

2008 ELECTION SPECIAL EDITION



INTERNATIONAL BROTHERHOOD OF TEAMSTERS

SEPTEMBER/OCTOBER 2008

TEAMSTER

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**MEMBERS MOBILIZE
TO ELECT OBAMA
IN NOVEMBER**



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International Brotherhood of Teamsters
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Stand Up And Be Counted

Everything Teamsters are doing in this election cycle, from phone banking to house visits to voter education and more, is done with one goal in mind: getting people to the polls on Election Day—Tuesday, November 4, 2008.

Time and again, just a few votes have made the difference in major elections. You can bet there were plenty of people in Florida in 2000 kicking themselves after George W. Bush was declared the winner there, hence winning the presidency. Washington state is another great example. In 2004, Christine Gregoire won the governor's race by a scant 129 votes.

This election is expected to be another close shave, and it is my hope that members of the Teamsters Union will join me in voting for Barack Obama. When the Teamsters Union endorsed Sen. Obama, it was only after a lengthy process where we came to the conclusion that only he could provide working families with very real and very necessary change.

So many issues important to working families and the Teamsters Union hang in the balance during this election. What's at stake? The Employee Free Choice Act. The fate of the Mexican truck program. Worker misclassification legislation. Trade policies. Aircraft maintenance outsourcing. The list goes on and on.

A Fair Shake

The upcoming election is about more than who has the better personality and who can generate better sound bites. It's about the

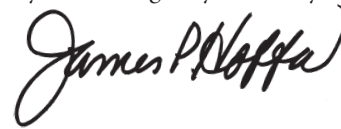
future of our country and the health of the American labor movement. That future should not be left in the hands of someone like John McCain, who recently said he "doesn't really understand economics" and that "the fundamentals of the economy are strong."

I greatly respect McCain for his service to our country, but as anyone familiar with the issues can tell you, McCain is no friend of working Americans. He prefers to stay on the side of big business. Just look at his voting record.

As the nation's most powerful labor union, it is our duty to support a candidate who will make sure working families get a fair shake; who believes that health care should be accessible to everyone; who will fight poverty; who supports the Employee Free Choice Act; who can get this country moving in the right direction again. Barack Obama is that candidate.

No matter what the polls are saying leading up to Election Day, it is essential that each and every one of us get to the polls and vote. As Election Day approaches, I hope you will evaluate your state and local candidates with the same scrutiny with which we evaluated the candidates for president. We can't afford four more years of anti-worker politicians taking America in the wrong direction.

Remember, you're not voting for your union, you're not voting for Barack Obama, you're voting for your family and your future.





Washington State Showdown

Gov. Gregoire Garners Teamsters Support

When it comes to issues regarding working families, health care and education, no race may be more closely watched—or closely ran—than that between current Democratic Washington State Gov. Christine Gregoire and Republican opponent Dino Rossi. A strong supporter of labor, Gregoire faces a battle against an opponent who has a history of fighting dirty and fighting for the big-business agenda.

The 2008 election isn't the first time these two candidates have done battle on the political field. Nearly four years ago, Gregoire and Rossi went head-to-head in one of the closest gubernatorial races seen in the state's history—Gregoire won by 129 votes.

This time, supporters of Gregoire are preparing for an even more mammoth fight—one that, if lost, could mean the difference between financial life and death for many of the state's working families.

Strong Record

While Gregoire's track record shows strong support for Washington's workers—during her first term, she created jobs, oversaw the lowest unemployment rate in the state's history and fought to improve health care for children—the same cannot be said

for her opponent who openly supports big business and tax cuts for the wealthy.

"If Rossi wins, we're going to lose as far as education and health care for children," said Al Hobart, International Vice President and President of Joint Council 28. "He's not bashful about being a Bushite."

And another Bushite is the last thing working families of Washington need.

Hobart and John Williams, President of Seattle's Local

117, are rallying their members to get out and vote for Gregoire. The election, Hobart explained, will no doubt be one of the most important in the lives of working people throughout the state.

"She's a governor for the people and her opponent is a politician for business," Hobart said.



For more information on Teamster political activities, visit *DRIVE*, the union's political action committee, at www.teamster.org/drive.

GENERAL EXECUTIVE BOARD

James P. Hoffa
General President
25 Louisiana Ave. N.W.
Washington, D.C. 20001

C. Thomas Keegel
General Secretary-Treasurer
25 Louisiana Ave. N.W.
Washington, D.C. 20001

VICE PRESIDENTS AT-LARGE
Randy Cammack
845 Oak Park Road
Covina, CA 91724

Fred Gegare
1546 Main Street
Green Bay, WI 54302

Ken Hall
267 Staunton Ave. S.W.
South Charleston, WV
25303

Carroll E. Haynes
50 Calhoun Avenue
New Rochelle, NY
10801

Fredrick P. Potter Jr.
3400 Highway 35
Executive Plaza, Suite 7
Hazlet, NJ 07730

Fred Simpson
20300 Civic Center Dr.
Suite 320
Southfield, MI
48076-4169

George Tedeschi
25 Louisiana Ave. N.W.
Washington, D.C. 20001

TEAMSTERS CANADA
Robert Bouvier
President
Teamsters Canada
2540 Daniel Johnson
Suite 804
Laval, Quebec
Canada H7T 2S3

Tom Fraser
1890 Meyerside Drive
Mississauga, Ontario
Canada L5T 1B4

Don McGill
490 E. Broadway
Vancouver, B.C.
Canada V5T 1X3

CENTRAL REGION
John T. Colli
5940 W. Montrose Ave.
Chicago, IL 60634

Patrick W. Flynn
4217 South Halsted St.
Chicago, IL 60609

Cheryl Johnson
25 Louisiana Ave. N.W.
Washington, D.C. 20001

Walter A. Lytle
2644 Cass Street
Fort Wayne, IN 46808

Gordon Sweeton
1601 Maiden Lane
Joplin, MO 64802

EASTERN REGION
Jack Cipriani
P.O. Box 35405
Greensboro, NC 27425

William Hamilton
2845 Southampton Rd.
Philadelphia, PA 19154

Daniel J. Kane Sr.
1308 Pierce Street
Rahway, NJ 07065

John Murphy
348 D Street
Boston, MA 02127

SOUTHERN REGION
Tyson Johnson
1007 Jonelle Street
Dallas, TX 75217

Ken Wood
5818 E. MLK Jr. Blvd.
Tampa, FL 33619

WESTERN REGION
J. Allen Hobart
14675 Interurban Ave. S.
Suite 301
Tukwila, WA 98168

Chuck Mack
P.O. Box 2270
Oakland, CA 94621

Jim Santangelo
818 S. Oak Park Road
Covina, CA 91724

TRUSTEES
Ferline Buie
2120 Bladensburg
Rd. N.E.
Washington, D.C. 20018

Frank Gallegos
207 North Sanborn Rd.
Salinas, CA 93905

Henry B. Perry Jr.
976 E. Brooks Ave.
Memphis, TN 38116

Hoffa Pledges Support To Obama At Convention

Michigan Democratic Party Unanimously Elects Hoffa Superdelegate

On June 14, 2008, Michigan Democratic Party (MDP) Chair Mark Brewer nominated Teamsters General President Jim Hoffa as one of Michigan's two elected superdelegates. Hoffa was elected unanimously by the MDP and attended the Democratic National Convention in Denver from August 25-28.

"I am honored by my election as a superdelegate for the state of Michigan and will cast my vote for Sen. Obama," Hoffa said. "As I said when

our union endorsed Obama, I believe that he is the candidate in the best position to lead our movement to restore the American dream for working people in this country. He will fight for better wages, real health care reform, stronger retirement security, fair trade and an end to the outsourcing of good jobs."

The Teamsters Union endorsed Sen. Barack Obama for president on February 20, 2008 following a union-wide survey of its members and a



one-on-one meeting between Hoffa and Obama in Austin, Texas.

Superdelegates play a key role in the nomination of the Democratic presidential candidate. Approximately one-fifth of all party delegates are superdelegates. Superdelegates differ from a traditional delegate in that they are free to

support any presidential candidate they choose.

"President Hoffa is a great unionist and a great Democrat. He has spent his entire life fighting for working people, and we are proud he will represent Michigan as a superdelegate at the National Convention," Brewer said.

A Promise Kept

Gov. Beshear Reinstates Pro-Labor Executive Order

In 2001, Kentucky Gov. Paul Patton established the Governor's Employee Advisory Council, which gave state employees the right to join a union. Local 783 in Louisville wasted no time gaining the right to represent a wide range of state employees before the council. But in 2003, then-Gov. Ernie Fletcher abolished the council, meaning state workers no longer had any union representation.

Then in 2006, Steve Beshear, a lawyer who had served Kentucky as its lieutenant governor, attorney general and state representative, declared his candidacy for governor. Beshear, who had been a friend to labor in the past, promised Local 783 that if they helped him get elected, he would reinstate the executive order.

"We worked our tails off to get him elected," said William "Denny" Norris, Secretary-Treasurer for Local 783. "He defeated Fletcher in 2007, and he kept his campaign promise. We hope Gov. Beshear will work to give workers collective bargaining rights."

In June, Beshear reinstated the order, clearing the way for approximately 4,000 state employees to join the Teamsters. The order also reinstated the Teamsters as the state workers' union representative.





Send A Message: Sign A Card

Million-Member Mobilization for the Employee Free Choice Act



No matter how you cut it, it's just not right. America's workers are putting in more hours than ever and still struggling to make ends meet. How do we make things right and get our economy back on track? Rebuilding the middle class is the place to start.

The Employee Free Choice Act can help reclaim the American Dream. With this act, workers will have the freedom to choose a union without interference from their employers.

For more information, or to sign the petition online, visit www.freechoiceactpetition.org/page/s/efca

The Teamsters Union is gathering signatures in support of this bill with the Million-Member Mobilization for the Employee Free Choice Act. On this page, you will find a card for you to detach, fill in and mail. Please support this bill and help the Teamsters Union reach their goal of 1 million signatures—sign the petition today.

Q & A With Sonny Nardi: Teamster Superdelegate

Sonny Nardi, President of Cleveland's Local 416, was a superdelegate at the Democratic National Convention from August 25-28 in Denver. Nardi is no stranger to politics, having been involved at the local, state and national levels for years. He recently spoke to Teamster magazine about his role as a superdelegate.

How were you chosen to be a superdelegate?

The Executive Committee of the Ohio Democratic Party appointed me. The committee consists of about 125 politically active Democrats from around the state. I received that appointment

for all the years of work for the party. From that group I was appointed to the Democratic National Committee.

Why are you supporting Sen. Barack Obama?

Simply put, because he's the only one who can deliver the change our country needs right now. Our country, for the past seven years, has been on the wrong track. Sen. Obama can get us back to where we need to be. I went to an Obama rally in Cleveland and had never seen such enthusiasm and excitement. People are ready for change. Labor has been ignored. Working people have had enough. Now it is time to stand up and say "no more!" It's time for Teamsters who believe in change to get out the vote!

Why should rank-and-file Teamsters get involved in this election?

Rank-and-file Teamsters should get involved because Sen. Obama believes in us. He believes in America and the American dream. He will fight for us by making it easier for unions to organize workers. He will fight for our jobs by not giving tax breaks to those companies taking jobs away from Americans. He knows NAFTA is broken and needs to be fixed. He knows that we should not have unsafe trucks coming in from Mexico. Teamsters will help make history. We will help make that change, and that will be with Barack Obama as president of the United States of America.





The “Wrong” Choice

Teamsters Battle So-Called Right-to-Work in Colorado

A battle has been brewing for quite some time in Colorado. Each time so-called right-to-work bills have been introduced, they’ve been defeated in the legislature. But this time, the right-to-work issue has been taken to the voters in the form of a ballot initiative.

Amendment 47 would ask that voters amend the state constitution to effectively ban collective bargaining agreements between unions and employers that require dues or, minimally, agency fees from nonmembers for benefits they gain from labor representation.

“This is a monumental battle to destroy unions, destroy density and destroy funding. We’re pushing back to protect our members’ interests and those of the entire working community,” said Steve Vairma, President of Joint Council 3 and Secretary-Treasurer of Local 455 in Denver.

Colorado Teamsters like Jim Clark, a 15-year Teamster, are working to gather signatures and block the initiative from getting on the ballot this fall. Clark has been visiting Teamster job sites to sign up fellow Teamsters in the fight.

“On any level, wages, health care—you name it—every state that has passed right-to-work laws has substandard levels compared to free states,” he said.

The Teamsters are a part of a coalition of advocacy groups and labor unions opposed to Amendment 47. The Colorado Council of Teamsters has raised hundreds of thousands of dollars to date in support of protecting worker rights through opposing right-to-work. Teamsters in Colorado are also working to get their own initiatives on the ballot, including criminality for corporate executive fraud and a just cause requirement for employee discharge or suspension.

