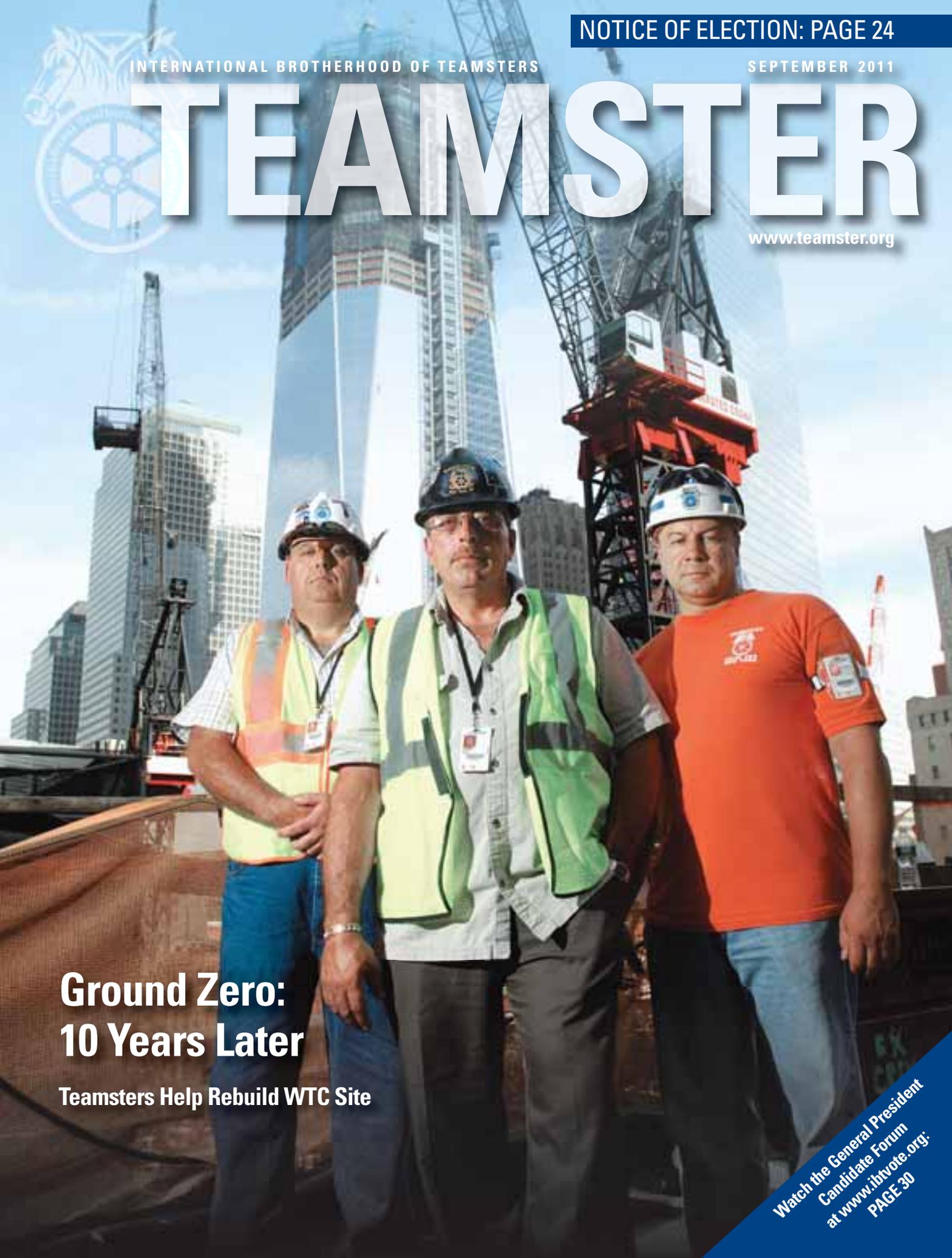


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Ground Zero: 10 Years Later

Teamsters Help Rebuild WTC Site

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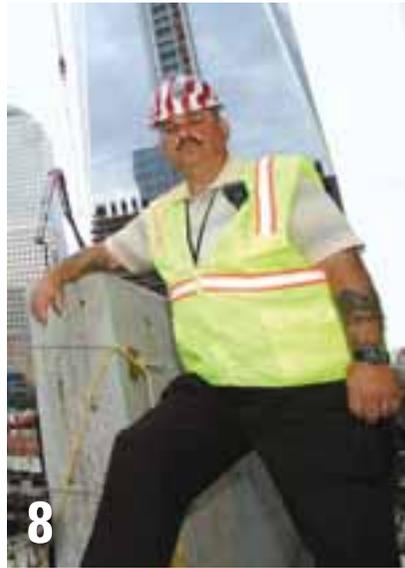
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NEVER FORGET

A MESSAGE FROM GENERAL PRESIDENT JAMES P. HOFFA

On Sept. 11, 2001, our nation was forever changed.

By flying planes into the World Trade Center and the Pentagon, our enemies launched an attack that stunned and horrified every American. But what that attack also accomplished was to show the world the unity, courage and resolve of the American people.

Our nation is the great melting pot. In times of need, we come together regardless of our many different backgrounds. We find strength in each other no matter what our religious beliefs are. Whatever our path, we share a bond. We are Americans. We believe in freedom, democracy and the pursuit of happiness. And there is no question that these values are worth defending.

Everyday Heroes

Ten years ago, policemen, firefighters, emergency medical technicians and other first responders marched into harm's way with no thought for their own safety. Sadly, many of them sacrificed their own lives trying to save others. Now those same everyday heroes are under attack again—this time in our nation's statehouses.

Anti-worker politicians are blaming public employees for our economic crisis and trying to bust their unions as payback to their corporate benefac-

tors. Across the country, unionized public employees are being assailed as overpaid and lazy and attempts are being made to roll back benefits and protections that took generations to win. It is truly disgraceful. Our nation's public employees were there for us when we needed them, now it's our turn to be there for them.

National Priorities

The attacks on Sept. 11 brought into focus issues that are not just critical to working families, but our national security as well. For more than a decade, the Teamsters have battled to keep unsafe, uninspected Mexican trucks off our highways. It makes no sense that our government spends millions on airport security to keep nail clippers off airplanes while 53-foot trailers enter our southern border without being inspected.

As a country, our priorities need to get straightened out. We need to be committed to protecting middle-class working families. We need to be committed to protecting national security. And we need to be committed to protecting what few good jobs we have left in this country. That's not being protectionist, it is simply good old-fashioned common sense.





After Long Struggle, Plan to Restructure Company is Complete

For three years, Teamster freight members at YRC Worldwide Inc. (YRCW) companies have made many sacrifices to help the company survive, and those efforts paid off in July when a plan to restructure the company and make it viable was successfully completed.

“The completion of the restructuring is a significant accomplishment in our efforts to preserve good jobs,” said Jim Hoffa, Teamsters General President. “Make no mistake, this transaction will help strengthen YRCW and, most importantly, save more than 25,000 Teamster jobs at the company.”

Hoffa said it has been a long, difficult road for workers at YRC, Reddaway, Holland and New Penn. The plan boosts liquidity for the company and provides it with new borrowing power. The plan also brought in a new CEO, CFO and board of directors.

“Our members’ significant sacrifices, support and hard work laid the foundation for the comprehensive restructuring that infused new capital, created additional liquidity, reduced debt and installed a new CEO and board,” Hoffa said. “Because of the restructuring, YRCW will now have the cash to focus on operations and a new CEO and board to implement its operating plan. With these difficult three years behind us, we can look forward to a brighter future.”

The transaction provides a large boost in liquidity via a \$100-million new-money investment as well as expanded availability from the company’s asset-based lending facilities. It gives YRCW a runway to build on the positive momentum developed over the last eight months. In addition to the financial benefits of the transaction, the company has appointed an entirely new board of



directors, including two representatives nominated by the Teamsters. A new CEO also joined YRCW.

“General President Hoffa and I are proud that this important transaction has closed and our members’ jobs and benefits will be protected,” said Tyson Johnson, Director of the National Freight Division. “The Teamsters Union and its members look forward to being a part of YRCW’s future growth and success. Over the next several

months, Teamster leaders and our board representatives will work with the new management team to help guide YRCW’s sustained success and build on this momentum.”

As part of the transaction, the Teamsters Union and TNFINC have negotiated a 25-percent ownership stake in YRCW for Teamster members. Members ratified the restructuring plan and a memorandum of understanding spelling out the changes in October 2010.

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In the Driver's Seat

Teamsters, BMW Agree To Contract Extension

When Albert Batista, a member of Local 495 in Covina, Calif., learned that he and nearly 70 of his co-workers at BMW would be let go, he was shocked. The longtime BMW Teamster had given his life to the company, helping to make it one of the most popular luxury carmakers. The reasons for the layoffs, according to BMW, were to cut costs—despite record profits and \$3.6 billion in taxpayer bailouts.

The Teamsters have had a contract for 40 years with BMW and have never had any problems. So when BMW gave Local 495 a WARN notice, the local and the International Union immediately sprang into action. After BMW made the announcement, Teamsters throughout Southern California came together. In a huge act of solidarity, members of the United Auto Workers (UAW), the International Longshoremen's Association (ILA), U.K.'s Unite the Union and Teamsters across North America wore stickers with the message, "Solidarity Saves Jobs at BMW," on July 21. Days before the bargaining session, Teamsters coordinated demonstrations at 10 ports in nine different countries. They also distributed leaflets in the break rooms at the plants and distribution centers.

In the end, BMW listened to the Teamsters Union and did the right thing. An agreement was reached between Local 495 and BMW to extend the current contract for six months at BMW's parts distribution facility. BMW management also committed to work with the Teamsters during this period to reach a mutually acceptable solution that addresses long-term employment for the current BMW work force in Ontario, Calif.

"This agreement shows what Teamsters can do when we stand together and fight back," said Jim Hoffa, Teamsters General President. "Teamsters across the country, and unions that represent BMW and supply-chain workers across the globe, took part in numerous solidarity actions this summer in support of these workers. We are hopeful that the contract extension signals a new path for BMW and the Teamsters."

"Many of these employees have worked at BMW for decades," said Bob Lennox, Secretary-Treasurer of Local 495. "They were facing foreclosures on their homes and loss of their health insurance at a time of record unemployment in Southern California. BMW had hired union-hostile law firm Jackson Lewis to outsource these jobs, but I am confident that BMW will honor its promises to find a solution to keep their longtime, dedicated work force and ensure that these jobs remain good, middle-class jobs."

Write On!

James R. Hoffa Memorial Scholarship Essay Contest Now Open

Teamsters have taken to the streets to fight a war waged by giant corporations. Now, the James R. Hoffa Memorial Scholarship Fund is asking for the children and



grandchildren of Teamsters to put pen to paper in an effort to continue the fight.

The 2011 James R. Hoffa Memorial Scholarship Fund Essay Contest is now open for applications. Students interested in entering the contest should write a maximum of 500 typed words that answer the following question: "In the last year, unions and our defense against the war on workers has been at the forefront of the national news. What action would you recommend that the Teamsters take to increase student interest and participation in this fight for worker justice?"

Fifty winners from the United States, Canada and Puerto Rico will be awarded \$1,000 to be used to further their education. Essays will be judged based on quality and content.

"My father believed that educational opportunities should be available to all people, regardless of background or socio-economic status, just as union representation should be available to all people, regardless of those same factors," said Jim Hoffa, Teamsters General President and son of former General President James R. Hoffa.

In the 12 years since it was founded, the scholarship fund has given away \$3,833,000 to deserving youth across the country. Recently, former winners of the scholarship fund were highlighted at the 28th International Convention.

Full contest rules can be found at www.Teamster.org.



Winning Elections

Colorado Teamsters Elect Pro-Worker Candidates Through DRIVE

John Jackson believes elections change lives. Jackson, a YRC member with Local 17 in Denver, believes so strongly in electing the candidates who support working people that he contributes to DRIVE, the Teamsters' political action committee.

"One legislative bill can eliminate 10 years or more of hard negotiations. It's your livelihood. It's about getting involved," said Jackson, who increased his contributions to DRIVE this year.

"We now have a labor-friendly Denver city and county government. Without our members' DRIVE contributions, this would not have been possible," said Mike Simeone, Local 17 Secretary-Treasurer.

Labor-Friendly Government

In Colorado, thanks to Local 17 volunteers and their DRIVE contributions, several pro-labor candidates were re-

cently elected to Denver city and county government. Democrat Michael Hancock was elected mayor of Denver, in part due to the backing of Local 17, the only labor organization to support the candidate.

"We were looking for a candidate based in reality, not just pitching the union song and dance and afterwards forgetting about us. We believe in Michael Hancock and we made the decision to support him early on," said Ed Bagwell, Recording Secretary and Public Services Director for Local 17.

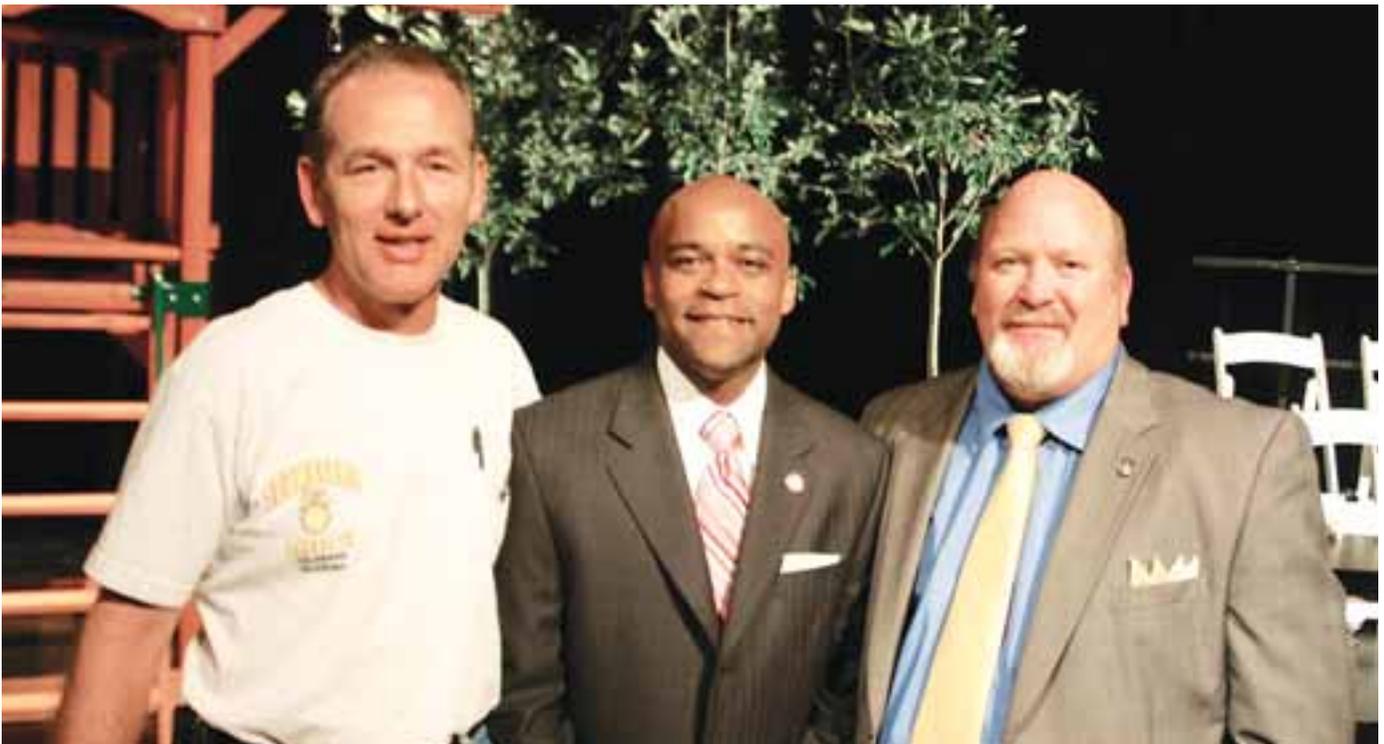
"One of his opponents promised collective bargaining, which is impossible because a voter referendum is required. Hancock was honest in saying he couldn't get collective bargaining with the current climate, but would work with us and help in any way he could in the future," Simeone said.

Local 17 was impressed with Hancock who, as the former president of the City Council, met with Local 17 in the past to discuss improving working conditions for city and county workers. Local 17 also endorsed City Council candidates Robin Kniech and Susan Shepherd, in addition to Auditor Dennis Gallagher who was also recently elected to office.

Nearly 1,000 Denver city and county workers are represented by Local 17. Colorado is also one of the few states in the West that is not right-to-work and Teamsters are working to keep it that way.

"It's absolutely crucial to contribute to DRIVE because without it, we couldn't have done what we did in Denver, and we may have ended up with another Wisconsin or Ohio," Simeone said.

For more information, visit www.Teamster.org.





CARHAUL CONTRACT

National Agreement Delivers Members' Priorities

Teamster carhaulers have ratified a new tentative National Master Automobile Transporters Agreement (NMATA) which addresses members' top priorities. Members also ratified the supplemental agreements.

Ballots were counted in early August. The agreement was ratified 72-28 percent. The tentative agreement is retroactive to June 1, 2011 and runs 51 months, until August 31, 2015.

