



FALL 2017

Teamster



Moving Forward in
UNITY

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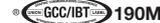
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Broken System Leads to Opioid Abuse

Our country's opioid epidemic, which claims the lives of 91 Americans every day, is hurting far too many families across the country.

Opioid drugs, including prescription painkillers and heroin, killed more than 33,000 people in this country in 2015, the most on record. The epidemic is straining both public services and state budgets. With a problem this big, there is no one solution that will help everyone. But elected officials and groups like the Teamsters are getting involved to help stop this scourge.

The Teamsters Union is leading a shareholder effort to demand accountability from our country's largest wholesale drug distributors for their role in fueling the opioid epidemic.

In addition to representing workers at each of the "Big Three" distributors — McKesson, AmerisourceBergen and Cardinal Health, which account for 85 percent of all prescription drug distribution in the U.S. — the union and its affiliated pension and benefit funds are long-term shareholders.

The numbers are staggering. According to news reports, the "Big Three" shipped 423 million doses of hydrocodone and oxycodone into West Virginia, a state of only 1.8 million people, over a six-year period. At the same time, more than 1,700 people in West Virginia fatally overdosed as the three companies reported a combined \$17 billion in profits and their CEOs received more than \$500 million in combined compensation. Part of the tragedy is that each company had been put on notice by the DEA over the past decade for failing to report suspicious orders as required by law. Together, McKesson and Cardinal Health paid more than \$200 million to settle charges with the DEA over that period.

The companies' practices of putting profits ahead of people has created both financial and reputational risk — sparking an investigation by the House Energy and Commerce Committee, multiple lawsuits and an onslaught of negative press.



As long-term shareholders of McKesson, AmerisourceBergen and Cardinal Health, the Teamsters have called for independent board committees to investigate each company's opioid sales practices and compliance programs, and report the findings to shareholders. Additionally, the union has urged independent board leadership and executive pay reform that incentivizes compliance and empowers boards to claw back compensation when corporate mismanagement creates significant financial or reputational harm.

It's time to come together and protect the people. Getting serious about opioid abuse is how we do it.

James P. Hoffa



TEAMSTERS TAKE STAND FOR PENNSYLVANIA WORKERS

Union Rallies Against Right to Work, Paycheck Deception

Teamsters from across Pennsylvania came to Harrisburg in June to let lawmakers know that right-to-work and paycheck deception measures currently being considered by the Legislature are wrong for workers and will lead to less money in their pockets and less tax revenue in state coffers.

The more than 1,000 Teamsters were joined by hundreds of other union members who called upon elected officials not to turn their backs on their constituents. Right to work is a ruse propagated corporate elites only interested in crushing the power of unions.

“It is very important for me to be here today for myself, for my brothers and sisters,” said Jenna Smith, who works for Local 429 in Wyomissing, Pa. “Without my union benefits and the protection of my union, and what they fight for me, I don’t know where I’d be right now. I want my voice heard

at the Capitol today because right to work is wrong!”

Bill Hamilton, President of the Pennsylvania Conference of Teamsters and an International Vice President, said legislators need to become wise to what big business is trying to implement in the state.

“It’s no secret that when right to work is implemented, wages and benefits drop,” Hamilton said.

A bipartisan collection of elected officials also shared with attendees why these anti-union bills will hurt Pennsylvanians. Gov. Tom Wolf (D) said it is not the government’s job to intervene in the relationship between workers and employers.

“Every worker in Pennsylvania right now has the right in his or her estimation to organize, to join a union, to form a union if a majority of their fellow workers feel that their workplace is not fair, if they feel their workplace is not safe,” Wolf said. “What could be

fairer, what could be better for the working people of Pennsylvania than to give them and hold on to that fundamental right? That is what you are talking about today. It is that important. It is not about a special interest, it is not about a narrow group of people who benefit from this.”

State Rep. John Taylor, a Philadelphia Republican and former Teamster, said lawmakers across the political spectrum need to better understand what is at stake with these measures.

“The main issue is the people they represent are going to be hurt by this,” he said. “Just because a district is rural doesn’t mean it isn’t unionized; just because it has a Republican member doesn’t mean that many, many members of the Teamsters Union and other unions are not Republicans. To break up the collective bargaining arrangement just doesn’t make sense.”

Teamster Tragedy in San Francisco

Union Announces Memorial Fund for Victims of UPS Shooting



Photo by AP Images

In June, a gunman killed three of his co-workers at a UPS packaging and sorting facility in San Francisco. All the victims were Teamsters.

Those who lost their lives were Wayne Chan, 56; Mike Lefiti, 46; and Benson Louie, 50.

“Our hearts and prayers go out to the victims and their families of this tragedy. The safety of our members is our top priority,” said Jim Hoffa, Teamsters General President. “We are working closely with our local Teamsters Union to assist all of our members who are affected by this senseless act.”

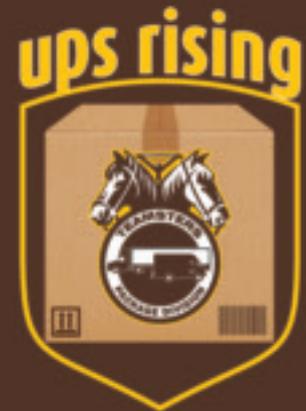
Shortly after the tragedy, Joint Council 7 in Northern California announced the establishment of the “All Charities Teamsters Memorial for W. Chan/M. Lefiti/B. Louie” fund to help raise money for the families of the victims of the June 14 shooting.

“The Teamsters Union will donate \$50,000 to this fund in order to help the families during this difficult time,” Hoffa said. “Our union mourns the loss our brothers to this senseless act of violence and stand ready to assist those they have left behind in any way we can.”

“We are encouraging our affiliates and our members to consider joining us in making a contribution to help the families who have been devastated by this terrible act,” said Ken Hall, Teamsters General Secretary-Treasurer.

Donations should be sent to:

All Charities Teamsters Memorial for W. Chan/M. Lefiti/B. Louie
c/o Teamsters Joint Council #7
250 Executive Park Blvd., Suite 3100
San Francisco, CA 94134



Follow UPS Rising!

UPS Rising represents more than 250,000 UPS and UPS Freight Teamsters who are coming together for a strong contract in 2018.

Stay up to date on the contract campaign at www.upsrising.org.

Follow us on Facebook @TeamUPSrising and Twitter @UPSrising.

UNION PROTECTION Department of Corrections Workers Join Local 117

In March, 71 correctional employees joined Local 117 in Seattle, making it five Department of Corrections (DOC) groups that have joined the local over the span of four months.

"Gaining representation brings a lot of value," said Chad Young, a Correctional Specialist who helped with the organizing drive. "Now we have the backing of a whole organization rather than just being a lone voice."

Young and his co-workers were motivated by a growing pay disparity between his CS2 group and members of the existing Teamster bargaining unit. Teamster DOC staff performing similar work were receiving \$300 more a month. As Young saw it, the only difference was that his group was responsible for training staff while the Teamster group was training offenders.



"I felt like the state was putting less money toward training staff than training offenders," Young said.

At first some of his co-workers were hesitant about joining the union, but when Young showed them the pay gap, they got on board.

"We support the union and the union supports us," said Andrea

Bacetti, a newly organized CS2.

"I want to welcome these new members to our union," said John Searcy, Local 117 Secretary-Treasurer. "We look forward to ensuring that their rights are protected and that they receive the outstanding representation they deserve."



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PODCAST

TEAMSTER NATION PODCAST

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Teamsters Submit Comments on NAFTA Negotiations

In June, the Teamsters Union submitted its comments to the Office of the U.S. Trade Representative (USTR) on the proposed renegotiation of the North American Free Trade Agreement (NAFTA). The union's comments stressed the importance of the renegotiation focusing on longstanding issues including improving labor rights provisions, addressing currency manipulation and protecting highway safety.

The Teamsters Union believes that to successfully change U.S. trade policy from the flawed "free-trade" approach that has undercut American jobs and industry for decades, to one that promotes fair trade, the USTR must prioritize U.S. workers, consumers and manufacturers.

"With these negotiations, the USTR has a real chance to set a precedent that will change how the U.S. approaches future trade negotiations moving forward," said Jim Hoffa, Teamsters General President. "We have seen the damage that NAFTA and free-trade policies have done to our country for the past two decades. It is time to negotiate trade agreements that encourage job growth here in the U.S. while revitalizing our manufacturing industry."

The union also called for the USTR to prioritize transparency during the negotiations and ensure that all stakeholders are included in the process from the beginning.

"As a member of the Advisory Committee on Trade Policy and Negotiations and the Labor Advisory Committee, I look forward to working to dramatically upgrade NAFTA," Hoffa said. "The USTR must avoid making the same mistakes that occurred during the Trans-Pacific Partnership negotiations by having a fully transparent and inclusive negotiation process."

Teamster Landslide

The importance of Teamsters running for office got another boost recently with a mayoral election in a small Pennsylvania town.

In Jeannette, Pa., an incumbent mayor unveiled plans to outsource the city's sanitation operations. A Teamster shop steward employed by the city ran against him and won handily.

Curtis Antoniak, a recently retired Teamster with the Jeannette Public Works Department, was a Local 30 member for 32 years. In addition to his service as a Teamster member, Antoniak has been involved in his community for years coaching baseball, and the market in Jeannette that his grandparents started has been in business since the 1920s.

"The Pennsylvania Conference of Teamsters supports and encourages its members to seek local office, and I'm really proud of Brother Curtis Antoniak and everyone on his campaign for scoring such a resounding victory," said William Hamilton, International Vice President and President of the Pennsylvania Conference of Teamsters. "What's been done here in Jeannette can serve as a model for not just the rest of the state, but the entire country. When Teamster members get involved in politics, we can fight and we can win."

Antoniak's opponent, the incumbent mayor, was Richard Jacobelli, who ran on a platform of renegotiating agreements with Jeannette's largely union workforce. The plan could have resulted in layoffs for the six workers in sanitation, in spite of the department having a profitable 2016.

Antoniak, who had never run for public office before, beat Jacobelli by a 3-1 margin in this town about 30 miles outside of Pittsburgh.

"I love our town. I'm very humbled with the results of the election," Antoniak said.

Driverless Vehicles and Safety

Union Calls on Lawmakers to Prioritize Workers in Self-Driving Discussion

The Teamsters Union is calling for any federal legislation regarding “self-driving” technology to take into account public safety and the millions of working Americans employed in transportation and related industries. At a public hearing on Capitol Hill in June, House lawmakers discussed 14 pieces of draft legislation on self-driving vehicles. The bills could be combined into a final package for introduction in the 115th Congress.

The Teamsters Union has been closely monitoring all aspects of the technology, urging lawmakers to prioritize safety and transparency in rules concerning the testing phase of self-driving vehicles. The union is calling for comprehensive federal rules regulating autonomous vehicles, including strong minimum safety standards. Under any such legislation, states and cities should retain their authority to regulate the safe operations of vehicles.

“If anyone needs to be at the table for a discussion on self-driving technology, it’s the package car driver, the freight driver and the taxi driver,” said Jim Hoffa, Teamsters General President. “We are encouraged that legislators are soliciting feedback on early proposed legislation, and we firmly believe it’s important that their constituents—and that includes Teamsters—are involved in the process and listened to throughout.”

There are currently no concrete federal laws governing automated driving technology or the testing of such technology. A number of states have enacted varying rules and guidances concerning semi-autonomous and autonomous vehicle testing.

PORT TRUCK DRIVERS STRIKE IN LOS ANGELES

City Hall Rally Culminates in 10,000 Petition Signatures Delivered to Mayor Garcetti



A week-long strike by Port of Los Angeles/Long Beach truck drivers and warehouse workers culminated in a large and raucous rally on the steps

of the Los Angeles city hall on June 23. Striking workers and their allies then went inside to deliver nearly 10,000 petition signatures calling on Mayor Eric Garcetti, as well as Long Beach Mayor Robert Garcia, to end indentured servitude at the ports they oversee.

