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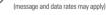
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he Teamsters have been vocal in their call for multiemployer pension reform for years. But now the union and its members are redoubling efforts and ramping up the fight to let lawmakers know what is at stake and how a piece of legislation is the right vehicle to fix the retirement mess facing some 1.5 million people nationwide.

In April, local union officials from all across the country trekked to D.C. to speak to their members of Congress about the importance of supporting the Butch Lewis Act of 2017, a bill that would boost financially-troubled multiemployer pensions so they don't fail.

They explained how their members and Teamster retirees are fearful for their futures if real change is not made. And they told elected officials how the nation's economy could be adversely affected if legislation to fix failing multiemployer pension plans doesn't happen.

That came only days after top Teamster officials briefed House and Senate staffers on the Hill, educating them about the Butch Lewis Act and the history of troubled pension plans.

As it stands, there are more than 300 multiemployer plans across the country—including the Teamsters' Central States Pension Fund—that are in danger of failing. The Joint Select Committee on Solvency of Multiemployer Pension Plans, co-chaired by Sen. Sherrod Brown (D-Ohio), needs to find a vehicle that will deliver for these hardworking Americans who are paying, or have paid, into the pension pool and have played by the rules all their lives.

Luckily, the Butch Lewis Act would solve the problem. Sen. Brown is the lead sponsor in the Senate, while Rep. Richard Neal (D-Mass.) introduced the bill in the House.

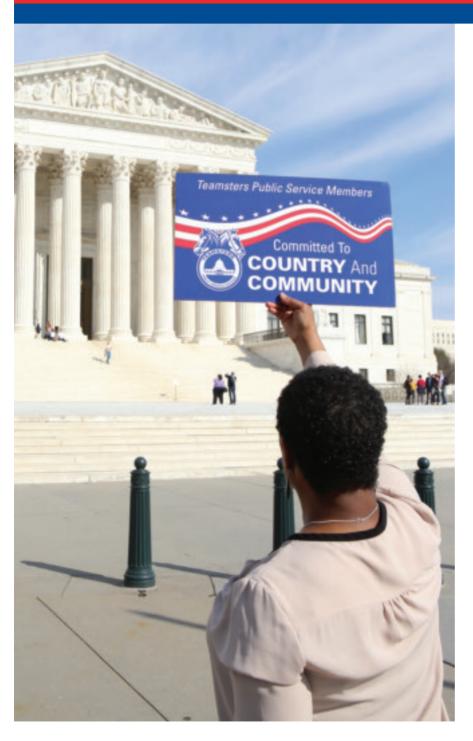
But this measure is not just a one-party plan. Republicans such as Reps. Peter King and Dan Donovan of New York, Chris Smith, Frank LoBiondo, and Tom MacArthur of New Jersey, Brian Fitzpatrick and Ryan Costello of Pennsylvania, Kevin Cramer of North Dakota, Don Young of Alaska and Jeff Fortenberry of Nebraska understand the value of the bill and should be lauded for supporting this legislation.

Workers and retirees aren't asking for a handout; they just want what is rightfully theirs. We urge the Joint Committee to endorse this legislation that will make retirees whole. They've waited long enough.

James P. Noffa)

# **TEAMSTERS DECRY SUPREME COURT RULING**

'Janus' Decision Is a Setback for Working People and Their Families



n June, the U.S. Supreme Court sided with anti-union advocates attempting to undercut the rights of millions of public employees to negotiate with their employers for a fair return on the value of their work.

By backing the plaintiffs in "Janus v. AFSCME," the high court's decision is an attempt to limit the collective voices of not only government workers, but those in the private sector as well.

"The Supreme Court's ruling is at a time when so many Americans are struggling just to make ends meet," Teamsters General President Jim Hoffa said. "The Teamsters and our allies in the labor movement will redouble our efforts to ensure that working men and women have a voice on the job through strong unions."

The median salary for working people represented by labor unions is \$11,000 a year more than nonunion people who have no right to negotiate.

"By overturning 40 years of judicial precedent, conservative judges endorsed an agenda supported by corporations and the wealthiest in our society to take away the right of public employees to negotiate over wages, benefits and working conditions," said Michael Filler, Director of the Teamsters' Public Services Division.

For more information, visit teamster.org/standing-strong.



n January, 170 warehouse employees of Gold Star Foods in Ontario, Calif. ratified their first-ever Teamster contract, but it wasn't easy. Gold Star Foods initially fought its workers' efforts.

What made the difference with Gold Star Foods? Schools. And a Teamster partnership with food justice advocates that turned an employer's bad attitude around.

"This is the culmination of hard work to build what has become a great working relationship between Gold Star and the Teamsters," said Randy Korgan, Organizing Director for Teamsters Joint Council 42 and Local 63.

That relationship began as a negative one. As Gold Star continued to ignore drivers' request for recognition, Local 63 enlisted allies to take the drivers' message directly to Gold Star's customers, including hundreds of school districts.

Local 572, which represents cafeteria managers at Gold Star's largest customer, the Los Angeles Unified School District (LAUSD), sent a letter to the LAUSD Board detailing several problems drivers faced that also affected school staff.

## **Good Food Purchasing Program**

In 2012, LAUSD voted to adopt the Good Food Purchasing Program (GFPP), a policy that rewards good

food procurement practices. The GFPP takes a holistic approach to procurement and awards points for five categories: local economies, nutrition, valued workforce, environmental sustainability and animal welfare. It's not enough for food vendors to give schools a low bid.

Local 63 reached out to the Food Chain Workers Alliance for help in ensuring LAUSD was properly enforcing the "valued workforce" category of the GFPP. The Teamsters pointed out that Gold Star, by refusing to bargain with the union, was in violation of GFPP policy. The union was in the middle of strike preparations when Gold Star reached out and expressed interest in sitting down to negotiate a contract. Both sides worked out an agreement that was ratified before the school year started.

"With a Teamster contract, my family has much more stability," said Raymond Aviles, a driver for Gold Star. "I can provide for my family and give my kids a better life."

"I think we convinced Gold Star it was in their interest to work with us instead of fight us," Korgan said. "We've demonstrated that a good relationship between employees and the Teamsters can actually help business."



# UPS, UPS Freight Contract Updates

To get the latest UPS and UPS Freight contract updates, sign up for the UPS Rising app where you can also find the current UPS contract and other news.

Download the app by searching "UPS Rising" in the App Store or Google Play. You can also follow the UPS Rising Facebook page for the latest updates.

Go to "UPS Rising" on Facebook.

Or visit
www.upsrising.org
to see all the UPS Rising
news.

Text "UPS" to 86466 to receive text messages alerts (message and data rates may apply).



Scores of Teamster business agents from all over the country descended on Capitol Hill recently to talk to their lawmakers about a top concern of the union: pension reform. There, they shared their stories about why House and Senate members, no matter what their party affiliation, should back the Butch Lewis Act of 2017.

These Teamsters told members of Congress that change must be made and what could happen to America's economy if failing multiemployer pension plans aren't fixed.

"Our local does get calls each day about pensions," said Zach Peterson, a business agent with Local 238 in Cedar Rapids, lowa. "This isn't just a Teamster issue. If this doesn't get resolved this will be a much larger economic issue. Many won't have money to spend."

Tracy Leone, also a business agent from Local 238, said ultimately the government is going to have to pay to help the 1.5 million people affected by underfunded multiemployer plans. So it should do the right thing. "We can spend money now or spend money later and hurt people we don't need to hurt," she said.

That's the message business agents took to their representatives. And it's one all on Capitol Hill should understand. Workers aren't seeking a bailout. They just want fairness.

For more information about pensions, including what you can do to help, turn to page 22.



orkers at Parsec, Inc. in Commerce, Calif. who belong to Local 986 have overwhelmingly ratified a first contract that provides substantial wage increases, a better and more affordable health care plan, real union representation and other major improvements.

"The overall contract is a new world for these workers," said Chris Griswold, President of Local 986 in South El Monte, Calif.

There are 950 workers in the bargaining unit. They voted to form their union in November 2016, the first of numerous organizing victories for the Teamsters in the intermodal rail transportation industry.

The workers will now have strong Teamster representation after being "represented" by an unscrupulous association.

"As Teamsters, they now have a real grievance procedure," Griswold said. "Before, they had grievance meetings over the phone with their business representative in Chicago. They now have full-time representation with Local 986. They will elect their shop stewards."

#### Other Benefits

Griswold said the contract contained a lot of good things for the workers.

"The wage increases are substantial and some of the workers had not received a raise in over five years," Griswold said. "We also negotiated the Team-



sters 401(k) plan with hourly contribution rates."

The health care plan is also improved and more affordable.

"The workers and their families can finally go to the doctor and they have a dental plan they can use," Griswold said.

"The new contract has wage increases for all my co-workers, and a progression rate that will unify everyone to the same pay rate at the end of the contract, eliminating a wage-tier system that has divided us for the last 23 years," said Rigo Pastrano, a ramp driver/crane operator who has worked at Parsec for 19 years. "We also have an upgraded medical plan that we can use without worrying about the high cost throughout the year."

The workers ratified the five-year contract in late May.



ulio Besue has worked at UPS for more than 20 years, starting not long after he left Coca-Cola Beverages Florida (CCBF) where he was a supervisor. A chance discussion in mid-May led to a life-changing vote for CCBF workers at the South Dade distribution center.

Besue, a UPS steward, was riding with Local 769 Secretary-Treasurer Roly Pina when Pina mentioned that there were rumors the CCBF driver's wanted to join the Teamsters. Besue pulled out his cell phone and called one of the guys who worked for him more than two decades ago.

"Julio called me and I said yes we want the Teamsters," said Humberto Alvarez, a 23-year CCBF driver.

That call took place on May 19,

2018. On June 22, 2018, the workers in the 48-person unit voted by a 3-to-1 margin to join the Teamsters.

"For me, this is liberty," said Alvarez after the vote. "They used to be the lion and we were the monkey tied up to the tree. Now there are two lions standing against each other."

## **A Latin Family**

Local 769 Business Agent David Renshaw noted that this was a united group who knew what they wanted.

"The real difference in this campaign is that the internal Latin family and community came together wanting this," Renshaw said. "The company ran an aggressive campaign, but the workers stood together to achieve a greater voice

on the job."

CCBF is based in Tampa and is one of the most profitable companies in Florida. However, the workers sought out the Teamsters to gain a voice on the job for safer working conditions, improved wages and retirement security.

