



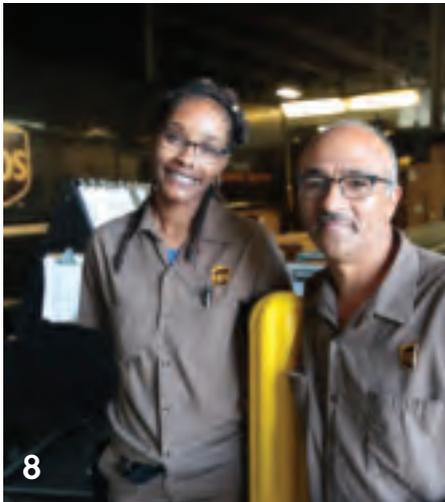
Teamster

FALL 2019



Teamsters Highlight Member Mobilization

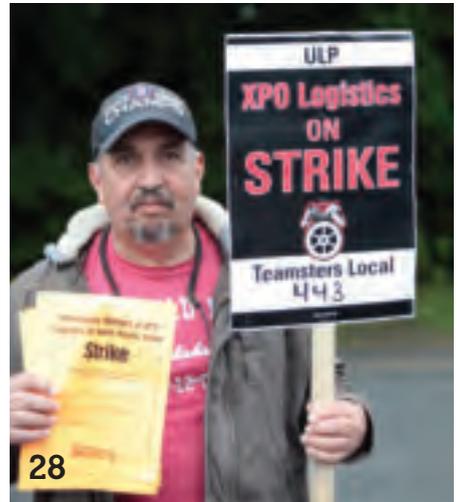
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CANDIDATES WANT TEAMSTER SUPPORT

As the 2020 primary season heats up, presidential candidates in the massive Democratic field are vying for critical support from labor unions, particularly the Teamsters.

Don't dismiss this as typical election posturing. Those of us who have watched the labor movement's ebbs and flows over the last few decades know things have changed. Democrats' actual support for labor unions has fluctuated wildly in recent decades. The failure to focus on economic insecurity and the industrial heartland in 2016 allowed anti-union Republicans to make gains among union voters.

This shift is not arbitrary but tied to a resurgence in union support. Across the country, unions have stayed vigilant on the core issues that impact working people. We've helped turn income inequality—which is at a level last seen in the years just before the Great Depression—into a mainstream issue.

Perhaps as a result of each union's individual work, the labor movement has demonstrated enormous solidarity in recent months. In April, tens of thousands of Stop & Shop employees represented by the United Food and Commercial Workers went on strike over stalled contract negotiations in supermarkets in Massachusetts, Rhode Island and Connecticut. The strikers

were met with public support from 2020 Democratic presidential hopefuls. But maybe even more importantly, other unions played a critical role in the strike.

For instance, Teamsters who serve as warehouse workers and truck drivers for Stop & Shop honored the picket line and, by doing so, stopped the store from restocking. Their unity demonstrated the strength and success that labor has when workers stand together, and resulted in a new contract that includes wage increases, a fully funded pension plan and protected time-and-a-half on Sundays.

Union leaders like me are thankful to hear from presidential candidates and glad there is a focus on reaching working people in the upcoming election. But we know that the candidates' interest is the result of our diligence and commitment to workers.

While we continue to adapt and grow in these changing times, we'll keep doing what we do best: fighting for working people. Because, at our core, we remain steadfast in our belief that a rising tide should lift all boats, and we will keep working to make sure it does.



TEAMSTER RETIREE TALKS PENSIONS TO HOUSE PANEL

Pension Fix Needed to Ensure Earned Retirements

A longtime Teamster stood up for his fellow members during a House Budget Committee hearing in May when he told lawmakers that a pension fix is desperately needed to ensure the retirements of some 1.5 million hardworking Americans who have paid into the system.

Dale Hanner, a retired Local 391 member who now serves as Secretary-Treasurer of the North Carolina Committee to Protect Pensions, testified on Capitol Hill that multi-employer plans like the Teamsters' Central States Pension Fund are facing significant cuts that will hit retirees hard unless legislation is passed soon to boost them.

