

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
DIVISION OF JUDGES
SAN FRANCISCO BRANCH OFFICE

MI PUEBLO FOODS

and

Case 32-CA-064836

THE UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 5

Angela Hollowell-Fuentes, Esq.

for the Acting General Counsel.

Patrick W. Jordan, Esq. (Jordan Law Group)

for the Respondent.

David A. Rosenfeld, Esq. (Weinberger, Roger & Rosenfeld)

for the Charging Party.

DECISION

Statement of the Case

Mary Miller Cracraft, Administrative Law Judge. This case was heard in Oakland, California, on February 27, 2012. The charge was filed by United Food and Commercial Workers Union, Local 5 (Charging Party or Union) on September 19, 2011. On November 30, 2011, the National Labor Relations Board (NLRB or Board) issued a complaint alleging that Mi Pueblo Foods (Respondent) violated Section 8(a)(1) of the National Labor Relations Act (the Act)¹ by interrogating two employees on separate occasions regarding their union sympathies and voting intentions, as well as threatening one of those employees that he would likely not be promoted if the Union came in. Respondent filed a timely answer denying that it engaged in any of the unfair labor practices alleged.

On the entire record, including my observation of the demeanor of the witnesses,² and after considering the briefs submitted, I make the following

¹ 29 U.S.C. Sec.158(a)(1).

² Credibility resolutions have been made based on a review of the entire record and all exhibits in this proceeding. Witness demeanor and inherent probability of the testimony have been utilized to assess credibility. Testimony contrary to my findings has been discredited on some occasions because it was in conflict with credited testimony or documents or because it was inherently incredible and unworthy of belief.

Findings of Fact

I. Jurisdiction and Labor Organization Status

5 Respondent, a California corporation, operates a chain of retail grocery stores throughout Northern California. During the 12 months preceding issuance of the complaint and at all material times, it has received gross revenues in excess of \$500,000 and during the same period has purchased and received goods valued in excess of \$5000 directly from sources
10 outside the State of California. Respondent admits, and I find, that Respondent is engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act. I further find, and Respondent admits, that United Food and Commercial Workers Local 5 (the Union) is a labor organization within the meaning of Section 2(5) of the Act.

15 II. Facts

A. Background

20 Respondent operates a chain of 21 retail grocery stores throughout Northern California with a total staff of approximately 1,500 employees. The two stores involved here are store #20, the Gilroy store, and store #11, the Hayward store.³

25 In approximately July 2009, the Union was present for an anti-Mi Pueblo demonstration at the opening of Respondent's East Palo Alto Store. After learning of the demonstration, Respondent decided to implement a series of training programs which would educate management in union avoidance strategies. The training sessions were conducted first in approximately February 2010, and then continued later on into that summer.

30 In approximately February 2011, another demonstration occurred at Respondent's Oakland store where 15 to 20 individuals affiliated with a religious group came into the store chanting and disrupting business. This triggered the Respondent to establish a procedure and policy regarding how supervisors should manage union or other disruptions in stores. The new procedure incorporated a term called "Code 6." Code 6 was a nondescript announcement that could be made over the store's PA system to notify the management team that demonstrators
35 had entered the store. On hearing Code 6, the management team would then place themselves in certain locations throughout the store so as to be in position to observe and document any misbehavior by the demonstrators. Management was instructed that employees should do nothing in Code 6 situations unless they acted voluntarily. During these trainings, Respondent also provided management with the acronym "TIPS," which was to help remind managers not to
40 threaten, interrogate, promise, or surveil in regard to employee union or other protected activity .

45 ³ During roughly the same time as the events in this proceeding, another unfair labor practice charge was brought against Respondent regarding its distribution center by the International Brotherhood of Teamsters, Local 853, a/w Change to Win. Pursuant to the resultant unfair labor practice hearing, the administrative law judge found that Respondent engaged in unfair labor practices within the meaning of Sec. 8(a)(1) and (5) when it failed to bargain with the Union regarding route and schedule changes, subcontracting work, reducing the frequency of deliveries, and changing how products were delivered from one of its vendors, thus resulting in the permanent layoff of six employees. See decision of Administrative Law
50 Judge Eleanor J. Laws, JD(SF)-06-12 (Feb. 9, 2012)

Beginning in approximately April 2011, management was authorized and encouraged to tell employees about Code 6 so they would be aware of the term and the associated procedure.