Julie Bouchier, an 11-year Teamster, member of Local 455 and part-timer at UPS, is concerned about the future. “I have four kids and good wages and benefits to support them. I want them to work in union jobs one day and have the same things that I have. This will not just affect union jobs; it will affect everybody,” Bouchier said. “I am doing this to protect our future—all of our futures.”

For more information, visit www.protectcoloradosfuture.org

Teamster Seeks Top Post

Local 688’s Clint Zweifel Runs for Missouri Treasurer

Clint Zweifel, who is running for Missouri state treasurer, knows first hand what the Teamsters Union has done for working families over the years. Zweifel, who first won election to the Missouri House of Representatives in 2002, was the Research and Education Director for Local 688 in St. Louis

until he took a leave of absence from his Local 688 position earlier this year to focus on his campaign for treasurer. He joined Local 688 in 1997.

“It is critically important for folks to be elected to the top of state tickets who understand the role that unions have played in helping to build the middle



class in this country,” said Zweifel, a leader in the Missouri House on state finances where he serves as the ranking member on the Ways and Means Committee and the Special Committee on Tax Reform.

In early August, Zweifel won a clear victory in the primary over four other candidates, garnering more than 31 percent of the votes. The general election is next.

At Local 688, Zweifel instituted and continued a number of innovative programs, including the pre-retirement and shop steward education seminars. He hopes to bring that experience and expertise to the treasurer post.

In the Midwest, Missouri has one of the most expensive higher-education systems, something Zweifel wants to address as treasurer. “It’s critically important that the average family has access to higher education,” he said.

Zweifel said he will support programs and policies that help the men and women who go to work every day to make their communities better.



**CHANGE
FOR THE BETTER**



President Obama Will Help Working Families

AMERICA IS AT A CROSSROADS.

This November, voters will decide if working families will share in America's prosperity—or if our economic stability will continue to crumble. In short, we'll decide to give Barack Obama a chance to change the country—or we'll let John McCain serve as the Bush administration's third term.

“Looking at the problems facing our great nation and the presidential candidates who will inherit eight years of disastrous policies, record national debt and neglect of working families, one thing is clear: McCain is not the person who will right the wrongs of the Bush administration,” said Jim Hoffa, Teamsters General President.

Belief in America

Obama strongly believes in America and its values. He believes that no other country would allow the son of a white woman from Kansas and a black man from Kenya to become the Democratic nominee for president.

His story is one of hard work and commitment to people. His classmates chose lucrative Wall Street careers when they graduated from Columbia University. He chose instead to work for a coalition of churches trying to help a South Side Chicago neighborhood recover from steel mill closings. His salary: \$12,000 a year.

As a community organizer, Obama shared the experiences familiar to so many Teamsters: knocking on doors at night and on weekends, in the hot Chicago summers and in the cold Chicago winters. Walking picket lines. Persuading people to register to vote. He learned an important lesson from that experience.

“It's the lesson that in America, each of us is free to seek our own dreams, but we must also serve a common purpose, a higher purpose,” Obama said in a speech delivered in Colorado Springs, Colorado.

AP/WORLDWIDE

Key Dates in Sen. Barack Obama's Life

1960 1970 1980 1990

8/4/61

Obama is born to Ann Dunham and Barack Obama

1/1/67

Family moves to Indonesia

1/1/71

Moves back to Honolulu (lives with grandparents)

9/1/79

Enrolls at Occidental College

9/1/81

Transfers to Columbia University

1/1/85

Directs nonprofit project in Chicago

9/1/90

Elected first black president Harvard Law Review



“When you choose to serve—whether it’s your nation, your community, or simply your neighbor—you are connected to that fundamental American ideal that we want life, liberty and the pursuit of happiness not just for ourselves, but for all Americans. That is why this is a great nation.”

Modest Background

Determination and a strong work ethic raised Obama from his modest beginnings. His mother, Ann Dunham, was a bookish, sensitive child whose restless parents moved her from small towns in Kansas to Texas to Oklahoma and finally Hawaii. As an





2000

6/1/91

Graduates from Harvard Law School

10/3/92

Marries Michelle Robinson

11/4/96

Elected to Illinois State Senate

11/4/02

Re-elected to Illinois State Senate

8/10/04

Publishes first book, "Dreams From My Father"

10/17/06

Publishes second book, "The Audacity of Hope"

2/10/07

Announces he will seek 2008 Democratic nomination for President

1/3/08

Wins Iowa caucus

7/1/91

Returns to Chicago

11/2/04

Elected to U.S. Senate

18-year-old student at the University of Hawaii, she fell in love and married a fellow student from Kenya—Barack Obama Sr.

Two years later they were divorced, and Obama's mother remarried an Indonesian student. When Obama was five, the family moved to Jakarta. His mother, concerned about his education, woke him every day at 4 a.m. to drill him in English before he went to school.

When he was 10, Obama's mother sent him to live with his grandparents in their Honolulu apartment. He enrolled in the college preparatory Punahou School with financial aid, then in Occidental College on a scholarship. In 1981 he transferred to Columbia University in New York City.

After three years as a community organizer, he embarked on a brilliant academic career at Harvard Law School. A top Chicago law firm recruited him as a summer associate. There he met his wife, Michelle Robinson, who graduated from Harvard three years earlier.

Michelle grew up in a small house on Chicago's South Side. Her father was a city water plant employee, her mother a secretary at Spiegel's catalog store. She and her brother Craig—now basketball coach for the Oregon State Beavers—both graduated from Princeton.

Obama graduated Harvard with a sparkling resume—high honors and the first African-American elected to edit the prestigious Harvard Law Review. Though he received extremely lucrative job offers from Chicago's top law firms, he chose to work for a small public-interest law office and to lecture at the University of Chicago.

"Barack Obama walks picket lines, John McCain crosses them."

— TOM KEEGEL, GENERAL SECRETARY-TREASURER

The Obamas were married on October 3, 1992 and moved to a railroad flat in Chicago. Together, he and Michelle had about \$120,000 in student loans.

"We didn't finish paying them off until we'd been married for at least eight years, maybe nine," Obama said.

Their near-crippling debt prompted him to make a promise to every student in America if he's elected president.

"Your country will offer you \$4,000 a year of tuition if you offer your country community or national service when you graduate," he said. "If you invest in America, America will invest in you."

The first years of their marriage were tranquil—"full of ordinary pleasures," he wrote. "We were both working hard."

Then their first daughter, Malia, was born in 1998; Natasha, or Sasha, three years later. It was only later, after the girls started school, that he said he began to appreciate what Michelle had been going through. "When children showed up, it was Michelle and not I who was expected to make the necessary adjustments," he wrote. He strongly believes that every American family should have access to quality day care.

His family also shaped his approach to health care. As a baby, Sasha was hospitalized for three days with meningitis.

“I still shudder when I think of those three days; how my world narrowed to a single point, and how I was not interested in anything or anybody outside the four walls of that hospital room—not my work, not my schedule, not my future,” he wrote in “The Audacity of Hope.”

His health care plan would cover every American. Those who have health insurance will see their premiums drop. The 45 million Americans who don't have health insurance will be covered.

Cautious, but Competitive

Obama's career began to take off on November 4, 1996, when he was elected to the Illinois State Senate. His friend, Republican State Sen. Kirk Dillard, said the freshman lawmaker wasn't welcomed by his new colleagues.

“The fact that he was a law professor—and a constitutional-law professor—and he was a Harvard graduate made many members of the General Assembly roll their eyes,” Dillard told the Washington Post.

McCain: A Third Term for the Bush Administration

Workers Can't Afford His Anti-Union Agenda

Arizona Republican John McCain, war hero turned U.S. Senator, is known for his bravery as a prisoner of war for 5-1/2 years after his plane was shot down over North Vietnam.

It is less well known that McCain was born into privilege and married into enormous wealth. His father and grandfather were both four-star admirals. The Washington, D.C. mansion he grew up in is now the swank Republican Club. His second wife, Cindy, inherited a beer distributorship with an estimated worth of \$100 million. Together they own eight homes.

Wealth and privilege shaped McCain's view of public policy. Other than a brief stint doing public relations for his father-in-law, he has never held a job outside of elected office or the military. He believes that the rich should be rewarded, even at the expense of working Americans.

His Senate voting record—almost identical with the Bush administration's policies—should disturb any working American. So should the dozens of lobbyist friends who advise him on his campaign (including FedEx CEO Fred Smith).

McCain voted to eliminate overtime pay for 8 million American workers. He voted to allow companies to cut and eliminate pensions for their long-term employees. He voted to weaken OSHA workplace regulations designed to prevent injuries on the job. He has consistently opposed raising the minimum wage.

“I don't want a president who, like McCain, has said he ‘doesn't really understand economics’ or has recently said that ‘the fundamentals of the economy are strong.’ I want a president who recognizes the dire straits working Americans are struggling through and won't whitewash the problems,” said Jim Hoffa, Teamsters General President.

Anti-worker Agenda

That McCain is out of touch with the concerns of ordinary people is clear from his anti-union, anti-worker agenda.

- McCain voted against the Employee Free Choice Act [H.R. 800, Vote 227, 6/26/07];
- McCain voted for a National-Right-to-Work Act [S. 1788, Vote 188, 7/10/96];
- McCain voted to allow employers to hire permanent replacements during a strike [S. 55, Vote 189, 7/13/94];

■ McCain voted against granting collective bargaining rights for state and local police and firefighters [H.R. 3061, Vote 323, 11/6/01]; and

■ McCain voted against granting collective bargaining rights for TSA screeners [S. 4, Vote 64, 3/7/07].

McCain had government health care almost his entire life, but he doesn't want you to have it. His health care plan would leave families at the mercy of big insurance companies. Worse, he would tax your health benefits and motivate employers to eliminate benefits.

He is one of the staunchest advocates of free trade in the U.S. Senate. He voted for every disastrous free-trade agreement since NAFTA. He strongly supports a trade deal with Colombia. He's a leader in the effort to open the border to dangerous trucks from Mexico.

“If I were president, I would negotiate a free trade agreement with almost any country,” McCain said in a speech in 1999. Last year he said he knows NAFTA was a good idea.

Concerns about Foreign Policy

That McCain would be the oldest person to ever take the oath of office, plus his notorious temperament, raise serious concerns about his ability to manage foreign policy.

He is prone to gaffes about international affairs. He has repeatedly referred to Czechoslovakia, a country that hasn't existed for 15 years. He has confused Sudan with Somalia.

His mistakes on Iraq are especially worrisome. He has talked about problems on the Iraq-Pakistan border, when Iraq and Pakistan are 1,500 miles apart and don't share a border. He has confused Sunni and Shia factions. He isn't sure how many U.S. troops are in Iraq. He has said we should stay in Iraq for 100 years.

McCain's shoot-from-the-lip style concerns his colleagues in the Senate.

Former Sen. Bob Smith, R-N.H., said, “His temper would place this country at risk in international affairs, and the world perhaps in danger. In my mind, it should disqualify him.”

Thad Cochran, R-Miss., said in a phone interview that McCain is erratic and hotheaded. “He loses his temper and he worries me,” Cochran said. “The thought of his being president sends a cold chill down my spine.”

Obama worked his way into the social life of Springfield, playing golf and pickup basketball after the legislative day ended.

During his eight years in the Illinois Legislature, Obama forged links with Republicans and conservative Democrats to pass important legislation. He is credited with drafting bipartisan laws on ethics and health-care reform. He worked to make the death penalty fairer.

National Security

Obama won the U.S. Senate seat from Illinois in 2004. Even before he won the election, he demonstrated sound instincts and judgment on foreign policy.

“Chaos had come to our doorstep,” he said of the September 11, 2001 terrorist attacks in his book “The Audacity of Hope.” He supported the Bush administration’s mission to drive the Taliban government out of Kabul and to capture or kill al-Qaida operatives.

But he disagreed with the invasion of Iraq. “What I sensed, though, was that the threat Saddam posed was not imminent, the administration’s rationales for war were flimsy and ideologically driven, and the war in Afghanistan was far from complete” he wrote.

In the fall of 2002, he gave a speech in Chicago’s Federal Plaza in which he warned of the dangers of invading Iraq.

“Even a successful war against Iraq will require a U.S. occupation of undetermined length, at undetermined cost, with undetermined consequences,” he said. “I know that an invasion of Iraq without a clear rationale and without strong international support will only fan the flames of the Middle East, and encourage the worst, rather than the best, impulses of the Arab world, and strengthen the recruitment arm of al-Qaida.”

That is not to say he opposes all wars. “War might be hell and still the right thing to do,” he wrote.

Though he was criticized for advocating diplomacy with terrorist sponsors such as Iran, he was vindicated when the Bush administration announced in July that it would send a top diplomat to negotiate for a halt to Iran’s efforts to reprocess uranium.

As a member of the Senate Foreign Relations Committee, Obama traveled to Eastern Europe, the Middle East and Africa. He has brought together a stable of seasoned advisors from the Clinton administration and has sought advice from former Secretary of State Colin Powell. He worked with Republican Sen. Dick Lugar of Indiana to pass a law that helps the U.S. and its allies to find and stop the smuggling of weapons of mass destruction.

