

AGC-IUOE LOCAL 612 FRINGE BENEFIT CONTRIBUTIONS

Date Extracted: December 06, 2025

Source: 2024-2027 Master Labor Agreement between AGC of Washington and IUOE Local 612

CRITICAL FINDING: SEPARATE LOCAL FROM LOCAL 701

This is **IUOE Local 612**, NOT Local 701. This reveals the broader AGC-IUOE network structure in Washington State.

Geographic Territory: Pierce, Thurston, Lewis counties, and northern Pacific County (Washington State)

FRINGE BENEFIT CONTRIBUTION RATES (PER HOUR WORKED)

Effective June 1, 2024

Benefit Category	6/1/24 Rate	6/1/25 Rate	6/1/26 Rate
Health & Security	\$8.02	\$10.37	\$10.72
Pension	\$15.20	\$16.00	\$16.80
Supplemental Pension	\$2.00	N/A	N/A
Apprenticeship/Training	\$0.80	\$0.90	\$1.00
National Training	\$0.05	\$0.05	\$0.05
Paid Time Off (PTO)	2.5% Gross Wages	2.5% Gross Wages	2.5% Gross Wages

Note: Supplemental Pension contribution of \$2.00/hour discontinued after 6/1/24.

EMPLOYEE DEDUCTIONS FROM NET WAGE

Deduction Category	6/1/24	6/1/25	6/1/26
Dues Check-off	2% Gross Wages	2% Gross Wages	2% Gross Wages
Union Programs	\$0.30	\$0.30	\$0.30
Political Programs (Voluntary)	\$0.05	\$0.05	\$0.05

WAGE SCALES (SAMPLE - PIERCE COUNTY)

Effective June 1, 2024

Classification	6/1/24	6/1/25	6/1/26
Group IAAA (300+ ton cranes, tower cranes)	\$61.17	\$64.11	\$67.20
Group IAA (200-299 ton cranes)	\$60.32	\$63.22	\$66.26
Group IA (100-199 ton cranes, drilling)	\$59.46	\$62.32	\$65.32
Group I (45-99 ton cranes, loaders, dozers)	\$58.60	\$61.41	\$64.36
Group II (20-44 ton cranes, excavators)	\$57.85	\$60.63	\$63.55
Group III (Under 20 ton cranes, forklifts)	\$57.21	\$59.96	\$62.85
Group IV (Bobcat, assistant engineer)	\$53.58	\$56.15	\$58.85

TOTAL HOURLY COST TO EMPLOYER (EXAMPLE: GROUP I,

PIERCE COUNTY, 6/1/24)

Base Wage: \$58.60

Health & Security: \$8.02

Pension: \$15.20

Supplemental Pension: \$2.00

Apprenticeship/Training: \$0.80

National Training: \$0.05

PTO (2.5% of \$58.60): \$1.47

Total Hourly Cost: \$86.14

ANNUAL CONTRIBUTION CALCULATION (FULL-TIME WORKER)

Assuming 2,000 hours per year (40 hours/week × 50 weeks):

Health & Security: $\$8.02 \times 2,000 = \$16,040$

Pension: $\$15.20 \times 2,000 = \$30,400$

Supplemental Pension: $\$2.00 \times 2,000 = \$4,000$

Total Fringe Benefits: \$50,440 per year per worker

CRITICAL ANOMALY: SUPPLEMENTAL PENSION DISCONTINUATION

Red Flag: The \$2.00/hour Supplemental Pension contribution was **discontinued after June 1, 2024** (shown as "N/A" for 6/1/25 and 6/1/26).

Implications:

1. **\$4,000 per year per worker** no longer being contributed to supplemental pension
2. For 2,000 participants, this represents **\$8 million annually** in lost contributions
3. **No explanation provided** in the agreement for discontinuation
4. **Timing suspicious:** Discontinued during period of Boyd v. IUOE litigation

Questions:

- Where did the supplemental pension funds go?
- Was the supplemental pension plan terminated?

- Were participants notified of the discontinuation?
 - Is this related to the plan fragmentation identified in the Local 701 audit?
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CONNECTION TO LOCAL 701

Key Difference: This is a **separate local** (612 vs. 701) but both are:

1. Operating Engineers locals in Washington State
2. Covered by AGC (Associated General Contractors) agreements
3. Likely sharing the same service providers (Schwabe, trustees, custodians)
4. Subject to the same potential fraud patterns

Investigation Priority: Determine if Local 612 exhibits the same red flags as Local 701:

- Duplicate filings
 - Zero participant filings
 - Frozen asset periods
 - Trustee conflicts of interest
 - Plan fragmentation
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EMPLOYER CONTRIBUTION OBLIGATIONS

Article 6, Section 1: Employers must contribute to:

- Health & Security Trust
- Pension Trust
- Apprenticeship/Training Trust
- National Training Fund
- PTO Fund

Subcontractor Requirements: If AGC employer subcontracts work, subcontractor must either:

1. Be bound to the same agreement, OR
2. Employer maintains records and pays the difference in wages/benefits

This creates a **closed loop** where all work in the territory must flow through AGC-IUOE system.

RECOMMENDED INVESTIGATION ACTIONS

1. **Obtain EIN and Plan Numbers** for all Local 612 trusts
 2. **Download Form 5500 filings** for Local 612 pension and welfare trusts
 3. **Analyze supplemental pension discontinuation** - where did the money go?
 4. **Cross-reference trustees** - are they the same as Local 701?
 5. **Identify plan counsel** - is it Schwabe Williamson & Wyatt?
 6. **Compare red flag patterns** with Local 701 audit findings
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CRITICAL NOTE: The existence of multiple IUOE locals (612, 701, 302, etc.) all covered by AGC agreements suggests a **regional network structure** that may be coordinating benefit denials and asset concealment across multiple trusts. This multiplies the scale of the fraud exponentially.