B. Conversation between Carlos Zepeda and Rogelio Marquez

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Rogelio Marquez worked for Respondent as a dairy clerk at the Gilroy store, store #20, until he was laid off in July 2011 due to low sales. While employed by Respondent, his immediate supervisor was Carlos Zepeda, the store's grocery manager. Beginning in January 2011, Marquez was introduced to the Union by a friend, signed a union card, and began reporting details about the Gilroy store to the Union. Marquez also went to union meetings, and by April and May 2011 he was discussing the Union with coworkers. Through all of this, however, Marquez made sure to keep his union affiliations secret from Respondent.

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In April 2011, Carlos Zepeda attended the training meetings regarding TIPS and Code 6. According to Zepeda's testimony, he was instructed during those meetings to tell his employees that they were to do nothing in the event of a Code 6 announcement. Soon after attending the meetings, Zepeda was informed by Store Director Jose Luis Fernandez that Respondent had authorized the disclosure of Code 6 procedures to employees by management. That same day, during working time, Zepeda took Marquez aside to speak with him about Code 6. Later in the day, Zepeda spoke to the remaining employees about Code 6. These employees were not present in the store at the same time as Marquez.

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According to Marquez, the conversation with Zepeda took place at around 1:30 p.m. in front of the deli and lasted approximately 30 to 50 minutes. Zepeda began the conversation by explaining to Marquez that the Union was getting interested in Respondent. Then Zepeda asked for Marquez's watch, at which point he told Marquez he would sell it to him for \$100. Marquez protested that it was his watch, but Zepeda responded that Marquez had no proof or documentation. Zepeda then proceeded to explain to Marquez that the Union would take his money in a similar fashion by promising him benefits he already had.

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Zepeda next asked Marquez if he would attend a union vote, and if so, who he would vote for: "Would you go to a voting to vote in favor or against the Union?"⁴ He told Marquez that it would be good for him to vote if he were against the Union because his vote would favor Respondent and the process would appear democratic. Zepeda then told Marquez that if the Union came in they would manage promotions according to seniority, and given Marquez' recent hire date, it would not be easy for him to get any promotions. Zepeda and Marquez had discussed the possibility of a promotion to the position of assistant manager earlier in February 2011. Zepeda confirmed in his testimony that such a position was available, that he had interviewed Marquez for the position, and as of the hearing date, the position had not yet been filled. Zepeda stated that in February, he told Marquez that he had his resume and the door would still be open for Marquez. Finally, Zepeda concluded the conversation by telling Marquez that if he saw anybody from the Union come into the store he should announce "Code 6" over the PA system to notify the supervisors.

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⁴ Respondent also notes that in his affidavit, Marquez described Zepeda's words as, "Zepeda asked me whether I would go and vote if there was an election. I told him I would be neutral. He kept asking me if I would vote. He told me that it was important to go to the vote because if I was against the Union, my vote could make the difference." Marquez agreed that his affidavit stated as indicated. Marquez did not alter his testimony, however, that Zepeda stated, "Would you go to a voting to vote in favor or against the Union?"

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Marquez testified that later that same day he contacted Union Representative Gerardo Dominguez and told him about the conversation he had with Zepeda regarding the Union. Dominguez confirmed the call in his testimony, explaining that it occurred in early April, and that during the call Marquez told him that Zepeda used Marquez' watch to explain how the Union would take his money. Dominguez also testified that Marquez then told him that Zepeda said the Union would inhibit Marquez from getting a promotion because of seniority standards.

According to Zepeda, the conversation occurred around 12 p.m. in front of the taqueria and deli, and lasted only about 15 minutes. Zepeda further testified that this was not a usual place to have such meetings. During the conversation, Zepeda told Marquez the details of Code 6, and said that if he heard "Code 6" over the PA system, Marquez should do nothing. Marquez then asked Zepeda questions about the Union, including how much he would have to pay the Union if they came into the store. Zepeda told Marquez that he did not know but that when he was previously involved with unions, he paid around \$575 to join and then \$60 to \$80 per paycheck for dues. Then Marquez asked Zepeda what he advised him to do in regard to joining the Union. Zepeda expressed that the choice was up to Marquez. Zepeda denied ever speaking to Marquez about his watch, union voting, promotions, or using the PA system for "Code 6" situations. Further, Zepeda denied knowledge of union elections or seniority.

