

STRONGER TOGETHER

Moving Forward at 2013 Teamsters Unity Conference

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

SPRING 2013

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Moving Forward at 2013
Teamsters Unity Conference



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United We Stand

A MESSAGE FROM GENERAL PRESIDENT JAMES P. HOFFA

These are difficult times for unions and working families. The war on workers rages on and the result has been stagnation for workers and record profits for corporations.

Most unions are struggling, but the Teamsters Union continues to make great strides for our members. At the International Brotherhood of Teamsters, we are working hand in hand with Joint Councils, local unions and other affiliates on everything from organizing and shareholder actions to strike support and contract enforcement. Rank-and-file Teamsters are more engaged than any other union's members and that matters.

The Teamsters Union is unified like never before. That was evident at our recent Unity Conference, where I was proud to address my fellow Teamsters along with my partner, General Secretary-Treasurer Ken Hall.

We are truly stronger when we stand together, and we need to stand together at this critical juncture.

Politicians and CEOs, ALEC and the Chamber of Commerce are all trying their hardest to weaken us. Roadblocks are being put in the way of organizing new members.

We are being attacked in state legislatures and in Washington, D.C., and our enemies can outspend us easily. They have billions of dollars at their disposal.

But when we are unified, we can fight back. When we are unified, we can put boots on the ground where they are needed in order to fight the war on workers. When we have boots on the ground and we march together, no corporate entity can stop us.

We have to stay unified and continue to outwork our foes because they are never going to stop shoving bad legislation down our throats. We are under attack because they know if the unions are gone, there will be nobody left to fight the money and power of the corporate bosses.

That's why we need to educate our friends and neighbors, and sometimes even our co-workers, about what it means to be in a union.

We truly are stronger together.





★ UNANIMOUSLY ★

LOCAL UNION LEADERS ENDORSE TENTATIVE AGREEMENTS

MEMBERS URGED TO VOTE YES

Leaders of Teamster locals that represent UPS and UPS Freight workers across the United States unanimously voted May 7 to endorse the tentative agreements with UPS and UPS Freight for new five-year national contracts. Ballot counting starts on June 20.

General Secretary-Treasurer Ken Hall, who serves as Co-Chairman of the Teamsters National Negotiating Committee with General President Jim Hoffa, presented the changes contained in the tentative agreements to more than 300 local union leaders.

“Our UPS members made clear they wanted us to protect their health care benefits and address harassment while increasing wages and retirement contributions,” said Hall, who is also Director of the Teamsters Package Division. “This is a strong tentative agreement that achieves all those things and more.”

On the UPS Freight tentative agreement, Hall said members wanted the negotiating committee to take on subcontracting while increasing wages and protecting pensions, which is achieved in the agreement.

“I commend the committee for staying focused and united,” Hoffa said. “Backed by the determination and engagement of our members, the committee kept its mission in sight and remained a force at the bargaining table. These are agreements we can all be proud of.”

“We’re the highest-paid drivers in the industry and this new contract makes sure we stay that way,” said Tim Massey, a UPS Freight road steward with Local 135. “With the raises in the contract, we will continue to far exceed the competition.”

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“The Teamsters stood up to UPS when they tried to make us pay health care premiums and we won. This is a good contract,” said Robert Waters, a UPS Teamster with Local 396.

UPS Tentative Agreement


“I feel very confident that when the votes are in, our members will show us that we did exactly what they wanted us to do,” said Ken Wood, International Vice President and President of Local 79 in Tampa, Fla. “This UPS agreement adds more full-time jobs, protects the work we have and addresses issues like SurePost and 9.5. This is an excellent package.”

Negotiations were contentious, with UPS insisting early on that workers start paying substantial premiums for health care despite earning record profits. That demand became a rallying cry for Teamsters, who mobilized by the thousands and held rallies across the country in protest, sending a formidable, clear message to the company that they would not pay premiums for health insurance.

“I wasn’t surprised when UPS went after our health care because companies everywhere are cutting benefits and making people pay more,” said Ken Williams, a UPS Teamster with Local 79. “We have great benefits. Thanks to the Teamsters we are protecting them without our paychecks taking a hit.”

“Our members were energized and engaged during these negotiations,” said Sean O’Brien, International Vice President and President of Local 25 in Boston. “Because of our members’ support, we were able to negotiate strong language protecting our members from harassment and retaliation for exercising their rights. I’m proud of this strong agreement and I am highly recommending that my members vote yes.”

The tentative agreement moves about 140,000 UPS Teamsters, and all UPS Freight Teamsters, into union-controlled health plans from company plans, effective Jan. 1, 2014, to maintain strong benefits for all UPS Teamsters while growing the funds for Teamsters in all industries into the future.

WHAT UPS WANTED	 TEAMSTER VICTORIES
Minimal wage increases for full-time employees, with part-timers getting half of the minimal increases the company proposed for the full-timers.	General wage increases of .70; .70; .70; .80; 1.00 for all current employees. (Employees hired after July 31, 2013 receive the GWI after completion of the new hire progression.)
A two-tiered wage rate for new hires that would top out at \$8/hour less than current full time employees Air driver new hires would top out at an average of \$11/hour less than current air drivers.	No two tiered system.
72 month progression for all full-time employees.	Current employees will keep their 36 month progression. Those hired into full-time positions after August 1, 2013 will have a 48 month progression.
Split general wage increases for the duration of the contract.	General wage increases will take effect on August 1 of the first three years of the contract, with only the last two years split.
Substantial co-pays for health insurance premiums for full and part-time employees of \$30/week for single coverage; \$60/week for employee plus one; and \$90/week for family coverage. The company proposed to increase the premiums by 10% each year of the contract, ending at \$130/week for family coverage by the end of the contract.	No co-pays for health insurance premiums. Part-time spouses and family coverage waiting time cut by 6 months.
No commitment to create more full-time jobs during the course of the contract. Proposed to eliminate current 22.3 jobs when vacated by employees.	Obligation to create 2,350 full-time jobs during the first three years of the contract.
\$0.25 increase in part-time start rate.	Increase in start rate for part-timers of \$1.50 to \$11.00 for pre-loaders and sorters; \$10.00 for others.
No restrictions on Surepost.	Weight and size limits on Surepost packages; company is contractually obligated to put more packages on brown trucks.
No restrictions or language addressing harassment.	Contract language specifically addressing the comprehensive problem of harassment, including a prohibition on retaliation for filing grievances.
Maintain current practices and guidelines on 9.5 procedures.	A more streamlined, easier to use process for 9.5 protections.

“We needed to deal with harassment and excessive overtime. That was my big issue and I’m glad the new contract does that. I’m voting yes,” said John Gillis, a UPS Teamster and Local 25 shop steward.

UPS Freight Tentative Agreement

The negotiating committees for both UPS and UPS Freight were at the table at the same time representing the 250,000 Teamsters that work there.

“That’s a lot of bargaining power,” Hoffa said. “We were able to show a united Teamster front and it paid off.”

“Under the UPS Freight tentative agreement, laid-off UPS Freight road drivers will be put back to work, which will address head on the issue of management’s practice of subcontracting out driving duties,” said Brian Buhle, and International Vice President and President of Local 135 in Indianapolis.

Details of the tentative agreements were outlined during the “two-person” meetings,



attended by two representatives from each UPS and UPS Freight local. Those specifics have also been posted at www.teamster.org/UPS.

Ballot packages were mailed to

all members at the end of May for ratification of the master agreement, and any supplements and riders if applicable. Ballots will start being counted the week of June 17.

WHAT UPS FREIGHT WANTED	<input checked="" type="checkbox"/> TEAMSTER VICTORIES
Expand the use of subcontractors	Recall of road drivers to full employment; protections against layoffs due to subcontracting
No hourly increases until seventh year of contract	A five-year agreement that includes a 50-cent wage increase each year of the contract
Reduce pension benefits	Improved pensions, including removing the 30-year cap
Increase employee insurance co-pays by more than double, with additional increases each year of the contract	Reduce monthly insurance co-pays by 10% and maintain that rate for the duration of the contract
Reduce level of insurance benefits	Maintain current level of benefits
Limit full-time job opportunities	Create more full-time jobs and training opportunities
No guarantee for bottom 10% of employees	Four-hour guarantee for bottom 10% of employees
Reduce the top rate for all new employees	Increase the top rate for employees
Increase railing of freight	Maintain that no employee on the payroll as of ratification may be laid off due to the use of rail
No protection for medically disqualified drivers	Medically disqualified drivers may take non-driving work until they are able to return to driving



Senior Flexonics Workers Fight Anti-Union Campaign

Once workers with Senior Flexonics in Suburban Chicago realized their former union wasn't pulling its weight, allowing the company to walk all over them, they sought out the strength of the Teamsters Union.

"A lot of people had been thinking about what life could be like with a different union but nobody did the research on it," said Mark Zalce, Senior Flexonics steward and new member of Local 330. "So I did some research and looked into Local 330. We fell within their jurisdiction and we saw what a good job they were doing with similar bargaining units."

Local 330 President Dominic Romanazzi, Joint Council 25 Organizer Mike DiGrazia and other Teamster organizers met with workers for months before the election. They were met with an aggressive anti-union campaign by the company, and a campaign built on lies by the other union wanting to continue representing the workers, but the members stuck together.

Just two days before the election, hundreds of workers attended a rally hosted by Local 330 and Chicago's Joint Council 25 to send a message to management and demonstrate their support for the Teamsters. It worked. By a 3-to-1 margin, approximately 350 workers at the automotive, energy, medical and aerospace supply manufacturer joined Local 330 in February.

"Now that we've got the Teamsters, I don't think I've ever seen so many happy people at this company," Zalce said. "We're unified like never before."

Zalce is a maintenance mechanic who lives in East Dundee, Ill. and has worked at Senior Flexonics for 25 years. He's got a 10-year-old child and realizes that joining the Teamsters isn't just about him and his co-workers. It's about their families.

"Our heartfelt congratulations go out to all the workers at Senior Flexonics who stuck together and fought hard for this victory," Romanazzi said.



Benefits Protected in Georgia

Thanks to the efforts of Local 728 in Atlanta, unemployment benefits to thousands of seasonally jobless workers in Georgia have been protected. In early April, the state announced it will pay more than \$8 million in unemployment benefits to more than 4,000 seasonally jobless workers who were denied payments last year by the state's commissioner of labor.

Teamsters represent school bus drivers who work for private companies. Traditionally they collect unemployment benefits when they're laid off over the summer. But recently, state Labor Commissioner Mark Butler decided they didn't have to be paid.

Butler tried to get a law passed in the state House of Representatives that would ban the unemployment benefits. Local 728 worked hard to successfully remove language that would have denied the benefits. Local 728 organized affected workers and spread the word about the attempt to deny benefits.

After the state House of Representatives failed to act on legislation that would have denied workers the payment, Butler agreed to the \$8 million payment.

"We mobilized our members and people in the community about the state's attempt to deny these benefits to workers," said Randy Brown, Local 728 President. "These workers, which include our members, depend on those benefits to get through the year. We were committed to shining light on this injustice and get it stopped. When our members are threatened, we take action."

Brown said his local's efforts did not just benefit Teamsters, the efforts helped all workers. "We fight for Teamsters, but we delivered for all affected Georgia workers," he said.



TEAMSTERS BRING POWER TO ENGLAND

School Bus Drivers Call on National Express to Honor Workers' Rights

Sebrina Isom and Diane Bence had traveled a long way, from their school bus yards in the United States to the front door of National Express Group PLC headquarters in Birmingham, England, to deliver an important message.

“We are here speaking out and standing at the forefront for all our co-workers around North America to ensure all school bus drivers and monitors are being treated fairly and receive good, safe working conditions,” said Isom, a 25-year school bus driver, formerly with Durham School Services, and currently a representative with Local 509 in West Columbia, S.C.

National Express, a large and profitable transportation company, is headquartered in England but has operations around the world. National Express is the parent company to Durham School Services, the second-largest school bus company in the United States, and Stock Transportation in Canada. While the company reports 94 percent of its U.K. work force has



a collective bargaining agreement, that’s the case with only 32 percent of the company’s North American workers.

Isom, Bence and Teamster representatives met in England with key National Express stakeholders—investors, union leaders and political leaders, including Members of Parliament—to call on National Express to honor their North American workers’ rights to form a union, to be treated with dignity and respect, and have safe working conditions.

“I do believe that the shareholders and our allies heard what we said and will be speaking up with us to change National Express policies and anti-union stances in North America,” Isom said.

Isom, Bence and a delegation of Teamsters from the U.S. joined British bus drivers and members of Unite the Union outside National Express headquarters. There, they delivered a letter from Teamsters General President Jim Hoffa to National Express Group Chief Executive Dean Finch, urging the company to strengthen its human rights policies and practices.

Widespread Problems

Bence and her co-workers recently voted overwhelmingly to join Local 991 in Mobile, Ala., after the company ran an aggressive anti-union campaign. Durham filed objections to their election, and the National Labor Relations Board hearing officer recently recommended that all of the objections be dismissed.

“It’s important that people realize that the problems we face in my yard in Navarre, Fla., are not just isolated incidents. There is a pattern to the way Durham is treating people and that is what is so disheartening,” Bence said. “It’s upsetting to me because I care about the kids on my bus.”

Bence detailed concerns over deteriorating buses with mold problems, as well as abusive treatment from Durham managers.

“We will fight together to let our communities, our politicians and our government know that we will not continue to endure such outrageous, disrespectful behavior from this company,” Isom said. “Everyone needs to be treated with dignity and respect. Why shouldn’t our voices in North America be heard?”



Go to www.driveupstandards.org to read more about Sebrina and Diane’s work in England, Teamster activity at National Express and the Teamsters school bus campaign, which has organized and raised standards for more than 35,000 school bus workers across North America since 2006.



Genesys Members Get Union Security Through 2020

Local 322 nurses and support staff at Genesys Regional Medical Center, Home, Health and Hospice Center and the Convalescent Center in Flint, Mich. won a key battle in the war against right-to-work-for-less laws in Michigan by ratifying a Union Security Agreement that runs through the year 2020.

The Union Security Agreement protects 1,535 members that fall under five Teamster contracts with Genesys from the destructive impact of Michigan's right-to-work laws that took effect on March 28. The security agreement keeps the bargaining units intact by not allowing anyone to compromise the group by opting out of paying dues.

"Michigan right-to-work laws would only create issues between nurses on the job," said Joan "Sunny" Bobb, a 43-year pre-op nurse at Genesys Regional Medical Center. "This law will only lead to conflict. If we all pay in for our representation, our union is stronger."

The agreement was ratified just two days before the anti-union law would have made the security agreement illegal. Karen Wheeler, a 21-year restorative nursing assistant at the convalescent center, serves as steward to the 113 Local 322 members that secured a first contract in October 2012. Wheeler, a daughter of a Local 322 Teamster, doesn't want anything to threaten the strength of the union she fought so hard to join.

"I knew firsthand that the Teamsters were always a strong union," Wheeler said. "We tried 10 years ago to organize, but fell for promises that Genesys never kept. We were fed up and you can only take that for so long. This time we won, and management understands we needed the Teamsters."

While this was an outstanding victory for Local 322, Nina Bugbee, President of the local, is ready for the long fight that will be necessary to repeal right to work in Michigan.

"We were able to accomplish this with the direction and guidance of General President Hoffa and the support of the International, the leadership of Greg Nowak, President of Joint Council 43 and our union attorneys," Bugbee said. "However, this fight isn't over until we knock Gov. Snyder out of office. We will put boots on the ground and mobilize our members so we can get this state heading back in the right direction!"



Local 14 Fights Back Company Scheme

Local 14 in Las Vegas recently fought back a company-led smear campaign and ultimately won new strength for their Coca-Cola members. The Las Vegas Coca-Cola facility, the largest distribution center for Coca-Cola products in the state, has been a Teamster shop for many years. All of the more than 100 warehousemen, mechanics and drivers are members of Local 14.

So it was a surprise when, after so many years of strong representation, managers at this Coca-Cola facility decided to go after the rank-and-file workers. Their plan: Rile up employees with the promise of overtime work, but blame the union for not allowing it to be implemented. The company even offered an employee a job in another department in exchange for that employee filing a complaint and decertification claim.

Unfortunately one employee did take the company up on their offer. Soon after this, the company mounted a very aggressive anti-union campaign. They pulled out all the stops by having one-on-one meetings with employees and bringing in corporate-paid union busters.

"Once this company scheme got started, we immediately filed unfair labor practice charges against Coca-Cola," said Al Ghilarducci, President of the local. "It was apparent that this whole plan was company led and not a result of rank-and-file dissatisfaction with the union."

An election was held soon after the management scheme was in play and the vote to keep the union was a landslide.

