

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD**

SHANDS JACKSONVILLE MEDICAL CENTER, INC.

and

Case 12-CA-026649

AMERICAN FEDERATION OF STATE, COUNTY,
AND MUNICIPAL EMPLOYEES, COUNCIL 79, AFL-CIO

and

Case 12-CA-027197

AMERICAN FEDERATION OF STATE, COUNTY,
AND MUNICIPAL EMPLOYEES, LOCAL 1328, AFL-CIO

and

Case 12-CA-026829

DELLA HIGGINBOTHAM, an Individual

**ACTING GENERAL COUNSEL'S ANSWERING BRIEF TO RESPONDENT'S
CROSS-EXCEPTIONS TO THE ADMINISTRATIVE LAW JUDGE'S DECISION**

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I. STATEMENT OF THE CASE

Administrative Law Judge Ira Sandron (the ALJ) issued his Decision in these cases on July 3, 2012, reported at JD-35-12. The only case at issue is Case 12-CA-026649, which involves allegations that Shands Jacksonville Medical Center, Inc. (Respondent) violated Section 8(a)(1) of the Act by, at all material times, maintaining an overly broad no-distribution policy prohibiting employees from engaging in unauthorized distribution of written or printed material of any description and that, on or about February 12, 2010,¹ Respondent violated Section 8(a)(1) and (3) of the Act by discharging employee Mishaun Palmer because she violated Respondent's overly broad no-distribution policy and because she engaged in union activities by distributing union literature in her capacity as a steward for American Federation of State, County and Municipal Employees, Council 79, AFL-CIO (Council 79) and American Federation of State, County and Municipal Employees, Local 1328, AFL-CIO (Local 1328). Council 79 and Local 1328 are herein collectively referred to as the Union.

Judge Sandron properly found that Respondent violated Section 8(a)(1) of the Act by maintaining and enforcing an overly broad no-distribution policy which required employees to obtain permission to engage in any distribution activity. [ALJD, p. 16, ln. 37-39]²

On July 31, 2012, Counsel for the Acting General Counsel filed exceptions to the ALJ's Decision and a brief in support of exceptions.³ On August 14, 2012, Respondent filed cross-exceptions and a supporting brief. Respondent raises three issues in its cross-exceptions. First, Respondent asserts an alternative basis for dismissal of the allegation that Respondent

¹ All dates are in 2010, unless otherwise noted.

² The following references will be used throughout this document:

[ALJD p. __, ln. __] = ALJD page and line numbers.

[TR __] = transcript page number.

[GC Ex __] = General Counsel's exhibit number.

[R Ex __] = Respondent's exhibit number.

³ Counsel for the Acting General Counsel's exceptions and brief in support of exceptions concern the ALJ's recommendation to dismiss the allegation that Respondent violated Section 8(a)(1) and (3) of the Act by discharging Mishaun Palmer on February 12. Respondent filed an answering brief to the exceptions.

unlawfully discharged Mishaun Palmer, in addition to the ALJ's rationale that dismissal is warranted based on deferral to the arbitration award denying Palmer's discharge grievance under *Spielberg/Olin*. Thus, Respondent argues that the Board is required to respect Arbitrator Potter's Award and is without jurisdiction to nullify or vacate it. Second, Respondent argues in its cross-exceptions that Palmer perjured herself before the ALJ on a central issue and that such action precluded her from receiving any reinstatement or make-whole remedy. Finally, Respondent asserts that the ALJ erred by finding that Respondent maintained an overly broad no-distribution rule in violation of Section 8(a)(1) of the Act.

