

November 11, 2006

Vincent J. Giblin, General President
International Union of Operating Engineers
1125 17th St. N.W.
Washington, DC 20036

Dear Sir and Brother:

We are I.U.O.E Local 150 Executive Board Members for Districts 2, 3, 4, 5, 6, 7 and 8. This grievance is being filed by all of the undersigned including Joseph P Ward, Treasurer of Local 150. After discussion with my fellow Executive Board Members and in agreement with them, we are obligated to make you aware of several incidents that were brought to the attention of the membership. These incidents are in regards to events reported about Local 150 Officer and International Vice President William E. Dugan. These issues were brought up at the regular District 5 union meeting in Utica, Illinois, on October 19, 2006, and if true, are a disgrace to the dues paying members of this district and a betrayal of all Local 150 members and the International as well. The members are irate and we feel obligated to report this disclosure. Not only was this a betrayal of the members' trust, is it possible it could be criminal as well? (See the attached minutes of this meeting).

The first issue that arose was the fact that corn grown on property owned by Local 150 in Joliet, Illinois, is being hauled to President/Business Manager Bill Dugan's home in Hancock, MD by a salaried Local 150 employee, Mike Foulk. Mike uses a truck and trailer owned by the Apprenticeship Program to transport the corn to Hancock, Maryland. At the October 19 meeting, a question from a member on the floor asked if indeed that was true, and as the minutes reflect, Mr. Foulk admitted it was true. Mr. Foulk was then asked by the meeting Chairman if he keeps the proper logs required for interstate travel and he admitted that he never keeps any logs.

Another issue raised on the meeting floor involved payments by business agents, attorneys and other staff members of \$100 per month cash payments to a so called Christmas Fund over which Bill Dugan has had sole and discretionary control for the past 20 years. The fact that 150 staff members have to pay to keep their jobs is an affront to the principles of a democratic union.

We are aware of the situation in I.U.O.E. Local 2, and Virgil Belfri, and do not want corruption in our Local. General President Giblin, we the Executive Board are seeking direction from you. We await your prompt reply. As elected officers of this great Union, we feel a huge responsibility to make sure Trust, Integrity and Commitment to the members be the watchword

Vincent J. Giblin, General President


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of the Executive Board. Mr. Giblin please be aware that we are working operating engineers and do not always have free access to communications during working hours. However please contact Lance Yednock at 815-712-8730 or at 815-431-1187 and we will respond as quickly as possible. We anxiously await your reply.

Fraternally,


Don Matteson / District 2

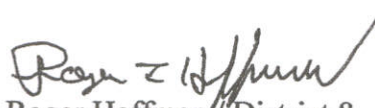

Ray Stevens / District 3


Roger Allen / District 4


Lance Yednock / District 5


Tim Loftus / District 6


Greg Allen / District 7


Roger Hoffman / District 8


Joseph P. Ward / Treasurer Local 150

cc: Christopher Hanley, General Secretary-Treasurer
William C. Waggoner, First Vice President
William E. Dugan, Second Vice President
Jim McLaughlin, Third Vice President
Brian E. Hickey, Fourth Vice President
Gary Kroeker, Fifth Vice President
John M. Hamilton, Sixth Vice President
Allan B. Darr, Seventh Vice President
Kenneth Campbell, Eighth Vice President
Patrick L. Sink, Ninth Vice President
William K. Duffy, Tenth Vice President
Gerald Ellis, Eleventh Vice President
Jerry Kalmar, Twelfth Vice President
Phil Schloop, Thirteenth Vice President
Russell E. Burns, Fourteenth Vice President
Frank Hanley, General President Emeritus

Sent Via U.S. Certified Mail

cc sent regular U.S. Mail