negotiated of \$127,000.

48. Plaintiff Ballantyne objected to and refused to pay this settlement, which infuriated Defendant Spencer.

**E. Frank Spencer, Second General Vice President  
and Mike Capelli, Eastern District Vice President, UBC**

49. During an audit of the Northeast Carpenters Fund, it was discovered that an overpayment had been made into Defendants Spencer's and Capelli's respective annuities and that they could not receive the payment because they were no longer employed by the NRCC. The Carpenters' Benefit Fund was advised to return the money to the NRCC Council along with all other overpayments. The Auditors stated that the Union needed to redistribute the overpayments as regular compensation to Defendants Spencer and Capelli.

50. When Plaintiff Ballantyne informed both Defendants Spencer and Capelli of this, they were angry and did not want the payments reported as regular income because they did not want the members or Defendant McCarron to know about this additional compensation. The value of this overpayment was over \$200,000 for Defendant Spencer and over \$100,000 for Defendant Capelli.

51. Defendants Spencer and Capelli encouraged the Union attorney and accountant to report the income as "other" to avoid detection.

52. Shortly thereafter, it was determined that it was not permissible to compensate both Spencer and Capelli for their "advisement" roles. Frank Spencer again asked for the additional compensation to continue, to which Plaintiff Ballantyne objected, reasonably believing that it was fraudulent, illegal and/or unethical.

53. One week later, Plaintiff Ballantyne received a very irate call from Defendant Capelli stating that Plaintiff Ballantyne had "fucked him over" and created a tax liability for both him and Defendant Spencer.

**F. Apprenticeship Training Funds**

54. Prior to Plaintiff Ballantyne becoming the EST, Ridgeley Hutchinson, the Director of Apprenticeship Training Funds, had engaged in an audit of two training centers in New Jersey, one located in Kenilworth, New Jersey and the other in Hammonton, New Jersey. The Kenilworth facility trained over 70% of the apprentices, but Hutchinson discovered that there was a disproportionate use of materials and equipment in the Hammonton training center.

55. Mr. Hutchinson identified multiple discrepancies including a vacation taken by Thomas Sommers, who was the Training Director for that school, that was paid for by the credit card of that fund. Thomas Sommers is one of Frank Spencer's best friends.

56. Subsequently, Mr. Hutchinson was ostracized by Defendant Capelli for disclosing this information to his superiors. A UBC attorney covered up this infraction by justifying the expenditures through creative excuses.

57. As soon as Plaintiff Ballantyne became EST, he was instructed by Defendant Capelli to fire Mr. Hutchinson because he "wasn't trustworthy." Plaintiff Ballantyne objected because he felt the termination was retaliatory. Mr. Hutchinson was eventually terminated after the merger of the NRCC to KML.

58. John MacKay, the Kenilworth Training Center Director, who is a close associate of George Laufenberg and Defendant Spencer, was involved in an audit required by the New Jersey Department of Labor. It was discovered that MacKay had engaged in self-dealing through credit card expenditures that were not work-related. Plaintiffs Ballantyne and Weakley told MacKay that he had to resign. Thereafter, Plaintiff Ballantyne advised the Union lawyers to seek restitution of over \$100,000.

59. Afterward, Defendant Spencer wanted to hire his friend MacKay at the UBC International Union.

60. Plaintiff Ballantyne objected to hiring MacKay, stating that he should be prosecuted criminally and that MacKay should not be rewarded with a job after he was caught stealing.

61. On May 30, 2018, Mr. Ballantyne's employment was abruptly terminated. The Defendants falsely claimed that Mr. Ballantyne's termination was part of a "restructuring plan." This claim was a pretext designed to cover up the true reason for Plaintiff Ballantyne's termination, i.e., illegal retaliation in violation of CEPA.

62. Plaintiff Ballantyne's termination was in direct violation of CEPA.

63. As a direct and proximate result of Defendants' unlawful retaliation, Plaintiff Ballantyne has suffered and continues to suffer financial loss, emotional distress, as well as physical pain and suffering.

**WHEREFORE**, cause having been shown, Plaintiff Ballantyne demands judgment against Defendants, and seeks the following relief:

- (a) Economic damages, such as back pay and front pay, loss of retirement benefits and career path losses;
- (b) Compensatory damages, including damages for physical pain and suffering and emotional distress;
- (c) Attorneys' fees and costs of suit;
- (d) Punitive damages; and
- (e) Such other relief as the Court may deem equitable and just.