II. THE BOARD DOES NOT LACK JURISDICTION TO NULLIFY THE ARBITRATOR'S DENIAL OF BACKPAY AND INTERIM SENIORITY ACCRUAL. (CROSS-EXCEPTIONS 1 AND 2)

In its cross-exceptions 1 and 2, Respondent argues that, independent of the Board's deferral policy under *Spielberg/Olin*, the Board is required to respect or give comity to Arbitrator Potter's Award and is without jurisdiction to nullify or vacate it. Respondent argues that Arbitrator Potter's award is based on Palmer's post-discharge "perjury" at the arbitration hearing, and that the arbitrator has "exclusive jurisdiction" to impose such a penalty. However, even if Palmer lied at the arbitration hearing, the lie occurred after Respondent discharged Palmer. Nothing in the collective-bargaining agreement gives an arbitrator the right to penalize employees for lying to an arbitrator or for other conduct at the arbitration hearing, or to create any basis for ruling other than as specified in the agreement. [R Ex. 35]. To the contrary, the collective-bargaining agreement strictly limits arbitrators to the interpretation of the specific terms of the parties' agreement. Thus, the agreement states, in relevant part, at Article 8.3.B.2 [R Ex. 35, page 14]:

Any decision or award of the arbitrator shall be strictly limited to the interpretation of specific terms of this Agreement, and to a determination of (a) whether the grievance is arbitrable, and (b) whether a specific provision of this Agreement was violated as alleged in the written grievance. The arbitrator shall not explicitly or implicitly change, add to or delete any of its terms and conditions. The arbitrator shall review the Employer's action and shall determine whether it is based upon competent, substantial evidence; if it is,

it shall be upheld. The arbitrator's decision shall be final and binding upon all parties.

Emphasis added.⁴

The Board should reject Respondent's position that the Board does not have the authority to nullify the penalty imposed by Arbitrator Potter based on his finding that she lied at the arbitration hearing. As Respondent acknowledges, the Board has primacy with respect to adjudicating unfair labor practice issues. It is clear under Board law that the Board has the authority to find that Arbitrator Potter's award is repugnant to the Act because Respondent discharged Palmer for engaging in protected conduct and her post-discharge conduct could not have been relied on by Respondent when it decided to discharge her. Respondent's reliance on the court decisions in *Building Materials & Construction Teamsters Local 216 v. Granite Rock Co.*, 851 F.2d 1190 (9th Cir. 1988) and in *Eichleay Corp. v. International Assoc. of Bridge, Structural, & Ornamental Iron Workers*, 944 F.2d 1047 (3d Cir. 1991) is misplaced. Those decisions involved situations where the Board had already ruled. In *Granite Rock*, the Ninth Circuit determined that a contractual issue that had not been decided by the Board was arbitrable. In *Eichleay*, the Third Circuit determined that a portion of the arbitration award did not conflict with the Board Order. Thus, neither of these cases raises the issue of whether the Board may refuse to defer to an arbitration award concerning the same issue that is squarely before the Board, as in the case at bar, where both the arbitrator and the Board are considering the validity of Respondent's discharge of Palmer, albeit based on different standards. Thus, the issue before the arbitrator was whether Palmer was discharged for cause [R Ex. 30, page 2 of

⁴ Respondent also argues that Arbitrator Potter's denial of certain relief was based in part on conduct in the workplace that is clearly unprotected (lying during the Respondent's internal investigation). However, as fully set forth in Section III.B.2.c and d at pages 25 to 31 of Acting General Counsel's brief in support of exceptions, at the time it discharged Palmer, Respondent did not assert that her alleged lie during its internal investigation was grounds for her discharge. Rather, Respondent's reference to falsification of records in Palmer's discharge notice referred to the fact that she did not clock out for union business, which the arbitrator determined was not required because she only distributed literature to three people, in a matter of seconds.

11], whereas the issue before the Board is whether Respondent was discharged because she engaged in union activity.

