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SUPERIOR COURT OF WASHINGTON
FOR KING COUNTY

MARIA LUISA JOHNSON, CARMELIA
DAVIS-RAINES, CHERYL MUSKELLY,
PAULINE ROBINSON, ELAINE SEAY-
DAVIS, AND TONI WILLIAMSON,

Plaintiffs,

vs.

SEATTLE PUBLIC UTILITIES, a
department of the CITY OF SEATTLE, a
municipality, RAY HOFFMAN,
individually, SUSAN SANCHEZ,
individually, DEBRA RUSSELL,
individually, and GUILMETTE REGAN,
individually,

Defendants.

Case No.:

COMPLAINT FOR DAMAGES,
INJUNCTIVE AND DECLARATORY
RELIEF

I. JURISDICTION

1.1 The plaintiff, Maria Luisa Johnson, is a Filipina woman. At all times relevant to this complaint she was a citizen of the United States residing in King County.

1 1.2 The plaintiff, Carmelia Davis-Raines, is an African American woman. At
2 all times relevant to this complaint she was a citizen of the United States residing in King
3 County.

4 1.3 The Plaintiff, Cheryl Muskelly, is an African American woman. At all
5 times relevant to this Complaint she was a citizen of the United States residing in King
6 County.

7 1.4 The Plaintiff, Pauline Robinson, is an African American woman. At all
8 times relevant to this Complaint she was a citizen of the United States residing in King
9 County.

10 1.5 The Plaintiff, Elaine Seay-Davis, is an African American woman. At all
11 times relevant to this Complaint she was a citizen of the United States residing in King
12 County.

13 1.6 The Plaintiff, Toni Williamson, is an African American woman. At all
14 times relevant to this Complaint she was a citizen of the United States residing in King
15 County.

16 1.7 The defendant, City of Seattle is a municipality existing under the laws of
17 Washington. Seattle Public Utilities (“SPU”), has its headquarters in King County,
18 Washington, is a department of the City of Seattle, a municipal corporation, and is
19 organized and exists under the laws of the State of Washington.

20 1.8 The defendant, Guillemette Regan, is Caucasian. In 2008, Ms. Regan was
21 working in Risk and Quality Assurance. For a two year period, ending in December 2010,
22 Ms. Regan filled in as the Director of Corporate Policy and Performance with the
23 Corporate Strategies and Communications Branch. Starting in January 2011, Ms. Regan
24 served as Director of Risk and Quality Assurance Program. Ms. Regan is a citizen of the
25 State of Washington.

1 1.9 The defendant, Debra Russell, is Caucasian. At all relevant times, she was
2 the Contact Center Director of Seattle Public Utilities. Ms. Russell is a citizen of the State
3 of Washington residing in King County.

4 1.10 The defendant, Susan Sanchez, is Caucasian. At all relevant times, she was
5 the Customer Service Branch Deputy Director for Seattle Public Utilities. Ms. Sanchez is
6 a citizen of the State of Washington residing in King County.

7 1.11 The defendant, Ray Hoffman, is Caucasian. Mr. Hoffman began working
8 as SPU's director of corporate policy and performance in 2001. On January 15, 2009, Mr.
9 Hoffman was named acting director of SPU. Mr. Hoffman is a citizen of the State of
10 Washington residing in King County.

11
12 **II. FACTS**

13 **Background**

14 2.1 Defendant SPU is a public utility that supplies water, sewer, drainage,
15 garbage, and recycling services to approximately 1.4 million customers in and around
16 Seattle, Washington. SPU was formed in 1997 when City of Seattle merged the Solid
17 Waste Utility, the Drainage and Wastewater Utility, the Water Department, and certain
18 customer service operations of Seattle City Light.

19 2.2 SPU's Customer Service Branch operates a contact center where Utility
20 Account Representatives (UARs) answer phone calls from SPU and Seattle City Light
21 (SCL) customers. UARs are authorized to make certain transactions to a customer's utility
22 account through the Consolidated Customer Service System (CCSS). Examples of
23 transactions that UARs may be asked to make include: postponing a payment, arranging to
24 pay an invoice in installments, or forgiving a penalty charge. Some transactions have
25 financial impacts upon the accounts, while others are purely administrative in nature.

1 During a typical workday, UARs receive 20 or more emails and field approximately 50
2 customer calls.

3 2.3 Approximately 300 SPU employees can enter transactions or review
4 customer accounts through CCSS. There are approximately 2 million customer accounts
5 in CCSS, with a total of \$1.2 billion in utility charges billed annually.

6 **Facts Common to Each Plaintiff**

7 2.35 Since 1999, a series of audits and investigations, performed by the
8 Washington State Auditor's Office, Seattle City Auditor, and SPU revealed substantial and
9 persistent issues with SPU's monitoring of, and control over, customer utility accounts.

10 2.36 The State Auditor's Office performed an audit of Seattle City Light between
11 January 1, 1995 and September 30, 1999. A report issued December 17, 1999, concluded
12 that SCL "failed to take reasonable measures to prevent employees from entering into
13 contracts that violated the City's Code of Ethics."