**COUNT TWO****(Violation of CEPA - Plaintiff Robert Weakley)**

64. Plaintiffs repeat and re-allege the allegations contained in all preceding paragraphs of the Complaint as if set forth herein at length.

65. Plaintiff Robert Weakley was employed as the Director of Human Resources for the NRCC from 2015 until his unlawful termination on October 1, 2018. He was an essential team member to Mr. Ballantyne in making the Carpenters operate as a responsible, ethical, fiduciary organization to the members. He helped introduce many of the policies and procedures that were designed to stop the kind of self-dealing and corruption that Mr. Ballantyne uncovered.

66. Plaintiff Weakley was part of the team that exposed (1) the corruption of Mr. Laufenberg's self-dealing; (2) Mr. Spencer paying his "daughter," Tricia Mueller, as a ghost consultant; (3) Gerry Spencer, Frank Spencer's wife, having a no-show job and a pension; and (4) Frank Spencer being on two health plans at once. Mr. Weakley also hired a consultant to review the exorbitant legal bills being sent to the NRCC.

67. Mr. Weakley also implemented, for the first time, an ethics and compliance hot-line for employees and members to report complaints of corruption and wrong-doing. The hot-line generated 35 complaints and was immediately discontinued after Mr. Weakley's termination.

68. Several members of the International made it very clear that they were unhappy with the whistleblowing engaged in by Mr. Weakley. They also objected to his implementation of policies which brought transparency and accountability to the organization, including a hotline that allowed members and employees to complain about behavior which they believed was unethical, fraudulent or illegal.



69. Plaintiff Weakley was called to a meeting on May 30, 2018 and told to hand over his phones and passwords. He was not offered a position in the merged organization.

70. After Plaintiff Weakley returned from a medical leave on October 1, 2018, he was abruptly terminated.

71. Plaintiff Weakley's termination was in direct violation of CEPA.

72. As a direct and proximate result of Defendants' unlawful retaliation, Plaintiff Weakley has suffered and continues to suffer financial loss, emotional distress, as well as physical pain and suffering.

**WHEREFORE**, cause having been shown, Plaintiff Weakley demands judgment against Defendants, and seeks the following relief:

- (a) Economic damages, such as back pay and front pay, loss of retirement benefits and career path losses;
- (b) Compensatory damages, including damages for physical pain and suffering and emotional distress;
- (c) Attorneys' fees and costs of suit;
- (d) Punitive damages; and
- (e) Such other relief as the Court may deem equitable and just.

**COUNT THREE**

**(Derivative Retaliation in Violation of CEPA - Plaintiff Laura Czarneski)**

73. Plaintiffs repeat and reallege the allegations contained in Counts One and Two as if fully set forth herein.



74. CEPA prohibits retaliation against employees who are closely associated with employees who engage in protected conduct under CEPA.

75. Plaintiff Laura Czarneski was Mr. Ballantyne's long-time assistant. Laura Czarneski was employed by the Carpenters for 10 ½ years.

76. On May 30, 2018, a Union attorney called Ms. Czarneski and Robert Weakley into Mr. Weakley's office, away from the rest of the personnel. The attorney told Ms. Czarneski to hand over her phone and her passwords and to report Monday to the Edison facility of the UBC. Ms. Czarneski's email was immediately cut off.

77. On Monday, June 4, 2018, Ms. Czarneski appeared at the Edison facility promptly at 8:00 a.m. She was told to go home and someone would "reach out to her."

78. Plaintiff Czarneski reported again to Edison on June 5, 2018 and sat there from 8:00 a.m. until 11:00 a.m. At that point, she met with an attorney from the Keystone Region and several other people to begin the "interview process."

79. In fact, Plaintiff Czarneski was interrogated about her work with Plaintiff John Ballantyne.

80. Plaintiff Czarneski told the Union lawyer that she wanted to keep her job and would travel to Philadelphia in order to work.

81. Later that day, Plaintiff Czarneski was approached by a Union Human Resources Director and others and told that "today is your last day."

82. At or about the same time that Ms. Czarneski was terminated, less experienced staff people were offered jobs in Philadelphia. Some of those staff people declined their job offers, but Ms. Czarneski was still not given any job offer.