"Our carhaul members clearly recognized that this agreement maintains their health and pension benefits, which were two top priorities," said Fred Zuckerman, Director of the Teamsters Carhaul Division and co-chairman of the Teamsters National Automobile Transporters Industry Negotiating Committee (TNATINC). "Going into negotiations, we were determined to protect our members' existing

health care and retirement benefits and this agreement reflects that."

The agreement was unanimously endorsed by leaders of carhaul local unions and the TNATINC.

During negotiations, the Teamsters' negotiating committee faced challenges.

The employers' group, the National Automobile Transporters Labor Division (NATLD), was relentless in seeking across-the-board wage and benefit cuts right up until the end of bargaining. But the Teamsters' negotiating committee dug in, making sure members' livelihoods were protected. The employers' group also demanded radical changes to such items as cargo damage claims and workers' compensation benefits, including forcing employees to pay for most increases needed to maintain benefits going forward.

The agreement also calls for annual wage increases totaling \$1.35 per hour over the term of the agreement, in addition to mileage-rate increases. The tentative agreement also includes a cost-of-living adjustment of up to 10 cents per hour each year if inflation exceeds 3 percent. This is the first national carhaul contract since the mid-1990s where the union won wage increases in each year of the contract.

Member participation was critical to winning such a strong contract. Members participated in bargaining surveys, attended local union meetings and provided other input. Members made it very clear to union negotiators that they wanted their benefits protected, and the negotiating committee delivered that message loud and clear to the employers' group.



Training Teamsters to Protect America

Unions Involved in First Observer Trainings

First Observer is a measure authorized by Congress to involve citizens in protecting America from acts of terrorism on our critical infrastructure. Structures like bridges, roadways, utilities and other critical facilities are the core of our economic stability. Teamsters work around critical infrastructure every day, so who better to keep an eye out than Teamsters?

The First Observer program, which can run from 15 to 45 minutes, is an anti-terrorism training program that teaches members how to observe, assess and report potential acts or preparations for terrorism.

The Teamster First Observer team provides members with 11 different anti-terrorism training courses in the many occupations where Teamsters work. Every local and Joint Council has been mailed a training DVD. Just ask your local union officers to assist you in viewing the video.

Web-based training is also available at www.teamster.org/firstobserver where you can choose one of the training modules of



interest. By training online you can start and stop the training as many times as necessary as you work through the program on your own schedule.

Live training is the most effective way to receive the First Observer training. Classes are interactive and there is discussion regarding terrorism and current threats. Participants walk away with a deeper understanding of the security threats around them and what they can do to help prevent them. To schedule live training, fax

your requests to 800-688-9386 or e-mail it to Firstobserver@teamster.org.

As we approach the tenth anniversary of the Sept. 11, 2001 attacks, we must realize this was not the only attack on America. There are attempted attacks discovered every month. Our government can only do so much to protect us. Teamsters must take an active roll in protecting America, our families and our jobs.

For more information, visit www.teamster.org/firstobserver.

Washington State Agency Faults DOC for Failure to Protect Employees

On July 27, the Washington State Department of Labor and Industries (L&I) released the findings of a six-month investigation into the Jan. 29 murder of Local 117 member Officer Jayme Biendl in the chapel of the Monroe Correctional Complex (MCC), finding fault with the Washington State Department of Corrections' (DOC) policies and procedures.

The state agency cited the DOC for "serious" and "repeat serious" violations for its failure to provide line staff with adequate training, a failure to enforce policies with respect to post orders, and a failure to develop and implement policies designed to protect its employees. L&I has issued a fine of \$26,000 to the DOC for these violations and required that the DOC implement changes to protect its employees by August 4.

L&I's findings in its investigation draw starkly different conclusions than the DOC's own internal investigation which was released on July 22. While the DOC's internal investigation implicates the officers who were on duty on the night of Officer Biendl's murder, L&I exposes a culture of complacency and neglect on the part of DOC management with respect to its own policies and procedures.

"L&I's investigation into the death of Officer Biendl demonstrates that the DOC failed to create a safe work environment for its employees. The organization must be held accountable and safety measures must be put into place immediately to protect all correctional employees," said Tracey A. Thompson, Secretary-Treasurer of Local 117 in Tukwila, Wash.



Carrying the Load

Labor Coalition Protects Trade Show Jobs in Ohio

Locals 407 and 507 in Cleveland knew they would have a problem on their hands when the Great Lakes Expo Center in Euclid, Ohio opened its doors in January 2010. The convention center, a repurposed Super K-Mart, had all the markings of a fly-by-night, shoestring operation.

Their worries would prove to be well founded. The Great Lakes Expo Center attempted to re-invent the way convention work is handled—and undercut good-paying union jobs in the process.

“Great Lakes wanted to change the whole traditional model for convention and expo center work by allowing exhibitors to do all the trade work,” said Frank Burdell, President of Local 407. “They were allowing exhibitors to do the loading, unloading, setup, takedown and electrical with the sole purpose of eliminating union workers.”

Locals 407 and 507 represent trade show workers at the Cleveland Convention Center and the Cleveland International Exposition Center. This can mean hundreds of Teamster and other trade union jobs between to two facilities whenever a show hits town. Consequently, every time a show chose to run at the Great Lakes Expo Center, it was a direct threat to the livelihood of the union workers and their families.

“We knew we had to make a stand to protect industry standards in the Cleveland area,” Burdell said. “Working with Al Mixon at Local 507, we reached out to all the trade unions that work at the convention centers, the International, Jobs With Justice and the Cleveland AFL-CIO. Together we took action.”

The coalition kept the pressure on the Great Lakes Expo Center, handing out leaflets to show attendees to educate them about the dangerous conditions at the convention hall due to untrained workers handling the setup for the show. The leaflets also brought the expo center’s anti-union practices to light and called for a boycott.

After six months of constant pressure by the coalition and a groundswell of community support for the workers, the Great Lakes Expo Center closed its doors for good.

“Labor came together for this fight, and won,” said Mixon, Secretary-Treasurer of Local 507. “We were all going to be effected by this group coming in and undercutting prevailing wages for our trade show workers so we knew we couldn’t sit on the sidelines and watch. All of labor stood with one another to help shut this place down.”

In Memoriam

TEAMSTERS REMEMBER ROBERT BOSTON BARNES

“Think American. Be American. Buy American.” For anyone who ever met Robert Boston Barnes, those six words were never far behind. They were a lifelong mantra for the patriot who, after 61 faithful years in the Teamsters Union, passed away on July 11, 2011, in Wadsworth, Ill. He was 91.

“Bob Barnes was a Teamster through-and-through, who had more passion for the American worker than just about anyone,” said John T. Coli, International Vice President and President of Joint Council 25 in Chicago. “As



much as we mourn his passing and keep our prayers with his loved ones, we can take comfort in knowing he lived a full life and stayed true to the union all the way.”

Barnes joined Local 301 in Waukegan, Ill. in 1944 as a driver with Crema Trucking. Nine years after joining the union, Barnes was elected as a Trustee to Local 301. Until his retirement from the Teamsters in 2005, Barnes served on the local’s executive board for 53 years, winning consecutive and usually unchallenged elections every three years. He also served as the local’s Vice President and Secretary-Treasurer and Joint Council 25’s Trustee and Secretary-Treasurer.

In 1991, true to his patriotic spirit and love of all things American, Barnes signed an agreement to ensure the Chicago White Sox’s Comiskey Park was built entirely by union labor. As a result, the ballpark was ultimately built below estimated cost and ahead of schedule. The name Robert Boston Barnes remains to this day on a commemorative building plaque outside the stadium.

Barnes is survived by his wife Charlene, three children Pat, James and Nancy, 10 grandchildren, 16 great-grandchildren and two great-great-grandchildren.



YEARS LATER



In times of crisis, Teamsters have always come together for the good of the country.



Teamsters General President visits Ground Zero in the immediate aftermath of the Sept. 11, 2011 attacks.

Local unions and Joint Councils in the metro areas of New York City and Washington, D.C. all played a part in the rescue, recovery and cleanup efforts, and the International Union also took action to make sure members were protected from the economic fallout and health risks of the terrorist attacks. Teamsters from across North America donated hundreds of thousands of dollars to the Teamsters Disaster Relief Fund to help those in need. And today, Teamsters are working on re-building the site.

“I have heard our members describe their work rebuilding the World Trade Center site as an honor and a privilege,” said Jim Hoffa, Teamsters General President. “We have never taken on a challenge that we can’t conquer. The World Trade Center project is a testament to the courage of our members on the day of the tragedy, and their commitment to the vision the planners have for making the site a crowning jewel of our nation’s largest city. As we work side by side with operating engineers, carpenters, electricians and more, the solidarity and strength of belonging to a union brotherhood shines ever brighter.”

“Our city suffered a devastating blow on Sept. 11, but I am so proud to know that our union brothers and sisters stepped up, dove in and worked to first excavate the site, dig the foundations for the new structures and now are helping raise the structures up into the air,” said George Miranda, International Vice President and President of Joint Council 16.

The Teamster response to the Sept. 11 attacks was enormous and encompassed dozens of locals across multiple states. Members of Local 807 in Long Island City, N.Y. were on hand to assist in the immediate aftermath of the attacks in New York City. Teamsters were among the first in the World Trade Center buildings to direct the confused and frightened people into the street and out of harm’s way. Local 237 volunteered on bucket brigades to help dig out debris. Locals across the coun-

TEAMSTERS REFLECT ON SEPT. 11, REBUILD GROUND ZERO

In World War I, Teamsters taught soldiers to drive trucks when the military was moving from a cavalry to motorized units. During a polio outbreak in the 1950s, Teamsters mobilized to make and deliver vaccinations to the entire American population. In World War II, Teamsters raised money for war bonds, started scrap metal and rubber drives to assist the war effort, and more than 125,000 Teamsters served in the military during the war. Following Hurricane Katrina in 2005, the union immediately worked to help families, communities and employers who were devastated by the storm.

September 11, 2001, was a day like no other in our nation’s history, but Teamsters reacted with characteristic solidarity.

try raised money and emergency supplies, coordinated blood drives and other activities.

Volunteers from Local 707 in Hempstead, N.Y. transported supplies and food from Long Island. More than 200 sanitation Teamsters with Local 831 in New York City worked at Ground Zero. Javitz Center Teamsters with Local 807 in Long Island City, N.Y. volunteered at a central supply center. Local 639 in Washington, D.C. drove refrigeration trucks to transport remains from the Pentagon to an Army post. Local 282 had hundreds of drivers working in 12-hour shifts removing tons of debris from the fallen towers, and dozens more locals participated in various ways.

Rebuilding

Teamster members have not stopped working at the Ground Zero site since the day of the attacks 10 years ago, and they now have a huge part in the rebuilding of the neighborhood.

“I believe the strength of our union brotherhood has been a good counter-balance to the despair and pain borne by the families of the victims of Sept. 11,” said Tom Gesauldi, President of Local 282, which is actively involved in construction at Ground Zero. “Our members are deeply committed to the rebuilding, or actually, the rebirth of the World Trade Center. Their commitment began on the first day of cleanup and continues today.”

“The tenth anniversary of the attacks on the World Trade Center revives sharp memories of the city I love in its darkest hour. It also gives me great pride in our city employees in general

Teamster Pride

On a recent morning at the work site at Ground Zero, construction workers and Wall Street workers are pouring out of the nearby PATH train station and getting in line for badge scanning, allowing admittance to the Freedom Tower site, which is packed with Teamsters like Bob Bozza.

“I’d estimate that we’ve had 55,000 deliveries so far, just for Tower 1, and all of them have been Teamster drivers making those deliveries,” said Bozza, a 26-year member of Local 282. Bozza is the chief union on-site steward at the World Trade Center site. Coordinating deliveries for Tower 1 has been a major part of his job since he began working on the site in April 2006.

“When I started work here it was just one big hole in the ground,” Bozza said. “The amount and frequency of deliveries is going to increase as soon as more of the buildings go up. Right



“I believe the strength of our union brotherhood has been a good counter-balance to the despair and pain borne by the families of the victims of Sept. 11.”

— Tom Gesauldi, Local 282 President

and Local 237 members specifically, who served the public with great courage, compassion, and dedication to their work, and became a shining example to all Americans in tough times,” said Gregory Floyd, President of New York City’s Local 237.

Ten years after the attacks, the same site is filled with the roar of dump trucks, cranes and cement trucks, as hundreds of Teamsters and others work to rebuild the site in lower Manhattan. The four-square blocks that comprise the site are alive with activity, all of which is being coordinated by Teamster members. As the traffic managers for the site, Teamsters from Local 282 are positioned at strategic locations across the building, park and museum site. Here, thousands of construction workers have found work on what many of them describe as the most important building site in history.

More than 1,200 Teamster members work on the site on any given day, mainly delivering materials which are then used by the construction crews who are members of the Operating Engineers, Laborers and other unions.

now we have about 50 stories erected on the Freedom Tower, out of the 106 it will have when it’s topped off.”

At the gate for Tower 1 it’s a constant flurry of deliveries: pipes, duct work, scaffolding, lumber, sheet metal and more are being delivered just in the first hour of being open. Bozza and fellow Teamsters Dave Russell, Brian Fried and Jose Courea greet the drivers, check their paperwork, and if approved, guide them onto the site. Courea lost several cousins in the attack; Russell has saved newspapers and photos from the day and Fried saw the towers falling from his work site on Staten Island. All three men say they are proud to be working at the site.

The site of the World Trade Center is going to be different from what it was prior to September 11, 2001. What was a complex with two large, 110 story towers will now be a complex with four towers ranging in height from 40 stories up to 106. There site will also include a park and a museum. The ground where the original World Trade Center towers once stood will have two massive memorial fountains.

Getting the Job Done

"I worked on the cleanup, the excavation, of this site," said John Mazzola. "Before my work here I was a concrete driver for 20 years. On 9/11, I was working on a construction site nearby." Mazzola is an on-site steward for Local 282 and coordinates the deliveries to Towers 2, 3 and 4.

Teamsters also bring equipment to the site, such as mobile or crawler cranes. Kenny Montoux is a 28-year Teamster who has worked as a crane driver for 16 years. "I started work here two days after the towers came down," Montoux said. "The construction here is a tribute back to New York. Bringing back the glory of what it once was."

"It's a shame what happened here, but I think we are building something beautiful," said Billy Petrino, the on-site steward for Tower 3. "My father was a Teamster, too. I'm glad to be working here."



James Perry, a 27-year Teamster member, delivers metal pipe supplies to the site and remembers one particularly important shipment. "I was asked to deliver a metal cross to the paint shop," Perry said. "I didn't realize that it was the cross, the I-beam cross that had been standing on the site for so long. Now it's going to be part of the museum and I had to transport it to a shop that is preparing it for display here. I was nearby here, on Fulton Street on Sept. 11, and I remember the attacks. It's nice now to be part of the rebuilding project."

Many workers lost friends and family members to the attacks. Larry Brady, a 31-year Teamster, was one who remembered the half-dozen friends and family members he lost. "This project is bittersweet for me. I would have preferred that this had never happened, but it is an honor for me to work here," he said.

"The Sept. 11 attack was undoubtedly one of the worst tragedies to ever happen to this nation, but after it happened, the country pulled together. You saw it everywhere you looked, including the Teamsters Union," said Demos Demopoulos, Secretary-Treasurer of Local 553 in New York City, which had members working on the cleanup effort after the attack. "Members came together to get the difficult job done; locals worked together with other locals, unions and government agencies; the International Union never stopped working on coordinating the Teamster response."

BROUGHT TO JUSTICE



Teamster-Built Blackhawks Help Take Down Osama bin Laden

In May 20, 2011, after nearly a decade of searching, a team of U.S. Navy SEALs infiltrated a compound in Pakistan's city of Abbottabad and killed al-Qaeda leader Osama bin Laden. It was reported that the SEAL team used specially outfitted Sikorsky Blackhawk helicopters for the mission. This news was well-received by the Sikorsky Teamsters with Local 1150 in Stratford, Conn. They knew that the helicopters they built had just helped put an end to the reign of the world's most wanted terrorist and the man responsible for the Sept. 11 terrorist attacks.

"It made all of us proud knowing that our Blackhawks delivered troops on this mission and brought Osama bin Laden to justice," said Rocco Calo, Secretary-Treasurer of Local 1150.

Jeff Cascarelli, a Local 1150 member that works in production control at Sikorsky, is also a military veteran who served in the U.S. Navy from 1997-2001. Cascarelli recalled what his first reaction was when he heard that the SEALs used Blackhawks for the mission. "I was extremely proud," he said. "We are very proud that we build a product for the U.S. military that delivers and returns our men and women safely."

Local 1150 member Nicolas Corrarino is an electrical installer at Sikorsky who served in an Army infantry division in Afghanistan. A recipient of the Purple Heart, Corrarino had first-hand experience with a Blackhawk in action. "I was injured, struck by two RPGs on the Pakistani border after a long, drawn-out fight," Corrarino said. "It was a Blackhawk and medivac that came to get us out."

Corrarino said that working at Sikorsky makes him feel like he is still doing his part, a feeling that was only reinforced by the news of the successful SEAL mission.

"As a veteran, there is a high level of satisfaction due to the countless man-hours that myself and many of my other comrades spent in the mountains on similar missions," Corrarino said. "From the standpoint as a Sikorsky employee, it's the cherry on top knowing it was done with our aircraft. Our equipment is the best in the world and was used in the toughest missions. Working at Sikorsky still keeps me in the fight."