Jorge Castillo observed the balloting and vote count on behalf of the workers. Immediately after winning the election Castillo was speechless for several moments when asked what this win meant to him and his family, including his parents who live with him. But with a smile and praise to God, he put it all in perspective.

"This is another win for freedom and democracy," said Castillo, a CCBF driver who emigrated to the U.S. from Cuba. "This is right up there with coming here."



# NEW DOCUMENTARY FOLLOWS TEAMSTER CARRIAGE DRIVERS



he Last Horsemen of New York," a new documentary, follows the story of the New York City carriage drivers fighting to save their industry. The drivers, who are members of the Teamsters Union, have been battling powerful interests trying to do away with their jobs.

The film follows carriage industry spokespeople Christina Hansen and Stephen Malone, both members of Local 553, in their day-to-day struggle to fend off extinction. Leading the charge for the carriages in the media is well known actor and New York resident Liam Neeson.

As the fight unfolds, a much broader story emerges about powerful interests against the common man and the role of secret unaccountable money that corrupts the political system.

For more information about the movie and where to watch it, visit www.lasthorsemenfilm.com.



# TEAMSTER NATION PODCAST

# **News for Working Families**

Check out the Teamsters Union's podcast at teamster.org/podcast

For more information, to listen or subscribe, visit teamster.org/podcast



# UNITEDITO



Leading the Way for Working Families



ith numerous challenges facing the Teamsters—including the Janus case, the spread of right to work and the crucial midterm elections—action and working together are more important than ever.

This was a major theme and focus for the more than 1,600 union leaders attending the 2018 Unity Conference in May.

"Every election year they say, 'This is the most important election in our lifetime,'" General President Jim Hoffa said. "Well guess what? In regards to the upcoming midterms, it's actually the truth. We've got to go to the polls and vote like never before."

Hoffa told union leaders that they must get their members to vote for candidates who will support working families.

"We've got a chance to take back the Congress this time," Hoffa said. "We've got to go out and fight for people who believe in us."

This also includes electing pro-worker governors in Illinois, Ohio and Michigan, among other states "who can block right to work," Hoffa said.

Other speakers echoed the theme.

"Over the course of the past year, both our membership and our assets have increased—but we need to remain vigilant," Teamsters General Secretary-Treasurer Ken Hall said.

"The middle class is under siege and that has to stop. The only thing that stands up for them is a strong labor movement," said Teamsters National Freight Division Director Ernie Soehl. "We need to stop corporate interests from buying influence toward elected officials. We need to focus on voting for government officials based on their views on labor, not on the issues that divide us."

"With Janus, right to work and the pension crisis, this is the time where solidarity and the word unity mean something very special," said Randy Cammack, President of Joint Council 42. "The strength of this great union has always been the solidarity of our membership, the solidarity of our leadership. This is the time to demonstrate that."

#### **Teamster Power**

Despite challenges, the Teamsters continue to grow thanks to aggressive organizing. The Unity Conference focused on the major organizing campaigns in pas-





senger transit, freight, airline, intermodal, warehouse and tankhaul.

Newly organized workers inspired conference attendees.

Tony Inglett, a fuel delivery truck driver at APP/World Fuel Services, waved a contract from the podium that he and his co-workers recently ratified—their first.

"This simple document means so much for me and my co-workers because it will help us get the fair treatment we deserve," said Inglett, who along with 89 co-workers joined Local 174 in Seattle and ratified their first contract early this year.

Katie Williams, a driver at Durham School Services in Chattanooga, Tenn., spoke just a few days before voting to join Local 327 in Nashville. Williams and her co-workers started organizing after a tragic 2016 school bus accident took the lives of six school children.

"Ever since that day we've been fighting for a voice and finally, with your help, we have been heard," Williams said.

Joe Chung, a driver at FreshPoint, a subsidiary of Sysco in southeast Florida, joined Local 769 in Miami. Chung and his co-workers recently ratified their first contract that provided significant wage increases, strong grievance procedures and job security for



members who faced management threats of facility closure, job losses and other reprisals when they first sought union representation.

"You guys changed our lives," Chung said. "Thank you for that."

Leroy Pass, a school bus driver at Durham in Metropolis, III., voted to join Local 50 in Swansea, III. in August 2017. Safety was a top concern for the workers, who have documented broken equipment, numerous mechanical problems and even airborne mold on the buses that went unaddressed by the company.

Pass talked about the importance of unity as the campaign to organize Durham workers continues.

"We are a chain," Pass said. "What affects you, affects me. Don't let Durham find that weak link in that chain and break that chain. We must stand together."

Devon Horner, a warehouse loader at Sysco in Post Falls, Idaho, voted recently to join Local 690 in Spokane, Wash. Horner and his co-workers ratified their first contract recently after approving a strike-authorization vote.

"The company did not respect seniority and our health care continually got worse," Horner said. "We figured the best way to get treated with respect was to organize as Teamsters. We got a solid first contract and we look forward to making further gains in the future."

# **Major Challenges**

Leaders discussed the serious repercussions from the Janus v. AFSCME case, an anti-union effort to eliminate fair-share fees in the public sector. Several leaders shared how they are preparing for the court decision's impact.

In lowa, the state's Republican-led government passed a new law where workers were forced to revote on whether to remain in their union. Local 238, with the help of the International Union, was forced to run 69 state-sponsored recertification elections for 2,200 bargaining unit members.

"A funny thing happened on the way to the funeral," said Jesse Case, Secretary-Treasurer of Local 238 in Cedar Rapids, Iowa. "We won. We won because we know how to organize."

Of the 1,888 members who voted, 1,828 voted to remain with the Teamsters–97 percent of voters.

Gabrielle Carteris, President of the Screen Actors Guild-American Federation of Television and Radio

# ORGANIZERS DISCUSS BUILDING TEAMSTER POWER

eamster organizers from local unions,
Joint Councils and the International Union
shared ideas and strategies about building
Teamster power during an organizing conference that coincided with the Unity Conference.

This year's theme was "Building a Better Local Union: Powerhouse Targeting."

Attendees learned an overview of the key elements for building a strong local union organizing program, how to pick organizing targets that maximize success and building local union



power. They also learned about building local union organizing capacity and heard stories about what local unions are doing, including a suc-

cessful volunteer organizing program at Local 777 in the Chicago area.

"We do a lot of local union organizing already but it was valuable to hear all the examples that were discussed and seeing if we can use some of these strategies," said Catherine Cobb, President of Local 2010 in California. "It's also helpful to learn about all the national campaigns the Teamsters are working on now."

"I will take much of this information back to our members," said Jackie Spears, Local 2010 Trustee who began as a steward like Cobb. "All these anecdotes about successful organizing really shows that we can all work together for the members."

Sami Gabriel, President of Local 320 in Minnesota that represents public employees, talked about the importance of internal organizing. About 18 months ago, the local began a campaign that asked public employee members to recommit to their membership. As a result, the number of full-membership public employees has increased from 78 percent to 86 percent as the union prepared for the Janus decision.

"Internal organizing is just as important as external organizing," Gabriel said.

# LEADERS LEARN LATEST AT DIVISION MEETINGS

nity was a great opportunity for local union leaders to come together to connect, share stories and resources.

Leaders of local unions that represent workers in the Trade Show and Convention Centers Division discussed the influence of automation and the importance of training and preparing workers for the changes coming in the industries.

"We need to start working technology into our contracts; that is the number one issue. With robots at check-in and more places, technology is really impacting these jobs," said Tommy Blitsch, Secretary-Treasurer of Local 631 in Las Vegas.

Other meetings at Unity offered attendees the chance to discover that what they thought of as a regional problem unique to their local actually affected several locals across multiple regions, as was the case at the AWG (Associated Wholesale Grocers) meeting.

Issues related to hiring and turnover at an AWG facility in Kenosha, Wis. are not unique in that it is also occurring in Memphis and other locations. Due to AWG's inability to hire, retain and properly train workers, current employees are facing long hours and grueling working conditions where quality control and timeliness are disregarded.

"Right now the biggest thing for our guys is the hours and long days, the quality of life, money and organizing the

nonunion locations," said Tom Bennett, President of Local 200.

At the Sysco meeting. which was standing room only, attendees shared horror stories that workers are experiencing every day. Workers face high levels of intimidation and threats of shutdowns when organizing takes place. At Sysco subsidiary FreshPoint, contract negotiations were dragging. But after workers approved a strike-authorization vote and threatened a strike, the company finally got serious and bargained a contract, which workers ratified.

"The company's mistreatment drove us to the point where we weren't going to accept it anymore, and we had support all across the country" said Joe Chung, a FreshPoint driver.







Artists (SAG-AFTRA), talked about the importance of getting younger people, women and under-represented people involved with the labor movement.

"Young people have the potential to reinvigorate our movements with fresh ideas and new energy," Carteris said. "If we do not walk the walk of labor and reflect the true diversity of our country and our workforces, how long do you think we remain strong?

"We need to change and we need to grow," she said. "They (members) need to see themselves in the ranks of the leadership."

Francois Laporte, President of Teamsters Canada, presented an overview of the key projects he and his colleagues are tackling, which includes organizing in construction, dairy, the armored car industry, freight, food processing and beverage. Teamster leaders in Canada are also closely involved with the NAFTA renegotiations, making sure the interests of all Teamsters are protected.

"Like never before, we need to stick together, to fight together," Laporte said.

# **Taking Action**

International Union Vice President George Miranda, President of Joint Council 16 in New York City, talked about the union's tremendous response to hurricanes Harvey, Irma and Maria, the latter of which was the worst disaster to ever hit Puerto Rico.