14 2.37 The State Auditor's Office audited SPU from July 1, 2007 through June 30,
15 2008. That audit "identified a weakness in internal control over utility customer accounts."
16 The audit discovered that account technicians could make adjustments to customer
17 accounts without supervisory review. Additionally, while the billing system could
18 generate a report of all adjustments, the function had not been activated.

19 2.38 The State Auditor's Office audited the City of Seattle between July 1, 2008
20 and June 30, 2009. In a report dated May 10, 2010, the State Auditor's Office repeated its
21 earlier recommendations to SPU and SCL "to improve monitoring control over
22 adjustments to individual customer accounts."
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1 2.39 On November 4, 2010, SPU started an investigation into CCSS adjustments
2 made by at least three suspects. Prompted by what it discovered in that investigation, SPU
3 began a comprehensive audit of CCSS transactions in February 2011. This audit
4 eventually “found a total of 1,336 transactions, over the 12-year period, made by
5 employees on their own accounts, those of family members, or close personal friends. 718
6 of these transactions had a financial impact on the accounts.” The audit further found
7 “eight instances of employees who made multiple [payment arrangements] for themselves
8 or a family member,” in most cases otherwise inconsistent with policy. Additionally, the
9 audit found “143 credit adjustments made by employees to their own utility accounts, or
10 their family members’ or friends’, for a total of \$1,467.”

11 2.40 SPU’s Risk Management team conducted interviews of seven UAR
12 supervisors, between October 27 and November 14, 2011, seeking information regarding
13 CCSS transactions, policies, and knowledge of the policies. These interviews revealed that
14 SPU did not have identifiable policies in place explicitly prohibiting UARs from making
15 transactions on their own accounts or the accounts of friends, family members, and co-
16 workers, and that supervisors did not have a common understanding of such policies.

17 2.41 All of the supervisors responded that there was no written SPU policy that
18 explicitly prohibited UARs from making transactions on their own accounts or the
19 accounts of friends and family members. The supervisors indicated that this kind of
20 prohibition would be “covered verbally in new hire training, in subsequent discussions
21 with supervisors” with guidance provided through written Workplace Expectations and
22 UAR Expectations and through the City’s Code of Ethics training.

23 2.42 There was considerable variation in the supervisors’ understanding of SPU
24 policy, procedures, and training. Six of the seven supervisors said that policy had always
25 prohibited making transactions on one’s own account, but one supervisor believed this

1 policy hadn't previously been in writing. Only five of seven supervisors said that it was
2 "never acceptable for an employee to do a transaction on their own account or on their
3 friends' or family's accounts." One supervisor stated it was permissible for a UAR to
4 make a payment arrangement on their own account or the account of friends, family
5 members, or coworkers, provided that the transaction is otherwise within policy guidelines.
6 All the supervisors, except for one, said that employees could not "waive garbage fees, late
7 fees, make some other payment adjustment or create a payment plan for family, friends,
8 co-workers, or for themselves." However, one supervisor said that some employees may
9 not be aware of that. With regard to training, five of six supervisors responded that
10 training said not to touch the accounts of friends and family members. However, the
11 supervisor who had most recently went through UAR training did not remember learning
12 about this prohibition, nor did he remember ethics training during his orientation.

13 2.43 In a report dated May 17, 2011, the State Auditor's Office detailed its
14 findings from an audit of the City of Seattle from July 1, 2009 through June 30, 2010. This
15 audit reported that the City "lacks adequate processes to monitor adjustments to accounts
16 that reduce amounts owed by utility customers" The audit identified the cause of the
17 inadequate monitoring: "While SPU intended to revise its reporting and monitoring of
18 adjustments based on prior auditor recommendations, the primary individual responsible
19 for this work retired and so the changes have not yet been implemented."

20 2.44 On June 7, 2011, the Seattle Times published an article reporting on the
21 State Auditor's findings that SPU lacked adequate controls over customer accounts,
22 resulting in potentially millions of dollars in lost revenue.

23 2.45 On December 2, 2011, SPU fired three employees and suspended a fourth
24 for making inappropriate CCSS transactions. Then, in March 2012, former SPU Project
25 Engineer, Joseph Phan, was arrested for stealing nearly \$1.1 million from SPU. Phan was

1 among the three employees fired on December 2. He began stealing from SPU in 2006 by
2 diverting money from water-main extension project into his own bank account. By
3 January 2011, he had stolen nearly \$1.1 million.

4 2.46 In response to the audit findings, SPU repeatedly made misleading claims
5 that it required employees to sign confidentiality agreements with ethics statements. First,
6 in December 2011, SPU claimed that it had already required employees with CCSS access
7 to sign confidentiality agreements that included an ethics statement. Later, a State
8 Auditor's report dated August 16, 2012 stated that SPU claimed that it required employees
9 with access to CCSS to sign confidentiality agreements with an ethics statement. Although
10 SPU created an updated confidentiality agreement with an ethics statement in September
11 2011, SPU only required a handful of employees to sign the updated agreement. At the
12 same time, SPU continued to distribute to other employees the earlier version of the
13 confidentiality agreement, without the ethics statement, as late as August 2012.