PILOTS FROM FOUR AIRLINES VOTE FOR TEAMSTER REPRESENTATION



One List, One Voice, ONE CONTRACT

Kevin Cassin, a Republic Pilot and member of Local 357 in Plainfield, Ind., knows what he's looking for in union membership. That's why he encouraged his co-workers at Republic Airways Holdings' recently acquired subsidiaries to vote for Teamster representation.

The group of 3,000 pilots all flew for three different airlines until Republic Airways Holdings announced that it was acquiring Frontier Airlines, Lynx Aviation and Midwest Airlines in 2009. At that time, each group of pilots at each airline was represented by a different union.

Pilots at Republic Airlines were already Teamsters and knew the benefits of Teamster representation.

"Other unions who represent pilots, in my opinion, don't meet the bar. We need someone with the backing and the know-how that only the Teamsters can

provide," Cassin said.

On June 27, Cassin's co-workers took his advice and voted by 68 percent to become Teamsters. The victory came during the 28th International Convention held in Las Vegas.

"These pilots have chosen to make a whole new beginning," said Jim Hoffa, Teamsters General President. "I applaud them for their historic victory and I'm especially pleased we can announce this wonderful news to more than 5,000 Teamsters attending the 28th International Convention."

Zach Heekin, a pilot for Republic, believes the victory will show the company that pilots are both strong and united.

"The Teamsters have a huge infrastructure and the ability to take on large companies. With the Teamsters, we have backing not only from the Airline Division, but from all groups," Heekin said. "The power

of 1.4 million members is the reason the Teamsters are so effective when it comes to standing up for workers."

The newly combined pilot group will come under one contract following contract amalgamation negotiations, which the Teamsters will initiate in the near future.

"We look forward to joining together with the other pilot groups," said Local 357 Executive Council Chairman Capt. Patrick Gannon. "We can now move forward with our goal of One List, One Voice, One Contract."

Growing Trend

The victory continues the Division's growing trend. Over the last three years, the Teamsters Airline Division has grown by 30 percent, adding thousands of new members to its ranks.



“While other unions have continually lost members, the Teamsters Airline Division is only becoming stronger,” said Capt. David Bourne, Director of the Teamsters Airline Division. “Airline workers are turning to the Teamsters because of the strong contracts we secure and our deep experience in the aviation industry.”

The Teamsters Airline Division is the only union to represent every class and craft of worker in the airline industry.

The growth rate has been attributed to progressive initiatives taken by the Division, including a fight against outsourcing and a proactive stance on Capitol Hill. The Division also works closely with other airline industry labor unions and groups and was a leader in forming the American

BY THE NUMBERS

Having come from four different airlines, pilots at Republic Airways, Frontier Airlines, Midwest Airlines and Lynx Aviation are now united as members of the Teamsters.

Republic: 1,941
 Frontier: 677
 Midwest: 358
 Lynx: 101
 Total: 3,077

Aviation Labor Alliance (AALA).

The coalition—a historic first in the airline industry—represents the interests of more than 160,000 airline-industry union employees through a coordinated and combined lobbying effort. It is a partnership between the Teamsters Union, the Transport Workers Union and the Airline Pilots Association, with a focus on promoting airline safety and security issues.

“We are leading a fight that workers care about in the airline industry,” Hoffa said. “Combining our efforts gives us more power on Capitol Hill and an even stronger ability to represent our members. Through this partnership, we are able to speak on the most pressing aviation issues facing our membership with one, strong voice.”

A Dream Come

----- Thousands of First Student Drivers Ratify National Contract



True



He knew. Deep in his heart, he always knew.

“I had a vision from the very beginning that this would happen. It was always a dream that if we kept organizing, we would have one, large voice,” said Marcus Oladell.

It was that vision that kept Oladell, a First Student bus driver and member of Local 671, in Hartford, Conn., motivated.

It started in 2000 when Oladell and his co-workers first became Teamsters. All it took to ignite the spark was a voice, a contract and a little respect. From there, the energy, the dream and the fire spread.

Oladell spent the next 10 years traveling around the country, knocking on doors, talking with drivers and encouraging First Student employees to sign cards. He knew that every card signed was one card closer to the dream.

“I’ve done plenty of house calls and I told driver after driver the same thing: The card you sign isn’t just for you or your local bus yard; it’s for every driver across the country,” Oladell said. “I knew that if we got enough people together, we could get a national contract.”

It soon became apparent that a national contract wasn’t a matter of if, but when. First there was the victory in Iowa City, Iowa in 2006 with 111 new members. Then there was Savannah, Ga. in 2007 with 440 new members. The next year brought 1,055 more members from Jacksonville, Fla.

“Campaign after campaign unfolded. As more and more new members were being organized and we were growing stronger, it became more obvious that this could actually happen,” Oladell said.

Making History

The dream became a reality when 21,000 First Student drivers and monitors voted to ratify a national master agreement on June 1, 2011. The four-year contract, ratified by 91 percent, was nothing short of historic.

The agreement is the first of its kind in the busing industry and secures numerous benefits for tens of thousands of workers at North America’s largest private school bus provider.

“By banding together as Teamsters, workers at First Student have secured better job protections for themselves and their families,” said Jim Hoffa, Teamsters General President. “This contract exemplifies what can be done through hard work and determination and First Student Teamsters everywhere should be proud of their accomplishments.”

“Our local is committed to providing these workers the best possible representation,” said David Lucas Jr., Secretary-Treasurer of Local 671. “This national contract is a giant first step toward securing the rights, the dignity and the respect all First Student workers deserve.”

The contract offers First Student workers a number of gains many never thought possible. Among its many attributes is a “best of both worlds” clause that allows local unions to choose the highest standards from either an existing local agreement or the national contract, preventing any workers from bargaining down.

For groups bargaining their first contract, the agreement provides immediate, standard language from which to build. Economics and some benefits will continue to be bargained at the local level.

Nationwide, the contract lowers the qualification threshold for the Family Medical Leave Act (FMLA) from 1,250 hours worked to 700 hours worked. For Sheron McCampbell, a 20-year First Student driver and member of Local 455 in Denver, that aspect alone made the contract worthwhile.



“The FMLA clause was huge and is probably my favorite part of the entire contract. A lot of the drivers who work for this company have families and work part time,” McCampbell said. “Prior to this agreement, it was nearly impossible for us to reach the 1,250 hours that were required to access our FMLA benefits.”

The contract also offers whistleblower protections for employees who point out unsafe equipment or working conditions, free flu shots for employees who want them, paid jury duty leave for up to three weeks and employer-paid uniforms for any workers required to wear them.

Finally, it creates a national grievance procedure by establishing the Joint National Grievance Review Committee (JNGRC). Comprised of four representatives from both the union and the company, the JNGRC will meet quarterly to review and possibly resolve grievances before those grievances go to arbitration.

Under the contract, the JNGRC has the authority to issue final and binding decisions, allowing the grievance process to be streamlined and implemented nationwide.

“It shows what you can do when you come together for a common cause,” Oladell said. “That in itself provides a huge sense of satisfaction.”

Looking To The Future

Ballots were sent only to First Student workers who were dues-paying members covered under a local collective bargaining agreement. However, the national contract will cover any First Student worker who has been through an election and successful union certification. This means as many as 30,000 have the potential to be positively affected by the agreement.

“This groundbreaking contract represents a positive step forward for Teamsters at First Student and all workers in the

Making All The Stops

School Bus Organizing Victories Pave Way for National Agreement

1999 The Teamsters Union begins its relationship with First Student when the company enters the U.S. market and acquires several small, regional Teamster-represented bus companies.

1,394 First Student workers organized.

2006 The International Union makes a commitment to organize drivers and monitors in the busing industry and begins devoting resources to organizing drives across the country.

MAY 16, 2006 111 drivers in Iowa City, Iowa vote to become Teamsters, marking the first victory in the Drive Up Standards campaign.

3,696 First Student workers join union.

SEPTEMBER 11, 2007 440 First Student workers in Savannah, Ga. vote to join Local 728.

1999-2005

2006

2007

school bus industry,” said Rick Middleton, International Vice President. “It improves workplace protections, creates a national grievance procedure and provides strong language to raise standards for Teamster members at First Student.”

The agreement also protects workers who aren’t yet organized by making violations of the company’s freedom of association policy grievable and subject to binding arbitration. Such language paves the way for future organizing and establishes precedent within the industry.

“This national contract puts a whole new spin on everything. It’s the difference between day and night,” McCampbell said. “It’s empowering and is one of the most important things we did for ourselves, our families, our co-workers and the bus workers who will come after us.”

Yes We Can

The road to a national agreement wasn’t an easy one. Many wondered if it could even be done. For the Teamsters Union, the only answer was “yes.”

National agreements are common in other industries and James R. Hoffa, former General President of the Teamsters, ushered in a new era of labor relations when he secured the first-ever national master contract in 1964.

With help from their sister union in the United Kingdom, Unite!, the Teamsters had previously made major inroads in the busing industry, especially with First Student’s parent company, First Group.

“A national agreement was the logical next step and it was only fitting that the Teamsters were the first union to secure such an agreement in the busing industry,” Hoffa said.

Based in the UK, First Student’s parent company is a multinational corporation. Bus workers in the UK have freedoms to form and join unions and the Teamsters demanded the same for bus workers in the United States. Thanks to intervention from Unite! members and the Teamsters Union, First Group implemented its freedom of association policy in 2008, paving the way for a national agreement to be possible.

That policy helped the Teamsters organize First Student workers at an unprecedented rate. More than 30,000 First Student workers were organized within four years. As more and more members joined the union, the idea of a national agree-

ment grew stronger and stronger.

“I think First Student drivers understood just how much we needed a national voice and how powerful that could be,” Oladell said. “It was really exciting to help build the movement for a national contract and watch it grow into something tangible.”

Finally, in 2009, a national negotiating committee was formed.

Comprised of representatives from California, Connecticut, Florida, Illinois, Montana, Pennsylvania, Rhode Island and South Carolina, the committee wasted no time in meeting with the company to bargain the best possible contract for First Stu-

Easy As 1 – 2 – 3

First Student National Contract By The Numbers

0: Dollars paid by employees for things like new uniforms and flu shots, as outlined in the national agreement.

1: The only contract of its kind in existence in the school bus industry.

3: The number of weeks employees can be paid for jury duty under the national contract.

4: The number of years until the contract expires.

91: The percentage by which the contract was ratified.

700: The number of hours employees must work to receive FMLA benefits under the national agreement (down from the company’s previously required 1,250 hours).

21,000: The number of drivers and monitors who voted on the agreement.

30,000+: The number of workers who have the potential to be positively affected by the contract.

8,961 First Student workers organized.

FEBRUARY 6, 2008 First Group, First Student’s UK-based parent company, implements a freedom of association policy, ensuring the rights of First Student workers to join and form unions free from company harassment, intimidation or interference.

MAY 23, 2008 1,055 drivers and monitors in Jacksonville, Fla. vote to join Local 512.

7,949 First Student workers join union.

AUGUST 25, 2009 No election was needed for 334 drivers and monitors in Cincinnati who became Teamsters via card check.

4,336 First Student workers organized.

MAY 10, 2010 A bargaining unit of 83 drivers and monitors votes unanimously to join Local 987 in Edmonton, Canada.

October 22, 2010 795 workers in Wichita, Kan. vote to join the union.

At press time, **416** First Student workers join union.

MARCH 2011 220 drivers and monitors in Pasadena, Calif. vote to join the Teamsters.

JUNE 1, 2011 21,000 First Student Teamsters ratify, by 91 percent, the first national agreement in the busing industry.

2008

2009

2010

2011



dent drivers. Though the committee had on and off meetings with the company, hard bargaining that led to the ratified agreement took place only over the last year.

“We’ve all come together and we’ve worked hard. Everyone played a very important role in making this happen,” McCampbell said. “We couldn’t have had a national contract without all of the help from across the country and seeing our national solidarity pay off was really inspiring.”

No Going Back

For First Student drivers like McCampbell and Oladell, securing a national contract is about more than job security or proper overtime pay. It is about gaining a place in the world and securing a voice for the future. As Oladell put it, the contract is the start of something new at First Student.

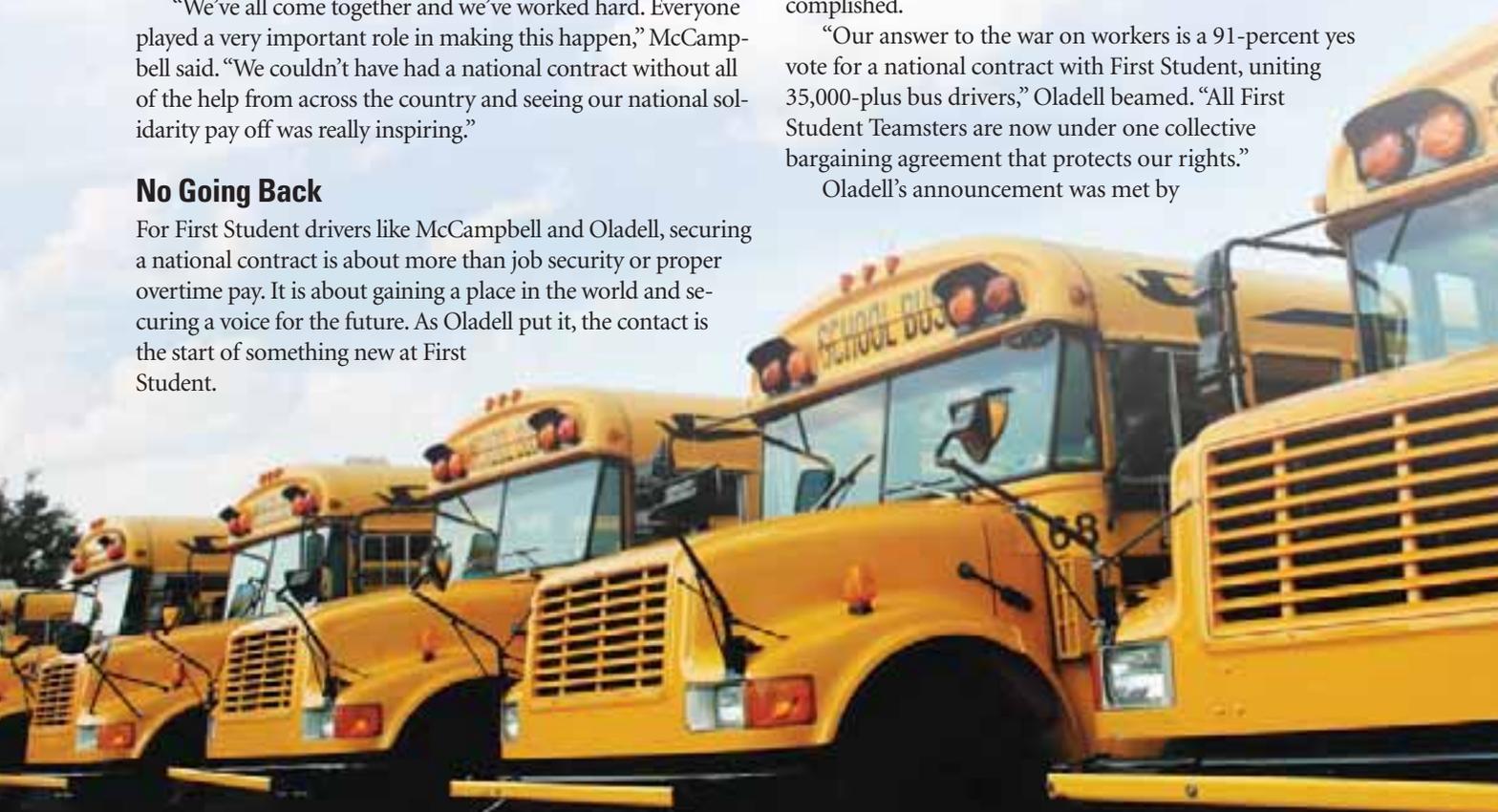


“There’s no going back now. This contract is going to have a resounding, residual effect on First Student workers for years to come,” Oladell said. “We didn’t do this just for ourselves or our local bus yards. We did this for every driver across the country. That’s what makes it so exciting.”

That excitement came full circle on June 28 when Oladell addressed nearly 6,000 Teamsters at the 28th International Convention in Las Vegas. Oladell proudly told his Teamster brothers and sisters from all industries what First Student drivers had accomplished.

“Our answer to the war on workers is a 91-percent yes vote for a national contract with First Student, uniting 35,000-plus bus drivers,” Oladell beamed. “All First Student Teamsters are now under one collective bargaining agreement that protects our rights.”