"After Hurricane Maria, more than 500 members



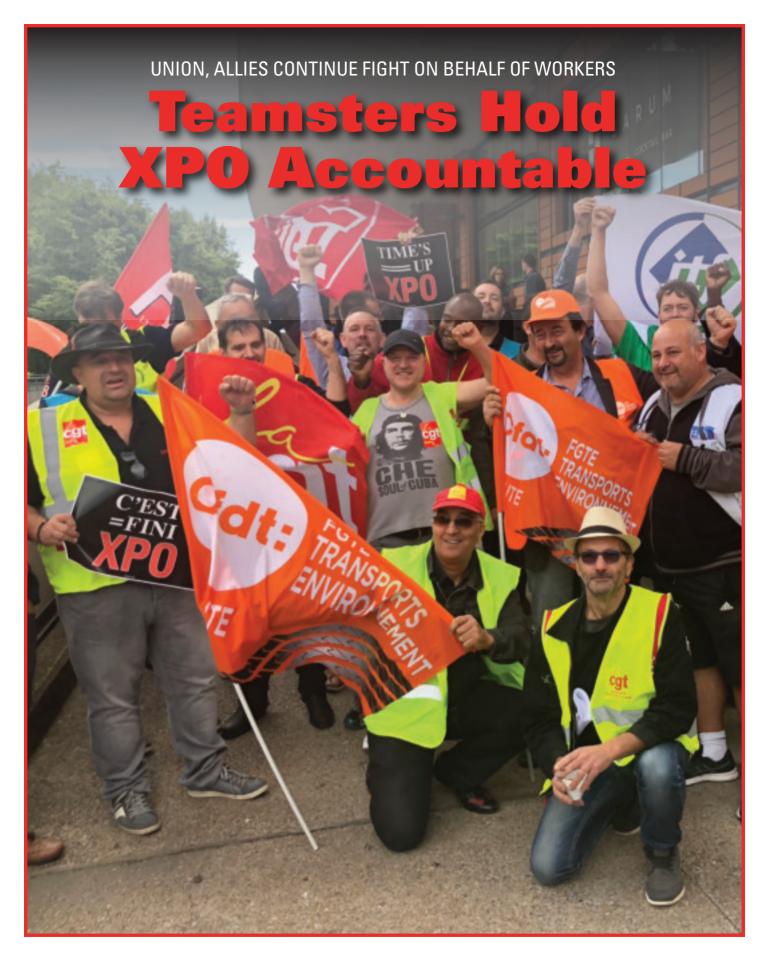
contacted Joint Council 16 and the IBT offering to help," Miranda said. "About 100 members were selected and they spent two weeks delivering water, food and supplies in Puerto Rico. I've never been so proud of this union."

Miranda introduced Marcos Cruz, a member of Local 631 in Las Vegas. Crus sold his motorcycle so he could afford to make the trip to help people in Puerto Rico.

"Within 45 minutes of arriving I was picking up water from the airport and delivering it," Cruz said. "I'm extremely grateful to have been given the chance to help."

Several times at Unity, leaders heard about the abhorrent conditions that XPO Logistics' workers are facing at a warehouse in Memphis, Tenn. Workers face rampant sexual harassment, unsafe working conditions, and a total lack of respect. One worker, Linda Neal, died on the job and her body was left unattended for more than a half hour as her colleagues worked around her body. Workers at the Memphis facility are fighting to form their union, and the overall situation has been the focus of media attention in recent months.

"We will organize XPO and bring justice to the workers," Hoffa said. "We are the beacon of hope. We are a strong union. We have the ideas. We will bring justice to Linda Neal and her memory and everyone at XPO and we'll do it together."



Logistics is an American company headquartered in Greenwich, Conn. The company's CEO is Bradley Jacobs, who is notorious for buying companies, consolidating them by cutting worker wages and benefits, and then sells the company off to gain a hefty profit. His game plan is simple; Jacobs flips companies for personal gain at the expense of middle class and low wage workers, whose lives are ruined at the end of the day. And XPO is Jacobs' latest but also his largest project.

Within the last couple of years, XPO became one of the largest transportation and logistics service companies in the world. Here's how large this company is: XPO expands across 32 countries that include the United States, Europe, and Asia, employs over 95,000

- Freight Brokerage (FTL) similar to LTL but carries larger and heavier packages that cannot break down into units
- Warehouse stores, packages, distributes and tracks products for customers in its supply chain

So, what does all this mean? Well, because they're virtually in every sector and operate around the globe, XPO is the only company that can manage, package and distribute products from start to finish. No other company has that type of capacity. Yet, despite all of that visibility, Jacobs and the company itself are virtually unknown. Bradley Jacobs and XPO might be unknown, but their customer list is quite the opposite.

For starters, not only is the list over 50,000 strong, it



workers in almost 1,500 locations around the globe and serves in every division. Here's the breakdown:

- Less-than-Truckload (LTL) handles small packages and freight that can be broken down into units
- Last Mile home delivery service and it's built into the company' supply chain
- Supply Chain provides all-around product support to customers
- Global Forwarding the ability to ship products anywhere with no restrictions on size, weight or mode
- Intermodal or drayage presence in every key port and gives the capability to move freight door-to-door

includes some big names like Verizon, DHL, Nike, Disney and Amazon—big-time customers with big-time reputations to uphold and millions of people to keep happy.

You see, Jacobs and XPO are far from upstanding. Jacobs will cut every corner he can with no regard for anyone else's livelihood if it means more dollars in his pocket—from hiring union busters to intimidating workers, cutting health insurance while raising the cost for coverage, outsourcing, sub-contracting or eliminating jobs completely, stealing millions of dollars in workers' wages, to even letting a woman die on a warehouse floor. Why? Because packaging iPhones for Verizon was more valuable than her life.

Bradley Jacobs and XPO are the epitome of corporate greed and the reason why unions are needed. Which is why XPO workers throughout the 32 coun-

tries and the unions who represent them are fighting back against XPO's constant oppression and worker abuse by banding together to create an international coalition to take on the company's anti-worker, anti-union stance.

# International Coalition to Fight XPO's Anti-Labor Practices

In July 2017, the International Workers' Transport Federation (ITF), which represents over 16.5 million workers in 654 transport workers' unions in 148 countries worldwide, created an XPO global leadership task force with the Teamsters and the European Workers Transport Federation (ETF) with a simple goal in mind: for XPO to be held accountable for their labor violations throughout the world. Here are just a few of the endless and inhumane labor violations by XPO.

- In Spain, pregnant women in warehouses are known to hide their pregnancy until the last moment, because those who are pregnant are not reallocated adequately to safe jobs. They are visibly made to do jobs like standing in the middle of the warehouse all day counting pallets.
- In France and Belgium, XPO is delaying the payment of overtime while women workers are not given promotion opportunities, even if they are already doing the same job as men who are

- recognized as specialists, which results in pay inequality.
- In the United States, the NLRB found XPO guilty of misclassifying and unjustly firing workers, 13 federal charges filed against XPO for sexual harassment and a wrongful death suit, after a woman working at an XPO-operated warehouse in Memphis, Tenn. packaging and distributing Verizon products, died after being denied medical attention.

## The Horror in Memphis

To put things in perspective, it's important to lay out the demographic in the Memphis warehouse. XPO management is majority white male while the workers are predominantly African-American women. There are multiple off-duty police officers from the Memphis Metropolitan Police Department, Mississippi's Olive Branch Police Department, along with private security, acting as security in the warehouse. There are at least six safety managers assigned to different sections and multiple workers who are CPR certified. There are also close to 20 different temp agencies operating within the warehouse, which leaves a lot of the women workers vulnerable and susceptible to intimidation, harassment and abuse. And on Oct. 17, 2017, that abuse cost the life of one woman.





These are the facts.

Shortly after the morning shift started, Linda Neal went to her XPO supervisors multiple times asking to leave work or take a break because she wasn't feeling well. XPO denied every single one of her requests and forced her back to work.

Less than an hour later Linda Neal passed out on the warehouse floor hitting her head so hard there was a puddle of blood next to where she laid. That puddle of blood would not be cleaned up for two days.

Workers immediately rushed to Neal's aid to perform CPR, however, before they were able to get to her XPO supervisors stopped them and told them to get back, don't touch her or you're terminated.

At this point, one would think to call 911. No. Not only did XPO not call 911 for help, neither the safety managers nor off-duty police officers rendered aid. Instead, they proceeded to make the workers continue working around Linda Neal's body while supervisors proceeded to hold a 30-minute meeting over her body on whether to call 911.

The 911 call would come 56 minutes after Neal passed out. The 911 call would not be for help. The 911 call would be for DOA—dead on arrival.

XPO waited an hour to call for help while forcing workers to continue working around her body. They did not call Neal's family, a co-worker of hers had to. And when Neal's son Dean Turner arrived at the warehouse, a man who introduced himself as the vice president of XPO told him that his mother died "very, very peacefully" and there was nothing they could do to help her.

But there was.

When the medical examiner's report concluded, it



found that Neal was having a heart attack. She could have been saved.

A day after her death, Neal's fellow XPO co-worker Tasha Murrell-Bohanna made a call to the Teamsters for help. Three days later the Teamsters were on the ground, but only to find out her death wasn't the only unfathomable incident taking place behind XPO's doors.

Throughout the following days, weeks and months, the Teamsters interviewed numerous women and obtained multiple records that include the medical examiner's report, the initial police report, the 911 call and the horrific treatment the workers endure every day. Again, here are the facts.

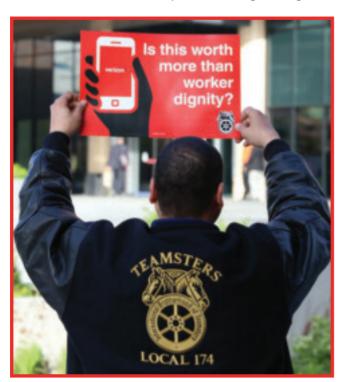
- The Teamsters used the Freedom of Information Act (FOIA) to obtain the 911 call that showed it was not made for 56 minutes and the call was not for emergency help, it was for a DOA
- Medical examiner's report concluded Neal died of a heart attack
- It was learned that Neal had previously passed out at work at least twice before due to exhaustion
- Her son Dean Turner stated that she complained to him and her family on a daily basis about the warehouse infrastructure: no air conditioning or heat, ceiling falling in, the overall filth of the warehouse and other complaints
- After conducting multiple interviews, it was found that workers passing out from exhaustion, overheating and dehydration is a common issue in the warehouse
- No ventilation system in the warehouse and workers are not allowed to wear jackets

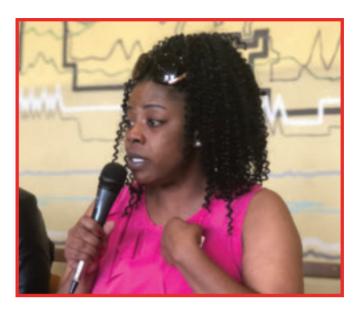
- Ceiling is coming down and has hit people in the head in the warehouse, which also has mold, dust, snakes and spiders
- Multiple accounts of sexual harassment/ discrimination
- Fires occur from forklifts, and management does not evacuate the building
- Making women take their bras off to work, grabbing women, making unwanted sexual advances
- Multiple women had miscarriages in the warehouse as a result of being worked to exhaustion, the most recent occurring within the last few months

Because of Murrell-Bohanna's brave decision to come forward, she empowered women like Lakeisha Nelson, Elizabeth Howley and numerous others to come forward and tell their stories. And slowly, one story became five, and five became 13. One by one, women shared stories of sexual harassment, discrimination, abuse and losing their unborn children, all at the hands of XPO's inhumane practices and policies.

