

The Star-Ledger

CWA ousts Katz over union finances

Tuesday, July 08, 2008
BY JOSH MARGOLIN
Star-Ledger Staff

The national board of the Communications Workers of America voted unanimously yesterday to remove Carla Katz as president of Local 1034, saying she misappropriated union funds, retaliated against her critics and improperly authorized thousands of dollars in political donations.

The national has taken control of the operations of New Jersey's largest state worker union. Katz, 49, and her leadership team face a hearing July 22 while a temporary administrator combs through the financial and personnel records at the union's West Trenton office.

Katz, who dated Gov. Jon Corzine before he was elected, also faces a possible permanent dismissal from the union that has employed her for more than two decades.

"An extensive internal review revealed probable cause to believe that the local is engaged in ongoing financial malpractice, the misappropriation of union funds, a failure to comply with state and federal law, as well as the CWA constitution, and the suppression of dissent," CWA's national board said in a news release. "The CWA national executive board has determined that it has no choice but to take this action to protect the rights and resources of the members of Local 1034."

Only 18 months ago, Katz was viewed as a leading state political figure with a singular level of access to the governor, whom she had dated for two years ending in June 2004. But Katz's fortunes turned last year, first when she split publicly with CWA's national headquarters over whether state workers should accept a new contract negotiated with the state, and then when it was revealed that she and the governor had exchanged e-mails while collective bargaining was going on.

Corzine declined last night to comment on the latest development.

Katz did not respond to requests for comment. Her lawyer, Paul Fishman, said he had yet to review the decision announced from CWA's headquarters in Washington.

In May, Katz filed a federal lawsuit against CWA and a long list of union officials, claiming she is the victim of retaliation stemming from her opposition to last year's contract settlement with the state. The suit followed the filing of a lawsuit against Katz by dissident leaders of Local 1034. It was their complaints that prompted the internal investigation culminating in

yesterday's takeover of the local.

Officials dispatched by the union's national headquarters arrived at Local 1034's office about 4:45 p.m. and immediately began "changing locks, we're securing computers, checking bank records," said Robert Master, a union spokesman who has been at odds with Katz for months.

Master said it had yet to be decided whether Katz, who earns \$119,300 in salary and benefits as local president, would be paid while the charges are pending. A career union employee, Katz earned a law degree from Seton Hall University six weeks ago. Last month, she lost a bid for a national vice presidency of her union.

CWA last night declined to release the full text of the national board's takeover resolution. According to the news release, Katz and Local 1034's board allegedly:

- Misappropriated union funds to support her own personal interests and her own union election campaign by using local dues to pay for travel and lodging and other expenses for people recruited to campaign for her.
- Authorized -- with little or no oversight -- the use of more than \$700,000 in union funds for political donations.
- Suspended a local vice president for voicing his concerns and threatened a dissident member's employment in violation of federal law and CWA's constitution.
- Failed to maintain mandatory time records detailing Katz's work as local president.

After a new state-worker contract was ratified last year, state Republican chairman Tom Wilson filed suit seeking e-mail correspondence between Corzine and Katz.

In May, a state judge ordered the governor to release hundreds of pages of e-mails and attachments among the governor, his aides and Katz.