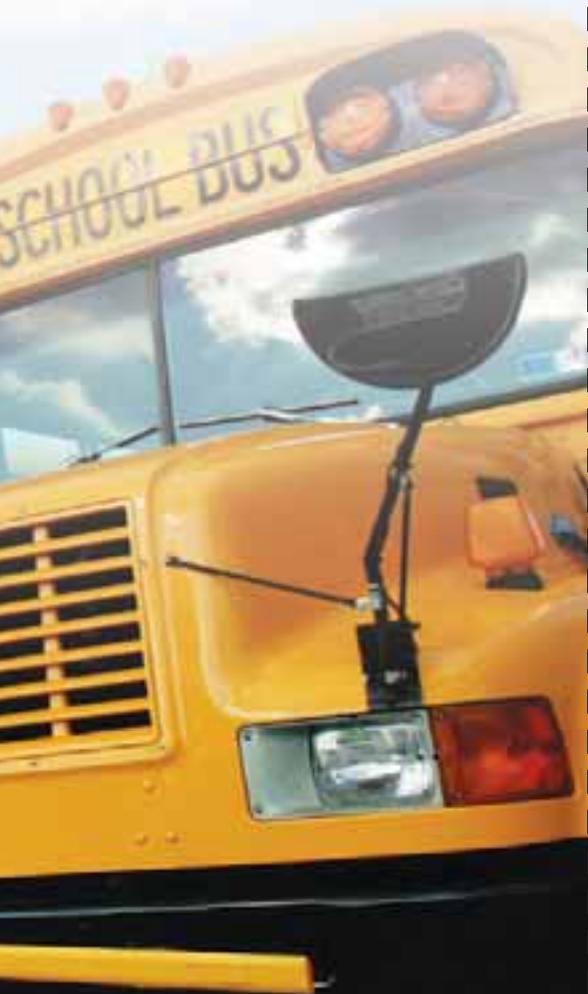
Oladell’s announcement was met by





thunderous applause from Convention attendees. Later, Oladell reflected on the events of the last 10 years.

“It was like a dream come true. I was able to stand before my brothers and sisters at the International Convention and tell them about all of our hard work and what we accomplished,” Oladell said. “It was very gratifying to go up there and say, ‘Yeah, we did it.’”



In the DRIVER'S SEAT

*Q and A with First Student Driver,
Shop Steward Sheron McCampbell*



Q: It took an extraordinary amount of solidarity and perseverance to make this happen. How does it feel to have secured the first national master agreement in the busing industry?

A: *I have waited for this a long time. This contract lets us breathe. It gives us protections we need and deserve while adding to our local contracts and to our status as union members. To me, it's everything.*

Q: How will this contract impact the future of the busing industry in the United States?

A: *I'm looking for it to really open up more eyes for workers who aren't in the union. This is going to show those workers what union representation means and how much protection we have. It should bring a lot more people to the Teamster table. This shows the power and abilities we have when we work together.*

Q: Organizing in the school bus industry has been about driving up standards for thousands of workers. What specific clauses or components of the contract drive up standards for First Student workers?

A: *First and foremost, this contract ensures rights that every worker should have, from seniority to respect. That in itself is a huge improvement. The Family Medical Leave Act clause is also huge. So many drivers are part time and could never hit the old qualification threshold of 1,250 hours. But the national agreement lowered that number to 700, which is more attainable. There are also stipulations in this contract that allow drivers to have their own child on the bus. Prior to the national agreement, that was a right some bus yards allowed that others didn't. By including that language in the national contract, it ensures that local bus yards can't take that right away from us.*

Q: The contract offers many unique benefits, including a “best of both worlds” clause, free flu shots and whistleblower protections. What other unique benefits about the contract do you like?

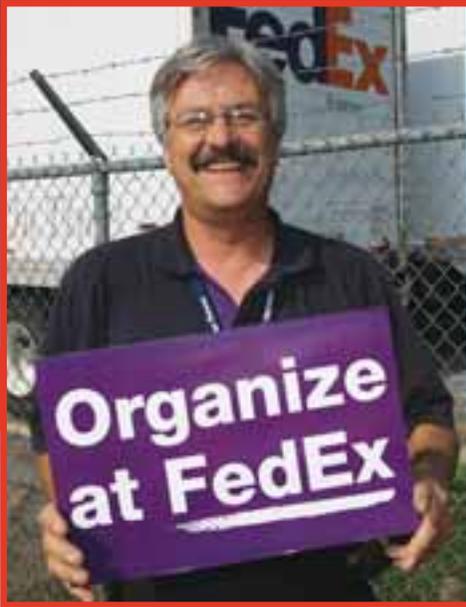
A: *This contract secures our seniority with the company, which is something some workers never had before. If a driver is sick or recuperating from an accident or major illness, they won't lose their seniority. Under the agreement, workers who get transferred to different locations maintain their years of service. For workers who have given their time, that clause is huge.*

I'm also pleased with Article 36, which builds a positive relations committee. We need to get along with our company and make sure that we, as drivers, represent the company well. This contract is great, but it means nothing if First Student doesn't maintain its contracts with school districts. I think that by working together with the company, all of us can make First Student better for the children we drive and the communities we service.

DELIVERING TEAMSTER POWER

Organizing Campaign Launched at FedEx Freight





The Teamsters Union has launched an organizing campaign at FedEx Freight, starting in Southern California, International Vice President and Package Division Director Ken Hall recently announced.

“We’ve been working quietly for months to prepare for this moment,” Hall said at the union’s 28th International Convention in June. “But now, we’re ready to let all of you know. We are officially launching our FedEx Freight organizing campaign in the West. This is a massive undertaking. With planning, patience and perseverance, we will win this campaign. Not today, maybe not tomorrow, but with the support of this entire union, make no mistake about it, FedEx Freight will be a union shop.”

“FedEx Freight workers want a voice on the job and deserve strong representation,” said Jim Hoffa, Teamsters General President. “They know that the Teamsters will amplify their voices and we won’t stop until the job is done.”

FedEx Freight has recently undergone a merger of two separate companies that made up FedEx Freight’s operation. Teamster organizers and local unions have maintained contact with FedEx Freight drivers from both of the merged companies for many years. The International Union, working with Joint Council 42 in California, is committed to organizing these drivers.

“Day by day the interest is growing,” said Randy Cammack, International Vice President and President of Joint Council 42. “But Fred Smith (FedEx president and CEO) has heard about this and he’s already started a serious anti-union campaign. He’s given all the employees at FedEx Freight CDs to listen to and DVDs critical of the union.”

Cammack said a team of organizers has been working with FedEx Freight drivers to build committees and put together a solid program. The drivers desperately want to form a union and are enthusiastic and committed.

“I’m here to say, now it’s our turn, and boy, are we ready for it,” said Rudy Hernandez, a FedEx Freight driver, at the union’s recent Convention. “We have developed an organizing committee and we are working hard with our organizers but we cannot do this alone. We need your help. We are all in this together.”

FedEx Workers Want Union

Joe Nuno, a FedEx pick-up and delivery (P&D) driver of 24 years, has worked tirelessly to try to form a union. But he is now more optimistic than ever because of the organizing program that has been launched in Southern California.

“We at FedEx need to form a union and join the greatest union in the country, the Teamsters,” he said at the Convention. “With your help, we are moving forward with this campaign to become union members. What I want for all of our drivers to do is for them to be able to stand up to the company and tell them what we think without fear of retaliation.”

Randy Korgan, Joint Council 42 Director of Organizing, said the union has a responsibility to stand with FedEx workers and to fight back against corporate greed and big business’ attacks on American workers.

“Organizing is the soul of this union,” Korgan said. “Organizing is what builds our organization. This is one of the biggest organizing drives this organization has ever taken on. This organizing drive has vision. It has discipline. It has education. It has training. It has mobilization. It’s ambitious.”

Responsibility To Members

The union not only has a responsibility to FedEx Freight drivers, but also to Teamster members, Hall said.

“It’s incredibly important that we are successful here, first of all for the FedEx Freight workers, but also to bring up the standards and to protect the standards of our other contracts,” Hall said.

“Having a large freight local, I know how important organizing FedEx Freight is,” Cammack said of Local 63 in Covina, Calif. “It’s important to our members. They’re an integral part of the competition that hurts them daily. I have 5,000 UPS members who have a serious interest in FedEx and FedEx Freight, because it’s all the same company.”

Bob Bouvier, President of Teamsters Canada and International Vice President, said that organizing FedEx workers will benefit everyone working in the parcel industry in North America. Nonunion carriers force prices down, hurting the revenue for companies with union contracts.



“That jeopardizes our possibility to get more money from all the employers that are organized,” Bouvier said. “We’ve been going after FedEx now for about a year and a half. We’ve been going to every depot to try to find where the soft spots are. After about 18 months of research, we finally found some spots where we think we’ve got chances of getting certified.”

“We must go after them. We have to get them. It’s not a must, it’s not an organizing drive, it’s an obligation to our members. We cannot have these guys driving down the salaries of our people,” Bouvier said.

FedEx Challenges

Hall cautioned that it won’t be easy to organize the notoriously anti-union company, which is structured into three separate operations: FedEx Freight, FedEx Express and FedEx Ground and Home Delivery.

“Fred Smith will do whatever he needs to remain nonunion and to keep his employees from having a voice,” Hall said. “He skirts the laws. He misclassifies employees. And when all else fails, he threatens and tries to scare not only his employees, but also the federal government. He has structured the entire business around remaining nonunion. His corporate structure allows him to take advantage of legal loopholes and corporate loopholes that are not available to other companies that are in the same business. He’s also given millions of dollars to politicians in order to make sure that he continues to have access to those same loopholes.”

Each of the three operations has its own challenges, and the Teamsters have been working with states and allies in the federal government to level the playing field and force FedEx to play by the same rules as other companies within the same industry.

One of the largest challenges has been FedEx Express, where FedEx has been able to classify its drivers sorters, couriers, loaders, unloaders and truck mechanics as airline and railroad employees for the purpose of labor law.

In 1996, Smith was able to carve out a loophole in the Railway Labor Act (RLA) that allowed his FedEx Express employees to be regulated like airline employees.

“We’ve been working ever since to overturn this loophole so

that FedEx employees who have nothing to do with flying an airplane would be protected by the National Labor Relations Act, not the RLA,” Hall said.

Hall detailed what Teamsters have been doing to close the loophole and level the playing field in the package delivery industry. “We ran a campaign to raise awareness of the issue with senators, members of Congress and their staff members,” he said. “The campaign coincided with the letters, phone calls and visits that many of you made on Capitol Hill.”

Teamsters came very close to closing the FedEx loophole with a lot of support on Capitol Hill. The House passed their version of the FAA reauthorization bill that included language to level the playing field in the industry. But Republicans increased their seats in Congress after last year’s election and the provision did not pass in the Senate.

“Unfortunately, with recent elections there is little hope that we’re going to get that passed until after 2012,” Hall said. “That’s why it’s so important that we kick those anti-union politicians the hell out of Congress and get some people that support working families.”

Misclassification

At FedEx Ground, FedEx misclassifies many of its employees as independent contractors. The National Labor Relations Board, along with many state attorneys general, believe that these drivers should be considered employees.

FedEx tells the drivers what to drive, what to wear, when and where to deliver the packages, how to deliver the packages and forces them to buy equipment. By calling them independent contractors, the drivers can’t form a union and have no access to employer-based health insurance or retirement plans. The drivers aren’t eligible for workers’ comp or unemployment insurance. They do not have the legal protections of wage-and-hour laws, civil rights laws, the Family Medical Leave Act and federal labor laws. State governments lose a large amount of revenue in payroll taxes.

A bipartisan group of nearly 20 attorneys general led an effort to crack down on FedEx Ground’s misclassification of drivers across the country. As a result, the company has essen-

Steve Bullock Q&A



tially been forced to change its entire business model and go to a multi-route model.

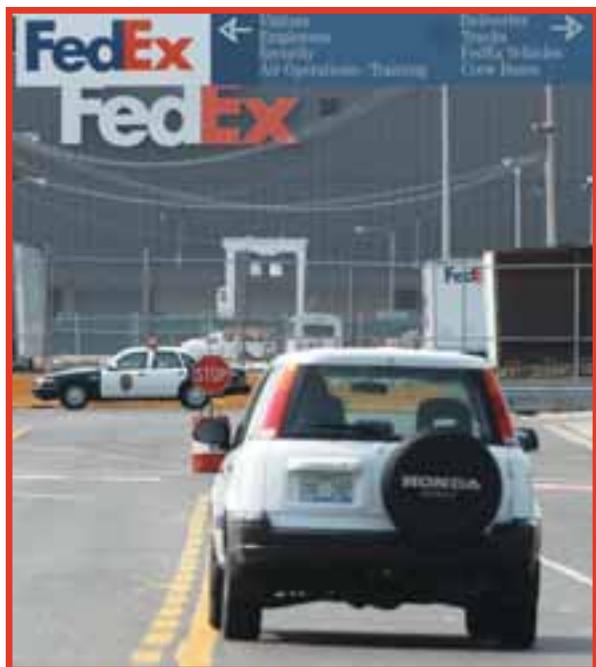
“If a company treats a worker like an employee and makes them act like an employee, well, you don’t need a law degree to figure out—it’s pretty simple—they’re an employee,” said Montana Attorney General Steve Bullock, who led the effort to crack down on FedEx’s misclassification, at the Convention.

After a year-long investigation in Montana, the state’s Labor Department found that the FedEx Ground employees there were employees and not independent contractors. In October 2010, FedEx Ground agreed to pay more than \$2.3 million in back taxes and penalties.

“Enforcing laws like that shouldn’t be based on who an attorney general or who a commissioner of labor happens to be,” Bullock said. “This is a nationwide problem and it deserves and demands a nationwide solution.”

Teamsters are taking on FedEx on many fronts and the fight won’t be easy, Hall said. But he is confident that with planning, perseverance and the support of the entire union, the campaign will be a success.

“The Teamsters are in this for the long haul,” Hall said of the FedEx Freight effort. “We will do whatever it takes to make sure that we’re successful.”



The business model of FedEx Ground has come under a considerable amount of scrutiny from state agencies and attorneys general. In October 2010, Montana Attorney General Steve Bullock announced that Montana reached a \$2.3 million dollar agreement with FedEx Ground over its failure to pay unemployment insurance on behalf of its drivers who had been misclassified as independent contractors. UPS Teamster magazine sat down with Bullock at the 28th International Convention, where he addressed delegates and guests, to talk about Montana’s interest in the FedEx Ground business model.



Q: What difficulties were the FedEx drivers interviewed by your office facing? What did your investigation uncover?

The biggest challenge these drivers faced were the restrictions they were given: routes, delivery time, etc. What they weren’t given were the benefits normal employees receive. The Department of Labor in Montana conducted a year-long audit. We found they should be classified as employees and are misclassified as contractors.

Q: Can you talk a little bit more about the settlement agreement that you reached with FedEx Ground in Montana?

The company didn’t admit liability. They agreed to pay over \$2 million in reimbursement to some drivers. The company also paid back taxes and they have agreed to start changing their business model. The new business model took effect on October 20, 2010. They are in the process now of getting that model up and running. We will check back again in six months to ensure the agreed-upon changes have been made.

Q: FedEx has begun to implement changes in a number of states, with a new delivery model called the ISP model, demanding that drivers purchase multiple routes and trucks. Do you believe that changing their business model has eliminated the misclassification problem?

The new business model was part of the settlement and it is something we’ll be keeping our eye on. The new business model is a start, but it isn’t going to completely alleviate our concerns.

Q: It appears as if there was a lot of communication between your office and attorneys general throughout the country with similar concerns about the FedEx Ground model. Are these attorneys general still in communication as the ISP model rolls out across the country?

Almost 10 of us came together and said we have real concerns. We will continue to collectively talk and raise those concerns.

IBT INTERNATIONAL OFFICER ELECTION – CANDIDATE PAGES

BALLOTS ARE COMING – Every member of the IBT gets to vote for the International Officers nominated to the ballot by your delegates at the 28th IBT Convention. We plan to mail to ballots on October 6, 2011, and members should receive ballots at home starting the week of October 10. Open your own ballot package, mark your own ballot for the candidates of your choice, enclose it in the secrecy sleeve, seal it in the postage-paid return envelope, and mail it back so your vote can be counted. Turn to page 26 for more information on how the Office of the Election Supervisor counts the ballots.

WHAT OFFICES ARE YOU VOTING FOR? – Every member of the IBT will receive a ballot showing candidates competing for the union-wide offices of General President; General Secretary-Treasurer; At-Large Vice-President; and International Trustee. Members in the Central, Eastern and Southern regions will receive ballots showing candidates for vice-presidents to be elected from their separate regions.

READ ABOUT THE CANDIDATES FOR INTERNATIONAL OFFICE who want your vote. The following pages are candidate campaign literature from the International Officer Candidates. You may also receive mailings directly from them; you may see candidates or their representatives campaigning; there are websites where you can read about the candidates; candidate literature tables are maintained at local union halls.

WATCH THE CANDIDATES ANSWER QUESTIONS – By the time you receive this magazine, the Candidate Forum with candidates for General President should be completed. Go to the OES website, www.ibtvote.org to watch the complete forum. You can also click on links to particular question and answer segments and watch the forum in parts. The complete acceptance speeches the candidates delivered to the Convention on Friday morning, July 1, 2011 can also be viewed at www.ibtvote.org. If you can get to the internet, you should be able to watch the videos.

THIS MAGAZINE CONTAINS CAMPAIGN LITERATURE FROM NOMINATED CANDIDATES. Candidates on a slate have the right to pool their space and make a slate-wide presentation. The order of presentation of each slate or candidate's material in this magazine was determined by a lottery held in July 2011, although all slate material is published before that of individual, unaffiliated candidates. Nominated candidates have the right to publish campaign literature again in the October 2011 *Teamster* magazine.

YOU ARE ABOUT TO READ THE CANDIDATES' OWN STATEMENTS. These materials were created by each campaign or nominated candidate. They do not in any way reflect the views of the IBT, any affiliated Unions, or the Election Supervisor. The IBT and the Election Supervisor did not in any way screen, edit, or alter this material. It comes to you straight from the nominated candidates.

Richard W. Mark
Election Supervisor

Union on Strong Financial Ground

Thanks to the diversity of our membership, the current economic crisis has had less of an impact on the International Brotherhood of Teamsters than other unions. In addition, we have benefited from the strength attained through the financial growth resulting from the actions taken at the 2002 Special Convention.