"I feel proud that I made the step to expose XPO for their wrong and unethical practices," Murrell-Bohanna said. "We do have people in this world who care about equality, and I stand here today to say to all XPO employees our voices are heard."

Linda Neal's death and the stories from the women inside XPO's warehouse sparked outrage and gener-





ated support and actions from major women's advocacy groups and civil rights organizations at the national level. Organizations like the National Women's Law Center, A Better Balance and the NAACP all rallied around the workers by writing joint letters with a list of demands to XPO and Verizon, providing legal representation and speaking out at events.

"In the beginning, I truly didn't think things would happen like this, or this fast," Nelson said. "Knowing we have changed so much in such little time is amazing. To have other locations reach out and speak out against violations they endure is empowerment all in itself. Tasha made that call and changed lives around the world."

# International Coalition and Shareholder Meetings

In May 2018, seven months after that fateful day in the Memphis warehouse, Murrel-Bohanna and Nelson attended Verizon's shareholder meeting in Seattle. It was at the shareholder meeting where they addressed Verizon's CEO and Executive Board of Directors with one ask—a pledge that they would conduct a transparent and independent investigation into XPO's practices and demand better treatment and policies. And the women were not alone in their fight.

ITF General Secretary Steve Cotton issued a letter to Verizon leadership demanding they take action by conducting an independent review to eradicate harassment and discrimination in Memphis, following Linda Neal's death and multiple sexual harassment charges filed against XPO.

Those demands from Cotton and the ITF for XPO to come to the table and address the issues of XPO workers were denied. Verizon, on the other hand, shared their concern and remains open to fulfilling the demands.



Verizon accepted the demands from the XPO warehouse workers and immediately wrote a letter to XPO stating, "We will be monitoring XPO's actions in response to this matter closely, and it will inform the basis of any decisions Verizon makes regarding the future of our contractual relationship with XPO."

Then, on May 15, 2018, the international task force sent a union delegation representing five countries to XPO's United States shareholder meeting. The union delegation that represents XPO workers from across Europe and the United States asked the company to seek answers about the death of Linda Neal and to address the growing number of sexual harassment charges filed in the United States. However, the lack of answers XPO gave were mindboggling. XPO denied all allegations of wrongdoing and Jacobs and the board of directors kept their backs to the union speakers throughout the shareholder meeting.

Following XPO's shareholder meeting in the United States, the international task force once again sent a union delegation to XPO's shareholder meeting in Lyon, France to renew the call for XPO to address issues workers face including gender discrimination, sexual harassment and dangerous working practices.

During the meeting in France, a protest outside the hotel also took place coordinated by the three French unions representing XPO workers, as well as a three-hour strike at XPO facilities across France. But XPO showed the same lack of empathy and response to any of the issues raised and refused to address the growing concern of outside groups—and the support is growing stronger by the day.

The fight for justice, the fight against the corporate greed of XPO, the fight for workers' rights, for workers' dignity and respect, will not stop.

# #WeAreXPO

For more information on the XPO campaign, visit teamster.org, check out the XPO exposed Facebook page or check out @Teamsters on Twitter and Instagram. Use the hashtag #WeAreXPO.



ocal 174, based in Tukwila, Wash., has had incredible success in the tankhaul industry lately.

Tankhaulers are skilled drivers who transport liquids and gases. The work is dangerous, but what they do keeps homes warm, fuel tanks full and oxygen flowing.

Recently, 23 drivers at Airgas, who deliver liquid air to everyone from hospitals to soda fountains, voted to join Local 174. The victory came after a brief but vicious anti-union campaign by the company. Airgas brought in union-busting attorneys to hold regular anti-union meetings with the drivers, and to ride along with them throughout the day spewing anti-union rhetoric.

"Despite the company's best efforts to brainwash the employees against forming a union, these Airgas drivers voted in favor of themselves and their families," said Local 174 Director of Organizing Meaza Ogbe.

"With this organizing victory, Local 174 is taking the lead on building strength at Airgas in the West," said David Jacobsen, Local 174 business agent and Western Region Tankhaul Director.

Don Graham, from Auburn, Wash., has been working for Airgas for almost seven years. He joins more

than 700 other Airgas Teamsters around the country.

"In the last few years, there has been a lot of discrepancy in wages and there has been no reason or explanation given for it," Graham said. "The local has been outstanding. I've been a Teamster before so I know a lot of these people and they're all great to work with."

#### **Other Tankhaul Victories**

APP/World Fuel Services Teamsters with Local 174, who recently negotiated a groundbreaking tankhaul contract, also helped out with the organizing effort at Airgas.

"Several APP brothers had a huge impact in organizing Airgas. I hope to shake their hands again," Graham said.

Some of those APP drivers also appeared at this year's Unity Conference, which included a segment on their contract.

In March, another group of tankhaulers joined Local 174. Nearly 150 aircraft fuelers, dispatchers and mechanics employed by Swissport were successful in their effort to join Local 174. The mostly-immigrant workgroup is based at SeaTac airport, and is responsible for fueling all commercial aircraft departing from that airport.

**LOCAL 327** 

#### **Durham School Services**

School bus drivers and monitors who work at Durham School Services voted recently to join Local 327 in Nashville. The 269 workers will join thousands of other Durham employees nationwide already represented by the Teamsters.

From the beginning of the nearly yearlong organizing effort, safety issues have been at the top of the agenda. Drivers and monitors started organizing after a tragic 2016 school bus accident took the lives of six school children.

"After the accident, the drivers and monitors were concerned because there were still serious safety issues and the workers didn't feel like they had a voice. That has been a big part of the organizing effort," said Local 327 President Joe Bennett. "What we saw on the buses, it just affected the drivers, monitors and students."

Other workplace issues were also important, such as wages, benefits, seniority and an end to favoritism on the job.

Durham actively pressures workers not to join the union, creating division and hostility in the workplace. But Bennett is committed to working with every Durham worker in Chattanooga, bringing them together to demand much-needed

improvements.

**LOCAL 542** 

## **Republic Services**

Republic Services landfill workers became the third company-affiliated unit in the San Diego area to organize with Local 542 when they voted to join the union recently.

By a 28-5 vote, heavy equipment operators, mechanics, laborers and weigh station scale house attendants decided on April 4 to join the Teamsters after a two-month campaign. Wages, benefits and job security are top concerns for the 35 workers in the unit.

Jaime Vasquez, Secretary-Treasurer of Local 542 in San Diego, said the workers stood strong despite efforts to sway their decision.

"The company hired an anti-union outfit to try to convince the employees not to vote for the union," he said. "But obviously it didn't work."

**LOCAL 856** 

#### **SRCEA**

In April, 450 members of the Santa Rosa City Employees Association (SRCEA) voted to become Local 856 members.

The members are technical, professional and clerical workers who serve the city of Santa Rosa as code enforcement, IT, administrative technicians, customer service representatives, civil engineering techni-

cians, building inspectors, waste water operators, parking operations aids and more.

"Through their leadership, the SRCEA Board have demonstrated a track record of providing city employees in Santa Rosa with strong representation," said Local 856 Secretary-Treasurer Peter Finn.

**LOCAL 683** 

#### Sysco

On May 2, inventory control workers at Sysco in Riverside, Calif. voted to join Local 683 in San Diego. There are seven workers in the bargaining unit.

"This is our second attempt with the inventory control group," said Local 683 Secretary-Treasurer Todd Mendez. "We wouldn't have been able to do this without the help of Sysco warehouse and transportation workers, in being united and encouraging them to stay strong and to not give into the fear factor."

Local 683 represents two major hubs; Sysco San Diego and Riverside.

"We are now wall to wall in San Diego and Riverside. That's a big accomplishment," Mendez said.

"This was stressful because it was clear the company did not want us to do this, but I had to do what was best for my family," said Nadine Rodriguez, an inventory control worker at Sysco Riverside. "We were having issues. We needed somebody to represent us, which is why we turned to the Teamsters for help. The support we have gotten is amazing."

LOCAL 777

## **First Student**

With more than 80 percent voting in favor of union representation, school bus monitors at First Student in Westmont, Ill. have become the newest members of Local 777.

"These workers have spoken loud and clear," said Jim Glimco, President of Local 777 in Lyons, Ill. "They want the same benefits enjoyed by a vast majority of the First Student drivers and monitors in DuPage County who are covered by a Teamster contract."

The workers will immediately be covered by the First Student National Master Agreement. With the addition of the Westmont yard, the Teamsters now represent every single First Student bus monitor in DuPage County.

"Monitors at First Student in Villa Park and Glen Ellyn reach a \$15 per hour rate, why not us?" said Bertha Adams, a monitor at First Student Westmont with 15 years of experience. "It's not just about wages, either. A Teamster contract will also bring us job security, representation and guaranteed safety standards for our vehicles."

# Take Action to Protect Pensions!

Working men and women across the country are facing a national crisis as more than a hundred multiemployer pension plans face the threat of insolvency in the next 10 years. These critical and declining plans are on the verge of collapse because they don't have enough money to pay promised pensions to retirees and workers.

Congress must act to help millions of Americans facing an uncertain future as their retirement security is threatened through no fault of their own. The Joint Select Committee on Solvency of Multiemployer Pension Plans was established in February 2018 and is tasked with reporting recommendations and a legislative solution to the pension crisis to Congress by Nov. 30, 2018.

The Teamsters Union supports the passage of the Butch Lewis Act of 2017, it is the only legislation that would fully protect your hard-earned pension.

Let the members of the committee and your own representatives in Congress know that any legislative solution must keep pensions whole for both active and retired workers. Let them know you support the Butch Lewis Act!