"The company threw everything they had at us," said Dennis Kszternak, a Coca-Cola employee and Teamster member for 34 years. "Our business agents were at the plant for every shift and showed us the commitment of Local 14. Each and every one of us stuck together through this trying time. We are proud to be called Teamsters."



AS THEY STOOD ON STAGE, A CROWD OF MORE THAN 1,400 TEAMSTERS LISTENED TO THEIR STORIES, TO THEIR STRUGGLES AND THEIR TRIUMPHS. THEY EACH TOOK TO THE PODIUM—AN ILLINOIS SCHOOL BUS DRIVER, A CALIFORNIA WASTE WORKER, A SEATTLE TAXICAB DRIVER, A CALIFORNIA PORT TRUCK DRIVER, US AIRWAYS AND AMERICAN AIRLINES AIRPLANE MECHANICS AND MORE. **THEY ARE THE FACES AND VOICES OF THE TEAMSTERS UNION AND THIS IS WHAT UNITY IS ALL ABOUT.**

STRONGER TOGETHER

MOVING FORWARD AT 2013 TEAMSTERS UNITY CONFERENCE



The 2013 Teamsters Unity Conference recently welcomed rank-and-file members and future members, Teamster officers, business agents and organizers from throughout North America, to share their accomplishments, their challenges and the work they are doing to advance the lives of workers. They heard from speakers, participated in educational workshops and strategized for the union's future.

"Teamsters are best when we're together, and you feel that right here in this room," said Jim Hoffa, Teamsters General President, addressing the crowd at this 12th annual conference.

Hoffa noted that this year more than

30,000 workers organized with the Teamsters, and looking to the future, 11,000 mechanics with American Airlines and 5,000 mechanics with US Airways are poised to join the union.

"We're going to continue to grow, and it's so important that all Teamsters get active and get involved," Hoffa said.

Growing Our Union

The union is growing, and the attendees heard from workers who recently organized with the Teamsters, including Roberto Rodriguez, a school bus driver with Illinois Central and a member of Local 777 in Lyons, Ill. Rodriguez was targeted during

the organizing campaign for his strong support of the union, but he never backed down. He told the crowd he was fired during the campaign, but was able to get his job back with back pay, and went on to help organize his co-workers.

"We are the proof that if you stand together for what is right and just, you can change the treatment and respect you receive in your workplaces," Rodriguez said.

The Teamsters recently negotiated a master agreement with Illinois Central, raising standards for Teamster school bus workers, including Rodriguez. And more than 35,000 school bus and transit drivers have joined the Teamsters since the union's

Drive Up Standards campaign to improve safety, service and working conditions in the industry began in 2006.

"I have 26 years in the harbor and these last years are the best because I am a Teamster," said Eduardo Uribe, a port truck driver with Toll Group and a member of Local 848 in Covina, Calif.

Salah Mohamed, a taxicab driver in Seattle, said since the drivers formed an association with Local 117 in Seattle, conditions have improved drastically.

"Only Teamsters can do that," he said. "I thank each one of you. We're family. Let's help each other."

Jim Blanton, a US Airways mechanic from Charlotte, N.C., is a strong speaker and a leader in the efforts under way for mechanics to organize with the Teamsters at US Airways.

"After 30 years in the airline industry, I know how important it is to have a strong union," Blanton said.

War on Workers

While workers continue to organize at a strong pace with the Teamsters, and the union's financial condition is strong, the war on workers waged by corporate-backed politicians and wealthy anti-union interests rages on. Teamsters, and our allies, are remaining vigilant and fighting back.

Illinois Gov. Pat Quinn, a card-carrying member of Local 786 in Chicago, told the

conference attendees that while his state is surrounded by states with right-to-work laws, Illinois is going in the other direction, supporting union members' rights to collectively bargain while investing \$44 billion in infrastructure. That work is being done through project-labor agreements that put union members to work. Gov. Quinn said he is working closely with the Teamsters to make sure the union's workers play a critical role in the public works projects.

"Right to work for less is a bad idea for Illinois; it's a bad idea for America," Gov. Quinn said.

California Attorney General Kamala Harris, a strong Teamster ally, talked about her fight to win more money for California homeowners who faced foreclosure in the housing crisis. Because she rejected an earlier deal, the amount of money Harris eventually won for her state's homeowners jumped from \$2-4 billion to \$20 billion.

She said her fight is similar to the battles Teamster leaders wage every day to improve the lives of workers.

"Being a voice for folks feeling voiceless and vulnerable is the work you do every day," Harris said. "We are fighters; we know we have to fight."

Maria Elena Durazo, Executive Secretary-Treasurer of the Los Angeles County Federation of Labor, and the daughter of immigrant farm workers, praised organized

labor, including the Teamsters, for fighting to pass effective immigration reform against formidable moneyed interests.

"These are momentous times. Now is the time to pass immigration reform," she said.

Bill Press, a national talk radio host, political commentator, author and union supporter, energized the crowd with his counter-attack on groups like the Koch brothers and the American Legislative Exchange Council (ALEC) that are attacking worker rights across the country.

"They have declared war on us and the only way to challenge them is to declare war on them," Press said. "This Unity Conference reminds us of the tough work ahead and unites us in securing a fair deal for every working man and woman."

Joe Hansen, International President of the United Food and Commercial Workers International Union (UFCW), praised the Teamsters for leading the fight to protect worker rights. He said all unions need to work together more to confront corporate power.

D. Taylor, President of UNITE HERE, stressed the importance of growing his union and the Teamsters. "If we don't organize, we die," he said.

A critical component of fighting the war on workers involves Teamsters working closely together when it comes to negotiations with large employers.

"We need to redouble our efforts in the

James R. Hoffa
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face of the fact that we know corporate America is taking us on every day. We know corporations engage in a daily basis in coordinated bargaining against us, so we need to do coordinated bargaining,” said Ken Hall, Teamsters General Secretary-Treasurer.

Success at UPS

Hall and the negotiating committees for UPS and UPS Freight recently reached tentative agreements with substantial gains that include both economic gains and changes in contract language that will improve day-to-day working conditions. The UPS contract is the largest collective bargaining agreement in the country.

“It wasn’t an easy process and it didn’t happen overnight. It required coordinated bargaining,” Hall said. He noted that both agreements expired at the same time, and that the union leveraged the power of all the locals and the 250,000 members at UPS and UPS Freight. International Vice President

Sean O’Brien led the effort on coordinating the more than three dozen supplements and riders to the UPS Agreement. This meant that the company could not play one region or area off of another.

The results speak for themselves. Upon ratification, UPS workers will continue to pay no premiums for their health insurance. They will receive significant wage increases; an increase in the part-time start rate; pension increases; and protections against harassment and retaliation, among a number of other gains. In addition, 2,350 new full-time jobs were created out of part-time jobs, giving more part-timers the opportunity for full-time employment.

The new agreement contains considerable wage increases. By the end of the new contract, a full-time UPS driver will make more than \$25,000 more in wages alone than he or she would have earned during the five years of the current contract.

At UPS Freight, Teamsters will see wage

increases that will continue to make them the highest-paid workers in their industry. They will also gain from a movement to a Teamster health and welfare plan with benefits that mirror what they have now, along with a reduction in premiums. There will also be a reduction in premiums for retiree health insurance. Language was added that limits subcontracting and puts all road drivers back to work at full employment.

These agreements were achieved, in large part, because local unions, at both UPS and UPS Freight, were committed to taking a stand together.

“We held rallies in 13 cities over two weekends. We saw more than 10,000 Teamsters. We got 55,000 petition signed by UPS and UPS Freight Teamsters demanding a fair contract. We were strategic and deliberate and that resulted in two outstanding agreements,” Hall said.

For details on the UPS and UPS Freight agreements, see pages 2-4.

“Teamster sons and daughters deserve the best education possible,” said General President Emeritus James R. Hoffa. This belief was the guiding principle for the James R. Hoffa Memorial Scholarship Fund, which awards funds to deserving students.

This was a special Unity Conference, as it celebrated the 100th anniversary of James R. Hoffa’s birth. He was born on Feb. 14, 1913. In light of this event, the board of the Scholarship Fund awarded 100 more \$1,000 grants this year. Since the Fund’s founding in 2001, it has awarded \$4.74 million in scholarships.

“By awarding more scholarship grants this year, we will support more opportunities for children and grandchildren of Teamsters to attend college and further their education,” said Jim Hoffa, Teamsters General President.

Soroya Rowley, a recipient of a \$10,000 scholarship in 2005, told the story of her grandfather, Victor Angelo Cipolla, a first-generation American. Thanks to his Teamster membership in

Local 315, Rowley said her grandfather was paid fair wages and benefits with which he was able to raise seven children.

“Where I come from, higher education is not an inevitability; it is a fantasy,” Rowley said. “I had this fantasy as a young woman and I am so grateful to the Teamsters for helping make it a reality.”

Rowley earned her Bachelor’s Degree in 2009 and is now co-founder of a theater company.

“I am so happy. I am living my dream. And even though my grandfather has passed away now, I know he is smiling down on me and helping me. His legacy lives on in me and in this great union,” Rowley said. “Thank you, Teamsters, for standing up for me and people like me and thank you for making my dreams of a college education come true.”

The Scholarship Fund has published a booklet which lists all of the recipients of grants and awards from the James R. Hoffa Memorial Scholarship Fund since 2001. The publication is available on our website at: www.teamster.org/2013JRHWInners

BOSTON STRONG

TEAMSTER PROUD



More than 1,000 Boston Teamsters, union members and concerned citizens lined the streets of Medford, Mass. on April 22, 2013, to serve as human shields blocking the Westboro Baptist Church hate group from picketing and disrupting the funeral of Krystle Campbell, who was killed in the Boston Marathon bombing on April 15. The demonstrators did not show up.

“We will protect the mourners of the Boston Marathon bombing victims from hate group disruptions,” said Sean O’Brien, International Vice President and President of Local 25. “I am committed to making certain that the loved ones of the victims can grieve in peace. We will not stand by and allow these cowardly demonstrators to spout their hate toward these families.”

Boston’s Local 25 was contacted by concerned citizens in Medford asking for help keeping the hate group out of view and O’Brien asked all off-duty Teamsters to participate. He put out the call on Facebook, Twitter and elsewhere, and the thousand-strong contingent of Teamsters

made sure the mourners didn’t see the Westboro trolls.

Teamsters started arriving at 8 a.m. and formed a solid mass of people on the suburban roadway approaching the church where the funeral was being held. They stood silent guard as mourners drove slowly by on their way to the 11 a.m. service at St Joseph’s Church in Medford.

Boston Teamsters were also at the funeral of officer Sean Collier on April 24 to ensure that the Westboro hate group was hidden from mourners. Collier was ambushed and killed by the Boston bombers on April 18.

“This is what the Teamsters Union is about, it’s what we do,” said Jim Hoffa, Teamsters General President. “I could not be more proud of Sean O’Brien and the Boston Teamsters for standing with these families during this tragic time.”

“I’ve never been prouder to be a Teamster and a Bostonian,” O’Brien said. “The city of Boston is filled with people who care about each other and will lift each other up when we are down or need a hand.”



Photo by Paul Marotta



ANOTHER

WHOLESALE WIN



COSTCO TEAMSTERS RATIFY INDUSTRY-LEADING CONTRACT, SECURE WAGE INCREASES AND STRONGER JOB PROTECTIONS

For Ronnie Pimentel, being a Teamster at Costco is the best of both worlds.

“We have the highest standards in the industry because both sides, the company and the union, are in agreement about treating employees right,” he said.

Pimentel, a 15-year Costco worker in Chino Hills, Calif., joined his 15,000 co-workers in February to ratify a strong three-year contract with the company. “It feels good to be a Teamster and a Costco worker.”

Already the highest paid retail workers in the country, Costco employees voted by a 77-percent margin in favor of the new agreement that includes a 9-percent wage increase over the life of the agreement.

The new contract covers thousands of workers at 55 stores throughout California, New York, Maryland and Virginia. It ensures stronger job protections and strengthened grievance procedures.

“Costco Teamsters are the backbone of this retailer’s strength and success,” said Teamsters International Vice President Rome Aloise, who led negotiations with the company. “This contract acknowledges the high quality of work that Teamsters bring to this company. It’s a big win for the workers. We are proud of the members and the bar-

gaining committee for negotiating and ratifying another industry-leading contract.”

The strength of the contract is especially remarkable given the weaker economic climate that is typically seen as an opportunity by retailers to squeeze their workers. But Costco’s strength as a company is a result of the quality of work that Teamsters bring to the industry.

“Costco employees have won a solid contract that retains and improves the high industry standards they enjoy thanks to Teamster representation at the bargaining table,” said Teamsters General President Jim Hoffa. “The workers know that Costco’s success in the industry wouldn’t be what it is without its highly skilled union work force. This contract ensures the employees will continue to share in the company’s success.”

Bargaining for the Best

Annual pay increases over the next three years will bring the hourly rate for clerks to \$22.87, more than twice the average hourly pay for workers at Costco competitors like Sam’s Club. The new contract also guarantees biannual bonuses of \$3,750 to \$4,000 for clerks. Other strengths of the agreement include stronger grievance and disciplinary protections. Costco employees

will also enjoy improved seniority rights, protecting workers within their job classification and promising increased pay for transfers to higher-ranking positions.

The new contract is the culmination of four months of negotiations. Proposals by the union were crafted by the negotiating committee based on bargaining surveys and direct member input at meetings.

Rank-and-file involvement helped the committee focus on bargaining priorities. “I’ve been with the company for a long time and I wanted to make sure that we got a contract that treats everyone fairly,” said Kevin Miller, a 26-year Costco employee in Glen Burnie, Md. and member of Local 311 who was active in negotiating committee meetings.

“The proposals that were ratified in the new agreement are favorable for us. Costco is definitely a leader in employee services and the Teamsters have always been a good force holding the company accountable and keeping them fair with their workers,” Miller said.

Major goals for the new contract, such as maintaining bonuses, raising wages and minimizing differences between contracts on the East and West Coast, were met. Additionally, a number of company proposals that would have made it easier to



“This contract acknowledges the high quality of work that Teamsters bring to this company. It’s a big win for the workers.”

—ROME ALOISE
Teamsters International
Vice President

terminate workers for disciplinary reasons and undermine grievance handling were knocked down thanks to the skilled negotiating team led by Aloise.

In fact, the new agreement strengthens grievance procedures with more frequent and regular panels to handle cases.

“This will make the grievance process a lot more efficient and expedited,” said Dan Hernandez, who works at a Costco store in Azusa, Calif. As a member of Local 166 and a 20-year shop steward who’s been working at Costco for 29 years, Hernandez was heavily involved in negotiations and called the contract another big step forward for Costco Teamsters.

“We feel really good about the new contract. We know it wouldn’t have been possible without the skilled leadership of business agents like Ralph Ferri at my local, and Rome Aloise, who’s been fighting for us for a long time and knows the contract like the back of his hand,” he said.

Hernandez is especially excited about the new contract since he will be helping to administer it as a business agent himself, replacing Ferri, who is retiring soon. “Costco is a good employer and I am going to miss working here. But I’ll be working for a great local union to enforce a great contract for Costco employees.”

Soaring Above the Rest

The new Teamster contract at Costco puts the company miles ahead of other

retailers in terms of wages, job protection and other benefits.

Costco workers’ average pay is substantially higher than its rival, Sam’s Club, which is owned by Wal-Mart. Strong wages and benefits enjoyed by Costco’s Teamster workforce result in lower turnover among employees which in turn secures a high-skilled workforce.

This explains why Costco has been able to survive and thrive in an industry that is more known for low wages and poor to nonexistent benefits. Where other retailers view labor as an added cost to doing business, 20 years of Teamster representation at Costco has made the company realize that workers who are well paid and treated fairly are invaluable assets to the functioning of a strong business.

These high standards for workers throughout Costco’s chain are a direct result of the union power that is at the heart of being a Teamster. “The Teamsters have been and will continue to be a driving force in the success of this company,” Aloise said. “Costco is a model employer because it has model employees and a powerful union that represents them. Costco Teamster members and everyone who was involved in this effort should be proud of their work. Together we won the best possible contract for workers who deserve nothing less.”



Wal-Mart vs. Workers

To look at the working conditions at Wal-Mart versus a Teamster-represented rival like Costco is to hear a tale of two retailers. Since its inception 50 years ago, Wal-Mart has become the world's largest company, dominating and redefining industries around the world.

It's no secret that Wal-Mart's low-cost empire is built on poverty-level wages. The retail giant's low wages and virtually nonexistent benefits force many of its employees to rely on public assistance. Wal-Mart's sprawling distribution networks and vast supply chains have helped it globalize what's known as the "Wal-Mart economy." It's an economy sustained by suppliers, contractors and Wal-Mart's own competitors, all of whom follow the mega-retailer's exploitative cost-cutting model. It's also an economy that would not exist if not for its massive workforce and Wal-Mart's signature weapon: union busting.

