

Communications

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Teamster Magazine

April 1999

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Landslide Victory Delivers Mandate to Unify Union

JAMES P. HOFFA ELECTED TEAMSTERS PRESIDENT

The votes are in, and it's a landslide, according to the media.

The members responded to James P. Hoffa's grassroots campaign by issuing him a mandate to unify the Teamsters union.

"We have an exciting opportunity to pull the Teamsters union together and to end the internal fighting that has been so costly to the members," said President Hoffa. "It is time for everyone in the union to lay down their political swords and to get on with the work of the members. We must win good contracts, clean up the union and put the International union on a course to fiscal stability."

President Hoffa won with 55 percent of the ballots cast in the December rerun election. He outdistanced Tom Leedham by more than 54,000 votes. Leedham finished with 39 percent while John Metz trailed with 6 percent.

The candidates running on the Hoffa slate swept to victory in the Teamsters' East, West and South regions, winning 19 of the 21 open seats on the union's executive board.

They will join the five vice presidents from the union's Central region who were elected from the Hoffa slate in the 1996 vote. The Central region vice presidents did not have to run for office again because they had no part in the wrongdoing that triggered the rerun election.



The Election Officer for the Teamsters union overturned the results of the 1996 vote when Hoffa supporters uncovered evidence of a scheme to funnel dues money into the campaign of former president Ron Carey. Carey was later barred from running in the 1998 vote because of his involvement in the scheme.

"The union must move forward," said Hoffa. "I am extending an olive branch to all members and to all segments of our union. My goal is to build Teamster power by unifying all members behind the union's policies and programs to improve workers' lives."

"Working together, we can win better contracts, organize new members and clean up the union."

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Teamster Magazine Interview with Jim Hoffa

Q How do you account for your convincing election victory? Why do you think you won?

A Our campaign went to the rank and file with a simple message: unify our union, restore its financial integrity, and return it to greatness. We pledged to end the corruption at the International, stop deficit spending, start aggressive organizing campaigns and cut the fat while keeping the muscle. Obviously, that is what the members want and what we intend to deliver.



Q This was a hotly contested election with a lot of negative attacks against you and your slate. How will you heal the rifts and reunite the rank and file behind you?

A We have already begun the process of unifying our union. Our campaign won over officers and members in key areas that were against us in 1996, such as New York, Pennsylvania, and California. The members gave us a clear mandate: they want us to end the civil war in the Teamsters. They want the union's officers to stop fighting each other, roll up their sleeves and go to work on behalf of all Teamsters. It is time to start healing the wounds and that process is well under way.

Q The IBT's finances are in shambles. The Teamster treasury has fallen from \$154 million to \$1 million in the last seven years. Where did the money go?

A That's a question we intend to find the answer to. Actually, far more dues money is involved. The union has a yearly income of more than \$80 million. When you add this to the \$154 million decline in assets, about \$700 million of the members' dues was spent by the previous administration. We know that too much went to bloated payrolls and far-out political schemes that didn't benefit the membership. Moreover, at least \$1 million was illegally used by the Carey slate in the 1996 election. I will not compromise on my pledge to do everything possible to recover these funds. We intend to file a lawsuit against Ron Carey and others that participated in looting our treasury. We have only seen the tip of the iceberg regarding this embezzlement scandal.

Q Explain some of your ideas for putting the Teamsters financial house in order.

A I plan to work with General Secretary Treasurer Tom Keegel to ensure that the Teamsters will have a balanced budget in the first year of our administration. Employees hired by the Carey administration who were not actually doing their jobs will be dropped from the payroll and, from now on, Teamster paychecks will go only to staff who work hard for the members. We intend to cut the fat and keep the muscle -- and do this without any dues increase.

Q Critics warn that under your leadership, the Teamsters will revert to an undemocratic union. How do you respond to this charge?

A It's nonsense. The Hoffa slate is totally committed to the direct election of union officers and the principle of "one man, one vote." Without direct election of officers, I would have never had a chance to run for General President. We will never return to the previous system of elections.

Q Big Business says that critics of NAFTA are overstating the job losses associated with the free trade law. What is your position?

