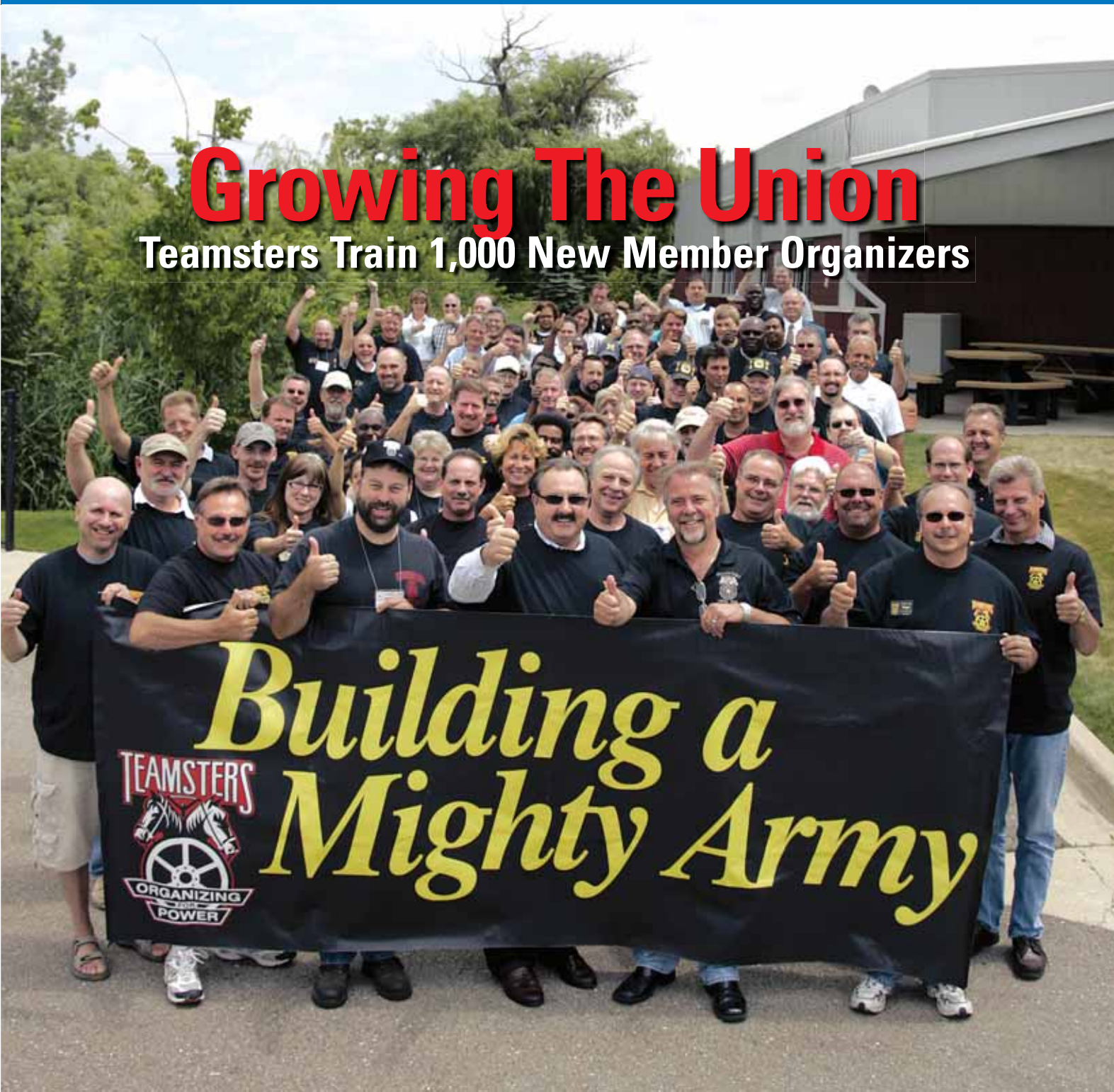
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

SEPTEMBER/OCTOBER 2009

TEAMSTER

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Growing The Union

Teamsters Train 1,000 New Member Organizers

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Health Insurance Reform

A MESSAGE FROM GENERAL PRESIDENT JAMES P. HOFFA

IT'S WELL PAST TIME, but fortunately Congress is finally beginning to grapple with a way to give all U.S. citizens access to affordable health insurance. Unions support affordable health care for all, as do most Americans. The problem is how to pay for it.

Max Baucus of Montana, the powerful chairman of the Senate Finance Committee, is suggesting a tax on insurance companies that provide comprehensive plans, which would have the same impact as a tax on an individual's plan. Many Americans, including those who have employer-provided coverage, believe a public, government-sponsored plan is a sensible way to make health insurance available to all—including people who can't get it through their employer and who don't qualify for Medicaid or Medicare. But a tax hike on health benefits to pay for a public plan would be too much for middle-class workers to swallow.

Don't Tax Health Benefits

Most Americans are deeply offended by the prospect of such a tax. A recent national survey by Lake Research Partners shows 80 percent of likely voters oppose taxing health benefits. While a candidate, Barack Obama said he wouldn't tax employer-sponsored health care, calling it a tax on the middle class. That's one of the big reasons the Teamsters supported him for president. We're pleased President Obama is sticking to his guns on this issue. The premiums of employer-sponsored health insurance already comprise a large part of many families' expenses and employers' costs. It would also touch off a stampede to the public plan, undermining the entire system.

There is no reason that revenue to pay for health insurance reform has to come out of the current system. Middle-class taxpayers just gave Wall Street the biggest bailout in history. Wall Street can well afford to return the favor. Eliminating subsidies and preferences for the wealthiest Americans would go a long way to pay for the health insurance reform this country so desperately needs.

Middle Class Deserves Better

President Obama recently suggested a limit on itemized deductions for the wealthiest people in this country. That would raise about $270 billion over 10 years. There are other good suggestions. To name a few: extend the 2.9 percent Medicare tax to all adjusted gross income so the wealthy pay their fair share; impose a surtax on the Medicare tax on the wealthiest Americans; and limit tax deductions for stock options and the write-off for intangible assets.

Let's make sure the uninsured get health care coverage, but not at the expense of hard-working American families and individuals who have employer-sponsored plans. Middle-class families—the backbone of this country—deserve better.

James P. Hoffa



Teamsters Push For Health Insurance Reform

Retired Teamster Introduces President at Health Care Town Hall

For the first time in almost 50 years, Congress is close to enacting major health insurance reform. Congress is working on legislation that would let you keep the insurance you have or buy into an affordable alternative. It would forbid insurance companies from denying coverage if you have a pre-existing condition.

"This is good for our union, good for working families and good for America," said Jim Hoffa, Teamsters General President.

Teamsters are responding to President Barack Obama's call to keep up the pressure on Congress for health insurance reform this year. In fact, one Teamster was even invited to take part in the nationwide dialogue on health care. When Obama went on the road recently to take his health care pitch to Ohio, at a town hall meeting held in suburban Cleveland, he was introduced by retired Teamster Rick Vacha.



PHOTO BY ALAINA BUZAS

Vacha's story, and the millions upon millions of similar tales, is the backdrop for President Obama's health insurance reform push.

Rick's Story

Vacha told of his struggles with the health care system after he retired from his job. When his health insurance premiums rose to levels he couldn't sustain in his retirement, he and his wife both went back to work part-time to maintain their health coverage. Vacha's story, and the millions upon millions of similar tales, is the backdrop for President Obama's health insurance reform push.

"You just heard Rick's story. Reform will keep the government out of your health care decisions, giving you the option to keep your coverage if you're happy with it. So don't let folks say that somehow we're going to be forcing government-run health care. It's just not true," Obama said.

Vacha said the event was an incredible experience, and he was honored to be asked to share his story. He did, however, have an even greater honor at the event: "I met the president. It was the greatest honor," he said. "I am grateful to the Teamsters Union for all the benefits I have received since becoming a loyal member at age 16."

Middle-Class Perspective

"I'm proud of Rick Vacha for standing up on this important issue and speaking from a middle-class perspective," said Al Mixon, Secretary-Treasurer of Cleveland's Local 507.

Many observers believe that our broken health insurance system won't be reformed at all if it doesn't happen by the end of this year. The insurance industry, drug companies and others are spending hundreds of millions of dollars to defeat reform.

For more information, how to stay up to date on the rapid developments expected in Congress this fall, and how you can get involved, visit the new Teamster web site, **www.teamstersforhealthcarereformnow.com.**

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Feeding The Hungry

Maine Teamsters Lead Massive Statewide Food Drive

Teamsters in Maine recently collected and delivered an incredible 25,000 pounds of food as part of a massive statewide drive to benefit food pantries in northern Maine. Spearheaded by the South Portland-based Local 340 women's committee, the drive was a major success, amassing an additional $850 in monetary donations, as well as a number of generous donations from Teamster-represented businesses.

"We're very pleased with the response and we want to thank everyone who donated and helped out with this important cause," said Jim Carson, President of Local 340.

The well-planned food drive brought Teamsters together to feed the hungry in their communities. Teamsters driving the 48-foot Joint Council 10 truck traveled across the state, picking up nonperishable food items from Teamsters at their work sites. The truck made its final stop at the annual Maine Potato Blossom Festival parade in Fort Fairfield, where the crowd cheered on the Teamsters who had devoted their time and resources to helping others. Donations were also collected along the parade route.

Helping Others

"This speaks volumes about Teamsters, that when people are down and out, we are there for them," said David W. Laughton, Secretary-Treasurer of Joint Council 10. "This was a joint effort from everyone to do something that I'm sure is appreciated. This shows what the Teamsters are all about."

"I found out about this through my local. The food banks are hard pressed right now, and I thought it was a nice thing to be able to help people," said John Rush, a Local 340 shop steward and equipment operator at Millinocket Public Works, who helped collect donations.

Armand Mercier, a 35-year Teamster and retiree from UPS, also helped collect items.

"It's good to get involved and help out," Mercier said. "The Teamsters pension is the best thing that ever happened to me and I'm happy to help others."

A Major Success

The donations were delivered to Catholic Charities of Maine, an organization that stocks 24 food pantries in Aroostook County, Maine's northernmost county. The organization was overjoyed by the sheer quantity of donations, as well as with the quality, which included 135 half gallons of fresh 2 percent milk, as well as freshly baked loaves of bread.

The idea to help the pantries originated with Sylvia Hebert and Traci Place, business agents and members of the Women's Committee for Local 340. The drive was no small undertaking, given the size of the state, but Teamsters with Local 340 and Joint Council 10 worked together to make this food drive a major success.





"This is a great opportunity for us as Teamsters to give back to our community, and the support was overwhelming," Place said. "This was an event everybody could take part in and learn the true lessons of what it means to be a Teamster."

For more on this story, visit **TeamsterMagazine.com/teamsters-help-feed-hungry.**



Local 760 Members Return To KDNA

Station was Founded by Farm Worker Activists

Jesus Sosa never thought that he would lose respect on his job. For 12 years he had worked at KDNA, the Spanish-language radio station in his hometown of Granger, Washington. Founded in the 1970s by farm worker union activists, the station was formed to help the community.

KDNA broadcasts Spanish-language programs dealing with immigration law, job opportunities and other topics important to the community where many work in the food processing industry. However, in May 2009, workers at the station struck over the unfair firing of two coworkers.

"I started volunteering at KDNA in order to help people,

A Healthy Result

Arbitrator Rules in Favor of Police Officers, Dispatchers in Insurance Case

In the fall of 2006, Bayside, Wisconsin police officers and dispatchers got the news that their health insurance carrier had been bought by another company. Village of Bayside officials initially met with representatives of its employee groups—including Local 200—to discuss options.

The Village ultimately chose a plan that brought bad—and expensive—news to the officers and dispatchers. They were going with a plan that meant more out-of-pocket costs for the officers and dispatchers, with a lot less health coverage.

The Teamsters immediately cited a provision in the collective bargaining agreement that prohibited the Village from changing the health agreement unless the coverage was "equal to or better than" the previous coverage.

On July 3, an arbitrator ruled in favor of the Teamsters, saying the Village had violated the collective bargaining agreement. The arbitrator, Daniel Nielsen, said in his ruling the Village must reimburse employees for medical care costs in those areas.



Clear and Unambiguous

Tom Millonzi, Secretary-Treasurer for Local 200, said the ruling shows that local governments must abide by collective bargaining agreements.

"The ruling states that the contract is 'clear and unambiguous.' It states that the right to change carriers is conditioned on providing equal or better coverage," Millonzi said. "The Village changed insurance carriers and chose one with lesser and worse coverage. We took issue with that, and won."