He’s On Our Side

Obama worked hard to get where he is, and he understands the value of hard work. He emphasizes how important it is for Amer-



Get Involved!

A unified voting bloc of 1.4 million Teamster brothers and sisters can sway this election in the right direction—toward meaningful change. With Teamsters working to get Sen. Barack Obama and other labor-friendly politicians elected, it benefits not only the nation but the labor movement.

To find out how you can get involved in your community, visit Teamsters-ForObama.org and log in using your members-only password, **Obama08**.

ica to reward work, not just wealth.

He proposes a tax cut for the middle class, offset by a tax increase on the rich. “Once your drapes cost more than the average American’s yearly salary, then you can afford to pay a bit more in taxes,” he wrote in “The Audacity of Hope.”

He sponsored the Patriot Employer Act, which would give tax breaks to companies that stay in America and treat their workers well.

He has promised to review NAFTA and to renegotiate it if necessary.

Barack Obama stands squarely on the side of working men and women. As General Secretary-Treasurer Tom Keegel told the Teamsters at this year’s Unity Conference, “Barack Obama walks picket lines, John McCain crosses them.”

Voter Registration Deadlines

Teamsters nationwide are getting involved in elections at the community, state and national levels. Each state has different registration rules and guidelines. Here's a list of registration deadlines for each state for those still not registered to vote. For specific questions about this and other issues on voting in your state, visit the web site listed for your state.



Alabama

Registration Deadline:
October 24
For more information:
[www.sos.state.al.us/
Elections/Default.aspx](http://www.sos.state.al.us/Elections/Default.aspx)

Alaska

Registration Deadline:
October 5
For more information:
www.elections.alaska.gov

Arizona

Registration Deadline:
October 5
For more information:
www.azsos.gov/election

Arkansas

Registration Deadline:
October 6
For more information:
[www.sosweb.state.ar.us/
elections.html](http://www.sosweb.state.ar.us/elections.html)

California

Registration Deadline:
October 20
For more information:
[www.sos.ca.gov/elections/
elections.htm](http://www.sos.ca.gov/elections/elections.htm)

Colorado

Registration Deadline:
October 6
For more information:
www.elections.colorado.gov

Connecticut

Registration Deadline:
October 28
For more information:
www.ct.gov/sots

Delaware

Registration Deadline:
October 11
For more information:
elections.delaware.gov

District of Columbia

Registration Deadline:
October 5
For more information:
www.dcboee.org

Florida

Registration Deadline:
October 6
For more information:
[election.dos.state.fl.us/index.
shtml](http://election.dos.state.fl.us/index.shtml)

Georgia

Registration Deadline:
October 6
For more information: [sos.
georgia.gov/elections/default.
htm](http://sos.georgia.gov/elections/default.htm)

Hawaii

Registration Deadline:
October 6
For more information:
hawaii.gov/elections

Idaho

Registration Deadline:
**Registration available on
Election Day**
For more information:
www.idahovotes.gov

Illinois

Registration Deadline:
October 8
For more information:
www.elections.state.il.us

Indiana

Registration Deadline:
October 6
For more information:
www.in.gov/sos/elections

Iowa

Registration Deadline:
**Registration available on
Election Day**
For more information:
www.sos.state.ia.us

Kansas

Registration Deadline:
October 26
For more information:
www.kssos.org/elections/elections.html

Kentucky

Registration Deadline:
October 6
For more information:
sos.ky.gov/elections/

Louisiana

Registration Deadline:
October 5
For more information: www.sos.louisiana.gov/elections/elections-index.htm

Maine

Registration Deadline:
Registration available on Election Day
For more information:
www.maine.gov/sos/cec/elec

Maryland

Registration Deadline:
October 14
For more information:
www.elections.state.md.us/

Massachusetts

Registration Deadline:
October 15
For more information: www.sec.state.ma.us/ele/eleidx.htm

Michigan

Registration Deadline:
October 6
For more information:
www.michigan.gov/sos

Minnesota

Registration Deadline:
Registration available on Election Day
For more information: www.sos.state.mn.us/home/index.asp?page=134

Mississippi

Registration Deadline:
October 6
For more information: www.sos.state.ms.us/elections/voterinfoguide.asp

Missouri

Registration Deadline:
October 8
For more information:
www.sos.mo.gov/elections/

Montana

Registration Deadline:
October 6
For more information:
sos.mt.gov/ELB/Voter_Information.asp

Nebraska

Registration Deadline:
October 17
For more information:
www.sos.state.ne.us/elec/

Nevada

Registration Deadline:
October 14
For more information:
sos.state.nv.us/elections/

New Hampshire

Registration Deadline:
Registration available on Election Day
For more information: www.sos.nh.gov/electionsnew.htm

New Jersey

Registration Deadline:
October 14
For more information:
www.state.nj.us/lps/elections/electionshome.html

New Mexico

Registration Deadline:
October 7
For more information:
www.sos.state.nm.us

New York

Registration Deadline:
October 10
For more information:
www.elections.state.ny.us

North Carolina

Registration Deadline:
October 10
For more information:
www.sboe.state.nc.us/

North Dakota

Registration Deadline: North
Dakota does not have voter registration
For more information: www.nd.gov/sos/

Ohio

Registration Deadline:
October 6
For more information:
www.sos.state.oh.us/SOS/elections.aspx

Oklahoma

Registration Deadline:
October 10
For more information: www.oklaosf.state.ok.us/~elections/

Oregon

Registration Deadline:
October 14
For more information:
www.sos.state.or.us/elections/

Pennsylvania

Registration Deadline:
October 6
For more information:
www.dos.state.pa.us/bcel/site/default.asp

Rhode Island

Registration Deadline:
October 6
For more information:
www.sec.state.ri.us/elections

South Carolina

Registration Deadline:
October 4
For more information:
www.scvotes.org

South Dakota

Registration Deadline:
October 20
For more information: www.scdos.gov/electionsvoteregistration/registrationvoting.shtm

Tennessee

Registration Deadline:
October 6
For more information: www.state.tn.us/sos/election/index.htm

Texas

Registration Deadline:
October 6
For more information:
www.sos.state.tx.us/elections/index.shtml

Utah

Registration Deadline:
October 6
For more information:
elections.utah.gov/

Vermont

Registration Deadline:
October 29
For more information:
vermont-elections.org/soshome.htm

Virginia

Registration Deadline:
October 7
For more information:
www.sbe.virginia.gov/cms/

Washington

Registration Deadline:
October 4
For more information: www.secstate.wa.gov/elections/

West Virginia

Registration Deadline:
October 14
For more information:
www.wvsos.org/elections/main.htm

Wisconsin

Registration Deadline:
Registration available on Election Day
For more information:
elections.state.wi.us

Wyoming

Registration Deadline:
Registration available on Election Day
For more information: sos.wy.state.wy.us/election/election.htm

Battleground States

TEAMSTERS PITCH IN ON SENATE RACES NATIONWIDE

The delicate balance in the U.S. Senate between those who favor working families and those who favor big business will almost certainly tip one way or the other in this election cycle. With so many big issues pertaining to labor that will be settled in the next couple of years, it's no surprise that members of the Teamsters are helping out in elections at every level all over the country. Luckily, many states have friends of labor running for Senate this year. Five of them are profiled here.



ROCKY MOUNTAIN RACE

Colorado Teamsters Support Mark Udall

Colorado is changing. Once staunchly conservative, the state is now divided—Republicans, Democrats and Independents each make up a third of its voters. However, in recent years the tide has begun to shift in favor of pro-labor Democratic leaders who are bringing the concerns of the labor movement to the forefront of the political agenda. This includes Mark Udall.

Since 1998, Udall has represented Colorado's Second Congressional District in the U.S. House of Representatives and is currently running for United States Senate. He is doing so with the support of Teamsters like Foster Hines, a 30-year Teamster who works at a Safeway warehouse and is a member of Local 455 in Denver.

"Udall has proven time and again that he will support the union and working people. He has shown his support and it has been tremendous," Hines said. "He has been to union functions, rallies and has spoken for union members. He has committed himself."

"We have a good relationship with Udall and the Teamsters have always supported him locally and nationally," said Ted Textor, political director for Local 455.

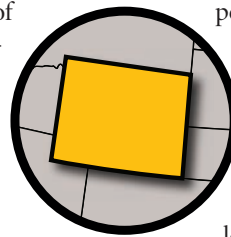
Teamsters across the state are excited about Udall, who is running against Republican Bob Schaffer for a seat currently held by Wayne Allard, a Republican who did not seek reelection. They have good reason to be optimistic. Udall supports the rights of workers to form unions, favors a fair trade policy and has opposed CAFTA

(Central American Free Trade Agreement). He cosponsored and supported tax provisions that discourage corporations from moving overseas for unfair tax advantages. He has authored

legislation to encourage investment in manufacturing at home. And he cosponsored the Employee Free Choice Act in the House of Representatives.

"It would be wonderful to have him representing us, as that would definitely strengthen our position," said Bob Newhouse, a 33-year Teamster UPS driver and member of Local 455. "Udall has a great background, his family has been in politics for a long time and he has experience. I think he'll be good for us."

To learn more about Mark Udall, visit www.markudall.com.



A FRIEND OF LABOR

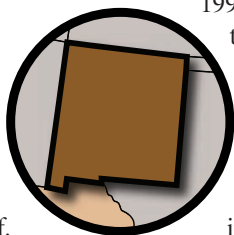
New Mexico Teamsters Back Tom Udall

Walter Maestas has known Tom Udall since 1996, when Udall served as New Mexico's attorney general and Maestas handled political activities for Local 492 as a business agent.

"He's always been a friend of labor and that has never changed," said Maestas, now Secretary-Treasurer of Local 492 in Albuquerque. "He has always listened to our concerns, met with us and supported us."

Teamsters in New Mexico are supporting Udall, currently a Democratic congressman, in his U.S. Senate race against Republican Rep. Steve Pearce. Maestas said the choice was an easy one for Teamsters.

"Udall's record speaks for itself. We have a good opportunity to elect someone who is truly on labor's side," Maestas said.



Udall was first elected to Congress in 1998 and has voted against free trade policies that threaten the jobs of U.S. workers and have no policies in place regarding human rights. He has voted in favor of restricting employer interference in union organizing. He supports the Employee Free Choice Act, and the Patriot Employer Act, which would provide a tax credit to companies that maintain or

increase the number of workers it has in the United States. Maestas said key labor issues in New Mexico right now concern changing the state's status to a right-to-work state, which the Teamsters and Local 492 adamantly oppose.

"We're also a border state, so our fight against the North American Free Trade Agreement and unsafe trucks from Mexico continue," he added.

To learn more about Tom Udall, visit www.tomudall.com.



A CLEAR CHOICE FOR NEW HAMPSHIRE

Shaheen has Always Been There for Teamsters

Jeanne Shaheen, the Democratic candidate for U.S. Senate in New Hampshire, attended numerous monthly meetings at Local 633 while she served as governor and has always been a supporter of working families.

"Shaheen has been a good friend of working people in New Hampshire," said Dave Laughton, Secretary-Treasurer of Local 633 in Manchester, New Hampshire.

Shaheen is facing incumbent John Sununu in the election. She served as governor from 1997 until 2003, and was the first woman elected governor of New Hampshire in 1996. She is vying to become the first woman elected U.S. Senator in New Hampshire.

"Jeanne Shaheen, as governor, stood with us in defeating the right-to-work legislation that was proposed, and she supports the Employee Free Choice Act," Laughton said. "When she was governor, she attended many of our monthly meetings at Local 633 and she was always willing and available to listen to our concerns. Her door, when she was governor, was always open for us."

James Petrillo, an 18-year Teamster and Local 633 member who is a driver for the George Weston Bakeries in Hookset, New Hampshire, said he remembers seeing Shaheen come to meetings at the local union, where she took the time to listen to members' concerns.

"She's all about working-class families," said Petrillo. "She's always been there for us."

In addition to supporting the Employee Free Choice Act, Shaheen supports expanding access to health care. As governor, she launched New Hampshire's Children's Health Insurance Program, which has provided affordable health insurance to tens of thousands of the state's children. As governor, she was committed to helping make sure the state's workers had the good jobs they needed to care for their families. When she was governor, Shaheen met with Teamster members and their families at the capitol in Concord.

"She's a warm, personable person to talk to and she knows the issues," Petrillo said. "She was a phenomenal governor and she'll be a phenomenal senator."

To learn more about Jeanne Shaheen, visit www.jeannshaheen.org.

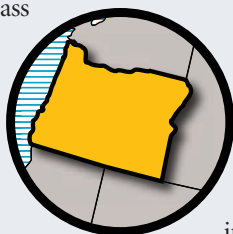


JEFF MERKLEY: CANDIDATE FOR CHANGE IN OREGON

State Democratic Leader Supports Working Families

Oregon Teamsters have the opportunity to elect a strong Democrat to the U.S. Senate this year with a vote for Jeff Merkley. Merkley currently serves the people of the state as the speaker of the Oregon House of Representatives, a position he has held since 2006. Born into a working-class family, Merkley has worked over the years to build a strong record of supporting hardworking men and women throughout the state and as an advocate for working family values.