Respondent's argument is also flawed because it presumes that Arbitrator Potter's denial of backpay and interim seniority was not based on Palmer's protected activities.⁵ Respondent contends that Palmer lied during its investigation of her conduct and that lying is not protected conduct. However, as discussed in the Acting General Counsel's exceptions, Palmer's alleged lie about the date and time that she engaged in protected conduct by distributing union literature, was in response to a coercive interrogation by Dan Kurmaskie, Respondent's director of patient access in the admissions department, as to whether Palmer had distributed union literature in the workplace, and is itself protected conduct. The Board has found that type of questioning to be coercive.⁶ *United Services Automobile Association*, 340 NLRB 784, 786 (2003). In addition, although the ALJ found that Palmer distributed literature in a work area during work time, her conduct was protected in view of Respondent's reliance on its overly broad no distribution rule, which prohibits "[u]nauthorized distribution of written or printed material of any description."⁷ See *The Continental Group, Inc.*, 357 NLRB No. 39 (2011); see also the discussion of Respondent's no distribution rule in Section IV, *infra*.

Respondent concedes that, if Arbitrator Potter's award denying backpay and seniority was based on Palmer's protected activities, it "would readily acknowledge that an ostensible Board order would effectively override this denial of relief for the simple reason that the Board is predominant when it comes to determining section 7 issues."⁸ Since Arbitrator Potter's denial of backpay and seniority was indeed based on Palmer's protected conduct, the award is repugnant to the Act.

⁵ See the bottom of page 13 of Respondent's brief in support of cross-exceptions.

⁶ See page 40 of the Acting General Counsel's brief in support of exceptions for a complete analysis of this position.

⁷ See pages 15 to 18 of the Acting General Counsel's brief in support of exceptions for a complete analysis of this position.

⁸ See the bottom of page 13 of Respondent's brief in support of cross-exceptions.

Accordingly, Respondent's cross-exceptions 1 and 2 are without merit and should be denied.

III. THERE WAS NO FINDING THAT PALMER COMMITTED PERJURY AND HER DISCREDITED TESTIMONY IS NOT A BASIS TO DENY HER A FULL BOARD REMEDY. (CROSS-EXCEPTION 3)

In cross-exception 3, Respondent contends that Palmer perjured herself before the ALJ on a central issue and that such action precludes her from receiving any reinstatement or make-whole remedy. However, there is no rational basis for Respondent's argument. In particular, there is no finding that Palmer committed perjury in the legal sense of that term. In this regard, title 18 U.S.C. section 1621 defines perjury as testimony given "willfully and contrary to such oath", and on "any material matter which he does not believe to be true." In addition, to find that perjury has been committed requires proof "beyond a reasonable doubt." Obviously, neither the arbitrator nor the ALJ used that standard in discrediting Palmer's testimony. There has been no finding that Palmer committed perjury.⁹

Respondent argues that the Board should change the law and deny Palmer backpay even if it finds she was unlawfully discharged, because she falsely testified in a Board proceeding. However, not only has there been no perjury finding regarding Palmer's testimony, but, as Respondent concedes, under current case law, Palmer should not be disqualified from receiving backpay if the Board finds that the deferral to the arbitrator's decision is not appropriate.

In *ABF Freight System, Inc.*, 304 NLRB 585, 589-591, 600 (1991), the Board found that although discriminatee Manso lied to the employer about the reason for his lateness (and later repeated the lie when testifying at the hearing before the ALJ), the employer did not discharge him because he lied, and instead discharged him (on August 21, 1989) for unlawful reasons

⁹ Acting General Counsel contends, in Exception 14, that the ALJ incorrectly implied that Palmer committed perjury because the ALJ and the arbitrator found other witnesses to be more credible than Palmer and partially discredited her testimony where in conflict with the testimony of other witnesses. [ALJD, p. 15, ln. 15- 42].

under the Act. As later discussed by the Supreme Court in the same case, the Board ordered the employer to reinstate Manso with backpay, notwithstanding his lie to the employer and his subsequent repeating of that lie in his testimony before an ALJ. *ABF Freight System, Inc. v. NLRB*, 510 U.S. 317 (1994). The Supreme Court held that although false testimony is intolerable in a formal proceeding, Section 10(c) of the Act expressly delegates to the Board the primary responsibility for making remedial decisions, including awarding reinstatement with backpay, that best effectuate the policies of the Act when the Board has found an unfair labor practice, and that courts must give the Board's decision controlling weight unless it is arbitrary, capricious, or manifestly contrary to the Act. 510 U.S. at 322-325. Thus, the Supreme Court determined that the Board's reinstatement and backpay order was not an abuse of its broad discretion, and that the Board was not obligated to adopt a rigid rule that would foreclose relief in comparable cases. 510 U.S. at 325.