Police officers who testified remained anonymous in the arbitrator's ruling. The court document shows that one officer testified that under the new health plan, her entire family's prescription drug copayments were capped at $640 per year. She quickly went past that cap due to the needs of a disabled son. The old health plan had no drug copayment yearly cap.

After talking to police officers and dispatchers, Village officials and Teamsters, the arbitrator concluded that the new health plan does not provide equal or better coverage in three areas: out-of-network benefits for non-resident insured persons; deductibles; and durable medical devices.

Millonzi said he hoped the arbitrator's ruling will put other municipalities on notice that they cannot violate the terms of a collective bargaining agreement.

"We will not stand by and allow anyone to violate the terms of any collective bargaining agreement," Millonzi said. "We promised our members we would make sure that contracts are abided by. That's what we did in this case."

For more information, visit **www.teamster.org/content/public-services.**

but now I feel I have lost the respect of management," Sosa said.

Soon after starting her new job, the new manager began making changes at the station which culminated in the firing of two employees. Prior to the union vote and since the firings, the union has filed 14 unfair labor practice charges against KDNA.

"We were contacted by some of the employees of KDNA in January 2009," said Bob Koerner, a business agent at Local 760 in Yakima. "We immediately went to work to help them form an organizing committee because the employer was already bearing down hard."

"For this radio station to suddenly turn from a community-oriented place of business to a union-breaking entity was surprising," said John Parks, Secretary-Treasurer of Local 760.

Unified

"We used to work very well as a group here at KDNA," said Juan Ozuna, a 27-year employee. "But we felt that we needed to become Teamsters in order to protect our jobs. When we went on strike it was to prove how unified we were."

Throughout the three-week strike neighbors would come by and walk along with the strikers during the day and bring them food. Neighbors and supporters began numbering 40-60 people a day, far and above the 11 members of the bargaining unit.

"Our neighbors were so generous," Sosa said. "They would bring us water, fruit and lots of cooked food. They gave us good spirits every day. They wanted us back."

"These new Teamsters needed support," said Al Hobart, International Vice President and President of Joint Council 28. "Not only did the union step forward but so did many of their own neighbors because it was the right thing to do."

In mid-May, the employer accepted the local union's unconditional agreement to return to work. Since then all of the employees have returned to their jobs, although their two colleagues who lost their jobs must go through binding arbitration to determine if they should keep their positions.

"Without being members of the Teamsters union we would not have had the opportunity to stand up for our rights and the rights of our fired coworkers," Ozuna said.

Ready For Prime-Time

First Contract for Los Angeles Shuttle Workers Shows Union Difference



After waiting five long years since voting for Local 952 representation, the workers at Prime-Time Shuttle in Los Angeles unanimously ratified a first Teamster contract.

"We know that with the strength of the Teamsters behind us we will be able to continue to improve our working conditions in the coming years," said Jeremy Browder, a Prime-Time Shuttle Teamster.

The members at Prime-Time Shuttle work as guest service representatives helping board and load passengers and their luggage onto vans at Los Angeles International Airport.

The bargaining unit of 35 workers will now see a 4-percent wage increase each year of the three-year contract. Equally important, the workers now have a grievance and arbitration process they didn't have before.

"I'm proud to be able to represent a group of Teamsters that stuck together and showed great perseverance throughout this process," said Erick Henry, a business representative from Orange, California's Local 952. "Committee members David Purcell and Jeremy Browder continued to build strength and unity among the workers."

Employee Free Choice Act

When a work force organizes and then ratifies an agreement, no matter how long it takes, both the workers and the company's clients benefit.

"These customers can be confident in the service the Teamsters will provide," said Patrick D. Kelly, Secretary-Treasurer of Local 952.

Waiting five years between a representation vote and a first contract is unfair to the workers who chose to be represented by a union. "The way around unfair situations like this is the Employee Free Choice Act," Kelly said.

The Employee Free Choice Act would give workers a fair and direct path to form a union, help employees secure a contract with their employer in a reasonable time period and toughen penalties against employers who violate their workers' rights.

"If the Employee Free Choice Act was in place now, we would have gone to our first contract years ago," Henry said.

The Teamster Difference

Continental Ramp Agents Turn to Teamsters in Time of Need



General President Jim Hoffa delivered a message of hope, strength and commitment to Continental fleet service workers and mechanics looking for union representation at a rally in Houston in July.

Gary Welsch, a fleet service worker for Continental Airlines, has seen his fair share of organizing campaigns and said a visit from Hoffa was just what his coworkers needed.

Welsch and his coworkers have tried to join unions five times in the past 10 years. With each vote, however, the ramp agents have come up empty handed. Despite their trials and tribulations, Continental fleet service workers aren't ready to give up yet. In the spring, 8,000 Continental ramp agents launched another organizing campaign—and for the first time, they are trying to join the Teamsters Union. This time, things are different.

A Strong Campaign

"We've been through this five times and I can say hands-down that this is the best campaign, the strongest campaign we've had," Welsch said. "The difference is Teamster power."

Looking for a voice on the job, set work rules and job security, fleet service workers don't just have support from the international union;

School Days

Local 911 Teamster Wins School Board Election

School is back in session, and in Pasadena, California, that means the new Teamster recently elected to the school board is busier than ever. Ramon Miramontes is dean of academic affairs at Los Angeles Southwest College and a member of the Los Angeles Community College District administrators unit represented by Long Beach, California's Local 911. He was elected to his school board position with 73 percent of the vote.

"I decided to run in order to be part of the solution in my community and not just a critic," Miramontes said. "The working families of our community, the families that work two or three jobs to make ends meet at the end of the month, now more than ever depend on a voice on a policy-making board that is sympathetic and understands their plight. Also, as a union member, I appreciate the value of a good quality union job and how it helps to maintain a healthy and vibrant middle class and that, in turn, keep this country's economic engine running."

"Ramon's election is emblematic of the caliber of our Teamsters Union members," said Ray Whitmer, Local 911 Secretary-Treasurer. "Our members are involved and leading the way to better the lives of working people and their families."



Helping Families

Miramontes has spent most of his adult life as an educator and involved with social justice issues in Southern California. Along with professors, students and community members, Miramontes helped start and later became the director of a community youth center helping migrant families and their children achieve academic success in Santa Barbara County.

"My brothers and sisters in Local 911 supported me 100 percent!" Miramontes said. Officials with Local 911, shop stewards and rank-and-file Teamsters called voters, drove them to polling places and stood with him throughout the campaign, he said.

"It is my hope that my campaign experience and my current work on the board motivates fellow rank and file Teamsters to run for public office," he said. "At a time when union jobs are being reduced or hard-earned benefits are being chipped away, the resolve and grittiness of a Teamster is what we need during this austere time. No one can be a better advocate of our values and priorities than us."

For the complete interview with Miramontes, visit **www.TeamsterMagazine.com.**

they have support from their brother and sister Continental mechanics who are already Teamsters. As ramp agents fight for union representation, Continental's Teamster mechanics are in the midst of negotiating their third contract with the company.

"The combined power of the Continental mechanics and the Continental ramp agents is what it's all about," Hoffa said. "Houston is not only going to be a Continental hub, it's going to be a Teamster hub."

Union Pride

While in Houston, Hoffa met with workers, listened to their stories and led an entourage of fleet service workers through the corridors of the George Bush Intercontinental Airport to garner attention and gain support before touring an airplane in heavy check maintenance.

"You could see Hoffa's passion. He is truly a man of the working-class people and it was really special for him to come to Houston and meet all of us," said Reggie Robinson, a Continental ramp agent.

"Everyone's heard the Hoffa name and it's always been synonymous with the Teamsters. I'm impressed with his leadership and I'm looking forward to being a proud part of this union," said Scott Phillipsen, a 15-year Continental fleet service worker. "I know this has almost become a cliché, but the Teamster difference is really there. That difference has a lot to do with the level of professionalism the Teamsters exude and who they are."

For more, visit **TeamsterAir.org.**

Driving Up Standards

National Express Teamsters Fight to Protect Human Rights

Kim Wrightson has always believed that if you are going to improve your lot in life, you do it through hard work and dedication. That's why Wrightson and her coworkers, bus drivers with Durham School Services in Elgin, Illinois, decided to take control of their own future by organizing with Local 330 earlier this year. Management soon launched an aggressive anti-union campaign.

"We wanted to organize because of a number of problems in the workplace but Durham didn't want to give up their power and fought us," Wrightson said. "They didn't want to just let us make up our own minds about organizing but instead they threatened us, intimidated us and forced us to listen to their company propaganda almost daily."

Durham School Services is a subsidiary of National Express (NEX), a UK-based transportation company that also owns Stock Transportation, a school bus service in Canada.

Roy Willis, a member of Local 91, works for Stock Transportation in Kingston, Ontario, Canada and experienced similar behavior from management when he and his coworkers began their campaign to join the Teamsters in 2008.

"There were some real problems with working conditions, pay and benefits and human rights policies at our yard," Willis said. "We felt we needed to take action to improve the situation by joining the Teamsters. Management immediately began casting the union as the bad guy. They claimed we would lose our benefits and the union would make promises they couldn't keep."

Testifying Before Parliament

Willis and Wrightson were two of the workers that testified in front of representatives from the British Parliament's Joint Committee on Human Rights in Washington, D.C. during their recent visit to the United States.

The workers are part of the Drive Up Standards campaign, a joint initiative between the Transport and General Workers Union of Unite the Union in the United Kingdom and the International Brotherhood of Teamsters in the United States and Canada. Drive Up Standards' mission is to ensure that employees of multinational transport companies are treated with respect and dignity with regard to their human rights.

"It's disturbing that a number of British companies are behaving differently toward their workers than they do in England," said Lord Alfred Dubs, a member of the House of Lords and former Chair of the Labour Party in Lords, after the Joint Committee on Human Rights agreed to sit down and listen to Willis and Wrightson's experiences.

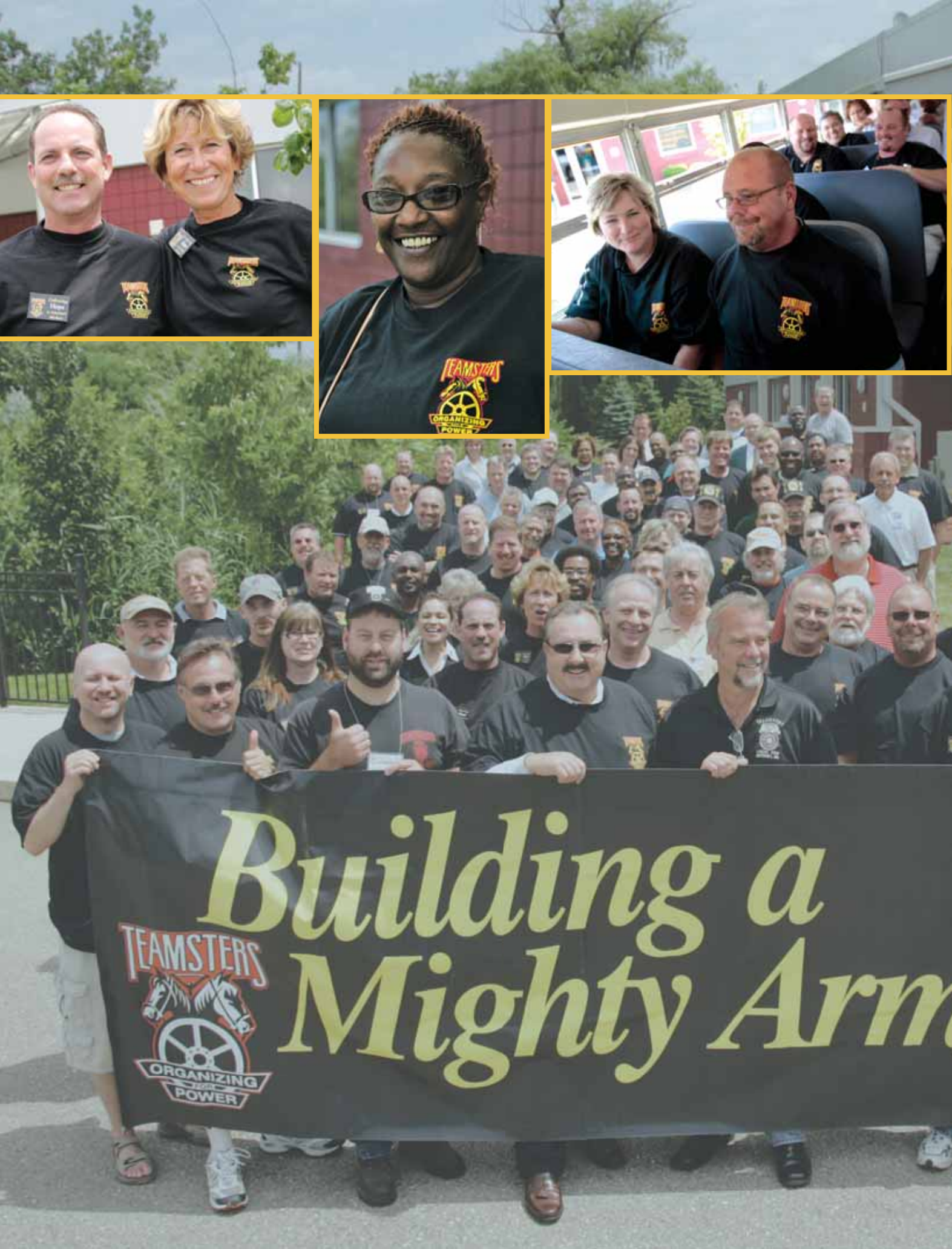
As part of their mission, the Joint Committee on Human Rights considers human rights issues in the United Kingdom including the manner in which British businesses' actions can affect those rights positively and negatively at home and overseas.