Since the 1970s, Wal-Mart has successfully defeated every unionization effort among its workers. Throughout the 1990s and 2000s, Wal-Mart crushed organizing efforts. When meat cutters in Texas organized in 2000, Wal-Mart's response was to shut down its meat counters at 180 stores and replace them with prepackaged cuts. The company's notorious anti-union machinery relies on worker intimidation, illegal firings, court injunctions and elaborate anti-union inoculation. In the meantime, Wal-Mart has clashed with community organizations, environmental advocates, and discrimination and wage-theft class-action suits.

On top of all the violations it routinely commits against the rights of its own workers, Wal-Mart and its family heirs have invested millions in the right-wing anti-worker legislative agenda. Until recently, the company had been active in anti-worker groups like ALEC (American Legislative Exchange Council) and, through the Walton Family Foundation, it promotes the corporate education agenda

against teachers unions.

Wal-Mart has long been the vanguard of union busting in the workplace. But it recently has also become the target of a new movement of workplace organizing and protest. A wave of unprecedented strikes began last year, hitting suppliers, warehouses and Wal-Mart stores. Nonunion warehouse workers in Illinois and California engaged in walkouts and civil disobedience last fall, leading to a historic victory with workers winning their principal demands.

Store employees at 30 locations in 12 states followed the warehouse workers' example, striking in October without formal union protection. These courageous actions culminated in what organizers called the "Black Friday Rebellion." In 46 states across the country, hundreds of workers and thousands of supporters staged walkouts and rallies to demand living wages, better conditions and respect for workers. This new movement is experimenting with new ways of organizing to outflank Wal-Mart's union-busting expertise; activists and workers are using aggressive strikes, direct actions and industry-wide mobilizing to force Wal-Mart to change its abusive practices.

When it comes to keeping workers out of the middle class, Wal-Mart is the standard-bearer for corporate America. But as workers understand the power of a union contract and their ability to organize in the face of Wal-Mart's scare tactics, they are becoming more eager to join their brothers and sisters in the labor movement. While that remains a daunting, uphill struggle, their success would be a game-changing event for organized labor and for workers everywhere.





TEAMSTERS BUILD SOLAR FIELD IN DESERT

BRINGING LIGHT *to Southern California Homes*

Less than an hour south of Las Vegas, on the border of California in a flat valley of rocks and sparse vegetation, lies a state-of-the-art solar-power-generating field built by Teamster members. The Ivanpah solar power facility is a project that has turned a desert landscape into three enormous mirrored solar collecting fields. This facility will soon be up and running and providing electricity to thousands of homes in Southern California.

Teamster members of Bloomington, Calif.-based Local 166 work at this vast facility as drivers, inventory control staff, parts managers, and shipping and receiving staff. They work alongside ironworkers, steelworkers, electrical workers, operating engineers and laborers.

“We have a very talented group of mem-

bers working on this project,” said John Davidson, coordinator for Joint Council 42’s Apprenticeship Training Fund. “This solar electricity project is truly a collaboration between the corporation which owns it, Bechtel/Brightsource Inc., and the many union-represented trades here. The training we provide for construction members is rigorous, but they have to know their jobs very well in order to perform well.”

Thorough training isn’t the only thing that sets Teamster members apart from the other union workers on the site. Many of the Teamsters are veterans of the U.S. military.

World’s Largest Solar Field

Teamster members and the 17 other crafts represented on the project are getting closer to the launch of the largest solar field facil-

ity in the world, and the first solar project built in California in nearly 20 years.

Set to be operational in June 2013, the electricity generated by the project will power up to 140,000 homes in Southern California. The project consists of three separate plants, each with a solar tower that sucks up the solar energy reflected onto it by the thousands of mirrored panels (or heliostats) that surround a tower—a vast 1-mile radius per plant.

Instead of solar panels collecting the sun’s energy, they are instead mirrored panels which are computer-controlled and reflect the sun onto a segment of the solar tower, heating the area up in order to turn the exposed water pipes carrying water into steam. That steam powers a turbine which creates electricity. A highly efficient



form of generating electricity, the type of clean energy produced here will help offset the carbon emissions of nearly 70,000 cars.

The beauty of all those heliostats surrounding the towers is that they were brought to the site by Teamsters.

Teamster Experience

The sheer amount of equipment, tools, vehicles and everything else required to build the site has been extraordinary. Teamster members haul the fragile heliostats (8 x 16 foot mirrors) to the rows of metal stands which surround each thermal conducting tower. The pace is slow due to the terrain and the requirement to transport each load of mirrors with no damage.

“Prior to joining the Teamsters I was a Marine at Camp Pendleton,” said John Flemmer, a Local 166 member. “I drive out to the solar fields loaded up with the mirrors. Its challenging but we get the work done.” Flemmer works with a crew of 17 other members on the site.

Supplying parts and equipment to Flemmer and the hundreds of other union members working the site is Ray Hoover, also a member of Local 166, who has been on the site daily since it opened more than two years ago.

“I have several guys that are part of the Helmets to Hardhats program on my crew,” Hoover said, referring to the Teamster-supported program that offers job assistance and training opportunities for union jobs to veterans (visit www.helmetstohardhats.org for more information). “They are the cream of the crop. These brothers and sisters have a willingness to learn.” As general foreman for procurement, Hoover is responsible for the entire site’s requirements for pipe, flanges and more.

In addition to tools, parts to the machines that are run by Teamsters and the

other crafts are essential to the Ivanpah solar field operation. Fortunately, an Army veteran and Teamster member is in charge of that section of the project.

Jacob Moyer, who has worked at Ivanpah for the past seven months, was with the Army’s airborne field artillery in Anchorage, Alaska before working at the solar field. “It’s a great atmosphere here,” Moyer said. “I make sure that everything is running—from forklifts to trucks to cranes and more. I am the only parts manager here and I work side by side with the equipment manager and engineering crews. I found out about the Helmets to Hardhats program due to my aunt and uncle. They said I should look into it and so I contacted Local 166. This has been a life-changing experience for me.”

Members Above and Beyond

“We are grateful and honored to have so many military veterans working here at Ivanpah,” Davidson said. “The Helmets to Hardhats program has allowed veterans to return home and find well-paying, stable employment. The job sites they work on benefit, too.”

Ross Bowlin, another Teamster who is part of the Helmets to Hardhats project, has also worked at Ivanpah for the past two years and found out about the job in a unique way.

“I was a Marine and a buddy thought I should contact Helmets to Hardhats,” Bowlin said. “I was one of the first people they trained out here. I served two tours in Iraq as part of a combat engineer battalion. Before starting here at the site I went through the apprenticeship training at Local 166’s center.”

Another former Marine, Dolores Richards, now works managing inventory control for the sprawling site. “We have

thousands of pieces of tools and we interact with all the other crafts here every day. This has been a very positive experience for me. I was a Marine for 21 years and I found out about the job through the veterans center in Victorville, Calif. I encourage female vets to get involved in the apprenticeship program and link up with Helmets to Hardhats.”

“My last Marine assignment was in Okinawa, Japan, where I managed small arms and machine guns,” Richards said. “That prior experience has been invaluable in my new job.”

“Our members do an incredible job at Ivanpah and I am proud of every one of them,” said Marion “Bubba” Davis, Director of the Teamsters Building Material and Construction Trade Division. “The work that the construction training trust fund has done to educate members and returning veterans has been outstanding.”

TRAINING OFFERED BY CONSTRUCTION DIVISION

Members working on construction from the following locals can be trained at the Construction Teamsters Training and Upgrading Trust Fund at Local 166’s facility in Fontana, Calif.: Locals 87, 166, 186, 848 and 986. The courses offered by the trust fund include boom class, off-road training and hazmat. For more information, contact the fund at (909) 349-0565 or email socaltrain@aol.com.



Heidelberg Distributors Choose TEAMSTERS

LOCAL 284 KEPT WORKERS UNITED DURING ANTI-UNION CAMPAIGN

When workers at a nonunion Heidelberg Distributor in Columbus, Ohio saw the difference in their pay and benefits their Teamster brothers and sisters were making, it made the disrespect they had to put up with that much harder. So they sought out the Teamsters Union.

“We decided to seek out the Teamsters to represent us due to the lack of competitive pay for what we do and a lack of structure with such things as discipline and bonuses,” said Matt Stewart, head steward and driver with Heidelberg.

“We decided to stand up for ourselves and not just let the company continue to break our backs and treat us like crap,” Stewart said. “Also, once we saw how the other company locations were run and that they were already union, we had it in print the disparity between us and others. This made a big difference as these were people not only doing the same job as us, but also for the exact same company.”

More than 100 beer truck drivers and warehouse workers with Heidelberg Distributors in Columbus, Ohio recently joined Local 284. The 49-35 vote to join the union was driven by a lack of respect for workers at the company.

Favoritism was also a big problem and whenever

workers would voice their concerns, they would be labeled as troublemakers or instigators.

Anti-Union Campaign

“We’ve dealt with Heidelberg before. They’re one of the largest labor law violators in Ohio and they ran a really nasty anti-union campaign,” said Dan Kirk, President of Local 284.

During the campaign, Heidelberg fired union supporters, withheld wage increases and hired a union-busting firm. They held weekly mandatory meetings, rode with the drivers on their routes, had one-on-one meetings with workers and told people they’d lose everything they have if they tried to bring in a union. But the workers stayed united.

“During the company’s union-busting meetings with ownership and the union buster himself, leaders such as myself made it a key point to ask questions and make comments to challenge what the company was trying to say to create doubt and fear,” Stewart said.

One thing that helped keep the workers united in the face of the antiunion campaign by the company was the knowledge that Teamsters represented four other Heidelberg companies and their contracts showed how much better it was to work in a union shop.

LOCAL 170

Webster Fire Department

They put their own lives at risk to protect the citizens of Webster, Mass. Now, the 41 part-time firefighters with the Webster Fire Department have their own protection—Teamster representation.

The firefighters recently voted to join Local 170 in Worcester, Mass., after years of difficulty in gaining a contract and recognition from their employer. Webster, like other towns in Massachusetts, employs part-time, on-call firefighters.

“We’re not looking to make a ton of money; we just want a fair wage and a fair contract,” said Ed Sterczala, who has worked as a firefighter for 10 years.

LOCAL 769

UPS Supply Chain Solutions

On April 16, employees at a UPS Supply Chain Solutions facility in Doral, Fla., voted to join Local 769 in Miami. There are 41 workers in the bargaining unit.

“It is with great pride that I welcome the newest members of our local,” said Mike Scott, President of Local 769. “The workers turned to us for help and we look forward to providing them with the best representation possible to improve their working conditions and attain the respect they deserve.”

“We are very excited about this victory, it has been a long time coming for us!” said Juan Nunez, an 11-year employee and committee member. “We are seeking equal treatment and benefits as our UPS Teamster brothers and sisters who are already represented by Teamsters Local 769.”

Local 769 represents hundreds of workers at six UPS facilities in Miami. However, this is the first UPS Supply Chain Solution facility to be organized nationwide.

LOCAL 384

Chester County DHS

Case workers for the Chester County, Pa. Department of Human Services voted 96-56 to join Local 384 in Norristown, Pa.

on April 11, despite the county government mounting a major anti-union campaign against the organizing effort.

“It was a long campaign but their union-busting tactics didn’t work this time around,” said Michael Bonaduce, Local 384 President. “Through the commitment and focus of this outstanding group of workers, the good guys won this round.”

The 162 members work for five departments that fall under Chester County Human Services – Aging, Children, Youth and Families, Drug & Alcohol Services, Youth Center and Mental Health/Intellectual Developmental Disabilities.

LOCAL 63

Red Cross

Workers in the Logistics, Kitting and Warehouse departments of the American Red Cross in Pomona, Calif., recently voted to become members of Local 63. Local 63 already represents other job titles at the Pomona facility and this new unit brings the total to nearly 200.

“We are proud to continue our strong representation of Red Cross employees in Pomona,” said Randy Cammack, International Vice President and Secretary-Treasurer of Teamsters Local 63.

LOCAL 1199

Coca-Cola

Employees of Coca-Cola in the Greater Cincinnati area working in the vending service department recently joined Local 1199. The employees, 32 in all, repair vending machines and fountain equipment in the Greater Cincinnati and Northern Kentucky Area.

“These new members will join the other 220 employees working in production, maintenance, warehouse and fleet maintenance at Coca-Cola that we already represent,” said Randall Verst, President of Local 1199.

“Their primary reason for joining our union was that they needed strong and dedicated representation with the employer,” Verst said.

LOCAL 683

Waste Management

Sanitation drivers, helpers, mechanics and yard crew from El Cajon’s Waste Management facility overwhelmingly voted to join Local 683 recently. The vote was 144 to 37 in favor of forming their union. There are 191 workers in the bargaining unit.

“This win has been a long time coming for us,” said Gustavo Mitre, a 10-year employee and committee member. “Our strength and unity led us to victory and helped us overcome the company’s threats and intimidation tactics.”

The workers remained strong in the face of a strong anti-union campaign that included empty promises, captive audience meetings and threats. Waste Management also brought in workers from other locations whose sole purpose was to try to bust the union drive, intimidate workers and give false information about organizing attempts at other facilities. The company’s tactics not only failed but further angered and empowered workers.

LOCAL 406

American Bottling Co.

Twenty-three drivers that deliver soft drinks for American Bottling Co. in Holland, Mich. recently voted to join Local 406 in Grand Rapids, Mich., winning strong representation despite an aggressive anti-union campaign by the company.

The drivers fought for union representation to gain a partner that would help them address challenges in the workplace like respect on the job and fair pay. American Bottling Co. brought in professional union busters from across the country to conduct bi-weekly captive audience meetings.

“This was a lot of work and it took a tremendous amount of courage for us to stand up to American Bottling Co.,” said driver Robert Marlink. “Managers were relentless in trying to persuade us to vote ‘no’ but we stayed our course and won the election.”



LOCAL 631 MEMBERS TAKE ON THE BIG CONVENTION AND TRADE SHOWS

TEAMSTERS POWER CONSUMER

Every year Las Vegas is visited by nearly 5 million conventioners as the city plays host to more than 21,000 shows. Local 631 in Las Vegas represents more than 3,000 trade show and convention workers that keep shows on track and on time.

With Teamsters employed by over 100 signatory companies, these Vegas Teamsters are a vital part of the city's trade show and convention industry. Their jobs consist of long hours on compressed timetables where new and unforeseen challenges can and will arrive at any moment.

The Consumer Electronics Show (CES) rolls around the same time each year, bringing with it 150,000 attendees eager to take in the latest offerings in the world of technology from more than 3,250 exhibitors from across the globe. It is the undisputed king of the Las Vegas convention and trade show circuit.

Sprawling across a combined 1.92 million square feet of show space at three primary facilities, the 2013 CES was larger than any of the previous shows in its 45-year history. Cutting-edge technology is displayed both indoors and outdoors in booths that run the entire gamut of size and complexity and every piece is moved, built or broken down by a Teamster.



Scheduled for the second week of January each year, initial setup for CES begins before Christmas. It's a massive undertaking that Teamster Charlene Whitmire refers to as "organized chaos." Whitmire is a freight foreman for GES and 16-year member of Local 631. She has worked 10 CESs, the last five overseeing the outdoor Central Plaza area at the Las Vegas Convention Center. While the show always has challenges, she looks forward to working it each year.

"Working outside has its own unique issues with the unpredictability

member and freight foreman for GES. "For their own safety, we try to discourage exhibitors from bringing things onto the floor themselves. I know the exhibitors like coming here because the Teamsters treat

ELECTRONICS SHOW

of the weather and with so much going on everyone seems to need what they need from you right now," Whitmire said. "But I like that the show is always different and I get to meet people from all across the world."

Show Ready

Exhibitors at CES have one goal—to outdo every other exhibitor in the hall. Whether that goal is accomplished with flashy displays, loud music and dancers on multi-level platforms or by sheer size alone, it all made sense to some marketing professional thousands of miles away when he hatched the idea from his corner office. Reality, as often is the case, is a different story.

"The CES exhibitors are by far more creative than other shows' exhibitors. This translates into more challenges for us," said Jeremy Kitchens, an eight-year member of Local 631 working for Momentum Management. "My first show in 2004 was CES. The exhibitors come in with a basic idea, but no set plans. It really challenges you and tests how good you are under fire. I enjoy that aspect – if you don't use your skills you lose them."

Kitchens also discussed working with other trades on the show. With rigging and electrical demands comes the need to work hand-in-hand with members of IATSE and IBEW to create a finished product that meets the exhibitor's expectations.

