REPORT TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

FROM: The Independent Disciplinary Officers
Hon. Benjamin R. Civiletti
Hon. Joseph E. diGenova

DATED: June 8, 2016

I. INTRODUCTION

The following is the Magazine Report 2 of the Independent Disciplinary Officers (“IDO”) for 2016 regarding activities conducted pursuant to the Decision and Order of February 17, 2015.

In this Report we will provide the updates on four existing Charge Reports, two Trusteeships and a matter of concern regarding GCC-1L.

II. PROGRESS OF EXISTING CHARGES

A. LOCAL 400, CLEVELAND, OHIO, TRUSTEESHIP RECOMMENDATION

On November 24, 2015, the Independent Review Board issued a report to the IBT General President recommending that a trusteeship be imposed upon Local 400, Cleveland, Ohio, pursuant to Article VI, Section 5 (a) of the IBT Constitution because Local 400 was not being conducted in accordance with the International Constitution, and it was necessary to correct financial malpractice.

The Local had a principal officer ineligible to hold that office under the IBT Constitution. Both the Forms LM-2 and LM-3 it filed with the Department of Labor and the Trustee Reports it filed with the International Union understated its liabilities. Despite having current obligations owed to a fund that went unpaid, the Local made discretionary donations.

On December 12, 2015 General President Hoffa appointed his personal representative to the Local. This matter as of February 17, 2016 was transferred to the Independent Disciplinary Officers.

B. OHIO CONFERENCE OF TEAMSTERS, CINCINNATI, OHIO, TRUSTEESHIP RECOMMENDATION

On September 25, 2015, the IRB issued a Trusteeship Recommendation to IBT General President Hoffa because the IRB’s investigation found that the Conference was not being conducted in accordance with the International Constitution or for the benefit of its members.

The Conference spent, at least, 70% of members’ money for the benefit of its officers, employees and other Local officers and spent funds without required approval under the Bylaws.

Without appropriate Board approvals under the guise of some over half-century written agreement, its officers spent 16% of revenues under an alleged retainer agreement to pay legal expenses locals’ incurred to a select law firm in violation of the Bylaws. In total, over 20% of its revenues annually flowed to this one law firm without required Board approval.

The Conference spent nothing on members’ education or providing statistical information to support the best possible service to the membership in collective bargaining which were claimed objectives for its existence in its Bylaws. It failed to perform its specific obligation in its Bylaws concerning retaining and reviewing collective bargaining agreements. It failed to follow basic financial controls that the Constitution, its Bylaws, IBT policies and federal labor laws imposed on it.

On October 6, 2015, the IBT General Counsel informed the IRB that the IBT intended to place the Ohio Conference in Trusteeship.

On October 28, 2015 the IBT imposed a Temporary Emergency Trusteeship over the Conference.

On February 17, 2016, this matter was transferred to the IDO.

On March 30, 2016, the IBT submitted a report to the IDO, of the actions taken and their assurance that there will be continual monitoring of the OCT.

The IRO rejected proposed agreements between the IIO and OCT officers and employees Kimberly Bales, Charles Cimino and William Lichtenwald which called for certain actions on their part and his not recommending charges in return.

C. GCC-1L, NEW YORK, NEW YORK

On August 14, 2015, the IRB sent a letter to General Secretary-Treasurer Ken Hall and GCC President George Tedeschi regarding concerns that the GCC-1L Officers by not adhering to the Bylaws were not acting as responsible fiduciaries. The IRB also pointed out that there seemed to be a substantial gap in the IBT’s audit program at the GCC Locals.

In a letter of response dated September 3, 2015, IBT General Counsel Bradley T. Raymond advised the IRB that Louis Baniecki was assigned to conduct an audit of the Local, to address the Local’s leadership issues and to develop appropriate modifications of the Local’s Policies. Mr. Raymond also advised the IRB that the IBT was developing an audit program under which GCC affiliates, particularly those with large numbers of members, will in the future be subject to the General Secretary Treasurer’s audit program.

On April 15, 2016, IBT General Secretary-Treasurer, Ken Hall, sent a letter GCC-1L President Patrick LoPresti inquiring as to what actions had been taken at the Local in response to the Auditors recommendations.