"As trade unionists we should be talking to National Express to ask why they are acting this way," said MP John Austin.

"It's my hope that the positive feedback we received from the members of Parliament on the Joint Committee for Human Rights will help draw attention to the issues at National Express and the company will take the necessary steps to stop its North American subsidiaries from violating the human rights of their workers," Willis said.



For more, visit **www.driveupstandards.org.**


TEAMSTERS
ORGANIZING POWER
Building a
Mighty Arm







GROWING THE MIGHTY ARMY

TEAMSTERS TRAIN 1,000 MEMBER ORGANIZERS

THE POSTER, FOUND ON THE WALLS OF TEAMSTER JOINT COUNCILS AND local unions across North America, is a call to action. Teamsters can sense the significance and urgency of its message. On the poster, General President Jim Hoffa is pointing, saying, "I want you!"

It's reminiscent of an old war poster of Uncle Sam that urged Americans to serve their country. President Hoffa is calling on Teamsters to do much the same, to help build their union and improve the lives of working Americans.

Teamsters are answering his call.

At the annual Unity Conference in May 2009, President Hoffa announced that the Teamsters Union would set out to recruit and train 1,000 volunteer member organizers before the end of the year. These rank-and-file Teamsters would help organize nonunion workers who want Teamster representation, strengthening the union, rebuilding the middle class and raising standards for working families.

"There is no better spokesperson for the Teamsters than a Teamster like you," Hoffa said. "This is your opportunity to grow the Teamsters and help other workers join this great union."

"We're building a mighty army of Teamsters to combat corporate greed and help create a better life for all workers," said Jeff Farmer, Director of Organizing. "I'm proud of the success of the Organizing Department in our national campaigns, but we need these volunteers to help us keep up the momentum and to help develop Joint Council and local union campaigns. It is Teamster members who get involved in their union that make the difference."

Organizing More Workers

The Teamsters Union is organizing at a rapid pace. In 2008, more than 43,000 workers from a variety of industries—from school bus drivers to airplane mechanics—joined the union. The goal this year is to organize even more workers and to get the Employee Free Choice

Act passed—legislation that would make it easier for workers to join a union. As the most recognizable union in America, the Teamsters Union can expect to be deluged with organizing requests once it passes, and that's where the Volunteer Army of member organizers comes in.

In order to grow the ranks of the Teamsters, Joint Councils across the country are hosting daylong "Organizer Boot Camps." The trainings are conducted by a team from the Joint Councils, and the International's Organizing and Training and Development departments. At these trainings, volunteers learn the basics of what they'll be asked to do as member organizers and participate in an ongoing campaign. After the training, the Organizing Department works with the Joint Council and local unions to keep member organizers actively engaged in organizing campaigns via conference calls, web sites and on-the-ground participation.





"I got involved because I saw the change that happened at our yard when we organized with the Teamsters. It changed people's lives and I just wanted to be a part of that."

—LORI POLESEL, FIRST STUDENT DRIVER

On a recent Saturday in suburban Detroit, Michigan Teamsters answered President Hoffa's call to action. More than 70 Teamster members filled the Local 243 hall to eagerly take part in the first of many organizer boot camps.

"I commend you for coming here to get educated and to help other workers organize," said Larry Brennan, President of Joint Council 43, to the room full of members who were there to learn how to organize.

"The members are our best assets and you are very much the key to saving the middle class and growing the labor movement," Bill Black, Executive Director of Joint Council 43, told the crowd.

Diverse Backgrounds

The volunteers who've signed up for the mighty army of Teamsters come from diverse backgrounds; they work in industries ranging from sanitation to public transit to warehousing. Some have been Teamsters for decades while others are new to the union. They all have one thing in common. They all want to do their part and get involved.

"I'm here so I can help other workers organize. I want to get closer to the action, to give them a voice and an outlet," said Dana "Doc" Flemmon, a member of Local 214 who works at the Detroit Department of Public Works. "When you can reach out to another worker and relate on their level, they'll listen."

"You have to continue to organize to build more people," said Sauntore Thomas, a member of Local 243 who heard about the training through a friend who is a Teamster organizer. "I wouldn't miss this for the world. I needed to be here."

Robert Richards, a member of Local 337 in Detroit, came to the training because he knows the difference having strong union representation makes.

"I've worked both union and nonunion jobs and I know what it's like to live in fear. I believe that there are a lot of people being backed into a corner and being treated like crap, and they have a right to be represented," Richards said. "We need to do whatever it takes. Even if you only have 15 minutes, you need to show up and get involved."

A Tough Fight

All of these Teamsters came to boot camp because they realized the urgency and necessity for organizing in order to grow the union. The common thread among the volunteers was their belief in the value of a strong union, as employers wield more power over workers during tough economic times.

Kat Delph works for the Detroit Medical Center as a courier, transporting surgical specimens. She's also a shop steward who wanted to help workers who are not as fortunate as her because they don't have a Teamster contract.

"Times are tough. People need job security. My father raised us to help people and it's our duty to stand up for people who need help," Delph said. "I want to learn more skills to organize and to

get insight from others. Coming here was the best way to do this."

"The economy is bad, so it's important to organize to build the membership. We need to make people aware that they have the ability to join a union, and to get a contract with a wage and benefit package," said Mike Gluba, a member of Local 299 in Detroit and chief steward at Hertz Rent-a-Car.

Out in the Trenches

Gluba already spreads the good word of the Teamsters on the job. When customers come through the airport where he works, he often talks with them about the union.

"I see a lot of FedEx and Cintas employees and I tell them the benefits of the Teamsters. Yes, being a Teamster can make a difference; it can provide a more secure future," Gluba said.

salesman for Frito Lay. "We're there to find a working relationship that's good for everyone—the employer and the worker. There are too many companies out there that will treat you unfairly, and being organized means you get a fair chance."

Derrick Reeves, a heavy equipment operator for the city of Detroit and member of Local 214, attended boot camp because he believes his role as a Teamster is to help contribute to the betterment of people's lives.

"When union workers earn a good wage, nonunion workers benefit as well," Reeves said. "The biggest thing about being an active member in the Teamsters is you can help people that have been done wrong. It's gratifying, real gratifying."

"If you know anything about organizing, you know you have to keep the momentum going," said Jim Chase, a 20-year Teamster





"We need to do whatever it takes. Even if you only have 15 minutes, you need to show up and get involved."

— ROBERT RICHARDS, LOCAL 337

Gluba first heard about the member organizer training program through his local union president, and even though he's been a Teamster for 28 years and is active in his union, he still decided that he needed to come out to boot camp.

"If I learn even one thing today, it helps me to go out and help my local and the Teamsters as a whole. It helps me to educate people who are not in the union on the benefits of the union," Gluba said.

Brian Shufeldt, a beer truck driver with Local 1038 in Detroit, also sings the praises of Teamster membership, and in doing so, he helps organize, sometimes without even realizing it.

"We talk to nonunion people all the time on the job, but we're not doing anything actively to organize them, just spreading the word," Shufeldt said. "If we're out there doing that anyway, we might as well make it formal."

Serving with Honor

Detroit is hurting, and so is the state of Michigan. The unemployment rate in Detroit is 22 percent, while Michigan has the highest unemployment rate of any state in the nation, at 15.2 percent. Many good jobs have left the state, but these Teamsters are confident that a middle-class standard of living can be brought back to Michigan.

"If anyone slams the union, they're slamming the workers," said Ron Cronin, a 37-year Teamster, shop steward and route

and business agent for Local 406 in Grand Rapids. Chase brought a half-dozen of his local's members with him to the training. "It's imperative that we get more help with organizing because we have a lot of workplaces to organize and a lot of areas to cover."

Worker-to-Worker Movements

The concept of volunteer member organizers is nothing new to the Teamsters. The latest outreach, however, has raised the bar and set ambitious goals for organizing even more workers. The 43,000 workers who became Teamsters in the past year were organized, in large part, thanks to the efforts of volunteer member organizers. As more workers organize, they give back to others what they have gained as Teamsters.

"I got involved because I saw the change that happened at our yard when we organized with the Teamsters. It changed people's lives and I just wanted to be a part of that," said Lori Polesel, a driver with First Student in Walkill, New York. Polesel is now a member organizer who has traveled around the United States and the United Kingdom, helping out other school bus workers. "The more we organize, the more powerful we are. Together, we are what we can't be alone."

Nearly 9,500 workers in the school bus industry became Team-

sters in 2008, bringing the total to 20,000 workers since the campaign began in 2006. A key part of the success of this campaign, and other national campaigns of the whole union, is found in worker-to-worker movements. Hundreds of volunteer member organizers have rallied, taken part in community actions and made their voices heard at United Airlines, Durham School Services, Horizon Air, the ports of Oakland and Los Angeles/Long Beach, and at thousands of other work sites throughout the United States and Canada.

Mike Albertin, a mechanic with United Airlines in San Francisco, became a Teamster last year when he and more than 8,600 of his coworkers voted overwhelmingly to join the Teamsters. Albertin recently participated in a blitz to help the rampers at Continental Airlines in their campaign to organize with the Teamsters.

"I thought it was really important that they be represented by a union with a lot of experience like the Teamsters," Albertin said. "I think it's good to have a goal of 1,000 new member organizers because the more educated we are about organizing, the better off we will all be in the long run. Even if we're from different industries, we're all part of the working class."

Frank Habich, a GSE mechanic with UPS in Louisville, has helped out with numerous organizing campaigns, including those at UPS Freight and FedEx Express.

"I told my wife the Teamsters want me to help FedEx workers, so I will have to be gone for a while," said Habich, a shop steward with Local 89. "She told me, 'I know how passionate you are about the Teamsters, so you should go help with FedEx. They deserve to have everything we have.'"

Teamsters from coast to coast and from industry to industry



"It's all about the personal satisfaction of helping someone get a contract that will help them and benefit their family."

—RAY LESTER, YRC DRIVER AND LOCAL 79 MEMBER ORGANIZER.

Q&A: Member Organizers John Houghtaling and Jackie Morganhill

Teamster magazine recently sat down with two members who attended the Organizers Boot Camp.

John Houghtaling, a retired Teamster with Local 406, got his start at Kroger in Grand Rapids, Michigan in 1948. Jackie Morganhill has been a member of Local 214 for five years, and is a clerical worker for Detroit's People Mover public transportation system.



Q: Why are you here at Teamsters Boot Camp?
Morganhill: I'm definitely here to learn. I think anyone could learn something from this experience. If you're a person that's outgoing and you think the union is worth being involved in—which it is—then this would be a good thing to do. The whole day has been a great learning experience.



Houghtaling: Everything I have today, I got from my local. My union gave me a good life, and I was able to raise my family. I have three daughters, 12 grandkids and 26 great-grandkids. I believe in my union and believe we have to get the right information out to people.

Q: What changes are needed for workers to be able to organize and get contracts in greater numbers?
Morganhill: It took us four years to get a first contract because there was resistance from our employer. You have to be determined and stick to your goal. There were a lot of times that I wanted to stop, but I didn't. We have a contract now and the contract is working. We got a raise every year and holidays. We're smiling now, but getting to this point was difficult. We need the Employee Free Choice Act, so workers someplace else who want to join a union will be able to do so.
Houghtaling: We have to make it easier to organize. I supported President Barack Obama because I want the Employee Free Choice legislation to go through. It would create a better opportunity for people to get into the union. We also need the younger generation to be more involved. It's important for our future.

have already taken on the responsibility of helping their fellow workers reap the benefits of Teamster membership. There are countless Teamster locals that are making organizing a priority, and they are hoping that enlisting more volunteers will help stretch their resources even further.