"There is so much interaction between the trades that you have to be careful not to step on each other's toes," Kitchens said. "For the most part, we work well together and get the job done."

With such a massive undertaking, a successful show hinges on a cooperative environment not only between the workers on the show, but the exhibitors that come to Las Vegas to ply their wares. This is not always easy, as exhibitors try to bend the rules to get their product on the floor. Tools and ladders disappear as exhibitors try to do setup on their own, endangering themselves and everyone on the show floor.

"With a show like CES where we have wall-to-wall exhibits, negotiating the floor is a challenge," said Michele Narloch, a 16-year

them right." Dave Carter, a two-year member of Local 631, works installation and dismantling for Freeman. He believes that CES is the best example of the professionalism and skill of his Teamster brothers and sisters.

"We all have to work together to accomplish this big job by a specific deadline," Carter said. "This is by far the biggest challenge of all the shows I work each year. Things aren't always perfect but you have to work as hard and long as you can to make it show-ready."

And, according to Local 631 Secretary-Treasurer Tommy Blitsch, no one does it better than the Las Vegas trade show and convention center members.

"I am extremely proud of our convention journeymen and apprentices," Blitsch said. "Nobody can set up and tear out a convention show floor like our brothers and sisters of Teamsters Local 631. When these big shows come to Las Vegas our members move freight, roll carpet, set up booths and do whatever it takes to get the job done—on time, every time!"

A Good Living, A Good Life

Across town at the Sands Hotel and Casino, 18-year member Therese Mitchell crouches on the floor of an empty convention hall working on the framing of a door for a booth that will be a part of the NSSF 2013 Shot Show, a trade show for outdoor hunting and shooting companies.

The hall is a stark contrast from the mayhem at the Las Vegas Convention Center as a handful of workers start the preliminary work in the cavernous expo center for the show that will open in a week. Mitchell, a multiple interlocking system specialist that works for Freeman, has seen the industry in both its good and bad times.

"From 2008-2010, there wasn't as much work as in previous years due to the downturn so it was tough to make a living since we weren't working as frequently as in the past," Mitchell said. "We are linked with the economy, so as it has improved so has our work."

Mitchell is enjoying the busy season that runs from January-June each year and is happy to have a job that she truly looks forward to doing every day.

"The hours can be grueling in this business, but the work is truly satisfying when you see it all come together into a successful show," Mitchell said.

COURT ORDER

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
88 CV 4486**

MEMORANDUM AND ORDER

UNITED STATES OF AMERICA,

Plaintiff,

v.

**INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, et al.,**

Defendants.

APPLICATION NO. 157

Re: Bernard Piscopo

APPLICATION NO. 158

Re: Lawrence McGuire

LORETTA A. PRESKA,

Chief United States District Judge:

The Independent Review Board (“IRB”) of the International Brotherhood of Teamsters (“IBT”) submitted Applications 157 and 158 seeking affirmance of the disciplinary actions taken against, respectively, Bernard Piscopo (“Piscopo”), and Lawrence Maguire (“Maguire”), members of Local 82.

Piscopo and Maguire were charged with bringing reproach upon the IBT in violation of the IBT Constitution by committing the crimes of manslaughter and witness intimidation and assaulting a police officer, respectively.

For the reasons set forth herein, Applications 157 and 158 are granted, and the IRB’s findings with regard to the charges against Piscopo and Maguire are upheld.

BACKGROUND**I. Application 157: Bernard Piscopo**

Piscopo was charged with conducting himself in a manner bringing reproach upon the IBT in violation of the IBT Constitution by committing the felony of manslaughter while an IBT member. (Application 157, Opinion and Decision of the IRB at 1 (“IRB 157 Decision”).) Piscopo was a member of Local 82 in Boston, Massachusetts. (*Id.* at 3.) On June 17, 2007, while a member of IBT, Piscopo assaulted and killed Adam Rich in a

South Boston Bar. (*Id.*; Application 157, Exs. 2-6.) On August 13, 2007, Piscopo was indicted for second degree murder in a Massachusetts state court. (Application 157, Ex. 3.)

On October 13, 2009, Piscopo was convicted after trial of voluntary manslaughter. (Application 157, Exs. 4 & 6.) On October 14, 2009, Piscopo was sentenced to six years in prison. (*Id.*, Exs. 4 & 6.)

On October 13, 2010, in an Investigative Report to the IBT, the IRB recommended that a charge be filed against Piscopo for bringing reproach upon the IBT in violation of Article II § 2(a) and Article XIX §§ 7(b)(1) and (2) of the IBT Constitution. (*See* IRB 157 Decision at 1.) The IRB recommended that the IBT file charges against Piscopo for killing a man with a weapon while an IBT member, as evidenced by his conviction for manslaughter. (*Id.*)

On October 29, 2010, the IBT’s General President James P. Hoffa (“IBT President Hoffa”) filed the charge and referred the matter to the IRB for adjudication. (IRB 157 Decision at 1.) On February 11, 2011, the IRB notified Piscopo by letter that, because under the law he was estopped from collaterally attacking the facts underlying his conviction—which Piscopo does not appear to contest—it would not hold a hearing. (*Id.*)

Piscopo was informed by letter on March 16, 2011, that he could supplement the record with any additional evidence. (*Id.*) At Piscopo’s request, an adjournment was granted until May 15, 2011. (*Id.*) Piscopo submitted three letters from members of Local 82 on May 9, 2011. (*Id.*)

On May 27, 2011, Piscopo was provided with the Chief Investigator’s Memorandum, including the facts and argument that meet the preponderance of evidence standard on the charge against him, in the IRB hearing on the disciplinary charges against him; he was given ten days to respond. (IRB 157 Decision at 2.) On June 2, 2011 Piscopo requested, and on June 15, 2011, was granted, a second sixty-day continuance ending on August 15, 2011. (*Id.*) Because no further correspondence was received from Piscopo after this time, the IRB entered an Opinion and Decision on February 2, 2012. (*Id.*) As set forth there, Piscopo was permanently expelled from membership in Local 82, the IBT and IBT-affiliated entities, and permanently barred from holding office or employment (including as an independent contractor or consultant) with Local 82, the IBT and all IBT-affiliated entities. (IRB 157 Decision at 2-3.)

BACKGROUND**II. Application 158: Lawrence Maguire**

Maguire was charged with conducting himself in a manner bringing reproach upon the IBT in violation of the IBT Constitution after pleading guilty to intimidating a witness and assaulting a police officer. (*See* Application 158, Ex. A at Ex. 5.) Maguire was a member of Local 82 in Boston Massachusetts. (*Id.*, Ex. A at Ex. 1.) On December 11, 2007, Maguire assaulted a police officer and intimidated a witness. (*Id.*, Ex. A at Exs. 2-6.) On November 21, 2008, Maguire pled guilty to both crimes and was sentenced to a one-year prison term. (*Id.*, Ex. A at Exs. 5, 8; *see id.*, Ex. A at Ex. 2

at 17-19, 22, 47-48.)

On November 10, 2010, the IRB recommended in an Investigative Report to IBT President Hoffa that a charge be filed against Maguire for bringing reproach upon the IBT in violation of Article II§ 2(a) and Article XIX §§ 7(b)(1) and (2) of the IBT Constitution. (See Application 158, Opinion and Decision of the IRB at 1 (“IRB 158 Decision”).)

On November 17, 2010, IBT President Hoffa filed the charge against Maguire. (See Application 158, Ex. B at Ex. IRB-2.) After conducting a hearing on February 15, 2011, the IBT found the charge not proven. (*Id.*, Ex. B at Ex. IRB-5; Ex. Cat Local 82 Hearings Reference Document 1 at 27 (“IBT Panel Report”).) The IRB then determined that finding was inadequate and scheduled a *de novo* hearing for October 11, 2011. (IRB 158 Decision at 1.) Maguire failed to appear at that hearing, and there followed several attempts to contact Maguire, which he claims he never received. (*Id.*; see Application 158, Ex. B at Exs. IRB-7-IRB-12.) The record indicates that Maguire did in fact receive all pertinent IRB correspondence. (*Id.*)

Finally, on October 21, 2011, the IRB sent Maguire a letter setting out the details of its previous attempts to provide him with service, as well as directing him to supply the IRB with a notarized, sworn statement indicating a lack of prior notice for the hearing to be returned to the IRB within ten days of receipt of the letter. (Application 158 at Ex. E.) After the expiration of that ten-day window, the Chief Investigator sent another letter to Maguire and the IRB on November 15, 2011 to inform Maguire that he would rely on his Pre-Hearing Memorandum moving forward. (*Id.*, Ex. I.) With no further correspondence received, the IRB proceeded to enter an Opinion and Decision on February 22, 2012. (*Id.* at 1.) As set forth there, Maguire was permanently barred from holding membership in or any position with the IBT or any IBT-affiliated entity. (*Id.* at 3-4.)

III. IRB’s Applications to the Court

On February 2, 2012, the IRB submitted to this Court Application 157, seeking an Order affirming the IRB’s February 2, 2012 Opinion and Decision regarding Piscopo. On February 22, 2012, the IRB submitted to this Court Application 158, seeking an Order affirming the IRB’s February 22, 2012 Opinion and Decision regarding Maguire.

The Consent Decree provides that the IRB shall monitor disciplinary actions taken by any IBT entity on IRB-recommended charges to determine whether the charges were “pursued and decided” by that IBT entity “in a lawful, responsible, or timely manner” and whether the resolution of those charges is “inadequate under the circumstances.” Consent Decree ‘J’[G(f); see also IRB Rules ‘J’[I(7).¹

IV. IBT’s Concerns

In each of the above-referenced matters, the IBT raised

concerns about “whether, in general, allegations against a member who is not a Union officer, employee, or representative, which involve criminal conduct against an individual who is not in any way associated with the Union, which do not otherwise involve any labor organization or labor racketeering, must or should necessarily be the basis for charges against the member under the IBT Constitution or the Consent Decree.” (Letter from IBT General Counsel to IRB Administrator re: Piscopo Charge, October 29, 2010 (“October 29 Letter”) at 1.) According to the IBT, each of these two cases represents a novel instance of disciplinary action against a Teamster member when that member is not a Union official or representative and the charge is based on a criminal offense unrelated to the Union and not involving organized crime. (*Id.* at 4.)

The IBT’s concern in situations similar to Piscopo’s and Maguire’s is the “broad suggestion” that any and all criminal conduct committed by a Teamster will now necessarily be found to have brought reproach upon the IBT, going “far beyond” the IRB’s previous mandates. (October 29 Letter at 5.) An additional practical concern of the IBT is that this standard will impose upon certain Union officials some heightened and uncertain “duty to investigate” the criminal behavior of the 1.4 million IBT members. (*Id.* at 5; see Letter from IBT General Counsel to the Court re: Application 157, February 3, 2012, at 2 (“February 3 Letter”).)

DISCUSSION

I. Review of IRB Decisions

The standards governing review of IRB disciplinary decisions are well established. The Court reviews determinations made by the IRB under an “extremely deferential standard of review.” *United States v. IBT* (“Carey and Hamilton”), 247 F.3d 370, 379 (2d Cir. 2001) (quoting the Consent Decree); *United States v. IBT* (“Simpson”), 120 F.3d 341, 346 (2d Cir. 1997) (same); *United States v. IBT* (“DiGirlando”), 19 F.3d 816, 819-20 (2d Cir. 1994). The IRB Rules, which are approved by this Court and the Court of Appeals, provide for review of decisions of the IRB under “the standard of review applicable to review of final federal agency action under the Administrative Procedure Act.” IRB Rules O; *United States v. IBT* (“IRB Rules”), 803 F. Supp. 761, 805-06 (S.D.N.Y. 1992), *aff’d as modified*, 998 F.2d 1101 (2d Cir. 1993). Under this extremely deferential standard, an IRB decision may be set aside only if it is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” *Carey and Hamilton*, 247 F.3d at 380 (quoting 5 U.S.C. § 706(2)(A)).

II. IRB’s Interpretation of Reproachful Conduct under the IBT Constitution

The Consent Decree recognized that “conduct. that brings reproach upon” the IBT in violation of the IBT Constitution “is

¹ “IRB Rules” refers to the Rules and Procedures for Operation of the Independent Review Board for the International Brotherhood of Teamsters,” annexed to the Consent Decree.

within the [IRB's] investigatory and decisional authority." Consent Decree ¶ G(c); IRB Rules ¶ (2); IRB Rules, 803 F. Supp. at 802. Although the Court is mindful of the concerns of the IBT, the IRB's decisions to discipline Piscopo and Maguire for their criminal conduct, which is apparently unrelated to the Union, do represent reasonable interpretations of the IBT Constitution and therefore are entitled to deference from this Court.

A. The IRB's Interpretation of Prior Law

The IRB and the IBT disagree as to whether case law supports the IRB's decision to charge Union members—as compared to Union officers, representatives, and employees—based on non-Union criminal conduct. (See IRB 157 Decision at 5-8; October 29 Letter at 4-6.) A review of the cases cited demonstrates that it is not arbitrary or capricious for the IRB to interpret these cases as indications that certain criminal behavior by Teamster members bring reproach upon the Union within the meaning of the IBT Constitution.

United States v. IBT ("Friedman and Hughes"), 905 F.2d 610, 623 (2d Cir. 1990), one of the first cases charged and tried under the Consent Decree, held that a criminal conviction regarding a scheme to embezzle funds from another labor union was found to bring reproach upon the IBT. In United States v. IBT ("Senese and Talerico"), 745 F. Supp. 908, 917 (S.D.N.Y. 1990), *aff'd*, 941 F.2d 1292 (2d Cir. 1991), the conduct found to be reproachful was even less Union-related; Talerico was disciplined for criminal contempt for failure to testify before a federal grand jury investigating the skimming of funds from Las Vegas casino. The IRB Administrator argued that the serious nature of the grand jury investigation, together with Talerico's suspicious behavior during the period being investigated, implied associations with organized crime figures. *Id.* Thus, there is precedent sufficient for the IRB to conclude that voluntary manslaughter, assault of a police officer, and witness intimidation warrant similar disciplinary action.

In his letter to the IRB, the IBT General Counsel distinguished the cases cited by the IRB in support of the charges on the grounds that the disciplinary actions were taken and upheld based upon the fact that the charged were Union officers or employees. (October 29 Letter at 3-5.) Although IBT General Counsel is correct, there is no indication in these cases that the disciplinary actions taken were done so solely due to the Teamsters' positions in the Union. *Cf. Senese and Talerico*, 745 F. Supp. at 912 ("It is beyond dispute that the IBT can sanction its own members who knowingly associate with organized crime figures . . .") (emphasis added). It is reasonable to view these cases as an indication that criminal behavior of any person subject to the Consent Decree (including Teamster members) may be a basis for a charge of bringing reproach upon the Unions. Although higher ranked Union officials may be held to a higher standard of conduct, nothing in past decisions bars the IRB from finding even more serious crimes committed by members, such as those

before the Court in these applications, to be reproachful.

B. The Type and Magnitude of the Criminal Conduct are within the Intended Scope of the Consent Decree and the IBT Constitution

The Court agrees with the IRB's statement that "the goals of the Consent Order," (IRB 157 Decision at 6) are consistent with finding at least certain types of criminal behavior, though not directly related to Union activities, bring reproach upon the Union. It is not arbitrary or capricious to find the criminal behavior described in Applications 157 and 158 to be reproachful within the meaning of the IBT Constitution.

The Court is mindful of the IBT's concerns that any and all criminal behavior might in the future necessarily require disciplinary action. However, the severity of the violent criminal conduct at issue in these applications, as well as the relation of witness tampering in Maguire's case to the federal racketeering laws explicitly prohibited by the IBT Constitution limit the scope of the IBT's policing of non-Union criminal conduct.

1. Violent Crimes

It is reasonable for the IRB to find that violent crimes committed by Union members bring reproach upon the Union. One of the purposes of the Consent Decree was to eliminate a "criminal element" from the IBT. See Friedman & Hughes, 905 F.2d at 613 (IBT defendants agreed pursuant to the Consent Decree that "there should be no criminal element of any part of the IBT"). Although the impetus to reach an agreement had its roots in the organized crime element that had infiltrated the IBT ranks, see United States v. IBT ("Liguorotis"), 814 F. Supp. 1165, 1168 (S.D.N.Y. 1993), it is reasonable to extrapolate from those initial goals the desire to keep the IBT free of a dangerous criminal element.