“Jeff Merkley is the best candidate to represent Oregon’s working families,” said Tony Andrews, President of Joint Council 37 in Portland. “He knows unfair trade agreements like NAFTA have cost our state close to 70,000 jobs. And he



has pledged to work to keep American companies in the U.S. and reward corporations that create new jobs for working Oregonians.”

Originally elected to the Oregon House in 1998, he was elected Democratic leader in 2003 and speaker of the House in 2006. Merkley has led other Oregon legislators to fight to make health care more affordable and to create thousands of good jobs in Oregon.

“As speaker of the House of Representatives it was my privilege to finally pass legislation for working families that had been stalled for the last 16 years under Republican control,” Merkley said. “For instance, we were able to guarantee majority signup for public employees who want to form a union. And we strengthened Oregon’s family leave laws and created more prevailing wage jobs in Oregon.”



Merkley has met with Teamsters throughout the state on numerous occasions. “He’s a down-to-earth guy,” said Dick Spohn, a member of Portland’s Local 223. “He’s a strong believer in unions and he shepherded through a card-check law for public employee unions and he has pledged to sign onto the Employee Free Choice Act as soon as he is sworn in.”

Joint Council 37, working with other unions in the state, undertook a massive voter registration drive this year. And the results are in—there are 70,000 new Democrats registered to vote in Oregon this year.



ALLEN IS THE MAN FOR MAINE’S TEAMSTERS

Six-Term Congressman Fights for Working Families

For union members in Maine, the ongoing Senate race pits two candidates that are so diametrically opposed to one another that the choice couldn’t be more clear.

Rep. Tom Allen (D-1st District) has been a dedicated public servant for Maine

for six terms in the House of Representatives, fighting for the issues that are important to Maine’s working families. However, his opponent, Republican incumbent Susan Collins, has been nothing more than a Bush administration yes-woman.

Collins has voted against the minimum wage, for presidential “fast-track” authority on trade agreements, against granting collective bargaining rights for Homeland Security employees and against the Employee Free Choice Act. In contrast, Allen has been a true champion for working families, with a lifetime voting record rating of 96 percent by the AFL-CIO on workers’ issues.

“Tom Allen has consistently proven to be a friend to labor and working families since he was elected in 1996,” said Jim Carson, President of Local 340 in South Portland, Maine. “We have mobilized our

membership across the state to help get Allen elected.”

In addition to members spreading the word to their brothers and sisters through house visits, Teamsters have been distributing literature on Allen that outlines why he is the right choice for senator. The union plans to increase its activities as the election approaches with phone banks and more boots on the ground to help educate the membership.

“I am greatly humbled by the confidence Maine’s Teamsters have shown in me over the years and especially in this race for the U.S. Senate,” Allen said. “In the Senate, my efforts will remain focused on strengthening our working people here at home with middle-class tax cuts, affordable college tuition, affordable housing, universal health care, and economic policies that protect workers instead of giving tax breaks to big corporations that send jobs overseas.”



Union Builds on Financial Strength

The International Brotherhood of Teamsters is realizing the strength attained through the financial growth resulting from the actions taken at the 2002 Special Convention. Recent successes in organizing new members and in negotiating strong contracts for our hardworking members have been made possible by building upon the union's financial strength.

The International Brotherhood of Teamsters' audited 2007 financial statements report total assets of \$227.2 million and net assets of \$135.1 million.

Our Strike and Defense Fund continues to grow and has proven to be a cornerstone to many Teamsters employers who now cannot steamroll us in negotiations. Through the growth of the Strike and Defense Fund, our collective bargaining strength cannot be ignored by any employer.

The fund's balance stood at \$80.2 million at the end of 2007. Having a strong Strike and Defense Fund benefits everyone in the union, not just those who utilize it.

One of the goals this administration aspires to has always been to increase the power of the Teamsters Union through organizing. With more members, we have more power; this applies at the

bargaining table and in the corridors of power in Washington, D.C.

Organizing victories at UPS Freight (formerly Overnite), United Airlines and school bus workers, among countless others, were only made possible by our strong financial position.

Foresight Pays Off

It's amazing to think back to when Jim Hoffa became the union's General President in 1999 and our finances were in shambles. When we took office, the union had net assets of only \$8.6 million.

Again, none of our current financial strengths would have been possible without the strong leadership and incredible foresight of the Hoffa admin-

istration. The dues and per capita tax reform adopted at the 2002 Special Convention paved the way for many of the successes we are seeing today.

That foresight, and the continued stewardship of this union's finances, ensures the future of our union and, most importantly, your union contracts. The resolve to increase the number of Teamsters has shown that the Teamsters Union is still the world's most powerful union.



C. Thomas Keegel
General Secretary-Treasurer

Novak | Francella
LLC CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

Members of the General Executive Board
International Brotherhood of Teamsters

We have audited the accompanying consolidated statement of financial position of the International Brotherhood of Teamsters (the International Union) as of December 31, 2007, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the International Union's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the International Union as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Novak Francella LLC

July 1, 2008

PHILADELPHIA | Two Bala Plaza, Suite 501 | Bala Cynwyd, PA 19004 | 610.668.9400 | 610.668.9405 Fax
NEW YORK | 450 Seventh Avenue, 35th Floor | New York, New York 10123 | 212.279.4262 | 212.279.4263 Fax

International Brotherhood of Teamsters Consolidated Statement of Financial Position

DECEMBER 31, 2007

	GENERAL FUND	STRIKE AND DEFENSE FUND	HOFFA SCHOLARSHIP FUND	TEAMSTER DISASTER RELIEF FUND	SUPPLEMENTAL BENEFITS TRUST	TOTAL
ASSETS						
Cash and cash equivalents	\$10,428,943	\$8,654,184	\$454,100	\$370,679	\$4,391,658	\$24,299,564
Cash and securities collateral held for securities on loan	5,533,878	11,914,510	—	—	—	17,448,388
Receivables, net						
Trade	13,960,647	—	—	—	1,768,053	15,728,700
Grants	807,543	—	—	—	—	807,543
Accrued investment income	302,304	293,469	31,749	—	23,154	650,676
Securities sold pending settlement	—	1,310	—	—	—	1,310
Due from/(to) related entities	(5,074,629)	5,357,870	—	—	(126,000)	157,241
Inventories	517,223	—	5,391	—	—	522,614
Prepaid expenses	772,115	—	28,625	—	—	800,740
Investments						
First trust notes — affiliates	1,945,487	—	—	—	—	1,945,487
Other	45,297,510	53,947,175	6,872,003	—	5,747,659	111,864,347
Security deposits and other	580,568	—	27,084	—	7,500	615,152
Property and equipment, net	41,968,294	—	—	—	—	41,968,294
Prepaid pension cost	10,363,216	—	—	—	—	10,363,216
Total assets	\$127,403,099	\$80,168,518	\$7,418,952	\$370,679	\$11,812,024	\$227,173,272
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued expenses						
Trade	\$22,920,897	\$57,620	\$328,278	\$—	\$152,943	\$23,459,738
Securities purchases pending settlement	—	42,252	—	—	—	42,252
Liability to return collateral for securities on loan	5,533,878	11,914,510	—	—	—	17,448,388
Loans payable	20,000,000	—	—	—	—	20,000,000
Unexpended scholarship awards	—	—	235,000	—	—	235,000
Accrued pension cost	30,424,329	—	—	—	—	30,424,329
Accrued postretirement benefits cost	475,391	—	—	—	—	475,391
Total liabilities	79,354,495	12,014,382	563,278	—	152,943	92,085,098
NET ASSETS						
Unrestricted	47,692,510	68,154,136	6,855,674	370,679	11,659,081	134,732,080
Temporarily restricted	356,094	—	—	—	—	356,094
Total net assets	48,048,604	68,154,136	6,855,674	370,679	11,659,081	135,088,174
Total liabilities and net assets	\$127,403,099	\$80,168,518	\$7,418,952	\$370,679	\$11,812,024	\$227,173,272

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2007

	GENERAL FUND		STRIKE AND DEFENSE FUND	HOFFA SCHOLARSHIP FUND	TEAMSTER DISASTER RELIEF FUND	SUPPLEMENTAL BENEFITS TRUST	ELIMINATIONS	TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED		
REVENUE AND OTHER SUPPORT								
Per capita and initiation fees	\$140,158,371	\$—	\$19,821,724	\$—	\$—	\$—	\$—	\$159,980,095
Grants and contributions	3,122,300	—	—	589,614	115,833	—	(15,033)	3,812,714
Special fundraising events	—	—	—	1,245,687	—	—	—	1,245,687
Affinity program	75,548	—	—	—	—	6,380,787	—	6,456,335
Investment income, net	3,609,631	—	3,302,347	328,974	—	169,859	—	7,410,811
Sales of supplies, net	198,009	—	—	—	—	—	—	198,009
Loss on disposal of property and equipment	(53,189)	—	—	—	—	—	—	(53,189)
Other	4,341	103,953	—	36,556	—	—	—	144,850
Pension cost credit	6,996,327	—	—	—	—	—	—	6,996,327
Net assets released from restrictions	61,298	(61,298)	—	—	—	—	—	—
Total revenue	154,172,636	42,655	23,124,071	2,200,831	115,833	6,550,646	(15,033)	186,191,639
EXPENSES								
Program services								
Member services								
Communications, magazine and public relations	13,532,389	—	—	—	—	110,000	(15,033)	13,627,356
Financial assistance to affiliates	205,832	—	—	—	—	—	—	205,832
Industry trade divisions and relations	37,971,310	—	—	—	—	—	20,000	37,991,310
Out-of-work benefits	1,610,716	—	8,611,452	—	—	—	(6,041,512)	4,180,656
Research, education and training	15,061,015	—	—	—	—	296,531	1,030,651	16,388,197
Retiree relations, scholarships and other	448,326	—	—	424,250	—	—	—	872,576
Organizing	22,575,085	—	—	—	—	—	3,362,600	25,937,685
Other	9,975,833	—	—	—	38,600	2,489,198	22,100	12,525,731
Affiliation fees	13,931,943	—	—	—	—	—	—	13,931,943
Government affairs	9,076,062	—	—	—	—	—	—	9,076,062
Legal and litigation	4,851,384	—	—	—	—	—	1,552,316	6,403,700
Civil RICO	8,448,142	—	—	—	—	—	—	8,448,142
Convention	1,961,772	—	—	—	—	—	—	1,961,772
Total program services expenses	139,649,809	—	8,611,452	424,250	38,600	2,895,729	(68,878)	151,550,962
Supporting services								
Administration and governance	8,859,877	—	—	60,041	—	342,723	53,845	9,316,486
Fundraising	—	—	—	696,543	—	—	—	696,543
Total expenses	148,509,686	—	8,611,452	1,180,834	38,600	3,238,452	(15,033)	161,563,991
CHANGE IN NET ASSETS	5,662,950	42,655	14,512,619	1,019,997	77,233	3,312,194	—	24,627,648
NET ASSETS								
Beginning of year	45,048,585	313,439	53,641,517	5,835,677	293,446	8,346,887	—	113,479,551
SFAS No. 158 adjustment	(3,019,025)	—	—	—	—	—	—	(3,019,025)
End of year	\$47,692,510	\$356,094	\$68,154,136	\$6,855,674	\$370,679	\$11,659,081	\$—	\$135,088,174