# JOINT SELECT COMMITTEE ON SOLVENCY OF MULTIEMPLOYER PENSION PLANS

DEMOCRATS	Phone - DC	Phone – District	Twitter	
Sen. Sherrod Brown, Ohio, Co-Chair	202-224-2315	216-522-7272	@SenSherrodBrown	
Sen. Joe Manchin, West Virginia	202-224-3954	304-342-5855	@Sen_JoeManchin	
Sen. Heidi Heitkamp, North Dakota	202-224-2043	701-232-8030	@SenatorHeitkamp	
Sen. Tina Smith, Minnesota	202-224-5641	651-221-1016	@SenTinaSmith	
Rep. Richard Neal, Massachusetts	202-225-5601	413-785-0325	@RepRichardNeal	
Rep. Bobby Scott, Virginia	202-225-8351	757-380-1000	@BobbyScott	
Rep. Donald Norcross, New Jersey	202-225-6501	856-427-7000	@DonaldNorcross	
Rep. Debbie Dingell, Michigan	202-225-4071	313-278-2936	@RepDebDingell	

# Central States Pension Fund Economic IMPACT Overview

The Central States Southeast and Southwest Areas Pension Fund is facing an unfunded liability of \$17.2 billion, the largest of all multiemployer plan shortfalls. The economic impact would be staggering if the plan was allowed to fail. Nearly 400,000 active and retired workers would suddenly face an uncertain future as their retirement security disappears. Here is a snapshot of what that could mean to the American economy.\*

378,786

Total Number of Central States Participants in U.S.

1,335
Central States
U.S. Employers





# Things You Should Know About the Butch Lewis Act

#### **Active and Retired Workers Benefit**

The loans made possible under the Butch Lewis Act will not only enable plans to secure the pensions but also free up remaining assets and future contributions to fully protect benefits for active workers.



# Cut and Failed Plans Can be Helped

Plans that cut benefits to pensioners will be able to restore full benefits, and plans that have already failed will be able to use the loans to become financially stable.



#### Not a Bailout

The money for the loans issued to troubled plans would come from Treasuryissued bonds sold to financial institutions. The loans would be paid back over a 30-year term and the pension plans would be closely monitored by the Treasury Department to ensure they maintain financial stability.





REPUBLICANS	Phone - DC	Phone – District	Twitter
Sen. Orrin Hatch, Utah, Co-Chair	202-224-5251	801-524-4380	@senorrinhatch
Sen. Lamar Alexander, Tennessee	202-224-4944	615-736-5129	@SenAlexander
Sen. Mike Crapo, Idaho	202-224-6142	208-334-1776	@MikeCrapo
Sen. Rob Portman, Ohio	202-224-3353	614-469-6774	@robportman
Rep. Virginia Foxx, North Carolina	202-225-2071	828-265-0240	@virginiafoxx
Rep. Phil Roe, Tennessee	202-225-6356	423-247-8161	@DrPhilRoe
Rep. Vern Buchanan, Florida	202-225-5015	941-951-6643	@VernBuchanan

202-225-2190



37,684,637

Contributions Made on Fund Participants in U.S. 815,638,558



Annual **Benefits Paid** 

Annual Taxes Paid



Rep. David Schweikert, Arizona

\$41,246,5

480-946-2411

Risk in U.S.



@RepDavid

\*Source: Voices for Pension Security, Central States Southeast and Southwest Areas Pension Fund



he benefits of hiring a union driver instead of an independent operator are obvious to Teamsters.

Every once in a while, it becomes obvious to

large multinational corporations.

"Bimbo bakeries is our largest employer, and throughout the years I've consistently pushed them to think differently about their distribution methods, specifically their independent operator model," said Dave Dudas, Teamsters Bakery and Laundry Conference Director and Local 52 Secretary-Treasurer. "Over time, the company has bought out their independent operators (IOs) and given those bread routes to Teamster drivers. This has led to greater sales for the company, which in turn has led to more earnings for our membership."

The Teamsters Union and Bimbo Bakeries provide a fantastic model for building mutually beneficial relationships for union members, the companies where they work and the customers they serve.

## Tulsa, Okla.

Mergers can be a major challenge for Teamsters. New ownership will often push for layoffs, more nonunion drivers and various other cuts. When Bimbo Bakeries bought Sara Lee seven years ago, however, Local 886 in Tulsa, Okla. saw a major opportunity.

"We had about 60 small towns around the city where we had an independent operator carrying the Bimbo brands, and a Teamster driver carrying the Sara Lee brands, so the company was sending two trucks to the same location," said Local 886 President Tom Ritter. "They bought out the IOs and gave those routes to us. They saved money, our drivers made more of it."

It wasn't just the savings from cutting overhead. Bimbo Bakeries noticed that the Teamster routes were bringing in more revenue as well. IOs purchase individual routes and have no obligation to make sales outside of their agreement with the company. Teamster drivers, however, bid their routes by seniority. As employees, they have to perform to the company's expectations and commission is the largest piece of their salary.

Will Hand is a Local 886 member and a secondgeneration Teamster. He's been driving a bread route for 25 years. His father was also a Teamster that drove a bread route, and he used to ride in his cab as a child, so he likes to say he's been on a bread route since he was four years old.

"Not only did we take the routes the IOs weren't interested in, we started pitching store owners on different brands that they weren't carrying before," Hand said. "Now consumers in rural areas are getting access to Bimbo products that previously weren't available where they lived. A lot of it is just trial and error on items that haven't been in the market before—finding out what works and what doesn't. We're making more money because we have a collaborative relationship with the company; we can try new things and experiment. Ever since we started this, drivers in my depot are making anywhere from \$150 to \$300 more per week."

## Kansas City, Mo.

After the success of the pilot program in Oklahoma, the company approached Dudas about a large-scale project that he had been advocating for a number of years—transitioning an entire geographic area into a Teamsters-only distribution network. The Bakery and Laundry Conference successfully negotiated a plan for Bimbo Bakeries to transition all of the IO routes in the Kansas City metropolitan area to Teamster drivers. Just like in Tulsa, the move has led to increased sales, particularly in Bimbo brands that the Teamsters previously weren't selling such as Oroweat, Entenmann's and Thomas'.

"We anticipate that the company will be able to scale up in Kansas City to at least 16 more small-stop routes to cover more than 800 locations that we currently do not service," Dudas said. "The significance of the Kansas City project cannot be undervalued. The company was under no pressure to transition from IOs to Teamster route sales, but because of this program we are adding new members and our existing members have greater job security."

Local 955 President Jerry Woods echoed Dudas' assertion about the importance of the program.

"Before the implementation of this program, we controlled less than 35 percent of the bread routes in the Kansas City metropolitan area," Woods said. "Now we control more than 50 percent, and pretty soon it will be 100 percent. We knew that at a certain point the company was going to switch over to either our drivers or IOs completely. We needed to figure something out, and we did."

Bill Welch has been a Teamster driver for 13 years, and he was on the front lines of the Kansas City project.

"The IOs were happy with what they had and they weren't pushing for any growth," Welch said. "Most of them were only working two to three days a week, and they had empty shelves because they weren't hustling as much. Teamster drivers are reliable; we do these routes every day. We're now carrying three times as much product and everyone is making more money."

## **Salt Lake City**

After the success of Kansas City and Tulsa, the program expanded into Salt Lake City. Local 222 had been trying to get Bimbo Bakeries to switch routes from IOs to Teamster drivers for eight years. Right as the negotiations between the company and the local were stalling, the Bakery and Laundry Conference intervened. Based on the success of the programs in Kansas City and Tulsa, Bimbo agreed to hand over the IO routes for Thomas', Oroweat and Entemann's

products to Teamster drivers.

Conservative estimates for the Salt Lake City program suggest that Teamster drivers will be generating at least \$7 million in sales for the company, with revenue only increasing as Teamster drivers take over the routes. Local 222 Vice President Marty Cowan said that the dedication of Teamster drivers played a role in the company's decision to switch over the routes from the IOs.

"They are bringing this product onto our routes with the expectations that sales goals will be higher and they will be met with our drivers," Cowan said. "If our drivers weren't dedicated, this offer would not have even been on the table in the first place. We've got great brothers and sisters who take pride in their work. When you have that pride and dedication, you reap the benefit, which is higher sales and more money."

Cowan added that the program was helpful in taking on the challenges posed by representing workers in a right-to-work state.

"We've got more than 90 percent of our drivers signed up on cards, and with this new program I think it's going to be even higher," Cowan said. "Everything positive that comes from this deal is going to make more drivers become members. I got a call from a driver who hasn't been a member for seven years, and now he wants to sign up."

In a rapidly changing economy where trade unionists throughout the world are looking for innovative ways to adapt to globalization, automation and increased corporate power, the success of the Bakery and Laundry Conference's program provides a valuable lesson that carries weight for everyone in the Teamsters Union.

"We're not just seeing this in the bread industry," Woods said. "In transportation, in warehouses— everything is changing. If we don't figure out how to move with the future, we're going to be left in the history books. We can't be stubborn, become a dinosaur and end up having workers out there who aren't represented. We have to change with the times."



# AMTRAK CONTRACTS RATIFIED BY BLET AND BIMWED

WAGES, HEALTH CARE SECURED IN BOTH



n April, Amtrak contracts covering the members of the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the Brotherhood of Maintenance of Wav Em-

ployes (BMWED) were ratified.

By better than a 9-to-1 margin, members of the BLET ratified their new collective bargaining agreement with Amtrak. The final tally was 90.5 percent in favor and 9.5 percent against, with nearly 65 percent of eligible members casting a ballot. The agreement applies to more than 1,400 locomotive engineers who operate Amtrak's

passenger and commuter trains over its 21,000-mile, 46-state route system.

"This contract protects the work rules that our Amtrak members work under while also capping their health care contributions and providing real wage increases," said Dennis Pierce, President of the BLET.

#### **Union Station Teamsters**

The day after the ballots were counted, several engineers talked about the contract and their union at Washington, D.C.'s Union Station, one of Amtrak's busiest locations.

"I think the contract is fair." said Jerone Hodges, a 17-year member who originally worked for Norfolk Southern. "The job security and health care are very good."

Another engineer, Stephen Johnson, said, "I'm glad we have the services, support and rights that come with being part of the union."

Hodges and Johnson are members of BLET Division 482 in Washington, D.C.

"Given the stalemated status of our previous collective bargaining efforts with Amtrak prior to the

settlement of the 2017 National Freight Agreement, and the exorbitant health care costs proposed by the carrier at that time, it stands plainly evident that this agreement



represents a significant improvement in both general wage increases and employee health care contributions over the life of the agreement, and without forfeiture of any existing work rules," said Mark Kenny, BLET General Chairmen for Amtrak.