As the IRB points out, 29 U.S.C. § 504 imposes a ban of thirteen years from working as a Union officer or in management on those who commit, among other crimes, "assault which inflicts grievous bodily injury." (IRB 157 Decision at 8.) It is reasonable for the IRB to follow this logic to determine that such conduct then "falls within the range of conduct that brings reproach upon the IBT." (*Id.*) Piscopo's manslaughter conviction and Maguire's guilty plea of assaulting a police officer fall within this "range of conduct." Further, Maguire's knowledge that his victim was a police officer carrying out his duties at the time of the assault raises the behavior to the type of conduct envisioned by the Consent Decree and IBT Constitution as worthy of disciplinary action. See, e.g., United States v. Santos, 363 F.3d 19, 23 (1st Cir. 1997) (describing the assault of a police officer as defined by

Massachusetts law as a “crime [that] carries a particularly high risk of physical injury and violence”).

2. Witness Tampering

The IRB’s Decision in Application 158 reasonably analogizes Maguire’s conduct (witness intimidation in a state court proceeding) to a predicate act to a pattern of racketeering under the Racketeering Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961, 18 U.S.C. § 1512. (IRB 158 Decision at 4-5.) Because the IBT Constitution specifically makes it an offense to commit “any act of racketeering activity as defined by application law,” IBT Constitution Article XIX, § 7(b)(11), it was not arbitrary or capricious for the IRB to determine that the same conduct is reproachful, whether in a state or federal context. As noted, undue influence and racketeering corruption of the IBT ranks were among of the main purposes of the agreement memorialized as the Consent Decree. See *Friedman and Hughes*, 905 F.2d at 613-14. Especially in light of the evidence that Maguire has a reputation for maintaining relationships with other Union members in Local 82 who employ similar unsavory intimidation tactics in Union matters, (IRB 158 Decision at 5 n.3, 7-8), Maguire’s admitted criminal conduct only exacerbates the threat of violence and corruption within Local 82. Accordingly, the IRB’s treatment of conduct involving witness intimidation as reproachful is reasonable and upheld.

III. Duty to Investigate

Another pressing concern of the IBT is that finding criminal conduct, in general, as reproachful may impose “problematic and uncertain ‘duty to investigate’ obligations on Union officials throughout the IBT.” (October 29 Letter at 5.) Because of the large size of the IBT member population, IBT is justly concerned of any implication that Union officials would be required to expend resources investigating tips of wrongdoing by rank and file members. (February 3 Letter at 2 (noting that there are 1.4 million IBT members throughout the United States and Canada).) The Court is certainly mindful of this concern and will defer to the conclusions of the IRB that the disciplinary charges at issue in these applications will not create any heightened duty to investigate that is not already preexisting based on prior case law. (IRB 157 Decision at 9.)

IV. Other Defenses

Piscopo and Maguire also argue additional defenses to their charges outside of the main concerns discussed above. As to Piscopo, the IBT General Counsel argued that because under 29 U.S.C § 504 Piscopo would be barred from serving in a representative capacity for thirteen years following the date when his incarceration ends (notwithstanding that he will be eligible for

employment under IBT contracts regardless of whether he is a member or not), there is nothing further to accomplish by these IRB charges. (October 29 Letter at 6.)

Maguire argues several defenses. Maguire contends first that the statute of limitations for bringing these charges has expired. (IRB 158 Decision at 7.) Further, the IBT panel considering Maguire’s charge contended that there is a lack of evidence supporting the IRB’s finding of a connection to an “air of intimidation” pervading Local 82. (IBT Panel Report at 27.) Finally, Maguire argued that he was not provided adequate representation due to joint representation with several other disciplined members. (IRB 158 Decision at 9 (referencing apost-hearing submission not annexed to the Application).)

The Court finds the IRB’s responses to each of these defenses to be reasonable, and its findings on the subjects not arbitrary or capricious.

CONCLUSION

For the reasons set out above, Applications 157 and 158 are granted, and the IRB’s determinations affirmed in all respects.

SO ORDERED:

Dated: December 11, 2012

LORETTA A. PRESKA, CHIEF U.S.D.J.

COURT ORDER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
88 CV 4486

MEMORANDUM AND ORDER

UNITED STATES OF AMERICA,

Plaintiff,

v.

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, et al.,
Defendants.

APPLICATION NO. 156

Re: James Deamicis and Thomas Flaherty

LORETTA A. PRESKA,

Chief United States District Judge:

Before the Court is Application 156 of the Independent Review Board ("IRB") of the International Brotherhood of Teamsters ("IBT") concerning disciplinary actions taken against IBT members James Deamicis and Thomas Flaherty. Deamicis and Flaherty were charged with bringing reproach upon the IBT and injuring members in violation of the IBT Constitution and Local 82 bylaws by acting in concert with the Local's then-Secretary-Treasurer and principal officer John Perry and then-President Patrick Geary selectively to enforce unauthorized voting rules concerning members, voting on a proposed collective bargaining agreement in 2009. Deamicis was also charged individually with bringing reproach upon the IBT and violating the IBT Constitution and Local 82 bylaws by continuing to exercise the rights of union membership while not a member in good standing due to his failure to comply with the terms of discipline previously imposed upon him by the Local's Executive Board.

The IRB, upon finding the IBT's decision to dismiss these charges inadequate, conducted a *de novo* hearing on the charges on October 11, 2011. By decision dated January 24, 2012 (the "IRB Decision"), the IRB concluded that the charges were established. As a penalty for the misconduct, the IRB permanently expelled Deamicis from the IBT and barred Flaherty from membership, office, or employment with the IBT for a period of five years.

BACKGROUND

A. Factual Background

1. The 2009 Collective Bargaining Agreement Ratification Votes

IBT Local 82 is located in South Boston, Massachusetts, and its members work in the trade show industry. In 2009, proposed trade show collective bargaining agreements were subject to ratification votes, including, among others, those between Local 82 (the "Local") and employers Freeman Decorating Company ("Freeman") and Greyhound Expedition Services ("GES") (all together, the "2009 contracts").

Local 82 bylaw section 14A-13 states that the Executive Board shall determine how the membership shall vote on agreements and provides that the Board can adopt rules and regulations concerning the voting process. (Ex. 77 at 14).² Perry created rules governing voter eligibility for the 2009 ratification votes, but the rules were never approved by Local 82's Executive Board and thus were never authorized. (Ex. 1 at 50-54; Ex. 209 at 2-5). Perry's

voter eligibility rules provided as follows:

Members vote only on one contract. List employees³ vote for the companies which they have seniority for. If someone works the same amount for more than one company, they are able to choose which contract to vote on. This is the only procedure, policy, rule or regulation governing Collective Bargaining ratification votes.

(Ex. 207 at 2; Ex. 209 at 3; Ex. 1 at 47). According to Perry, "spares" -members who were not on any company's seniority list-were permitted only to vote for the company for which they worked the most hours. (Ex.1 at 47; *see also id.* at 50-51; Ex.11 at 50-51). In addition, in order to be eligible to vote on a proposed contract, the IBT Constitution and the Local's bylaws required members to be current on dues through the month prior to the vote. (Ex. 77 at 18, 26; Ex. 390 (Art. X, sec. 5(c))).

The proposed 2009 contracts were controversial among union members due to the exclusion of the so-called "2003 language" which provided seniority for spares who had relevant trade show experience prior to April 1, 2003. (Ex. 99 at 7-8; Ex. 144 at 34; Ex. 210 at 27-28; IRB Tr. at 80). Most of the Local's members were spares and thus were directly affected by this provision. (See Ex. 212 at 28-29; Ex. 210 at 17).

Perry, Deamicis, and Flaherty all favored removal of the 2003 language. (Ex. 212 at 18-19, 28-29; IRB Tr. at 80; *see also* Ex. 54 at 53-54). Indeed, Deamicis, along with Perry and Geary, served on the GES negotiating committee which proposed a contract to the members that eliminated the 2003 language. (IRB Tr. at 78).

There were three votes on the proposed contract with Freeman. (Ex. 209 at 5-6; IRB Tr. at 29; Ex. 19 at 28). The union members rejected the contract the first two times it was voted upon but ratified it on the third vote. (Ex. 209 at 5-6; IRB Tr. at 29). Immediately prior to the second vote, which occurred on Saturday, April 18, 2009 (Ex. 209 at 5; IRB Tr. at 30-31), Perry held a meeting with union members to discuss the contract (Ex. 210 at 27-31; Ex. 212 at 14-20; IRB Tr. at 31-32), which, as noted, was controversial among the members because it eliminated the 2003 language. (IRB Tr. at 31-32, 80; Ex. 213 at 46; *Compare* Ex. 89 *with* Ex. 99). At the meeting, Perry advocated for the abandonment of the 2003 language (Ex. 210 at 27-29; Ex. 212 at 14-15, 19-20). Paul McManus a steward at Freeman and a member of the Freeman contract negotiation committee, recommend against approval of the contract because the 2003 language had been omitted. (IRB Tr. at 27-28, 31-33; Ex. 210 at 27-28). The meeting became rowdy, and Perry called it off. (IRB Tr. at 32; Ex. 213 at 46;

² As used herein, "Ex." refers to the exhibits the Chief Investigator introduced into evidence during the hearing before the IRB. Citations to the transcript of the IRB hearing conducted on October 11, 2011 are referred to as "IRB Tr. at..."

³ List employees were union members on a company's seniority list.

Ex. 212 at 14-20). The contract was voted down. (Ex. 209 at 5 6). After the vote, Perry called McManus a “coward” (Ex. 210 at 30), and Flaherty, who was serving as the sergeant at arms, told McManus he was “ruining people’s livelihood.” (IRB Tr. at 33-35; *see also* Ex. 212 at 28-29; Ex. 213 at 47-48).

Shortly after the members voted down the Freeman contract members voted on the GES contract, which also omitted the 2003 language. (Ex. 209 at 5; Ex. 210 at 27-29). The GES contract passed. (Ex. 217; Ex. 209 at 5; Ex. 88).

At the GES ratification vote, however, more ineligible voters than eligible voters were permitted to vote on the contract, and the voter eligibility rules were applied inconsistently in a manner that appeared calculated to guarantee ratification.⁴ (Ex. 380). As per Perry’s voter eligibility rules, GES list men were allowed to vote, along with spares who worked most of their hours for GES. (Ex. 1 at 47). Members who were on another employer’s seniority list, who worked primarily in the moving industry or whose dues were not current through the month preceding the vote, were not eligible to vote on the GES contract. (Ex. 1 at 47). Applying these rules, only 24 Local 82 members were eligible to vote on the GES contract. (Ex. 13; Ex. 413; Ex. 417). However, 79 members were actually permitted to vote, and 62 of those voters -or 78%-were in fact ineligible. (Ex. 380; Ex. 13; Ex. 217; Ex. 39). As to those ineligible members who were permitted to vote on the GES contract:

- 55 were ineligible spares under Perry’s voter eligibility rules. (Ex. 381; Ex. 217; Ex. 417; Ex. 39). None of those spares worked for GES in 2009 (Ex. 381; Ex. 39), and 65% of them joined Local 82 after April 1, 2003, and thus stood to benefit from the removal of the 2003 language (Ex. 382; Ex. 383);
- 40 were delinquent in paying dues, notwithstanding that the sergeants at arms had a dues printout at the vote to check the dues status of members. (Ex. 380; Ex. 302; Ex. 11 at 54- 55; Ex. 54 at 54; IRB Tr. at 121-123);
- at least 13 had ties to Perry, Deamicis, Flaherty, or Burhoe, including, for example, Flaherty’s wife, and Deamicis’s co-defendant in a 1992 criminal case (Ex. 217; Ex. 54 at 11-14; Ex. 380; Ex. 39);
- at least 5 were known by Deamicis and Flaherty to be employed in the moving industry (IRB Tr. at 76-77, 124-125, 130-131; Ex. 300 at 132-134; check Ex.

54 at 17-19; Ex. 19 at 28-29; Ex. 11 at 52; Ex. 39; Ex. 381; Ex. 217; Ex. 27; Ex. 27A), and each joined Local 82 after April 1, 2003 (Ex. 323; Ex. 343; Ex. 348; Ex. 361; Ex. 372).

In contrast to the members who were allowed to vote despite their ineligibility, at least 10 spares who were ineligible under Perry’s voter eligibility rules were excluded from the GES vote. (Ex. 217 Exs. 220, 221, 227, 228, 230, 232, 233, 234, 237, 238, 239). Nine of those spares, however, were members of the Local in the trade show industry prior to April 1, 2003, and thus would be banned by the passage of the GES contract and exclusion of the 2003 language. (Exs. 402, 382, 220, 227, 230, 232-234, 237-239, 263, 409-410).

In addition, Perry hired a police officer to control members’ access to the gate to the union hall, which was the sole point of entry to the GES vote. (IRB Tr. at 37-38, 42, 63, 87, 104, 114-115, 131-132, 143-147; Ex. 249). As relevant here, along with the police officer, Perry, Deamicis, and Flaherty monitored the gate. Perry and the sergeants at arms -who included Flaherty⁵ -were responsible for, among other things, ensuring enforcement of voter eligibility rules, including Perry’s unauthorized voting rules and the rule requiring that voters be current on union dues (IRB Tr. at 121-125; Ex. 1 at 54-57, Ex. 19 at 27-29; Ex. 54 at 54; Ex. 11 at 54-55). Photographs taken on the date of the GES vote show, among others, Perry, Flaherty, Deamicis, and the police officer at the gate (Ex. 249), although the extent of Deamicis’ and Flaherty’s involvement was the subject of conflicting evidence. Deamicis, who attended most of the 2009 ratification votes even though he was not eligible to vote on any union contracts (IRB Tr. at 77- 78; Ex. 54 at 49, 56, 61-62; Ex. 301; Ex. 13; Ex. 75; Ex. 76), also manned the gate to the union hall during the GES vote (*See* IRB Tr. at 79, 85, 87, 249; Ex. 300 at 132-134). During the GES vote, a number of Local 82 members signed a sheet indicating that they were denied access to the vote. (Ex. 432). As noted above, the GES contract passed.⁶

On June 25, 2010, the IRB sent questionnaires to 29 Local 82 members who had signed a statement claiming that they were not allowed to vote on the GES contract. Of the 23 members who responded, 19 swore under oath that they were denied entry to the GES vote. (Exs. 220, 227, 228, 229, 230, 232-239, 248-257). A number of these members submitted sworn written statements indicating that Deamicis

⁴ The Local did not keep records of voters on proposed contracts that had been rejected, such as the members who voted in the second Freeman ratification vote. (Ex. 1 at 143).

⁵ Perry appointed Flaherty as the sergeant at arms to monitor each of the 2009 ratification votes. (IRB Tr. at 123, 128 Ex. 1 at 54-55; Ex. 19 at 27).

⁶ The third and final vote on the Freeman contract took place on June 22, 2009. (Ex. 209 at 6). Unlike the previous votes, the Freeman vote was held on a weekday, at an inconvenient time and location. (Ex. 209 at 6 IRB Tr. at 44-45; 66-67). Flaherty again served as a sergeant at arms, and Deamicis was also present, notwithstanding that he had already voted and was otherwise ineligible to vote. (IRB Tr. at 77-78, 123, 126, 128; *see also* Ex. 300 at 136). The Freeman contract finally passed. (Ex. 209 at 6).

and/or Flaherty were involved in denying them entry to the vote. (See, e.g., Exs. 227, 230, 228, 229, 252, 234).

2. Deamicis's Previous Suspension

On April 8, 2005, Deamicis was charged with pretending to be a business agent and diverting work from Local 82 members for his personal gain. (Ex. 74; Ex. 54 at 60-62). Following a hearing by the Local 82 Executive Board on April 28, 2005, the charge was found proven. (Ex. 54 at 61-62; Exs. 75-76). Deamicis was suspended from membership for one year, and fined \$3,000. (Ex. 75-76). Deamicis failed to pay the fine fully until October 5, 2010, the day after President Hoffa filed the IRB recommended charges against him. (Ex. 301; Ex. 400; see also IRB Tr. at 120-121; Ex. 54 at 61-64). Until that time, Deamicis remained suspended pursuant to the IBT Constitution and Local 82 bylaws. (Ex. 77 at 27(22); Ex. 78 at 11(151)).

During his suspension, Deamicis continued to exercise rights and benefits of union membership. Among other things, Deamicis was appointed on multiple occasions as the Local's Chief Steward, for which his dues were reimbursed (see IRB Tr. at 75-76; Ex. 1 at 73-74, 139; Ex. 54 at 22-25; Ex. 72; Ex. 73; Ex. 301); helped found and lead the Local's strike unit (see IRB Tr. at 76; Ex. 54 at 23-24; Ex. 33 at I 9; Ex. 19 at 51); represented the Local as a member of the GES contract negotiation committee (see Ex. 1 at 65-66); was appointed to serve as an alternate for then-Vice President Frederick Perry during the Executive Board disciplinary hearing on a charge brought against a member, and actually served (see Exs. 94, 97); and attended both Executive Board and Local General Membership meetings (see Exs. 12, 82, 273, 274, 280, 289, 291, 292).