When Jim Hoffa and I took office in 1999, the union had net assets of only \$8.6 million and a Strike and Defense Fund that was in the red. But thanks to smart financial planning and the implementation of sound budgetary controls, the International's audited 2010 financial statements report net assets of more than \$126 million.

Our Strike and Defense Fund continues to grow, which has shown many Teamster employers that our collective bargaining strength is formidable.

The fund's balance stood at more than \$87 million at the end of 2010. A strong Strike and Defense Fund benefits everyone in the union, whether they use it or not.

Organizing and Contract Success

Organizing continues to be a top priority of the Teamsters Union as evidenced by the fact that in the past five years, the Teamsters have gained more than 135,000 new members. Thousands of airline workers have joined the union in the last few years, and many more are poised to do so. The Teamsters Union is also organizing thousands of new members in the public services sector and we continue to organize in our core industries.

Novak | Francella
LLC CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

Members of the General Executive Board
International Brotherhood of Teamsters

We have audited the accompanying consolidated statement of financial position of the International Brotherhood of Teamsters (the International Union) as of December 31, 2010, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the International Union's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the International Union's management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the International Union as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Novak Francella LLC

May 19, 2011

We also realize strength from strong contracts negotiated at the International Union and by our local unions that work diligently for our hardworking members.

All this has been made possible by building on our union's financial strength.

There are signs the economy is recovering, but it won't happen overnight. In the

meantime, the Teamsters Union and our members are more secure than most.

C. Thomas Keegel

C. Thomas Keegel
General Secretary-Treasurer

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

	General Fund	Strike and Defense Fund	Hoffa Scholarship Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Total
ASSETS						
Cash and cash equivalents	\$ 10,275,817	\$ 1,520,905	\$ 134,575	\$367,527	\$1,894,611	\$ 14,193,435
Receivables, net						
Trade	18,608,810	—	—	—	266,504	18,875,314
Grants and contributions	814,458	—	2,839	—	—	817,297
Accrued investment income	13,632	—	115	—	20	13,767
Due from/(to) related entities	706,685	(27,045)	13,693	—	(343,000)	350,333
Other	70,335	—	—	—	—	70,335
Inventories	540,887	—	14,555	—	—	555,442
Prepaid expenses	537,135	—	500	—	—	537,635
Investments						
First trust notes - affiliates	1,164,738	—	—	—	—	1,164,738
Other	30,903,035	86,185,219	8,446,386	—	7,546,652	133,081,292
Security deposits and other	393,322	—	27,084	—	7,500	427,906
Property and equipment, net	44,924,335	—	—	—	—	44,924,335
Total assets	\$ 108,953,189	\$87,679,079	\$8,639,747	\$367,527	\$9,372,287	\$215,011,829
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses						
Trade	\$ 28,701,459	\$ 91,730	\$ 292,632	\$ —	\$ 37,052	\$ 29,122,873
Loans payable	18,078,714	—	—	—	—	18,078,714
Unexpended scholarship awards	—	—	236,250	—	—	236,250
Accrued pension cost	40,974,548	—	—	—	—	40,974,548
Accrued postretirement benefits cost	546,230	—	—	—	—	546,230
Total liabilities	88,300,951	91,730	528,882	—	37,052	88,958,615
Net assets						
Unrestricted	19,982,066	87,587,349	8,110,865	367,527	9,335,235	125,383,042
Temporarily restricted	670,172	—	—	—	—	670,172
Total net assets	20,652,238	87,587,349	8,110,865	367,527	9,335,235	126,053,214
Total liabilities and net assets	\$ 108,953,189	\$87,679,079	\$8,639,747	\$367,527	\$9,372,287	\$215,011,829

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2010

	General Fund		Strike and Defense Fund	Hoffa Scholarship Fund	Disaster Relief Fund	Supplemental Benefits Trust	Total
	Unrestricted	Temporarily Restricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	
REVENUE AND OTHER SUPPORT							
Per capita and initiation fees	\$140,400,336	\$ —	\$19,618,473	\$ —	\$ —	\$ —	\$160,018,809
Grants and contributions	4,921,886	—	—	870,593	79,648	—	5,872,127
Special fundraising events	—	—	—	1,352,926	—	—	1,352,926
Affinity program	55,605	—	—	—	—	2,697,271	2,752,876
Investment income, net	1,351,962	—	2,859,102	302,190	—	467,885	4,981,139
Sales of supplies, net	23,451	—	—	—	—	—	23,451
Loss on disposal of property and equipment	(5,222)	—	—	—	—	—	(5,222)
Other	11,424	—	—	39	—	10,017	21,480
Net assets released from restrictions	5,333	(5,333)	—	—	—	—	—
Total revenue	146,764,775	(5,333)	22,477,575	2,525,748	79,648	3,175,173	175,017,586
EXPENSES							
Program services							
Member services							
Communications, magazine and public relations	10,964,501	—	—	—	—	169,182	11,133,683
Industry trade divisions and relations	31,970,794	—	—	—	—	—	31,970,794
Out-of-work benefits	2,611,175	—	11,152,357	—	—	—	13,763,532
Research, education and training	15,426,100	—	—	—	—	168,112	15,594,212
Retiree relations, scholarships and other	231,293	—	—	427,500	—	—	658,793
Organizing	21,045,617	—	—	—	—	—	21,045,617
Other	8,896,974	—	—	—	83,500	375,541	9,356,015
Affiliation fees	11,209,021	—	—	—	—	—	11,209,021
Government affairs	8,266,092	—	—	—	—	—	8,266,092
Legal and litigation	3,756,721	—	—	—	—	—	3,756,721
Civil RICO	5,722,447	—	—	—	—	—	5,722,447
Teamster Affiliates Pension Fund	5,000,000	—	—	—	—	—	5,000,000
Convention	1,860,000	—	—	—	—	—	1,860,000
Total program services expenses	126,960,735	—	11,152,357	427,500	83,500	712,835	139,336,927
Supporting services							
Administration and governance	7,549,057	—	—	65,673	792	518,948	8,134,470
Fundraising	—	—	—	490,543	—	—	490,543
Total expenses	134,509,792	—	11,152,357	983,716	84,292	1,231,783	147,961,940
CHANGE IN NET ASSETS	12,254,983	(5,333)	11,325,218	1,542,032	(4,644)	1,943,390	27,055,646
NET ASSETS							
Beginning of year	9,630,905	675,505	76,262,131	6,568,833	372,171	7,391,845	100,901,390
Other comprehensive income	(1,903,822)	—	—	—	—	—	(1,903,822)
End of year	\$19,982,066	\$670,172	\$87,587,349	\$8,110,865	\$367,527	\$9,335,235	\$126,053,214

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2010

	General Fund	Strike and Defense Fund	Hoffa Scholarship Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Total
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Cash received from						
Affiliated conferences, joint councils and local unions	\$141,178,325	\$19,498,059	\$ —	\$ —	\$ —	\$160,676,384
Investment income	1,697,981	4,316,520	317,113	—	213,836	6,545,450
Other revenue and reimbursements	4,795,619	—	2,198,019	79,648	2,707,521	9,780,807
Net cash received	147,671,925	23,814,579	2,515,132	79,648	2,921,357	177,002,641
Cash disbursed to						
Service providers, suppliers, vendors and others	(121,908,334)	(9,552,701)	(938,750)	(84,292)	(2,480,872)	(134,964,949)
Other labor organizations	(3,037,204)	—	—	—	—	(3,037,204)
Affiliated conferences, joint councils and local unions	(8,250,364)	—	—	—	—	(8,250,364)
Members for benefits under Strike Benefit Assistance Program	—	(1,765,582)	—	—	—	(1,765,582)
Net cash disbursed	(133,195,902)	(11,318,283)	(938,750)	(84,292)	(2,480,872)	(148,018,099)
Net cash provided by (used for) operating activities	14,476,023	12,496,296	1,576,382	(4,644)	440,485	28,984,542
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES						
Proceeds from sale or redemption of investments	19,703,191	52,463,547	4,701,454	—	9,189,672	86,057,864
Purchase of investments	(32,753,879)	(98,425,948)	(9,588,393)	—	(9,498,107)	(150,266,327)
Purchase of fixed assets	(874,749)	—	—	—	—	(874,749)
Payment of loans by affiliates	133,271	—	—	—	—	133,271
Net cash used for investing activities	(13,792,166)	(45,962,401)	(4,886,939)	—	(308,435)	(64,949,941)
CASH FLOWS USED FOR FINANCING ACTIVITIES						
Loan repayments	(600,000)	—	—	—	—	(600,000)
Net cash used for financing activities	(600,000)	—	—	—	—	(600,000)
Net increase (decrease) in cash	83,857	(33,466,105)	(3,310,557)	(4,644)	132,050	(36,565,399)
CASH AND CASH EQUIVALENTS						
Beginning of year	10,191,960	34,987,010	3,445,132	372,171	1,762,561	50,758,834
End of year	\$ 10,275,817	\$ 1,520,905	\$134,575	\$367,527	\$1,894,611	\$ 14,193,435
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Change in net assets	\$ 10,345,828	\$11,325,218	\$1,542,032	\$ (4,644)	\$1,943,390	\$ 25,151,824
Net depreciation (appreciation) of investments	125,323	1,372,064	(3,149)	—	(277,998)	1,216,240
Loss on disposal of fixed assets	5,222	—	—	—	—	5,222
Depreciation expense	2,618,646	—	—	—	—	2,618,646
(Increase) decrease in assets						
Receivables	868,783	1,830	8,580	—	2,288	881,481
Inventories	176,231	—	180	—	—	176,411
Prepaid expenses	201,660	—	49,440	—	—	251,100
Security deposits and other	(177,195)	—	—	—	—	(177,195)
Due to/from related entities	208,935	(120,414)	(13,693)	—	(91,000)	(16,172)
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	(165,013)	(82,402)	42,492	—	(1,136,195)	(1,341,118)
Unexpended scholarship awards	—	—	(49,500)	—	—	(49,500)
Accrued pension cost	245,923	—	—	—	—	245,923
Accrued postretirement benefits cost	21,680	—	—	—	—	21,680
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 14,476,023	\$12,496,296	\$1,576,382	\$ (4,644)	\$ 440,485	\$ 28,984,542

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 1. NATURE OF OPERATIONS

The International Brotherhood of Teamsters (the International Union) is one of the largest labor unions in North America with a membership representing a variety of industries and trades. The primary source of revenue is per capita taxes paid by local unions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Consolidation and Fund Accounting - The consolidated financial statements include the accounts and activities of the International Union and related entities under the International Union's control. For purposes of presentation in the consolidated financial statements and in accordance with requirements set forth in its Constitution, the International Union reports its accounts and activities in the following funds:

General Fund - Provides for the ongoing activities of the International Union not specifically carried out by any other fund. The General Fund also includes the consolidated accounts of the Teamsters National Headquarters Building Corporation, a for-profit corporation formed to be a title holding corporation for the International Union's headquarters building. All significant intercompany account balances have been eliminated in consolidation. Included in the General Fund is the Public Services Assistance Fund. This fund provides assistance to public employees whose contracts do not entitle them to strike benefits. Also included in the General Fund are funds designated for organizing activities. Ten percent of per capita tax received by the International Union, excluding the amount received for members in Teamsters Canada, is designated for organizing activities. Funds designated for organizing activities for the Brotherhood of Locomotive Engineers and Trainmen, Brotherhood of Maintenance of Way Employees Division and the Graphic Communications/IBT Conference are governed by the applicable merger agreements.

Strike and Defense Fund - The Strike and Defense Fund was created in 2002 to support members engaged in collective action to obtain recognition, obtain and/or protect wages and benefits through the negotiation of collective bargaining agreements, enforce collective bargaining agreements, and/or members who have been locked out by their employers.

Fifteen percent of per capita tax received by the International Union, excluding the amounts received for members in Teamsters Canada and members employed in the public sector who do not have the legal right to strike, are transferred to the Strike and Defense Fund. Participation in the Strike and Defense Fund for the Brotherhood of Locomotive Engineers and Trainmen Division, Brotherhood of Maintenance of Way Employees Division and the Graphic Communications Conference are governed by the applicable merger agreements.

Hoffa Scholarship Fund - The Hoffa Scholarship Fund represents the accounts and activities of the James R. Hoffa Memorial Scholarship Fund, Inc., a related organization under the International Union's control. The Fund was incorporated in November 1999 and began operations in January 2000 for the purpose of awarding scholarships to dependents of union members in order to enable the recipients to attend accredited post-secondary educational institutions. The funding for scholarships is provided by voluntary contributions to the Fund, the net proceeds of annual fund raising events, and the sale of promotional materials. As a form of financial assistance to the Hoffa Scholarship Fund, the International Union provides facilities, management, administrative, accounting and clerical assistance.

Teamster Disaster Relief Fund - The Teamster Disaster Relief Fund represents the accounts and activities of the Teamster Disaster Relief Fund, a related organization under the International Union's control. The Fund was incorporated in September 1992 and began operations in 1992 for the purpose of providing monetary and non-monetary relief directly or indirectly to individuals who are victims of hurricane, flood, earthquake, fire, accident or other disaster. Funding is provided by monetary and non-monetary contributions from individuals or organizations affiliated with the International Union and the general public. As a form of financial assistance to the Disaster Relief Fund, the International Union provides facilities, management, administrative, accounting and clerical assistance.

Supplemental Benefits Trust - The Supplemental Benefits Trust represents the accounts and activities of the International Brotherhood of Teamsters Supplemental Benefits Trust, a financially inter-related organization under the International Union's control. The Trust was established on January 1, 2003 to serve as a vehicle for the coordination of several credit card, insurance and other programs offered to members of the International Union and their families by third party vendors. The Trust is funded primarily through royalty payments payable in accordance with the provisions of various agreements between the International Union and third party vendors which have been assigned by the International Union to the Trust.

Cash and Cash Equivalents - Cash and cash equivalents consist of amounts held in demand deposit accounts, money market accounts and funds.

Inventory - The International Union maintains an inventory of supplies for resale to local unions and individual members. Inventory is stated at cost which approximates the selling price of items held.

Investments - Investments in the limited partnerships (See Notes 7 and 9) are carried at estimated fair value. All other investments are reported at their aggregate fair value. The fair value of investments in common and capital stocks, corporate bonds, mutual funds and U.S. Treasury and Government Agency securities are determined by quoted market prices as reported by the investment custodian.

Property and Equipment - Property and equipment are carried at cost. Major additions are capitalized while replacements and repairs that do not improve or extend the lives of the respective assets are expensed. Depreciation and

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

amortization expense is computed using the straight line method over the following estimated useful lives of the assets:

Building and improvements	39 years
Data processing equipment	5 years
Office equipment and capitalized software	3-10 years
Furniture and fixtures	10 years
Automobiles	5 years

Canadian Currency - The International Union maintains checking and savings accounts in Canada as well as the United States. For financial statement purposes, all assets are expressed in U.S. dollar equivalents.

Canadian currencies included in the consolidated statement of financial position are translated at the exchange rates in effect on the last day of the year. Unrealized increases and decreases due to fluctuations in exchange rates are included in the consolidated statement of activities.

Funds received and disbursed in Canada are stated in U.S. dollars based on the average exchange rates in effect during the year when reported in the revenue and expenses included in the consolidated statement of activities.

Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Presentation - The International Union's consolidated financial statements present its net assets, revenues, expenses, gains and losses, classified between unrestricted, temporarily restricted, and permanently restricted based on the existence or absence of donor-imposed restrictions.

NOTE 3. TAX STATUS

The International Union is exempt from Federal income taxes under Section 501(c)(5) of the Internal Revenue Code, except on any income derived from activities unrelated to its exempt purpose.

Income taxes on net earnings are payable by the Teamsters National Headquarters Building Corporation pursuant to the Internal Revenue Code. All operating costs of the Corporation are fully reimbursed by the International Union resulting in no net income or loss. Accordingly, no provision has been made for Federal income taxes.

The Hoffa Scholarship Fund and Teamster Disaster Relief Fund are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are reasonably expected to be publicly supported organizations and not private foundations. The Funds are subject to tax derived from unrelated business activities.

The Supplemental Benefits Trust is exempt from Federal income taxes under

Section 501(c)(5) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws.

NOTE 4. TRADE RECEIVABLES

Trade receivables consist of the following at December 31, 2010:

Per capita and initiation fees	\$ 17,130,220
Unsecured notes receivable	812,490
Affinity program	266,504
Other	688,302
	<u>18,897,516</u>
Less allowance for doubtful accounts	<u>(22,202)</u>
	<u>\$ 18,875,314</u>

NOTE 5. UNINSURED CASH BALANCES AND INVESTMENT CONCENTRATIONS

The International Union maintains cash equivalents with various financial institutions as of December 31, 2010 totaling approximately \$9,500,000 which were not insured by the Federal Deposit Insurance Corporation.

The International Union also maintains cash at a Canadian financial institution, which is insured up to \$100,000. As of December 31, 2010, the International Union's cash in the Canadian financial institution in excess of insurance coverage totaled approximately \$1,970,000 in Canadian dollars (approximately \$1,980,000 U.S. Dollars).

The Supplemental Benefits Trust maintains its cash at two financial institutions. As of December 31, 2010 the Supplemental Benefits Trust's cash in excess of FDIC insurance coverage totaled approximately \$1,630,000.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2010 the Teamsters Disaster Relief Fund's cash in excess of FDIC insurance coverage totaled approximately \$117,000.

NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government totaled \$814,458 and are due to be received within one year.

NOTE 7. INVESTMENTS

The fair value and cost of investments held by the International Union at December 31, 2010 is summarized below:

	Cost	Fair Value
Common stock	\$ 427,576	\$ 829,895
Corporate bonds	65,537	17,195
Mutual funds - equity	1,276,684	1,518,070
Mutual fund - fixed income	131,155,765	130,716,132
	<u>\$132,925,562</u>	<u>\$133,081,292</u>

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

Investment income for the year ended December 31, 2010 consisted of the following:

	General Fund	Strike Fund	Hoffa Scholarship Fund	Supplemental Benefits Trust	Total
Interest and dividends	\$ 1,567,632	\$ 4,314,690	\$ 316,885	\$ 211,781	\$ 6,410,988
Net realized and unrealized gain (loss) on investments	(125,323)	(1,372,064)	3,149	277,998	(1,216,240)
Investment expenses	(90,347)	(83,524)	(17,844)	(21,894)	(213,609)
	<u>\$ 1,351,962</u>	<u>\$ 2,859,102</u>	<u>\$ 302,190</u>	<u>\$ 467,885</u>	<u>\$ 4,981,139</u>

NOTE 8. FAIR VALUE MEASUREMENTS

"Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets for identical assets that are accessible at the measurement date.

Level 2 - Quoted prices in markets that are not considered active or investments for which all significant inputs are observable.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

	Fair Value Measurements at December 31, 2010			
	Total	Level 1	Level 2	Level 3
Common stock - all cap value	\$ 829,895	\$ 829,895	\$ —	\$ —
Corporate obligations	17,195	11,032	—	6,163
Mutual funds - equity	1,518,070	1,518,070	—	—
Mutual funds - fixed income	130,716,132	130,716,132	—	—
	<u>\$ 133,081,292</u>	<u>\$ 133,075,129</u>	<u>\$ —</u>	<u>\$ 6,163</u>

	Level 3 Fair Value Measurements			
	Total	Gov't Agency securities	Corporate obligation	Limited partnership
Beginning balance	\$ 50,525,851	\$ 5,009	\$ 21,696	\$50,499,146
Realized gains (losses)	(1,235,176)	(9)	(2,691)	(1,232,476)
Unrealized gains (losses)	—	—	—	—
Purchases	887,979	—	—	887,979
Sales	(50,172,491)	(5,000)	(12,842)	(50,154,649)
Transfers into (out of) Level 3	—	—	—	—
Ending balance	<u>\$ 6,163</u>	<u>\$ —</u>	<u>\$ 6,163</u>	<u>\$ —</u>

NOTE 9. INVESTMENTS IN FIRST TRUST NOTES

The International Union provided loans to affiliates for financial assistance. These loans are secured by real estate and are carried at their unpaid principal balance of \$1,164,738. No allowance for uncollectible accounts was deemed necessary as of December 31, 2010.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 10. PROPERTY AND EQUIPMENT

Property and equipment held by the International Union consists of the following as of December 31, 2010:

Land - headquarters	\$ 794,117
Headquarters building	51,016,757
Leasehold improvements	26,000
Furniture and fixtures	5,550,047
Equipment	3,827,384
Data processing equipment	2,263,006
Computer software	4,092,325
Automobiles	187,543
Working in process	394,719
	<u>68,151,898</u>
Less accumulated depreciation	<u>(23,227,563)</u>
Net property and equipment	<u>\$ 44,924,335</u>

Depreciation expense for the year ended December 31, 2010 was \$2,618,646.

NOTE 11. THE TEAMSTER AFFILIATES PENSION PLAN

The Teamster Affiliates Pension Plan (the "Plan") provides defined benefits to eligible officers and employees of the International Union's affiliates.

The General Executive Board elected to curtail the Plan effective December 31, 1994, thus freezing benefits for most participants at the then accumulated level. Effective January 1, 1995, the Plan was amended to allow the affiliates to contribute on behalf of their employees. For those participants whose employer continued to contribute, benefits were not frozen until December 31, 2001. Effective as of January 1, 2002, no additional retirement or other benefit will be accrued under this Plan by any participant of the Plan. Any participation agreement which may have been submitted by an affiliate to, and accepted by, the Trustees of this Plan at any time on or after January 1, 1995 shall be terminated effective as of January 1, 2002 and no contribution shall be accepted by the Trustees from an affiliate on behalf of a participant employed by that affiliate with respect to any period of time beginning on or after January 1, 2002.

Prior to January 1, 2008, the International Union accounted for the Teamster Affiliates Pension Plan in accordance with "Compensation-Defined Benefit Plans". Under the provisions of the Pension Protection Act of 2006, the International Union was able to convert the Plan from a multiple - employer plan to a multi-employer plan. As a result of this conversion, the International Union accounts for the Plan in accordance with "Compensation - Multiemployer Plans".

The Plan's consulting actuary will determine the Plan's funding requirement on an annual basis. The funding requirement has been zero since at least 1994. If the consulting actuary determines that a contribution must be made to the Plan, the International Union will determine the method for funding the Plan.

No individual who was initially employed by an affiliate on or after January 1, 2002 was eligible to become a participant of the Plan. No compensation that was received by a participant of the Plan with respect to any period of time beginning on or after January 1, 2002 was considered to be the earnings of that

participant for purposes of the Plan. Any periods of credited service and/or vesting service earned by a participant on or after January 1, 2002 shall continue to be used to determine the eligibility of that participant to receive a retirement or other benefit under this Plan but shall not be used to determine the amount of any retirement or other benefit which that participant may otherwise be entitled to receive under this Plan.

The information on benefit costs for the year ended December 31, 2010, as determined by the consulting actuary, is as follows:

Employer contributions	\$ 5,000,000
Plan participants' contributions	—
Benefits paid	44,557,566

In computing the funded status of the Plan as of December 31, 2010, the consulting actuary used the following assumptions:

Discount rate	5.75%
Average rate on compensation increases	N/A

The funded status of the Plan as of December 31, 2010, as determined by the actuary, is as follows:

Projected benefit obligation	\$(467,131,952)
Fair value of Plan assets	<u>333,752,965</u>
Funded status	<u><u>\$(133,378,987)</u></u>
Accumulated benefit obligation	<u><u>\$(467,131,952)</u></u>

The Plan's expected long-term rate of return on assets assumption is 8.00%. As defined in "Compensation-Multiemployer Plan", this assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The Plan's overall investment strategy is to invest in securities that will meet or exceed an absolute return of 8%. In order to meet its needs, the Plan's investment strategy is to emphasize total return primarily by emphasizing long-term growth of principal while avoiding excessive risk and secondly by achieving returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets. In general, the Plan's goal is to maintain the following allocation ranges for investments:

Equity securities	55% - 70%
Debt securities	30% - 45%
Cash and equivalents	0% - 5%

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 11. THE TEAMSTER AFFILIATES PENSION PLAN (CONTINUED)

The major classes of plan investments at December 31, 2010 are:

	Fair Value
Collective trust fund-equity	\$157,783,173
Common stock	74,406,696
103-12 investment entity-fixed income	67,675,653
Corporate obligations	17,509,906
Mutual fund - fixed income	13,275,036
Money market mutual funds	1,989,502
Preferred stock - equity	213,591
	<u>\$332,853,557</u>

"Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets for identical assets that are accessible at the measurement date.

Level 2 - Quoted prices in markets that are not considered active or investments for which all significant inputs are observable.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

	Fair Value Measurements at December 31, 2010			
	Total	Level 1	Level 2	Level 3
Collective trust funds:				
Equity index fund - all cap	\$ 37,329,822	\$ —	\$ 37,329,822	\$ —
Equity index fund - large cap	120,453,351	—	120,453,351	—
Common stock:				
Small cap growth	29,308,332	29,308,332	—	—
Small cap value	41,235,306	41,235,306	—	—
Large cap value	3,863,058	3,863,058	—	—
103-12 investment entity - fixed income	67,675,653	—	—	67,675,653
Corporate obligations:				
Corporate bonds	17,150,406	17,150,406	—	—
Collateralized mortgage back obligation	250,000	250,000	—	—
Corporate variable rate obligation	109,500	109,500	—	—
Mutual fund - fixed income	13,275,036	13,275,036	—	—
Money market mutual fund - U.S. Treasury	1,989,502	1,989,502	—	—
Preferred stock - equity	213,591	213,591	—	—
	<u>\$ 332,853,557</u>	<u>\$ 107,394,731</u>	<u>\$ 157,783,173</u>	<u>\$ 67,675,653</u>

	Total	Level 3 Fair Value Measurements			
		103-12 investment entity	Corporate debt obligations	Collateralized mortgage backed securities	Corporate variable rate obligation
Beginning balance	\$ 68,648,094	\$ 67,507,531	\$ 133,837	\$ 739,346	\$ 267,380
Realized gains (losses)	(785,641)	97,390	2,841	(688,975)	(196,897)
Unrealized gains (losses)	1,366,843	811,019	(2,958)	396,589	162,193
Purchases	3,162,713	3,162,713	—	—	—
Sales	(4,716,356)	(3,903,000)	(133,720)	(446,960)	(232,676)
Ending balance	<u>\$ 67,675,653</u>	<u>\$ 67,675,653</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

International Brotherhood of Teamsters **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
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The International Union has committed to contribute \$15,000,000 to the Plan. The amount is payable as \$5,000,000 per year in 2010, 2011 and 2012. The International Union made the first \$5,000,000 payment in December 2010. At December 31, 2010, the International Union's remaining commitment is \$10,000,000.

Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2011	\$ 46,113,522
2012	45,205,533
2013	44,162,153
2014	43,025,145
2015	41,695,194
Aggregate for five years beginning 2016	187,202,035

NOTE 12. RETIREMENT AND FAMILY PROTECTION PLAN

The International Union is the sponsor of the Retirement and Family Protection Plan (the "Plan"), a defined benefit plan that covers the employees of the International Union and the Teamsters National Headquarters Building Corporation (a wholly owned subsidiary). Substantially all of the employees participate in the Plan. Benefits provided by this Plan are determined based on years of service, level of compensation, and date of employment. The International Union pays the full cost of the Plan and annually determines the amount, if any, to contribute to the Retirement and Family Protection Plan based on the advice of consulting actuaries.

The International Union reports in accordance with Financial Accounting Standards Board "Compensation-Defined Benefit Plans" requires that the full funding status of defined benefit pension and other postretirement plans be recognized on the statement of financial position as an asset (for overfunded plans) or as a liability (for underfunded plans).

In computing net periodic pension costs as of January 1, 2010 to be recognized for the year ended December 31, 2010, the consulting actuary used the following assumptions:

Discount rate	6.00%
Average rate of compensation increase	5.25
Expected return on Plan assets	8.00

The information on benefit cost for the year 2010, as determined by the consulting actuary, is as follows:

Employer contributions	\$12,582,956
Plan participants' contributions	-
Benefits paid	16,594,765

In computing the funded status of the Plan as of December 31, 2010, the consulting actuary used the following assumptions:

Discount rate	5.75%
Average rate of compensation increases	5.00

The funded status of the Plan as of December 31, 2010, as determined by the consulting actuary, is as follows:

Projected benefit obligation	\$(114,179,421)
Fair value of plan assets	<u>73,204,873</u>
Funded status	<u><u>\$(40,974,548)</u></u>
Accumulated benefit obligation	<u><u>\$(89,169,361)</u></u>

Amounts recognized in the statement of financial position as of December 31, 2010 consists as follows:

Non-current assets	\$ -
Current liabilities	-
Non-current liabilities	(40,974,548)

Amounts recognized in net assets as of December 31, 2010 consist as follows:

Transition obligation	\$ -
Prior service cost	(299,983)
Net loss	<u>32,051,669</u>
	<u><u>\$ 31,751,686</u></u>

Net periodic benefit cost \$ 10,904,893

Other changes in Plan assets and benefit obligations recognized in net assets as of December 31, 2010:

New transition obligation	\$ -
New prior service credit	-
New net gain	4,200,445
Amortization of transition obligation	-
Amortization of prior service cost	(275,133)
Amortization of net loss	<u>(2,001,326)</u>

Total recognized in net assets \$ 1,923,986

Total recognized in net periodic benefit cost and net assets: \$ 12,828,879

The amounts that will be amortized from net assets into net periodic benefit cost over the next fiscal year are:

Transition obligation	\$ -
Prior service cost	245,231
Net loss	<u>2,049,029</u>
	<u><u>\$ 2,294,260</u></u>

The Plan's expected long-term rate of return on assets assumption is 8.00%. As defined in Financial Accounting Standards Board "Compensation-Defined Benefit Plans", this assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The Plan's overall investment strategy is to invest in securities that will meet or exceed an absolute return of 8.00%. In order to meet its needs, the Plan's investment strategy is to emphasize total return primarily by emphasizing long-term growth of principal while avoiding excessive risk and secondly by achieving returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets.

Effective October 2009, the Plan's goal is to maintain the following allocation ranges for investments:

Fixed income securities	95% – 100%
Cash and equivalents	0% – 5%

Prior to October, 2009, the Plan's goal was to maintain the following allocation ranges for investments:

Equity securities	60% – 80%
Fixed income securities	30% – 40%
Cash and equivalents	0% – 5%

The major classes of plan investments at December 31, 2010 are:

	Fair Value
Collective trust fund-fixed income	\$ 58,982,180
Mutual fund-fixed income	5,691,081
Corporate obligations	4,885,442
Money market mutual fund	153,296
	<u>\$ 69,711,999</u>

Following is the information about the fair value measurements of the Plan's assets:

"Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets for identical assets that are accessible at the measurement date.

Level 2 - Quoted prices in markets that are not considered active or investments for which all significant inputs are observable.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

	Fair Value Measurements at December 31, 2010			
	Total	Level 1	Level 2	Level 3
Collective trust fund - fixed income	\$ 58,982,180	\$ —	\$ 58,982,180	\$ —
Mutual fund - fixed income	5,691,081	5,691,081	—	—
Corporate obligations:				
Corporate obligations	4,848,942	4,848,942	—	—
Floating rate corporate obligations	36,500	36,500	—	—
Money market mutual fund	153,296	153,296	—	—
	<u>\$69,711,999</u>	<u>\$10,729,819</u>	<u>\$ 58,982,180</u>	<u>\$ —</u>

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 12. RETIREMENT AND FAMILY PROTECTION PLAN (CONTINUED)

	Level 3 Fair Value Measurements			
	Total	Corporate debt obligations	Collateralized mortgage-backed securities	103-12 investment entity – fixed income
Beginning balance	\$ 13,891,927	\$ 16,591	\$ 56,430	\$ 13,818,906
Realized gains (losses)	(129,357)	352	(70,621)	(59,088)
Unrealized gains (losses)	(245,721)	(367)	32,820	(278,174)
Purchases	242,992	-	-	242,992
Sales	(13,759,841)	(16,576)	(18,629)	(13,724,636)
Ending balance	\$ -	\$ -	\$ -	\$ -

The International Union's expected contribution to the Plan for the year ended December 31, 2011 has not yet been determined. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2011	\$ 11,022,703
2012	11,126,850
2013	11,025,798
2014	11,513,250
2015	12,069,685
Aggregate for five years beginning 2016	63,602,896

NOTE 13. TEAMSTERS NATIONAL 401(K) SAVINGS PLAN

In 1996, the International Union entered into a trust agreement to participate in the Teamsters National 401(k) Savings Plan (the Plan). Beginning in April 1997, employees of the International Union who have completed 30 days of service may contribute to the Plan through payroll deductions. Participants may contribute up to 89% of their pretax salaries up to the maximum prescribed by law and an additional 5% of after-tax salaries. The International Union, as a Plan sponsor, does not contribute to the Plan and assumes no liability for the Plan's administrative costs.

NOTE 14. RELATED ENTITIES

The International Union has various related entities not included in the consolidation, which include a political and education fund (a separate, segregated fund of the International Union), two defined benefit pension plans, a defined contribution pension plan, a legal defense fund, and a voluntary employee benefits trust. These entities, as well as the Strike and Defense Fund, Supplemental Benefits Trust, Teamster Disaster Relief Fund and James R. Hoffa Memorial Scholarship Fund, Inc., which are included in the consolidated financial statements, and amounts due to (from) the International Union at December 31, 2010 are as follows:

Strike and Defense Fund	\$ 27,045
Teamster Affiliates Pension Plan	3,215
Hoffa Scholarship Fund	(13,693)
Retirement and Family Protection Plan	4,674
Voluntary Employee Benefits Trust	319,000
Supplemental Benefits Trust	343,000
Teamsters Legal Defense Fund	23,444
Total	<u>\$ 706,685</u>

The International Union absorbs the administrative costs applicable to the operations of these related entities. All but the political and education fund, Teamster Disaster Relief Fund and James R. Hoffa Memorial Scholarship Fund reimburse the International Union for those administrative costs through cost sharing arrangements.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 15. POSTRETIREMENT BENEFITS

The International Union provides life insurance benefits for retired employees meeting the requirements of a normal pension or becoming disabled and receiving a disability pension. Spouses and dependent children of these retirees are also eligible to participate. In addition, certain spouses and dependent children of deceased active employees are eligible to participate in the plan.