On May 27, 2016, the IBT General Counsel forwarded to the IDO a copy of a report dated May 6, 2016 issued to IBT General Secretary-Treasurer Ken Hall, from GCC-1L President Patrick LoPresti, noting the measures which have been taken or planned to resolve issues at the Local.
D. PRINCIPAL OFFICER OF LOCAL 853, SAN LEANDRO, CALIFORNIA, INTERNATIONAL VICE PRESIDENT, PRESIDENT OF JOINT COUNCIL 7 ROME ALOISE

On February 10, 2016, the Independent Review Board issued its Charge Report to the IBT General Executive Board recommending that charges be filed against Rome Aloise (“Aloise”), an International Vice President, President of Joint Council 7, and Principal Officer of Local 853, for requesting and receiving things of value from IBT employers in violation of 29 U.S.C. §186(b) and Article XIX, Section 7(b)(2), (11) and (13) of the IBT Constitution. It is also recommended that Aloise be charged with violating Article XIX, Section 7(b)(1) and (2) and Article XIV, Section 6 of the Local 853 Bylaws and bringing reproach upon the IBT in violation of Article II, Section 2(a) of the IBT Constitution through allowing an ineligible person to obtain membership and entering into sham collective bargaining agreements with The GrandFund.

It was also recommended that Aloise be charged with bringing reproach upon the IBT through a pattern of misconduct designed to prevent a fair officer election in Local 601, including using union resources to support a candidate and subvert her opponents in violation of 29 U.S.C. §501(a) by, among other things, failing to act to end a Local officer’s known failure to comply with instructions from the General Secretary-Treasurer's office for political reasons in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1), (2) and (10) of the IBT Constitution.

On February 17, 2016, this matter was transferred to the IDO. On February 23, 2016, General President Hoffa determined to adopt and file the Charges.

On March 15, 2016, the IBT issued a Notice for an April 28, 2016 Hearing.

The IBT submitted to the IDO a request, dated March 31, 2016, for an extension to complete any action the IBT will be taking with respect to this matter. The IRO approved an extension to July 17, 2016.

On April 7, 2016 the IBT issued a notice of the new hearing dates of June 6-7, 2016 in San Francisco and June 14-15, 2016 in Chicago.

On May 25, 2016, the IRO received a letter from an attorney representing the IBT stating that an indefinite postponement was required because the Department of Justice has Aloise under investigation. The letter also included a letter from Mr. Aloise’s attorney, who stated an indefinite postponement was required.

On May 26, 2016, the IRO, by letter to the IBT denied any indefinite postponement for failure to show good cause.

On June 3, 2016, the IRO received a letter from Viet D. Dinh, Esq., advising that the IBT gave its authorization for the letter and further advised that the IBT has decided under the terms of the Final Agreement and Order dated February 17, 2015 and in fealty to its Constitution, to suspend the scheduled hearing on charges against Mr. Aloise until the conclusion of the criminal inquiry.

E. LOCAL 853, SAN LEANDRO, CALIFORNIA, MEMBER CHARLES BERTUCIO

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

On February 17, 2016, this matter was transferred to the IDO. On February 18, 2016, IBT General President Hoffa determined to adopt and file the charges.

On March 18, 2016, the IBT issued a Notice for an April 21, 2016 hearing.

On March 29, 2016, prior to the scheduled hearing, the IBT submitted to the Independent Review Officer, Bertucio’s signed affidavit and agreement to a permanent resignation from the Union followed by a letter of April 14, 2016, to express the Union’s views regarding the proposed agreement.

On April 26, 2016, the IRO issued a letter to the IBT General Counsel stating that he did not approve the proposed agreement. On May 5, 2016 the IBT General Counsel submitted a request to the IRO for an extension to August 30, 2016.

On May 12, 2016, the IRO approved the extension to August 30, 2016.