Zepeda also testified that later that same day, at approximately 3 p.m., he had a similar meeting with several other employees, one of whom was Gonzalo Olmos, in the warehouse area. Zepeda stated that the meeting lasted approximately 10 to 15 minutes, and that all he and the employees discussed were the procedures associated with a Code 6 announcement. Olmos gave testimony confirming the meeting, and stated that Zepeda only talked to them about Code 6, that Zepeda told him employees did not have to do anything if "Code 6" was called, and that Zepeda did not ask him how he felt about the Union at all.

C. Conversation between Gustavo Camacho and Florentino Piña

Florentino Piña worked for Respondent as a butcher in the meat department at the Hayward store, store #11, until he was fired in June 2011 due to his slow performance. Piña supported the Union, and in April and May 2011, Piña discussed the Union with 8 or 10 of his coworkers. In these conversations, Piña was careful not to let supervisors overhear because the employees feared they would be discharged if they were heard talking about the Union.

At all relevant times in 2011, Gustavo Camacho was the store director at the Hayward store. Between March and August of 2011, Camacho attended training meetings held by Respondent which instructed managers on TIPS and Code 6. Camacho testified that in regard to Code 6, he was taught that only management should respond to such a call and that employees should not get involved.

According to Piña, in approximately April or May 2011, he had a conversation with Camacho in the parking lot of the Hayward store that lasted about 5 to 10 minutes. Camacho initiated the conversation while loading groceries into his car with Janet [last name unknown]. Piña testified that Janet was the cashier manager or the cashiers' supervisor, or perhaps head cashier or lead cashier. During the conversation, Camacho asked Piña what he thought about the Union and why. Piña responded that he thought the Union was "advisable" because it would ensure that the employees got fair pay, holidays, and benefits. Camacho then explained to both Piña and Janet that the Union would take \$3 to \$4 an hour from their paychecks and that they would be working for the Union. Piña responded by saying that was not true, and that at most the Union would take only one or two percent in dues. Camacho told Piña that it was his decision but that he advised against it. At some point during the conversation, Janet recounted

that she had a sister-in-law who worked at Costco and had a union, and that she was doing well for herself in the Union. At the end of the conversation, Camacho told Piña he could do whatever he wanted regarding the Union, but to get back to work in the mean time.

5 Piña told Union Representative Gerardo Dominguez about the conversation after he was fired. Dominguez testified that Piña told him about a conversation he had with Camacho in the parking lot where Camacho questioned Piña about his ideals and support for the Union.

10 Camacho confirmed having a conversation with Piña in the parking lot of the Hayward Store in approximately April or May 2011. According to Camacho however, he was just about to leave the store in his car when Piña approached him and began complaining about something that Camacho could not definitely recall. Piña also told Camacho about his other job at Safeway where the employees had recently "bought [the union] out" because they were not getting raises. Camacho told Piña, "Okay. That's good. Good for you," and that was the end of the
15 conversation. Camacho denied that he was loading groceries during the conversation although he agreed he sometimes brought home groceries at the end of his shift. Camacho, who identified Janet as the front-end manager, denied that Janet was present for the conversation, and that anything more about the Union was ever discussed. Both Piña and Camacho recall only ever having this one conversation in the parking lot of the store.