A NAFTA was a huge mistake that put far too many American jobs on the fast track across the Rio Grande into Mexico. It has been destructive to our standard of living because it put us in a race to the bottom by asking American workers to compete with people who will work for \$8 a day in Mexico. NAFTA is an invitation to corporations to move plants from the United States to Mexico for greater savings and profits. Well, I believe we have to keep good jobs in this country. I should also point out that a recent study by the Department of Transportation revealed that Mexican trucks are completely unsafe. NAFTA opens the door for Mexican trucks to run anywhere on our highways in the year 2000. I don't think Americans are going to tolerate having these trucks, with

unsafe equipment and dangerous cargo, on our highways. This will also lead to layoffs of thousands of American truck drivers who work hard and play by the rules. We cannot allow the Clinton administration to open our borders to these unsafe trucks.

Q Your election has fueled speculation that the Teamsters will tilt more toward the Republican Party and away from the Democrats. Will we see a truly bipartisan union?

A I have articulated this goal ever since I began running. The Teamsters union can not be taken for granted by either party anymore. We will support those who endorse an agenda that helps working families have better lives, regardless of party affiliation.

Q The Teamsters' strike against UPS was viewed by most observers as a win for the union. How will you approach labor management relations?

A I will take a militant approach in contract negotiations and we will continue to involve the membership in their contract battles. Teamster negotiators will fight to win the best possible contracts to give our members what they need and want. We are already drawing up plans for the important carhaul agreement and are preparing for it as if we were going to war.

Q Suppose your father was here today. What advice would he give you to lead the IBT into the next millennium?

A My father always said one thing "TRUST THE MEMBERS." I trust the members and their infinite wisdom. They are tired of the rhetoric, personal attacks, and name calling. The members put us in office because they want to belong to a union that works hard for them, one they can be proud of. When they pay their dues they expect a strong union that fights for them. My father would be proud to see me restore the members' confidence in their leadership as I take this strong, proud union into the next century.

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The \$153 Million Question: Where did your dues go?

As soon as he was elected, General Secretary-Treasurer, Tom Keegel began searching for the answer to the \$153 million question--How did the treasury drop from \$154 million to \$1 million over the last seven years?

Keegel, a 30-year Teamster officer from Minnesota, is pouring over the treasury's books, looking closely at the records and receipts. He is bound and determined to find out how the dues money was spent.

Combine the decline in assets with the \$80 million dues income that the International union received each year, and the union has spent about \$700 million since 1991.

"The members deserve to know where their dues went," Keegel declared.

"Teamster families have paid a terrible price for the financial collapse of the union," Keegel continued, noting that strike benefits were cut from \$200 to \$55 per week as the union slid toward bankruptcy.

Keegel and President Jim Hoffa will take a common-sense approach to restoring financial stability to the Teamster Union. Under their leadership, the Union will live within its budget and balance its books, just like Teamster members do every month.

Keegel is also committed to fulfill his campaign pledge to rebuild the union's finances and the strike fund.

He knows that in order to restore the Teamsters to its standing as the most powerful union in the world, the union must first get its financial house in order.

The union's new chief financial officer takes this task seriously. He is ready to enact bold reforms.

"First, I am working hard to develop a balanced budget for the union," Keegel said.

"Unfortunately, the Ron Carey administration never took this common-sense approach. It is long overdue."

When the rank-and-file elected Keegel, they entrusted him with an enormous responsibility to manage the members' dues wisely. He is outraged by the irresponsible actions of the previous administration--spending \$700 million with little or nothing to show for it. Tom has always believed that the strength of this great union is in its membership. "Careless misuse of members' dues is an insult to the rank-and-file; abusing their hard-earned money shows a blatant disregard and disrespect for the members," says Keegel.

Ron Carey's scheme to funnel dues money into his 1996 re-election campaign received broad media coverage. Keegel is concerned that the attention to the scandal has



been so intense that it overshadows the previous administration's other alleged abuses of the union treasury.

As a watchdog over the members' dues, Keegel plans to investigate several troubling issues, including:

- Personal use of union credit cards;
- Payment of income taxes for some who received personal expenses;
- Insufficient accounting procedures; and
- Misreported financial assets.