While some have downplayed the slashing of these retirement nest eggs, Hanner said many workers and retirees would be devastated by the reductions.

"The cost of living keeps going up," he told committee members. "Once we retire, there is no cost of

living income increase. Stories have circulated on Capitol Hill that one of the conditions for a pension fix is the retirees must have some skin in the game. Truthfully, some retirees are being skinned alive."

The Teamsters support H.R. 397, the Rehabilitation for Multi-employer Pensions Act. The bipartisan bill, offered by Reps. Richard Neal (D-Mass.) and Peter King (R-N.Y.), is badly needed.

As it stands, there are more than 300 multiemployer plans that are in danger of failing. The Teamsters have been fighting for years for a legislative solution and are working with members of both parties to guarantee that a solution passes congressional muster.

The measure would boost financially troubled multiemployer pensions so they don't fail. It would create a new agency under the U.S. Treasury Department that would sell bonds in the open market to large investors such as financial firms. The agency, the

Pension Rehabilitation Administration, would then lend money from the sale of the bonds to the financially troubled pension plans.

Hanner, a 36-year Teamster who worked at four trucking companies as a journeyman mechanic until retiring in 2013, said time is of the essence to pass a legislative fix.

House Budget Committee Chairman John Yarmuth (D-Ky.) agreed there is a real need to address the issue. "I've met with truck drivers from my district whose pensions will be cut by 60 percent or more if Congress doesn't step in," he said. "These are all American workers who planned for their retirement and contributed to their pensions instead of taking home more pay. Now, after working for decades, their planned retirements may vanish."

Hanner concurred. "These are deferred wages they are not getting back, and there is a big feeling that you are being stolen from," he said.

STATE LEGISLATIVE VICTORIES

For the 30th consecutive year, a right-to-work proposal has gone down in defeat in Colorado. Steve Vairma, Secretary-Treasurer of Local 455, said Teamsters had a big hand in helping to defeat the issue this year on a 5-3 party-line vote in the House State Affairs Committee recently at the Capitol in Denver.

“Our people know the union busters will introduce this bill every year, and we are always ready for them,” Vairma said.

Three of five people who testified against the bill were rank-and-file members of Local 455—Louis Washington, Mile Meese and Zurrelle Rainey, all of whom received well-deserved plaudits from more than 200 union members who attended the meeting. The legislation was defeated by one vote.

“They were really quite effective,” said Cindy Gallegos, Local 455’s political director. “Their messages were varied and very compelling.”

Missouri

Also in March, state judges in Missouri gave workers there two more wins against anti-union schemes. One judge stopped “paycheck deception” legislation from going into effect and another

stopped a state law making every state and local worker an “at will” employee, whether they have a union contract or not. Paycheck deception would require public employees in unions to opt in each year for dues to be taken out of their paychecks. It is meant as a means to reduce the size of unions and dilute their collective bargaining power. Both halts are temporary, pending full judicial hearings on both laws.

The GOP-dominated and heavily gerrymandered state legislature passed both measures almost precisely three years before the two judges halted them in early March 2019.

The two laws were scheduled to take effect last August, but Teamsters and other unions’ suits stopped them, just as union-led petitions stopped Missouri’s right-to-work law, until voters killed it that same month by a 2-to-1 ratio.

Both laws, plus right to work, are part of a nationwide package of union-busting measures designed to strip workers of all rights. Not coincidentally, they’re all pushed in GOP-run states by the American Legislative Exchange Council, a secretive corporate-funded cabal.



Teamsters Battling Right to Work

New Mexico

Local 492 played a major role at the state Capitol in Santa Fe in the recent passage of a law that thwarted a scheme to destroy organized labor in New Mexico. The law, signed recently by Gov. Michelle Lujan Grisham, prohibits counties and villages in New Mexico from enacting right-to-work laws.

“It was a great victory for the union movement in our state,” said Walter Maestas, Secretary-Treasurer of Local 492. “It was vital that this plan be stopped in its tracks.”