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2007

	GENERAL FUND	STRIKE AND DEFENSE FUND	HOFFA SCHOLARSHIP FUND	TEAMSTER DISASTER RELIEF FUND	SUPPLEMENTAL BENEFITS TRUST	TOTAL
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES						
Cash received from						
Affiliated conferences, joint councils and local unions	\$147,083,017	\$14,563,345	\$—	\$—	\$—	\$161,646,362
Investment income	2,188,358	2,190,269	221,803	—	186,890	4,787,320
Other revenue and reimbursements	3,865,464	—	1,852,701	115,833	6,893,990	12,727,988
Net cash received	153,136,839	16,753,614	2,074,504	115,833	7,080,880	179,161,670
Cash disbursed to						
Service providers, suppliers, vendors and others	136,113,302	2,664,630	1,107,574	38,600	3,048,160	142,972,266
Other labor organizations	5,037,105	—	—	—	—	5,037,105
Affiliated conferences, joint councils and local unions	9,060,918	—	—	—	—	9,060,918
Members for benefits under Strike Benefit Assistance Program	—	2,244,197	—	—	—	2,244,197
Net cash used	150,211,325	4,908,827	1,107,574	38,600	3,048,160	159,314,486
Net cash provided by operating activities	2,925,514	11,844,787	966,930	77,233	4,032,720	19,847,184
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES						
Proceeds from sale or redemption of investments	43,011,097	64,220,196	12,598,632	—	5,899,886	125,729,811
Purchase of investments	(44,342,416)	(72,568,269)	(13,477,013)	—	(7,421,220)	(137,808,918)
Purchase of fixed assets	(9,070,002)	—	—	—	—	(9,070,002)
Payment of loans by affiliates	356,450	—	—	—	—	356,450
Other contributions	—	—	—	—	765	765
Net cash used for investing activities	(10,044,871)	(8,348,073)	(878,381)	—	(1,520,569)	(20,791,894)
Cash flows provided by financing activities						
Loan proceeds	10,000,000	—	—	—	—	10,000,000
Net cash provided by financing activities	10,000,000	—	—	—	—	10,000,000
NET INCREASE IN CASH	2,880,643	3,496,714	88,549	77,233	2,512,151	9,055,290
CASH AND CASH EQUIVALENTS						
Beginning of year	7,548,300	5,157,470	365,551	293,446	1,879,507	15,244,274
End of year	\$10,428,943	\$8,654,184	\$454,100	\$370,679	\$4,391,658	\$24,299,564
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Change in net assets	\$2,686,580	\$14,512,619	\$1,019,997	\$77,233	\$3,312,194	\$21,608,623
Net appreciation of investments	(1,585,882)	(1,201,844)	(116,824)	—	(25,686)	(2,930,236)
Loss on disposal of fixed assets	53,189	—	—	—	—	53,189
Depreciation expense	1,880,915	—	—	—	—	1,880,915
(Increase) decrease in assets						
Receivables	1,718,561	(65,131)	(26,903)	—	510,500	2,137,027
Inventories	37,782	—	(4,483)	—	—	33,299
Prepaid expenses	(189,384)	—	24,857	—	—	(164,527)
Security deposits and other	306,346	—	—	—	47,500	353,846
Due to/from related entities	1,399,408	(1,421,961)	390	—	49,913	27,750
Prepaid pension cost	(5,132,828)	—	—	—	—	(5,132,828)
Increase (decrease) in liabilities						
Accounts payable and accrued expenses	6,160,752	21,104	72,396	—	138,299	6,392,551
Unexpended scholarship awards	—	—	(2,500)	—	—	(2,500)
Accrued pension cost	(4,397,283)	—	—	—	—	(4,397,283)
Accrued postretirement benefits cost	(12,642)	—	—	—	—	(12,642)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$2,925,514	\$11,844,787	\$966,930	\$77,233	\$4,032,720	\$19,847,184

See accompanying notes to consolidated financial statements.

International Brotherhood of Teamsters Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2007

NOTE 1. NATURE OF OPERATIONS

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

SUPPLEMENTAL BENEFITS TRUST - The Supplemental Benefits Trust represents the accounts and activities of the International Brotherhood of Teamsters Supplemental Benefits Trust, a financially inter-related organization under the International Union's control. The Trust was established on January 1, 2003 to serve as a vehicle for the coordination of several credit card, insurance and other programs offered to members

of the International Union and their families by third party vendors. The Trust is funded primarily through royalty payments payable in accordance with the provisions of various agreements between the International Union and third party vendors which have been assigned by the International Union to the Trust.

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

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

INVESTMENTS - Investments are reported at their aggregate fair value. The fair value of investments in common and capital stocks, corporate bonds, mutual funds and U.S. Treasury and Government Agency securities are determined by quoted market prices as reported by the investment custodian.

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

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

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

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

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

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

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

NOTE 3. TAX STATUS

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

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

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

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

NOTE 4. TRADE RECEIVABLES

Trade receivables consist of the following at December 31, 2007:

Per capita and initiation fees	\$ 13,032,601
Unsecured notes receivable	468,205
Affinity program	1,768,053
Other	482,043
	<u>15,750,902</u>
Less allowance for doubtful accounts	(22,202)
	<u>\$ 15,728,700</u>

NOTE 5. UNINSURED CASH BALANCES AND INVESTMENT CONCENTRATIONS

The International Union maintains cash equivalents with various financial institutions as of December 31, 2007 totaling approximately \$15,233,000 which were not insured by the Federal Deposit Insurance Corporation.

The International Union also maintains cash at a Canadian financial institution, which is insured up to \$60,000. As of December 31, 2007, the International Union's cash in the Canadian financial institution in excess of insurance coverage totaled approximately \$1,489,000 in Canadian dollars (approximately \$1,507,000 U.S. Dollars).

The Hoffa Scholarship Fund maintains all of its cash and cash equivalents at one financial institution. The balance is insured by the Federal Deposit Corporation up to \$100,000. As of December 31, 2007 the Hoffa Scholarship Fund's cash in excess of FDIC insurance coverage totaled approximately \$4,351.

The Supplemental Benefits Trust maintains all of its cash with one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$100,000. As of December 31, 2007 the Supplemental Benefits Trust's cash in excess of FDIC insurance coverage totaled approximately \$4,000,000.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2007 the Teamsters Disaster Relief Fund's cash in excess of FDIC insurance coverage totaled approximately \$270,679.

NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government totaled \$807,543 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, 2007 is summarized below:

	COST	FAIR VALUE	FAIR VALUE OF SECURITIES ON LOAN	NET FAIR VALUE OF SECURITIES ON HAND
Common stock	\$ 47,716,196	\$52,997,969	\$(691,854)	\$52,306,115
Capital stock	5,833	70,638	-	70,638
Corporate bonds	23,850,571	23,670,776	(1,205,109)	22,465,667
Government agency securities	15,963,478	16,134,012	-	16,134,012
U.S. Treasury securities	15,371,128	15,756,581	(13,161,417)	2,595,164
Mutual fund	3,398,880	3,234,371	-	3,234,371
	<u>\$106,306,086</u>	<u>\$111,864,347</u>	<u>\$(15,058,380)</u>	<u>\$ 96,805,967</u>

Investment income for the year ended December 31, 2007 consisted of the following:

	GENERAL FUND	STRIKE FUND	HOFFA SCHOLARSHIP FUND	SUPPLEMENTAL BENEFITS TRUST	TOTAL
Interest and dividends	\$ 2,191,031	\$ 2,255,400	\$ 248,706	\$ 185,626	\$ 4,880,763
Net realized and unrealized gain on investments	1,585,882	1,201,844	116,824	25,686	2,930,236
Investment expenses	(167,282)	(154,897)	(36,556)	(41,453)	(400,188)
	<u>\$ 3,609,631</u>	<u>\$ 3,302,347</u>	<u>\$ 328,974</u>	<u>\$ 169,859</u>	<u>\$ 7,410,811</u>

NOTE 8. INVESTMENTS IN FIRST TRUST NOTES

The International Union provided loans to affiliates for financial assistance. These loans are secured by real estate and are carried at their unpaid principal balance of \$1,945,487. No allowance for uncollectible accounts was deemed necessary as of December 31, 2007.

NOTE 9. PROPERTY AND EQUIPMENT

Property and equipment held by the International Union consists of the following as of December 31, 2007:

Land - headquarters	\$ 794,117
Headquarters building	43,281,777
Leasehold improvements	26,000
Furniture and fixtures	3,187,270
Equipment	3,699,008
Data processing equipment	3,397,311
Computer software	3,468,059
Automobiles	91,673
Working in process	3,489,186
	<u>61,434,401</u>
Less accumulated depreciation	(19,466,107)
Net property and equipment	<u>\$ 41,968,294</u>

Depreciation expense for the year ended December 31, 2007 was \$1,880,915.

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. Contributions to the Plan are made by the International Union based on the advice of consulting actuaries. The International Union reports in accordance with Statement of Financial Accounting Standards No. 87 (SFAS No. 87), "Employers' Accounting for Pensions." During the year ended December 31, 2006 the International Union adopted the provisions of Statement of Financial Accounting Standards No. 158 (SFAS No. 158), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" which amends SFAS No. 87. SFAS No. 158 requires that the full funding status of defined benefit pension and other postretirement plans be recognized on the statement of financial position as an asset (for over funded plans) or as a liability (for underfunded plans). In addition, SFAS No. 158 calls for recognition in net assets of gains or losses and prior service costs of credits that are yet not included as components of expense. Finally, SFAS No. 158 requires that the measurement of defined benefit plan assets and obligations be as of the statement of financial position date.

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 local unions continued to contribute, benefits were not frozen until December 31, 2001.

Effective as of January 1, 2002, no additional retirement or other benefit will be accrued under this Plan by any participant of the Plan. Any participation agreement which may have been submitted by an affiliate to, and accepted by, the Trustees of this Plan at any time on or after January 1, 1995 shall be terminated effective as of January 1, 2002 and no contribution shall be accepted by the Trustees from an affiliate on behalf of a participant employed by that affiliate with respect to any period of time beginning on or after January 1, 2002.

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.

In computing net periodic pension costs as of January 1, 2007 to be recognized for the year ended December 31, 2007, the consulting actuary used the following assumptions:

Discount rate.....	6.00%
Average rate of compensation increases.....	N/A
Expected return on Plan assets.....	8.00

The information on benefit costs for the year ended December 31, 2007, as determined by the consulting actuary, is as follows:

Employer contributions.....	\$ —
Plan participants' contributions.....	—
Benefits paid.....	46,907,102

In computing the funded status of the Plan as of December 31, 2007, the consulting actuary used the following assumptions:

Discount rate.....	6.50%
Average rate on compensation increases.....	N/A

NOTE 10. THE TEAMSTER AFFILIATES PENSION PLAN (continued)

The funded status of the Plan as of December 31, 2007, as determined by the actuary, is as follows:

Projected benefit obligation	\$ (495,168,754)
Fair value of Plan assets	505,531,970
Funded status	<u>\$ 10,363,216</u>
Accumulated benefit obligation	<u>\$ (495,168,754)</u>

Amounts recognized in the statement of financial position as of December 31, 2007 consist as follows:

Non-current assets	\$ 10,363,216
Current liabilities	—
Non-current liabilities	—

Amounts recognized in net assets as of December 31, 2007 consist as follows:

Transition obligation	\$ —
Prior service cost	—
Net loss	<u>39,388,091</u>
	<u>\$ 39,388,091</u>
Net periodic benefit cost	<u>\$ (6,996,327)</u>

Other changes in Plan assets and benefit obligations recognized in net assets as of December 31, 2007:

New transition obligations	\$ —
New prior service cost	—
New net loss	1,863,499
Amortization of transition obligation	—
Amortization of prior service cost	—
Amortization of net loss	—
Total recognized in net assets	<u>\$ 1,863,499</u>
Total recognized in net periodic benefit cost and net assets	<u>\$ (5,132,828)</u>

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

Transition obligation	\$ —
Prior service cost	—
Net loss	—
	<u>\$ —</u>

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

At December 31, 2007, the Plan's total assets were allocated as follows: 71% equity securities, 25% debt securities, 4% cash and short term investments.

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

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

The International Union's expected contributions to the Plan for the year ending December 31, 2008 are \$0. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2008	\$ 47,709,798
2009	47,091,400
2010	46,523,742

2011	45,855,749
2012	45,027,934
Aggregate for five years beginning 2013	208,761,673

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

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

In computing net periodic pension costs as of January 1, 2007 to be recognized for the year ended December 31, 2007, the consulting actuary used the following assumptions:

Discount rate	6.00%
Average rate of compensation increase	5.25
Expected return on Plan assets	8.00

The information on benefit cost for the year 2007, as determined by the consulting actuary, is as follows:

Employer contributions	\$ 15,856,309
Plan participants' contributions	—
Benefits paid	20,294,608

In computing the funded status of the Plan as of December 31, 2007, the consulting actuary used the following assumptions:

Discount rate	6.50%
Average rate of compensation increases	5.50

The funded status of the Plan as of December 31, 2007, as determined by the consulting actuary, is as follows:

Projected benefit obligation	\$(103,011,917)
Fair value of plan assets	72,587,588
Funded status	<u>\$ (30,424,329)</u>
Accumulated benefit obligation	<u>\$ (79,524,220)</u>

Amounts recognized in the statement of financial position as of December 31, 2007 consists as follows:

Non-current assets	\$ —
Current liabilities	—
Non-current liabilities	(30,424,329)

Amounts recognized in net assets as of December 31, 2007 consist as follows:

Transition obligation	\$ —
Prior service cost	574,771
Net loss	<u>15,191,382</u>
	<u>\$ 15,766,153</u>
Net periodic benefit cost	<u>\$ 10,246,829</u>

Other changes in Plan assets and benefit obligations recognized in net assets as of December 31, 2007:

New transition obligation	\$ —
New prior service credit	(3,669,149)
New net loss	5,788,687
Amortization of transition obligation	—

Amortization of prior service cost	(438,351)
Amortization of net loss	(468,990)
Total recognized in net assets	<u>\$ 1,212,197</u>
Total recognized in net periodic benefit cost and net assets:	<u>\$ 11,459,026</u>

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

Transition obligation	\$ —
Prior service cost	309,087
Net loss	447,011
	<u>\$ 756,098</u>

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

At December 31, 2007, the Plan's total assets were allocated as follows: 67% equity securities, 24% debt securities, 5% cash and short term investments and 4% other assets.