In accordance with applicable accounting standards, the International Union has recognized a liability of \$546,230 which represents the actuarially calculated accumulated benefit obligation. The accumulated benefit obligation represents the present value of future premiums to be paid by the International Union calculated using various assumptions for matters such as mortality and discount rate. The total recognized in net periodic benefit cost and other comprehensive income for the year ended December 31, 2010 totaled \$25,210.

NOTE 16. ACCRUED LEAVE

In compliance with "Compensated Absences" the International Union has established a liability of \$2,757,032 representing accumulated future absences of its employees through the year ended December 31, 2010, which is included under "accounts payable and accrued expenses" in the consolidated statement of financial position.

NOTE 17. COMMITMENTS AND CONTINGENCIES

The International Union is involved in litigation arising in the normal course of operations. Some of the litigation involves matters common to any organization of comparable size, including personnel, employment, contract, and trademark issues.

Other litigation relates to the International Union's status as a labor organization. Much of this latter litigation is strategic, pursued by employers intent on pressuring the International Union with respect to its conduct as a bargaining representative pursuing better wages, hours and working conditions for the members of the International Brotherhood of Teamsters.

None of the litigation involves any substantial liability on the part of the International Union. Accordingly, no provision for any liability that may result upon final adjudication of any pending litigation has been made in the accompanying consolidated financial statements.

NOTE 18. AFFINITY PROGRAM

The international Union entered into agreements with HSBC Finance Corporation (HSBC) and GMAC Insurance Company (GMACI) under which royalty payments are received. The International Union assigned any and all rights and interests it may have related to these royalties to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

The agreement with HSBC provides that HSBC will pay royalties in exchange for the right to use the International Union's intangible property including name, logo, and membership lists, in connection with the marketing of credit cards and other financial products to members of the International Union. Under this agreement, HSBC has agreed to pay the International Union certain royalties commencing as of September 1, 2007, in part to ensure that the International

Union will continue to maintain its credit card and loan program with HSBC at least until the agreement's scheduled expiration date of February 28, 2019. This agreement will renew automatically for successive periods of one year each unless the International Union or HSBC notifies the other party of its intent not to renew the agreement at least twelve months prior to February 28, 2019.

The agreement with GMACI provides that GMACI has the exclusive rights to market and sell insurance coverage to International Union members in exchange for a fee of 3% of the direct written premium on policies underwritten for the plan by GMACI. The fees represent reimbursement for administrative expenses incurred by the International Union, list management services in connection with marketing the insurance plan and for the use of the International Union name and logo.

The Supplemental Benefits Trust also has an agreement with Nu Travel and a joint agreement between the International Union and Affinity Financial Corporation under which royalty payments are received.

NOTE 19. LEASES

The International Union leases office equipment, office space, and residential space. Monthly lease and maintenance payments are allocated to program expenses in the consolidated statement of activities. Lease obligations under non-cancelable operating leases are as follows:

Year ending December 31, 2011	\$ 799,061
2012	487,991
2013	435,829
2014	236,843
2015	82,745
Total	<u>2,042,469</u>
Thereafter	—
	<u><u>\$ 2,042,469</u></u>

Rental payments totaled \$1,258,149 for the year ended December 31, 2010.

NOTE 20. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets in the General Fund as of December 31, 2009 resulted from contributions from local union members, local unions and other affiliates for member-to-member communications through a newly created Field Action Fund run by the International Union. At December 31, 2010 temporarily restricted net assets consisted of \$670,172 for these activities.

NOTE 21. ORGANIZING ACTIVITIES

As a result of actions taken at the 2002 Special Convention, ten percent of the annual per capita tax received by the International Union, exclusive of per capita tax received for Canadian members, is allocated for organizing activities. Allocation of funds to organizing activities for the Brotherhood of Locomotive Engineers and Trainmen Division, Brotherhood of Maintenance of Way Employees Division and the Graphic Communications Conference are governed by the applicable merger agreements.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

NOTE 22. LOAN PAYABLE

During the year ended December 31, 2010 the International Union entered into a loan agreement (line of credit) and executed a promissory note with Wachovia Bank to borrow amounts up to \$22,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment is due by December 31, 2010. As of December 31, 2010, the outstanding principal balance due on the note was \$18,078,714 at a variable interest rate of .71063%.

Interest expense totaled \$124,161 for the year ended December 31, 2010.

NOTE 23. RISKS AND UNCERTAINTIES

The International Union holds diversified investments which are exposed to various risks including economic, interest rate, market, and sector. Such risks could cause material near term fluctuations in the market value of the investments as reported in these financial statements.

NOTE 24. SUBSEQUENT EVENTS

The International Union has evaluated subsequent events through May 19, 2011, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

REPORT TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

FROM: Independent Review Board
Benjamin R. Civiletti
Joseph E. diGenova
William H. Webster

DATED: July 15, 2011

I. INTRODUCTION

This is the Independent Review Board's ("IRB") Report Number 5 for 2011 to you on its activities conducted pursuant to the Consent Order. In this Report we will discuss matters that are currently before us, including three new reports, and the progress of existing charges about which you were previously informed.

II. NEW REPORTS

A. LOUIS CASSERO, LOCAL 282, LAKE SUCCESS, NEW YORK

On June 21, 2011 the IRB sent an Investigative Report to the Executive Board of Local 282 recommending that a charge be filed against Local 282 member Louis Cassero for failing to cooperate with the IRB by intentionally giving false testimony concerning his gambling activities during his November 24, 2009 sworn IRB examination. During that examination Mr. Cassero knowingly and falsely stated under oath that he never accepted any bets and did not have any involvement in gambling.

On May 9, 2011 during his criminal trial in New York State, Mr. Cassero pled guilty to promoting gambling in the first degree in concert with others; as well as conspiracy to promote gambling in the first degree.

Prior to his November 24, 2009 sworn testimony, Mr. Cassero was charged in October 2009 with twenty-nine others in New York State court with enterprise corruption, the State offense analogous to the federal Racketeer Influenced Corrupt Organizations statute. Other charges included twenty-two counts of promoting gambling in the first degree and with conspiracy to promote gambling in the first degree. At his plea, under oath he admitted to actions he denied in his IRB testimony.

Local 282 Executive Board has 90 days within which to file the charge, hold a hearing and forward a written report to the IRB.

B. ANTHONY O'DONNELL, LOCAL 282, LAKE SUCCESS, NEW YORK

An IRB sworn examination scheduled for February 11, 2011 was postponed at the request of Counsel for Anthony

O'Donnell, a member of Local 282. On February 21, 2011, the IRB was informed that Mr. O'Donnell would assert his Fifth Amendment privilege at his sworn examination where he would be questioned about having contact with individuals reported to be organized crime members and associates. Prior to the IRB filing a "failing to cooperate with the IRB" against him, Mr. O'Donnell submitted a signed agreement to the IRB seeking to resolve the matter.

The Agreement was approved by the IRB on April 18, 2011. Mr. O'Donnell agreed to permanently resign from the IBT and Local 282 effective April 18, 2011. Additional stipulations are included in the Agreement concerning matters of employment, membership, pay, contributions, gratuities, and pension.

Chief Judge Preska's Order of April 26, 2011 affirmed the IRB's determination in Application 149.

C. THOMAS ROSANO, LOCAL 812, GREAT NECK, NEW YORK

Mr. Rosano was informed that the IRB planned to recommend charging him for obstructing the work of the IRB by falsifying minutes of a Local 812 Executive Board meeting. After being so informed, Mr. Rosano then submitted a signed Agreement to the IRB seeking to resolve the matter.

The Agreement was approved by the IRB. The Agreement states that Mr. Rosano agrees to permanently resign from all currently held positions of the IBT and Local 812 effective April 18, 2011. From April 18 forward, he further agreed to additional stipulations concerning matters of employment, membership, pay, contributions, gratuities, and pension. The IRB found that the Agreement serves to resolve the matter in a fair and equitable manner.

Chief Judge Preska's Order of April 26, 2011 affirmed the IRB's determination in Application 150.

III. PROGRESS OF EXISTING CHARGES

A. LOCAL 82, SOUTH BOSTON, MASSACHUSETTS

On September 27, 2010 General President Hoffa determined that it was appropriate to impose a Trusteeship on an emergency basis. We previously informed you, in prior reports in the Teamster magazine, of several IRB findings dealing with Local 82 members' work in the show and moving industries.

In a letter dated October 13, 2010 to Bradley T. Raymond, IBT General Counsel, the IRB requested that the IBT General Counsel's Office provide a status report on trusteeships to the IRB every 90 days.

In a reply dated January 14, 2011 Bradley T. Raymond provided the IRB with a status report on the Local 82 Trusteeship. The report states that the Trustee took charge of the affairs of Local 82, and removed the officers. This report also lists other actions that records are now kept by each contractor on who is hired.

On December 7, 2010 a panel hearing was held to determine whether to continue with the Trusteeship. Although the

hearing panel did not make recommendations concerning continuation, no members spoke in opposition to the Trusteeship, and several members spoke in favor of it.

In a letter dated April 4, 2011 IBT General President James P. Hoffa informed Mr. Denis J. Taylor, Trustee of Local 82, of his decision to continue the Trusteeship over Local 82. Reasons for this decision included the establishment and implementation of a lawful and transparent referral system as well as the finalization of various collective bargaining agreements. In addition, it was pointed out that the Local 82 members who spoke at the hearing on this matter were nearly unanimous in their sentiment that the trusteeship continue.

B. JOHN PERRY AND PATRICK GEARY, JOSEPH BURHOE, JAMES DEAMICIS, THOMAS FLAHERTY, AND JAMES YOUNG - LOCAL 82, SOUTH BOSTON, MASSACHUSETTS

Three Letters Exchanged on Local 82

Three letters between the IBT and the IRB were exchanged regarding the Local 82 charges, recommendations and penalties as follows:

March 24, 2011 - A letter from James P. Hoffa, IBT General President was transmitted to the IRB on IBT's "Panel Report and Recommendations." This report contains IRB's charges, and IBT's related recommendations and penalties resulting from IBT's Panel hearings held on February 15, 2011. Mr. Hoffa, adopted the Panel's findings and conclusions as his own.

June 7, 2011 - A letter from the IRB to Mr. Hoffa, on IRB's recommended charges against Local 82 Executive Board and several Local 82 members. This letter responds to IBT's March 24, 2011 letter and identifies which IBT decisions were found by the IRB to be not inadequate or inadequate. The letter states that with the exception of the IBT's decisions on three charges against individuals, the IRB found the remaining IBT's findings and sanctions to be inadequate. The three not inadequate decisions as discussed below involve charges relating to Joseph Burhoe, James Deamicis, and James Young.

June 16, 2011 - A letter from Mr. Hoffa to Mr. John J. Cronin, Jr. IRB Administrator, provides IBT's response to IRB's June 7, 2011 letter.

These three letters are applicable to this Section III. B which discusses charges against two officers and four members; and the following Section III. C. which discusses the charges against officers on the Executive Board of Local 82.

The IRB has these matters under review.

In prior reports in the Teamster magazine we have previously informed you in some detail of the several charges placed against two officers of Local 82: Mr. John Perry, Secretary-Treasurer, and Mr. Patrick Geary, President of Local 82, and four members of Local 82, Mr. Joseph Burhoe, Mr. James Deamicis, Mr. Thomas Flaherty, and Mr. James Young. In this

report we will minimize repetition of matters previously reported and emphasize the status of the three recent letters exchanged between the IBT and the IRB.

Agreement with John Perry – Secretary-Treasurer of Local 82

Prior to the IBT Panel's scheduled hearing to be held on February 15, 2011 On Local 82 matters, Mr. John Perry, former Secretary-Treasurer of Local 82 submitted a signed Agreement to Mr. James P. Hoffa. This Agreement was approved on February 10, 2011 by the IBT and forwarded to the IRB. A summary of the penalties included in the agreement are as follows:

Effective February 10, 2011, Mr. Perry agreed to permanently retire from the IBT and Local 82. From February 7, 2011 forward, he further agreed **not to**:

- (1) Hold membership in the IBT or hold any position with Local 82, or any employment, office, position or consulting or similar relationship, whether paid or unpaid, with Local 82, or any IBT entities;
- (2) Participate in any manner in any of the activities or affairs of Local 82, or any other IBT entities;
- (3) Accept any pay, salary, allowance, fee or compensation of any kind, except that he may receive any fully vested pension benefits;
- (4) Accept any contributions on his behalf to any pension, health and welfare, severance or other benefit fund;
- (5) Receive any gratuities, severance payments or gifts of any kind whatsoever from Local 82, or IBT entities; and,
- (6) Associate for a period of five years with any member officer or employee of Local 82, the IBT or any affiliate of the IBT.

The IRB found that the Agreement serves to resolve the matter in a fair and equitable manner, and submitted Application 147 dated February 15, 2011 requesting that the Court approve the Agreement.

In his letter dated March 24, 2011 IBT General President Hoffa informed the IRB of his decisions on IRB charges against Messrs. Geary, Burhoe, Deamicis, Flaherty, and Young as follows:

Patrick Geary – President of Local 82

Charges:

- Creating and arbitrarily enforcing unauthorized rules concerning members' voting on proposed contracts.
- Causing or allowing the Local Union to make substantial non-routine expenditures without obtaining membership approval.

IBT Recommendation and Penalty:

- IBT recommended that these charges be sustained and

that a penalty include, along with several other stipulations, that Geary be disqualified and barred from holding any office or employment with Local 82, the IBT or any other affiliated entity of the IBT for a period of three years from March 24, 2011.

IRB's June 7, 2011 Response:

- The IRB in responding Mr. Hoffa's letter dated March 24, 2011 found the penalty to be inadequate.

IBT's June 16, 2011 Response:

IBT, in its June 16, 2011 response to the IRB's June 7, letter stated that it reconsidered this penalty and modified it to increase the bar from 3 years to 5 years. This modification is under review by the IRB.

Joseph Burhoe

IBT's Recommendation and Penalties

- IBT recommended that the charges against Mr. Burhoe be sustained.
- Penalties included that Mr. Burhoe be permanently expelled from membership in Local 82, the IBT and IBT affiliated entities, that he be permanently barred from holding office or employment (including as an independent contractor or consultant) with Local 82, the IBT and all IBT affiliated entities and that he be permanently barred from serving as a representative of Local 82, the IBT and all IBT entities. He may not receive any payments, salary, gratuities, gifts, severance payments, allowances, fees, benefit payments or contributions or any other compensation of any kind from Local 82 or other IBT affiliated entities, except that he may receive any pension, vacation or other benefits from existing benefit plans or programs maintained by Local 82 or other IBT affiliated entities which has vested or accrued prior to his expulsion from membership.

IRB's Response to IBT's Decision:

- IRB's June 7, 2011 response letter found IBT's decision to be not inadequate.

James Deamicis

Charges:

- Creating and arbitrarily enforcing unauthorized rules concerning members' voting on proposed contracts in 2009.
- Engaging in a scheme to collude with a non-union employer (Atlantic Liquidators) to provide the employer with workers that were paid less than they would have been paid under Local 82 contracts.
- While not a member in good standing because he was under suspension from membership, yet exercising all

rights of membership, including attendance at Local 82 membership meetings, Executive Board meetings and contract ratification votes, as well as sitting on a disciplinary panel, participating on a negotiating committee and serving as Chief Steward and as a leader of Local 82 "strike unit."

IBT's Recommendation and Penalty:

- IBT recommended that all the charges against Mr. Deamicis be dismissed.

IRB's Response to IBT's Recommendation and Penalty

- In its letter to the IBT dated June 7, 2011 the IRB found the decision against Mr. Deamicis relating to the charge of engaging in a scheme with a non-union employer to be not inadequate. The other penalties were found to be inadequate. IBT in its letter to the IRB dated June 16, did not make any modifications on their decision. This matter is under consideration of the IRB.

Thomas Flaherty

Charges:

- Creating and arbitrarily enforcing unauthorized contracts in 2009.

IBT's Recommendation and Penalty:

- IBT recommended that this charge be dismissed.

IRB's Response to IBT's Recommendation and Penalty:

- The IRB found this recommendation to be inadequate. IBT in its letter to the IRB dated June 16, 2011 did not modify its decision to dismiss. This matter is under review by the IRB.

James Young

Charges:

- Creating and arbitrarily enforcing unauthorized rules concerning members' voting on proposed contracts in 2009.

IBT's Recommendation and Penalty:

- IBT recommended that this charge be dismissed.

IRB's Response to IBT's Recommendation and Penalty:

- The IRB determined that IBT's decision that the evidence did not support a finding that Mr. Young engaged in the charged conduct is within IBT's discretion on the record and is not inadequate.

C. JOHN PERRY, PATRICK GEARY, LEIF THORNTON, CHERYL MILISI, FRANCIS DIZOGLIO, JOHN LOGAN, AND NICHOLAS MURPHY - LOCAL 82, SOUTH BOSTON, MASSACHUSETTS

We previously informed you in some detail in prior reports in the Teamster magazine regarding several recommended charges placed against the officers of Local 82.

In its letter dated March 24, 2011 the IBT addressed the following charges, made recommendations, and penalties, against Local 82 officers Leif Thornton, Vice President and Cheryl Milisi, Recording Secretary.

Leif Thornton and Cheryl Milisi

Charges:

- Causing or allowing the Local Union to make substantial non-routine expenditures without obtaining membership approval.

IBT's Recommendation and Penalty:

- IBT recommended that these charges be sustained and recommended a penalty which included a 3 year bar from March 24, 2011 which disqualifies them from holding any office or employment with Local 82, the IBT or any other affiliated entity of the IBT for a period of three years from March 24, 2011.