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III. Credibility Resolution

25 As between Marquez and Zepeda's testimony, I credit Marquez based upon his demeanor, inherent probability and reasonable inferences on the record as a whole. Not only did Marquez answer questions clearly, but he also gave an accurate recollection in regard to context and detail. Additionally, Dominguez confirmed unique aspects of Marquez' story, which without being used to prove the truth of the matter asserted, at least shows consistency in Marquez' testimony. Thus I find that Zepeda asked Marquez, "Would you go to a voting to vote in favor or against the Union?" Furthermore, while I find it unlikely that the conversation between
30 Marquez and Zepeda lasted 30-50 minutes, I do not find that this compromises the substance of Marquez' testimony. It is natural for an employee in a one-on-one situation with a high ranking manager to feel nervous and thus have misconceived notions of time. Zepeda presented himself as an articulate, knowledgeable witness with a stellar history of rise through the ranks of Respondent's hierarchy. However, he was sometimes abrupt in his testimony and gave little
35 detail. Further, I note that though Zepeda was trained in union avoidance and knew the acronym TIPS, this is not dispositive of the possibility that he interrogated or threatened Marquez. Finally, I reject Respondent's invitation to find corroborative the testimony of an employee who attended an afternoon meeting with Zepeda to the effect that there was no interrogation or threat in that meeting.

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45 As between Piña and Camacho, I credit Piña based upon his demeanor, the contextual content of the testimony, and inherent probability. Piña's testimony showed great attention to detail and a forthright statement of the facts. Additionally, Piña answered questions clearly and respectfully, and without argumentation. Camacho on the other hand was rigid, and his recall was occasionally lucid but more typically vague. Particularly notable was the fact that Camacho could not recall what Piña was saying to him at the beginning of the conversation, but could then remember with detail how he responded to Piña and everything that was communicated afterwards. Furthermore, Camacho's version of the conversation seems improbable given its lack of purpose and its abrupt closure. Finally, I find it unlikely in the circumstances that an
50 employee would testify about the presence of a third person during the parking lot conversation especially a person with a managerial title unless that third person was actually a part of the conversation.

Counsel for the General Counsel argues that an adverse inference should be drawn based on the fact that Janet failed to appear as a witness. Similarly, Respondent argues that Piña should be discredited because he did not tell union representative Dominguez that Janet was a part of the conversation and did not attempt to find out Janet's last name. Piña identified Janet as the "cashier manager," the "cashiers' supervisor," "head cashier," and "lead cashier." Camacho, who as store director might have better knowledge of Janet's title, described her as the "front-end manager" and stated that she sometimes assisted in closing the store. Based upon the title "front-end manager" and the duty of "sometimes" closing the store, it is not possible to affirmatively find that Janet was a supervisor or agent within the meaning of Sec. 2(11) or (13) of the Act. Thus, because the record does not indicate whether Janet was a member of management or not, I cannot reasonably assume that Janet would be favorably disposed to testify in favor of Respondent. Therefore, Respondent's failure to call her as a witness to corroborate its version of the events does not create an adverse inference. See generally, *Roosevelt Memorial Medical Center*, 348 NLRB 1016, 1022 (2006) (failure to call witness who is agent of party may lead to adverse inference that if witness were called, testimony would not be favorable to party).

IV. Analysis

A. Interrogation of Marquez

In *Rossmore House*, 269 NLRB 1176, 1177-78 (1984), enfd. sub nom. *Hotel Employees Local 11 v. NLRB*, 760 F.2d 1006 (9th Cir. 1985), the Board ruled that the appropriate means to decide whether the questioning of an employee amounted to unlawful interrogation was to consider the totality of the circumstances of each situation. As guiding principles for the analysis, the Board suggested—though did not mandate—the application of the factors used in *Bourne v. NLRB*, 332 F.2d 47, 48 (2d Cir. 1964). *Rossmore House* at 1178 fn. 20. These factors include (1) the background of the employer, (2) the nature of the information sought, (3) the identity of the questioner, (4) the place and method of interrogation, and (5) the truthfulness of the reply. *Bourne* at 48. While these factors provide insightful assistance, they “are not to be mechanically applied in each case.” Instead, the Board has found that the task is ultimately “to determine whether under all the circumstances the questioning at issue would reasonably tend to coerce the employee at whom it is directed so that he or she would feel restrained from exercising rights protected by Section 7 of the Act.” *Medcare Associates, Inc.*, 330 NLRB 935, 940 (2000). The *Rossmore House* test is an objective one and does not rely on the subjective aspect of whether the employee was in fact intimidated. *Multi-Ad Services*, 331 NLRB 1226, 1227-1228 (2000), enfd. 255 F.3d 363 (7th Cir. 2001).