# **BMWED Secures Amtrak Contract**

Also in April, BMWED members at Amtrak ratified their new contract by an overwhelming 95 percent, BMWED members build and maintain rail and related structures throughout the nationwide system.

The BMWED expects the new pay rates and retro-pay to go into effect by the end of June.

"Overall, we protected the members against the vicious and sustained assault Amtrak management pursued through most of the bargaining round," said Freddie Simpson, BMWED National Division President and Teamsters International Vice President.

"Our bargaining committee worked hard to reach this new

agreement which resolved the wage, benefits and work rules dispute that began on Jan. 2, 2015. The new agreement, which expires on Dec. 31, 2021, ensures that our

> members will see wage increases and that their health care is protected," Simpson said.

## **High Praise**

In a political environment that is increasinaly difficult for collective bargaining, this agreement protects work rules, is not overbearing on the members in the form of health insurance costsharing, and provides for modest but consis-

tent wage raises. It also avoided additional mediation and/or a potential Presidential Emergency Board, as well as a repeat of binding arbitration, which settled the last bargaining round with Amtrak in 2014.

"I think we did pretty good with the contract," said Bill Zeller, a BMWED member for the past 10 years, who works on the building and bridges team at Union Station in Washington, D.C.

A new member, Ray Crowder, has been with the union and Amtrak for the past nine months, but he already had high praise for the experience. "I love working here," Crowder said.

"The agreement protects wages against predicted inflation and preserves the health plan but it was particularly challenging to arrive at this given how the process is politically driven by some of the most anti-labor forces to ever hold political office," said Jed Dodd, Chairman of the BMWED Amtrak bargaining committee and General Chairman of the Pennsylvania Federation.



eamsters employed at ABF Freight System, Inc. have ratified the national master portion of a new national agreement that covers approximately 8,500 drivers, dockworkers, mechanics and office workers.

The agreement consists of the national master portion as well as 27 regional and/or job classification supplements. All of the supplements, however, must also be approved before the tentative national agreement is considered fully ratified and can take effect. Although the vast majority of supplements were approved by the affected membership, some supplements were not.

At press time, a number of those remaining supplements have already been addressed and approved by the members and negotiators were working on addressing issues related to the few supplements that remain unresolved. The national negotiating committee has been working closely with the supplemental committees in an effort to facilitate

a fair resolution of the outstanding issues.

ABF members initially voted on the tentative new national agreement in April and early May.

The bargaining committee put together to represent Teamsters in negotiations with ABF was made up of dedicated and experienced Teamsters from all regions of the country. Each member of the committee was connected with the ABF membership. Some members of the committee were former ABF employees with significant insight into ABF's operations. Attorneys, economists and administrative staff were made available to assist the bargaining committee and the committee made full use of these resources throughout the process.

Prior to the start of negotiations, the Teamsters National Freight Industry Negotiating Committee (TNFINC) conducted member surveys, solicited and accepted proposals from every affected ABF local union, and spoke with many ABF members and local union business agents. TNFINC's econo-

mists studied the company's finances as well as the state of the economy. The initial exchange of proposals took place in December 2017. The parties met for multiple weeks from January through March for negotiations. The union's negotiating team worked hard. Ultimately, 100 percent of the committee supported and endorsed the tentative agreement.

## **Multiple Improvements**

Below are some of the more significant changes contained in the new agreement.

Vacation Restoration: Restoration of the vacation week that was previously given up under the last contract was a top priority of the members. TNFINC was successful in gaining back the 2008-13 vacation schedule based on eligibility and years of service. Because each ABF supplement addresses the earning and accrual of vacations differently, the removal of the one week was also handled differently across the U.S. during the 2013 and 2014 period. To ensure fair-





NEGOTIATORS WORKING ON RESOLVING SUPPLEMENTAL AGREEMENTS

# National Portion of ABF NMFA Ratified

ness and compliance with the contract, the vacation schedule will essentially be restored in a similar manner to which it was removed so that no member is disadvantaged under a particular supplement's rules.

**General Wage Increases and** Bonus: The union successfully opposed the company's attempt to have only a bonus in the first year of the agreement and no wage increases for the life of the agreement. Instead, effective each July 1 of the agreement, hourly wages and mileage equivalents will increase by 30 cents, 35 cents, 40 cents, 45 cents and 50 cents in the last year. Total increases, absent any COLAs, will grow by \$2 per hour or 5 cents per mile for road drivers over the term of the contract. In addition, the union was able to also leverage the recently enacted tax cut legislation and secure a \$1,000 lump sum signing payment for all active, full-time employees upon ratification (casuals who worked 300 hours between Sept. 1, 2017 and March 31,

2018 get a \$500 bonus). Lastly, casuals will see annual wage improvements each year of the contract after seeing their rates frozen for long periods at various points over the last two NMFAs.

**Health and Welfare Funds Preserved:** The union's negotiating committee knew that maintaining superior health benefits for members and their families was a top priority for ABF Teamsters coming into talks. From the outset, however, the company was looking to radically alter how all benefits are delivered to Teamsters and was insisting on having all future health and welfare contributions be "fixed" with hard numbers at rates lower than what it was paving to most funds. In the end, the union's negotiating committee prevailed in requiring the company to continue to stay in all health and welfare plans.

More Protections against the Use of Purchased Transportation: The red circle protections have been increased and updated and a method established for backfilling the red circle list. Additionally,

the overall amount of allowable purchased transportation has been reduced.

Other provisions of the new agreement include maintaining pension contribution rates; improved paid-time-off protections; improvements to equipment and safety; tightened disciplinary standards regarding alleged "dishonesty"; and leave of absence protections.

In addition to the many improvements, the union committee was able to defeat several attempted company takeaways, including demands for no wage increases, taking away holidays and overtime cuts.

"The union held its ground and made it clear we would not accept concessions and that we needed to address our members' priorities, both of which we were able to achieve," said Ernie Soehl, Director of the Teamsters Freight Division.

For updates, visit teamster.org/abf-contract-update.

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#### Teamsters Local 688

The Quinlisk family is ready to defeat Prop A.



### Teamsters Local 792 @Teamsters792

On behalf of our entire membership we'd like to thank you ALL for your support during our strike at @JJTaylorMN. All along it was about our right to a safe work environment and that is exactly what we won! We couldn't had done it without you! THANK YOU SO MUCH!



#### Teamsters Local 117

Thank you, Teamster families, for volunteering your time on a Saturday to assemble homeless care packages and showing your support for striking teachers!



## **Teamsters** Local 986 @Teamsters986

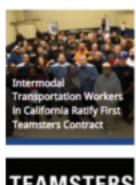
Teamsters 986 Sentinel Transportation Tanker Drivers in Los Angeles Hit the Picket Lines Today (May 24) in Unfair **Labor Practice** Strike.

Sign Up for Updates—Text "IBT" to 86466 (message and data rates may apply)

😈 Follow **@teamsters** on Instagram

# Visit the

# **TEAMSTERS UNION ONLINE**



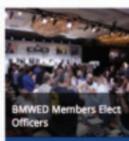


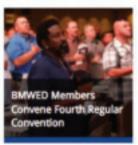












Teamster.org is the union's main website, but you can also visit your union on the <u>Teamster Nation Blog</u> and on social media such as Twitter, Facebook and Instagram.



# 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.

# UNION'S ASSETS CONTINUE TO GROW

he strength of the International Brotherhood of Teamsters comes from the membership, but our financial strength makes much of what we do possible. The union is organizing, negotiating and upholding contracts and providing assistance to our affiliates. All this has been made possible by building on our union's financial strength.

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. A strong strike fund sends a strong message to employers that we will not back down. Our strike fund is there to assist members working under large, national agreements as well as smaller contracts, and we are proud to be in a position to offer such assistance.

I'm proud to report that, through April 2018, we have more than \$197 million in our strike fund. That's up \$20 million from April of last year.

In fact, through April 2018, the total assets in the General Fund and the Strike and Defense Fund exceed \$326 million, up \$32 million from last year.

In my years as General Secretary-Treasurer, my office and



#### INDEPENDENT AUDITOR'S REPORT

Members of the General Executive Board of the International Brotherhood of Teamsters

#### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the International Brotherhood of Teamsters (the International Union), which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the International Union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the International Union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Brotherhood of Teamsters as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

#### Other Reporting Required by Government Auditing Standards

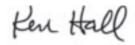
In accordance with Government Auditing Standards, we have also issued our report on our consideration of the International Brotherhood of Teamsters' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the International Brotherhood of Teamsters' internal control over financial reporting and compliance.

Novak francella LLC

Bala Cynwyd, Pennsylvania May 23, 2018

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those we work with have done all we can to be strong fiduciary stewards of your membership dues. The Teamsters Union and our members are more secure than most thanks to astute financial foresight and I expect this to continue into the future.



#### International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**DECEMBER 31, 2017** 

		General Fund	Strike and Defense Fund	S	Hoffa cholarship Fund	Teamster saster Relief Fund	pplemental Benefits Trust	Eli	iminations	Total
ASSETS										
Cash and cash equivalents Receivables, net	\$	34,238,472	\$ 2,045,924	\$	101,693	\$ 893,287	\$ 1,301,060	\$	- \$	38,580,436
Trade		19,626,113	33,500		-	-	584,980		(1,108,334)	19,136,259
Grants and contributions		552,702	-		31,609	-	-		-	584,311
Accrued investment income		11,498	177		2	-	143		-	11,820
Due from/(to) related entities		371,140	60,566		-	-	(197,500)		-	234,206
Other		107,854	-		-	-	-		-	107,854
Inventories		325,360	-		-	-	-		-	325,360
Prepaid expenses		694,560	-		51,667	-	-		-	746,227
Investments		37,247,245	194,332,753		18,607,715	-	16,706,973		-	266,894,686
Security deposits and other		426,741	-		27,084	-	7,500		-	461,325
Property and equipment, net		33,694,924	-		-	-	-		-	33,694,924
Total assets	\$	127,296,609	\$ 196,472,920	\$	18,819,770	\$ 893,287	\$ 18,403,156	\$	(1,108,334) \$	360,777,408
LIABILITIES AND NET AS	SSE	TS								
LIABILITIES										
Accounts payable and										
accrued expenses	\$	15,978,016	\$ 1,119,784	\$	6,500	\$ -	\$ 45,301	\$	(1,108,334) \$	16,041,267
Scholarship awards payable										
within one year		-	-		522,167	-	-		-	522,167
Unexpended scholarship awards		-	-		612,500	-	-		-	612,500
Accrued pension cost		2,367,806	-		-	-	-		-	2,367,806
Accrued postretirement benefits of	C	841,258	-		-	-	-		-	841,258
<b>-</b> ,										
Lotal liabilities		10 187 080	1 110 78/		1 1/1 167		45 301		(1 108 334)	20 384 008
Total liabilities		19,187,080	1,119,784		1,141,167	-	45,301		(1,108,334)	20,384,998
Total liabilities  NET ASSETS		19,187,080	1,119,784		1,141,167	-	45,301		(1,108,334)	20,384,998
		19,187,080 107,603,133	1,119,784 195,353,136		1,141,167	-	45,301 18,357,855		(1,108,334)	20,384,998
NET ASSETS	_				1,141,167 - 17,678,603	- 893,287	,		(1,108,334) - -	
NET ASSETS Unrestricted	_	107,603,133			-		,		-	321,314,124
NET ASSETS Unrestricted Temporarily restricted		107,603,133 506,396	195,353,136		- 17,678,603	893,287	18,357,855		-	321,314,124 19,078,286

See accompanying notes to consolidated financial statements.