A key element of Keegel's reforms is to keep the membership regularly informed about the union's financial status. "We have come to learn the unfortunate reasons why the previous administration was so secretive about its handling of the members' dues," Keegel concluded. "I pledge to the members that I will keep them informed about where the union stands financially and how their dues are being spent. This is the only way that the members can gain confidence that the union is providing the best service possible for their dues money."

A former driver for Sterling Cartage, Keegel's skills as a dues manager were honed as a local union officer in the Minneapolis-St. Paul area.

He currently serves as president of Local 120.

Keegel has also built an area pension fund from \$3 million in assets to a \$150 million powerhouse for Teamster retirees.

The pension now offers a top benefit of \$45,000 per year and excellent health coverage at no cost to the retirees.

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Report Says Mexican Trucks Unsafe



The countdown has begun on NAFTA's deadline -- less than a year from now -- that would allow Mexican trucks unlimited access throughout the U.S. Until that day, however, thousands of unsafe trucks will pour across the border daily, according to a report by the U.S. Department of Transportation's inspector general.

Only California, said the report, has an "adequate presence of inspectors at border crossings." Twenty-two percent of border crossings occur in California, which has 47 full-time and 5 part-time inspectors. But in Arizona and Texas, where 77 percent of Mexican trucks cross, there are only 8 full-time and 37 part-time inspectors.

The overall result: 44 percent of Mexican trucks inspected in 1997 were put out of service. No figures are available for exactly how many trucks enter the U.S. at 28 border crossings without full inspection.

"We concluded that far too few trucks are being inspected... and that too few inspected trucks comply with U.S. standards," the inspector general's report said.

"I think it just reaffirms what we've said all along about the problems of letting these trucks on the road," said Joseph Rheim of Teamsters Local 104. "Decades of time and energy have been poured into ensuring the safety of the American trucking industry. To open the doors under NAFTA to vehicles that don't meet those standards is a step backward."

In the five years since the North American Free Trade Agreement was launched there have been more than 200,000 confirmed job losses in the U.S. Citing a crossing at El Paso, the report said an average of 1,300 trucks attempt to cross every day. But federal auditors found only one inspector at El Paso and he was only able to check 10-14 trucks daily.

It has been estimated that only one of every 200 Mexican trucks is fully inspected.

Approximately 11,000 Mexican trucks cross into the U.S. daily.

By comparison, only 17 percent of Canadian trucks fail inspection.

As the NAFTA deadline approaches, Teamster members should be prepared to help the union fight to keep dangerous Mexican trucks off U.S. highways. President-elect Hoffa and his team are planning actions to get the members involved in this important effort.

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Organizing Campaign Brings Big Gains to Overnight Workers



The Teamster organizing campaign is paying off big for Overnight workers.

The Overnight Organizing campaign began four years ago in the fall of 1994. Through their persistence and courage over the past four years, the Overnight employees have seen the biggest wage and benefit improvements in the history of the company. The workers have received raises totaling \$3 an hour, mileage increases, improved pension and health benefits, two additional holidays and real overtime pay for the first time.

The workers teamed up with the union and held Overnight's feet to the fire. The 1999 improvements demonstrate once again that a combination of Teamster representation and worker unity leads to real improvements in wages and benefits.

However, while organizing in itself can lead to improved working conditions, only a contract will provide the security and respect the Overnight workers deserve. The union's focus is a contract. And in 1999, the Teamster represented workers at Overnight are determined to get one.

Workers Reject Proposed Settlement

Right before the company was to go to trial, Overnight proposed to settle out-of-court the massive 1997 complaint filed against it by the National Labor Relations Board (NLRB). The company's offer has a non-admission clause, which means that Overnight does not have to accept responsibility for its illegal actions.

Teamster organizers asked the Overnight workers if they wanted to accept the proposed settlement.

Even though an appeal will prolong the period of time before any worker sees any of the back pay, the response was a loud and clear: NO!

As a result, the Teamsters Union opposes the proposed settlement.

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President Hoffa Backs Overnight Workers

President Jim Hoffa's transition team is already developing strategic initiatives for 1999, including rallies, informational meetings, new campaign materials and local leaders meetings.