Furthering the Cause

Joint Council 75 and Local 79 in Tampa, Florida have had a "Rapid Response" team of member organizers for the past two years. The group got started when there were more than a thousand house calls to complete in the campaign to organize workers with the Collier County School District. There are about 14 member organizers on the team who work nights and weekends—whenever they are called upon.

The Teamsters volunteer organizer program is drawing on volunteers from every sector and every facet of the membership. Members are being recruited through outreach from the International Union, Joint Councils and local unions, as well as through the divisions, caucuses, retiree clubs and the various interest groups within the union.

At the trainings, Teamster members from all walks of life are introduced to the role of unions in the economy and the challenges facing organizing. They also learn the structure of the member organizer program in their Joint Council. Role-playing and other classroom activities are utilized to develop best practices in Teamster-to-unorganized-worker communications. In addition, the volunteers take part in a live action to support an active organizing campaign.





Taking it to the Streets

The banner read, "Kohl's: Expect the Worst." The new volunteer member organizers had spent the day in the Local 243 classroom, learning the skills necessary to become effective member organizers. Now they were moving into action.

Kohl's retail stores makes up a large portion of the business for Southern Counties Express, a trucking company. This company has contracted out work to avoid unionization, and at press time, Kohl's had resisted requests from the drivers to urge Southern Counties to take responsibility for its workers and ensure that they are able to join the union.

Teamster volunteers held banners, lining the sidewalk outside the store. They put their newly developed skills to use in distributing informational leaflets to customers and making their presence known.

"This was great," said Bob Flynn of Detroit-based Local 1038. "We need more people involved and educated on how to do these things."

After a long day of learning the ins and outs of organizing, the volunteers are now part of a growing pool of workers who are engaged in their union, and who are ready and willing to be on reserve for when duty calls.

"It's a lot easier to pick up the phone and call already educated organizers than having to train people on the spot. We know what to do," said James Belser, a Teamster with YRC. "I do think it's time for us all to take a close look at this and get involved. The future of our great union depends on it."

"It's all about the personal satisfaction of helping someone get a contract that will help them and benefit their family," said Ray Lester, a YRC driver and Local 79 member organizer.

Local 63 in Covina, California has held monthly member organizer trainings for the past 15 years. The local has organized more than 2,000 workers in the past two years, according to Randy Korgan, the Director of Organizing at Local 63.

"It's pretty rewarding to get out there because sometimes you do take for granted the benefits you have," said Thomas Sierra, a UPS driver and 15-year member of Local 63. "When you speak to people who don't have those same benefits, it brings it to life how good you have it as Teamsters. That makes you want to organize even more because you want to further the cause."

Retirees have also made a critical difference through organizing. Armed with knowledge, experience, and some extra time on their hands, Teamster retirees are a valuable asset in building the ranks.

"The past generations did the footwork to create the contracts, the better health care and the better pension benefits. The future generations have to somehow maintain that, and the way to do that is through organizing," said Frank Fosco, a 36-year retired Teamster with Local 705 in Chicago.





KING CONTRACT

Local 174 Beverage Distribution Workers Ratify Impressive Agreement



AT 4 A.M., Abe Taylor, a receiving clerk at Columbia Distributing in Washington State, is already hard at work. Taylor and his coworkers across the state deliver and warehouse beer, wine and other beverages. They also recently negotiated one of the best contracts in the industry.

"This is a contract to be proud of," Taylor said. "We had over 100 changes in our favor. It's an amazing contract."

The groundbreaking agreement covers the 375 drivers and warehouse workers in King County, Washington, who work for Columbia Distributing.

"We fulfilled our commitment to represent all beer and wine distributor workers in King County and we are very pleased with this agreement and all that it provides our members," said Rick Hicks, Secretary-Treasurer of Local 174 in Tukwila.

"Congratulations and accolades go out to Local 174 for a great contract and to our dedicated members," said Al Hobart, International Vice President and President of Joint Council 28.

Improving the Industry

The industry-leading agreement comes after decades of hard work by Teamsters in Washington state.

Consolidation in the industry in the 1980s had left only one beer distributor, K&L Distributors, with a Teamster work force. This Local 174 contract was held up as the standard that, over the years, enabled the local to organize more workers throughout the industry.

Columbia Distributing workers were already Teamsters on their second contract when Columbia completed an asset purchase of Alaska Distributors, and Local 174 secured a card-check agreement that recently allowed these workers to become Teamsters.

The contract for the combined work force at Columbia was ratified by 95 percent of those voting and includes:

- More than 100 language changes benefiting the members;
- Wage increases;
- All compensated hours toward the Western Conference of Teamsters pension plan;
- Guaranteed working hours;
- Route and warehouse job bidding rights;
- Double-time and overtime enhancements;
- Reduced medical costs;
- Just cause discipline language;
- Higher percentages of vacation slots;
- Improved sick leave policies; and
- Many other industry-leading advances.

Many Improvements

Taylor gets to work before the sun comes up and the trucks are already lined up from overnight, waiting to be unloaded.

Taylor takes care of the schedules, and then starts the process. When product is loaded onto the trucks, it's driven to convenience stores, grocery stores, bars and other retail establishments.

"It's a pretty long day, so getting all the hours we work into the pension in this contract was big," Taylor said. "We had a lot of improvements, including being in the Teamster medical plan and having a better sick day policy."

Dave Hutchins is a shop steward and beer truck driver who has worked at Columbia since 1999. Hutchins says he likes his job because he gets to be out on the road and work with the same customers every day.

Hutchins became a shop steward because he wanted to help his coworkers and become a part of the contract negotiation process.

"Our contract really spells things out in black and white. The way we pick our vacations is a huge improvement and we get all the hours we work into our pension, where we had a cap on it before," Hutchins said.

Hitting a Home Run

Adam Murphy works in the warehouse on the night shift, and he also became a steward to become more involved in helping his coworkers.

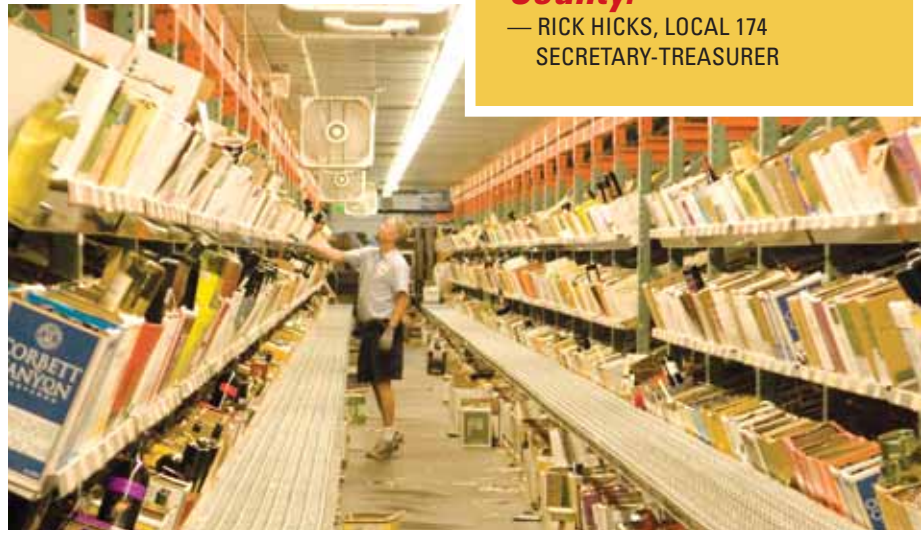
"The thought of being in a union and part of a union, especially the Teamsters, is something that means a lot to me. Having a contract is important, and the contract we currently have is a gigantic victory," Murphy said.

Murphy says he and his coworkers put in a lot of overtime, averaging 10 hours or more per shift; therefore, the new double-time and overtime rules complement the intense schedules they work.

"This process has helped everyone realize we are unified and can get what we need if we fight for it. We have a sense of empowerment now," Murphy said.

"The Teamsters have done a lot of good here in helping us get our rights," said Richie Stumps, a Columbia warehouse worker and shop steward. "We hit a home run with this one."

> ***"We fulfilled our commitment to represent all beer and wine distributor workers in King County."***
> — RICK HICKS, LOCAL 174 SECRETARY-TREASURER





Funding For High-Speed Rail

Billions of Dollars Available to Improve Existing Systems

EVER SINCE THE WHITE HOUSE'S announcement in April that the administration is dedicating $13 billion in funding for high-speed rail in the United States, states have been competing for attention in order to obtain some of the funding. The funding is coming from the American Recovery and Reinvestment Act (ARRA) and includes $8 billion initially, plus $1 billion for each year between 2010 and 2014.

Legislators in numerous states have pleaded their case for some of the high-speed rail funding by emphasizing the long highway commutes between major cities; the Northeast Corridor between Washington, D.C. and Boston has emphasized how antiquated parts of its system have become; and the state of California is pushing its plan for a high-speed rail corridor between San Diego and Sacramento—they've even gone so far as to get backing from their voters on a budget allocation for their system.

The Obama administration's announcement about the passenger rail funding allocation did not come as a surprise. In the months prior to the election, Barack Obama, who hails from Chicago, the nation's largest rail hub, and Vice President Joe Biden, a regular commuter on Amtrak during his tenure in the Senate, both talked about the benefits of passenger rail systems on the environment. In fact, on the eve of the inauguration, they both rode a passenger train from Philadelphia to D.C. Teamster members from the Brotherhood of Locomotive Engineers and Trainmen (BLET) even ran the engines that carried the president, vice president, their families and staff along the route to D.C.

"It was a very important day for me," said Carlyle Smith, a member of the BLET. "By having the president and his family on board our Amtrak train we were able to show the country how Amtrak has become a fixture in how people get around."

Our High-Speed System: Acela

High-speed rail, the type found in countries such as France and Japan (e.g., the Bullet Train) travel on a dedicated rail system which allows the trains to travel between 110 and 225 miles per hour.

The first passenger train to achieve the high-speed designation was in Italy in 1939. The ETR system ran from Milan to Florence at speeds between 102-126 mph. Today, high-speed rail systems in France and Japan have become increasingly popular for natives and tourists who wish to decrease travel time between cities, but also want to observe points of interest along the way.

In the U.S., the only rail system that operates at speeds above 110 mph is Amtrak's Metroliner and Acela service in the Northeast Corridor between D.C. and Boston. Members of the Brotherhood of Maintenance of Way Employes Division (BMWED) of the Teamsters Rail Conference maintain these high-speed tracks and related infrastructure to support Acela speeds of up to 150 mph. However, the rest of America's passenger rail service does not come close to operating at speeds currently achieved in the Northeast Corridor.

In one effort to resolve this disparity, the BLET is advocating that the term "high-speed rail" also encompass intermodal freight traffic operated at higher speeds over upgraded tracks.

"We believe that if we could include intermodal freight within the definition of high-speed rail, we could build a system



that would operate at speeds between 70 and 125 mph," said Ed Rodzwicz, National President of the BLET and President of the Teamsters Rail Conference. "This improved system would raise the average intermodal speed, allow more frequent passenger train operations and gain the support of freight railroads since it would benefit their operations. Each mile-per-hour improvement in speeds translates into $100 million in efficiency gains including energy savings, according to General Electric."

Job Creation

The Teamsters Rail Conference is supporting the repair of existing freight railroad infrastructure so that the lines, which already run passenger trains, may be brought up to a standard allowing higher speeds. The freight rail lines are desperately in need of structural improvements now, plus retrofitting them to carry higher speed passenger trains makes practical sense since passenger rail usage is steadily increasing. Amtrak, for example, has seen its ridership grow consistently over the past six years and it now totals close to 28 million annually. More trains will be added to existing routes bringing home the critical need to rebuild the infrastructure so that it can handle increased tonnage and capacity in addition to the increased speed of the passenger lines.

"Higher-speed rail will come with time and a long-term investment," said Fred Simpson, President of the BMWED. "I believe the strategic plan from the White House has the potential to be win-win for all involved by finally placing high-speed rail transportation on a par with other modes of a balanced transportation network. For the past eight years we have had a president who loathed federal investment in passenger rail and made yearly attempts to kill off Amtrak. However, we are also aware that we will have to fight to gain our full share of this new construction and maintenance work."