83. Union employees treated Ms. Czarneski differently than other "restructured" employees because of her relationship with Plaintiff Ballantyne and her knowledge of Defendants' illegal, unethical and fraudulent activity.

84. Plaintiff Czarneski was terminated as part of Defendants' derivative retaliation in violation of CEPA.

85. As a direct and proximate result of Defendants' unlawful retaliation, Plaintiff Czarneski has suffered and continues to suffer financial loss, emotional distress, as well as physical pain and suffering.

**WHEREFORE**, cause having been shown, Plaintiff Czarneski demands judgment against Defendants, and seeks the following relief:

- (a) Economic damages, such as back pay and front pay, loss of retirement benefits and career path losses;
- (b) Compensatory damages, including damages for physical pain and suffering and emotional distress;
- (c) Attorneys' fees and costs of suit;
- (d) Punitive damages; and
- (e) Such other relief as the Court may deem equitable and just.

**SMITH MULLIN, P.C.**  
Attorneys for Plaintiffs

BY: 

NANCY ERIKA SMITH (Id. 027231980)

Dated: October 11, 2018

**JURY DEMAND**

Plaintiffs demand trial by jury with respect to all issues that are so triable.

SMITH MULLIN, P.C.  
Attorneys for Plaintiffs

BY: 

NANCY ERIKA SMITH (Id. 027231980)

Dated: October 11, 2018

**DESIGNATION OF TRIAL COUNSEL**

Plaintiffs hereby designate Nancy Erika Smith, Esq. as trial counsel of record in this matter.

SMITH MULLIN, P.C.  
Attorneys for Plaintiffs

BY: 

NANCY ERIKA SMITH (Id. 027231980)

Dated: October 11, 2018

**CERTIFICATION**

Pursuant to New Jersey Court Rule 4:5-1, I hereby certify that to my knowledge, the matter in controversy is not and will not be the subject of any other litigation or arbitration in any court or before any body nor do I know of any other party who should be joined in this action.

  
NANCY ERIKA SMITH (Id. 027231980)

Dated: October 11, 2018

# Civil Case Information Statement

## Case Details: ESSEX | Civil Part Docket# L-008177-20

**Case Caption:** VERRELLI ANTHONY VS UNITED BROTHERHOOD O F CARPE

**Case Initiation Date:** 12/01/2020

**Attorney Name:** NANCY E SMITH

**Firm Name:** SMITH MULLIN, PC

**Address:** 240 CLAREMONT AVENUE

MONTCLAIR NJ 07042

**Phone:** 9737837607

**Name of Party:** PLAINTIFF : Verrelli, Anthony

**Name of Defendant's Primary Insurance Company**  
(if known): Unknown

**Case Type:** WHISTLEBLOWER / CONSCIENTIOUS EMPLOYEE PROTECTION ACT (CEPA)

**Document Type:** Complaint with Jury Demand

**Jury Demand:** YES - 6 JURORS

**Is this a professional malpractice case?** NO

**Related cases pending:** NO

**If yes, list docket numbers:**

**Do you anticipate adding any parties (arising out of same transaction or occurrence)?** NO

**Are sexual abuse claims alleged by: Anthony Verrelli?** NO

**Are sexual abuse claims alleged by: Justin Ballantyne?** NO

**Are sexual abuse claims alleged by: Alex Lopez?** NO

**Are sexual abuse claims alleged by: Vanessa Salazar?** NO

**Are sexual abuse claims alleged by: Susan Schultz?** NO

## THE INFORMATION PROVIDED ON THIS FORM CANNOT BE INTRODUCED INTO EVIDENCE

CASE CHARACTERISTICS FOR PURPOSES OF DETERMINING IF CASE IS APPROPRIATE FOR MEDIATION

**Do parties have a current, past, or recurrent relationship?** YES

**If yes, is that relationship:** Employer/Employee

**Does the statute governing this case provide for payment of fees by the losing party?** YES

**Use this space to alert the court to any special case characteristics that may warrant individual management or accelerated disposition:**

**Do you or your client need any disability accommodations?** NO

**If yes, please identify the requested accommodation:**

**Will an interpreter be needed?** NO

**If yes, for what language:**

**Please check off each applicable category:** Putative Class Action? NO Title 59? NO Consumer Fraud? NO

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with *Rule* 1:38-7(b)

12/01/2020

Dated

/s/ NANCY E SMITH

Signed