All the activity will be directed toward achieving a contract for the Overnight workers in 1999. "My administration will put the full weight and force of the Teamsters Union behind the workers at Overnight," Hoffa said. "I will honor their four-year struggle by renewing and strengthening the union's commitment to negotiate a good contract for the workers."

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UPS TAKES huge profits-- GIVES no full-time jobs

Profits at UPS are strong, and climbing.

Business, in fact, has never looked better for the 90-year-old company. But while UPS publicly lauds employees for working "very hard to rebuild" the company after the 15-day labor strike in mid-1997, top management has been working very hard, too -- to renege on its promise to turn part-time work into full-time jobs.

The five-year contract UPS signed included an agreement to create 10,000 full-time jobs by combining existing part-time positions. But 18 months later and \$1.2 billion richer, UPS has yet to make the first installment of 2,000 full-time jobs.

"As far as senior part-time employees, it's frustrating," said Shayne Dailey of Teamsters Local 639 in Washington, D.C. A part-time UPS worker for eight years, Dailey said the company promised "a chunk of the pie; they're just not sharing with us. Nothing has changed for the part-time employees since the strike. If it was up to me, we'd be

back on the street again."

On the other hand, much has changed -- and all for the better -- for UPS.

UPS totaled \$6.16 billion in revenue for the third quarter of 1998, up from the \$4.81 billion in 1997, which was affected by the strike. UPS also reported profits of \$449 million for the third quarter of 1998 and daily package volume is now at 10.9 million, compared to 11 million just before the strike.

Despite the gains, UPS continues to drag its feet and the International union has taken the company into arbitration. Hearings are planned Feb. 24 and March 4.

"We expect UPS to honor its part of the bargain," said Teamsters President James P. Hoffa. "Teamsters at UPS have worked hard to get business back to pre-strike levels. Now UPS must show loyalty and respect to the workers."

UPS' tactics to avoid honoring its commitment to part-time employees included claims that low package volume prevented the creation of more full-time jobs. However, UPS is moving virtually the same amount of parcels as before the strike. And during the holiday season, UPS announced it expected a record volume of deliveries. Record profits could result when fourth-quarter tallies are announced next month.

Meanwhile, many part-timers are "working doubles," Dailey said, adding that some part-time work could be combined into full-time positions. "I don't see why they couldn't do it, other than corporate greed," he added. UPS Chairman and CEO Jim Kelly has acknowledged that the company is on solid financial ground again.

"It's difficult to make financial and volume comparisons quarter-to-quarter because of the strike's effects," he said. "But one thing is clear, we are doing a better job of managing the business and the company is healthy and well-positioned for growth."

Driving home that point, UPS' revenue for the first three quarters of pre-strike 1996 was \$16.4 billion. Revenue soared to \$18.1 billion for the same three quarters last year. "We need to stand together and be strong," Dailey said.

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New National Airborne Contract Grounds Worker Harassment

Airborne Express Teamsters recently gave a big "thumbs up" to a new national agreement.

A new Airborne contract covering nearly 3,500 workers in 21 locations around the country contains ground-breaking anti-harassment language.

The contract also offers all part-time workers full-time jobs by April 1, 2000.

Under the contract, the company has established a new corporate policy of "zero tolerance" of harassment of Airborne employees. To make the policy effective, the contract calls for:

- The Teamsters and the company will select an independent panel of experts to study management harassment of union members and issue reports on the effectiveness of the program.
- Managers found harassing union members will be subject to internal discipline.
- If management harassment of union members continues, the union has the right to reopen negotiations and to strike the company. The members can vote to strike if they are dissatisfied with the company's program or commitment to confronting the problem.

Also, the new contract requires the company to promote 50 percent of its current part-time workforce to full-time status by April 1, 1999.

The remaining 50 percent must be offered full-time work by April 1, 2000.

A ceiling was established for total number of part-time workers the company could hire.

Part-time workers won improved vacations, holiday and sick leave pay, and other benefits.

Other major victories include a cutback on the use of subcontractors in sorting freight and for Teamsters to take over routes formerly handled by independent contractors.

"It's the best contract in Airborne history. This is a real victory for the thousands of hardworking Teamsters at Airborne," said Joe Quigley, a 13-year veteran of the company who is chief steward for Airborne Teamsters in the Boston-area.