Workers had been picketing outside of trucking company yards and terminals utilized by XPO, Cal Cartage, CMI, Intermodal Bridge Transport and others, over the employers' unfair labor practices.

The drivers and warehouse workers ended their strike when they made unconditional offers to return to work at their place of employment, though the drivers themselves are not considered employees by the trucking companies that employ them.

“Corporations have pushed tens of millions of American truck drivers, warehouse workers and service sector workers into poverty through greedy subcontracting schemes designed to increase CEO pay. One of the most insidious corporate schemes is to misclassify employees as independent contractors to dodge payroll taxes, lower wages, avoid paying benefits and to evade the laws that protect employees,” said Fred Potter, International Vice President and Director of the Teamsters Port Division.

“My boss says I don't work for the company, that I'm not their employee. That's ridiculous. I only work for them, I don't have my own customers, and dispatch tells me where to go and when. The government has ruled over and over again that we are all employees and the companies are stealing from us. How much longer is this going to be allowed to continue at the ports?” said Domingo Avalos, an XPO Cartage driver.



WEST CONTRA COSTA SCHOOL DISTRICT WORKERS JOIN TEAMSTERS

Local 856 Welcomes More Than 1,800 Members Following a Year-Long Campaign

Classified employees of West Contra Costa Unified School District voted overwhelmingly in June to join Local 856 as they push for improved wages, health care and other benefits. There are more than 1,800 members in the bargaining unit.

“With this vote, workers at West Contra Costa Unified have come together to send a message: they deserve better,” said Peter Finn, Secretary-Treasurer of Local 856 in San Bruno, Calif. “We will aggressively represent these new members and bring forward demands for fairness and respect on the job. As Teamsters, their voices will be amplified and the district should hear them—they are ready to fight

and they have a strong union to back them.”

In a school district that serves more than 30,000 students, the new members of Local 856 work as maintenance employees, custodians, food service workers, special education instructional assistants, bilingual community school workers, campus security officers and school secretaries. They banded together after suffering years of stagnant wages and eroding health benefits.

“After seeing what Local 856 has been able to accomplish for other county and school workers in Contra Costa County and how they have won tough contracts with good health care benefits, we knew it was time to organize to win the same

quality representation at West Contra Costa Unified,” said Reynaldo Hernandez, a plumber for the school district.

For more than a year, Hernandez and his co-workers organized and built a grassroots movement across the school district. They now join a growing number of Contra Costa County and local city workers in the region who have joined Local 856 to win strong contracts for public service employees.

“My co-workers and I knew it was time for strong representation. That’s what this vote was about for us. It’s about having a union that will fight for us and give us a powerful voice,” said Heidi Estrella, an attendant clerk.



CONTRACTS RATIFIED AT UNIVERSITY OF CALIFORNIA

LOCAL USES MEMBER ACTIONS TO PUSH NEGOTIATIONS

With over 97 percent of the vote, the clerical and administrative (CX) workers at the University of California (UC) have ratified a new contract. The victory was the culmination of Local 2010's strategic planning of negotiations and solidarity events.

"Our contract is the result of Teamster members standing together and showing strength in their workplaces," said Jason Rabinowitz, Secretary-Treasurer of Local 2010 in Oakland, Calif. "We are grateful for the support we received from our sister unions, community groups, elected officials and the public. We are proud to have an agreement that will benefit all our members and their families."

The new contract covers 12,000 employees at 10 campuses, five medical centers and three national laboratories, which include increases in wages, health care, retirement benefits and more. Most impor-

tantly, it secures union rights in a variety of areas:

- Protects the right to join together and take action as Teamsters to improve conditions;
- Requires the University of California to provide progressive discipline before terminating an employee; and
- Protects union access to the workplace, to communicate with members.

"Our work is crucial to the university," said Linda Markey, a UC San Francisco Support Liaison employee for the past four years. "Each and every one of us works to provide the best service to the students and the communities we serve. This contract guarantees that all of our members receive the wage increases they deserve."

The victory for CX workers throughout the statewide university system came after two other successful contract wins; for the

skilled trades workers at UC Los Angeles and the skilled trades workers at UC San Diego, also represented by Local 2010. Both of these contracts were ratified by over 90 percent of members who voted and wouldn't have been possible without hard-fought negotiations and member actions proving Teamster power at the bargaining table.

What it Took to Win the Vote

Rolling up their sleeves and working hard on contract negotiations wasn't the only tactic Local 2010 used to move the university toward a final agreement. Part of the strategic planning for each of the contracts has been persistent communication with university officials, sometimes taking the form of direct actions on the Board of Regents' home turf and in public.

"Support for our contracts has been overwhelming, validating the countless hours of hard work by Teamster activists and leaders

across California,” said Catherine Cobb, President of Local 2010.

Last fall, for example, Local 2010 members were joined by hundreds of Teamsters Women’s Conference attendees on Hollywood Boulevard to show their solidarity and call for the university to pay a living wage.

At the rally, speakers related how the UC system had for decades been driving down frontline workers’ pay while giving raises to senior executives. And how over the past two decades, administrative, support and clerical workers have seen the UC system hold down their real wages by nearly 24 percent.

“On behalf of the 1.4 million members of the Teamsters Union, I am proud to stand here in solidarity with all UC Teamsters,” said Teamsters General President Jim Hoffa at the rally. “We are here to send a clear message that the Teamsters will not back down until the University of California delivers on a fair contract.”

“Teamsters delivered a clear message to the University of California: It’s time to stop discriminatory pay practices,” Rabinowitz said. “It’s time to bargain in good faith with the union. It’s time to pay women—and all workers who make UC work—enough to live!”



“We are not alone. There are 14,000 UC Teamsters and hundreds of thousands of union sisters and brothers standing with us. It’s overwhelming to see such support,” said Lou Ilagan, a Teamster and UC Irvine CME coordinator.

Besides the large rally in Hollywood, the local union coordinated smaller rallies on campuses and encouraged active dialogues with the university president and trustees at their official meetings and their offices.

One meeting proved to be of critical importance to the UC workers; when Teamster activists and union officials went to Sacramento to lobby the legislature against the then-proposed UC retirement scheme. Legislators became very concerned when it was brought to light that the university had fallen through on its promise to bargain with the unions on the pension

plan instead of trying to force a unilateral decision.

Soon after the Sacramento action, the university began bargaining with Local 2010 in earnest.

In addition to actions in public, the local communicated via letters to the editor and op-eds in newspapers. One op-ed, written by Rabinowitz, pointedly described the current circumstances endured by workers at the university and concluded with a call for the university to take action to correct it:

“UC has not only failed to address the problem (of wages), it has made it clear that the institution has no interest in doing so. University negotiators have explicitly stated that UC has no concern over whether workers are paid enough to live. ‘We look at cost of labor, not cost of living,’ they declare. UC has refused to offer the workers anything more than inflation-level wage increases, which would cement the inequality and near-poverty wages plaguing UC’s workers. Paying workers enough to live is the right thing to do, it’s good policy and it’s good politics. All that’s needed is the willingness, and the courage, to lead.”

“Local 2010’s contract victory reaffirms the value of ongoing member engagement,” said Michael Filler, Director of the Teamsters Public Services Division. “The energy and commitment that was used in California can be replicated throughout the country with the right plan and focus.”



Teamsters Launch a New Era of Union Power at the Unity Conference

Moving Forward in **UNITY**





This year's Unity Conference in May brought together a diverse crowd of Teamsters covering a wide range of industries, professions and regions of the country. But the gathering also set a course for the future as the union embarks on a new era of challenges and chances to build power for workers.

"We have to seize the moment and be united like never before. We don't have the luxury of being divided," said Teamsters General President Jim Hoffa.

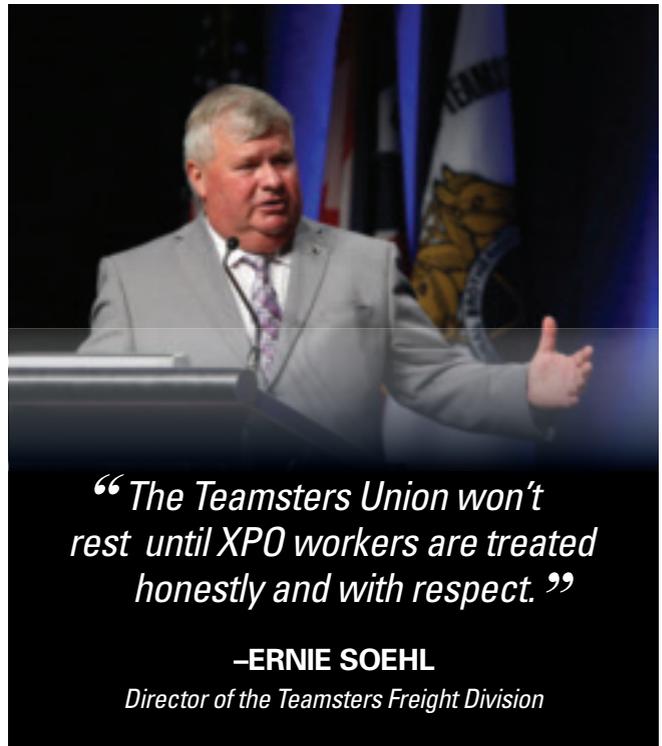
More than 1,600 Teamster brothers and sisters convened at Unity to share their experiences in the ongoing battles to protect and advance workers' livelihoods throughout North America.

Hoffa and other speakers highlighted the continued state-level battles against right-to-work legislation as well as attacks on prevailing wages and project labor agreements.

"The best way to protect our union from these attacks is to organize. And we're doing that across the U.S. and Canada—raising standards across entire industries, fundamentally improving the lives of workers," said Jeff Farmer, Teamsters Organizing Director.

Core Industries

The conference put a spotlight on the organizing effort at XPO Logistics, one of the largest campaigns the union has taken on. Covering the freight, warehouse and port industries, Teamsters are meeting the global challenge of XPO's vast supply chain with a global campaign that includes international partners in Europe.



"The Teamsters Union won't rest until XPO workers are treated honestly and with respect."

—ERNIE SOEHL

Director of the Teamsters Freight Division

"The Teamsters Union won't rest until XPO workers are treated honestly and with respect," said Ernie Soehl, Director of the Teamsters Freight Division.

"If it weren't for strong unions like the Teamsters, we wouldn't be able to fight back against greedy companies like XPO," said Steve Cotton, General Secretary of the International Transport Workers' Federation who traveled from the UK to speak to Teamsters.

During the general session at Unity, attendees heard from workers like Domingo Avalos who spoke about XPO's misclassification and wage theft at the Ports of Long Beach and Los Angeles. In a separate meeting, an XPO freight driver from Miami talked to Teamsters about the company's relentless union busting and how the union is fighting for XPO workers' rights.

Organizing in core industries was a major focal point of this year's conference. Speakers noted progress made at FedEx Freight, where Teamsters are negotiating contracts at four locations. And in intermodal rail transport, the union is organizing more Parsec workers in addition to the more than 900 Parsec workers who joined the Teamsters last year.

Upcoming negotiations at UPS also dominated the discussion.

"We are working on a strategy to win the best contract at UPS. This is an opportunity to pave the way for the next generation of UPS Teamsters.

We have challenges—pensions, health care issues, schedule changes, e-commerce—but we have to be more focused than ever on listening to our members," said Sean O'Brien, International Vice President and Director of the Teamsters Package Division.

Global Campaigns and Organizing

Another major organizing campaign of global proportions that took center stage at Unity was the battle to organize school bus workers at Durham, a company owned by UK-based National Express.