B. Procedural Background

On September 29, 2010, the IRB recommended that the IBT file charges against two officers and four members of Local 82: Secretary-Treasurer Perry, President Geary, Joseph Burhoe, James Young, Deamicis, and Flaherty. As relevant here, the IRB recommended that Deamicis and Flaherty be charged with bringing reproach upon the IBT and injuring members in violation of the IBT Constitution and Local 82 bylaws through creating and selectively enforcing unauthorized rules concerning members' voting on the proposed contract with GES in 2009. The IRB also recommended that Deamicis be charged with bringing reproach upon the IBT and violating the IBT Constitution and Local 82 bylaws by continuing to exercise the rights of union membership while not a member in good standing and under continuing suspension after failing to comply with terms of discipline previously imposed by the Local's Executive Board. Finally, as to Perry, the IRB recommended that the IBT file a host of disciplinary charges, including, among other things, the same charges levied against Deamicis and Flaherty, as described above.

By letter dated October 4, 2010, IBT General President James Hoffa determined to adopt and file the above-referenced

charges contained in the IRB's recommendation. On February 7, 2011, Perry entered into a settlement agreement to resolve the IRB-recommended charges. Pursuant to this agreement, he permanently retired from the IBT and agreed never to hold IBT membership. He further agreed never to participate in the affairs of Local 82 and any other IBT entity. The District Court approved this agreement on February 22, 2011. (Dkt. No. 4205).

The charges against Deamicis and Flaherty were heard by a union panel on February 15, 2011. The panel recommended that all charges be dismissed. President Hoffa adopted the panel's recommendations and reissued them as his own.

By letter dated June 7, 2011, the IRB informed President Hoffa that his decision to dismiss the charges against Deamicis and Flaherty was inadequate. The IBT, however, adhered to its original determination.

Thus, in accordance with its Rules, the IRB scheduled a hearing on the charges against Deamicis and Flaherty. On October 11, 2011, the IRB held its hearing in Boston, Massachusetts. At the hearing, Deamicis and Flaherty were represented by Local 82 member Gerald Spagnuolo and were provided an opportunity to respond to the charges and cross-examine the witnesses who testified against them. The IRB also admitted into evidence approximately 433 exhibits, including, *inter alia*, sworn depositions and IBT hearing testimony, sworn witness statements, photographs, and various schedules of union members who voted on several of the proposed 2009 contracts.

The IRB issued its decision on January 24, 2012, unanimously finding that the charges had been established. Because Deamicis knowingly violated the terms of a prior suspension, the IRB permanently barred him from holding union membership, position, or employment, and from accepting any union compensation, with the exception of fully vested pension and welfare benefits. Flaherty, who had no prior record of bringing reproach upon his Local, was barred for a period of five years from holding union membership, position, or employment and from accepting any union compensation, with the exception of fully vested pension and welfare benefits.

IRB Application 156 followed. The IBT, Deamicis, and the Chief Investigator each made submissions to this Court. The IBT, by letter dated January 30, 2012, informed the Court that it "accepts the IRB's decisions." (Jan. 30, 2012 Ltr. at 1). While expressing concerns about the "nature and quality" of the evidence at issue, as well as the severity of the penalties imposed, the IBT "nevertheless acknowledge[s] the deference that is generally given to IRB's findings, including its choice of penalties," and "has taken appropriate steps to ensure that they are implemented." (*Id.* at 1-2). Deamicis filed a memorandum and a reply memorandum opposing IRB Application 156 on or about April 17, 2012. Deamicis does not argue that the IRB's decision is not supported by substantial evidence; rather, he argues only that the underlying investigation leading to the charges against him was tainted by conflicted counsel. Finally, on May 4, 2012, the Chief Investigator filed a memorandum in support of Application 156. Flaherty did not make any submission.

DISCUSSION

I. Standard of Review

The standards governing review of IRB disciplinary decisions are well established. This Court reviews determinations made by the IRB under an “extremely deferential standard of review.” *United States v. IBT ("Carey & Hamilton")*, 247 F.3d 370, 379 (2d Cir. 2001); *United States v. IBT ("Hahs")*, 652 F. Supp. 2d 447, 451 (S.D.N.Y.2009). The IRB Rules, which were approved by this Court and the Court of Appeals, provide for review of decisions of the IRB under “the same standard of review applicable to review of final federal agency action under the Administrative Procedure Act.” IRB Rules O; see *United States v. IBT ("IRB Rules")*, 803 F. Supp. 761, 805-06 (S.D.N.Y. 1992), *aff'd as modified*, 998 F.2d 1101 (2d Cir. 1993). Under this extremely deferential standard, an IRB decision may be set aside only if it is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” *Carey & Hamilton*, 247 F.3d at 380 (quoting 5 U.S.C. § 706(2)(A)); *Hahs*, 652 F. Supp. 2d at 451.

In accordance with that standard, this Court reviews “the IRB’s findings of facts for ‘substantial evidence’ on the whole record.” *United States v. IBT ("Giacumbo")*, 170 F.3d 136, 143 (2d Cir. 1999). “The substantial evidence test is deferential.” *Id.* “Substantial evidence is ‘something less than the weight of the evidence,’” *United States v. IBT ("Simpson")*, 120 F.3d 341, 346 (2d Cir. 1997), “but something ‘more than a mere scintilla,’” *id.* (quoting *United States v. IBT ("Cimino")*, 964 F.2d 1308, 1311-12 (2d Cir. 1992)). “Substantial evidence includes such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” *Id.* (internal quotations omitted). Moreover, the mere “possibility of drawing two inconsistent conclusions from the evidence does not prevent [the IRB’s] findings from being supported by substantial evidence.” *Carey & Hamilton*, 247 F.3d at 380 (citations omitted). “The IRB’s findings cannot be overturned merely by identifying alternative findings that could potentially be supported by the evidence.... Rather, the Court must find that the evidence not only supports [a contrary] conclusion, but *compels it.*” *Hahs*, 652 F. Supp. 2d at 451-52 (internal citations and quotation marks omitted). Moreover, “[i]t is well settled that,” where, like here, “a district court reviews penalties imposed by the IBT in accordance with the Consent Decree,” it applies an “arbitrary and capricious standard.” *Hahs*, 652 F. Supp. 2d at 461 (internal citations and quotation marks omitted). In reviewing sanctions, “this Court asks only whether the sanction imposed represents an allowable judgment in the choice of remedy.” *Id.* This Court should not overturn the “choice of sanctions unless it finds the penalty unwarranted in law or without justification in fact.” *Id.*

II. The IRB’s Determinations Are Affirmed

Applying these standards, the IRB’s determinations with respect to Deamicis and Flaherty are affirmed for the reasons set forth below.

A. Bringing Reproach Upon the IBT by Selectively Enforcing Unauthorized Voting Rules

1. Substantial Evidence Supports the IRB’s Decision That Perry’s Voter Eligibility Rules Were Selectively Enforced to Achieve Passage of the 2009 GES Contract

First, substantial evidence supports the conclusion that Perry’s unauthorized voting rules were selectively enforced so as to achieve passage of a collective bargaining agreement with GES that omitted the 2003 language. Following the union’s rejection of a contract proposal with Freeman, which also omitted the 2003 language (Ex. 209 at 5; Ex. 99 at 7-8; Ex. 210 at 27-29), Perry, with the assistance of Deamicis and Flaherty, allowed more ineligible union members than eligible members to vote of the GES contract and selectively applied Perry’s rules to bar certain ineligible members but not others. Specifically, 78% of the union members who voted on the GES contract were ineligible to vote on that contract. (Ex. 380.) The breakdown of which ineligible members were and were not permitted to vote on the GES contract, as detailed above, constitutes proof that such selection was not inadvertent but designed to ensure passage of the contract. Ex. 380, *United States v. IBT ("Salvatore")*, 754 F. Supp. 333, 339 (S.D.N.Y. 1990) (circumstantial evidence is of no less value than direct evidence and appropriate to consider in an internal union disciplinary hearing).

Perry took other actions designed to ensure the passage of the 2009 contracts. For example, after the proposed Freeman contract was initially voted down by union members and union members engaged in heated debates about the omission of the 2003 language (IRB Tr. at 31-32, 33-35, 60-61; see also *id.* at 80; Ex. 213 at 46-48; Ex. 212 at 14-20, 28-29), Perry hired a police officer to help guard the access gate to the GES contract vote, which took place approximately one week later. As Deamicis, Flaherty, and others testified, the presence of a police officer at a union event was novel, (IRB Tr. at 115, 145, 41), and the police officer participated in denying union members access to the GES vote at Perry’s direction (*see id.* at 43, 63). The GES contract passed. (Ex. 209 at 5). Perry also arranged for the final Freeman vote to occur on a weekday, during working hours, at a different union hall, which was inconvenient for union members at that time of day. (IRB Tr. at 44-45, 66-67; Ex. 209 at 6). In those circumstances, after having been rejected twice, the Freeman contract was ratified. (Ex. 209 at 5-6).

2. Substantial Evidence Supports the Conclusion That Deamicis Knowingly Worked With Perry Selectively to Enforce Perry's Voter Eligibility Rules

Next, witness testimony at the IRB hearing showed that Deamicis worked with Perry at the GES vote to determine which union members would be permitted access to the union hall where the GES vote occurred.

Local 82 member Paul McManus testified at the IRB hearing that he openly opposed removal of the 2003 language from the proposed 2009 contracts. (IRB Tr. at 28). McManus made his views clear at a union meeting run by Perry immediately prior to the second vote on the Freeman contract. (*Id.* at 32-33). McManus confirmed that union members on Freeman's seniority list (which included himself) and spares who spent the majority of their time working for Freeman were permitted to vote on the contract during the second vote and that the contract was turned down. (*Id.* at 33). Following the vote, Perry called McManus a coward because he had recommended to union members that they reject the contract. (*Id.* at 33-34). Flaherty accused him, in the presence of the union members, of "ruining people's livelihood." (*Id.* at 35).

At the request of GES members, McManus also attempted to attend the GES vote, which occurred approximately one week later, on April 26, 2012. (*Id.* at 35-36; *see also* 48-49). Upon his arrival, McManus observed Deamicis and a police officer at the gate controlling access to the vote. (*Id.* at 37). Deamicis told him that "he had to see if [McManus] was going to be allowed to attend the meeting" and that "he was going to go check with Mr. Perry "because "some people weren't being allowed into the meeting because they ...voted on the Freeman contract." (*Id.* at 38-39). Deamicis then came back out with Perry, who confirmed that he could not enter. (*Id.* at 39; *see also* Ex. 210 at 32).

Local 82 member William MacDonald substantially confirmed McManus's testimony, including that McManus had spoken against the proposed Freeman contract (IRB Tr. at 60-61) and was in favor of maintaining the 2003 language (*id.* at 62-63). In addition, MacDonald explained that when he arrived at the GES vote, he observed a police officer not letting members past the gate and heard Deamicis tell McManus that he could not come in "because John [Perry] said so." (*Id.* at 63-64). Indeed, Deamicis admitted during his IRB testimony that he, in

consultation with Perry, refused McManus entry to the union hall. (IRB Tr. at 79, 98, 106). MacDonald himself was also refused entry to the vote. (IRB Tr. at 63-64; Ex. 210 at 32; Ex. 229).

Deamicis's own admissions provide further reliable evidence of his active and knowing participation in the scheme. Deamicis testified that he attended the second and third Freeman ratification votes, the GES vote, and the Champion vote that resulted in the acceptance of that contract. (IRB Tr. at 110-112; *see also id.* at 77-78; Ex. 300 at 136). Tellingly, during the GES vote, he told a member that the member could not enter the union hall:

And I did make a general announcement, standing there with John Perry, when the other gentleman asked me why he couldn't, and I said quote, unquote, 'because John Perry said you couldn't, can't come in.' That was all I said. (Ex. 300 at 134).

Moreover, at the IRB hearing, Deamicis acknowledged repeatedly on both direct and cross examination that he denied McManus access to the union hall for the GES vote (*see* IRB Tr. at 79, 98, 106; *but see id.* at 89 (claiming no recollection)) and allowed union member James McNiff to vote on the contract (*id.* at 82; *see also* Ex. 300 at 134-35), although he then observed McNiff's being asked to leave the hall (IRB Tr. at 83; *see also* Ex. 300 at 135). In short, Deamicis admitted working with Perry to deny and allow select union members access to the union hall to vote on the GES contract.

Corroborating all of this evidence are the sworn witness statements of several Local 82 members attesting that Deamicis was involved in denying them access to the union hall at the GES contract vote. (*See* Ex. 227 (Previti statement that Deamicis told him he could not enter the union hall during the GES vote "because John says so"; prior to the vote, Previti filed four grievances alleging violations of the 2003 seniority clause in the Freeman contract); Ex. 230 (Ramos statement that Deamicis "gruffly said no I couldn't go in"); *see also* Exs. 228, 229; cf. Exs. 248, 234, 254, 253).⁷

It is firmly established that reliable hearsay is admissible in IBT disciplinary proceedings, *see United States v. Boggia*, 167 F.3d 113, 118 (2d Cir. 1999); *see United States v. IBT* ("Wilson, Dickens, Weber"), 787 F. Supp. 345, 351 (S.D.N.Y. 1992), *aff'd*, 978 F.2d 68, 72 (2d Cir. 1992); *see also Cimino*, 964 F.2d at 1312; *United States v. IBT* ("Adelstein"), 998 F.2d 120, 124 (2d Cir. 1993), and may alone

⁷ The IBT, in its letter to the Court, expresses concerns with the reliability of the hearsay evidence offered in support of the charges against Deamicis and Flaherty. For the reasons described herein, however, this hearsay evidence is reliable and admissible. In any event, even excluding the specific hearsay evidence the IBT contends is unreliable, it is plain that the IRB's decisions are supported by substantial evidence.

provide sufficient evidence to support a disciplinary decision, *see Boggia*, 167 F.3d at 118-119; *Cimino*, 964 F.2d at 1312. Hearsay gains reliability if hearsay statements corroborate one another or are corroborated by non-hearsay statements or by reliable independent sources. *See Boggia*, 167 F.3d at 118-119; *Wilson, Dickens, Weber*, 787 F. Supp. at 351; *Adelstein*, 998 F.2d at 124. Hearsay also gains reliability when the statements were made under oath. *See Wilson, Dickens, Weber*, 787 F. Supp. at 351; *Cimino*, 964 F.2d at 1312.

Here, the sworn written statements of witnesses avowing that Deamicis (and as described below, Flaherty) assisted in denying them access to the union hall were largely corroborated by one another and, for several declarants, by their live testimony. *See Cimino*, 964 F.2d at 1312 (hearsay statements reliable where they were made under oath and “paint a consistent picture.”). Accordingly, the IRB’s reliance upon the sworn written statements in support of its decision was neither arbitrary nor capricious. *See United States v. IBT (“Senese & Talerico”),* 745 F. Supp. 908, 914 (S.D.N.Y. 1990) (counseling that where an objection challenges the admission of hearsay, “[t]his Court’s review is limited to assessing whether the determination of reliability by the [IRB] was arbitrary or capricious”).

Finally, the IRB was well within its authority to discredit Deamicis’s claim that he had no knowledge of the voting rules and thus was not helping selectively to enforce anything, as his testimony on these matters was inconsistent and implausible. For example, while maintaining at the IRB hearing that he “wasn’t aware of any rules” (IRB Tr. at 78-79; *see also id.* at 83, 98), Deamicis also admitted that he heard Perry state that the rule was that spares could vote for the company for which they worked the majority of their hours (*id.* at 81) and that he allowed McNiff to vote “[b]ased on my knowledge of [his] working a lot of time with GES” (*id.* at 81-83; *see also Ex.* 300 at 133-134). Indeed, in his sworn testimony at his IRB deposition and the IBT hearing, Deamicis testified that he knew that members could vote on one contract only. (Ex. 54 at 50; Ex. 300 at 133-134).

The IRB was also entitled to reject Deamicis’s claimed reason for attending the non-GES votes; namely, that his appointment as a Chief Steward required him to be there. (IRB Tr. at 110-111; Ex. 54 at 56-57; Ex. 300 at 136). Nothing in the duties of a Chief Steward suggests that a physical presence at contract ratification votes was necessary, especially in light of Deamicis’s varying explanations that he simply was concerned with the outcome and “listen-

ing to...what’s going into their contract.” (IRB Tr. at 111; *see Ex.* 1 at 12-13, 73; Ex. 54 at 17-18, 56-57; Ex. 300 at 136).