Quigley, a member of Teamsters Local 25, said, "This contract means more full-time jobs at Airborne. We won because we remained united.

Now we have the wages and benefits we need to help raise our families."

The new contract was approved by an 80 percent margin.

Striking Teamsters from the Sunoco oil refinery in Yabucoa, Puerto Rico, were in Philadelphia Thursday, March 18, to bring their struggle for dignity and equality to company headquarters.

Sunoco imposed a drastic wage and benefit cut on refinery workers in Yabucoa, but worked out a compromise with workers doing the same jobs in Philadelphia. Refinery workers in Yabucoa already make 30 percent less than their co-workers in the U.S., yet work under more hazardous and polluted conditions.

Sunoco provoked the strike February 18, 1999, by cutting wages by \$2 per hour after reporting \$8 billion in revenues, \$267 million in profits, and a tax benefit in Puerto Rico that increased net income by \$13 million in the third quarter of 1998.

"Sunoco thinks no one will care if they treat workers in Puerto Rico differently than those in Philadelphia," said Jose Cadiz, International Trustee and Secretary-Treasurer of the Union de Tronquistas de Puerto Rico, Local 901. "But we are in Philadelphia to prove Sunoco underestimates the power of our community's outrage at injustice."

James P. Hoffa, General President of the International Brotherhood of Teamsters, pledged the full support and union resources to fight the injustice and inequality which forced more than 100 Teamsters out on strike at the Sunoco-Puerto Rico oil refinery for the first time in the plant's history.

"To demand a wage cut from Puerto Rican workers, most of whom have worked loyally for this company for more than twenty years, is unconscionable," said Hoffa.

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Members Spearhead Contract Campaign Carhaul Teamsters Unite for JOBS, GOOD CONTRACT, SAFE HIGHWAYS

Carhaul Teamsters, who deliver about 95 percent of the new automobiles and trucks to dealerships, are united in a major push for a new national contract that would keep good paying, full-time jobs in communities throughout the country.

In addition, they and other Teamsters are actively working to block an attempt by corporate special interests to allow Mexican trucking firms to deliver automobiles and trucks produced in that country anywhere in the United States. Currently, Mexican trucking firms are limited to deliveries in a "commercial zone" along the border.

Under the proposal which is part of the North American Free Trade Agreement (NAFTA), Mexican companies would be allowed to send their trucks anywhere in the U.S. These companies would increase their profits because the Mexican trucks would not have to meet the same safety requirements as U.S. trucks.

Members Kick Off National Contract Campaign

The Carhaul Contract Campaign was formally kicked off with a large rally in Detroit, Michigan.

Hundreds of Teamsters, supporters, and family members gathered at Teamsters Local 299 for a day of speeches, workshops, and seminars.

In his first public appearance since being installed as Teamster General President, James P. Hoffa told the enthusiastic crowd from throughout the Midwest that the 12,000 Teamster Carhaul drivers, dockworkers, office workers, and mechanics, have the full support of their International Union.

Good Carhaul Contract Helps All Teamsters

"We are coming together to win a good contract," said Hoffa. "A good Carhaul contract is important for all Teamsters and other union members. It will send management a message that we are willing to organize and fight for what our families need."

Hoffa said the same forces that are trying to deny Carhaul Teamsters a decent contract are also behind the effort to put more Mexican trucks on U.S. highways.

"Their main interest is making more money," said Hoffa. "It doesn't matter to them if they have to cut Carhaul Teamsters benefits, put unsafe Mexican trucks on the highway, or exploit Mexican truck drivers by underpaying them and forcing them to drive long hours.

They simply want to maximize profits."
Talks with Carhaul management began in February.

A survey of Carhaul Teamsters showed that their top priorities were securing pensions, maintaining job security, health and welfare benefits and pay rates for various job functions.

Members are also seeking reworked language governing rates for hauling used cars and improved work rules.

Carhaul Industry Profits Up

Due to the upswing in the U.S. economy, more Americans are buying new cars and trucks.

This means that the Carhaul industry is moving record numbers of vehicles and posting its highest profits in recent years. In 1998 Carhaul companies brought in nearly \$2 billion in revenue.

However, Carhaul management has demanded concessions during the opening rounds of talks.

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