"To me, Durham is to the school bus industry what Walmart is to the retail industry," said Sharon Jones, a Durham employee from Lake Villa, Ill., who spoke at Unity. Ongoing campaigns featured at the conference also included warehouse organizing at Sysco, American Red Cross and public sector campaigns.

General President Hoffa praised the demise of the Trans-Pacific Partnership and looked forward to new talks to address problems with other unfair trade agreements, especially NAFTA.

François Laporte, President of Teamsters Canada, echoed that point.

"We know that NAFTA was designed to serve corporate greed, not working people. That's why we must be at the bargaining table as talks begin on a revised NAFTA agreement," Laporte said.

Laporte told Unity attendees that Teamsters Canada has been in major national negotiations, organizing thousands of new members, and fighting for Teamsters in campaigns to promote construction jobs, pipeline projects and more.

Strong Financial Footing

General Secretary-Treasurer Ken Hall reported on the



"We are working on a strategy to win the best contract at UPS."

—SEAN O'BRIEN

*International Vice President and
Director of the Teamsters Package Division*

strong financial health of the union and addressed challenges that Teamsters are facing head on.

"I'm proud to say that our Strike and Defense Fund stands at more than \$172.5 million. Our net assets have grown by \$37.5 million since last year," Hall said.

The relentless political attack on public sector unions was another topic that underscored the need for more effective internal organizing. Anti-union efforts to eliminate fair-share fees in the public sector are looming in the courts, namely in the form of Janus v. AFSCME.

"We've got great public sector contracts, but there are too many fair-share members not pulling their weight," said Michael Filler, Director of the Teamsters Public Services Division.

Brian Aldes, Secretary-Treasurer of Local 320 in Minneapolis, told conference attendees how his local has successfully expanded its active membership among public employees to 90 percent.

Teamster political experts and lobbyists explained actions being taken in various states to push back against anti-worker policies as well as attacks coming from the federal level.

"We need to get more members signed up for DRIVE to push back against bad legislation that hurts working families," said Jim Kabell, President of the Missouri-Kansas-Nebraska Conference of Teamsters.

Building Solidarity

The inauguration of the newly elected Executive Board took place at Unity, along with dozens of break-

out sessions and meetings covering a variety of contract campaigns, divisions and other topics.

The gathering also provided a space for individual local leaders and members to meet and learn from each other's experiences.

"One thing I learned this year at Unity is that we need to get together globally. Being global is very important for the Teamsters and for unions throughout the country," said Robert Gardner, Secretary-Treasurer of Local 6 in St. Louis.

Juan Cepero, an XPO driver and member of Local 769, noted the sense of family from fellow Teamsters at the conference.

"Everyone here is a Teamster. Everyone knows what I'm going through. Two years ago we organized with the Teamsters at XPO to fight back against dis-

crimination, favoritism and retaliation by the company. Here, I am treated like family. There is power in unity," Cepero said.

Others at the conference saw the importance of that unity in both motivational and practical terms.

"I find that there's a lot of information from other organizers around the country that come to the meetings, and this information is helpful for me in my organizing campaigns in Southern California," said Stan Brown, an organizer with Local 952 in Orange, Calif.

"I think it's important for us to build solidarity," Brown added. "Even after you've become a Teamster, even after you start paying dues, even after you ratify your contract, you still have to work to maintain solidarity. That's what this conference is about."

TEAMSTERS WARN OF ANTI-WORKER LEGISLATIVE FIGHTS

BATTLE AGAINST RIGHT TO WORK IS FRONT AND CENTER

Teamster leaders and staff challenged local union officers and members to get educated and involved in the political battles facing hardworking Americans at the federal and state levels during the 2017 Unity Conference.

Front and center in those fights is right to work, a legislative ruse that corporate supporters use to trick the general public. Right to work is wrong—wrong for workers, wrong for the families they support and wrong for a nation that is trying to build good, stable jobs that pay a fair wage and can grow the U.S. middle class.

"Attacks on labor are widespread in 2017, spanning coast to coast," said Tyler Longpine, the Teamsters Political Director. At the top of the list, he said, is "right to work, designed to drive down middle-class wages and increase corporate profits."

"Now is definitely the time to educate our elected officials, strengthen support and prepare so we are ready when and if this fight comes to be," said Sunshine McBride, the Teamsters Deputy Director for Federal Legislative Affairs. "It is essential that we be strategic and purposeful in our response."

Right to work decimates the ability of workers to come together and collectively bargain for fair wages and benefits. Because it allows employees at union-represented companies to not pay fees that cover contract negotiations,

those who don't are "free riders" who glean benefits from those who do pay.

Over time, more and more workers could choose to do the same, robbing the union of much-needed resources that are necessary to represent workers properly. Less money could lead to less effective advocacy when it comes to fighting complaints filed against employees or standing up for workers against a union employer violating their contract.

The attack on unions and middle-class workers doesn't end with right to work. Already this year, lawmakers in Iowa and Wisconsin have approved legislation that would end project labor agreements, jeopardizing the wages of those who construct public works projects.

Similarly, Sen. Jeff Flake (R-Ariz.) rolled out a bill earlier this year that proposes the elimination of prevailing wage on federal infrastructure and construction projects. The repeal of the Davis-Bacon Act would amount to a massive wage cut for millions of workers just as the federal government starts to move toward making real investments in infrastructure projects.

Taken together with right to work, further enactment of such measures would exacerbate the nation's already growing income inequality problem. That's not what workers need to improve their way of life.

For the latest, visit www.teamster.org.

The MRO Americas Trade Show in Orlando, Fla., is like most trade shows: vendors networking with clients, industry experts giving presentations, free food and free merchandise to lure attendees into buying something. What sets this trade show apart, though, is the best event they have to offer—the Aerospace Maintenance Competition, or AMC.

At the AMC, airline mechanics and technicians from schools, the private sector and the military all compete in a series of timed contests where they perform aircraft maintenance. The reach of the contest is far and wide: mechanics come from over 20 different countries to compete. The winner of each event is the

sters Airline Division were sponsors of the event.

Goglia is a strong advocate for the role unions play in airline safety. He first became involved in the labor movement at the age of 19, less than a year into his career, when he became shift shop steward. As a member of the NTSB, he served as a hearing officer during the investigation of the 1996 ValuJet Flight 592 crash in Miami, the deadliest accident in Florida to date. Goglia said that one of most frustrating aspects of the investigation was the lack of transparency on the part of the nonunion carrier.

“The company had muzzled all of the employees; no one was able to talk, because they knew if they

Teamsters Airline Mecha

team that performs each task in the fastest time, with time added for any mistakes made.

AMC Beginnings

The AMC was founded by John Goglia, a highly respected industry veteran who became the first airline mechanic to serve on the National Transportation Safety Board (NTSB). Goglia has been a friend of the Teamsters Aviation Mechanics Coalition (TAMC) for more than 10 years, and he was the one who first got the Teamsters involved in the competition. This year, the TAMC and Team-

did, they were going to get fired,” Goglia said. “If it was a union carrier, everything would have been right out on the table immediately. There is no doubt in my mind that unions provide a role in providing safety for the general public, but it’s one of those things that’s invisible, the average person doesn’t even know.”

Passion and Dedication

One thing that becomes readily apparent is the passion and dedication airline mechanics have for their jobs. The high-pressure environment, the challenges of fixing a large machine, the fact that every day is different—all of these were reasons Teamster mechanics gave for why they love what they do.

Marcos Pentol is an aircraft mechanic from San Juan, Puerto Rico, and a member of Local 2727. Pentol, a mechanic with 24 years of experience, was competing with the UPS Air Cargo team.

“I love being a member



of Local 2727, and I love being a UPS airline mechanic," Pentol said. "There's a lot of passionate people working in the general aviation industry. I love the responsibility, I get to challenge myself



ing the Fuel Tank Entry event, a mechanic must defuel an airplane by entering the fuel tank via the wing. Safety is paramount during this procedure. When it is performed on the job, not following all necessary precautions can potentially lead to fuel vapors igniting.

Richie, like a lot of workers in the aviation maintenance industry, got his start in the military. He said that he first started working on aircraft when he chose his Military

nic's Shine

At Aerospace Maintenance Competition, Teamster Mechanics Showcase Skills

a lot, I get to work with the latest technology, and I get to work on some of the biggest airplanes in the world. At UPS, we work on more than 100 different types of planes. I really love what I do."

The mechanics competing stressed the importance of teamwork, both at their jobs and in the event.

"There's lots of camaraderie in the industry here, and everyone gets along great, it's exciting," said Casey Hargadon, Pentol's teammate on the UPS Air Cargo team. "On the job, teamwork is important because it prevents people from getting hurt; having a second pair of eyes on things prevents mistakes from being made. None of us have been together on a team before coming here, but we're all getting along because we're working together as Teamster brothers."

Shiva Ramcoobair, a United Airlines mechanic with 11 years on the job, agreed with Hargadon's sentiment.

"Teamwork is the most important aspect of the job, especially when it comes to safety and getting the job done right," Ramcoobair said. "We feel happy when we fix problems with an aircraft. It's a good feeling. It's comparable to accomplishing a goal. We succeeded in seeing something all the way through, and we get to do it every day."

Douglas Richie is a United Avionics Technician who's been a Teamster for 18 years. Richie served as a judge for the AMC, at the Fuel Tank Entry event. Dur-

Occupational Specialty.

"I like working with my hands, I like fixing things, I enjoy being on the move, I enjoy fixing something that's broken and make it work again," Richie said. "Teamwork is important in this business; you need to always cover your bases and make sure you're doing everything properly."

Richie added that he was glad to be a Teamster member.

"It's good to have a strong support group that's nationwide and willing to back you for labor contracts and labor talks," he said. "The union is always working in our favor to improve the industry, improve our pay and improve our benefits."

Winning Teams

Teamster airline mechanics did very well overall: the UPS Air Cargo team won the Human Factors Test, and the United Airlines team from Cleveland won multiple events, including Best Overall for the entire competition. If there was one thing that was readily apparent, it's that the passion and dedication that the mechanics bring to work every day paid big dividends at the AMC.

"I'm incredibly proud to be part of the Teamsters' efforts," Goglia said. "The Teamsters Union has been looking forward, and it really understands what's going on in the industry. When you look at the Teamsters Military Assistance Program, and the other initiatives they've put together, they have really earned a place in this business."



VICTORIES



at UNFI



After a five-year battle to form a union, 280 warehouse workers at the largest organic and natural food supplier in the United States, United Natural Foods Inc. (UNFI), have voted to join Local 166 in Bloomington, Calif.

Drivers and warehouse workers at UNFI in Seattle, meanwhile, ratified a contract by an overwhelming majority in late June.

“Company efforts to avoid union representation were overcome by workers determined to have a voice in their work life and fair treatment on the job,” said Mike Bergen, Local 166 Secretary-Treasurer. “The workers at UNFI in Moreno Valley have finally received the justice and victory they deserve. We will work hard with these newest Teamsters to win a strong contract that addresses their problems.”

The election took place earlier this year. This victory is part of a wave of victories for workers at



Warehouse Workers in California Join Local 166, Seattle Workers Ratify Contract

UNFI, including contracts for drivers in Dayville, Conn. represented by Local 493 and drivers in Moreno Valley represented by Local 63. Additionally, workers in Montgomery, N.Y., represented by Local 443, ratified a first contract which includes overtime pay for the first time and increased wages.

Local 166 joins the expanding network of Teamster brothers and sisters negotiating a labor contract with UNFI. Teamster contracts are also expiring this year for warehouse and production workers in Iowa at Local 238 and New Jersey at Local 810.

Workers' Victory

Alex Martinez, a warehouse worker in Moreno Valley, said workers have been subjected to years of intimidation and threats from management.

"Everybody's happy that we formed our union with the Teamsters," Martinez said. "Now we

have a voice on the job and we are no longer at-will employees. The company needs cause to fire us."