14 2.47 SPU also made misleading statements regarding the steps it took in
15 implementing policies to improve monitoring and control over CCSS account adjustments.
16 In a report dated August 16, 2012, the State Auditor's Office reported that SPU claimed it
17 had adopted a new policy and developed new procedures "that prohibit employees from
18 adjusting their own accounts or those of their families and friends." SPU claims that it
19 implemented CS-106, a policy prohibiting UARs from making transactions on their own
20 accounts and the accounts of friends, family members, and co-workers, in March 2011.
21 However, SPU retains no documentation of UARs acknowledging receipt of this policy.
22 More than one year later, SPU implemented procedure CS-106.1, outlining procedures by
23 which UARs should process transactions involving their own accounts or accounts of
24 friends, family members, and co-workers. Several SPU employees were unaware of the
25 existence of policy CS-106 until SPU distributed procedure CS-106.1 in July 2012.

1 2.48 As a result of the CCSS investigation, SPU disciplined or threatened to
2 discipline several UARs for allegedly improper transactions. The focus of disciplinary
3 action, or the threat of disciplinary action, was on persons of color, not on Caucasian
4 employees engaging in the same acts. No one working at Seattle City Light in the same
5 position was disciplined for engaging in the same acts.

6 2.49 Many, if not most, of the allegedly improper CCSS transactions for which
7 UARs were disciplined, or threatened with discipline, pre-dated July 2012, when SPU
8 distributed procedure CS-106.1. Prior to that date, SPU failed to adequately communicate
9 to UARs any policy that prohibited the employees making transactions on their own
10 accounts or the accounts of friends, family members, and co-workers.

11 2.50 SPU targeted persons of color, making them scapegoats for the misdeeds of
12 SPU managers, who had falsely claimed to the State Auditor and to the City Council for
13 more than a decade, that policies and procedures were in place to ensure that SPU
14 employees did not engage in self-dealing. This focus stems from the \$1.1 million
15 embezzlement by Mr. Phan in 2011.

16 2.51 Prior to filing this lawsuit, Maria Luisa Johnson, Carmelia Davis-Raines,
17 Cheryl Muskelly, Pauline Robinson, Elaine Seay-Davis, and Toni Williamson each
18 properly filed an administrative claim with the City of Seattle, which satisfied the
19 requirements of state law for persons who seek to sue the City of Seattle in court. For
20 each, at least sixty days has expired since the filing.

21 2.52 Seattle Public Utilities is liable for the actions of its employees and agents
22 under the doctrine of respondeat superior.

23 2.53 SPU has engaged in and is engaging in a continuing violation of the civil
24 rights of Maria Luisa Johnson, Carmelia Davis-Raines, Cheryl Muskelly, Pauline
25 Robinson, Elaine Seay-Davis, and Toni Williamson.

1 **Individual Allegations**

2 **Maria Luisa Johnson**

3 2.54 Ms. Johnson is a Filipina woman.

4 2.55 Ms. Johnson and her husband, Shaun Johnson, live in Shoreline. The
5 residence has a SCL account in Mr. Johnson's name with Ms. Johnson listed as co-
6 applicant. Neither Ms. Johnson nor Mr. Johnson have SPU accounts.

7 2.56 Ms. Johnson began working at SPU in April 2001. She was laid off in
8 sometime around October 2003 but rehired around May 2004. Ms. Johnson worked in the
9 Customer Service Branch as a UAR her entire tenure with SPU.

10 2.57 During her tenure with SPU, Ms. Johnson was recognized for the
11 exceptional quality of her work. From 2004 to the time her employment with SPU was
12 terminated, she has consistently met or exceeded expectations, evidenced by her
13 supervisors' ratings in her Employee Performance Reviews.

14 2.58 Sometime around July 2012, Ms. Johnson was notified of CS-106.1, a
15 procedure prohibiting employees from performing transactions on their own accounts, and
16 accounts of friends, family members, and other employees. This procedure was given to
17 Ms. Johnson while she was working at her desk. After reading and signing the procedure,
18 Ms. Johnson informed her supervisor, Alan Authers, that she made payment arrangements
19 on her own account in the past. Prior to receiving CS-106.1, Ms. Johnson believed that it
20 was permissible to make such transactions and that all other employees were doing so.

21 2.59 On November 13, 2012, Ms. Johnson was interviewed by Guillemette
22 Regan and Nancy Coyle regarding allegedly improper CCSS transactions and Ms.
23 Johnson's understanding of SPU and City policies.