IRB's Response to IBT's Recommendation and Penalty:

- In its June 7, 2011 letter to the IBT, the IRB found the penalty to be inadequate.

IBT's June 16, Response to the IRB:

- In its letter to the IRB dated June 16, the IBT did not make any further modifications to the penalty. This matter is under consideration by the IRB.

The letter from the IBT to the IRB dated March 24, 2011 included the following charges, recommendations and penalties against Local 82 officers Francis Dizoglio, Nicholas Murphy and John Logan, Trustees:

Francis Dizoglio, Nicholas Murphy, and John Logan

Charges:

- Causing or allowing the Local Union to make substantial non-routine expenditures without obtaining membership approval.
- Failing to perform the duties as a Trustee which included, among other things, verifying Local 82's bank balances.

IBT's Recommendation and Penalty:

- IBT recommended a penalty which includes a 3 year bar from March 24, 2011 and disqualifies them from holding any office or employment with Local 82, the IBT or any other affiliated entity of the IBT.

IRB's Response to IBT's Recommendation and Penalty:

- IRB found IBT's penalty to be inadequate. This matter is under consideration by the IRB.

John Perry Agreement

As discussed in the previous Section III. B. the terms of the agreement entered into with Mr. John Perry on February 8, 2011 also apply to the charges in Section III. C. as included in Application 147, submitted to Chief Judge Preska on February 15, 2011.

D. LAWRENCE MAGUIRE – LOCAL 82, SOUTH BOSTON, MASSACHUSETTS

On November 10, 2010 the IRB issued an Investigative Report to General President Hoffa recommending that Mr. Maguire be charged as follows:

Charge:

- While an IBT member, on December 11, 2007, Mr. Maguire intimidated a witness and assaulted a police officer.

IBT's Recommendation and Penalty:

- IBT recommended that the charge be dismissed.

IRB's Response:

- IRB found the charge to be inadequate.

IBT's June 16, 2011 to the IRB:

- IBT's letter of June 16, 2011 did not contain any modifications to its decision.

This matter is under consideration by the IRB.

E. ROBERT PERRY, LOCAL 82, SOUTH BOSTON, MASSACHUSETTS

We have previously informed you in prior reports on the matter of Mr. Robert Perry. On November 10, 2010, IRB's Investigative Report issued to General President Hoffa recommended that Mr. Robert Perry be charged as follows:

Charge:

- Approximately between January 1, 2005 and December 2008, while a member of Local 82 Mr. Perry embezzled approximately \$2,485 from Local 82.

IBT's Recommendation and Penalty:

- IBT recommended that the charge be dismissed upon his repayment of \$2,485 to Local 82, provided that his membership in Local 82 shall be suspended until such time as he has made this repayment.

IRB's Response to IBT's Recommendation and Penalty:

- IRB found IBT's decision to be inadequate.

IBT's June 16, 2011 Response to IRB's Decision:

- IBT modified its penalty to provide that Mr. Perry's

membership continue to be suspended; but, that he shall have 60 days to pay back the sum of \$2,485 to Local 82.

This matter is under review by the IRB.

F. BERNARD PISCOPO, LOCAL 82, SOUTH BOSTON, MASSACHUSETTS

We previously informed you in prior reports of the Teamster magazine the details of charges against Mr. Piscopo. The following is a summary of the charge and current status against Mr. Piscopo.

Charge:

- Mr. Piscopo committed the felony of manslaughter while an IBT member, as detailed in the IRB report.

IBT Referred this Matter Back to the IRB

Following the issuance of the report, Mr. Hoffa referred this matter back to the IRB for adjudication on the basis that Mr. Piscopo was incarcerated and could not attend an IBT hearing. The IRB sent a Notice of Hearing to Mr. Piscopo on December 15, 2010 that a hearing was scheduled for the charges against him on January 6, 2011 in the offices of the IRB in Washington, D.C.

IRB's Scheduled Hearing and Requests for Continuance

On January 5, 2011, the day before the scheduled hearing, IRB's Chief Investigator's Office received a letter from Mr. Piscopo dated December 26, 2010, requesting an adjournment of the hearing until the appeal of his conviction could be heard; or, until he is released from incarceration.

In a letter to the IRB dated February 28, 2011, Mr. Piscopo requested a 60 day continuance. His request was approved by the IRB on March 16, 2011.

On May 9, 2011 Mr. Piscopo sent a letter to the IRB which included three letters from Local 82 members on his behalf. The IRB sent a memorandum to Mr. Piscopo considering these letters and requesting that he respond within 10 days of receipt of the memorandum.

In a letter dated June 2, 2011 to the IRB, Mr. Piscopo requested another 60 day extension. His request for an additional 60 day extension to August 15, 2011 was granted to him by the IRB.

Mr. Piscopo was informed in a letter from Mr. John J. Cronin, Jr., IRB Administrator, dated June 15, 2011, that there will be no further adjournment.

G. LOCAL 107 TRUSTEESHIP

We previously informed you in prior reports of the Teamster magazine that the IRB recommended to James P. Hoffa, IBT General President that the IBT place Local 107 into Trusteeship. On March 3, 2010 Mr. Hoffa placed Local 107 into a partial trusteeship limited to the motion picture/televi-

sion and trade show industries. Since then the two interim reports sent by IBT to IRB on the status of Local 107.

In correspondence to the IRB dated April 19, 2011, a third Local 107 update report was received from IBT. This report states that several procedural monitoring controls were put into place within the referral system. These include that: every 4 months or so, the referral list will be updated periodically to include individuals who applied since the last update; the referral list will be updated annually so that workers can move up in numerical ranking based on experience; and such controls will include how "documentation" will be defined.

In addition, the collective bargaining agreement with the sole employer covering the Pennsylvania Convention Center recently expired and is likely to be extended for at least a year without major revisions.

The report states that once these projects are completed it is IBT's intent to release Local 107 from partial trusteeship. Thereafter, it is IBT's intent to follow up with Local 107 periodically and review adherence to the newly installed referral procedures.

H. LOCAL 630, LOS ANGELES, CALIFORNIA

On May 12, 2011 the IRB issued an Investigative Report to General President Hoffa recommending that Local 630 be placed in Trusteeship.

As of December 2010, Local 630 had 6,414 members and is located in downtown Los Angeles. Paul A. Kenny has been the Local's principal officer since approximately 2004.

As detailed in the report, it appears that Mr. Kenny embezzled and breached his fiduciary duties by causing Local 630 to pay approximately \$168,168 for food and alcoholic beverages, for himself and other officers and employees of the Local without a union purpose. In addition, the IRB recommended that charges be filed against Local 630 business agents Messrs. Moreno and Guillory for embezzling from the Local; when, upon their submission of expense reimbursement requests, the Local reimbursed them for restaurant charges in the Los Angeles area when only officers and employees were present. There was no union purpose for these charges. Mr. Moreno was reimbursed approximately \$39,595 and Mr. Guillory was reimbursed \$32,217. More details of these charges are provided immediately following in Section III. I.

In addition, the several Local 630 Bylaws that were violated demonstrated additional financial malpractice and that the local lacked adequate financial controls as follows:

- The Local's President and Secretary-Treasurer were required to authorize all expenditures in the Bylaws but the Executive Board voted to give the Local's principal officer, Mr. Kenny, the sole authority to authorize expenditures.
- Mr. Kenny, and the President of the Local, Ms. Sylvia Garza, did not obtain the requisite prior Executive

Board or membership approval for a Deed of Trust entered into as security for a \$400,000 loan.

- There was no membership approval for an increase in the car allowance which the Local paid to Mr. Kenny and other full-time Local employees.
- In 2009 and 2010, the Local failed to hold the requisite number of membership meetings.
- In a suspicious circumstance, an unlicensed contractor who was paid approximately \$335,690 to perform work at the Local, also performed work during the same period at the homes of Mr. Kenny and Ms. Sylvia Garza, the Local's President. The Local did not have complete records of payments to the contractor and it was contended that the contractor was paid partially in cash.

On June 3, 2011 General President Hoffa imposed an emergency trusteeship over Local 630. On June 6, 2011 Mr. Hoffa appointed two temporary Co-Trustees over Teamsters Local 630.

I. PAUL A. KENNY, ABRAHAM MORENO, GARY GUILLORY, -LOCAL 630, LOS ANGELES, CALIFORNIA

We previously discussed this report in some detail in report No. 4 of the Teamster magazine. On May 12, 2011 the IRB issued an Investigative Report to General President Hoffa recommending that Messrs. Kenny, Moreno, and Guillory be charged as follows:

Paul Kenny

Charge:

- Between approximately January 1, 2007 and October 2010, while Secretary-Treasurer of Local 630, Mr. Kenny embezzled \$168,168 from Local 630.

Abraham Moreno

Charge:

- Between approximately January 1, 2008 and October 2010, while a business agent of Local 630, Mr. Moreno embezzled \$39,595 from Local 630.

Paul Guillory

Charge:

- Between approximately January 1, 2008 and October 2010, while a business agent of Local 630, Mr. Guillory embezzled \$32,217 from Local 630.

The report discusses these charges in detail. The following are indicative of said charges.

- Mr. Kenny caused the Local to pay approximately \$168,168 for food and alcohol for himself and other officers and employees of the Local between January 2007 and October 2010 without a union purpose.

- In addition to the approximately 598 restaurant visits when Mr. Kenny was present, Mr. Kenny as the Local's principal officer and signatory on Local checks, also authorized the Local to reimburse Mr. Moreno \$6,056, for 26 charges in the Los Angeles area when only Local officers and employees were present and Kenny was not present. Similarly, Mr. Kenny authorized the Local to reimburse Mr. Guillory for \$7,182 for 44 restaurant charges in Los Angeles when only Local officers and employees were present and Mr. Kenny was not present. There was no union purpose for these restaurant charges that Mr. Kenny and the business agents caused the Local to pay.
- In February 2009 and May 2009, an IBT auditor and the IBT General Secretary-Treasurer warned the Local officers, including Mr. Kenny, that such charges were inappropriate. Despite that, Mr. Kenny continued his frequent charges and approval of the business agent's charges at Los Angeles restaurants with Local officers and employees.
- The report also recommended that charges be filed against Local 630 business agents Mr. Moreno and Mr. Guillory for embezzling from the Local when, upon submission of expense reimbursement requests, the Local reimbursed them for restaurant charges in Los Angeles area when only officers and employees were present. There was no union purpose for these restaurant charges. Between January 2008 and October 2010, at his request, the Local reimbursed Mr. Moreno approximately \$39,595 for 119 restaurant charges in Los Angeles when only Local officers and employees were present. Similarly, between January 2008 and October 2010, at Mr. Guillory's request, the Local reimbursed Guillory for 109 charges in the Los Angeles area when only Local officers and employees were present. The Local reimbursed Guillory \$32,217 for these charges.

In a letter from Mr. Hoffa to the IRB dated May 19, 2011 the IBT determined to adopt and file the charges and to appoint a panel to hear the proposed charges.

J. JOSEPH WOJCIECHOWSKI, LOCAL 812, GREAT NECK, NEW YORK

On May 12, 2011 the IRB issued an Investigative Report to General President Hoffa recommending that Mr. Wojciechowski be charged as follows:

While an officer, employee and member of Local 812, Mr. Wojciechowski violated his fiduciary duties to the Local and its members, embezzled and converted Local 812 funds to his own use; and brought reproach upon the IBT in violation of the IBT Constitution as follows:

Charge:

- Between approximately December 2008 and April 2010,

while President of Local 812, Mr. Wojciechowski embezzled approximately \$23,038 from Local 812.

The charge filed against Mr. Wojciechowski, President of Local 812, including his additional positions as the Recording Secretary of Joint Council 16, and as Executive Assistant to Joint Council 16's principal officer, is for embezzlement and breaching of his fiduciary duty by causing Local 812 to assume his lease of a 2009 Cadillac CTS. He did this without Executive Board approval which is required by the Bylaws. There was no union purpose for this unapproved transaction.

As the report discusses in detail, it does not appear that the Local had a need for this car described as a "spare" and was not assigned to any Local employee. Moreover, in April 2010 Mr. Wojciechowski caused the Local to terminate the lease and sell the 2009 Cadillac without the required Executive Board approval which transaction resulted in the embezzlement of \$7,491 and the Local paid as part of the transaction. By his conduct, Mr. Wojciechowski embezzled approximately \$23,038 from the Local.

In a letter dated May 27, 2011 from Mr. Bradley T. Raymond, IBT General Counsel to the IRB, IBT transmitted an agreement executed by Joseph Wojciechowski and the IBT to resolve the charges recommended by IRB. The IRB has this matter under consideration

If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline number noted above, use the IRB facsimile number 202-434-8084, or write to either the IRB Chief Investigator or the IRB office:

Charles M. Carberry, Chief Investigator
17 Battery Place, Suite 331
New York, NY 10004

Independent Review Board
444 North Capitol Street, N.W.
Suite 528
Washington, DC 20001

IV. TOLL-FREE HOTLINE

Since our last report to you, the hotline has received approximately 90 calls reporting alleged improprieties. As in the past, all calls appearing to fall within IRB jurisdiction were referred for investigation.

Activities which should be reported for investigation include, but are not limited to, association with organized crime, corruption, racketeering, embezzlement, extortion, assault, or failure to investigate any of these.

To assure that all calls are treated confidentially, the system recording hotline calls is located in a cipher-locked IRB room on a dedicated line and accessed by an IRB investigator. The recorded information, if complete and within IRB jurisdiction, is forwarded directly to the Investigations Office in New York City. Please continue to use the toll-free hotline to report improprieties which fall within IRB jurisdiction by calling 1-800-CALL-IRB (1-800-225-5472). If you are calling from within Washington, DC, dial 202-434-8085.

V. CONCLUSION

As always, our task is to ensure that the goals of the Consent Order are fulfilled. In doing so, it is our desire to keep the IBT membership fully informed about our activities through these reports and also through use of the website at www.irbcases.org. The website also makes available a copy of the Consent Decree.

ELECTION SUPERVISOR'S REPORT No. 9

GENERAL ELECTION FOR IBT INTERNATIONAL OFFICERS – In October, 2011, each and every IBT member will receive a mail ballot to cast votes for the Union's International officers. The IBT is your union: casting a vote for the International officers is the individual responsibility of every member. And every member has the right to campaign in support of, or opposition to, any candidate in the election and to receive campaign presentations and information. Every member has the right to fill out their own ballot in secret. It is a serious violation of the *Rules* for someone to solicit, mark, or mail another member's ballot.

Tell your local union of any changes to your mailing address so that you will receive a mail ballot at your current address in time to allow you to vote in this important election.

DATES FOR BALLOT MAILING AND BALLOT COUNTING – We plan to mail ballots in the United States and Canada on October 6, 2011. The ballot count is scheduled to start on November 14, 2011, and will continue day-to-day until completed. Vote and return your ballot so that it will be received by the ballot count start date. The ballot count site is in Alexandria, Virginia. All candidates and their designated observers are permitted to observe all phases of the ballot counting process.

CANDIDATE FORUM – The *Rules* require the Candidates for the office of General President to participate in a Candidate Forum. At the time of the writing, the forum is scheduled for September 7, 2011. James P. Hoffa designated the General Secretary-Treasurer candidate on his slate, Ken Hall, to substitute for him at the forum. The other two nominees for General President, Fred Gegare and Sandy Pope, will appear in person at the forum. You should be able to view a recording of the forum or read a transcript of it, at www.ibtvote.org. For further details on the Candidate Forum refer to the separate announcement in this magazine.

POLITICAL AND CAMPAIGNING RIGHTS OF IBT MEMBERS – The *Rules* protect the rights of IBT members to support or oppose any candidate, and it is unlawful for the International or any local union to subject any member to retaliation for exercising political rights. Candidates have the right to have display campaign literature on local union campaign literature tables and members may put campaign bumper stickers and signs on their personal cars (but not on union-supplied cars, or employers' vehicles). Candidates and IBT members have the right to distribute campaign literature to IBT members entering and exiting employee parking lots at employer locations. This right extends to all employee parking lots where IBT members work, not just the candidate's local union jurisdiction. IBT members may also wear campaign buttons at work, if any type of buttons or pins have been worn by employees in the past, unless at the time they are wearing a campaign button they are also wearing a company uniform and interacting with the public

If you believe an employer, an IBT officer, or other IBT member is interfering with your political rights or retaliating against you because you have expressed your political views on the International Office Election, you have the right to file a protest. A protest must be filed within two (2) days of when you became aware of the interference or retaliation. You may also contact OES in Washington D.C., or contact your Regional Director for information on your right to be free from interference or retaliation.

PUBLICATION REVIEW ADVISORY – Union publications such as monthly newsletters, magazines and websites are paid for with members' dues money. The *Rules* and federal labor law prohibit using a union publication to *endorse, support, or attack* a candidate for IBT international union office. This is based on the law that generally prohibits the use of *any* union resources to support partisan campaigning.

To guard against publication violations during the general election period, all union publications distributed between August 2011 and November 2011 must be submitted to OES for review before publication. All local unions have been informed of this procedure (the *Publication Review Advisory* is also posted at www.ibtvote.org). For more information about the policy, or if you suspect a violation, contact OES at 877-317-2011 or electionsupervisor@ibtvote.org.

Richard W. Mark
Election Supervisor



 **Your Right**

 **Your Responsibility**

Ballots Mailed October 2011