Being represented by Local 166 is a huge difference after years of having no representation, Martinez said.

"If we now get called into a manager's office, we can have a union representative accompany us," said Martinez, who helped spearhead the union drive five years ago.

"The company has instituted an unfair work-quota system and now, as Teamsters, we hope to make that system fair," he said.

Fairness

Other UNFI workers are also seeing more fairness in the workplace. As a result of Moreno Valley drivers organizing with Local 63, and securing overtime pay in their labor contract, UNFI has begun offering overtime pay for drivers across several locations in its network.

The Moreno Valley Distribution Center distributes to Whole Foods Market, Sprouts, Northgate, Vons, Ralphs and other food retailers in Southern California and the American Southwest.

UNFI is Whole Foods Market's primary distributor and its strategic partner; it is seeking to diversify its customers and product offerings. In mid-June, Amazon.com announced plans to buy Whole Foods for \$13.7 billion. The impact from the sale will affect UNFI, but it is still too early to see what changes may occur.

In Seattle, a group of about 160 drivers and warehouse workers who are members of Local 117 ratified a four-year contract that moves the workers into a pension plan and provides substantial wage increases.

The contract also limits subcontracting, makes the overtime system fairer and improves vacation policies.

ORGANIZING SUCCESS IN HARRISBURG

Local 776's String of Wins Pays off for Members



Mark Cicak started his Teamster career at UPS in 2008. After becoming a Teamster leader in his bargaining unit, Local 776 hired him as a member organizer helping to bring a union to Sysco workers.

“Six months after that, they asked me to be a full-time organizer,” he said. That was in January 2016. “I saw the ins and outs of organizing and I enjoyed it. Plus, the political landscape in the last two years has shown we need someone to fight on all fronts, including increasing union density. As Teamsters, we have strength in numbers, not just with employers but in the statehouse.”

Since coming on as the local’s organizer, Local 776 has seen great success in organizing. The local has recently welcomed new Teamsters at Durham and Krapf bus companies, the Newville police force, West York Borough highway workers, the entire public works department of West Manchester Township and drivers for Ryder, a metal distributor. More than 200 new Teamsters have been welcomed into Local 776 in the last year.

When Dennis Emenheiser started working for the West Manchester Township about five years ago, he noticed things that were different than his previous union employer. There were so many acts of disrespect from management that he knew something had to be done. That’s when he reached out to Local 776 in Harrisburg, Pa.

Emenheiser said seeking out the Teamsters was

more about respect than money or benefits.

“The way things are nowadays, everybody gets pushed around. We’ve got a great group of hardworking guys, but we just weren’t getting respect,” Emenheiser said. “Since joining the Teamsters, there’s not conflict like there was before.”

In an odd twist of fate, Emenheiser’s dad was a Teamster whose business agent was Cicak’s father.

“It has felt like there is a bond with the Teamsters. They do whatever they can for us and it has been great,” Emenheiser said.

‘Looking for Protection’

Wyatt Wagner, a patrol officer with the Newville Borough Police Department, said he and his co-workers joined Local 776 because they needed protection from the city council, which was making unfair, unilateral changes to benefits for the officers.

“They were changing a lot of stuff, like health care, which they changed two or three times a year,” he said. “They also started taking substantial amounts of pay from officers. We decided we needed some protection so we sought out a union.”

The city council punished Wagner for his union activism by firing him, but the union and the community rallied to his cause. After filing grievances, Wagner had his job back in 10 days.

“I’m happy with the union, and so are my co-workers,” Wagner said. “We were looking for protection and were afforded that by the Teamsters Union.

LOCAL 743

University of Chicago

University of Chicago student library employees voted to unionize, with over 80 percent of voters supporting affiliation with Local 743. These workers, 226 in total, known as the Student Library Employee Union (SLEU), and affiliated with Local 743, will be the first nationally recognized undergraduate and graduate student union at a private university.

"We welcome these student workers into the Teamsters family at Local 743," said Deborah Simmons-Peterson, President of Local 743. "We've been representing the professional library staff at the university since 1980 and that experience will enhance our representation of the student workers."

"I am especially excited for what this means for me as a student worker, where having a voice in collective bargaining will really impact my relationship with the University," said Katie McPolin, a second-year student worker at Eckhart Library. "Student labor makes the day-to-day functioning of this university possible, so it is imperative that student workers should have a voice in how it functions."

LOCAL 251

DHL

Workers at DHL NH LLC voted to join Local 251 in East Providence, R.I. on June 7. The 28 workers, who sort and deliver packages for DHL, voted 23-2 for a union after enduring low wages, unaffordable health care and no retirement plan.

"Nothing about the campaign was easy," said Matt Taibi, Local 251 Secretary-Treasurer. "These workers stuck it out and are already focused on negotiating their first contract."

Every day the company forced workers to attend captive audience meetings. When it was obvious their tactics weren't swaying the workers, the company fired two supporters. Local 251 is fighting the dismissals.

Local 385

Budget Car Rental

Service agents at Budget Car Rental at the Orlando, Fla. airport voted to join Local 385. The vote was 35-11 and there are 53 workers in the bargaining unit.

"The service agents at Budget have contact with workers at the Avis Budget Group who are already represented by Local 385, along with workers at Hertz, and

they saw how being Teamsters has improved the lives of those workers," said Clay Jeffries, President of Local 385 in Orlando.

The workers are seeking fair wages, improved benefits, job security, a voice on the job and a grievance procedure to challenge unfair management decisions.

Local 653

Brush Hill Tours

Charter bus drivers and cleaners with Brush Hill Tours voted 27-1 to become members of Local 653 in Manchester, N.H. The campaign took 42 days.

Ed Spear has been a part-time driver at Brush Hills Tours since 2010. He decided to become involved in the organizing drive because of the positive experience he's had as a Local 653 member with his full-time job at Martignetti's, a leading New England liquor distributor.

"I'm a proud Teamster, I've been a member since 1994," Spear said.

LOCAL 997

Cott Beverages

Workers at Cott Beverages in Ft. Worth, Texas have voted to join Local 997. The 79 new members manufacture third-party soft drink

beverages for big-box stores such as Walmart and Costco.

"Our new members stood together in the face of company opposition, and we're going to push forward for some major improvements once we get to the negotiating table," said Rick Miedema, Local 997 Secretary-Treasurer.

The workers voted to join by over a 2-1 margin, and over 80 percent signed interest cards indicating they supported an NLRB election. The campaign was quick; only 21 days elapsed between the time of the NLRB filing and the final vote.

LOCAL 769

MDC

In April, a unit of 108 drivers and mechanics at MDC, a subcontractor for DHL, voted to join Local 769 in Miami.

"We are proud to welcome these brave men and women into the Local 769 family," said Mike Scott, President of Local 769.

"It feels great—everyone is happy that we won," said Francisco Pena, a driver at MDC for five years. "It was a stressful campaign. But we remained strong and we had strong support from the dockworkers at DHL, who are Teamsters."

Building **POWER** in Public Services

Judging by union density, a public sector worker is over five times more likely to belong to a union than someone in the private sector. It should be no surprise that those who look to extinguish the American labor movement have their sights on dismantling the protections enjoyed by our Teamster brothers and sisters in the public sector.

These efforts may take the form of privatizing public services and turning them over to corporate interests, limiting what employees are allowed to negotiate over or even eliminating the right to collectively bargaining altogether.

For 40 years, it has been the law for nonmember public employees to pay a partial fee for union representation. This has given nonmembers significant rights and benefits negotiated on their behalf. But some nonmember naysayers have filed a lawsuit that may end up before the Supreme Court. In very simple terms, they want to get something for nothing.

If the Supreme Court says it's OK to be a free rider, dedicated Teamster public employees will lose. It means working together to negotiate good contracts will be more difficult, and the financial resources for unions to provide effective advocacy for members will be reduced.

Feeling the increased strength of the local union has motivated more University of Minnesota employees to become full dues-paying members. "We know the value of a strong local union," said Nasser Nur, a Local 320 member and a six-year university employee. "I have dignity and respect and I feel safe at my job now that I am represented by a strong local union."

"Now is the time for all Teamster members to inform and involve all nonmembers," said Michael Filler, Director of the Public Services Division. "If we do not, the important return on work negotiated in our contracts will be taken away by the wealthiest 1 percent in America. Working people remain united. That means we must encourage every nonmember to become an active Teamster today."

Power-Building Plan

In order to combat this potential court decision, the Public Services Division has developed a national Power-Building Plan to assist locals in contacting and communicating with all fair-share payers across the country.

More than 200 Teamster officers, stewards, and members gathered in May for the 2017 Public Services Division Conference. The two-day gathering was designed to confront the challenges and opportunities facing public service workers head on. The theme of the conference, "Committed to Country and Community," served as a constant reminder that while Teamster public service members hail from every state, race, religion and political affiliation, all of them dedicated their careers to serving others and that commitment to country and community should be acknowledged and celebrated.

The plan asks affected locals to commit to a detailed plan, with stewards and members engaging all bargaining unit employees, to increase awareness of the benefits of union membership and convert-

ing all fair-share payers into full members. By building membership through this program, the bargaining unit, the local union and the American labor movement will gain strength and continue to lift working families up to a higher standard of living.

"Whenever there is an issue at work, the Teamsters are right on it," said Lisa Day-Silva, a nurse employed by Contra Costa County, California, for the past 17 years and a member of Local 856. "Before we were represented by the Teamsters, our work issues were silenced. But the Teamsters care about their members. I am proud to be a Teamster because they stand with us on the job."

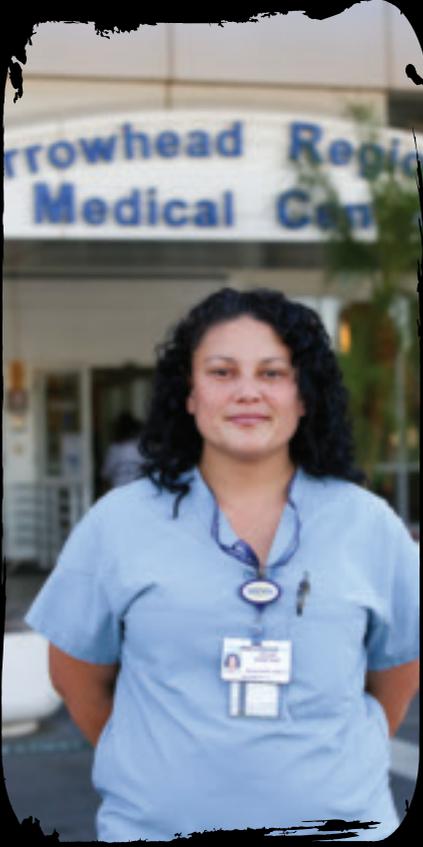
"Now is the time that each member must make a commitment to speak with each nonmember. Talk about the value of being a Teamster, and how, by actively participating in the union, we can improve the chances for a promising future," said Jim Hoffa, Teamsters General President.

If you would like to help with the Power-Building Plan, please contact your local or John Mataya, National Coordinator for the Public Services Division at jmataya@teamster.org.

The Public Services Division is hosting a national conference call for public employee Teamsters about the Country and Community campaign. The call is on **TUESDAY, AUG. 29, 2017, at 3:30 p.m. (EST)**. The toll-free number is: **877-327-9495 CODE 111566**.



TEAMSTER PUBLIC EMPLOYEES: COMMITTED TO COUNTRY AND COMMUNITY



Union's Net Assets, Strike and Defense Fund Continue to Grow

The International Brotherhood of Teamsters is growing. We are organizing new members, negotiating strong contracts and providing assistance to our affiliates and members in the administration of the collective bargaining process.