1 2.60 On May 9, 2013, Ms. Johnson received a letter from Susan Sanchez, the
2 Customer Service Branch Deputy director, and an attached memorandum, notifying her
3 that she had been recommended for termination and placed on administrative leave. That
4 letter alleged that Ms. Johnson had violated the City’s Code of Ethics, SPU’s customer
5 account policies, and Workplace Expectations for Everyone. Ms. Johnson allegedly made
6 30 payment arrangements on her own account between October 2005 and June 2011, two
7 of which were after the supposed implementation of CS-106 in March 2011. Additionally,
8 Ms. Johnson allegedly violated the Ethics Code by waiving a \$10 late fee on her own
9 account in May 2005, although she would have otherwise been entitled to the adjustment.

10 2.61 The memorandum also alleged that Ms. Johnson made payment
11 arrangements for herself after failing two payment arrangements in a calendar year. The
12 memorandum claimed that this violated a policy. However, no such policy existed until
13 late 2012, and then it only applied to SCL.

14 2.62 On June 27, 2013, Ms. Johnson received a letter from Ray Hoffman,
15 notifying her of his decision to terminate her employment immediately.

16 2.63 The CCSS transactions that were the basis for Ms. Johnson’s termination
17 were made between May 25, 2005 and June 27, 2011—all before July 2012, when she was
18 notified of procedure CS-106.1.

19 **Toni Williamson**

20 2.64 Ms. Williamson is an African American woman.

21 2.65 Ms. Williamson was hired by the City of Seattle in 1992, working as a
22 Customer Service Representative with the Solid Waste Utility. Ms. Williamson became a
23 UAR I in 1998. In December 1999, Ms. Williamson earned a merit raise to UAR II. In
24 order to earn this raise, Ms. Williamson had to meet a minimum score on an evaluation
25 that included a test, an interview, and a monitoring session. As a UAR II, Ms. Williamson

1 was eligible to take on additional responsibilities and authority. Examples of additional
2 responsibilities include: assisting in training, working on escrow, assisting supervisors with
3 customer callbacks, taking escalated calls (customer calls that another UAR was unable to
4 settle), and opening or closing the call center.

5 2.66 During Ms. Williamson's time at SPU, she was recognized for the excellent
6 quality of her work. In 1994, she received a Solid Waste Utility Excellence in Service
7 Award as a member of the Customer Service Staff. In 2012, she was received an award
8 from Employee Recognition Program, recognizing her excellent work in 2011. Since
9 2002, Ms. Williamson has received positive performance reviews, consistently meeting or
10 exceeding expectations as reviewed by her supervisors.

11 2.67 Sometime around July 2012, Ms. Williamson was first notified of procedure
12 CS-106.1 during an aisle meeting. Prior to this, she had no notice of the procedure and she
13 believed that it was permissible to make CCSS transactions on her own account and that all
14 other employees were doing so.

15 2.68 At this meeting, Ms. Williamson discovered that there was also an older
16 policy. At a later meeting with her union, Ms. Williamson learned that SPU claimed it
17 emailed that policy to the workforce in 2011. Ms. Williamson never saw that policy. Prior
18 to 2012, no one told Ms. Williamson that there was a policy, gave her training on the
19 policy, and no one complained about UARs making adjustments to their own accounts or
20 the accounts of friends and family members. Ms. Williamson has no recollection of
21 receiving a UAR expectations document in 2011 that contained a prohibition against
22 making transactions on one's own account or the accounts of friends and family members.

1 2.69 On May 2, 2013, Guillemette Regan interviewed Ms. Williamson about
2 allegedly improper CCSS transactions that Ms. Williamson made. On June 20, 2013, Ms.
3 Williamson received a letter from Susan Sanchez, notifying her that she was recommended
4 for termination and was being placed on administrative leave, effective immediately.

5 2.70 On August 15, 2013, Ms. Williamson received a letter from Ray Hoffman,
6 informing her of his decision to terminate her employment immediately. That letter stated
7 that an SPU audit found that she had made 94 transactions on her own utility account and
8 the accounts of friends and relatives. These transactions amounted to “gross misuse of
9 [her] position, violation of the Ethics Code and SPU’s customer service policies.”

10 2.71 Mr. Hoffman’s letter emphasized that Ms. Williamson had made three types
11 of transactions with financial impacts on the accounts. First, she allegedly removed two
12 late fee penalties from her own account and twelve from the accounts of friends and family
13 members, nine of which violated the late-fee rebate policy. Second, she allegedly removed
14 a \$5.50 extra garbage charge from her own account and twelve such charges, totaling
15 \$137.50, from the account of a family friend without the corresponding service orders.
16 Finally, she allegedly made a payment arrangement on her own account, her sister’s
17 account, and 33 arrangements on her friend’s account. Ms. Williamson’s friend was
18 ineligible for 14 of those arrangements due to her failure to fulfill previous arrangements.

19 2.72 Ms. Williamson had no notice of an SPU policy that prohibited UARs from
20 making transactions on their own accounts until July 2012. The allegedly improper
21 transactions all took place between February 2001 and October 2010—well over a full year
22 before she was first notified of CS-106.

1 **Elaine Seay-Davis**

2 2.73 Ms. Seay-Davis is an African American woman.