West Virginia

West Virginia workers also got some good

news recently when a Circuit Court Judge tossed out much of the state’s right-to-work law again.

“We applaud Judge Bailey’s ruling. The language of the bill—as it was written, amended and enacted into law—has significant issues that are in violation of the West Virginia Constitution,” said Ken Hall, Teamsters General Secretary-Treasurer and President of Local 175 in Charleston, W.Va.

The judge’s decision said the law would let workers “take unions’ property without compensation.” Anti-union groups are challenging the latest ruling. Check www.teamster.org for updates.



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First New Carhaul Members in the West in 45 Years



MAKING HISTORY

Carhaul drivers and mechanics at North American Auto Transport recently voted to ratify their first Teamster contract, becoming the first new Teamster carhaul members in the Western United States in 45 years.

The 70 workers voted 91 percent to ratify the contract.

The contract victory comes more than four years after workers at a prior company, Selland Auto Transport, voted to become Teamsters. After organizing, it quickly became apparent that Selland was willing to do anything to derail contract talks. The company illegally fired and laid off workers and was ordered to pay more than \$36,000 in back pay. The Teamsters also conducted a one-day strike at Selland.

Selland finally admitted defeat and sold the company's remaining operations to North American Auto Transport. Once the sale was complete, North American leadership and the Teamsters moved forward with contract negotiations.

Huge Savings

The new contract contains many improvements, including the workers moving from an expensive and inferior company plan into high-quality Teamster medical with significantly lower out-of-pocket costs. The workers will save more than \$500 per month.

The new contract also includes improved "Hours of Service" rules; a strong grievance procedure; subcontracting protections; many benefits for owner-operators; and an end to favoritism that was rampant at Selland.

"This contract is the best possible outcome to a grueling and pointless battle," said Teamsters Carhaul Division Director and International Trustee Kevin Moore. "We are all thankful the fight is over now and these workers can move on to a brighter future under a strong Teamster contract."

"This contract will be the template to restore the once mighty but currently nonexistent Carhaul industry in the West," said Rick Hicks, Secretary-Treasurer of Local 174 in Seattle.



Teamster Correspondent

Long before the school safety agents won their equal pay fight, it was at Local 237 where Marie Colvin began her career, writing for the local's newsletter. She met with workers and interviewed members, telling their stories. Eventually, Colvin went on to become a war correspondent, reporting from dangerous locations around the globe. She was in Iraq and East Timor. She was blinded in one eye by a blast in Sri Lanka. She lost her life at the age of 56, killed while reporting in Syria. In 2018, her story was made into a Golden Globe-nominated film, "A Private War," introducing to a wider audience this Teamster who never forgot her roots.

Joe McDermott, the former Director of Training and Education at Local 237, hired Colvin. He remembers a bright, personable young woman who connected with the members. Just as she told their stories, she went on to tell the stories of people living amid war overseas.

"She didn't have a death wish. She had an obligation, a quest," McDermott said. "We are honoring Marie at a time when we need heroes. School children will be reading about her."

"I can't tell you how proud she was to be a Teamster. The Teamsters gave her the freedom and empowered her to write about people," said Cat Colvin, Marie Colvin's sister. "We come from a union family and understand how much more we can do together than any one of us separately. She learned so much from the Teamsters and it set her on a career where she never lost that vision."

Local 237, the largest Teamster local union, recently hosted an event to honor bold and courageous Teamsters committed to justice. Teamster members, allies and supporters gathered at the local during Women's History Month to pay tribute to Marie Colvin, an assassinated war correspondent and former Teamster, along with three Teamster school safety agents who led the way to winning a major victory for gender pay equity.

In 2010, Local 237 President Greg Floyd sued New York City on behalf of 5,000 Teamster school safety agents. Seventy-percent of the bargaining unit members are women, and they were making \$7,000 less annually than their counterparts with similar titles, working in other city agencies. Most of those workers were male.

"Some called this just a coincidence. I called this discrimination," Floyd said.