In many areas, rail bridges, rail track beds, electric traction systems and other infrastructure components of the rail system are sorely in need of upgrades and improvement before they can support increased freight and passenger train speeds. All of these types of rail infrastructure are built and maintained by members of the BMWED. Although there is usually some money allocated for infrastructure improvement in most rail capital budgets, rail corporations often delay major infrastructure replacements and upgrades due to shareholder pressure and a corporate quest for ever-higher profits. Even if rail traffic were to stay at the same level without the introduction of high-speed rail, bridges, tracks and other components would still need to be maintained and repaired. With the anticipated growth in freight rail traffic, repairs and infrastructure upgrades are necessary and must be undertaken now in order to support the anticipated increase in passenger rail.

"Railroad workers, including members of the BMWED and BLET, will realize expanded work opportunities running the engines and rebuilding and maintaining the infrastructure that will support expanded high-speed service," Simpson said. "The American public will benefit from increased mobility, reduced congestion on our highways and at our airports, and a reduction in destructive greenhouse emissions."

Road Ruler

Ohio Turnpike CSRs Win First Contract

When travelers stop at one of 14 plazas on the 240-mile Ohio Turnpike, they are greeted by Teamster members.

The 144 turnpike customer service representatives (CSRs) who work for Lehigh Gas Corporation recently joined Local 436 in Valley View, Ohio, and have negotiated an impressive two-and-a-half-year agreement.

"Our members stood strong to organize, and ratified their Teamster contract by an overwhelming 4-1 margin. We are proud of their participation and of this contract," said Gary M. Tiboni, President of Local 436 and Joint Council 41.

Making Change

"We got the things we needed, and we're happy with the pay we ended up with in our contract," said Bob Berfield, a CSR and shift leader at the Blue Heron Service Plaza in Genoa.

The workers are stretched across the length of the turnpike. From one end to the next, these Teamsters assist the traveling public with purchases of everything from gasoline to snacks for the road. They also help truckers who pull in for diesel.

The CSRs were previously employed by Sunoco Inc., but when the Bethlehem, Pennsylvania-based Lehigh Gas Corporation won the bid for the work, the workers quickly experienced major changes on the job. Local 436, which already represents more than 900 toll booth and maintenance workers on the Ohio Turnpike, appealed to the CSRs, who clearly needed representation.

"We lost vacation time and health benefits, and our holiday pay was reduced," said Loretta Kuptz, a CSR who has worked 10 years for Sunoco and Lehigh at the Mahoning Valley Service Plaza in New Springfield. "I was all for joining the Teamsters to help us out."









Good Contract

In their contract, the CSRs made significant improvements, including wage increases, sign-on bonuses, double-time for working holidays, the restoration of a regular vacation schedule, upgrades to health care and seniority rights.

"Supervisors cannot change their schedules without sufficient notice and they have seniority when picking their shifts," said Rick Kepler, Joint Council 41 Organizer. "With this contract, they now have a voice on the job."

"We work hard. We wait on the customers, clean, stock; we do a little bit of everything," Kuptz said. "I'm glad we got a good contract."

LOCAL 63

Transportation Concepts

Public transit bus drivers at Transportation Concepts in Riverside, Hemet and Temecula, California recently secured respect on the job when they voted 74-53 to join the Teamsters. The 151 drivers are now members of Local 63 in Covina, California.

Driver George McDaniel, a member of the Transportation Concepts organizing committee, called that day one of the proudest in his life.

"It wasn't easy, but we got it done," McDaniel said, explaining that the company hired a union-busting law firm during the campaign. "Our main goal was union representation first and foremost. We wanted to stop all of the injustice against us."

"Transportation Concepts employees will have the full strength of Local 63 standing strong behind them," said Randy Cammack, International Vice President and Secretary-Treasurer of Local 63.

LOCAL 952

Penske Logistics

Workers at Penske Logistics in Ontario, California voted unanimously to secure Local 952 in Orange, California as their bargaining representative. The 18 drivers in the bargaining unit deliver products for CVS drug stores in Southern California and Nevada, and perform shuttle work in conjunction with the Northern California distribution center.

"I have wanted to be a Teamster for a long while. Now that it is a reality it's an exciting time for me and my fellow drivers," said James Johnson, a driver at Penske Logistics.

"It is imperative that the Teamsters Union organize within the ever-growing logistics sector," said Patrick D. Kelly, Secretary-Treasurer of Local 952. "This victory should help kick off additional organizing in the warehouse and logistic sectors."

LOCAL 745

Schwerman Trucking

Tankhaul drivers at Schwerman Trucking in Dallas recently voted to join Local 745. The drivers transport "flux," which is used to make roofing-grade asphalt. There are 18 drivers in the bargaining unit.

"The workers want a strong voice on the job to have a say about how the workloads are distributed," said Rod Cuevas, an organizer for Local 745. "They also want respect at work, fair pay and better benefits."

LOCAL 166

Western Milk Transport

Forty Western Milk Transport workers in California recently learned a lesson in solidarity when they voted 29-7 to join the Teamsters. The drivers and deliverers of raw milk are now members of Local 166 in Bloomington, California. Their victory marks the first time in recent history that employees of Western Milk Transport have had union representation.

"We decided to join the Teamsters because we wanted some respect from the company," said Israel Mararilla, a Western Milk Transport employee.

Now that Mararilla and his coworkers have union representation, they are hoping to negotiate better pay, better benefits and retirement security in their first contract. Western Milk Transport employees currently have no retirement savings plan.

"This is a very solid group that had an amazing line of communication," said Mike Bergen, Secretary-Treasurer of Local 166. "We welcome them to our union and look forward to working with them to negotiate a contract."

LOCAL 769

City of Coral Gables

General service workers for the city of Coral Gables, Florida have voted overwhelmingly to join the Teamsters.

During the election, the Teamsters got 240 votes, the Coral Gables Employees Association got 37 votes and seven workers voted for no representation. There are roughly 400 workers in the bargaining unit representing a wide variety of employees who are now members of Local 769. Police officers and firefighters are not included in this bargaining unit.

Mike Scott, President of Local 769, said the Teamsters met with the Coral Gables Employees Association about a year ago to discuss a merger. The association voted to merge with the Teamsters but the city successfully petitioned the state of Florida to block the merger. After filing a petition, the merger was approved.

"The association did not have the financial resources to negotiate with the city," Scott said. "Now the workers are represented by the Teamsters and we will do whatever we can to keep their jobs secure."

LOCAL 385

Winter Park Police Department

Police officers in Winter Park, Florida voted 32-18 to become members of Local 385 in Orlando. There are 67 officers in the bargaining unit.

The Winter Park officers are the latest group of Florida law enforcement officers to join the Teamsters. Monroe County corrections officers and Panama City police officers also recently voted to join the Teamsters.

Mike Stapleton, President of Local 385, said there has been a lot of word of mouth in Florida about the increasing number of police departments joining the Teamsters.

"The bargaining units that have Teamster representation in Florida sell themselves," Stapleton said. "Winter Park is right next door to Longwood, and those officers are Teamsters. In Winter Park, all the officers had to do was look right next door at the Longwood contract, and the protection those officers have."

Union Navigates Rough Financial Waters

THIS PAST YEAR has imposed economic hardships on our members and on the International. No union has been exempt from the historic fiscal downturn our nation experienced in 2008.

There is no doubt that due to the diversity of our membership, we have been impacted to a lesser extent than other unions. Our members are spread out over 21 Conferences and Divisions representing a great variety of industries. Not all have been heavily impacted by the financial crisis or the downturn in the economy.

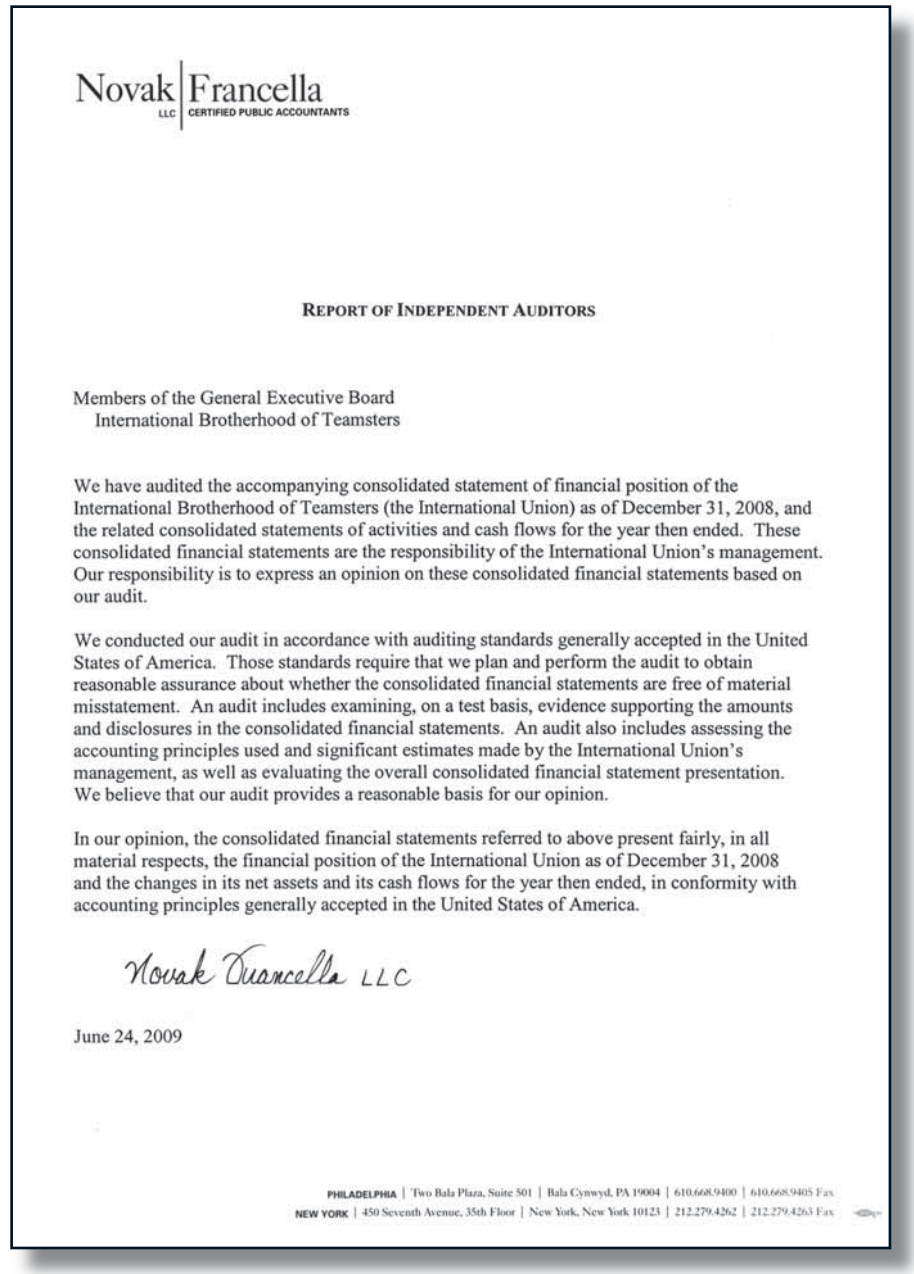
Strike Fund Grows

The International collected $163.9 million in per capita and initiation fee taxes for the year ending December 31, 2008, that was used to service our membership through the operations of the International Union, to actively conduct organizing activities necessary to increase our membership base and through restoring our Strike and Defense Fund.

The Strike and Defense Fund now has over $63.8 million in net assets. Back in 1999, our Strike Fund was $17 million in the red, paying just $55 a week to members forced out on strike. That was unacceptable. I've said it before, we needed to fix what was broken but we also needed to build for the future. Teamsters build for the future through organizing.

Organizing Success

While other unions have experienced contraction during the economic downturn, the Teamsters have held steady through our commitment to organizing. Our growth agenda has paid off as the union has achieved an annual increase in organizing every year since 2005. In fact, the union reached a landmark in 2008, organizing 43,449 workers into the union. Our organizing plan focused on the union's core industries—particularly those in the global supply chain—and resulted from coordinated, focused and disciplined campaigns in which numerous Local Unions and Joint Councils took part. If the Teamsters are to remain the preeminent name in Labor, we must continue our commitment to organizing the unorganized.