3 2.74 Ms. Seay-Davis was hired by the City of Seattle Department of Health
4 Human Services as a temporary employee in November 1994. In December 1998, she
5 began working for SPU in the Customer Service Branch as a UAR. Ms. Seay-Davis
6 earned a merit raise to UAR II in December 1999. To earn this raise, Ms. Seay-Davis
7 passed an evaluation consisting of a test, an interview, and a monitoring session. As a
8 UAR II, Ms. Seay-Davis was eligible to take on additional responsibility and authority.

9 2.75 Ms. Seay-Davis was recognized for her exceptional work at SPU. Since
10 2000, she consistently met or exceeded standards, as reviewed by her supervisors in her
11 annual Employee Performance Reviews. Additionally, Ms. Seay-Davis was nominated for
12 consideration of an award through SPU's 2011 Employee Recognition Program.

13 2.76 Ms. Seay-Davis has physical disabilities as a consequence of multiple
14 sclerosis. She requested to work from home sometime around 2002 or 2003 as an
15 accommodation, and SPU granted her request roughly three years later, around September
16 2006. SPU provided Ms. Seay-Davis with a computer, phone, and a chair. Ms. Seay-
17 Davis received customer calls at home just as other UARs did at the SPU contact center.

18 2.77 When Ms. Seay-Davis began telecommuting, she still went to the contact
19 center to attend team meetings.

20 2.78 SPU failed to adequately communicate information from hour-long team
21 meetings and shorter aisle meetings to Ms. Seay-Davis. Sometime around 2012, Ms. Seay-
22 Davis's supervisor, Phil Blaser, retired. David Marshall became her new supervisor.
23 Around this time, she stopped getting notifications of meetings early enough to allow her
24 to arrange for a ride from Metro Access. SPU set up a speakerphone for team meetings to
25 allow Ms. Seay-Davis to listen in, but she couldn't hear everything that was said because

1 speakers at the meetings were often not facing the phone. Ms. Seay-Davis complained
2 about not being able to hear everything, but the problem was never fixed. SPU also
3 installed GoToMeeting technology to allow Ms. Seay-Davis to see what was being
4 displayed on the screen at these meetings, but SPU never used the system. Ms. Seay-Davis
5 would usually receive any written information through email. Later on, SPU used shorter
6 aisle meetings, usually lasting no longer than 15 minutes, to communicate information to
7 employees. SPU did not set up the speakerphone for these meetings. SPU communicated
8 information from the meetings to Ms. Seay-Davis either through email or phone, but did
9 not consistently do so for every meeting. Even when SPU did contact Ms. Seay-Davis, she
10 would only receive part of the information communicated at the meetings. Changes in
11 SPU policy requiring a signature were sent to Ms. Seay-Davis through email.

12 2.79 Sometime around July 2012, Ms. Seay-Davis was notified of procedure CS-
13 106.1. As best she can recall, the policy was emailed to her. She also received a “talking
14 points” document for an aisle meeting on July 17, 2012 that discussed procedure CS 106.1.
15 Prior to receiving notice of this policy, she believed it was permissible to make CCSS
16 transactions on the accounts of her friends and family members, and that all other
17 employees were making such transactions.

18 2.80 On April 11, 2013 Guillemette Regan interviewed Ms. Seay-Davis
19 regarding allegedly inappropriate CCSS transactions. On August 15, 2013, Ms. Seay-
20 Davis received a letter notifying her of her recommendation for termination and placement
21 on administrative leave. SPU’s stated reason for her termination was that an audit found
22 that she made 28 transactions on her own account; the account of her daughter, Teresa
23 Davis; and the account of her friend, Barbara Horne. Of those transactions, 9 were cited as
24 conferring a financial benefit upon the recipient. Three of those transactions were payment
25 arrangements for her daughter’s account between April 17, 2001 and July 26, 2002, and

1 the other six were payment arrangements on Ms. Horne's account between September 20,
2 2002 and November 12, 2010. All 9 of payment arrangements made on the accounts of
3 Teresa Davis and Barbara Horne allegedly violated the City's Ethics Code. SPU also
4 alleged that Ms. Seay-Davis violated its policies by making payment arrangements on her
5 daughter's account on July 25, 2002 and Ms. Horne's account on July 11, 2010 without
6 first receiving an initial payment.

7 2.81 Fearing her imminent termination, Ms. Seay-Davis filed her retirement
8 paperwork sometime around August 27, 2013. The effective date of her retirement was
9 around October 8, 2013.

10 2.82 Ms. Seay-Davis had no duty to stay employed in a discriminatory
11 environment, and had the right to quit (or retire) and sue under the WLAD.

12 2.83 Ms. Seay-Davis had no notice of an SPU policy prohibiting UARs from
13 performing transactions on the accounts of friends or family members until July 2012. The
14 allegedly improper transactions were all made between April 17, 2001 and November 12,
15 2010 – more than seven months before Ms. Seay-Davis was notified of CS-106.1.

16 **Carmelia Davis-Raines**

17 2.84 Ms. Davis-Raines is an African American woman.