In the case at bar, Palmer was not the only one whose testimony was partially discredited by the ALJ. Thus, the ALJ discredited certain critical testimony of Respondent's witness Kurmaskie, particularly as to Kurmaskie's assertions that the falsification violation alleged in Palmer's discharge notice referred to her written denial, in response to Respondent's internal investigation, that she had engaged in distribution of union literature on February 4, and that this was the leading reason that Respondent discharged Palmer. [ALJD, p. 4, ln. 7-30; ALJD, p. 9, ln. 32-45]. Respondent's discharge form issued to Palmer does not state that she lied in her statement submitted to Respondent pursuant to its inquiry about her conduct on February 4. [TR 358; R Ex 2]. This is also similar to the facts of the *ABF Freight* case, where the Supreme Court noted the fact that some of the employer's witnesses had also been discredited, and that it would be obviously unfair to deny remedies to discriminatee Manso while indirectly rewarding the lack of candor of the employer's witnesses. 510 U.S. at 525.

For the foregoing reasons, Respondent's cross-exception 3 is without merit and should be denied

IV. RESPONDENT MAINTAINED AN OVERLY BROAD NO-DISTRIBUTION RULE IN VIOLATION OF SECTION 8(a)(1) OF THE ACT. (CROSS-EXCEPTIONS 4 AND 5)

In its cross-exceptions 4 and 5, Respondent asserts that the ALJ erred by finding that Respondent maintained an overly broad no-distribution rule in violation of Section 8(a)(1) of the Act. Contrary to Respondent's assertions, the record fully supports the ALJ's conclusion that Respondent's no-distribution rule violated Section 8(a)(1) of the Act.

The Board has held that an employer violates Section 8(a)(1) of the Act when it maintains a work rule that reasonably tends to chill employees in the exercise of their Section 7 rights. *Lafayette Park Hotel*, 326 NLRB 824, 825 (1998). The Board's standard in evaluating work rules is set forth in *Lutheran Heritage Village-Livonia*, 343 NLRB 646, 646 (2004):

In determining whether a challenged rule is unlawful the Board must.... give the rule a reasonable reading. It must refrain from reading particular phrases in isolation and it must not presume improper interference with employee rights. Consistent with the foregoing, our inquiry into whether the maintenance of a challenged rule is unlawful begins with the issue of whether the rule explicitly restricts activities protected by Section 7. If it does, we will find the rule unlawful.

If the rule does not explicitly restrict activity protected by Section 7, the violation is dependent upon a showing of one of the following: (1) employees would reasonably construe the language to prohibit Section 7 activity; (2) the rule was promulgated in response to union activity; or (3) the rule has been applied to restrict the exercise of Section 7 rights.

The Board has long held that employer rules that prohibit the distribution of literature by employees during work time and in work areas are not facially unlawful, whereas employer rules which prohibit distribution by employees in non-work areas during non-work time are overly broad on their face and violate Section 8(a)(1) of the Act. *Stoddard-Quirk Mfg. Co.*, 138 NLRB 615 (1962). Moreover, a no-distribution rule which prohibits "unauthorized" distribution is overly broad because it precludes protected Section 7 activity during non-work time in non-work areas. *Ridgeview Industries*, 353 NLRB 1096, 1112 (2008), citing *Lafayette Park Hotel*, 326 NLRB 824, 825 (1998); *Stoddard-Quirk*, 138 NLRB at 616.