Floyd asked members to step forward, and Corinthians Andrews, Patricia Williams and Bernice Christopher joined on as plaintiffs in the lawsuit. Together, they sought justice, and in 2014 won an historic \$38 million settlement in the largest

class-action pay discrimination lawsuit in the nation. Since the settlement, Andrews sadly passed away from cancer, but her daughter, Destiny Andrews, spoke of her courage.

"She fought every day until you won, and when she was too weak to be there in person, she was on the phone. You know her as a friend and colleague and are proud of her, but I am so proud to call her my mom," Andrews said.

"The fact that we've had this major achievement only heightens the things we are able to accomplish as women to keep pushing forward," said Kangel Moore, a 26-year school safety agent. "The union backed us up and we are having this event to acknowledge all that we've done."

Denise McIntosh, a 17-year school safety agent, said the focus of the lawsuit was on fairness.

"It's about equality because women are not less dominant, powerful or important than the male officers out there. That was the focal point of the lawsuit. I'm glad we won that, and the new agents are able to come in and receive better finances for the hard work that they are doing," McIntosh said.

LOCAL 117 DECLARES VICTORY

It's a victory a decade in the making. For 10 years, Teamsters across Washington state made phone calls, wrote emails and met face-to-face with legislators. They spoke out in the press and marched around the Capitol grounds in Olympia. Now, after years of perseverance, they have achieved a historic win.

On April 30, Gov. Jay Inslee signed a bill that immeasurably expands the rights of 6,000 Teamsters at the Department of Corrections (DOC).

The new law grants the union access to interest arbitration, a right essential to public safety professionals. Making the victory even sweeter, Gov. Inslee signed a similar bill on the same day that benefits Teamster officers at the University of Washington Police Department (UWPD).

"Our corrections and law enforcement members put their lives on the line to protect the public," said John Searcy, Secretary-Treasurer of Local 117,

who made passage of the bills a top priority. "Interest arbitration ensures our members are treated with respect."

These new laws allow the union to push mandatory subjects of bargaining to a neutral arbitrator if the negotiations reach an impasse. Without interest arbitration, the union had little recourse when negotiating over issues like wages and working conditions. Not surprisingly, the state exploited its advantage by engaging in frustrating cycles of take-it-or-leave-it bargaining.

The ramifications are huge. Over the last three contract cycles, DOC members have been able to



access interest arbitration, first through a memorandum of understanding signed by the governor, then through a negotiated provision in their contract. With interest arbitration, the union and its members have prevented concessions, strengthened language and increased wages for DOC Teamsters by a minimum of 28.3 percent over six years.

"We wanted to ensure these rights could not be stripped away during negotiations, so we made statutory interest arbitration a long-term priority," Searcy said.

In 2019, Local 117 had their largest, most successful lobby day ever. Over 200 Teamsters and their families converged on the State Capitol to talk with legislators about the need to get the law passed. Now, after years of determination and hard work, a goal once thought unattainable has become a reality.

"I'm proud to be a Teamster," said James Deuel, a corrections officer at the Washington Corrections Center in Shelton. "Interest arbitration levels the playing field with management. It gives us the opportunity to fight for what we want and what we need."

TEAMSTERS HONOR FALLEN DEPUTY LOCAL 760 MEMBER FATALLY SHOT ON THE JOB

Kittitas County Sheriff's Deputy Ryan Thompson, a member of Local 760 in Yakima, Wash., was fatally shot in March by a suspect who evaded a traffic stop. A second officer, Benito Chavez, was injured in the shooting. The suspect was shot and killed.

"This is just devastating," said Leonard Crouch, Secretary-Treasurer of Local 760. "These are very close-knit communities and it is affecting everyone."

Thompson, 42, was raised in Walla Walla and attended Central Washington University. He was married with three children and is the first law enforcement officer to be shot and killed in Kittitas County since 1927.





Teamster Becomes an Inventor After Losing His Sight

United Airlines Mechanic Teams Up With Students

Jimmy Uharriet, a Teamster mechanic at United Airlines in San Francisco, was left totally blind after an accident in 2016.