18 2.85 Ms. Davis-Raines was hired by the City of Seattle in 1988. Sometime
19 around 1994, she started working as a Customer Service Representative. Ms. Davis-
20 Raines became a UAR in May 1999.

21 2.86 Ms. Davis-Raines earned a merit raise to UAR II in 2003. To earn this
22 raise, Ms. Davis-Raines passed an evaluation consisting of a test, an interview, and a
23 monitoring session. As a UAR II, Ms. Davis-Raines was eligible to take on additional
24 responsibility and authority.

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1 2.87 During Ms. Davis-Raines' time at SPU, she has been recognized for her
2 excellent quality of work. In 1994, she received a Solid Waste Utility Excellence in
3 Service Award as a member of the Customer Service Staff. Since 2002, Ms. Davis-Raines
4 has received positive reviews in her annual Employee Performance Reviews, consistently
5 meeting or exceeding expectations.

6 2.88 Ms. Davis-Raines was notified of procedure CS-106.1 either by email or
7 through the "portal page," but she does not remember exactly when. Sometime around
8 July 2012, she believes that she received a paper copy of what may have been CS-106.1.
9 Prior to being notified of CS-106.1, she did not know of any SPU policy that forbade
10 making transactions on her own account. She believed that all other employees were
11 making such transactions. She does not recall receiving a UAR expectations document in
12 2011 containing prohibitions on the kinds of transactions UARs could make.

13 2.89 Ms. Davis-Raines was recently informed that SPU claimed that it first
14 emailed out policy CS-106 in April 2011. Ms. Davis-Raines does not recall receiving this
15 email. Prior to July 2012, no one ever told her that there was a new policy, no one ever
16 gave her training on a new policy, and no one complained about UARs making
17 adjustments to their own accounts or the accounts of friends or family members.

18 2.90 Ms. Regan first interviewed Ms. Davis-Raines in December 2012, asking
19 about CCSS transactions made between 2002 and 2012 on the accounts of Ms. Davis-
20 Raines and her mother. Ms. Regan conducted a second interview on August 13, 2013.
21 When Ms. Davis-Raines declined to disclose additional information, Ms. Regan terminated
22 the interview and Susan Sanchez came into the room and read her recommendation for a
23 three-day suspension.

24 2.91 On August 13, 2013, Ms. Davis-Raines received a letter from Ms. Sanchez,
25 notifying her that she had been recommended for a three-day suspension without pay. This

1 suspension was based upon an audit finding that Ms. Davis-Raines performed 17
2 transactions on utility accounts belonging to herself and her mother, all of which allegedly
3 violated the City's Code of Ethics. Of these transactions, three had a financial impact: the
4 creation of two payment arrangements and the removal of one late fee on her mother's
5 account, all between 2004 and 2005.

6 2.92 A memorandum attached to Ms. Sanchez's letter noted that the three
7 transactions with financial impacts were otherwise consistent with payment arrangement
8 and late fee rebate policies. Auditors also found 80 payment arrangements set up on Ms.
9 Davis-Raines' account between 2001 and 2012. Of those arrangements, 67 "failed for lack
10 of sufficient payment or carry-forward of incomplete payment arrangements."
11 Additionally, in February 2011, a co-worker created a payment arrangement while Ms.
12 Davis-Raines' account was in shut-off status without the required 75% down payment.

13 2.93 On October 17, 2013, Ms. Davis-Raines received a letter from Ray
14 Hoffman, notifying her of his decision to impose a one-day suspension from work without
15 pay. This letter cited the basis for the disciplinary action as the 17 transactions that
16 allegedly violated the City's Code of Ethics and the three transactions on Ms. Davis-
17 Raines' mother's account that had a financial impact. The letter noted that the number of
18 payment arrangements on Ms. Davis-Raines' own account was not the basis for discipline.

19 2.94 The allegedly improper CCSS transactions that were the basis for Ms.
20 Davis-Raines' suspension took place in 2004 and 2005—several years before SPU created
21 CS-106 and notified Ms. Davis-Raines of the policy.

22 **Cheryl Muskelly**

23 2.95 Ms. Muskelly is an African American woman.

24 2.96 Ms. Muskelly was hired by the City of Seattle in 1990 as an Administrative
25 Specialist with the Solid Waste Utility. In 1993, she began working as a Customer Service

1 Representative. In 1998, she became a UAR I with newly formed SPU. She continued to
2 work as a UAR until the time of her retirement in 2013.

3 2.97 During Ms. Muskelly's tenure with SPU, she was recognized for her high-
4 quality work. In 1994, she was a part of the Customer Service Staff that was nominated
5 for a 1994 Excellence in Service Award given out by the Solid Waste Utility. Since 2003,
6 she consistently met or exceeded standards, as evidenced by her supervisors' reviews in
7 her yearly Employee Performance Reviews.