Novak Francella LLC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

Members of the General Executive Board
International Brotherhood of Teamsters

We have audited the accompanying consolidated statement of financial position of the International Brotherhood of Teamsters (the International Union) as of December 31, 2008, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the International Union's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the International Union as of December 31, 2008 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Novak Francella LLC

June 24, 2009

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C. Thomas Keegel
General Secretary-Treasurer

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2008

	GENERAL FUND UNRESTRICTED	STRIKE AND DEFENSE FUND	HOFFA SCHOLARSHIP FUND	TEAMSTER DISASTER RELIEF FUND	SUPPLEMENTAL BENEFITS TRUST	TOTAL
ASSETS						
Cash and cash equivalents	$5,230,983	$10,969,576	$472,712	$383,976	$2,225,429	$19,282,676
Receivables, net						
Trade	15,609,273	—	—	—	320,876	15,930,149
Grants and contributions	684,813	—	10,920	—	—	695,733
Accrued investment income	164,456	30,424	9,241	—	14,729	218,850
Securities sold pending settlement	—	33,612	—	—	—	33,612
Due from/(to) related entities	1,410,481	(161,579)	74	—	(1,059,414)	189,562
Other	—	—	—	—	9,300	9,300
Inventories	420,126	—	15,454	—	—	435,580
Prepaid expenses	978,374	—	50,720	—	—	1,029,094
Investments						
First trust notes - affiliates	1,614,230	—	—	—	—	1,614,230
Other	25,855,380	53,080,835	6,231,107	—	5,514,875	90,682,197
Security deposits and other	634,848	—	27,084	—	7,500	669,432
Property and equipment, net	45,379,680	—	—	—	—	45,379,680
Total assets	$97,982,644	$63,952,868	$6,817,312	$383,976	$7,033,295	$176,170,095
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses						
Trade	$26,610,100	$71,157	$471,430	$—	$193,723	$27,346,410
Securities purchases pending settlement	—	39,597	—	—	—	39,597
Loans payable	19,278,714	—	—	—	—	19,278,714
Unexpended scholarship awards	—	—	237,500	—	—	237,500
Accrued pension cost	50,637,849	—	—	—	—	50,637,849
Accrued postretirement benefits cost	534,444	—	—	—	—	534,444
Total liabilities	97,061,107	110,754	708,930	—	193,723	98,074,514
NET ASSETS						
Unrestricted	227,800	63,842,114	6,108,382	383,976	6,839,572	77,401,844
Temporarily restricted	693,737	—	—	—	—	693,737
Total net assets	921,537	63,842,114	6,108,382	383,976	6,839,572	78,095,581
Total liabilities and net assets	$97,982,644	$63,952,868	$6,817,312	$383,976	$7,033,295	$176,170,095

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2008

	GENERAL FUND		STRIKE AND DEFENSE FUND	HOFFA SCHOLARSHIP FUND	DISASTER RELIEF FUND	SUPPLEMENTAL BENEFITS TRUST		
	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	ELIMINATIONS	TOTAL
REVENUE AND OTHER SUPPORT								
Per capita and initiation fees	$143,909,609	$—	$20,048,285	$—	$—	$—	$—	$163,957,894
Grants and contributions	5,950,883	—	—	661,385	94,797	—	3,884,134	10,591,199
Special fundraising events	—	—	—	1,367,779	—	—	—	1,367,779
Affinity program	123,237	—	—	—	—	3,179,056	—	3,302,293
Investment income, net	(10,046,200)	—	(10,919,634)	(1,752,402)	—	(2,504,728)	—	(25,222,964)
Sales of supplies, net	327,148	—	—	—	—	—	—	327,148
Loss on disposal of property and equipment	(73,558)	—	—	—	—	—	—	(73,558)
Other	4,694	1,441,768	—	23,787	—	9,300	—	1,479,549
Net assets released from restrictions	1,104,125	(1,104,125)	—	—	—	—	—	—
Total revenue	141,299,938	337,643	9,128,651	300,549	94,797	683,628	3,884,134	155,729,340
EXPENSES								
Program services								
Member services								
Communications, magazine and public relations	13,908,617	—	—	—	—	165,000	3,884,134	17,957,751
Financial assistance to affiliates	1,126,918	—	—	—	—	—	—	1,126,918
Industry trade divisions and relations	36,100,128	—	—	—	—	—	—	36,100,128
Out-of-work benefits	2,071,067	—	13,440,673	—	—	—	—	15,511,740
Research, education and training	15,047,760	—	—	—	—	289,019	—	15,336,779
Retiree relations, scholarships and other	561,144	—	—	434,165	—	—	—	995,309
Organizing	26,904,586	—	—	—	—	3,500,000	—	30,404,586
Other	9,660,941	—	—	—	81,500	1,195,085	—	10,937,526
Affiliation fees	14,124,731	—	—	—	—	—	—	14,124,731
Government affairs	14,051,150	—	—	—	—	—	—	14,051,150
Legal and litigation	3,564,758	—	—	—	—	—	—	3,564,758
Civil RICO	6,265,696	—	—	—	—	—	—	6,265,696
Convention	1,900,002	—	—	—	—	—	—	1,900,002
Total program services expenses	145,287,498	—	13,440,673	434,165	81,500	5,149,104	3,884,134	168,277,074
Supporting services								
Administration and governance	8,797,272	—	—	55,641	—	354,033	—	9,206,946
Fundraising	—	—	—	558,035	—	—	—	558,035
Total expenses	154,084,770	—	13,440,673	1,047,841	81,500	5,503,137	3,884,134	178,042,055
CHANGE IN NET ASSETS	(12,784,832)	337,643	(4,312,022)	(747,292)	13,297	(4,819,509)	—	(22,312,715)
NET ASSETS								
Beginning of year	47,692,510	356,094	68,154,136	6,855,674	370,679	11,659,081	—	135,088,174
Teamster Affiliates Pension Plan	(10,363,216)	—	—	—	—	—	—	(10,363,216)
SFAS No. 158 adjustment	(24,316,662)	—	—	—	—	—	—	(24,316,662)
End of year	$227,800	$693,737	$63,842,114	$6,108,382	$383,976	$6,839,572	$—	$78,095,581

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2008

	GENERAL FUND	STRIKE AND DEFENSE FUND	HOFFA SCHOLARSHIP FUND	TEAMSTER DISASTER RELIEF FUND	SUPPLEMENTAL BENEFITS TRUST	TOTAL
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Cash received from						
Affiliated conferences, joint councils and local unions	$130,731,822	$31,903,980	$—	$—	$—	$162,635,802
Investment income	1,753,720	2,234,372	231,074	—	236,523	4,455,689
Other revenue and reimbursements	7,751,225	—	1,986,764	94,797	4,626,233	14,459,019
Net cash received	140,236,767	34,138,352	2,217,838	94,797	4,862,756	181,550,510
Cash disbursed to						
Service providers, suppliers, vendors and others	(119,702,042)	(17,625,361)	(928,467)	(81,500)	(4,588,371)	(142,925,741)
Other labor organizations	(5,894,459)	—	—	—	—	(5,894,459)
Affiliated conferences, joint councils and local unions	(9,545,217)	(105,000)	—	—	—	(9,650,217)
Members for benefits under Strike Benefit Assistance Program	—	(2,220,338)	—	—	—	(2,220,338)
Net cash disbursed	(135,141,718)	(19,950,699)	(928,467)	(81,500)	(4,588,371)	(160,690,755)
Net cash provided by operating activities	5,095,049	14,187,653	1,289,371	13,297	274,385	20,859,755
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES						
Proceeds from sale or redemption of investments	61,135,832	80,877,859	8,058,444	—	5,859,263	155,931,398
Purchase of investments	(65,018,098)	(92,750,120)	(9,329,203)	—	(8,299,877)	(175,397,298)
Purchase of fixed assets	(6,022,214)	—	—	—	—	(6,022,214)
Proceeds from sale of fixed assets	1,500	—	—	—	—	1,500
Payment of loans by affiliates	331,257	—	—	—	—	331,257
Net cash used for investing activities	(9,571,723)	(11,872,261)	(1,270,759)	—	(2,440,614)	(25,155,357)
CASH FLOWS USED FOR FINANCING ACTIVITIES						
Loan repayments	(721,286)	—	—	—	—	(721,286)
Net cash used for financing activities	(721,286)	—	—	—	—	(721,286)
NET INCREASE IN CASH	(5,197,960)	2,315,392	18,612	13,297	(2,166,229)	(5,016,888)
CASH AND CASH EQUIVALENTS						
Beginning of year	10,428,943	8,654,184	454,100	370,679	4,391,658	24,299,564
End of year	$5,230,983	$10,969,576	$472,712	$383,976	$2,225,429	$19,282,676
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Change in net assets	$(36,763,851)	$(4,312,022)	$(747,292)	$13,297	$(4,819,509)	$(46,629,377)
Net depreciation of investments	11,507,244	12,703,644	1,911,655	—	2,673,397	28,795,940
Loss on disposal of fixed assets	73,558	—	—	—	—	73,558
Depreciation expense	2,386,161	—	—	—	—	2,386,161
(Increase) decrease in assets						
Receivables	(1,388,048)	263,045	11,588	—	1,446,303	332,888
Inventories	97,097	—	(10,063)	—	—	87,034
Prepaid expenses	(206,259)	—	(22,095)	—	—	(228,354)
Security deposits and other	(54,280)	—	—	—	—	(54,280)
Due to/from related entities	(6,485,110)	5,519,449	(74)	—	933,414	(32,321)
Prepaid pension cost	10,363,216	—	—	—	—	10,363,216
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	5,292,748	13,537	143,152	—	40,780	5,490,217
Unexpended scholarship awards	—	—	2,500	—	—	2,500
Accrued pension cost	20,213,520	—	—	—	—	20,213,520
Accrued postretirement benefits cost	59,053	—	—	—	—	59,053
NET CASH PROVIDED BY OPERATING ACTIVITIES	$5,095,049	$14,187,653	$1,289,371	$13,297	$274,385	$20,859,755

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

NOTE 1. NATURE OF OPERATIONS

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

PROPERTY AND EQUIPMENT - Property and equipment are carried at cost. Major additions are capitalized while replacements and repairs that do not improve or extend the lives of the respective assets are expensed. Depreciation and amortization expense is computed using the straight line method over the following estimated useful lives of the assets:

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

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

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

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

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

NOTE 3. TAX STATUS

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

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

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

The Supplemental Benefits Trust is exempt from Federal income taxes under Section 501(c)(5) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws.

NOTE 4. TRADE RECEIVABLES

Trade receivables consist of the following at December 31, 2008:

Per capita and initiation fees	$ 14,516,271
Unsecured notes receivable	556,063
Affinity program	320,876
Other	559,141
	15,952,351
Less allowance for doubtful accounts	(22,202)
	$ 15,930,149

NOTE 5. UNINSURED CASH BALANCES AND INVESTMENT CONCENTRATIONS

The International Union maintains cash equivalents with various financial institutions as of December 31, 2008 totaling approximately $2,680,000 which were not insured by the Federal Deposit Insurance Corporation.

The International Union also maintains cash at a Canadian financial institution, which is insured up to $100,000. As of December 31, 2008, the International Union's cash in the Canadian financial institution in excess of insurance coverage totaled approximately $588,000 in Canadian dollars (approximately $480,000 U.S. Dollars).

The Hoffa Scholarship Fund maintains all of its cash and cash equivalents at one financial institution. The balance is insured by the Federal Deposit Corporation up to $250,000. As of December 31, 2008 the Hoffa Scholarship Fund's cash in excess of FDIC insurance coverage totaled approximately $66,919.

The Supplemental Benefits Trust maintains its cash at two financial institutions. As of December 31, 2008 the Supplemental Benefits Trust's cash in excess of FDIC insurance coverage totaled approximately $1,514,450.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2008 the Teamsters Disaster Relief Fund's cash in excess of FDIC insurance coverage totaled approximately $133,976.

NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government totaled $684,813 and are due to be received within one year.