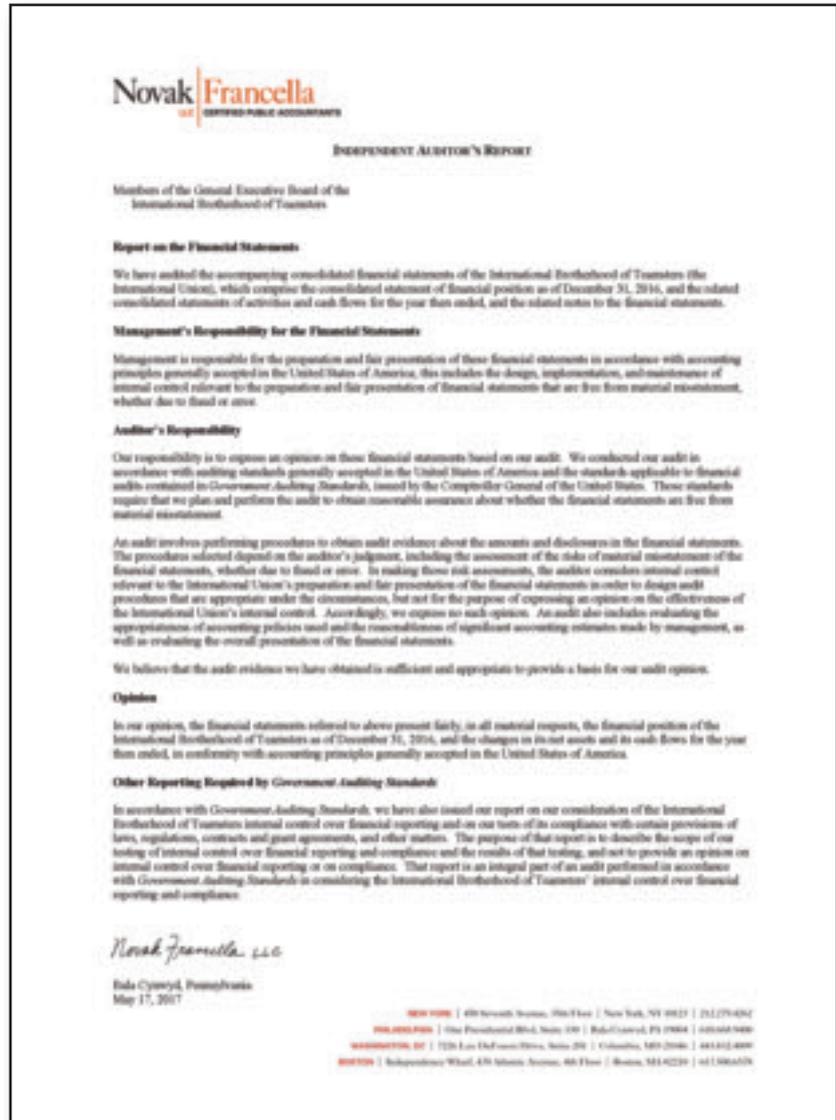
All this has been made possible by building on our union's financial strength. In my years as General Secretary-Treasurer, my office and those we work with have done all we can to be strong fiduciary stewards of your membership dues.

Having a solid treasury is truly important. With these resources, we can take on the bigger fights, the powerful employers and the anti-worker politicians.

A healthy strike fund is vital to protecting and improving our contracts. We have many important negotiations on the horizon, and a strong strike fund sends a strong message to employers that we will not back down. Our strike fund is also there to assist members working under smaller contracts and we are proud to be in a position to offer such assistance.

I'm proud to report that, through May 2017, we have more than \$179 million in our strike fund. That's up \$25 million from May of last year.

In fact, through May 2017, the total assets in the General Fund and the Strike and De-



fense Fund exceed \$300 million, up \$19 million from last year.

The Teamsters Union and our members are more secure than most thanks to astute financial foresight and I ex-

pect this to continue into the future.

Ken Hall
General Secretary-Treasurer

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

	General Fund	Strike and Defense Fund	Hoffa Scholarship Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 35,612,536	\$ 2,017,946	\$ 501,070	\$ 581,165	\$ 1,085,463	\$ -	\$ 39,798,180
Receivables, net							
Trade	18,234,309	100,500	-	-	531,462	(686,760)	18,179,511
Grants and contributions	395,640	-	35,584	-	-	-	431,224
Accrued investment income	3,811	268	5	-	3	-	4,087
Due from/(to) related entities	439,876	6,654	250	-	(205,000)	-	241,780
Other	337,898	-	-	-	-	-	337,898
Inventories	397,445	-	-	-	-	-	397,445
Prepaid expenses	988,741	-	35,000	-	-	-	1,023,741
Investments	26,718,167	164,597,297	17,725,836	-	13,055,748	-	222,097,048
Security deposits and other	414,145	-	27,084	-	7,500	-	448,729
Property and equipment, net	33,809,671	-	-	-	-	-	33,809,671
Total assets	\$ 117,352,239	\$ 166,722,665	\$ 18,324,829	\$ 581,165	\$ 14,475,176	\$ (686,760)	\$ 316,769,314
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts payable and accrued expenses	\$ 13,133,119	\$ 698,348	\$ 415,199	\$ -	\$ 32,555	\$ (686,760)	\$ 13,592,461
Unexpended scholarship awards	-	-	437,750	-	-	-	437,750
Accrued pension cost	6,213,318	-	-	-	-	-	6,213,318
Accrued postretirement benefits cost	731,145	-	-	-	-	-	731,145
Total liabilities	20,077,582	698,348	852,949	-	32,555	(686,760)	20,974,674
NET ASSETS							
Unrestricted	96,768,261	166,024,317	17,471,880	581,165	14,442,621	-	295,288,244
Temporarily restricted	506,396	-	-	-	-	-	506,396
Total net assets	97,274,657	166,024,317	17,471,880	581,165	14,442,621	-	295,794,640
Total liabilities and net assets	\$ 117,352,239	\$ 166,722,665	\$ 18,324,829	\$ 581,165	\$ 14,475,176	\$ (686,760)	\$ 316,769,314

See accompanying notes to consolidated financial statements.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS FINANCIAL REPORT 2016

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

	General Fund		Strike and Defense Fund	Hoffa Scholarship Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Total
	Temporarily		Unrestricted	Unrestricted	Unrestricted	Unrestricted	
	Unrestricted	Restricted					
REVENUE AND OTHER SUPPORT							
Per capita and initiation fees	\$ 154,821,513	\$ -	\$ 21,776,885	\$ -	\$ -	\$ -	\$ 176,598,398
Grants and contributions	3,535,169	-	-	1,158,177	106,482	-	4,799,828
Special fundraising events	-	-	-	723,701	-	-	723,701
Affinity program	-	-	-	-	-	3,739,795	3,739,795
Investment income, net	1,843,287	-	8,935,541	844,829	-	508,885	12,132,542
Sales of supplies, net	34,580	-	-	-	-	-	34,580
Loss on disposal of property and equipment	(13,803)	-	-	-	-	-	(13,803)
Other	143,702	-	-	23,705	-	-	167,407
Net assets released from restrictions	40,991	(40,991)	-	-	-	-	-
Total revenue	160,405,439	(40,991)	30,712,426	2,750,412	106,482	4,248,680	198,182,448
EXPENSES							
Program services							
Member services							
Communications, magazine and public relations	9,445,336	-	-	-	-	-	9,445,336
Financial assistance to affiliates	350,394	-	-	-	-	-	350,394
Industry trade divisions and relations	34,967,296	-	-	-	-	-	34,967,296
Strike and defense	1,801,162	-	7,927,524	-	-	-	9,728,686
Research, education and training	15,537,837	-	-	-	-	306,116	15,843,953
Retiree relations, scholarships and other	233,943	-	-	1,110,067	-	-	1,344,010
Organizing	19,609,377	-	-	-	-	-	19,609,377
Other	9,727,197	-	-	-	27,000	285,323	10,039,520
Affiliation fees	10,300,690	-	-	-	-	-	10,300,690
Government affairs	10,653,221	-	-	-	-	-	10,653,221
Legal and litigation	6,552,383	-	-	-	-	-	6,552,383
Civil RICO	8,217,283	-	-	-	-	-	8,217,283
Teamster Affiliates Pension Fund	9,750,000	-	-	-	-	-	9,750,000
Convention	1,447,543	-	-	-	-	-	1,447,543
Total program services expenses	138,593,662	-	7,927,524	1,110,067	27,000	591,439	148,249,692
Supporting services							
Administration and governance	8,088,000	-	-	108,381	572	341,494	8,538,447
Fundraising	-	-	-	241,143	-	-	241,143
Total expenses	146,681,662	-	7,927,524	1,459,591	27,572	932,933	157,029,282
CHANGE IN NET ASSETS	13,723,777	(40,991)	22,784,902	1,290,821	78,910	3,315,747	41,153,166
NET ASSETS							
Beginning of year	82,061,978	547,387	143,239,415	16,181,059	502,255	11,126,874	253,658,968
Other pension and postretirement adjustments	982,506	-	-	-	-	-	982,506
End of year	\$ 96,768,261	\$ 506,396	\$ 166,024,317	\$ 17,471,880	\$ 581,165	\$ 14,442,621	\$ 295,794,640

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

	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	\$ 153,971,372	\$ 21,490,721	\$ -	\$ -	\$ -	\$ 175,462,093
Investment income	959,265	5,432,782	631,533	-	262,126	7,285,706
Other revenue and reimbursements	4,172,235	(67,000)	1,103,460	106,482	3,687,901	9,003,078
Net cash received	159,102,872	26,856,503	1,734,993	106,482	3,950,027	191,750,877
Cash disbursed to						
Service providers, suppliers, vendors and others	(155,799,112)	(6,717,600)	(1,310,495)	(27,572)	(997,028)	(164,851,807)
Other labor organizations	(3,151,171)	-	-	-	-	(3,151,171)
Affiliated conferences, joint councils and local unions	(7,300,839)	-	-	-	-	(7,300,839)
Members for benefits under Strike Benefit Assistance Program	-	(1,824,764)	-	-	-	(1,824,764)
Net cash disbursed	(166,251,122)	(8,542,364)	(1,310,495)	(27,572)	(997,028)	(177,128,581)
Net cash provided by (used for) operating activities	(7,148,250)	18,314,139	424,498	78,910	2,952,999	14,622,296
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES						
Proceeds from sale or redemption of investments	9,120,606	97,411,338	7,331,442	-	244	113,863,630
Purchase of investments	(9,978,703)	(115,593,334)	(7,959,809)	-	(5,861,945)	(139,393,791)
Purchase of fixed assets	(382,844)	-	-	-	-	(382,844)
Disposal of fixed assets	134,413	-	-	-	-	134,413
Payment of loans by affiliates	32,339	-	-	-	-	32,339
Net cash provided by (used for) investing activities	(1,074,189)	(18,181,996)	(628,367)	-	(5,861,701)	(25,746,253)
NET INCREASE (DECREASE) IN CASH	(8,222,439)	132,143	(203,869)	78,910	(2,908,702)	(11,123,957)
CASH AND CASH EQUIVALENTS						
Beginning of year	43,834,975	1,885,803	704,939	502,255	3,994,165	50,922,137
End of year	\$ 35,612,536	\$ 2,017,946	\$ 501,070	\$ 581,165	\$ 1,085,463	\$ 39,798,180
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Change in net assets	\$ 14,665,292	\$ 22,784,902	\$ 1,290,821	\$ 78,910	\$ 3,315,747	\$ 42,135,672
Net (appreciation) depreciation of investments	(957,084)	(3,557,226)	(238,155)	-	(264,052)	(5,016,517)
Depreciation expense	2,487,210	-	-	-	-	2,487,210
(Increase) decrease in assets						
Receivables	(342,463)	(67,217)	(3,603)	-	(51,894)	(465,177)
Inventories	(30,928)	-	-	-	-	(30,928)
Prepaid expenses	(191,222)	-	(16,342)	-	-	(207,564)
Security deposits and other	(36,028)	-	-	-	-	(36,028)
Due to/from related entities	448,386	(286,164)	4,250	-	(37,625)	128,847
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	(12,878,251)	(560,156)	(765,140)	-	(9,177)	(14,212,724)
Unexpended scholarship awards	-	-	152,667	-	-	152,667
Accrued pension cost	(10,323,003)	-	-	-	-	(10,323,003)
Accrued postretirement benefits cost	9,841	-	-	-	-	9,841
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (7,148,250)	\$ 18,314,139	\$ 424,498	\$ 78,910	\$ 2,952,999	\$ 14,622,296

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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. Also included in the General Fund are funds designated for organizing activities. Ten percent of per capita tax received by the International Union, excluding the amount received for members in Teamsters Canada, is designated for organizing activities. Funds designated for organizing activities for the Brotherhood of Locomotive Engineers and Trainmen, Brotherhood of Maintenance of Way Employees Division and the Graphic Communications/IBT Conference are governed by the applicable merger agreements.