8 2.98 Ms. Muskelly was informed of CS-106.1 sometime around July 2012. As
9 best as she can recall, a paper copy of the policy was placed on her desk, but was taken
10 away before she had an opportunity to see it. She also recalls there being an aisle meeting
11 around the same time, but cannot recall what was discussed at the meeting. Prior to
12 learning about CS-106.1, Ms. Muskelly believed that there was no SPU policy or
13 procedure that prohibited UARs from making transactions on their own accounts. Ms.
14 Muskelly believed all other employees were making such transactions.

15 2.99 Ms. Muskelly later learned that SPU claimed to have emailed a policy to the
16 workforce in April 2011. She does not recall seeing that policy—it may have been buried
17 in all the other emails she would get during the day. Prior to July 2012, no one told her
18 there was a new policy, gave her training on the new policy, or complained about UARs
19 making adjustments to their own accounts or the accounts of friends and family members.

20 2.100 Sometime around April 2013, Ms. Muskelly had a meeting with Debra
21 Russell concerning possible policy violations. At that time, Ms. Muskelly was told that
22 she would have another meeting to follow up about those allegations. At the follow-up
23 meeting, Ms. Regan accused Ms. Muskelly of performing two kinds of improper
24 transactions. First, she alleged that Ms. Muskelly made a yard waste container request on
25 the account of her son, Thurston Delane Muskelly II, despite the fact that he never had an

1 account with the city. There was no money associated with the transaction. Second, Ms.
2 Regan claimed that Ms. Muskelly made payment arrangements upon the account
3 associated with a rental property owned by her husband, Thurston Edward Muskelly. This
4 property was acquired by Mr. Muskelly prior to their marriage. There were several
5 arrangements for the utilities accounts in the names of the tenants.

6 2.101 SPU policy did not require residential accounts to be in the name of the
7 property owner until July 2011, and even then, the policy would not be effective until the
8 tenants then living at the residence moved out.

9 2.102 On May 11, 2013, Ms. Muskelly's mother was involved in a major
10 accident. Consequently, Ms. Muskelly went on FMLA to help with her mother's care.
11 While caring for her mother, Ms. Muskelly began hearing from fellow SPU employees
12 about management investigating and disciplining employees.

13 2.103 Fearing her possible termination and potential loss of benefits, Ms.
14 Muskelly decided to retire. She filed her notice of retirement, naming her last day of work
15 as May 10, 2013. Ms. Muskelly remained on FMLA until July 2, 2013, which was the
16 date of her retirement.

17 2.104 Ms. Muskelly had no duty to stay employed in a discriminatory
18 environment, and had the right to quit (or retire) and sue under the WLAD.

19 2.105 The allegedly improper CCSS transactions took place between 2010 and
20 July 2011. These were all before Ms. Muskelly had notice of CS-106.1 in July 2012.

21 **Pauline Robinson**

22 2.106 Ms. Robinson is an African American woman.

23 2.107 Ms. Robinson was hired by the City of Seattle in 1990, where she worked
24 for Seattle Municipal Court in case prep and collections. Ms. Robinson transferred to SPU
25 in 1997, where she worked in the Customer Service Branch as a UAR.

1 2.108 Ms. Robinson's tenure with SPU, she had never been subjected to
2 discipline.

3 2.109 Sometime in 2011, during a team meeting, Ms. Robinson's team was
4 informed of a policy prohibiting UARs from making transactions on their own accounts or
5 accounts of friends or family members.

6 2.110 In late 2011 or early 2012, Ms. Robinson signed a document, which had
7 been presented to her by management, that said she could not make transactions on her
8 own account or the accounts of family members, friends, or other employees. After
9 discussing this matter with her union representative, Ms. Robinson signed a form
10 acknowledging her receipt of the document. Before this, Ms. Robinson had not seen or
11 signed any such policy.

12 2.111 SPU claimed that it emailed a policy to the workforce in April 2011. But
13 Ms. Robinson never saw this policy—it must have been buried under all the other emails
14 she got during the day. Prior to the 2011 team meeting, no one told her that there was a
15 new policy, trained her on a new policy, or complained about UARs making adjustments
16 on their own accounts or the accounts of friends or family members.

17 2.112 In late March 2013, Ms. Robinson's supervisor told her that Debra Russell
18 wanted to speak with her. At that meeting, Ms. Robinson was informed that she was being
19 investigated and would have another meeting to discuss the matter further. About two
20 weeks later, Ms. Robinson had a meeting with Guillemette Regan, who informed Ms.
21 Robinson that she was being investigated for making inappropriate transactions. Ms.
22 Regan accused Ms. Robinson of making transactions on the accounts of her daughter,
23 Angela Kent, and her friend, Patricia Ballard.

24 2.113 On information and belief, Ms. Regan said that Ms. Robinson made a
25 payment arrangement on her daughter's account in 2003 and Ms. Ballard's account in

1 2001. Ms. Robinson was surprised to hear that she was being investigated for transactions
2 she had made so long ago. Ms. Robinson did not believe any policy prohibited those
3 transactions at the time.