"I decided not to look back, but to move forward," Uharriet said. "I had to be retaught everything. There was a point when I wanted to give up, but I decided success was my only option, failure was not."

A few months after his accident, Uharriet went to the Vista Center, a nonprofit that teaches blind or visually impaired individuals orientation and mobility skills, among other things. The staff noticed how motivated he was to relearn and regain his independence and they put him in contact with Project Invent at the Nueva School, a private school in San Mateo. Part of the goal of Project Invent is to help high school students invent technologies to solve real-world problems. Students at the Nueva School wanted to develop a belt that would help prevent blind people from veering—an issue Uharriet understood very well.

"I used to walk to my local gro-

cery store and barber shop, which were three blocks away from my house," Uharriet said. "I want to be independent, but as a blind person I can't walk a straight line and doctors say veering can't be fixed."

Uharriet worked with the students at the Vista Center to create the Stria Belt, which Uharriet wears every day.

"There's a zipper on the belt with motors on each side that vibrate," Uharriet said. "I switch the belt on and the two motors vibrate and set the straight pattern. The second I begin to veer, the belt vibrates on one side until I stop veering."

The Stria Belt recently won the top prize at South by Southwest's Student Startup competition.

After their success at the Nueva School, Uharriet worked with Project Invent founder, Connie Lu, at a camp for students at East Palo Alto Academy. Uharriet talked to the kids about the problems he had

with his walking stick and together, they developed a prototype of a walking stick that uses LED lights, tactile feedback and shock absorbance to help users navigate safely and painlessly.

On top of all this, Uharriet was also focused on getting back to work. The Teamster contract with United Airlines provided Uharriet time to prove he could perform his work as a mechanic.

"I did the evaluation and even shocked myself," said Uharriet,



who was able to return to work last June. "If you'd asked me a year and a half ago if I thought I'd be back at work, I would have said no."

Before losing his sight, Uharriet worked on jet bridges, ground power and locksmith work. "Now I do benchwork," he explained. "I am brought electric motors, clutch brakes, and gearbox reducers for the back system to rebuild and overhaul."

For Uharriet, transitioning to this new phase in his life has been about not allowing the smallest or the biggest things to bring him down.

"I know this won't be my hardest battle," he said about being blind. "I also know I want to build something that will last forever. I think that's why I'm here."



RICHEST UPS CONTRACT IN HISTORY

The five-year contract covering about 250,000 Teamster-represented workers at UPS took effect in late April, increasing wages, protecting benefits and creating thousands of new full-time jobs.

The contract took effect after the last of the regional, supplemental agreements was ratified. Economic improvements in the contract were retroactive to August 1, 2018, which meant that UPS had to cut checks worth \$660 million to workers shortly after the contract took effect.

“This contract is worth \$14.5 billion, making it the richest UPS contract in history,” said Jim Hoffa, Teamsters General President and Chairman of the Teamsters National Negotiating Committee. “Our members work hard every day making UPS successful, and this contract will provide our members the security they deserve in the years to come.”

Moving Forward

“This contract recognizes our members’ hard work by providing solid wage increases, protecting their health coverage, improving their retirement security and giving part-time workers the chance to advance into long-term careers,” said Denis Taylor, Co-Chair of the National Negotiating Committee and Director of the Teamsters Package Division.

“I’m happy to be moving forward—I think this is a great contract,” said Kevin Kemer, a member of Local 407 in Cleveland and a 30-year UPS Teamster who is a package-car driver.

“This contract provides UPS Teamsters with many gains and it will also help UPS remain successful, which is important for its workforce. The ultimate goal for workers is to have a career at UPS, and this contract helps workers attain that goal,” Kemer said.