NOTE 7. INVESTMENTS

The fair value and cost of investments held by the International Union at December 31, 2008 is summarized below:

	Cost	Fair Value
Common stock	$ 46,570,024	$ 34,765,202
Capital stock	5,833	68,722
Corporate bonds	7,761,286	5,305,962
Government agency securities	11,921	12,376
Limited partnership	47,433,514	46,566,501
Mutual fund	5,372,126	3,963,434
	$107,154,704	$ 90,682,197

Investment income for the year ended December 31, 2008 consisted of the following:

	General Fund	Strike Fund	Hoffa Scholarship Fund	Supplemental Benefits Trust	Total
Interest and dividends	$ 1,615,872	$ 1,971,327	$ 208,566	$ 227,037	$ 4,022,802
Net realized and unrealized loss on investments	(11,507,244)	(12,703,644)	(1,911,655)	(2,673,397)	(28,795,940)
Investment expenses	(154,828)	(187,317)	(49,313)	(58,368)	(449,826)
	$ (10,046,200)	$ (10,919,634)	$ (1,752,402)	$ (2,504,728)	$ (25,222,964)

NOTE 8. FAIR VALUE MEASUREMENTS

During the year ended December 31, 2008, the International Union adopted the provisions of Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under SFAS 157 are described below:

Basis of Fair Value Measurement

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

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

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

	Fair Value Measurements at December 31, 2008			
	Total	Level 1	Level 2	Level 3
Common stock	$34,765,202	$34,765,202	$ —	$ —
Corporate obligations	5,305,962	—	5,305,962	—
Gov't Agency securities	12,376	—	12,376	—
Capital stock	68,722	—	68,722	—
Mutual funds	3,963,434	—	3,963,434	—
Limited partnerships	46,566,501	—	—	46,566,501
	$90,682,197	$34,765,202	$ 9,350,494	$ 46,566,501

	Level 3 Fair Value Measurements	
	Total	Limited partnerships
Beginning balance	$ —	$ —
Realized gains (losses)	—	—
Unrealized gains (losses)	(867,013)	(867,013)
Purchases	50,733,514	50,733,514
Sales	(3,300,000)	(3,300,000)
Transfers into (out of) Level 3	—	—
Ending balance	$ 46,566,501	$ 46,566,501

NOTE 9. INVESTMENTS IN FIRST TRUST NOTES

The International Union provided loans to affiliates for financial assistance. These loans are secured by real estate and are carried at their unpaid principal balance of $1,614,230. No allowance for uncollectible accounts was deemed necessary as of December 31, 2008.

NOTE 10. PROPERTY AND EQUIPMENT

Property and equipment held by the International Union consists of the following as of December 31, 2008:

Land - headquarters	$ 794,117
Headquarters building	44,495,365
Leasehold improvements	26,000
Furniture and fixtures	3,981,078
Equipment	3,321,001
Data processing equipment	3,483,698
Computer software	3,945,117
Automobiles	91,673
Working in process	6,149,944
	66,287,993
Less accumulated depreciation	(20,908,313)
Net property and equipment	$ 45,379,680

Depreciation expense for the year ended December 31, 2008 was $2,386,161.

NOTE 11. THE TEAMSTER AFFILIATES PENSION PLAN

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

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

Prior to January 1, 2008, the International Union accounted for the Teamster Affiliates Pension Plan in accordance with the Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and other Postretirement Plans." Under the provisions of the Pension Protection Act of 2006, the International Union was able to convert the Plan from a multiple - employer plan to a multiemployer plan. As a result of this conversion, the International Union accounts for the Plan in accordance with Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies," effective January 1, 2008.

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

No individual who was initially employed by an affiliate on or after January 1, 2002 was eligible to become a participant of the Plan. No compensation that was received by a participant of the Plan with respect to any period of time beginning on or after January 1, 2002 was considered to be the earnings of that participant for purposes of the Plan. Any periods of credited service and/or vesting service earned by a participant on or after January 1, 2002 shall continue to be used to determine the eligibility of that participant to receive a retirement or other benefit under this Plan but shall not be used to determine the amount of any retirement or other benefit which that participant may otherwise be entitled to receive under this Plan.

The information on benefit costs for the year ended December 31, 2008, as determined by the consulting actuary, is as follows:

Employer contributions	$ —
Plan participants' contributions	—
Benefits paid	46,464,019

In computing the funded status of the Plan as of December 31, 2008, the consulting actuary used the following assumptions:

Discount rate	6.00%
Average rate on compensation increases	N/A

The funded status of the Plan as of December 31, 2008, as determined by the actuary, is as follows:

Projected benefit obligation	$(498,902,422)
Fair value of Plan assets	303,790,272
Funded status	$(195,112,150)
Accumulated benefit obligation	$(498,787,675)

The Plan's expected long-term rate of return on assets assumption is 8.00%. As defined in SFAS No. 87, this assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

At December 31, 2008, the Plan's total assets were allocated as follows: 61% equity securities, 36% debt securities, 3% cash and short term investments.

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

Equity securities	60% - 80%
Debt securities	20% - 40%
Cash and equivalents	0% - 5%

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

2009	$ 47,550,744
2010	47,288,414
2011	45,803,250
2012	45,141,008
2013	44,026,985
Aggregate for five years beginning 2014	238,891,747

NOTE 12. RETIREMENT AND FAMILY PROTECTION PLAN

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

The International Union reports in accordance with Statement of Financial Accounting Standards No. 87 (SFAS No. 87), "Employers' Accounting for Pensions." During the year ended December 31, 2006 the International Union adopted the provisions of Statement of Financial Accounting Standards No. 158 (SFAS No. 158), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" which amends SFAS No. 87. SFAS No. 158 requires that the full funding status of defined benefit pension and other postretirement plans be recognized on the statement of financial position as an asset (for overfunded plans) or as a liability (for underfunded plans).

In addition, SFAS No. 158 calls for recognition in net assets of gains or losses and prior service costs or credits that are yet not included as components of expense. Finally, SFAS No. 158 requires that the measurement of defined benefit plan assets and obligations be as of the statement of financial position date.

In computing net periodic pension costs as of January 1, 2008 to be recognized for the year ended December 31, 2008, the consulting actuary used the following assumptions:

Discount rate	6.50%
Average rate of compensation increase	5.50
Expected return on Plan assets	8.00

The information on benefit cost for the year 2008, as determined by the consulting actuary, is as follows:

Employer contributions	$12,582,956
Plan participants' contributions	—
Benefits paid	7,010,762

In computing the funded status of the Plan as of December 31, 2008, the consulting actuary used the following assumptions:

Discount rate	6.00%
Average rate of compensation increases	5.25

The funded status of the Plan as of December 31, 2008, as determined by the consulting actuary, is as follows:

Projected benefit obligation	$(108,670,223)
Fair value of plan assets	58,032,374
Funded status	$(50,637,849)
Accumulated benefit obligation	$(84,912,767)

Amounts recognized in the statement of financial position as of December 31, 2008 consists as follows:

Non-current assets	$ —
Current liabilities	—
Non-current liabilities	(50,637,849)

Amounts recognized in net assets as of December 31, 2008 consist as follows:

Transition obligation	$ —
Prior service cost	265,684
Net loss	39,801,405
	$ 40,067,089
Net periodic benefit cost	$ 8,495,539

Other changes in Plan assets and benefit obligations recognized in net assets as of December 31, 2008:

New transition obligation	$ —
New prior service credit	—
New net loss	24,850,480
Amortization of transition obligation	—
Amortization of prior service cost	(309,087)
Amortization of net loss	(240,457)
Total recognized in net assets	$ 24,300,936
Total recognized in net periodic benefit cost and net assets:	$ 32,796,475

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

Transition obligation	$ —
Prior service cost	290,534
Net loss	2,867,630
	$ 3,158,164

The Plan's expected long-term rate of return on assets assumption is 8.00%. As defined in SFAS No. 87, this assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

At December 31, 2008, the Plan's total assets were allocated as follows: 58% equity securities, 34% debt securities, and 8% cash and short term investments.

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

In general, the Plan's goal is to maintain the following allocation ranges for investments:

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

The International Union's expected contributions to the Plan for the year ended December 31, 2009 are $12,582,956. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2009	$ 9,071,910
2010	9,735,879
2011	10,452,396
2012	10,647,280
2013	10,743,182
Aggregate for five years beginning 2014	58,505,293

NOTE 13. TEAMSTERS NATIONAL 401(K) SAVINGS PLAN

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

NOTE 14. RELATED ENTITIES

The International Union has various related entities not included in the consolidation, which include a political and education fund (a separate, segregated fund of the International Union), two defined benefit pension plans, a defined contribution pension plan and a voluntary employee benefits trust. These entities, as well as the Strike and Defense Fund, Supplemental Benefits Trust, Teamster Disaster Relief Fund and James R. Hoffa Memorial Scholarship Fund, Inc., which are included in the consolidated financial statements, and amounts due to (from) the International Union at December 31, 2008 are as follows:

Strike and Defense Fund	$ 161,579
Teamster Affiliates Pension Plan	13,525
Retirement and Family Protection Plan	3,704
Voluntary Employee Benefits Trust	153,000
James R. Hoffa Memorial Scholarship Fund	(74)
Supplemental Benefits Trust	1,059,414
Teamsters National 401(k) Savings Plan	19,333
Total	$ 1,410,481

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

NOTE 15. POSTRETIREMENT BENEFITS

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

In accordance with applicable accounting standards the International Union has recognized a liability of $534,444 which represents the actuarially calculated accumulated benefit obligation. The accumulated benefit obligation represents the present value of future premiums to be paid by the International Union calculated using various assumptions for matters such as mortality and discount rate. The expense recognized for this benefit for the year ended December 31, 2008 totaled $62,163.

NOTE 16. ACCRUED LEAVE

In compliance with Statement of Financial Accounting Standards (SFAS) No. 43, "Accounting for Compensated Absences," the International Union has established a liability of $2,974,260 representing accumulated future absences of its employees through the year ended December 31, 2008, which is included under "accounts payable and accrued expenses" in the consolidated statement of financial position.

NOTE 17. COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE 18. AFFINITY PROGRAM

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

The agreement with HSBC provides that HSBC will pay royalties in exchange for the right to use the International Union's intangible property including name, logo, and membership lists, in connection with the marketing of credit cards and other financial products to members of the International Union. Under this agreement, HSBC has agreed to pay the International Union certain royalties commencing as of September 1, 2007, in part to ensure that the International Union will continue to maintain its credit card and loan program with HSBC at least until the agreement's scheduled expiration date of February 28, 2019. This agreement will renew automatically for successive periods of one year each unless the International Union or HSBC notifies the other party of its intent not to renew the agreement at least twelve months prior to February 28, 2019.

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

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

NOTE 19. LEASES

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

Year ending December 31, 2009	$ 1,137,432
2010	611,436
2011	399,437
2012	231,230
2013	176,582
Total	2,556,117
Thereafter	40,595
	$ 2,596,712

Rental payments totaled $1,173,509 for the year ended December 31, 2008.

NOTE 20. SECURITIES LENDING PROGRAM

The International Union entered into an agreement with the custodial bank for the International Union's investments which authorized the bank to lend securities held in the International Union's accounts to third parties. This agreement was terminated as of December 31, 2008.

The International Union was receiving 70% of the net revenue derived from the securities lending activities, and the bank received the remainder of the net revenue. Income reported in the consolidated statement of activities includes $48,667 earned by the International Union during the year ended December 31, 2008 in connection with the securities lending program.

NOTE 21. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets in the General Fund as of December 31, 2008 resulted from contributions from local union members, local unions and other affiliates for member-to-member communications through a newly created Field Action Fund run by the International Union. At December 31, 2008 temporarily restricted net assets consisted of $337,643 for these activities.

NOTE 22. ORGANIZING ACTIVITIES

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

Organizing activities are as follows:

Per capita tax revenue	$ 14,468,547
Expenses	(26,073,201)
Decrease in net assets	(11,604,654)
Balance at beginning of year	(11,820,066)
Disbursements for organizing activities over amounts allocated	$ (23,424,720)

NOTE 23. LOAN PAYABLE

During the year ended December 31, 2006 the International Union entered into a loan agreement (line of credit) and executed a promissory note with Wachovia Bank to borrow amounts up to $20,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment was due by June 30, 2008. As of December 31, 2008, the International Union extended their $20,000,000 line of credit until September 30, 2009. As of December 31, 2008, the outstanding principal balance due on the note was $19,278,714 at a variable interest rate of .70625%.

Interest expense totaled $592,328 for the year ended December 31, 2008.

NOTE 24. RISKS AND UNCERTAINTIES

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

REPORT TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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

DATED: July 28, 2009

I. INTRODUCTION

This is the Independent Review Board's ("IRB") Report Number 4 for 2009 to you on its activities conducted pursuant to the Consent Order. In this Report we will discuss matters that have currently come before us, including six new reports and the progress of existing charges about which we have previously informed you.