Strike and Defense Fund - The Strike and Defense Fund was created in 2002 to support members engaged in collective action to obtain recognition, obtain and/or protect wages and benefits through the negotiation of collective bargaining agreements, enforce collective

bargaining agreements, and support 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 cards, 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, and money market accounts.

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 are reported at their aggregate fair value. The fair value of investments is 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 the average exchange rates in effect during the year when reported in the revenue and expenses included in the consolidated statement of activities.

Use of Estimates in the Preparation of Financial Statements -

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

Financial Presentation - The International Union's consolidated financial statements present its net assets, revenues, expenses, gains, and losses, classified between unrestricted, temporarily restricted, and permanently restricted, based on the existence or absence of donor-imposed restrictions. The International Union does not have any permanently restricted net assets.

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 with the exception of rental income for an office for which appropriate Federal and state income taxes are paid.

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.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the International Union and recognize a tax liability if the International Union has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The International Union is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, tax years will remain open for three years; however, this may differ depending upon the circumstances of the International Union.

NOTE 4. TRADE RECEIVABLES

Trade receivables consist of the following at December 31, 2016:

Per capita and initiation fees	\$ 17,561,576
Due from Strike and Defense Fund	686,760
Unsecured notes receivable	276,792
Affinity programs	531,462
Other	<u>122,883</u>
	19,179,473
Less allowance for doubtful accounts	<u>(313,202)</u>
	<u>\$ 18,866,271</u>

The amount due from the Strike and Defense Fund is recorded as a liability of the Strike and Defense Fund on the Consolidated Statement of Financial Position. They were eliminated in consolidation.

NOTE 5. UNINSURED CASH BALANCES AND INVESTMENT CONCENTRATIONS

The International Union maintains cash and cash equivalents with various financial institutions totaling approximately \$32,672,478, which were not insured by the Federal Deposit Insurance Corporation as of December 31, 2016.

The International Union also maintains cash at a

Canadian financial institution, which is insured up to \$100,000. As of December 31, 2016, the International Union's cash in the Canadian financial institution in excess of insurance coverage totaled approximately \$3,881,660 in Canadian dollars (approximately \$2,827,946 U.S. dollars).

The Supplemental Benefits Trust maintains its cash with a financial institution. As of December 31, 2016, the Supplemental Benefits Trust's cash in excess of FDIC insurance coverage totaled approximately \$816,319.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2016, the Teamsters Disaster Relief Fund's cash in excess of FDIC insurance coverage totaled approximately \$331,165.

The Hoffa Scholarship Fund maintains cash primarily with the same financial institution. As of December 31, 2016, the Hoffa Scholarship Fund's cash in excess of FDIC insurance coverage totaled approximately \$227,011.

NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government totaled \$395,640 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, 2016 is summarized below:

	Cost	Fair Value
Common stock	\$ 503,724	\$ 1,582,772
Corporate bonds	28,017	4,160
Mutual funds - equity	38,125,671	45,330,196
Mutual fund - fixed income	<u>178,834,509</u>	<u>175,179,920</u>
	<u>\$217,491,921</u>	<u>\$222,097,048</u>

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2016

Investment income for the year ended December 31, 2016 consisted of the following:

	General Fund	Strike and Defense Fund	Hoffa Scholarship Fund	Supplemental Benefits Trust	Total
Interest and dividends	\$ 960,202	\$ 5,432,999	\$ 631,537	\$ 262,129	\$ 7,286,867
Net realized and unrealized (loss) gain on investments	957,084	3,557,226	238,155	264,052	5,016,517
Investment expenses	(73,999)	(54,684)	(24,863)	(17,296)	(170,842)
	<u>\$ 1,843,287</u>	<u>\$ 8,935,541</u>	<u>\$ 844,829</u>	<u>\$ 508,885</u>	<u>\$ 12,132,542</u>

NOTE 8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the International Union has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

	Fair Value Measurements at December 31, 2016			
	Total	Level 1	Level 2	Level 3
Common stock - all cap value	\$ 1,582,772	\$ 1,582,772	\$ -	\$ -
Corporate obligations	4,160	-	4,160	-
Mutual funds - equity	45,330,196	45,330,196	-	-
Mutual funds - fixed income	175,179,920	175,179,920	-	-
	<u>\$ 222,097,048</u>	<u>\$ 222,092,888</u>	<u>\$ 4,160</u>	<u>\$ -</u>

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the year ended December 31, 2016, there were no transfers in or out of levels 1, 2, or 3.

NOTE 9. PROPERTY AND EQUIPMENT

Property and equipment held by the International Union consists of the following as of December 31, 2016:

Land - headquarters	\$ 794,117
Headquarters building	51,931,865
Leasehold improvements	26,000
Furniture and fixtures	5,416,619
Equipment	4,240,438
Data processing equipment	2,658,755
Computer software	4,668,560
Automobiles	114,629
Work in process	129,730
	<u>69,980,713</u>
Less accumulated depreciation	(36,171,042)
Net property and equipment	<u>\$ 33,809,671</u>

Depreciation expense for the year ended December 31, 2016 was \$2,487,210.

NOTE 10. 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 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, was terminated effective January 1, 2002, and no contributions were 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.

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.

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

In August 2008, the Pension Benefit Guaranty Corporation (PBGC) granted the Plan multiemployer status under ERISA Section 3(37)(G)(i)(II). The PBGC’s determination was, in part, based on the commitment made by the International Brotherhood of Teamsters (IBT) to maintain the Plan. The IBT has continued to make the minimum required contributions to the Plan each year as recommended by the Plan’s actuary.

The International Union contributes to one multiemployer defined benefit pension plan. The risk of participating in a multiemployer defined benefit pension plan is different from a single-employer plan in the following aspects:

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

- a. Assets contributed to the multiemployer defined benefit pension plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the multiemployer defined benefit pension plan, the unfunded obligations of the multiemployer defined benefit pension plan may be borne by the remaining participating employers.
- c. If the International Union chooses to stop participating in the multiemployer defined benefit pension plan, the International Union may be required to pay the multiemployer defined benefit pension plan an amount based on the underfunded status of the multiemployer defined benefit pension plan, referred to as a withdrawal liability.

The International Union's participation in the multiemployer defined benefit pension plan for the annual period ended December 31, 2016 is outlined in the table below. The zone status is based on information that the International Union has received from the multiemployer defined benefit pension plan and is certified by the multiemployer defined benefit pension plan's actuary. Among other factors, pension plans in the red zone are generally less than 65 percent funded, pension plans in the yellow zone are less than 80 percent funded, and pension plans in the green zone are at least 80 percent funded.

Legal Name of Pension Plan	Pension Plan's Employer Identification Number	Pension Plan's Plan Number	Zone Status	Extended Amortization Provisions Used?	Expiration Date of Collective Bargaining Agreement?
The Teamster Affiliates Pension Plan	52-6128127	333	Yellow as of 12/31/16	No	N/A

Legal Name of Pension Plan	Contributions to the Pension Plan 12/31/2016	Contributions to the Pension Plan greater than 5% of total Pension Plan Contributions (Plan year ending)	Employer Contribution Rates 12/31/2016	Number of Active Participants being Contributed for 12/31/2016
The Teamster Affiliates Pension Plan	\$ 9,750,000	Yes	N/A	474

Legal Name of Pension Plan	Funding Improvement Plan or Rehabilitation Plan Implemented or Pending?	Surcharge paid to Pension Plan by IBT?	Minimum contributions required in future by CBA, statutory requirements, or other contractual requirements.	
			No?	If yes, description
The Teamster Affiliates Pension Plan	Yes	No	No	N/A

For the Plan year beginning January 1, 2013, the Plan was certified as endangered status under the Pension Protection Act of 2006. The Board of Trustees of the Plan adopted a funding improvement plan to increase the funding percentage of the Plan which meets all of the statutory and regulatory requirements for a funding improvement plan effective as of January 1, 2013. The funding improvement plan calls for the IBT to make annual contributions to the Plan beginning January 1, 2014 and ending December 31, 2023 in the amounts recommended by the actuary and approved by the IBT's General Executive Board.

The International Union is expected to contribute \$11,500,000 in 2017. Contributions to the Plan in subsequent years will be determined by the International Union in consultation with the Plan's actuary.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

NOTE 11. RETIREMENT AND FAMILY PROTECTION PLAN

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

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

The following are the balances as of or for the year ended December 31, 2016 as provided by the Plan's actuary:

	<u>2016</u>
Projected benefit obligation	\$(152,156,705)
Fair value of plan assets	<u>145,943,387</u>
Funded status	<u>\$ (6,213,318)</u>
Accumulated benefit obligation	<u>\$(128,078,461)</u>
Amounts recognized in the statement of financial position:	
Noncurrent assets	\$ -
Current liabilities	-
Noncurrent liabilities	(6,213,318)
Amounts in net assets not recognized as components of net periodic benefit cost:	
Accumulated net gain or (loss) and prior service (cost) credit	(42,300,747)
Weighted-average assumptions:	
Discount rate	4.25%
Expected return on plan assets	7.00%
Rate of compensation increase	3.50%
Employer contributions	<u>\$ 16,000,000</u>
Benefits paid	<u>\$ 10,711,772</u>
Net periodic pension cost	<u>\$ 6,631,179</u>
The change in accrued pension cost consists of the following:	
Net periodic pension cost	\$ 6,631,179
Less: Employer remittances	<u>(16,000,000)</u>
	(9,368,821)
Increase (decrease) in unrecognized accumulated net gain or loss	<u>(954,182)</u>
	<u>\$ (10,323,003)</u>

In 2016, the International Union has recorded a gain of \$954,182 to its net assets for the additional change in accrued pension payable beyond the current-year pension expense.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

In computing net periodic pension costs as of January 1, 2016, to be recognized for the year ended December 31, 2016, the consulting actuary used the following assumptions:

Discount rate	4.50%
Average rate of compensation increase	3.75%
Expected return on Plan assets	7.00%

The information on benefit cost for the year 2016, as determined by the consulting actuary, is as follows:

Employer contributions	\$ (16,000,000)
Plan participants' contributions	-
Benefits paid	10,711,772

The funded status of the Plan as of December 31, 2016, as determined by the consulting actuary, is as follows:

Projected benefit obligation	\$(152,156,705)
Fair value of plan assets	<u>145,943,387</u>
Funded status	<u>\$ (6,213,318)</u>
Accumulated benefit obligation	<u>\$(128,078,461)</u>

The International Union's expected contribution to the Plan for the year ended December 31, 2017 is \$16,000,000. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2017	\$	13,717,923
2018		12,348,993
2019		11,911,468
2020		12,051,246
2021		12,035,893
Aggregate for five years beginning 2022		60,981,068

The Plan's expected long-term rate of return on assets assumption is 7.00%. As defined in Financial Accounting Standards Board "Compensation-Defined Benefit Plans," this assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The Plan's overall investment strategy is to invest in securities that will meet or exceed an absolute return of 7.00%. 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.