***UPS Contract Increases
Wages, Protects Benefits,
Creates New Full-Time Jobs***



Contract Highlights

The contract addresses major issues for members:

- Wage increases of \$4.15 per hour for both full-time and part-time workers over the term of the contract and increases the part-time start rate by \$2.50. The new part-time rate will jump to \$13 right away, reaching \$15.50 by 2022.
- All full-time and part-time UPS Teamsters will continue to receive health insurance for the member and their family without paying premiums.
- Strengthens grievance enforcement for harassment with a sitting arbitrator and monetary penalties.
- A new procedure to make it easier to get on or off the overtime list.
- Requires UPS to create 5,000 new full-time jobs during the term of the agreement, including a minimum of 2,000 sleeper team driver jobs.
- A new combination driver classification that will provide service to UPS customers that demand weekend deliveries, helping to grow volume and protect the Monday-Friday jobs. In areas that use these new driver positions, every current Monday through Friday regular package car driver job will be protected.
- In areas that currently have a 40-hour guarantee, workers will continue to receive the weekly guarantee. No full-time worker can be laid off if part-time, utility or part-time cover drivers are working.
- Less subcontracting in feeder (long-haul) drivers. Trailers currently moved by the railroads will be converted to Teamster jobs. As UPS hires and trains drivers, the Teamsters will see thousands of new high-paying full-time jobs.
- Dishonesty and technology: The contractual protections against using technology to discipline employees are strengthened. UPS must give a verbal warning on an identical infraction (two seat belt violations, for example) before issuing a warning letter on that violation. The restriction on using technology for discharge remains in effect. The new language further restricts the definition of dishonesty.

For more information, visit teamster.org.



TEAMSTER FREIGHT POWER

Teamsters at YRC Freight, Holland and New Penn have voted to approve a new YRCW National Master Freight Agreement (NMFA) that raises wages, restores a week of vacation and protects benefits.

The national master portion of the agreement, which covers about 25,000 workers, was ratified by a 60 percent to 40 percent margin. The contract took effect in mid-May after one of 27 supplemental agreements—that was initially rejected—was approved on a re-vote. The other 26 supplements and the national master portion of the agreement were approved on the first vote on May 3.

“Over the past decade our members have sacrificed so much to keep the YRCW companies operating, and this contract restores the week of vacation and provides \$4 in wage increases, among other improvements,” said Ernie Soehl, Director of the Teamsters Freight Division. “I want to thank all our members for their support during this long process.”

“This contract should improve the livelihoods of

our YRCW Teamsters for the next five years,” said Jim Hoffa, Teamsters General President. “Freight is the backbone of our great union and this contract recognizes our members for their hard work.”

Benefits and Improvements

“This is a very good contract,” said Tony Giustino, a member of Local 701 and steward who has worked at YRC Freight and Yellow Freight since 1999, and was a Teamster at another freight company since 1973.

“The \$4 in wage increases are important, but the most important thing is the benefits. The nonunion freight companies pay decent wages, but they cannot match the Teamster-negotiated benefits. The biggest thing is that we will continue to receive excellent health care benefits at no cost,” Giustino said.

“In addition to the excellent wages and benefits, the language improvements in this contract are incredible,” said Anthony Fischetti, another Local 701 member and steward at YRC Freight. “For example, there is language prohibiting the use of on-board video cameras for disciplinary purposes and the installation of inward facing cameras in trucks. There is also excellent language preventing the company’s executives from giving out excessive bonuses, and many more examples of excellent job-protection language.

“The union’s committee showed true leadership and what they negotiated is incredible,” Fischetti said.

For the past decade, the YRCW operating companies have operated under a series of memoranda of understandings (MOUs) that contained significant economic concessions necessary to allow the company to survive.



Workers at YRC Freight, Holland, New Penn Approve National Master Contract



Contract Highlights

At the outset of bargaining, in addition to seeking to reverse the trend of giving concessions, the union negotiating committee determined that it was necessary to get out from under the MOU structure and return to a traditional NMFA contract structure. The new contract accomplishes that, restores the traditional contractual structure and provides for significant economic and non-economic improvements for Teamsters. This was no small task because the YRCW companies continue to face financial difficulties, need to upgrade equipment and must seek to recapture market share.

The contract contains significant economic and language improvements for the membership, as well as creative tools for the companies to use to increase market share, expand into new areas of opportunity, and improve service while at the same time protecting and enhancing jobs, seniority, working conditions and earning opportunities for the membership.