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

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

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

The International Union's expected contributions to the Plan for the year ended December 31, 2008 are \$12,582,956. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2008	\$ 8,556,430
2009	9,442,902
2010	10,336,552
2011	11,066,149
2012	11,285,726
Aggregate for five years beginning 2013	60,629,255

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 and a voluntary employee benefits trust. These entities, as well as the Strike and Defense Fund, Supplemental Benefits Trust, Teamster Disaster Relief Fund and James R. Hoffa Memorial Scholarship Fund, Inc., which are included in the consolidated financial statements, and amounts due to (from) the International Union at December 31, 2007 are as follows:

Strike and Defense Fund	\$ (5,357,870)
Teamster Affiliates Pension Plan	11,244
Retirement and Family Protection Plan	(15,625)
Voluntary Employee Benefits Trust	142,000
Supplemental Benefits Trust	126,000
Teamsters National 401(k) Savings Plan	19,622
Total	<u>\$ (5,074,629)</u>

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

NOTE 14. POSTRETIREMENT BENEFITS

The International Union also 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.

The International Union reports in accordance with Statement of Financial Accounting Standards No. 106 (SFAS No. 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions." During the year ended December 31, 2006 the International Union adopted the provisions of Statement of Financial Accounting Standards No. 158 (SFAS No. 158), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" which amends SFAS No. 106. SFAS No. 158 requires that the full funding status of defined benefit pension and other postretirement plans be recognized on the statement of financial position as an asset (for overfunded plans) or as a liability (for underfunded plans). In addition, SFAS No. 158 calls for recognition in net assets of gains or losses and prior service costs or credits that are yet not included as components of expense. Finally SFAS No. 158 requires that the measurement of defined benefit plan assets and obligations be as of the statement of financial position date.

In computing the net periodic postretirement costs for the year ended December 31, 2007 the consulting actuary used a discount rate of 6.00%.

The net periodic postretirement benefits cost for the plan for the year ended December 31, 2007 as determined by the consulting actuary, is as follows:

Service cost	\$ 9,948
Interest cost	28,800
Recognition of net loss	2,129
Amortization of transition obligation	6,678
Net periodic postretirement healthcare benefits cost	<u>\$ 47,555</u>

Other changes in Plan assets and benefit obligations recognized in net assets recognized in net assets as of December 31, 2007:

New transition obligation	\$ —
New prior service credit	—
New net gain	(47,864)
Amortization of transition obligation	6,678
Amortization of prior service cost	—
Amortization of net loss	2,129
Total recognized in net assets	<u>\$(56,671)</u>
Total recognized in net periodic cost and net assets	<u>\$(9,116)</u>

In computing the funded status of the Plan as of December 31, 2007 the consulting actuary used the following assumptions:

Assumptions used to value the accumulated postretirement benefit obligations:	
Discount rate	6.50%
Assumed health care cost trend rate for the coming year	0.00
Rate that the cost trend gradually declined to	0.00
Year that the rate reaches the rate that it is assumed to remain	N/A

The funded status of the plan as of December 31, 2007 as determined by the consulting actuary, is as follows:

Accumulated postretirement benefit obligation	\$(475,391)
Plan assets at fair value	—
Funded status	<u>\$(475,391)</u>
Accrued postretirement benefits costs	<u>\$(475,391)</u>

NOTE 14. POSTRETIREMENT BENEFITS (continued)

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

Transition obligation	\$ 6,678
Prior service cost	—
Net loss	<u>2,129</u>
	<u>\$ 8,807</u>

Amounts recognized in the statement of financial position as of December 31, 2007 consist as follows:

Non-current assets	\$ —
Current liabilities	(3,540)
Non-current liabilities	(471,851)

Amounts recognized in net assets during the year ended December 31, 2007 consist as follows:

Transition obligation	\$ 26,711
Prior service cost	—
Net loss	<u>22,036</u>
	<u>\$ 48,747</u>

Benefits paid during 2007 were \$3,526.

The International Union expects to contribute approximately \$3,540 for life insurance benefits during the year ending December 31, 2008. Life insurance benefits expected to be paid during the ensuing five years and thereafter are approximately as follows:

2008	\$ 30,470
2009	31,095
2010	31,780
2011	32,496
2012	33,193
Aggregate for five years beginning 2013	174,912

NOTE 15. ACCRUED LEAVE

In compliance with Statement of Financial Accounting Standards (SFAS) No. 43, "Accounting for Compensated Absences," the International Union has established a liability of \$2,838,494 representing accumulated future absences of its employees through the year ended December 31, 2007, 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.

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 License Agreement and a List Use Agreement with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) under which the AFL-CIO has obtained rights to use certain intangible property belonging to the International Union, including the right to use the name, logo, trademarks and membership lists of the International Union, in exchange for specified royalty payments to be paid to the International Union by the AFL-CIO.

In turn, the AFL-CIO has sub-licensed the right to use the International Union's intangible property to Household Bank of Nevada, N.A. (Household) for use by the bank in connection with its marketing of credit card and certain other financial products to members of the International Union.

On February 22, 1999, the terms of the AFL-CIO's License and List Use Agreements with Household were amended to provide for adjustments to the amounts of annual mini-

mum royalty payments payable to the AFL-CIO during program years 3 through 5, annual minimum royalty payments for each subsequent program year, and adjustments to the set annual royalty rates applicable to program years 3 through 12. The AFL-CIO splits the royalty payments it receives with participating unions, including the International Union, based on each participating union's average revolving balances in the credit card program.

Under the original agreements, if cumulative royalty earnings (calculated based on the set annual royalty rates and the average revolving balances of union members enrolled in the program) were less than the cumulative royalty payments or advances received by the AFL-CIO, then that excess amount would be due to Household at the end of the term of the agreements. Similarly, if the advances paid to the International Union by the AFL-CIO exceeded the cumulative earnings attributed to the International Union, then that amount would be due to the AFL-CIO at the end of the term of the agreements.

The amended agreements provide that if such a cumulative "overpayment" remains at the end of program year 12, the AFL-CIO has an option to extend the term of the agreement for three additional one-year periods and receive annual minimum royalty payments in each of those years. If there is still a cumulative "overpayment" at the end of the three-year extension, the AFL-CIO will not be obligated to repay such amount to Household.

The amended agreements also provide that the International Union will be obligated to repay any cumulative overpayment to the AFL-CIO if the agreements are terminated prior to the twelfth year of the contract or if the International Union chooses not to extend the term of the agreements for the additional three years referred to above.

The International Brotherhood of Teamsters assigned any and all rights and interest it may have related to the License and List Use Agreements with AFL-CIO to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

The agreement with the AFL-CIO was terminated on October 1, 2007.

The International Union has entered into an agreement with GMAC Insurance Company (GMACI) under which GMACI has the exclusive right to market and sell insurance coverage to International Union members in exchange for a fee of 3% of the direct written premium on policies underwritten for the plan by GMACI. The fees are payment for administrative expenses incurred by the International Union, list management services in connection with the insurance plan and for the use of the International Union name and logo.

The International Union assigned any and all rights and interests it may have related to the insurance plan agreement with GMACI to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

The International Union entered into an agreement with Union Privilege (UP) under which the International Union receives royalty payments from UP for promotion of UP's Union Plus programs to International Union members. The International Union receives \$.09 times the average number of members in the International Union as a royalty fee and receives reimbursement for expenses related to promotion of UP programs. The International Union assigned any and all rights and interests it may have related to the Union Privilege programs to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

The Supplemental Benefits Trust also has agreements with the Nu Travel and the Teamsters student loan program (Teamsters HELP) and the Teamsters Banking Center under which royalty payments are received.

Effective September 1, 2007, the International Union entered into a program independent of the AFL-CIO and Union Privilege under which credit cards and loans will continue to be offered by HSBC Finance Corporation (HSBC) to International Brotherhood of Teamsters members pursuant to terms of a new agreement.

This agreement provides HSBC 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. HSBC will be entitled to use this intangible property in connection with its efforts to market credit card and certain other financial products to members of the International Union.

Under this agreement, HSBC has agreed to pay the International Union certain royalties commencing as of September 1, 2007, in part to ensure that the International Union will continue to maintain its credit card and loan program with HSBC at least until the agreement's scheduled expiration date of February 28, 2019.

This agreement will renew automatically for successive periods of one year each unless the International Union or HSBC notifies the other party of its intent not to renew the agreement at least twelve months prior to February 28, 2019.

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

NOTE 18. LEASES

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

Year ending December 31,	2008	\$ 986,750
	2009	900,639
	2010	457,420
	2011	311,646
	2012	159,559
	Total	<u>2,816,014</u>
Thereafter		<u>137,425</u>
		<u>\$ 2,953,439</u>

Rental payments totaled \$2,042,552 for the year ended December 31, 2007.

NOTE 19. SECURITIES LENDING PROGRAM

The International Union has entered into an agreement with the custodial bank for the International Union's investments which authorizes the bank to lend securities held in the International Union's accounts to third parties.

The International Union receives 70% of the net revenue derived from the securities lending activities, and the bank receives the remainder of the net revenue. Income reported in the consolidated statement of activities includes \$71,205 earned by the International Union during the year ended December 31, 2007 in connection with the securities lending program.

Under this program, the bank must obtain collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities. Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are fully collateralized at all times. In the event that the loaned securities are not returned by the borrower, the bank will, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit the International Union's accounts with cash equal to the fair value of the loaned securities.

Although the International Union's securities lending activities are collateralized as described above, and although the terms of the securities lending agreement with the custodial bank require the bank to comply with government rules and regulations related to the lending of securities, the securities lending program involves both market and credit risk.

In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities or collateral, or that the bank's investment of cash collateral received from the borrowers of the International Union's securities may be subject to unfavorable market fluctuations. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

To date, the International Union has experienced no losses in connection with the securities lending program. At December 31, 2007, the fair value of securities on loan was \$15,058,380.

At December 31, 2007 the fair value of the cash and securities collateral held for securities on loan were as follows:

	GENERAL FUND	STRIKE AND DEFENSE FUND
Collateral - cash and cash equivalents	\$ 3,381,920	\$ 10,994,637
Collateral - securities	2,151,958	919,873
Total	<u>\$ 5,533,878</u>	<u>\$ 11,914,510</u>

In accordance with Statement of Financial Accounting Standard No. 140, the International Union has segregated securities on loan to third parties from other investments in Note 7 and has also reported the cash and securities collateral held for securities on loan as an asset and a corresponding liability to return the collateral on the consolidated statement of financial position.

NOTE 20. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets in the General Fund as of December 31, 2007 resulted from contributions from local union members, joint councils and other international unions for the renovation of the International Union headquarters building and contributions. At December 31, 2007 temporarily restricted net assets consisted of \$356,094 for building renovations.

NOTE 21. ORGANIZING ACTIVITIES

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

Organizing activities are as follows:

Per capita tax revenue	\$ 14,265,235
Expenses	<u>19,897,059</u>
Decrease in net assets	(5,631,824)
Balance at beginning of year	<u>(6,188,242)</u>
Disbursements for organizing activities over amounts allocated	<u>\$(11,820,066)</u>

NOTE 22. LOAN PAYABLE

During the year ended December 31, 2006 the International Union entered into a loan agreement and executed a promissory note with Wachovia Bank to borrow amounts up to \$25,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment is due by June 30, 2008. As of December 31, 2007, the outstanding principal balance due on the note was \$20,000,000 at a variable interest rate of 4.82%. Under this agreement an additional \$5,000,000 was available for the International Union to borrow as of December 31, 2007.

Interest expense totaled \$926,316 for the year ended December 31, 2007.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
88 CIV. 4486 (LAP)
MEMORANDUM AND ORDER

UNITED STATES OF AMERICA,
Plaintiff,

v.

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFERS, WAREHOUSEMEN AND
HELPERS OF AMERICA AFL-CIO,
et al.,
Defendants.

APPLICATION #129
RE: JAMES D. JACKSON

LORETTA A. PRESKA, United States District Judge:

The Independent Review Board (“IRB”) of the International Brotherhood of Teamsters (“IBT”) brought Application 129 concerning disciplinary action taken against James D. Jackson (“Jackson”), a member of Local 299 in Detroit, Michigan. Jackson was charged with bringing reproach upon the IBT and violating his membership oath in violation of Article II, Section 2(a) and Article XIX, Sections 7(b) (1) and (2) of the IBT Constitution and Paragraph E(10) of the Consent Decree, by knowingly associating with a barred person, Michael C. Bane (“Bane”), after Bane was permanently barred from the IBT on July 17, 2001.