In the instant case, at all material times, including during February 2010, Respondent has maintained policy HR-02-010 titled “Employee Corrective Action,” which was initially approved in December 2002, revised in May 2007 and last reviewed in March 2009. [TR 37; R Ex 6] That policy has been in effect since at least 2004, when Director of Labor Relations Dan Staifer started working for Respondent. [TR 55-57] Pages 5 to 8 of HR-02-010 consist of “Employee Corrective Action Guidelines.” [R Ex 6] HR-02-010 applies to all of Respondent’s employees, and is accessible to all employees on Respondent’s intranet computer system called Infonet, which was in effect as of February 2010. [TR 57-58] In addition, Respondent requires all new employees to review all policies at the start of their employment. [TR 58]. In its discharge notice to Palmer, Respondent cited “Class II, no. 4 Unauthorized distribution of written or printed materials of any description and HR 02-019” as the no-distribution rules based on which it discharged Palmer. [R Ex. 2]. “Class II, no. 4” is stated on page 6 of HR-02-010, and is part of Respondent’s below-quoted “Employee Corrective Action Guidelines:”

Class II – Offenses or Deficiencies

.....

4. Unauthorized distribution of written or printed material of any description.

.....

Prescribed Corrective Action

1st Occurrence: Written reprimand and/or suspension from duty of up to three (3) days without pay.

2nd Occurrence: Termination of employment

The level of corrective action, even for a first occurrence is determined by the seriousness and circumstances of the incident. In some cases, termination even for a first occurrence is appropriate.

[R Ex 6, p. 6]

The no-distribution rule portion of HR 02-010 explicitly prohibits employees from engaging in Section 7 activities in three ways, and therefore there is no need to apply the three-pronged *Lutheran Heritage Village-Livonia* analysis. First, HR 02-010, Class II, #4 prohibits employee distribution at all times, and fails to permit distribution during non-work time such as before or after work or during breaks. Second, it prohibits employees from engaging in

distribution of literature everywhere on Respondent's premises, and fails to permit distribution in non-work areas. Third, that rule only permits employees to distribute literature that is "authorized" by management, and therefore further interferes with employees' Section 7 rights. *Stoddard-Quirk Mfg. Co.*, supra.

Respondent also has in effect a no-distribution rule entitled HR-02-019, which states:

POLICY: Shands Jacksonville does not allow solicitation of any kind during working time or at any time during non-working time in patient care or patient access areas of Shands Jacksonville. No distribution other than that required for the normal operation of Shands Jacksonville is allowed during working time or in working areas of the Hospital or grounds. Working time includes time that employees (including both the person doing the solicitation and the person to whom it is directed) are actually on duty.

PROCEDURE:

A. Solicitation, Distribution and Sale of Items by employees and non-employees on the Shands Jacksonville campus

.....

2. The sale, distribution or demonstration of products, articles or materials by an employee for personal gain is strictly prohibited.
3. Violators of this policy should be reported immediately to the responsible cost center Director/Manager and the Chief Human Resource Officer/designee. Employees violating the policy will be subject to corrective action.

[R Ex 7]

Thus, although not alleged as unlawful in the complaint, HR 02-019 prohibits all distribution of articles or materials by an employee on Respondent's entire property for personal gain. The words "article," "materials," and "personal gain" are not defined. "Article" and "materials" commonly include such items as literature and other items communicating a message, such as union pins. "Personal gain" is reasonably construed to include gains by multiple persons acting in concert, such as employees who each personally gain wage increases through collective bargaining. Therefore, HR 02-019 arguably violates Section 8(a)(1) of the Act, independently from HR 02-010, because employees would also reasonably construe

HR-02-019 to prohibit Section 7 activity. *Lutheran Heritage Village-Livonia*, 343 NLRB 646, 646 (2004).

The mere existence of an overbroad policy chills employees' exercise of their Section 7 rights, even if the employer no longer intends to enforce the unlawful restriction. See *The Continental Group, Inc.*, 357 NLRB No. 39, slip op. at 3 (2011); *Alaska Pulp Corp.*, 300 NLRB 232, 234 (1990), enfd. 944 F.2d 909 (9th Cir. 1991); *Brunswick Corp.*, 282 NLRB 794, 795 (1987). Accordingly, the ALJ was correct in finding that Respondent has maintained and is currently maintaining an overly broad no-distribution rule, in violation of Section 8(a)(1) of the Act.