3. Substantial Evidence Supports the Conclusion That Flaherty Knowingly Worked With Perry Selectively to Enforce Perry’s Voter Eligibility Rules

Next, substantial evidence also supports Flaherty’s knowing involvement with Perry’s scheme to ensure passage of the proposed 2009 contracts, including the GES contract. As an initial matter, Flaherty supported Perry’s position concerning omission of the 2003 language from the proposed 2009 contracts, as evidenced by, among other things, his public chastisement of McManus at the Freeman vote for expressing an opposing view. (IRB Tr. at 34-35). Perry specifically entrusted Flaherty with enforcing the voter eligibility rules at each of the 2009 contract ratification votes, appointing him to be a sergeant at arms for each vote. (IRB Tr. at 123, 126, 128; Ex. 1 at 54-57; Ex. 19 at 27-30; *see also Ex.* 19 at 14). Indeed, Flaherty confirmed that his duties as a sergeant at arms included signing members into the vote and checking whether the people voting at the particular contract site were so-called “list men” for that employer, since Perry’s voting rule mandated that list men could vote only on their particular employer’s contract. (IRB Tr. at 123-124; *see also Ex.* 19 at 28-29 (had “common knowledge” of list men, as well as a list of the list men for each employer)). He also admitted that he was tasked to ensure that union members did not vote on more than one contract (IRB Tr. at 125), which he claims to have enforced by reference to the sign-in sheets from previous ratifications (Ex. 19 at 29). While Flaherty denied checking members’ dues status to determine eligibility, both Geary and Deamicis testified that Flaherty had a dues roster for this precise purpose, including at the GES vote. (Ex. 11 at 54; Ex. 54 at 54).

As explained below, although Flaherty claims that he performed none of these duties at the GES vote, substantial evidence in the form of sworn member statements, photographs, and testimony reveals otherwise. For example, Local 82 member Greg Mulvey submitted a sworn witness statement avowing that “Tom Flaherty and Joe Burhoe said [to him at the GES vote that] John Perry said we can’t let you in.” (Ex. 252). Mulvey’s sworn statement is corroborated by photographs evidencing his presence and Flaherty’s outside of the gate at the GES vote (Ex. 249), McManus’s IRB testimony (IRB Tr. at 42-44) and Mulvey’s signing of a list containing the names of members claiming they were not permitted to enter the union hall to vote on the GES

contract (Ex. 432; IRB Tr. at 39-40). In addition to submitting the photographs described above, IRB member Paul Shoulla avowed in his sworn statement that Perry told him he was “not allowed onto the property” during the GES ratification vote and that he had a “police detail “ and that he observed Perry flanked on his left and right by Burhoe and Flaherty. (Ex. 249). Other sworn witness statements and testimony contain similar claims and observations. (See Ex. 228; Ex. 234; Ex. 148 at 39-40; cf Ex. 248, 254). Because these hearsay statements are consistent with one another and with live testimony and photographs, they are appropriately considered in support of the IRB’s decision. See *Boggia* at 118 (citing cases).

In addition, following passage of the GES contract, Flaherty again was appointed by Perry as a sergeant at arms at the third and final Freeman vote on June 22, 2009. (IRB Tr. at 123-125, 137-138). Flaherty’s conduct at this vote further evidences his intent and participation in the scheme selectively to enforce Perry’s unauthorized voting rules. Notwithstanding that Flaherty was checking the lists of members who had previously voted (IRB Tr. at 133, 137-138; Ex. 19 at 27-29), ten spares who had voted on the GES contract were also permitted to vote on the Freeman contract, in violation of the policy they were supposedly enforcing. (Ex. 231; Ex. 214; Ex. 217). It was highly unlikely that a mistake was made in permitting any of these spares to vote; at this time, the Local had the sign-in sheet from the GES vote showing exactly who had voted on the GES contract. (Ex. 217; see also Ex. 19 at 29). Tellingly, seven of the spares permitted to vote on the Freeman contract had joined the Local after April 1, 2003, and four had known ties to Deamicis and Flaherty. (Ex. 341; Ex. 347; Ex. 366; Ex. 353; Ex. 324; Ex. 356; Ex. 379; Ex. 54 at 8, 10-12; Ex. 19 at 35; Ex. 111 at 17-21).

The IRB was entitled to discredit Flaherty’s flat denials of any wrongdoing at the GES vote (see, e.g., IRB Tr. at 127-128, 154-155), in light of the numerous inconsistencies in and implausibility of this testimony. For example, while acknowledging that at Perry’s request, he acted as a sergeant at arms at all of the 2009 contract ratification votes, including the GES vote, (*id.* at 123, 128), and that his duties as a sergeant at arms included enforcing Perry’s voter eligibility rules, manning and reviewing sign-in books, checking that dues were paid, and passing out voting slips (*id.* at 124-125, 149; Ex. 19 at 27-29, 32), Flaherty claimed that he had “no duties” at the GES vote and was “just standing there, yeah, getting sun.” (*Id.* at 127; see also *id.* at 128 (although he was a ser-

geant at arms at the GES vote, he had no functions there), 145 (“no official union duty”), 149). Yet Flaherty could name “no particular reason why” he was standing outside at the contract vote. (*id.* at 129). In addition, while he testified at his IRB deposition that one of his jobs at the third Freeman ratification vote was to compare prior sign in sheets to ensure that a union member did not vote twice (*id.* at 137:7-18), he also claimed that he never stopped anyone from voting twice (*id.* at 143). Based on the evidence, the IRB could logically conclude that it was implausible that while Flaherty was present at each of the votes as a sergeant at arms, manned the gate of the GES vote, and spoke with the union members who were at the gate and denied entry to the GES vote (*id.* at 155), he neither saw nor heard that anyone was excluded (*id.*).

In sum, the record contains substantial evidence that Deamicis and Flaherty worked with Perry selectively to enforce Perry’s unauthorized voting rules on the proposed collective bargaining agreement with GES in order to achieve passage of a contract omitting the 2003 language. As none of the evidence presented “compel[s]” a contrary conclusion, Hahs, 652 F. Supp. 2d at 451-2 (noting IRB decisions cannot be overturned unless evidence compels a contrary conclusion), the IRB’s application is granted as to the selective enforcement charges.

B. Bringing Reproach Upon the IBT By Exercising Rights of Union Membership While Not a Member in Good Standing

That Deamicis exercised rights and benefits of union membership while not a member in good standing is not disputed. Neither Deamicis nor the IBT has formally objected to the IRB’s sanctioning of Deamicis for this conduct. However, the IBT, in its submissions to the Court, has expressed concerns with Deamicis’s punishment, arguing, among other things, that punishing a suspended union member for engaging in prohibited conduct during the term of his suspension may qualify as an unfair labor practice by limiting that member’s right to free association in violation of 29 U.S.C. § 158. (See Jan. 30 Ltr. Encl. 1 (Ltr. dated Oct. 3, 2011), at 10; Encl. 2 (Ltr. dated June 16, 2011, at 20-22) (no controlling authority)).

As an initial matter the IBT acknowledges that case law, including *NLRB v. Granite State Joint Board* and its progeny, precludes the sanctioning of former union members for conduct taking place after they had resigned from the organization. (See Jan. 30 Ltr. Encl. 2 at 20 (citing, *inter alia*, *NLRB v. Granite State Joint Bd.*, 409 U.S. 213 (1972) (holding fine imposed against union members who had resigned from union and then returned to work constituted an unfair labor practice because it interfered with

employee's right not to be a union member); *Pattern Makers League v. NLRB*, 473 U.S. 95 (1985) (holding that union could not prevent member from resigning and could not punish him for post-resignation actions without committing unfair labor practice))). Of course, Deamicis had not resigned from the union while he was exercising the rights and benefits of union membership. See IBT Const. Art. II, § 2(i) (setting forth resignation procedure). Rather, he was suspended and thus clearly remained a member of the union, albeit one not in good standing. See IBT Const. Art. XIX § 1(g). None of the cases cited by the IBT addresses this scenario.

However, contrary to the IBT's suggestion, precedent supports the conclusion that union discipline imposed against a suspended member - as opposed to one who resigns- does not constitute an unfair labor practice. For example, in *United States v. IBT ("Friedman")*, the Court affirmed the IRB's expulsion of former IBT Local president, Harold Friedman, from the union after he failed to comply with the terms of his suspension. 838 F. Supp. 800 (S.D.N.Y. 1993). In so doing, the Court emphasized the deteriorating effect such disregard for lawfully imposed punishment had on the sanctioning process and the morale of the membership at large, explaining that "suspension orders must be vigorously enforced, lest the penalties imposed become meaningless exercises in futility." *Friedman*, 838 F. Supp. at 817; cf also *United States v. IBT ("McNeil")*, 782 F. Supp. 238, 242 (S.D.N. Y. 1992) (affirming that union may punish members for pre-withdrawal conduct).

Unlike the union members disciplined in *Friedman* and the above-cited cases, Deamicis was not a union officer when he engaged in union activities notwithstanding his failure to comply with the terms of previously imposed discipline (as noted by the IBT). However, the Court's logic in these cases is equally applicable. Permitting additional union discipline against a suspended member for engaging in prohibited activities during his suspension supports the legitimacy of the union disciplinary process. While the IBT presents a slippery-slope argument, envisioning the discipline of suspended members for merely "tendering Union dues ... [or] attending Union meetings to which they are invited," the real concern should be what happens if punishments cannot be enforced internally in the first place. (Jan. 30, 2012 Ltr. Encl. 1 at 10).

Moreover, distinguishing Deamicis on the basis that he was not a union officer when he wrongfully engaged in union activities unduly minimizes his level of involvement in Local 82. During his suspension, Deamicis did far more than pay dues, attend union meetings, and vote. He actively and visibly represented Local 82 in a variety of situations. As described *supra*, he participated on a contract negotiating committee, acted as an appointed member of

a disciplinary panel, was appointed to the position of Chief Steward on multiple occasions, and helped find and lead the Local's "strike unit." (Ex. 19 at 51.) In performing these functions while suspended, Deamicis publicly undermined the sanctioning process, demonstrating that such punishment would not be equally applied - the very concern expressed by the Court in *Friedman*.

Accordingly, the IRB acted well within its authority in sanctioning Deamicis for exercising rights and benefits of union membership while not a union member in good standing, and its decision is therefore affirmed.

C. Deamicis's Objection to the IRB's Application on the Basis That He Was Represented By Allegedly Conflicted Counsel Is Without Merit

Deamicis raises a single objection to the IRB's application. He argues that his "right to conflict-free counsel" was breached by his counsel's simultaneous representation of several other targets of the Chief Investigator's investigation, including Perry. (Deamicis Ltr. at 2). Deamicis's failure to point to any specific prejudice he suffered as a result of joint representation, over which he exercised complete control, dooms this claim.

In passing the Labor Management Reporting and Disclosure Act ("LMRDA"), Congress mandated that union members facing disciplinary proceedings receive a "full and fair hearing." 29 U.S.C. § 411(a)(S)(C); see *United States v. IBT ("Simpson Subpoenas")*, 870 F. Supp. 557, 561 (S.D.N.Y. 1994). Courts should "intervene in union disciplinary actions under section 101(a)(5) 'only if there has been a breach of fundamental fairness.'" *United States v. IBT ("Kikes")*, No. 88 Civ. 4486 (LAP), 2007 WL 2319129, at *4 (S.D.N.Y. Aug. 9, 2007) (quoting *Carey & Hamilton*, 247 F.3d at 385). To show a breach of fundamental fairness, Deamicis must provide more than "mere speculation and conclusions" of conflict. *Id.* at *5. Rather, this Court has required a showing of actual prejudice resulting from the allegedly conflicted counsel's representation during the IRB's investigation. *United States v. IBT ("Bane")*, 88 Civ. 4486 (LAP), 2002 WL 654128, at *15 (S.D.N. Y. Apr. 18, 2002). Accordingly, the existence of a conflict or potential conflict, without prejudice, does not justify judicial intervention.

As an initial matter, it is worth noting that Deamicis had full control over who would represent him, if anyone, during the IRB's investigatory phase. At his IRB deposition, Deamicis acknowledged receiving a copy of the IRB Rules, which clearly provide notice of the right to be represented by legal counsel or a member of the International Brotherhood of Teamsters, of the member's choosing, when the IRB takes a sworn in-person examination. See IRB Rules H.3.c. Absent supporting facts, Deamicis's bare claim that he had little choice in refusing Noonan & Noonan as his counsel during the IRB

deposition due to the “awe inspiring power” of Perry (Deamicis Ltr. at 6) rings hollow.

In addition, Deamicis has fallen far short of demonstrating any prejudice arising from Noonan & Noonan’s representation of him and Perry during his sworn IRB deposition, assuming that the joint representation was, in fact, a conflict.⁸ He states simply that Perry “cut his deal first” and from there somehow concludes that this “affected Deamicis’s and others [sic] ability to cooperate and cut a deal for themselves.” (Deamicis Ltr. at 5-6). It is far from clear, however, how Deamicis’s conclusion follows from Perry’s “sweetheart deal,” (IRB Tr. at 19), which was an agreement to resign permanently from the union, never hold IBT membership, and never participate in the affairs of any IBT entity (*see* Dkt. No. 4205).

Importantly, even assuming Deamicis was somehow prejudiced by his representation by conflicted counsel during his IRB deposition (there is no evidence he was), Deamicis did have a later opportunity in a full hearing before the IRB, represented by another representative of his choosing, to explain, clarify, or rectify any aspect of his prior deposition. He failed to do so and he did not identify any prejudice or error arising from his deposition during his IRB hearing. These failures bring the facts of Deamicis’s case squarely within the ambit of Bane and compel rejection of his objection.

Finally, Deamicis’s reliance on case law rooted in a criminal defendant’s Sixth Amendment Constitutional rights is misplaced. The Sixth Amendment is not applicable here. Indeed, the ramifications of conflicted counsel in civil and criminal cases differ dramatically: where counsel acts improperly to the detriment of a client in a civil case, the client may bring an action and recover the value of the harm arising from the lost claim or defense -here, a lifetime ban. In contrast, a criminal defendant cannot sue his or her attorney to obtain freedom from prison.

Accordingly, as Deamicis provides no evidence of prejudice arising from his representation by allegedly conflicted counsel during the investigatory phase of these proceedings, his objection is rejected, and the IRB’s Application is upheld.

D. Penalties

Because Deamicis had knowingly violated the terms of a prior suspension, the IRB principally barred him permanently from holding membership in or any position with the IBT. Because Flaherty had no prior record of bringing reproach on his Local, the IRB principally simi-

larly barred him for five years. Each of these penalties represents an allowable judgment in the choice of remedy which the Court does not find unwarranted in law or without justification in fact.

Conclusion

For the foregoing reasons, Application 156 is granted, and the IRB’s decision affirmed in all respects.

SO ORDERED:

Dated: February 20, 2012

LORETTA A. PRESKA, CHIEF U.S.D.J.

COURT ORDER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
88 CV 4486

MEMORANDUM AND ORDER

UNITED STATES OF AMERICA,

Plaintiff,

v.

**INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, et al.,**

Defendants.

APPLICATION NO. 161

Re: Nicholas Bernhard

Pursuant to Paragraph 0. of the Rules and Procedures for Operation of the Independent Review Board for the International Brotherhood of Teamsters (“IRB Rules”), the Independent Review Board (“IRB”) files this Application submitting the Agreement with Nicholas Bernhard, a former President and

⁸ Deamicis offers only conclusory statements concerning the nature of the supposed conflict arising from Noonan & Noonan’s representation of both him and Perry. The main thrust of his argument appears to be that counsel had established connections with Perry and, in his view, Perry received a subjectively better outcome than he did. (See generally Deamicis Ltr.). In other words, Deamicis infers the existence of a conflict from his subjective view of the results of the firm’s involvement. Deamicis’s argument more closely resembles an ineffective assistance of counsel claim. However, much in the way that the judicial system does not consider unfair that a civil litigant is not permitted to retry a case when his counsel chooses a losing legal theory, poor choice or tactic of counsel does not itself create a fundamentally flawed disciplinary proceeding.

Principal Officer of Local 917 in Floral Park, New York. The Agreement, and accompanying IRB request for clarification of benefits to which Mr. Bernhard is entitled as set forth as Exhibit A, and the IBT provided clarified list of benefits as set forth as Exhibit B, has been approved by the IRB and is submitted to Your Honor for review and, if appropriate, to be entered as an order.

On April 25, 2012, the IRB issued Investigative Reports to the Executive Board of Local 917 recommending that a charge be filed against Nicholas Bernhard for failing to cooperate with the IRB by refusing to answer questions during his April 5, 2012 IRB sworn examination. On May 2, 2012, the Local 917 Executive Board filed the charge and referred the charge to IBT General President James P. Hoffa for adjudication. On May 22, 2012 Mr. Hoffa informed the IRB that; the charge was filed, that a hearing panel was appointed and that a hearing was scheduled for June 14, 2012.