The IRB referred the charge against Jackson to the IBT on February 27, 2007. By letter dated March 7, 2007, the IBT General President notified Jackson that a hearing on the charges had been scheduled for April 5, 2007. Approximately one week before the scheduled hearing, on March 28, 2007, Jackson requested an adjournment of the hearing, which the IBT rejected. An IBT panel conducted a hearing on April 5, 2007, and on May 23, 2007, the IBT General President adopted the decision of the IBT panel (i) holding that Jackson had violated the IBT Constitution and the Consent Decree by knowingly associating with Bane after Bane was permanently barred from the IBT; and (ii) recommending that Jackson be permanently barred from the IBT (the “IBT Decision”).

The Consent Decree provides that the IRB shall monitor disciplinary actions taken by any IBT entity on IRB-recommended charges to determine whether the charges were “pursued and decided” by that IBT entity “in a lawful, responsible, or timely manner” and whether the resolution of those charges is “inadequate under the circumstances.” Consent Decree ¶ G(f); *see also* IRB Rules ¶ I(7). By letter

dated September 11, 2007, the IRB found the IBT Decision “not inadequate.”

Although the Consent Decree contains no express procedure by which a union member disciplined by an IBT entity on IRB-recommended charges may appeal such a “not inadequate” determination to this Court, the IRB has followed a practice of facilitating judicial review of its “not inadequate” determinations when a charged party demonstrates his intention to seek review of a “not inadequate” finding.” *See Sombrotto v. IBT*, No. 01 Civ. 9285 (LAP), 2003 WL 252156, at *4 (S.D.N.Y. Feb. 3, 2003) (“This Court may also review IRB determinations that union discipline is ‘not adequate’ when requested by the IRB.”); *see also United States v. Boggia*, 167 F.3d 113 (2d Cir. 1999) (upholding district court’s affirmance of IRB “not inadequate” determination). Accordingly, the IRB submitted Application 129, by which the IRB requests that the Court adopt as an order of the Court the IRB’s determination that the IBT’s resolution of the charges recommended by the IRB was “not inadequate”.

The Court has considered the IRB’s Application 129, Jackson’s Objection dated January 4, 2008, the IBT’s papers dated January 10, 2008, the Chief Investigator’s papers dated January 25, 2008, and the Government’s papers dated January 31, 2008. For the reasons set out below, the IRB’s application is granted, and its determination upheld in all respects.

DISCUSSION

I. STANDARD OF REVIEW

The standards governing review of IRB disciplinary decisions are well established. This Court reviews determinations made by the IRB under an “extremely deferential standard of review.” *United States v. IBT (“Carey & Hamilton”)*, 247 F.3d 370, 379 (2d Cir. 2001); *United States v. IBT (“Simpson”)*, 120 F.3d 341, 346 (2d Cir. 1997); *United States v. IBT (“DiGirlando”)*, 19 F.3d 816, 819-20 (2d Cir. 1994), *cert. denied*, 513 U.S. 873 (1994). The IRB Rules, which were approved by this Court and the Court of Appeals, provide for review of decisions of the IRB under “the standard of review applicable to review of final federal agency action under the Administrative Procedure Act.” IRB Rules ¶ O. *See United States v. IBT (“IRB Rules”)*, 803 F. Supp. 761 (S.D.N.Y. 1992), *aff’d as modified*, 998 F.2d 1101 (2d Cir. 1993). Under this extremely deferential standard, an IRB decision may be set aside only if it is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” *Carey & Hamilton*, 247 F.3d at 380 (quoting 5 U.S.C. § 706(2)(A)).

II. APPLICATION

In his papers, Jackson devotes substantial space to the perceived deficiencies in the IBT’s decision. As Application 129 makes clear, however, “the IBT decision is not [now] the subject of this Court’s review.” *United States v. Teamsters*, 2007 WL 4563420 (S.D.N.Y., December 27, 2007). Rather, it is the IRB’s finding that the IBT’s decision was

“not inadequate” that is subject to review, as noted above, under an “extremely deferential standard of review.” *Id.* Applying that extremely deferential standard, the IRB acted well within its discretion when it upheld the IBT Decision permanently expelling Jackson for knowingly associating with Bane.

A. The IRB’s Decision Upholding the IBT’s Finding that Jackson Knowingly Associated With Bane Was Not Arbitrary and Capricious

Paragraph E(10) of the Consent Decree forbids IBT officers, representatives, employees, and members from knowingly associating with a member or associate of organized crime or “any person otherwise enjoined from participating in union affairs.” Consent Decree ¶ E(10); *see also United States v. IBT (“Carey and Hamilton Discipline”),* 22 F. Supp. 2d 135, 144 (S.D.N.Y. 1998), *aff’d*, 247 F.3d 370, 390 (2d Cir. 2001). “Prohibited knowing association . . . is established when contact is purposeful and not incidental or fleeting.” *United States v. IBT*, 824 F. Supp. 410, 414 (S.D.N.Y. 1993), *aff’d*, *DiGirlando*, 19 F.3d 816. “Purposeful contacts are prohibited even if no illegal purpose is demonstrated[, and p]urposeful contact may occur in either a business or social setting.” *Id.* (citations omitted). Knowing association may be inferred from the “duration and quality” of the association. *United States v. IBT (“Senese & Talerico”),* 745 F. Supp. 908, 918 (S.D.N.Y. 1990), *aff’d*, 941 F.2d 1292 (2d Cir. 1991); *United States v. IBT (“Cozza”),* 764 F. Supp. 797, 812 (S.D.N.Y. 1991).

For purposes of the Consent Decree’s associational ban, a person is considered to have been “enjoined from participating in union affairs” if he is either subject to a court order enjoining his participation in the affairs of the IBT or another union, *see United States v. Mason Tenders District Council*, 205 F. Supp. 2d 183, 190 (S.D.N.Y. 2002), or if he was permanently barred from membership in the IBT “pursuant to the disciplinary process established in the [C]onsent [D]ecree,” *United States v. IBT, (“Sombrotto”),* 266 F.3d 45, 51 (2d Cir. 2001). The effect of the Consent Decree’s associational ban on IBT members is clear: it prohibits IBT members from knowingly associating with any organized crime figure or any person who has been “enjoined from participating in union affairs.” Because the ban applies by its terms to current IBT members, the IRB and the Union may enforce the ban against current IBT members who knowingly associate with a prohibited person by bringing disciplinary charges for violation of the IBT Constitution.

The evidence shows that over a period of six years following Bane’s expulsion, Jackson had extensive telephone contact with Bane. *See Ex. 3*¹ (telephone records demonstrating that there were approximately 252 telephone calls between Bane’s home number and Jackson’s telephones).

Jackson readily admits to contact with Bane prior to his April 17, 2002 deposition, *see Ex. 1* at 190-91, 194-95, 200; Jackson Br. at 6. Indeed, he admitted being in contact with Bane on the day prior to his deposition. IRB Ex. E at 7; Ex. 1 at 194. Jackson contends, however, that he was not informed that the ban against associating with Bane was in effect. Jackson Obj. at 6.

Jackson’s contention that he did not know of the associational ban prior to his deposition in April 2002, is not credible in light of his admissions that he attended the IRB hearing concerning Bane and learned that Bane had been permanently removed (Ex. 10 at 53, 67, 69), read the Bane decision and understood that Local 614 members could not have contact with Bane (Ex. 1 at 196-97), and read the decision in the *Teamster* magazine (*id.* at 198). None of these provided any basis for Jackson to believe that a stay of the ban was in effect. Moreover, as the IBT recognized in its decision, “[a]s a union officer, Jackson had a duty and responsibility to be informed about the rules governing the Local and the International Union.” IBT Decision at 11 (IRB Ex. E.). Accordingly, the IRB properly upheld the IBT’s decision that Jackson’s contacts with Bane prior to the April 2002 deposition were “intentional, and that Jackson knew or should have known of Bane’s bar.” *Id.*

As to the period after April 2002, Jackson claims that “he no longer had any contact with Bane in any fashion.” Jackson Obj. at 6-7. The evidence, however, is to the contrary. For a period of four years after Jackson’s deposition, records show 114 telephone calls between Jackson’s cell phone and Bane’s home phone, of which 40 were three minutes or longer. Ex. 3, 4; IRB Ex. E at 8, 12. Jackson implausibly maintains that none of those calls was with Bane, but rather the calls were limited to conversations with Bane’s sons who were members of the IBT. He also claims that he let all calls from Bane’s number go to voicemail so that he could first determine who was calling and that he never initiated any conversations with Bane. Jackson Obj. at 5, 7-8.

Based on the evidence presented, the IBT had more than ample basis to reject Jackson’s explanations for the scores of telephone contacts between his phone and Bane’s. As discussed more fully in the Chief Investigator’s brief, the telephone records themselves undermine Jackson’s claim. *See Chief Investigator’s Brief (“Chief Investigator Br.”)* at 9-11. For example, the records demonstrate that contrary to Jackson’s assertion, he did not let all calls from Bane go directly to voicemail. There were at least 20 calls from Bane’s home in that period that exceeded three minutes – significantly longer than would be necessary to leave a voicemail message. *See Ex. 34*; IRB Ex. E at 9. Similarly, Jackson’s claim that he called Bane’s home for the purpose of speaking to Bane’s son, Joe Bane, Jr., is undermined by telephone records showing that he spoke to Bane’s son on

¹ “Ex.,” followed by a number, refers to exhibits attached to the IRB’s report recommending charges against Jackson. “IRB Ex.,” followed by a letter, refers to exhibits accompanying the IRB’s Application to this Court.

the son's own cellphone approximately 93 times, thereby demonstrating that he had direct access to Bane's son and did not need to call Bane's home to find him. *See* Ex. 30; IRB Ex. E at 10. Further undermining Jackson's story is the fact that on at least eight occasions, Bane's son's cellphone was in use during calls between Jackson and Bane's home, when Jackson was supposedly speaking to the son via the father's phone. *See* Ex. 22; IRB Ex. E at 10. In addition, the telephone records indicate that Jackson called Bane's home at least five times without first receiving a call from Bane's home, thereby undermining Jackson's claim that he never initiated a call to Bane after April 2002. *See* Ex. E at 10; Ex. 3. Thus, as the IBT recognized, Jackson's account of the phone calls "strains credulity." IRB Ex. E at 12. Given Jackson's admitted contacts with Bane between July 2001 and April 2002 — which would be sufficient to warrant the discipline imposed — as well as the extensive evidence of contacts after April 2002, it was not arbitrary or capricious for the IRB to uphold the IBT's finding that Jackson had knowingly associated with Bane after Bane was expelled from the Union.

B. Jackson Failed To Establish Any Procedural Defect in His Hearing

Jackson argues that the procedures at his IBT hearing were defective because he was allegedly denied counsel and the IBT did not grant him an adjournment to obtain counsel or to allow him to call witnesses. Jackson Br. at 2, 4-5.

Section 101 (5) (C) of the LMRDA "does not require that union disciplinary hearings incorporate the specific protections associated with judicial proceedings, including the right to be represented by counsel and the technical rules of pleading, procedure, and evidence." *Frye v. United Steelworkers of Am.*, 767 F.2d 1216, 1224 (7th Cir.), *cert. denied*, 474 U.S. 1007 (1985), *cited in United States v. IBT ("Kikes")*, 2007 WL 2319129 (S.D.N.Y. Aug. 9, 2007). Thus, although the IBT expressly provided Jackson with the opportunity to have counsel present, *see* IRB Ex. C, neither the LMRDA nor the IBT Constitution requires a right to counsel at internal union disciplinary proceedings. Thus, the denial of Jackson's requests for an adjournment to obtain counsel does not constitute a procedural defect.

Jackson's additional claim that he was unaware of his ability to call witnesses is similarly unavailing. Jackson was explicitly notified that he had the right to call witnesses. IRB Ex. C; Ex. E at 3-4, 6. In addition, the disciplinary provisions of the IBT Constitution (Article XIX, sec. 1(c) provide charged parties with the right to call witnesses, a fact Jackson would know as an experienced union official. *See* IRB Ex. E at 3-6. Accordingly, Jackson's challenge to the procedures employed in connection with his discipline is denied.

Finally, to the extent that Jackson claims that the IRB-recommended charge against him was politically motivated and "a serious blow to intra-union democracy," (Jackson Br. at 2,8), based on Jackson's having run for Local 299

President against IBT General President James Hoffa, *id.* at 1, that claim is rejected. As the IBT pointed out in its papers, Hoffa was never a member of Local 299 and thus never ran for President of that Local. In any event, mere speculation and conclusory allegations are insufficient to establish bias. *Frye v. United Steelworkers of America*, 767 F.2d 1216, 1225 (7th Cir. 1985), *cert. denied*, 474 U.S. 1007 (1985) ("... charges that bias undermined the fairness of a disciplinary proceeding must be supported by specific factual allegations from which the operation of bias can be inferred."); *Cf., United States v. IBT [Simpson]*, 931 F. Supp. 1074, 1106 (S.D.N.Y. 1996) (dismissing Simpson's claim of bias against two IRB members where such claims were "based solely on Simpson's speculation and conclusory allegations."); *Yager v. Carey*, 910 F. Supp. 704, 715 (D.D.C. 1995) ("... specific factual allegations of bias that show that the panelists were incapable of hearing plaintiff's case impartially" are necessary to demonstrate an LMRDA violation (citations omitted)), *aff'd*, 1998 U.S. App. LEXIS 1984 (D.C. Cir. January 21, 1998); *United States v. IBT [Kikes]*, 2007 U.S. Dist. LEXIS 58792 *14-15 (mere conclusory allegations were insufficient to establish bias).