II. NEW REPORTS

A. MICHAEL A. CONWAY, LOCAL 107, PHILADELPHIA, PENNSYLVANIA

On June 22, 2009, the IRB issued an Investigative Report to General President Hoffa recommending that Michael A. Conway be charged with bringing reproach upon the IBT and violating his membership oath while a member of the IBT when he knowingly associated with Thomas Ryan who had been permanently barred from the IBT. On June 23, 2009, Mr. Hoffa notified the IRB that he adopted and filed the charge against Mr. Conway and that a panel would be appointed to hear the proposed charge.

B. ANTHONY MANERO, LOCAL 282, LAKE SUCCESS, NEW YORK

On June 23, 2009, the IRB issued an Investigative Report to General President Hoffa recommending that Anthony Manero be charged with bringing reproach upon the IBT and violating his membership oath while a member of the IBT when he knowingly associated with Thomas Sassano, a member of the Gambino La Cosa Nostra Family. On June 25, 2009, Mr. Hoffa notified the IRB that he adopted and filed the charge and referred the charge back to the IRB for a hearing. On July 16, 2009, the IRB notified Mr. Manero that it would hold a hearing on September 16, 2009.

C. LOCAL 726 – CHICAGO, ILLINOIS

On July 20, 2009, the IRB issued an Investigative Report to General President Hoffa recommending that Local 726 be placed in trusteeship. The Local is not being conducted in accordance with the IBT Constitution and the Local's Bylaws and the Local has engaged in financial malpractice. Secretary-Treasurer and Principal Officer Thomas Clair, President John Falzone and Local Trustee Michael Marcatante, who were also Trustees of the Local 726 Pension Fund, breached their fiduciary duties by causing the Pension Fund to transfer $125,000 to the Local. There was no documentation reflecting approval of the Pension Fund for or the nature of these transfers which were prohibited transactions under the Employee Retirement Income Security Act of 1974 (ERISA).

Several months later, Mr. Clair, Mr. Marcatante, and Recording Secretary John Hurley loaned a total of $112,000 to the Local in order for the Local to repay the Pension Fund. Unlike the alleged loans from the Pension Fund to the Local, these loans were documented, had specific rates of interest, and were secured by the Local's assets. Without Local Executive Board approval, Mr. Clair, who signed the loans on behalf of the Local, pledged the assets of the Local to secure the three loans, including his.

The Pension Fund Trustees also breached their fiduciary duties by failing to maintain proper records, such as minutes or any other documentation of Trustees meetings. In addition, as of April 30, 2009, the Local owed $119,422 in delinquent contributions to the Pension Fund and $77,326 to the three officers who made loans to the Local to repay the Pension Fund. Moreover, the Local's monthly Trustee Reports did not accurately portray the Local's financial condition. For example, a November 2007 report listed a balance of negative $205,022 in the Local's General Checking Account and the limited financial information reported to the members under the Bylaws appears to have been inaccurate and incomplete.

Mr. Hoffa was given two weeks to notify the IRB of actions planned.

D. THOMAS CLAIR, JOHN FALZONE AND MICHAEL MARCATANTE – LOCAL 726, CHICAGO, ILLINOIS

On July 21, 2009, the IRB issued an Investigative Report to General President Hoffa concerning Secretary-Treasurer and Principal Officer Thomas Clair, President John Falzone and Local Trustee Michael Marcatante. The Report recommended that Mr. Clair, Mr. Falzone and Mr. Marcatante be charged with bringing reproach upon the IBT and violating their fiduciary duties while officers of Local 726 and Trustees of the Local 726 Employee Pension Fund.

In 2007 Mr. Clair caused the Pension Fund to enter into two ERISA prohibited transactions totaling $125,000. When he approved the loans from the Pension Fund as an Executive Board member, he (1) violated his duties under ERISA by act-

ing on behalf of an adverse party in a transaction involving the Pension Fund, (2) did not set any terms for the alleged loans the Pension Fund made to the Local, and (3) made the loans without receiving any security for repayment or even a promissory note. In addition, he failed to hold documented meetings or maintain any records of Pension Fund activities and failed to administer the plan in accordance with plan documents and for the benefit of the members as ERISA and the IBT Constitution required.

Also, on March 21 and 27, 2008, without the required Executive Board approval, Mr. Clair irrevocably pledged the Local's assets to secure loans he and two other Local officers made to the Local to enable the Local to repay the amount of the two prohibited transactions to the Pension Fund. Mr. Clair also violated the Local's Bylaws in causing the Local to borrow money from himself and the others without requiring Executive Board approval, and he brought reproach upon the IBT by misleading the IBT General Secretary-Treasurer in the performance of his duties.

The two other Local officers, Mr. Falzone and Mr. Marcatante, while Local 726 officers and Trustees of the Local 726 Employee Pension Fund, brought reproach upon the IBT and violated their fiduciary duties when, in 2007, they caused the Pension Fund to enter into the two ERISA prohibited transactions totaling $125,000. Both approved the loans from the Pension Fund as Executive Board members, violated their duties under ERISA by acting on behalf of an adverse party in a transaction involving the Pension Fund, and did not set any terms for the alleged loans the Pension Fund made to the Local. In addition, each made the loans without receiving any security for repayment or even a promissory note and failed to hold documented meetings or maintain any records of Pension Fund activities. They also failed to administer the plan in accordance with plan documents and for the benefit of the members as ERISA and the IBT Constitution required.

On July 23, 2009, Mr. Hoffa notified the IRB that he adopted and filed the charges and that a panel would be appointed to hear the proposed charges.

E. ERNEST E. SOWELL, LOCAL 747, HOUSTON, TEXAS

On June 17, 2009, the IRB issued an Investigative Report to General President Hoffa recommending that Ernest E. Sowell be charged with, while an officer, employee and member of Local 747, violating his fiduciary duties to the Local and its members, embezzling and converting Local 747 funds to his own use, and bringing reproach upon the IBT when he embezzled $251,877 from Local 747.

Mr. Sowell caused the Local to pay him approximately $222,937 in unauthorized "compensatory time" and sick leave benefits which he awarded himself without the required approval of the Executive Board. In addition, Mr. Sowell caused the Local to pay $28,940 in employer contributions on his behalf to the Local's Money Purchase Retirement Plan to which he was not entitled since the Local's contribution to the Plan was based upon his total compensation, which was inflated by his unauthorized compensatory time and sick leave. Accordingly, Mr. Sowell embezzled approximately $251,877.

On June 23, 2009, Mr. Hoffa notified the IRB that he determined to adopt and file the charges against Mr. Sowell; however, in view of the fact that he previously imposed an emergency trusteeship over the affairs of Local 747, and the fact that the IBT became involved in adversary litigation with Mr. Sowell and other officers and staff of Local 747 relating to that trusteeship, he concluded that to avoid any appearance of bias or prejudice, it would be appropriate for these charges to be heard by the IRB rather than by an IBT hearing panel.

On July 16, 2009, the IRB notified Mr. Sowell that it would hold a hearing on the charges on October 14, 2009.

F. GERMAN VAZQUEZ, LOCAL 901, SAN JUAN, PUERTO, RICO

On June 19, 2009, the IRB issued an Investigative Report to General President Hoffa recommending that German Vazquez be charged with bringing reproach upon the IBT, breaching his fiduciary duty and embezzling union funds while an IBT member and Secretary-Treasurer of Local 901 of approximately $55,532 from Local 901 as a result of four unauthorized pay raises between January 8, 2005 and May 2, 2009. In violation of the Local's Bylaws that require the Local's Executive Board to approve salary increases for the Secretary-Treasurer, Mr. Vazquez either unilaterally granted himself a salary increase or unilaterally increased the amount of his salary above the increase the Executive Board approved.

On June 26, 2009, Mr. Hoffa notified the IRB that he adopted and filed the charge against Mr. Vazquez and that a panel would be appointed to hear the proposed charge against Mr. Vazquez.

III. PROGRESS OF EXISTING CHARGES

A. DON HAHS - BLET HEADQUARTERS, CLEVELAND, OHIO

We have previously informed you that Don Hahs, an officer of the Brotherhood of Locomotive Engineers and Trainmen (BLET), a Division of the Teamsters Rail Conference, allegedly violated his fiduciary duties to the BLET and its members, embezzled and converted BLET funds and property to his own use and the use of others, and brought reproach upon the IBT while President of the BLET by embezzling over $58,000 from the BLET.

After an IBT panel hearing, Mr. Hoffa issued his decision removing Mr. Hahs from his current position in the BLET until his current term of office has expired in 2010,

suspending him from membership in the BLET and the IBT for a period of one year, and requiring payment of a fine of $44,963.97.

The IRB notified Mr. Hoffa and Mr. Hahs that it found the IBT decision to be not inadequate. The IRB has made Application 131 to the district court for Judge Preska's review. The matter is with Judge Preska.

B. RICHARD RADEK – BLET VICE PRESIDENT

We have previously informed you that BLET Vice President Richard Radek allegedly brought reproach upon the IBT, breached his fiduciary duty, and embezzled over $6,700 in union funds by causing the BLET to pay for meals which had no union purpose and receiving an allowance which covered the cost of his home office supplies while at the same time causing the BLET to directly pay for his home office supplies. General President Hoffa filed the charges against Mr. Radek and a panel was appointed to hear the charges. Before a hearing could be held, Mr. Radek submitted to the IRB an agreement in which he permanently retired from the BLET, became ineligible to hold any appointed or elected office or employment with the BLET, the IBT or any affiliate of the BLET or the IBT, and made restitution for funds the IRB alleged he received. The IRB found the agreement served to resolve the matter and forwarded the agreement to Judge Preska for review.

C. PETER INNAURATO – LOCAL 107, PHILADELPHIA, PENNSYLVANIA

We have previously informed you that that Peter Innaurato allegedly brought reproach upon the IBT and violated his membership oath while an IBT member by knowingly associating with a member of the Philadelphia La Cosa Nostra family. Mr. Hoffa notified the IRB that he adopted and filed the charges against Mr. Innaurato and he returned the charges to the IRB for a hearing. The IRB's hearing was postponed after Mr. Innaurato submitted to the IRB an agreement in which he permanently resigned from the IBT and Local 107 and agreed never to hold membership or any position in the IBT. The IRB found the agreement served to resolve the matter and forwarded the agreement to Judge Preska for review.

D. ROBERT A. HOGAN - LOCAL 714, BERWYN, ILLINOIS

We have previously informed you that Robert A. Hogan, Joint Council 25 Vice President and Local 714 Secretary-Treasurer, allegedly failed to act appropriately after he created a situation likely to result in a violation of the Consent Order when he rehired Robert Riley to work at Local 714 and failed to take any action to prevent, and, after learning, to address Mr. Riley's ongoing contact with William T. Hogan, Jr., a prohibited person under the Consent Order.

The IRB held a hearing on April 2, 2008, and while the IRB was in the process of issuing a decision, the IRB received a proposed agreement between Mr. Hogan and the IRB. Mr. Hogan agreed to permanently resign all positions with Local 714 and Joint Council 25 and for a period of two years he would not hold any officer position with the IBT or any IBT affiliated entity. He further agreed not to be an officer or employee of Local 727 for five years. The IRB found the agreement serves to resolve the matter and forwarded the agreement to Judge Preska for review.

IV. TOLL-FREE HOTLINE

Since our last report to you, the hotline has received approximately 85 calls reporting alleged improprieties. As in the past, all calls which appeared to fall within IRB jurisdiction were referred for investigation. Activities which should be reported for investigation include, but are not limited to, association with organized crime, corruption, racketeering, embezzlement, extortion, assault, or failure to investigate any of these.

To assure that all calls are treated confidentially, the system recording hotline calls is located in a cipher-locked IRB room on a dedicated line and accessed by IRB staff only. It is not manned by an investigator; however, the recorded information if complete and within IRB jurisdiction is forwarded directly to the Investigations Office.

Please continue to use the toll-free hotline to report improprieties which fall within IRB jurisdiction by calling 1-800-CALL-IRB (1-800-225-5472). If you are calling from within Washington, DC, dial 202-434-8085.

V. CONCLUSION

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

If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline 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

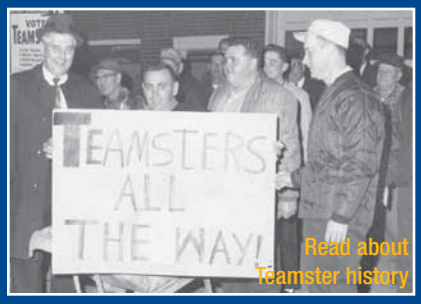




Conan O'Brien hangs out with Teamsters on the set



Continental worker saves a life while handbilling for the Teamsters



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General President Jim Hoffa says . . .

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