The union committee also beat back numerous efforts by the companies to impose health care premium co-pays and other givebacks.

The improvements in the contract include:

- \$4 in wage increases over five years for the vast majority of workers (an 18-percent increase for most drivers and dockworkers) including a \$1 wage increase retroactive to April 1, 2019 (a 4.5-percent increase for most drivers and dockworkers);
- Significant increases for dock-only, clerical, maintenance employees, janitors and porters hired after February 2014 including a minimum of an immediate \$1 wage increase retroactive to April 1, 2019;
- Restoration of the week of vacation that was given up years ago, effective April 1, 2019;
- Protection of health and welfare benefits with no employee premium co-pays. Up to \$0.50 per hour increases each year for most funds. The company agreed to provide other funds with fixed guaranteed amounts to maintain benefits;
- Improved language to curb excessive executive bonuses; and
- Prohibitions against using driverless trucks.



HIGHEST PAID RETAIL EMPLOYEES



In April, Costco Teamsters covered by two separate contracts for California and the East region voted to ratify two agreements, covering more than 17,000 workers with this new three-year agreement.

The contracts include annual wage increases, annual pension contribution increases, improved scheduling and other improvements.

The California agreement passed with 86 percent voting yes and the East region agreement passed with 94 percent voting yes. The contract will run retroactively from February 1, 2019 through January 31, 2022. The East contract covers Costco workers in New York, New Jersey, Maryland

and Virginia.

"These contracts will ensure that Costco Teamsters continue to be the highest paid workers in the retail industry, with top-notch benefits and the job security they deserve for themselves and for their families," said Steve Vairma, Director of the Teamsters Warehouse Division and International Vice President.

Costco Teamsters both in the East and in California are pleased with the new contract and feel very positive over new additions, in particular, the annual wage and pension contribution increases.

"This new contract works very well for us. It helps new people coming in and we have the highest pay ever. This is the best contract. It's really, really good and I couldn't be happier," said Marco Jones, a front-end cashier at Costco in Beltsville, Md., and a 22-year Teamster member.

"I'm glad we were able to get a great contract. There are no companies out there like Costco that offers benefits like they do and that's thanks to the Teamsters,"

said Eric Martinez, Local 166 member and a 26-year Costco employee in Covina, Calif.

Ratification Process

Marisol Young, a Business Agent at Local 570 in Baltimore working with members at three area Costcos, describes the importance of connecting with members during the contract ratification process.

"A lot of people need help understanding what's all in the contract and what it means for them and their family. We need to remind them the importance and purpose of their union. My goal is to teach all our brothers and sisters that we need to fight hard because getting what we need isn't always easy," Young said.

For this contract, members' biggest concerns were centered around annual wage increases and pension contributions from the company. This contract addressed those concerns head on and provided what members were asking for.

"The annual wage increases were huge for us" said Larry Med-



COSTCO TEAMSTERS OVERWHELMINGLY RATIFY THREE-YEAR CONTRACT



“

This is the best contract. It's really, really good and I couldn't be happier,” said Marco Jones, a front-end cashier at Costco in Beltsville, Md., and a 22-year Teamster member.

ina, an 18-year Costco Teamster. “Making sure that some increases were included in this contract was a huge priority for me and my family and I’m happy to see we got something good.”

“It was not easy but we finally got an increase in the pension contribution. That was our goal, to put more money into our members’ pension and we got that along with some good wage increases so we’re very happy,” Young said.

“For this contract we really tried to unite the East and West and push one national contract,”

said Mike Bergen, Secretary-Treasurer of Local 166 and a Co-Chair of the Costco negotiations, “We were unable to join them this time, but got them to be as identical as possible. We’ll try again in three years to unify into a national contract,” Bergen said.

Overwhelmingly Ratified

“The economics are really strong with this contract,” Bergen said. “It’s not always easy but we will always make sure to secure the best for our members and their families

and we feel this contract does that.”