C. The Sanction Imposed Upon Jackson Is Not Arbitrary or Capricious

It is well settled that a "district court reviews penalties imposed by the IBT in accordance with the Consent Decree under an 'arbitrary and capricious' standard." *Boggia*, 167 F.3d at 120. In reviewing IRB sanctions, this Court asks only whether the sanction imposed represents an "allowable judgment" in the choice of the remedy. *United States v. IBT ("Wilson, Dickens, Weber")*, 978 F.2d 68, 73 (2d Cir. 1992) (citation omitted). "[T]he reviewing court should not overturn the . . . choice of sanctions unless it finds the penalty unwarranted in law or without justification in fact." *Simpson*, 120 F.3d at 348 (citing *Wilson, Dickens, Weber*, 978 F.2d at 73); *see also United States v. IBT ("Bane")*, No. 88 Civ. 4486 (LAP), 2002 WL 654128, at *16 (S.D.N.Y. 2002) ("The relevant inquiry with respect to an IRB sanction is not whether the Court agrees or disagrees with it but rather is limited to whether the IRB made an allowable judgment in its choice of remedy.") (citation omitted), *aff'd*, 59 Fed. Appx. 424 (2d Cir. Mar. 13, 2003).

Jackson contends that the penalty should be reduced to a short suspension (Jackson Br. at 16), given the lack of proof, his status as a "prominent dissident," his record of service, and because of the "technical nature of the violation." (*Id.* at 11). Contrary to Jackson's contention, however, neither the IBT nor the IRB has treated contact with barred persons as a "technical violation." On the contrary, the issue is treated with the utmost seriousness given the pernicious effect of such contact on anti-corruption efforts. *See, e.g., Bane*, 2002 WL 654128, at *16; *Kikes*, 2007 WL 2319129, at *4; *United States v. IBT ("Vincent")*, 2007 WL 2948816, at *3 (S.D.N.Y. Oct.5, 2007). It cannot be dis-

puted that permanent expulsion from the IBT represents an “allowable judgment” in the choice of sanction because it is expressly authorized by the IBT Constitution. *See Kikes*, 2007 WL 2319129, at *4; *Boggia*, 167 F.3d at 120 (rejecting challenge to permanent expulsion; “There is no dispute that the IBT Constitution provides that a member may be stripped of membership rights if found guilty of misconduct.”); *Carey & Hamilton*, 247 F.3d at 390 (rejecting challenge to permanent expulsion; “[T]he penalty has a basis in the IBT rules and the Consent Decree.”); *Senese & Talerico*, 745 F. Supp. at 919 (“it is well within the power of the Independent Administrator to impose lifetime suspension”) (citing section 101(a)(5) of the LMRDA, 29 U.S.C. 411(a)(5)). Accordingly, the choice of sanction here was not “unwarranted in law.” *Simpson*, 120 F.3d at 348.

Jackson’s argument that his sanction should be overturned because it is more severe than that imposed on other IBT members is likewise flawed. As this Court has specifically held, “it is well established that sanctions given in other cases are not relevant to the Court’s inquiry as to whether a particular sanction is unwarranted or without justification.” *Bane*, 2002 WL 654128, at *16 (citing *United States v. IBT (Giacumbo)*, 170 F.3d 136, 144 (2d Cir. 1999) (“Uneven application of sanctions does not normally render the sanction imposed in a particular case arbitrary or capricious.”)); *Kikes*, 2007 WL 2319129, at *4 (same); *see also United States v. IBT (Sansone)*, 981 F.2d 1362, 1372 (2d Cir. 1992) (“the apparent discrepancy between the penalty imposed here and those imposed in other cases does not inexorably compel the conclusion that the Independent Administrator acted arbitrarily and capriciously”); *Carey & Hamilton Discipline*, 22 F. Supp. 2d at 142 (“Even assuming that Carey could demonstrate some discrepancy between the penalty imposed upon him and the penalties imposed in prior proceedings, it is the province of the IRB to determine the appropriate punishment in each proceeding.”). Accordingly, the sanction imposed against Jackson by the IBT and found “not inadequate” by the IRB is affirmed.

CONCLUSION

The IRB’s decision is affirmed in all respects.

SO ORDERED:

Dated: New York, New York
February 25, 2008



Loretta A. Preska, U.S.D.J.

REPORT 109 TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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

DATED: July 31, 2008

I. INTRODUCTION

This is the Independent Review Board’s (“IRB”) One Hundred and Ninth Report to you on its activities conducted pursuant to the Consent Order. In this Report, we will discuss matters that have currently come before us, including the progress of existing charges about which we have previously informed you.

II. PROGRESS OF EXISTING CHARGES

A. DON HAHS - BLET HEADQUARTERS, CLEVELAND, OHIO

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

General President Hoffa filed the charges and a panel was appointed to hear the charges against Mr. Hahs. The IBT held a hearing on February 4-5, 2008. On March 14, 2008, Mr. Hoffa issued his decision removing Mr. Hahs from his current position in the BLET until his current term of office has expired in 2010, suspending him from membership in the BLET and the IBT for a period of one year, and requiring payment of a fine of \$44,963.97.

On May 13, 2008, the IRB notified Mr. Hoffa and Mr. Hahs that it found the IBT decision to be not inadequate. On June 19, 2008, the IRB made Application 131 to the district court for Judge Preska’s review. The matter is with Judge Preska.

B. ISAAC NIKO – LOCAL 85, SAN FRANCISCO, CALIFORNIA

In the last issue of the *Teamster* magazine we reported that Local 85 member Isaac Niko allegedly brought reproach upon the IBT by assaulting a Local 85 member outside Local 85’s union hiring hall in San Francisco on February 15, 2008. In addition, the report recommended that he be charged with assaulting another Local 85 member while they were working at the Moscone Convention Center in 2006. Mr. Hoffa filed the charges, a panel was appointed to hear the charges, and a hearing was held on July 31, 2008.

C. STACEY SPALDING – LOCAL 215, EVANSVILLE, INDIANA

We have previously informed you that Stacey Spalding, a member of Local 215, allegedly brought reproach upon the IBT by failing to appear for her scheduled in-person sworn examination. The charge was filed, a hearing was held and she was found guilty of the charge. She was permanently expelled from membership in the union; permanently barred from participating in any manner in any of the activities or affairs of Local 215 or any other IBT entity; permanently barred from holding any union office; and permanently barred from accepting compensation of any kind except fully vested pension or welfare benefits. The IRB notified the Local 215 Executive Board that it found the decision of June 19, 2008, not inadequate.

D. JAMES D. JACKSON – LOCAL 299, DETROIT, MICHIGAN

We have previously informed you that James D. Jackson, a member of Local 299, allegedly brought reproach upon the IBT and violated his membership oath when from July 26, 2001 to January 19, 2006, while an IBT member, he had knowing and purposeful contact with Michael C. Bane, who had been permanently barred from the IBT on July 17, 2001. General President Hoffa adopted the charge, a panel was appointed to hear the charge against Mr. Jackson, and a hearing was held. On May 23, 2007, Mr. Hoffa permanently barred Mr. Jackson from the IBT.

On September 11, 2007, the IRB notified Mr. Hoffa, Mr. Jackson and counsel for Mr. Jackson that it found the IBT decision to be not inadequate. The IRB made Application 129 to Judge Preska, who on February 25, 2008, determined that the IRB's decision was affirmed in all respects. Judge Preska's order is printed in this issue of the magazine.

E. PASQUALE J. GUARNIERO – LOCAL 456, ELMSFORD, NEW YORK

We have previously informed you that Pasquale J. Guarniero, a member of Local 456, allegedly brought reproach upon the IBT by failing to appear for his scheduled in-person sworn examination. The charge was filed and thereafter Mr. Guarniero appeared for his sworn examination but refused to answer many questions. On May 14, 2008, the Local 456 Executive Board expelled Mr. Guarniero from membership in the Union, permanently barred him from participating in the affairs of the Union and from seeking or accepting money or any goods or services from Local 456, the IBT or any other IBT affiliate, and prohibited him from having contributions made on his behalf to any benefit funds by Local 456 or any other IBT-affiliated entities. On June 11, 2008, the IRB notified the Local 456 Executive Board that its decision was not inadequate.

F. FRANCIS J. GILLEN – LOCAL 500, PHILADELPHIA, PENNSYLVANIA

We have previously informed you that Francis (Frank) J. Gillen allegedly brought reproach upon the IBT and failed to cooperate with the IRB while International Vice President, Joint Council 53 President, Pennsylvania Conference of Teamsters President and Local 500 President, when during his sworn examination on February 1, 2007, he gave intentionally false testimony concerning his association with permanently barred member Thomas Ryan. In his sworn testimony he lied about his numerous contacts with Ryan after Ryan was barred.

On August 3, 2007, Mr. Gillen was barred by Mr. Hoffa from holding office for five years and from membership in the IBT for three years. The IRB found the decision to be not inadequate and made Application 128 to Judge Preska. By order of July 14, 2008, Judge Preska granted the IRB's application 128 and upheld the IRB's not-inadequate finding with respect to the charge against Mr. Gillen.

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

We have previously informed you that Robert A. Hogan, Joint Council 25 Vice President and Local 714 Secretary-Treasurer, allegedly brought reproach upon the IBT, breached his fiduciary duties and interfered with the union's legal obligation to comply with the March 14, 1989 Consent Order when he failed to act appropriately after he created a situation likely to result in a violation of the Consent Order when he rehired Robert Riley to work at Local 714 and failed to take any action to prevent, and, after learning, to address Mr. Riley's ongoing contact with William T. Hogan, Jr., a prohibited person under the Consent Order.

On December 11, 2007, Mr. Hoffa issued his decision that Mr. Hogan be suspended from office in Local 714 for six months. On January 23, 2008, the IRB notified Mr. Hoffa that it found the December 11, 2007, decision to be inadequate both as to the fact finding and the sanction imposed. After Mr. Hoffa declined to modify his decision, the IRB held a new hearing on April 2, 2008.

While the IRB was in the process of issuing a decision, the IRB was contacted by counsel to Mr. Hogan suggesting an agreement. Thereafter, the IRB received an agreement between Mr. Hogan and the IRB. Mr. Hogan agreed to permanently resign all positions with Local 714 and Joint Council 25 and for a period of two years he would not hold any officer position with the IBT or any IBT affiliated entity. He further agreed not to be an officer or employee of Local 727 for five years. On July 31, 2008, the IRB made Application 133 to Judge Preska for review.

H. LOCAL 714 - BERWYN, ILLINOIS

We have previously informed you that the IRB recommended to General President Hoffa that Local 714 be placed in trusteeship. The report concluded that the Local

was being conducted in a manner to jeopardize the interests of the Local, the Local was not being run for the benefit of the members, and at five Local 714 employers the Local failed to perform duties of a bargaining representative.

The report further concluded that Local 714 principal officer Robert A. Hogan and President James M. Hogan jeopardized the Local's interests by failing to monitor, investigate and take appropriate action regarding the likelihood of Robert Riley's violation of the Consent Order by continuing his lifelong, close relationship with William T. Hogan, Jr. after hiring Mr. Riley following William T. Hogan, Jr. being barred from the union.

In addition, by failing to perform the duties of a collective bargaining representative at five companies, there were non-union workers performing bargaining unit work. The Local acquiesced in the employers' use of the non-union workers for whom no dues were paid to the Local and no employer benefit fund contributions were made.

Mr. Hoffa appointed a hearing panel to determine whether a trusteeship should be imposed, and a hearing scheduled for April 21, 2008, was adjourned. On June 8, 2008, Mr. Hoffa appointed a temporary Trustee to manage the day-to-day operations of Local 714, effective June 11, 2008. A hearing has been scheduled for August 4, 2008.

I. CHRIS LANSER – LOCAL 813, LONG ISLAND CITY, NEW YORK

In the last issue of the *Teamster* magazine we reported that Local 813 member Chris Lanser allegedly brought reproach upon the IBT by failing to appear for his scheduled in-person sworn examination. Local 813 filed the charge and a scheduled hearing was canceled when Mr. Lanser signed an agreement in which he agreed to permanently resign from the IBT and Local 813. On July 24, 2008, the IRB by Application 132 forwarded the agreement to Judge Preska for review.

III. TOLL-FREE HOTLINE

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

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

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

IV. CONCLUSION

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

If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline noted above, use the IRB facsimile number 202-434-8084, or write to either the IRB Chief Investigator or the IRB office:

Charles M. Carberry, Chief Investigator
17 Battery Place, Suite 331
New York, NY 10004

Independent Review Board
444 North Capitol Street, N.W.
Suite 528
Washington, DC 20001

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