Respondent argues that the collective bargaining agreement contains a lawful rule that permits employees to distribute literature in non-work areas and non-patient care areas during non-work time. Respondent further contends that the collective bargaining agreement overrides inconsistent rules or policies and that, because employees are presumed to be familiar with the collective bargaining agreement, clear notice has been given.

The Acting General Counsel acknowledges that the rule concerning distribution in the collective-bargaining agreement is lawful.¹⁰ However, even if it is determined that employees would not reasonably construe HR 02-019 as being overly broad, that does not negate the

¹⁰ The agreement states, at Article 3.2.A, in relevant part:

The Union, its representatives, agents, members, or any persons acting on their behalf agree that the following acts are expressly prohibited:

2. The circulation or passing of any petition or notices or other printed material among employees during working time is prohibited.

3. The distribution of any literature, pamphlets or other material in a hospital work area is likewise prohibited.

5. This no-solicitation/no-distribution rule does not apply to employees during break periods and meal times, or other specified periods during the work day when employees are properly not engaged in performing their work tasks. However, those portions of this rule prohibiting distribution in work areas and prohibiting solicitation in immediate patient care areas continue to apply even during such non-working time.

unlawful overbreadth of the no-distribution rule stated in the Employee Corrective Action policy, HR 02-010.

First, employees who read the Employee Corrective Action policy, HR -02-010, may not read HR 02-019 and/or the collective-bargaining agreement. Second, employees who read both of the human resources policies and procedures, HR 02-010 and HR 02-019, and even those who also read the collective-bargaining agreement, will likely construe the no-distribution rules in a way that is overly broad. Thus, HR 02-019 prohibits distribution during work time and in work areas, but does not expressly permit distribution during non-work time or in non-work areas, and, most significantly, does not permit “unauthorized distribution,” which is expressly prohibited in HR 02-010. Similarly, although the collective-bargaining agreement expressly permits distribution during non-work time, it does not expressly permit distribution in non-work areas, and, most significantly, it does not permit “unauthorized distribution,” which is expressly prohibited in HR 02-010. Hence, even employees who read all of Respondent’s no-distribution rules would reasonably construe them to require Respondent’s permission before engaging in distribution, and thus overly broad. Third, even if an employee views the rules as contradicting one another, he or she will reasonably seek to abide by the broadest rule, HR 02-010, which is clearly unlawful, if they wish to avoid discipline. Finally, Respondent’s treatment of Palmer shows that Respondent is enforcing the clearly overly broad policy, HR 02-010, notwithstanding the existence of HR 02-019 and the collective-bargaining agreement. In summary, whether viewed together or separately, Respondent’s no-distribution rules are overly broad and violate Section 8(a)(1) of the Act.¹¹

Accordingly, Respondent’s cross-exceptions 4 and 5 do not withstand scrutiny and should be denied.

¹¹ It is also noted that the Union does not represent all of Respondent’s employees and thus the unrepresented employees to whom HR 02-010 and HR 02-019 apply, would have no reason to believe that the lawful no-distribution rule in the collective-bargaining agreement applies to them.

V. CONCLUSION

The Acting General Counsel respectfully requests that the Board deny Respondent's cross-exceptions in their entirety because they are without merit .

DATED at Tampa, Florida, this 12th day of September, 2012.

Respectfully submitted,

/s/ Rafael Aybar

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Certificate of Service

I hereby certify that copies of the **ACTING GENERAL COUNSEL'S ANSWERING BRIEF TO RESPONDENT'S CROSS-EXCEPTIONS TO THE ADMINISTRATIVE LAW JUDGE'S DECISION** in Case 12-CA-026649 et al. was served on the 12th day of September 2012, on the following persons and by the following means:

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Respectfully submitted,

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