4 2.114 In June 2013, Ms. Robinson heard that Toni Williamson had been fired for
5 allegedly making improper transactions. Knowing Ms. Williamson's exemplary record,
6 Ms. Robinson felt certain that she was going to be fired as well. Because Ms. Robinson
7 feared losing her retirement benefits, and also because the stress was aggravating her
8 existing health problems, she decided to retire. Ms. Robinson filed for retirement
9 sometime around early June 2013, with the last day working for SPU July 2nd.

10 2.115 Ms. Robinson had no duty to stay employed in a discriminatory
11 environment, and had the right to quit (or retire) and sue under the WLAD.

12 2.116 The transactions that formed the basis for SPU's investigation into Ms.
13 Robinson occurred between 2001 and 2003—eight years before SPU even claimed that it
14 initially implemented CS-106.

15 16 **III. CAUSES OF ACTION**

17 3.1 Each plaintiff realleges paragraphs one and two of the complaint, and
18 hereby incorporates the same by reference.

19 3.2 The facts set forth above state a claim against Seattle Public Utility/ City of
20 Seattle for intentional discrimination against each individual plaintiff in violation of the
21 Washington Law Against Discrimination, RCW 49.60 *et al.* for harassment, disparate
22 treatment and retaliation.

23 3.3 The facts set forth above state a claim against Seattle Public Utility/ City of
24 Seattle for discrimination against each individual plaintiff in violation of the Washington
25 Law Against Discrimination, RCW 49.60 for disparate impact.

1 3.4 The facts set forth above state a claim against Ray Hoffman for intentional
2 supervisor discrimination against plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis,
3 Robinson, and Williamson in violation of the Washington Law Against Discrimination,
4 RCW 49.60 *et al.* for harassment, disparate treatment and retaliation.

5 3.5 In the alternative, the facts set forth above state a claim against Ray
6 Hoffman for aiding, abetting, encouraging, or inciting the commission of an unfair
7 [discriminatory] practice against plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis,
8 Robinson, and Williamson in violation of the Washington Law Against Discrimination,
9 RCW 49.60.220 for harassment, disparate treatment and retaliation.

10 3.6 The facts set forth above state a claim against Debra Russell for intentional
11 supervisor discrimination against plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis,
12 Robinson, and Williamson in violation of the Washington Law Against Discrimination,
13 RCW 49.60 *et al.* for harassment, disparate treatment and retaliation.

14 3.7 In the alternative, the facts set forth above state a claim against Debra
15 Russell for aiding, abetting, encouraging, or inciting the commission of an unfair
16 [discriminatory] practice against plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis,
17 Robinson, and Williamson in violation of the Washington Law Against Discrimination,
18 RCW 49.60.220 for harassment, disparate treatment and retaliation.

19 3.8 The facts set forth above state a claim against Susan Sanchez for intentional
20 supervisor discrimination against plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis,
21 Robinson, and Williamson in violation of the Washington Law Against Discrimination,
22 RCW 49.60 *et al.* for harassment, disparate treatment and retaliation.

23 3.9 In the alternative, the facts set forth above state a claim against Susan
24 Sanchez by plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis, Robinson, and
25 Williamson for aiding, abetting, encouraging, or inciting the commission of an unfair

1 [discriminatory] practice in violation of the Washington Law Against Discrimination,
2 RCW 49.60.220 for harassment, disparate treatment and retaliation.

3 3.10 The facts set forth above state a claim against Guillemette Regan for
4 intentional supervisor discrimination against plaintiffs Johnson, Davis-Raines, Muskelly,
5 Seay-Davis, Robinson, and Williamson in violation of the Washington Law Against
6 Discrimination, RCW 49.60 *et al.* for harassment, disparate treatment and retaliation.

7 3.11 In the alternative, the facts set forth above state a claim against Guillemette
8 Regan by plaintiffs Johnson, Davis-Raines, Muskelly, Seay-Davis, Robinson, and
9 Williamson for aiding, abetting, encouraging, or inciting the commission of an unfair
10 [discriminatory] practice in violation of the Washington Law Against Discrimination,
11 RCW 49.60.220 for harassment, disparate treatment and retaliation.

12
13 **IV. PRAYER FOR RELIEF**

14 WHEREFORE, each individual plaintiff prays for relief as follows:

15 4.1 Damages for back pay, front pay, lost benefits, and medical expenses in an
16 amount to be proved at trial;

17 4.2 Damages for loss of enjoyment of life, pain and suffering, mental anguish,
18 emotional distress, injury to reputation, and humiliation;

19 4.3 Prejudgment interest in an amount to be proved at trial;

20 4.4 Reasonable attorney's fees and costs;

21 4.5 A permanent injunction for each plaintiff;

22 4.6 Declaratory relief for each plaintiff;

23 4.7 Compensation for the tax penalty associated with any recovery; and

24 4.8 Whatever further and additional relief the court shall deem just and
25 equitable.

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V. DEMAND FOR JURY

5.1 Plaintiffs hereby demand that this case be tried before a jury of twelve.

Respectfully submitted this 5th day of February, 2015.

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