The Plan's goal is to maintain the following allocation ranges for investments:

Fixed income	75% - 85%
Risk parity	10% - 20%
Equity	0% - 20%

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2016

The major classes of plan investments at December 31, 2016 are:

	<u>Fair Value</u>
Mutual funds	\$ 114,236,659
Collective trust fund	30,091,487
Money market mutual fund	<u>25,656</u>
	<u>\$ 144,353,802</u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Fair Value Measurements at December 31, 2016

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 114,236,659	\$ 114,236,659	\$ -	\$ -
Collective trust funds	30,091,487	-	30,091,487	-
Money market mutual fund	<u>25,656</u>	<u>25,656</u>	<u>-</u>	<u>-</u>
	<u>\$ 144,353,802</u>	<u>\$ 114,262,315</u>	<u>\$ 30,091,487</u>	<u>\$ -</u>

Level 3 Fair Value Measurements

Limited partnership

Beginning balance	\$ 5,319,787
Purchases	173,467
Sales	(5,994,221)
Realized losses	268,924
Unrealized gains	<u>232,043</u>
Ending balance	<u>\$ -</u>

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the year ended December 31, 2016 there were no transfers between levels 1, 2, or 3.

The unfunded commitments and redemption information and redemption period are as follows at December 31, 2016:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective trust funds:				
NT Coll Russell 3000 Index Fund ^(a)	\$ 7,983,887	\$ -	Daily	N/A
Invesco - Balanced Risk Allocation Trust ^(b)	22,107,600	-	Daily	N/A

(a) The primary objective of the NT Coll Russell 3000 Index Fund, a collective fund for qualified plans, is to approximate the risk and return characterized by the Russell 3000 Index. This Index is commonly used to represent the broad U.S. equity market. This fund may hold units of the NT Collective Russell 2000 Index Fund - Non Lending and the NT Collective Russell 1000 Index Fund - Non Lending. This Fund does not participate in securities lending.

(b) The primary objective of this Trust is to outperform the Barclays Capital U.S. Treasury Bellwethers 3-Month Index by 6.00% over a rolling three- to five-year investment horizon. The Trust will strive to achieve this objective with a proprietary risk premium capture strategy that targets 8.00% portfolio risk and seeks to minimize the risk of large drawdowns with a risk-balanced investment process. Portfolio risk defined as the annualized standard deviation of Trust returns.

NOTE 12. 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 13. RELATED ENTITIES

The International Union has various related entities not included in the consolidation, which include a political and education fund (a separate, segregated fund of the International Union), two defined benefit pension plans, a defined contribution pension plan, a legal defense fund, and a voluntary employee benefits trust. These entities, as well as the Strike and Defense Fund, Supplemental Benefits Trust, Teamster Disaster Relief Fund, and James R. Hoffa Memorial Scholarship Fund, Inc., which are included in the consolidated financial statements, and amounts due to the International Union at December 31, 2016, are as follows:

Strike and Defense Fund	\$ (6,654)
Teamster Affiliates Pension Plan	5,109
Retirement and Family Protection Plan	671
Voluntary Employee Benefits Trust	236,000
Supplemental Benefits Trust	205,000
Hoffa Scholarship Fund	(250)
	<u> </u>
Total	<u>\$ 439,876</u>

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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.

The Supplemental Benefits Trust (the Trust) shares common Trustees with the IBT Voluntary Employee Benefits Trust (VEBA). During the year ended December 31, 2016, the VEBA applied for a line of credit with United Bank. The Trustees of the Trust approved to guarantee the repayment of up to fifty percent of any amount borrowed by the VEBA under this line of credit.

NOTE 14. 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 \$731,145 which represents the actuarially calculated accumulated benefit obligation. The accumulated benefit obligation represents the present value of future premiums to be paid by the International Union calculated using various assumptions for matters such as mortality and discount rate. The total recognized in net periodic benefit cost for the year ended December 31, 2016 totaled \$12,499.

NOTE 15. ACCRUED LEAVE

In compliance with "Compensated Absences," the International Union has established a liability of \$3,241,461 representing accumulated future absences of its employees through the year ended December 31, 2016, which is included under "accounts payable and accrued expenses" in the consolidated statement of financial position.

NOTE 16. COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE 17. AFFINITY PROGRAM

The International Union entered into an agreement with Capital One Financial (COF), formerly HSBC Finance Corporation (HSBC), 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. On August 9, 2011, COF announced the acquisition of HSBC's U.S. credit card portfolio. Accordingly, COF is legally obligated to assume all of the obligations and responsibilities of HSBC under its agreement with the International Union. This agreement provides COF the right to use certain intangible property belonging to the International Union, including the International Union's name, logo, trademarks, and membership lists, in exchange for specified royalty payments to be paid to the International Union. COF will be entitled to use this intangible property in connection with its efforts to market credit card and certain other financial products to members of the International Union.

Under this agreement, COF 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 COF, at least until the agreement's scheduled expiration date of February 28, 2019. In December 2014, this agreement was revised to extend the contract term from February 28, 2019 to December 31, 2023. This agreement will renew automatically for successive periods of one year each unless the International Union or COF notifies the other party of its intent not to renew the agreement at least twelve months prior to December 31, 2023.

International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

This agreement ensures that COF will make minimum royalty payments to IBT of no less than \$2.5 million per program year for each program year before March 1, 2014. Beginning March 1, 2014, COF will make minimum royalty payments of \$3.5 million per program year.

The International Union has entered into an agreement with Metropolitan Property and Casualty Insurance Company (MetLife) effective September 1, 2013. This agreement provides MetLife the exclusive right to market and sell home and auto insurance coverage to International Union members. In exchange, MetLife will pay an annual marketing fee of \$25,000 in each calendar year of the initial term of the agreement and an inquiry fee paid in installments per inquiry pursuant to this agreement. The initial term of this agreement is five years. The agreement will continue for successive annual terms until terminated by either the International Union or MetLife upon 180 days prior written notice to the other.

The International Union assigned any and all rights and interests it may have related to the above agreements to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

NOTE 18. 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:

<u>Year ending December 31,</u>	
2017	\$ 1,126,764
2018	1,021,273
2019	566,380
2020	101,378
2021	85,422
Thereafter	<u>250,491</u>
Total	<u>\$ 3,151,708</u>

Rental payments totaled \$2,634,099 for the year ended December 31, 2016.

NOTE 19. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets in the General Fund as of December 31, 2013, 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, 2016, temporarily restricted net assets consisted of \$506,396 for these activities.

NOTE 20. LOAN PAYABLE

During the year ended December 31, 2016, the International Union renewed its loan agreement (line of credit) and promissory note with Wells Fargo Bank to borrow amounts up to \$5,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment is due by August 31, 2018. As of December 31, 2016, the outstanding principal balance was paid off; however, the loan remains open for the International Union's working capital needs.

There was no interest expense for the year ended December 31, 2016.

NOTE 21. RISKS AND UNCERTAINTIES

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

NOTE 22. SUBSEQUENT EVENTS

The International Union has evaluated subsequent events through May 17, 2017, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

REPORT TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

FROM: The Independent Disciplinary Officers
Hon. Barbara S. Jones
Hon. Joseph E. diGenova

DATED: June 1, 2017

I. INTRODUCTION

The following is Magazine Report 3 of the Independent Disciplinary Officers (“IDO”) for 2017 regarding activities from April 1, 2017 through June 01, 2017 conducted pursuant to the Final Agreement and Order of February 17, 2015. This Report provides updates on four existing charges.

II. PROGRESS OF EXISTING MATTERS

A. FORMER LOCAL 186 OFFICERS WILLIAM ELDER AND DOUGLAS SAINT

On December 5, 2016, pursuant to Paragraphs 30 and 31 of the Final Agreement and Order, the Independent Investigations Officer (“IIO”) issued a Charge Report to the IBT General President recommending that charges be filed against former Local 186 Secretary-Treasurer and Principal Officer William Elder (“Elder”), and former Local 186 President Douglas Saint (“Saint”) for embezzlement of Union funds in violation of 29 U.S.C. §501(c), the permanent injunction in United States v. International Brotherhood of Teamsters and the IBT Constitution. In December 2015, they caused the Local to make over \$97,000 in unauthorized severance payments to themselves and two other former Local employees without a union purpose. The Report alleged that Elder and Saint engaged in embezzlement by causing the Local’s money to be paid to them and others without authority and not for a union purpose.

On December 8, 2016, the IBT General President adopted and filed the charge. On January 10, 2017, the IBT General Counsel requested a 30-day extension of the 90-day period in which the processing of the charges needed to be completed. The IRO granted the adjournment request, which moved the deadline to April 4, 2017. On January 25, 2017, the IBT scheduled a hearing for February 16, 2017. On February 14, 2017, in response to notification that Mr. Elder’s counsel had a court appearance scheduled for the date of the IBT hearing, the IRO granted an additional 60-day extension. On April 18, 2017, the IBT held the scheduled hearing, in Los Angeles, California.

On May 19, 2017, the IBT Hearing Panel found that the preponderance of the reliable evidence supported the charges against Elder and Saint. The Panel recommended that Elder and

Saint be barred from holding any office or employment with Local 186 or any other affiliate of the IBT for a period of five years, or until \$97,780.50 in restitution is paid in full, whichever occurs later. It further recommended that neither Local 186, the IBT, nor any IBT entities may pay Elder or Saint, nor may Elder and Saint accept any salary, gratuities, gifts, severance payments, allowances, consulting fees, benefits payments, or contributions, or other compensation of any kind, directly or indirectly, except that they may receive fully vested or accrued pension, vacation, or other benefits they have already earned under any existing plan or program. It further recommended that Elder and Saint be suspended from membership in Local 186 and the IBT for three years or until the restitution is paid, whichever is later.

On May 22, 2017, the General President adopted the Panel’s findings and conclusions and reissued their recommendations as a decision of the General President. The decision is under review by the IRO.

B. ROME ALOISE, PRINCIPAL OFFICER OF LOCAL 853, SAN LEANDRO, CALIFORNIA, INTERNATIONAL VICE PRESIDENT, PRESIDENT OF JOINT COUNCIL 7

On February 10, 2016, the Independent Review Board issued a Report to the IBT General Executive Board recommending that charges be filed against Rome Aloise (“Aloise”), an International Vice President, President of Joint Council 7, and principal officer of Local 853, for requesting and receiving things of value from IBT employers in violation of 29 U.S.C. §186(b) and Article XIX, Section 7(b)(2), (11) and (13) of the IBT Constitution. It also recommended that Aloise be charged with violating Article XIX, Section 7(b)(1) and (2) and Article XIV, Section 3 of the IBT Constitution, violating Article IV, Section 6 of the Local 853 Bylaws and bringing reproach upon the IBT in violation of Article II, Section 2(a) of the IBT Constitution through allowing an ineligible person to obtain membership and entering into sham collective bargaining agreements with The GrandFund. It was also recommended that Aloise be charged with bringing reproach upon the IBT through a pattern of misconduct designed to prevent a fair officer election in Local 601, including using union resources to support a candidate and subvert her opponents in violation of 29 U.S.C. §481(g); attempting to deny members’ LMRDA rights to free speech, to sue and to fair hearings; and breaching his fiduciary duties under 29 U.S.C. §501(a).

On February 23, 2016, General President Hoffa adopted and filed the charges. On March 18, 2016, the IBT scheduled a hearing for April 28, 2016. Subsequently, on March 31, 2016, the IBT requested the IRO grant an extension of the 90-day period in which to complete this matter. The IRO approved an extension to July 17, 2016. On April 7, 2016, the IBT issued a notice of new hearing dates in June 2016.