Before the scheduled IBT hearing was held, Nicholas Bernhard forwarded to the IBT a signed Agreement seeking to resolve the matter. The IBT approved and signed the Agreement and forwarded it the IRB. The Agreement, approved and signed by the IRB, is enclosed.

This Application complies with former United States District Court Judge David N. Edelstein's February 2, 1994, Order stating that all IRB Agreements shall "contain a paragraph informing signatories that the Agreement will be reviewed and may be rejected." The Agreement reached between the IRB and Nicholas Bernhard satisfies this procedure. One original and one copy of an Acknowledgment of Receipt are enclosed with this Application for execution by Your Honor.

Effective August 17, 2012, Nicholas Bernhard has agreed to permanently resign from the IBT, Local 917. From August 17, 2012 forward, he has further agreed not to:

- (1) hold membership in the IBT or hold any position with Local 917 or any employment, office, position or consulting or similar relationship, whether paid or unpaid, with Local 917, and any IBT Entities;
- (2) accept any pay, salary, allowance, fee or compensation of any kind, except that he may receive any fully vested pension benefits and the clarified benefits specifically listed in Exhibit B;
- (3) accept any contributions on his behalf to any pension, health and welfare, severance or other benefit fund;
- (4) receive any gratuities, severance payments or gifts of any kind whatsoever from Local 917, or IBT Entities; or
- (5) participate in any manner in any of the activities or affairs of Local 917, or any other IBT entities.

We have found the Agreement and the entitled benefits clarified in Exhibit B serves to resolve the matter in a fair and equitable manner.

Therefore, we respectfully request that Your Honor execute the Agreement on the line provided. This will, in effect, serve to

have the Agreement "so ordered" by the Court. Thereafter, it is respectfully requested that a member of Your Honor's staff file the fully executed original Agreement with the Clerk and transmit to me a confirmed copy of the Agreement as "so ordered."

Dated: August 17, 2012

JOHN J. CRONIN JR., ADMINISTRATOR

In The Matter of Nicholas Bernhard
AFFIDAVIT AND AGREEMENT

Before the
INDEPENDENT REVIEW BOARD
STATE OF NEW YORK
COUNTY OF NASSAU

Nicholas Bernhard, being duly sworn, deposes, says, and agrees as follows:

1. In April 25, 2012, the Independent Review Board ("IRB"), appointed pursuant to the Consent Order entered March 14, 1989 in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (DNE) (SDNY) (the "Consent Order"), recommended that charges be filed against me for bringing reproach upon the IBT in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1), and (2) section 14(i) of the IBT Constitution by failing to cooperate with the IRB by refusing to answer 31 questions during his sworn examination on April 5, 2012. The Executive Board of Local 917 subsequently adopted and filed these charges, and referred them to James P. Hoffa, General President of the International Brotherhood of Teamsters for a decision on the merits.
2. I make this Affidavit and Agreement (this "Agreement") to resolve the IRB recommended charges described in paragraph 1. This Agreement does not constitute an admission or denial of the wrongdoing alleged In the IRB charges.
3. I represent and agree to the following:
 - (a) I have been a member of Local 917 of the International Brotherhood of Teamsters ("Local 917") and the International Brotherhood of Teamsters ("IBT") since 1984. From 1984 to 2007, I worked for Charmer Industries. Charmer merged with Peerless Imports in 2007 becoming Empire Merchants. I worked for Empire Merchants from 2007 until December 2011. In December 2011, I was elected President of Local 917. I have served as a trustee of the

Local 917 Health Fund, the Local 917 Pension Fund, the IBT Local 868 Pension Fund and the Local 816 Labor & Management Pension Trust Fund since becoming President of Local 917, (b) Other than the foregoing, I have held no other elected or appointed positions or offices of any kind with Local 917 the IBT or any of their affiliated entities, including any other locals, superior bodies, inferior bodies, conferences, joint councils, committees, divisions, pension, health, welfare or severance funds/plans or other such entities (“IBT Entities”).

5. I hereby agree that I will permanently resign from all IBT-affiliated positions, including all positions described in paragraph 3, above, including my membership in Local 917 and the IBT effective upon the date (“the effective date”) this Agreement is approved by the IRB. I agree never to seek or to hold any elected or appointed office or position with Local 917 or any other IBT Entities, whether paid or unpaid, including any consulting or similar type arrangements.
6. From the effective date of this Agreement forward, neither Local 917, the IBT, nor any other IBT Entities shall pay me, nor shall I accept, any Salary, gratuities, gifts, severance payments, allowances, fees or any other compensation of any kind, except that I may receive any compensation or benefits which have accrued or vested prior to the effective date of this Agreement, including but not limited to any pension, health and welfare, or severance benefits, or any wages, unused vacation or other paid leave time to which I am entitled, including any reasonable business related expense reimbursements which are owed to me by Local 917, in accordance with Local 917’s existing expense reimbursement policies and practices.
7. From the effective date of this Agreement forward, Local 917 and any other IBT Entities shall not make, nor shall I accept, any contributions on my behalf to any pension, health and welfare, severance or other Employee benefit fund/plan, except as required to maintain any accrued or vested health and welfare benefits to which I am entitled as of the effective date of this Agreement.
8. Should I become employed by an employer which is part to a collective bargaining agreement with local 917 or another IBT affiliate after the effective date of this Agreement I understand that I may not and cannot be compelled to, become a member of Local 917 or the other IBT affiliate, as applicable.
9. I understand and agree that this Agreement will be submitted to the IRB for its review and approval and if approved by the IRB, it will be submitted to the United State & Dis-

trict Court for the Southern District of New York (“USDC SDNY”) for its review and approval. I also understand that if this Agreement is approved by the USDCSDNY it will be entered as a Court order. I acknowledge that no representations have been made to me as to whether this Agreement will be approved by the IRB or the USDCSDNY. If this Agreement is not approved by the IRB or by the USDCSDNY, there shall be no Agreement.

10. I make this Agreement freely, under no duress or coercion of any kind.
11. This Agreement is permanent.

NICHOLAS BERNHARD

SO ORDERED:

Dated: February 22, 2013

LORETTA A. PRESKA, CHIEF U.S.D.J.

REPORT TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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

DATED: March 12, 2013

I. INTRODUCTION

This is Report Number 2 of the Independent Review Board (IRB) for 2013 regarding activities conducted pursuant to the Consent Order. In this Report we will discuss two recently issued reports. In some detail, you were previously informed of prior charges against IBT officers and members and recommended Trusteeships by IRB. This report will provide the status of those prior charges and Trusteeships.

II. NEW REPORTS

A. BRADLEY D. SLAWSON SR., BRADLEY A. SLAWSON JR., AND TODD CHESTER, LOCAL 120, BLAINE, MINNESOTA

In a report dated December 20, 2012 the IRB recommended to James P. Hoffa, IBT General President, that charges as summarized below be filed against former Local 120 Secretary-Treasurer Slawson, Sr., Local 120 President Slawson, Jr., and former Local 120 employee and member Chester.

Mr. Slawson, Sr.

It is recommended that Mr. Slawson, Sr. be charged with embezzling \$90,000 of Local funds through a scheme to pass the Local funds to his friend, Chester, through Stone Construction, Inc., the general contractor on the Local's building project. It is also recommended that he be charged with embezzling \$68,100 from the Local by taking money without authority and without a union purpose from a Bar and Gaming Operation. It is further recommended that he be charged with embezzling as detailed in the report for causing the Local to pay expenses he incurred without a union purpose.

In addition, it is recommended that he be charged with violating the Consent Order and the IBT Constitution by committing an act of racketeering under 18 U.S.C. §1961(1), bank fraud in violation of 18 U.S.C. §1344. He submitted and caused to be submitted with his co-schemers false documents to Bank Mutual. For example, he caused Bank Mutual to be informed that the Local's membership had increased by over 9,000 in 2007, when it had not. This increase would have meant a significant increase in cash flow alleviating the bank's concern over the Local's ability to service its debt. Further, it is recommended he be charged with breaching his fiduciary du-

ties to the members by failing to properly protect and monitor the over \$3,000,000 he caused the Local to borrow.

In addition, as detailed in the report, it is recommended that Mr. Slawson, Sr. be charged with violating the Bylaws and with entering into a sham collective bargaining agreement.

Mr. Slawson, Jr.

It is recommended that Bradley D. Slawson, Jr. be charged with embezzling \$72,700 from the Local by taking for himself money without authority and union purpose from a Bar and Gaming operation. In addition, he should be charged with embezzlement for causing the Local to pay expenses for which there was no union purpose.

In addition, Mr. Slawson, Jr. should be charged with violating the Consent Order and the IBT Constitution by committing an act of racketeering as defined in 18 U.S.C. §1961(1), to wit, bank fraud in violation of 18 U.S.C. 1344. He did this scheming with his co-schemers to submit false documents in connection with a loan that Bank Mutual extended to the Local 120 Building Holding Company. In addition, he breached his fiduciary duties to the members by not properly monitoring and protecting the Local assets with the proceeds of the loan, the Local strike funds and over \$200,000 in sporting tickets which was purchased by the Local.

Mr. Slawson, Jr. should be charged with failing to cooperate with the IRB in violation of Consent Order and the IBT Constitution. As detailed in the report, he intentionally gave misleading testimony during his IRB sworn examination. He also should be charged with violating his oath to obey the Bylaws and for Bylaw violations detailed in the report.

Mr. Chester

Mr. Chester should be charged with embezzling assets of the Local while a member. As manager of the Bar owned by the Local in 2010 and 2011, he took inventory from the Bar for a non-union purpose.

Response from IBT General President

On December 21, 2013 Mr. Hoffa determined to adopt and file the IRB charges. On January 14, 2013 IBT issued a notice of hearing scheduled for February 28, 2013. The hearing was held as planned and a copy of the transcript was provided to the IRB on March 7, 2013. The IRB was informed by IBT's Legal Department that Mr. Slawson, Jr., did not testify at the hearing and that Mr. Chester did not appear for the hearing. IBT will forward its final decision on this matter to the IRB for its consideration.

B. JOSEPH DeMATTEO, LOCAL 813, LONG ISLAND CITY, NEW YORK

On December 19, 2012 the Independent Review Board forwarded a report concerning Local 813 member Joseph DeMatteo to the Executive Board of Local 813 in Long Island City, New York. This report recommends that a charge be filed

against Mr. DeMatteo for failing to cooperate with the IRB by asserting his Fifth Amendment privilege against self-incrimination and failing to appear for his scheduled sworn examination on November 1, 2012.

As discussed in the report, the Chief Investigator's Office intended to question Mr. DeMatteo about matters including, but not limited to, his local 813 membership and whether he had any contact with organized crime members. The Chief Investigator also planned to question Mr. DeMatteo about the criminal complaint recently filed against him for grand larceny.

It is recommended that Mr. DeMatteo be charged as follows:

While a member of Local 813 and the IBT, you brought reproach upon the IBT in violation of the IBT Constitution and obstructed, interfered and unreasonably failed to cooperate with the duties of the IRB as set forth in the Consent Order.

After receiving notice from the IRB that your sworn statement was scheduled for November 1, 2012, you willfully and without justification failed to appear for your scheduled in-person sworn examination pursuant to the "Rules and Procedures for Operation of the Independent Review Board for the International Brotherhood of Teamsters."

On January 16, 2013 the IRB was informed that the Local 120 Executive Board served Mr. DeMatteo with a notice of hearing scheduled to be held on February 22, 2013. IRB was informed by Local 813 that the hearing took place as planned. After the Local reviews the results of the hearing it will forward its decision to the IRB for its consideration.

III. PROGRESS OF EXISTING CHARGES

A. TRUSTEESHIP – LOCAL 120, BLAINE, MINNESOTA

Local 120, which is located in Blaine, Minnesota, has approximately 11,600 members employed as drivers, helpers, and truck terminal employees, over the road, city transfer, cold storage, grocery and market drivers. In addition to its location in Blaine, Local 120 has offices in Fargo, North Dakota; Des Moines, and Dubuque, Iowa; Sioux Falls, South Dakota; and Mankato, Minnesota.

Trusteeship Recommendation

In a report dated November 9, 2012 to James P. Hoffa, IBT General President, the IRB recommended that Local 120 be placed in Trusteeship. As detailed in the report, there is evidence that the Secretary-Treasurer and President are corrupt and incompetent, the Local is engaged in financial malpractice and is not being conducted in the best interest of its members.

Brad D. Slawson, Sr. Secretary-Treasurer, and principal officer of the Local, and his son Brad A. Slawson, Jr. President, have violated the Local's Bylaws on numerous occasions, without the required membership and Executive Board approval, by not maintaining required records at the Local and paying themselves out of Local funds without Executive Board approval.

The following are examples where this has occurred:

- **Questioned Costs and Other Issues in Buying Land and Constructing a New Building**
- **Operating a For-Profit Bar and Diverting Funds**
- **Appointing a Family Friend as Consultant**
- **Entering Into Sham Contracts**
- **Questionable Record Keeping Regarding Distribution of Tickets to Sporting Events**
- **Diverting Strike Funds to Building Construction**
- **Submitting False Expense Reports**

A discussion of these examples is provided in Teamster Magazine No. 1 for 2013.

Trustee Appointed

On November 9, 2012, James P. Hoffa, based on IRB's recommendation, determined that an immediate Trusteeship of Local 120 was necessary and on the same date appointed William Moore to serve as Temporary Trustee of Local 120. On January 14, 2013 a hearing panel report was sent to Mr. Hoffa. On January 15, Mr. Hoffa determined to continue the trusteeship.

B. LOCAL 82, STATUS OF REMAINING CASES

Mr. James P. Hoffa, IBT President, released Local 82 from Trusteeship effective December 31, 2011. Local 82 was subsequently merged with Local 25 in Boston, Massachusetts.

Based on the results of an IRB hearing held on October 11, 2011, the IRB has rendered decisions and opinions on the then remaining unresolved cases for Local 82. These cases were discussed in some detail in prior issues of this report.

The current status of these cases is as follows:

James Deamicis and Thomas Flaherty

On January 24, 2012, the IRB issued its opinion and decision regarding charges against Messrs. Deamicis and Flaherty and, on this same date, submitted Application 156 on this matter to Chief Judge Preska for review; and if affirmed, to be entered as an order of the Court.

Mr. Deamicis has filed an appeal with Chief Judge Preska. - On February 20, 2013 Chief Judge Preska affirmed IRB's Application 156.

The IRB takes note that a grand jury of the District of Massachusetts returned a 30 Count indictment against James Deamicis, Thomas Flaherty as well as John Perry former Secretary-Treasurer of Local 82 and Joseph Burhoe, a former member of Local 82. The indictment charges these individuals with acts of racketeering based upon the same conduct at issue in Application 156, to wit, interfering with the right of certain members of Local 82 to vote on proposed collective bargaining agreements in 2009 as well as other charges.

Leif Thornton, Cheryl Milisi, Francis Dizoglio, John Logan and Nicholas Murphy

On January 25, 2012, the IRB issued its opinion and decision on charges against members of the Executive Board

and, on this same date, submitted Application 155 on this matter to Chief Judge Preska for review; and if affirmed, to be entered as an order of the Court.

Mr. Murphy has filed an appeal with Chief Judge Preska.

C. TRUSTEESHIP- LOCAL 630, LOS ANGELES, CALIFORNIA

In a letter dated September 27, 2011 from James P. Hoffa, IBT General President, to the Co-Trustees of Local 630, Mr. Hoffa, decided to continue the Trusteeship.

IBT was to release Local 630 from Trusteeship after officer elections were conducted in September 2012. However, soon after the election was held, an election protest was submitted to the IBT. On November 16, 2012 the IRB was advised that President James P. Hoffa has appointed IBT International Trustee Ron Herrera, as Trustee over Local 630 which includes overseeing the election protest.

On February 20, 2013 IRB was informed by IBT that Local 630 will be released from Trusteeship and that Ron Herrera was released as trustee on March 1, 2013.

D. NICHOLAS BERNHARD, LOCAL 917, FLORAL PARK, NEW YORK

An agreement was reached between the IRB and Mr. Bernhard and on July 31, 2012, the IRB submitted the Agreement by way of Application of 161 to Chief Judge Preska, for approval.

On February 22, 2013 application 161 was approved by Chief Judge Preska.

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 only by an IRB staff member. 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 (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.

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



Get Text Message Updates That Are Important to YOU

Text the word MAG and your member ID to 86466

to get important messages about your industry, your local union and where you live.

Your unique ID is printed to the right on the mailing label, above. Text MAG, add a space, then your member ID number from the label to 86466 to sign up for personalized text updates from the IBT. You will receive about five text message updates a month.

No member ID on your mailing label? You can still text IBT to 86466 to sign up for text message updates from the IBT. To see exactly where your member ID is located, visit www.Teamster.org

Message and data rates from your carrier may apply.