F. LOCAL 853, SAN LEANDRO, CALIFORNIA, MEMBER LISA RAMSEY

On February 11, 2016, the Independent Review Board issued its Charge Report to the Local 853 Executive Board recommending that a charge be filed against Local 853 member Lisa Ramsey (“Ramsey”) for failing to cooperate with the IRB by unreasonably failing to answer a question at her IRB sworn examination on October 13, 2015. By her actions, while an IBT member Ramsey violated Article II, Section 2(a) and Article XIX, Sections 7(b)(1) and (2) and Section 14(i) of the IBT Constitution by obstructing, interfering and unreasonably failing to cooperate with the IRB in performance of its duties as set forth in Paragraph G of the March 14, 1989 Consent Order in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (S.D.N.Y.) (“Consent Order”).

On February 17, 2016, this matter was transferred to the IDO. On February 17, 2016, the Executive Board of Local 853 referred the Charges back to the IBT General President.

On February 18, 2016, General President Hoffa determined to adopt and file the Charges.

On March 18, 2016, the IBT issued Notice of the April 21, 2016 Hearing.

On March 29, 2016, the IBT submitted to the IDO, a signed agreement to a three month suspension including an agreement to a limited sworn examination.

The IRO rejected the agreement on the basis that it limited
the right of the Investigations Officer to take her testimony. On April 18, 2016, the IBT issued a revised agreement to the IRO stating, that Ms. Ramsey agreed to a 3 month suspension and would appear for a sworn examination and answer all questions germane to the investigation. Upon review, the IRO approved and returned a pending revised agreement to the IBT on April 28, 2016, thus closing this case.

G. LOCAL 50, BELLEVILLE, ILLINOIS, MANNY QUINTERO

On February 11, 2016 the Independent Review Board issued its Charge Report to the General President recommending that charges be filed against Local 50 member Manny Quintero (“Quintero”) for bringing reproach upon the IBT through threatening to retaliate against an IBT member for exercising rights protected under federal labor law and the IBT Constitution, including the rights to seek election to office, support the candidate of one’s choice, free speech and assembly. In a telephone message left on the personal mobile phone of the wife of another Local 50 member, Quintero threatened that retaliatory actions would be taken against her member husband, such as getting “nailed” and having “his job taken away from him” for “meddlin’ in Teamster business”, if he was involved in Local political activity in opposition to the incumbents.

While an IBT member, by his actions, Quintero was charged with violating Article II, Section 2(a) and Article XIX Sections 7(b)(2) and (10) of the IBT Constitution by threatening to retaliate against an IBT member for exercising rights protected under federal labor law and the IBT Constitution, including the rights to seek election to office and support the candidate of one’s choice.

On February 17, 2016, this matter was transferred by the IRB to the IRO.

On February 18, 2016 General President Hoffa determined to adopt and file the Charges.

On March 15, 2016 the IBT issued a Notice for an April 15, 2016 Hearing.

On April 28, 2016, the IBT Hearing panel decision was adopted by IBT General President Hoffa and reissued as his own. The decision barred Quintero from employment and membership with Local 50 for one year. The decision was found inadequate by the IRO and returned to the IBT on May 18, 2016, on the basis of the use of an inappropriate legal standard.

On May 19, 2016, General President Hoffa responded to the IRO stating that he reconsidered the penalty under the preponderance of evidence standard and was adopting the same penalty.

III. TOLL-FREE HOTLINE

The IDO hotline has received approximately 111 calls, since its February 17th start date, 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 assure that all calls are treated confidentially, the system which records hotline calls is located in a cipher-locked room on a dedicated line and accessed only by an IDO staff member.

The recorded information, if complete and within jurisdiction, is forwarded directly to the Independent Investigations Officer.

Please continue to use the toll-free hotline to report improprieties which fall within IDO jurisdiction by calling 1-800-CALL-472(800-225-5472). If you are calling from within Washington, DC, dial 202-434-8085.

IV. CONCLUSION

The task of the IDO is to ensure that the goals of the Final Order and Agreement are fulfilled. In doing so, it is our desire to keep the IBT membership fully informed about our activities through these reports.

If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline number, use the IDO facsimile number 202-434-8084, or write to the Independent Investigations Officer Hon. Joseph E. diGenova for all investigations at the following IDO office address:

Office of the Independent Disciplinary Officers
444 North Capitol Street, N.W.
Suite 528
Washington, DC 20001