Upon considering the totality of the circumstances, including the *Bourne* factors, I conclude that Respondent, through Grocery Manager Carlos Zepeda, unlawfully interrogated Marquez in violation of Section 8(a)(1) of the Act. The evidence shows that at the time of the conversation, Respondent had become the focus of much union activity, and as a result, was attempting to avoid the Union. Further, Zepeda was Marquez' immediate supervisor, and confirmed in his testimony that he had the power to promote Marquez. This relationship paired with the unusual meeting place in front of the deli, the private nature of the conversation, and the fact that the conversation began with Zepeda taking Marquez' watch, created an inherently coercive atmosphere. Finally, Zepeda questioned Marquez directly about his voting intentions with the Union, and then expressed an opinion regarding how Marquez should vote. Further, because I find below that Zepeda also threatened Marquez during this same conversation, I find this questioning rises to the level of unlawful interrogation in violation of Section 8(a)(1).

B. Interrogation of Piña

On considering the totality of the circumstances, including the *Bourne* factors, I conclude that Respondent, through Store Director Gustavo Camacho, unlawfully interrogated Piña in violation of Section 8(a)(1). The evidence shows that Camacho held one of the highest management positions in the Hayward store and that Piña was significantly lower in rank. Additionally, Camacho initiated the conversation in the store parking lot, which appears to be an uncommon meeting place. Camacho immediately began the conversation by asking Piña how he felt about the Union and why. On explaining his sympathies, Camacho then listed negative aspects of union affiliation and concluded by telling Piña that he advised against the Union. At the end of the conversation, Camacho told Piña to get back to work, thus re-establishing his authority. All of these factors indicate a coercive situation resulting in an unlawful interrogation in violation of Section 8(a)(1).

C. Threat regarding Promotion

The Supreme Court in *NLRB v. Gissel Packing Co.*, 395 U.S. 575, 618 (1969), established that an employer may express its general views about unionism, or specific views about a particular union, so long as the communications do not contain a threat of reprisal or force. The Court explained further that an employer could even make a prediction as to the effects unionization will have on their company, so long as that prediction is based on objective facts and is in regard to things beyond the present control of the employer.

In the present case, Zepeda made the statement that Marquez would likely not be promoted if the Union came in because of the Union's seniority standards. I find that this was an implicit threat, and therefore a violation of Section 8(a)(1) of the Act.

The evidence does not show that Zepeda's statement was based on any reasonably calculated objective facts, and because the statement implicitly carried a threat of reprisal against Marquez if he voted for the Union, the statement would reasonably be understood as a threat. Indeed, Zepeda directly admitted later in his testimony that he had no personal knowledge of seniority standards within the Union, losing Respondent any protections thought feasible through *Gissel Packing Co.* See, e.g., *Presidential Riverboat Casinos*, 329 NLRB 77 (1999)(statement that wages might possibly be decreased if the union were elected would reasonably be understood as a threat that employer might retaliate by reducing wages); *Ed Chandler Ford*, 254 NLRB 851, 852, 858 (1981), enfd. in pertinent part 718 F.2d 892 (9th Cir. 1983) (statement that collective bargaining would probably result in loss of bonuses, not based on objective fact, constituted threat of loss of bonuses if union won election).

Additionally, I note *Metro One Loss Prevention Services Group*, 356 NLRB No. 20, slip op at 1 (2010), in which the employer said to an employee "[You] need to be grateful for the number of years that [you] have been working with Metro and for [your] pay rate . . . it could get much worse in the event the Union comes in." The Board found that the statement coercively conveyed to the employee that "he would be jeopardizing his job security and current wage rate by supporting the Union," and was thus an unlawful threat. Similarly, in the case at hand, Zepeda coercively conveyed to Marquez that his current chances of promotion would be jeopardized if he supported the Union. I find such a statement to be an unlawful threat under Section 8(a)(1) of the Act.

Conclusions of Law

1. By interrogating two employees on separate occasions about their union sympathies,
 Respondent, Mi Pueblo Foods, Inc., has engaged in unfair labor practices affecting commerce
 within the meaning of Section 8(a)(1) and Section 2(6) and (7) of the Act.