On May 25, 2016, the IDO received a letter from the IBT

regarding an indefinite postponement of the hearing because it was represented that the Department of Justice (“DOJ”) had informed Aloise that he was the target of a grand jury investigation. On May 26, 2016, the IRO denied an indefinite postponement for failure to show good cause.

On June 3, 2016, the IRO received a letter on behalf of the IBT stating that it was suspending the scheduled hearing on charges against Aloise until the conclusion of the DOJ’s criminal inquiry concerning him. In a letter dated July 18, 2016, which was the date when a completed action was to have been submitted to the IRO, the IRO found inadequate in the circumstances the Union’s actions, including its granting of a stay for an indefinite period of time. The IRO found the union had ignored a Second Circuit Court of Appeals decision that had found the General President’s Constitutional interpretation of Article XIX, Section 7(a) frivolous. The IRO directed the Union to complete a hearing and submit written findings to the IRO no later than September 15, 2016. The IRO also noted in that letter that failure of the Union to comply with that time table would constitute a second serious violation of the Final Order.

In an August 5, 2016 letter, the Union stated it would not convene a hearing on the Aloise charges. On August 9, 2016, the IRO sent a notice scheduling a de novo hearing for October 11, 2016. On September 13, 2016, Aloise’s counsel requested the IRO disqualify himself from the case. The IRO denied that request on September 27, 2016. On September 15, 2016, counsel for Aloise represented to the IRO that for health reasons he was not available for the October 11, 2016 hearing. On September 27, 2016, the IRO granted an adjournment of the hearing until November 30 because of counsel’s health issue. On October 11, 2016, the IRO, Benjamin R. Civiletti, submitted his resignation, for medical reasons, to USDC Judge Loretta A. Preska. On December 16, 2016, the Honorable Barbara S. Jones (Ret.) was appointed the new IRO.

On January 11, 2017, the IRO scheduled a de novo hearing. The hearing was held in San Francisco, California on March 14 and 16, 2017. The matter is pending decision before the IRO.

C. CHARLES BERTUCIO, MEMBER OF LOCAL 853, SAN LEANDRO, CALIFORNIA

On February 11, 2016, the Independent Review Board issued a Charge Report to the IBT General President recommending that a charge be filed against former Local 853 member Charles Bertucio (“Bertucio”) for bringing reproach upon the IBT and violating the IBT Constitution by knowingly engaging in a scheme to become and remain a member when he was not eligible, in violation of Article II, Section 2(a) and Article XIV, Section 3 and Article XIX, Section 7(b) (1) and (2) of the IBT Constitution. On February 18, 2016, IBT General President Hoffa adopted and filed the charges. On March 18, 2016, the IBT scheduled a hearing for April 21, 2016. On March 29, 2016, the IBT submitted to the IRO a proposed affi-

davit and agreement Bertucio signed. On April 26, 2016, the IRO did not approve the proposed agreement. Based upon a request from the IBT, the IRO approved an extension within which to complete the matter to August 30, 2016. The IBT scheduled a hearing for August 8, 2016.

On August 30, 2016, the General President issued a decision dismissing the charges against Bertucio. On October 26, 2016, the IRO found the IBT’s decision inadequate and requested a response from the IBT within 20 days as to the actions taken or planned to correct the identified deficiencies in the decision. On November 14, 2016, the IBT declined to correct the deficiencies in the decision. Upon review of the record, on January 25, 2017, the IRO found that the IBT’s action remained inadequate.

The IRO scheduled a de novo hearing for March 16, 2017. The hearing date was subsequently changed to April 19, 2017 in San Francisco. Prior to the hearing, the IRO received a Settlement Agreement signed by Bertucio. Under the terms of the Settlement, Bertucio agreed that for 20 years, he will not hold membership in the IBT or any IBT Entities; hold any employment, office, position or consulting or similar relationship, whether paid or unpaid, with any IBT Entities; accept any salary, allowance, fee or compensation of any kind from Local 853 or any other IBT Entities; accept any contributions on his behalf to any pension, health and welfare, severance or other benefit fund; or participate in any manner in any of the activities or affairs of the IBT and any IBT Entity relating to its governance, activities on behalf of its members, and collective bargaining. He further agreed that for five years, he will not hold any position on the Executive Committee of the James R. Hoffa Memorial Scholarship Fund, Inc. He further agreed that for one year, he will not knowingly associate with any officers, employees, or members of the IBT and any IBT entities. This prohibition includes social contact.

The IRO approved the Settlement Agreement on April 14, 2017, and thus cancelled the hearing.

D. WILLIAM C. SMITH, III, EXECUTIVE ASSISTANT TO THE IBT GENERAL PRESIDENT

On November 17, 2016, the IRO recommended to the General President that a charge be filed against IBT member and employee, William C. Smith, III (“Smith”), Executive Assistant to the General President, principal officer of Local 891 and Secretary-Treasurer of Joint Council 87, for accepting a thing of value from an employer of IBT members in violation of federal law, 29 U.S.C. §186(b), the permanent injunction in United States v. International Brotherhood of Teamsters, and the IBT Constitution, Article XIX, Sections 7(b)(2), (11) and (13). The report alleged that in January 2013, during contract negotiations between a local and an IBT employer in which International Vice President Aloise was participating, he solicited the IBT employer to obtain admissions for Smith and his companions to an exclusive non-public Super Bowl

party in New Orleans. These party admissions were things of value worth, at least, \$6,000. Smith knew Aloise requested the IBT employer to obtain the admissions for him. Smith received and used the admissions that the IBT employer obtained for him. The charge report alleged that Smith violated 29 U.S.C. §186(b), which prohibits an IBT employee from soliciting and receiving a thing of value from an IBT employer, and committed an act of racketeering in violation of the permanent injunction in the Consent Order.

On November 30, 2016, the IBT General President adopted and filed the Charge. On January 10, 2017, the IBT General Counsel requested a 90-day extension. On January 17, 2017, the IRO granted an extension to May 19, 2017. On March 21, 2017, the IBT held a hearing of the Charge.

On May 16, 2017, the IBT Hearing Panel found that the preponderance of the reliable evidence did not support the Charge against Smith and recommended it be dismissed, based on the Panel's conclusion that Smith did not believe the party admissions had value because he believed they were promotional items.

On May 17, 2017, the General President adopted the Panel's findings and conclusions and reissued its recommendation as a decision of the General President. The decision is under review by the IRO.

III. TOLL-FREE HOTLINE

The IDO hotline has received approximately 38 calls since April 1, 2017 reporting alleged improprieties. 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.

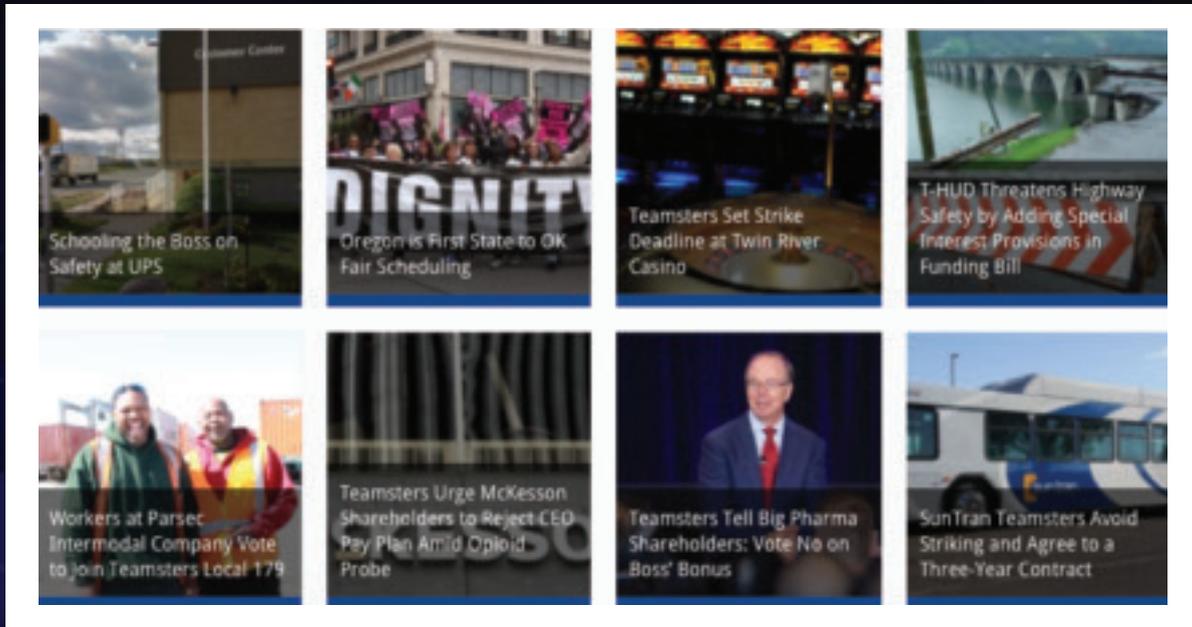
To ensure that all calls are treated confidentially, the system which records hotline calls is located in a secure area on a dedicated line in the Independent Investigations Office and accessed only by an Investigator. Please continue to use the toll-free hotline to report improprieties which fall within IIO jurisdiction by calling 1-800-CALL-472 (800-225-5472). If you are calling from within New York, NY, dial 212-600-1606.

IV. CONCLUSION

The task of the IDO is to ensure that the goals of the Final Agreement and Order are fulfilled. In doing so, it is our desire to keep the IBT membership fully informed about our activities through these reports. If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline number, or write to the Independent Investigations Officer Hon. Joseph E. diGenova for all investigations at the following IIO office address:

Hon. Joseph E. diGenova
Office of the Independent Investigations Officer
17 Battery Place, Suite #331
New York, NY 10004

Visit the TEAMSTERS UNION ONLINE



Teamster.org is the union's main website, but you can also visit your union on the Teamster Nation Blog and on social media such as Twitter, Facebook and Instagram.



Visit the Teamsters Union online to:

- Sign Petitions
- Support Strikers
- See Other Teamster News and Photos

Visit the Blog: Stay informed about your union at teamster.org/blog.

Listen to the Podcast: Available at Teamster.org/podcast.

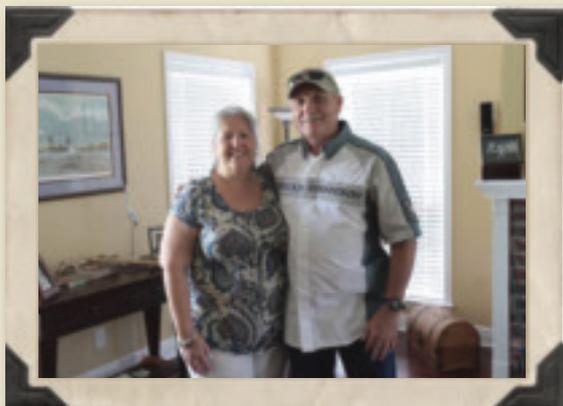
Follow the Teamsters on Twitter and Instagram, and Like the Teamsters on Facebook

Get up-to-the-minute updates about the Teamsters Union on Social Media.

GIVE TO TEAMSTERS DISASTER RELIEF FUND

The Teamsters Disaster Relief Fund is a charitable 501(c)(3) developed in 1991 to assist Teamster members who have suffered a loss from a disaster. The fund receives donations from local unions and their members.

For more information, or to make a donation, visit ibt.io/tdrfund



“My union is one of the few things that has helped... The Teamsters’ commitment to members knows no bounds. I knew they’d come here after Katrina hit, but to see what they did was above and beyond anything I could have ever expected.”

—TERRY BANG,
Mississippi Teamster Affected by Hurricane Katrina