#### International Brotherhood of Teamsters CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

	General	Fund	Strike and Defense Fund	Hoffa Scholarship Fund	Teamster Disaster Fund	Supplemental Benefits Trust	
	General	Temporarily	i unu	i uliu	i unu	Hust	
	Unrestricted	Restricted	Unrestricted	Restricted	Restricted	Unrestricted	Total
REVENUE AND OTHER SUPPORT							
Per capita and initiation fees	\$ 159,773,122	\$ -	\$ 22,485,939	\$ -	\$ -	\$ - 9	182,259,061
Grants and contributions	3,674,110	-	-	82,700	525,568	-	4,282,378
Special fundraising events	-	-	-	9,009	-	-	9,009
Affinity program	-	-	-	-	-	3,793,313	3,793,313
Investment income, net	3,103,463	-	15,010,417	1,474,943	-	1,233,210	20,822,033
Sales of supplies, net	60,957	-	-	-	-	-	60,957
Loss on disposal of property	(16,872)	-	-	-	-	-	(16,872)
and equipment							
Other	1,710,545	-	-	23,842	-	-	1,734,387
Total revenue	168,305,325	-	37,496,356	1,590,494	525,568	5,026,523	212,944,266
EXPENSES							
Program services							
Member services							
Communications, magazine and							
public relations	8,865,565	_	_	_	_	_	8,865,565
Financial assistance to affiliates	16,582	-	-	-	-	-	16,582
Industry trade divisions and	-,						-,
relations	36,950,224	-	-	_	-	-	36,950,224
Strike and defense	1,845,570	-	8,167,537	-	-	-	10,013,107
Research, education and training	16,131,131	-	-	-	-	275,509	16,406,640
Retiree relations, scholarships							
and other	68,930	-	-	1,375,218	-	-	1,444,148
Organizing	19,704,286	-	-	-	-	-	19,704,286
Other	10,354,129	-	-	-	213,000	442,802	11,009,931
Affiliation fees	10,691,571	-	-	-	-	-	10,691,571
Government affairs	9,547,773	-	-	-	-	-	9,547,773
Legal and litigation	5,917,877	-	-	-	-	-	5,917,877
Civil RICO	10,208,945	-	-	-	-	-	10,208,945
Teamster Affiliates Pension Fund	11,500,000	-	-	-	-	-	11,500,000
Convention	1,562,757	-	-	-	-	-	1,562,757
Total program services expenses	143,365,340	-	8,167,537	1,375,218	213,000	718,311	153,839,406
Supporting services							
Administration and governance	8,559,749	-	-	8,553	446	392,978	8,961,726
Total expenses	151,925,089	-	8,167,537	1,383,771	213,446	1,111,289	162,801,132
CHANGE IN NET ASSETS	16,380,236	-	29,328,819	206,723	312,122	3,915,234	50,143,134
NET ASSETS							
Beginning of year	96,768,261	506,396	166,024,317	17,471,880	581,165	14,442,621	295,794,640
Other pension and postretirement							
adjustments	(5,545,364)	-	-	-	-	-	(5,545,364)
End of year	\$ 107,603,133	\$ 506,396	\$ 195,353,136	\$ 17,678,603	\$ 893,287	\$ 18,357,855	340,392,410

See accompanying notes to consolidated financial statements.

# <u>International Brotherhood of Teamsters</u> CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2017

		General Fund		Strike and Defense Fund	Sc	Hoffa cholarship Dis Fund		Supplemental Benefits Trust		Total
CASH FLOWS PROVIDED BY (USED FOR) OPER	ATIN	G ACTIVITIES	3							
Cash received from	•	150 641 040	ď	22 422 027	ď	•		•	ď	191 072 076
Affiliated conferences, joint councils and local unions	\$	158,641,949	\$	22,432,027	\$	- \$	-	\$ -	\$	181,073,976
Investment income		1,123,192		5,837,657		699,510	-	555,290		8,215,649
Other revenue and reimbursements		5,228,494		67,000		91,709	525,568	3,739,795		9,652,566
Net cash received		164,993,635		28,336,684		791,219	525,568	4,295,085		198,942,191
Cash disbursed to										
Service providers, suppliers, vendors and others		(148,197,211)		(6,283,045)		(1,108,153)	(213,446)	(1,124,750)		(156,926,605)
Affiliated conferences, joint councils and local unions		(7,680,192)		-		-	-	- 1		(7,680,192)
Members for benefits under Strike Benefit Assistance		-		(1,511,378)		-	-	-		(1,511,378)
Net cash disbursed		(155,877,403)		(7,794,423)		(1,108,153)	(213,446)	(1,124,750)		(166,118,175)
Net each and ideal by (see differ)										
Net cash provided by (used for) operating activities		9,116,232		20,542,261		(316,934)	312.122	3,170,335		32,824,016
oporating doubles	_	0,1.0,202		20,0 .2,20 .		(0.0,00.)	0.12,122	3,1.0,000		02,021,010
CASH FLOWS USED FOR INVESTING ACTIVITIES	3									
Proceeds from sale or redemption of investments		33,064,173		183,985,432		7,639,378	-	9,585,303		234,274,286
Purchase of investments		(41,421,702)		(204,499,715)		(7,721,821)	-	(12,540,041)		(266,183,279)
Purchase of fixed assets		(2,244,814)		-		-	-	-		(2,244,814)
Disposal of fixed assets		165,204		-		-	-	-		165,204
New loans to affiliates		(100,000)		-		-	-	-		(100,000)
Payment of loans by affiliates		46,843		-		-	-	-		46,843
Net cash used for investing activities		(10,490,296)		(20,514,283)		(82,443)	-	(2,954,738)		(34,041,760)
NET INCREASE (DECREASE) IN CASH		(1,374,064)		27,978		(399,377)	312,122	215,597		(1,217,744)
CASH AND CASH EQUIVALENTS										
Beginning of year		35,612,536		2,017,946		501,070	581,165	1,085,463		39,798,180
End of year	\$	34,238,472	\$	2,045,924	\$	101,693 \$	893,287	\$ 1,301,060	\$	38,580,436
RECONCILIATION OF CHANGE IN NET ASSETS	TO N	IET								
CASH PROVIDED BY (USED FOR) OPERATING A										
Change in net assets	\$	10,834,872	\$	29,328,819	\$	206,723 \$	312,122	\$ 3,915,234	\$	44,597,770
Net appreciation of investments		(2,052,007)	•	(9,221,173)	•	(799,436)	_	(696,487)		(12,769,103)
Depreciation expense		2,127,973		-		-	_	-		2,127,973
(Increase) decrease in assets		, ,-								, ,-
Receivables		(1,326,510)		67,091		3,975	-	(53,518)		(1,308,962)
Inventories		72,085		-		-	_			72,085
Prepaid expenses		294,181		_		(16,667)	_	_		277,514
Security deposits and other		(12,596)		_		-	_	_		(12,596)
Due to/from related entities		68,736		(53,912)		250	_	(7,500)		7,574
Increase (decrease) in liabilities				, , ,				,		
Accounts payable and accrued expenses		2,844,897		421,436		(13,279)	_	12,606		3,265,660
Unexpended scholarship awards		-		-		301,500	-	-		301,500
Accrued pension cost		(3,845,512)		-		-	-	-		(3,845,512)
Accrued postretirement benefits cost		110,113		-		-	-	-		110,113
NET CASH PROVIDED BY (1955) 50-1										
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$	9,116,232	\$	20,542,261	\$	(316,934) \$	312,122	\$ 3,170,335	\$	32,824,016
OI ERATINO ACTIVITIES	φ	ع,۱۱۵,۷۵۷	φ	∠∪,∪ <del>+</del> ∠,∠∪ I	φ	(J10,304) Þ	512,122	ψ 5,170,555	φ	JZ,UZ4,U10

See accompanying notes to consolidated financial statements.

# <u>International Brotherhood of Teamsters</u> NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

#### 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 postsecondary 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 nonmonetary 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.

YEAR ENDED DECEMBER 31, 2017

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 are 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

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

differ from those estimates.

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.

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

# <u>International Brotherhood of Teamsters</u> NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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, 2017:

Per capita and initiation fees	\$ 18,204,173
Due from Strike and Defense Fund	1,108,334
Unsecured notes receivable	229,949
Affinity programs	584,980
Other	 117,157
	\$ 20,244,593

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 \$32,980,468, which were not insured by the Federal Deposit Insurance Corporation as of December 31, 2017

The International Union also maintains cash at a Canadian financial institution, which is insured up to \$100,000. As of December 31, 2017, the International Union's cash in the Canadian financial institution in excess of insurance coverage totaled \$4,249,464 in Canadian dollars (approximately \$3,333,841 U.S. dollars).

The Supplemental Benefits Trust maintains its cash with a financial institution. As of December 31, 2017, the Supplemental Benefits Trust's cash in excess of FDIC insurance coverage totaled \$1,031,364.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2017, the Teamsters Disaster Relief Fund's cash in excess of FDIC insurance coverage

totaled \$643,287.

#### NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government totaled \$552,702 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, 2017 is summarized below:

	Cost	Fair Value		
Common stock	\$ 516,981	\$	1,902,173	
Corporate bonds	26,291		2,489	
Mutual fund - equity	38,683,285		54,399,761	
Mutual funds - fixed income	200,171,243		202,795,814	
Money market mutual fund	7,794,449		7,794,449	
	\$ 247,192,249	\$	266,894,686	
,	\$ 	\$		

#### YEAR ENDED DECEMBER 31, 2017

Investment income for the year ended December 31, 2017 consisted of the following:

					Hoffa	Su	ipplemental	
	General		Strike and	S	cholarship		Benefits	
	Fund	Defense Fund		Fund		Trust		Total
Interest and dividends	\$ 1,130,880	\$	5,837,566	\$	699,507	\$	555,430	\$ 8,223,383
Net realized and unrealized								
(loss) gain on investments	2,052,006		9,221,173		799,436		696,487	12,769,102
Investment expenses	(79,423)		(48,322)		(24,000)		(18,707)	(170,452)
	\$ 3,103,463	\$	15,010,417	\$	1,474,943	\$	1,233,210	\$ 20,822,033

#### 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 3	31.	2017
-------------------------	----	------------	-----	------

	Total	Level 1	Level 2	Level 3
Common stock - all cap value	\$ 1,902,173	\$ 1,902,173	\$ -	\$ -
Corporate obligations	2,489	-	2,489	-
Mutual fund - equity	54,399,761	54,399,761	-	-
Mutual funds - fixed income	202,795,814	202,795,814	-	-
Money market mutual fund	7,794,449	7,794,449	-	
	\$ 266,894,686	\$ 266,892,197	\$ 2,489	\$ -

# International Brotherhood of Teamsters NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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, 2017, 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, 2017:

Land - headquarters	\$ 794,117
Headquarters building	51,932,166
Leasehold improvements	26,000
Furniture and fixtures	5,416,619
Equipment	4,642,115
Data processing equipment	2,673,154
Computer software	4,680,598
Automobiles	93,281
Work in process	1,590,833
	71,848,883
Less accumulated depreciation	(38,153,959)
Net property and equipment	\$ 33,694,924

Depreciation expense for the year ended December 31, 2017 was \$2.127.973.

#### 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:

#### YEAR ENDED DECEMBER 31, 2017

- 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, 2017 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 12/31/17	No	N/A

Legal Name of Pension Plan	Contributions to the Pension Plan 12/31/2017	Contributions to the Pension Plan greater than 5% of total Pension Plan Contributions (Plan year ending)	Employer Contribution Rates 12/31/2017	Number of Active Participants being Contributed for 12/31/2017
The Teamster Affiliates Pension Plan	\$ 11,500,000	Yes	N/A	456

	Funding Improvement Plan or Rehabilitation Plan Implemented	n or Surcharge paid to		Minimum contributions required in future by CBA, statutory requirements, or other contractual requirements.			
Legal Name of Pension Plan	or Pending?	IBT?	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 \$13,500,000 in 2018. 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, 2017

#### 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" which 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, 2017 as provided by the Plan's actuary:

	2017	
Projected benefit obligation Fair value of plan assets	\$(159,331 156,964	
Funded status	\$ (2,367	,806)
Accumulated benefit obligation	<u>\$(139,975</u>	<u>,832)</u>
Amounts recognized in the statement of financial position: Noncurrent assets Current liabilities Noncurrent liabilities	\$ (2,367	- - .806)
Amounts in net assets not recognized as components of net periodic benefit cost: Accumulated net gain or (loss) Prior service costs (credit)	\$(47,841,65,7 65,7 \$(47,775,9	<u>'16</u>
	Pension <u>Expense</u>	Pension Obligation
Weighted-average assumptions: Discount rate	4.25%	3.75%
Expected return on plan assets Rate of compensation increase	7.00% 3.50%	7.00% 3.00%
Employer contributions	<u>\$ 16,000,000</u>	
Benefits paid	<u>\$ 15,018,288</u>	
Net periodic pension cost	\$ 6,679,304	

#### YEAR ENDED DECEMBER 31, 2017

The International Union's expected contribution to the Plan for the year ended December 31, 2018 is \$16,000,000. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

\$ 15,424,172
14,394,599
14,999,740
13,693,360
13,081,080
59,390,688
\$

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%

The major classes of plan investments at December 31, 2017 are:

	<u>Fair Value</u>
Mutual funds	\$ 119,731,318
Collective trust funds	34,101,552
Money market mutual fund	<u>112,801</u>
	<u>\$ 153,945,671</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.

YEAR ENDED DECEMBER 31, 2017

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, 2017					
	Total	Level 1	Le	vel 2	Le	vel 3
Mutual funds Money market mutual fund	\$ 119,731,318 112,801	\$119,731,318 112,801	\$	- -	\$	-
Total assets in the fair value heirarchy	119,844,119	\$119,844,119	\$	-	\$	-
Investments measured at NAV	34,101,552					
Total Investments	\$153,945,671					

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, 2017 there were no transfers between levels 1, 2, or 3.

In accordance with ASU 2015-07 Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent), investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in that table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net assets available for benefits.

The unfunded commitments and redemption information and redemption periods are as follows at December 31, 2017:

		Unf	unded	Redemption	Redemption
	 Fair Value	Comm	nitments	Frequency	Notice Period
Collective trust funds:	 _				
NT Coll Russell 3000					
Index Fund	\$ 9,669,902	\$	-	Daily	N/A
Invesco - Balanced Risk					
Allocation Trust	24,431,650		-	Daily	N/A
	\$ 34,101,552	\$	-		

YEAR ENDED DECEMBER 31, 2017

#### 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, 2017, are as follows:

Total	\$ 371,140
Supplemental Benefits Trust	190,000
Voluntary Employee Benefits Trust	238,000
Retirement and Family Protection Plan	21
Teamster Affiliates Pension Plan	3,684
Strike and Defense Fund	\$ (60,565)

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 \$841,258 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, 2017 totaled \$112,848.

#### NOTE 15. ACCRUED LEAVE

In compliance with "Compensated Absences," the International Union has established a liability of \$3,185,394 representing accumulated future absences of its employees through the year ended December 31, 2017, 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 employer's intent on pressuring the International Union with respect to its conduct as a bargaining representative, pursuing better wages, hours, and working conditions for the members of the International Brotherhood of Teamsters.

# <u>International Brotherhood of Teamsters</u> NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

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 has entered into a multi-year credit card agreement with Capital One Financial (COF), formerly HSBC Finance Corporation. 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. The terms of this agreement currently extend through December 31, 2023. This agreement will renew automatically for one year successive periods unless either party notifies of their intent not to renew the agreement at least twelve months prior to December 31, 2023. Under the terms of the current agreement with COF, the minimum royalty payments COF will make to IBT will be \$3.5 million per year through February 28. 2019, \$1.5 million per year from March 1, 2019 through December 31, 2022 and \$1 million per year from January 1, 2023 through December 31, 2023.

The International Union has assigned any and all rights and interest it may have related to its agreement with COF, to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

The International Union has entered into an agreement with Metropolitan Property and Casualty Insurance Company (MetLife) effective September 1, 2013. This agreement provides Met Life 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 per inquiry paid in installments pursuant to the agreement. The initial term of this agreement is five years. This 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 interest in may have related to the insurance plan agreement with MetLife to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

Total royalty revenue for the year ended December 31, 2017 is as follows:

Royalty	revenue:
---------	----------

Capital One	\$ 3,500,000
MetLife	 293,313
Total	\$ 3,793,313

#### 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:

## Year ending December 31,

2018	\$ 1,059,901
2019	518,601
2020	107,157
2021	95,902
2022	96,796
Thereafter	202,391
Total	\$ 2,080,748

Rental payments totaled \$1,452,871 for the year ended December 31, 2017.

YEAR ENDED DECEMBER 31, 2017

#### NOTE 19. RESTRICTIONS ON NET ASSETS GENERAL FUND

Temporarily restricted net assets in the General Fund as of December 31, 2016, resulted from contributions from local union members, local unions, and other affiliates for member-to-member communications through a Field Action Fund run by the International Union. At December 31, 2017, temporarily restricted net assets consisted of \$506,396 for these activities.

#### NOTE 20. LOAN PAYABLE

During the year ended December 31, 2017, the International Union ended its loan agreement (line of credit) and promissory note with Wells Fargo Bank. During the year ended December 31, 2017, the International Union signed a loan agreement (line of credit) and promissory note with Amalgamated Bank to borrow amounts up to \$6,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment is due by March 31, 2020. As of December 31, 2017, the line of credit was not drawn upon and the outstanding principal balance was zero; however, the loan remains open for the International Union's working capital needs.

There was no interest expense for the year ended December 31, 2017.

## 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 23, 2018, 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: May 1, 2018

Joseph E. diGenova for all investigations at the following IIO office address:

Hon. Joseph E. diGenova

Office of the Independent Investigations Officer

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

line number, or write to the Independent Investigations Officer Hon.

## I. INTRODUCTION

The following is Magazine Report 2 of the Independent Disciplinary Officers ("IDO") for 2018 regarding activities from February 1, 2018 through May 1, 2018 conducted pursuant to the Final Agreement and Order of February 17, 2015.

## II. PROGRESS OF EXISTING MATTERS

The IDO is currently conducting a number of investigations throughout the country. Consistent with past practice under the IRB, the IDO does not comment on ongoing investigations or identify areas or conduct under investigation until a formal recommendation of charges is served upon the IBT pursuant to the Final Order

## III. TOLL-FREE HOTLINE

The IDO hotline has received approximately 72 calls since February 1, 2018, 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 hot-



# Take a Stand for DRIVE Working Families

Through grassroots political action and aggressive lobbying across America, Teamsters have stopped some of the worst attacks on working people.

But Big Business is pushing their agenda harder than ever. That means we have to fight back stronger than ever.

You can take a stand for working families by contributing to DRIVE, the Teamsters' political action committee. Your contribution will support grassroots action by Teamster families to stand up to Big Business interests. And your membership to DRIVE will help elect political candidates who care about working people.

The Teamsters Union has established a fund called the Teamsters Education and Mobilization (TEAM) Fund, Unlike DRIVE, which is only for active Teamster members, the TEAM Fund can accept donations from family members, non-active members and retirees.

Visit teamster.org/teamfund to donate or to visit the online store with union-made Teamster merchandise.