2. By threatening an employee that he would likely not be promoted if the Union came in,
 the Respondent violated Section 8(a)(1) of the Act.

Remedy

Having found that the Respondent has engaged in certain unfair labor practices, I find
 that it must be ordered to cease and desist and to take certain affirmative action designed to
 effectuate the policies of the Act.

On these findings of fact and conclusions of law and on the entire record, I issue the
 following recommended⁵

ORDER

The Respondent, Mi Pueblo Foods, in various locations in Northern California, its
 officers, agents, successors, and assigns, shall

1. Cease and desist from

(a) Coercively interrogating any employee about union support or union activities.

(b) Threatening employees with possible adverse consequences of joining a
 union.

(c) In any like or related manner interfering with, restraining, or coercing
 employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act.

(a) Within 14 days after service by the Region, post at its Northern California
 retail grocery stores copies of the attached notice marked "Appendix."⁶ Copies of
 the notice, on forms provided by the Regional Director for Region 32, after being
 signed by the Respondent's authorized representative, shall be posted by the
 Respondent and maintained for 60 consecutive days in conspicuous places
 including all places where notices to employees are customarily posted. In

⁵ If no exceptions are filed as provided by Sec. 102.46 of the Board's Rules and
 Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec.
 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed
 waived for all purposes.

⁶ If this Order is enforced by a judgment of a United States court of appeals, the words in the
 notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted
 Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the
 National Labor Relations Board."

5 addition to physical posting of paper notices, the notices shall be distributed
electronically, such as by email, posting on an intranet or an internet site, and/or
other electronic means, if the Respondent customarily communicates with its
employees by such means. Reasonable steps shall be taken by the Respondent
to ensure that the notices are not altered, defaced, or covered by any other
material. In the event that, during the pendency of these proceedings, the
Respondent has gone out of business or closed the facility involved in these
10 proceedings, the Respondent shall duplicate and mail, at its own expense, a
copy of the notice to all current employees and former employees employed by
the Respondent at any time since April 2011.

15 (b) Within 21 days after service by the Region, file with the Regional Director a
sworn certification of a responsible official on a form provided by the Region
attesting to the steps that the Respondent has taken to comply.

Dated, Washington, D.C., June 21, 2012

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Mary Miller Cracraft
Administrative Law Judge

APPENDIX

NOTICE TO EMPLOYEES

Posted by Order of the
National Labor Relations Board
An Agency of the United States Government

The National Labor Relations Board has found that we violated Federal labor law and has ordered us to post and obey this Notice.

FEDERAL LAW GIVES YOU THE RIGHT TO

Form, join, or assist a union
Choose representatives to bargain with us on your behalf
Act together with other employees for your benefit and protection
Choose not to engage in any of these protected activities

WE WILL NOT coercively question you about your union support or activities.

WE WILL NOT threaten you with potential consequences for supporting a union.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights guaranteed you by Section 7 of the Act.

MI PUEBLO FOODS

(Employer)

Dated _____ By _____
(Representative) (Title)

The National Labor Relations Board is an independent Federal agency created in 1935 to enforce the National Labor Relations Act. It conducts secret-ballot elections to determine whether employees want union representation and it investigates and remedies unfair labor practices by employers and unions. To find out more about your rights under the Act and how to file a charge or election petition, you may speak confidentially to any agent with the Board's Regional Office set forth below. You may also obtain information from the Board's website: www.nlr.gov.

1301 Clay Street, Federal Building, Room 300N

Oakland, California 94612-5211

Hours: 8:30 a.m. to 5 p.m.

510-637-3300.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE

THIS NOTICE MUST REMAIN POSTED FOR 60 CONSECUTIVE DAYS FROM THE DATE OF POSTING AND MUST NOT BE ALTERED, DEFACED, OR COVERED BY ANY OTHER MATERIAL. ANY QUESTIONS CONCERNING THIS NOTICE OR COMPLIANCE WITH ITS PROVISIONS MAY BE DIRECTED TO THE ABOVE REGIONAL OFFICE'S COMPLIANCE OFFICER, 510-637-3270.