“This is a really fair contract, I’m very happy with it, especially around pension where we got to add to it,” said Stephanie Martinez, a 20-year Costco employee in Monterey Park, Calif.

“I’ve been a Teamster for 24 years. I like our new contract, it’s real good. Our business agent is always out here talking to us and connecting with us, letting us know what’s good for us in this contract and asking us what we need,” said Larry Murray, member of Local 570 and a Tire Specialist in Beltsville.

“I’m pleased to see that our Costco Teamsters are happy with this contract. We will always fight to make sure that Costco is doing the right thing by our members,” Bergen said.

“Being a Teamster and working at Costco, there is no better thing,” Jones said. “I feel the Teamster support every day.”

“I think every single Costco employee needs to join the Teamsters,” Murray said. “There is no better thing for workers.”



UNITY 2019

Teamster Leaders Gather for Annual Conference, Stress Member Mobilization



With major challenges facing workers and the 2020 elections looming, the importance of mobilizing members is more critical than ever, Teamster leaders heard at the annual Unity Conference in early May.

Teamsters General President Jim Hoffa said 2018 was important because Democrats took control of the U.S. House of Representatives, so-called right to work was repealed in Missouri and numerous anti-worker governors were unseated, including Scott Walker in Wisconsin.

Similar fights face the union and its 1.4 million members, which makes member mobilization and action so important.

"We've got to work hard to keep our momentum strong," Hoffa told the 1,800 leaders at Unity. Attendees also gathered for dozens of divisional meetings to get updates about the latest campaigns, challenges and priorities heading into 2020.

Hoffa, who recently celebrated 20 years as Team-

sters General President, thanked the attendees for their support over the years.

"We've been here 20 years because of you," Hoffa said. "We've rebuilt this union from the bottom up. I'm so proud of where we are today."

Governor's Welcome

Nevada Gov. Steve Sisolak, a Democrat, welcomed the leaders and congratulated the union for recent organizing victories at casinos and hotels along the Las Vegas Strip.

"I stand with organized labor because it's the right thing to do...and because together we can build a better Nevada and a better country," Gov. Sisolak said.

Teamsters General-Secretary Ken Hall, who noted that the union's finances are in excellent condition, said member involvement is critical in all issues, but will be particularly important as the union fights to solve the pension crisis.



“Nothing replaces boots on the ground and nothing replaces our members’ involvement,” Hall said. “We can’t win without the most important aspect of our union, and that’s our membership.”

The Teamsters Union is all about our membership.” Jason Rabinowitz, Director of the Teamsters Public Services Division, said member involvement has been critical to fight the well-funded, sustained attacks against public employees and their unions. These attacks will continue, he said.

“This is an attack on all of labor,” he said. “Every worker must have the right of collective bargaining. Collective bargaining is a human right.”

The Teamsters have fought back by educating public employees about the importance of union representation, and Rabinowitz said overall public service membership is on the rise. More than 209,000 public employees are Teamsters, “whose work makes America work every day,” Rabinowitz said.

Gregory Floyd, President of Local 237 in New York

City, said his local prepared for last year’s anti-union Janus decision by reaching out to every public employee member, signing up workers, holding union open houses, implementing member-only programs and other efforts. The result: members stood by their union and continued their membership, Floyd said.

Kathleen Brennan, President of Local 1932 in San Bernardino, Calif., said when an anti-union group tried to get Local 1932 public employees to stop paying dues, it angered the local’s members. Members urged the local to prepare its own literature to distribute to the anti-union group’s representatives. Local 1932 members confronted the anti-union group representatives, telling them why they support being Teamsters.

“Not only are we proud Teamsters, but we are well-educated Teamsters,” said Brennan, who noted that the anti-union group hasn’t been heard from in months.

Nina Bugbee, Director of the new Teamsters



Health Care Division, told the Unity audience that the division represents more than 50,000 members at hospitals, nursing homes, the American Red Cross, ambulance workers and others. The division will work hard to provide top-notch representation, secure excellent contracts and organize workers.

"I feel strongly that no one person gets much done alone," she said.

Power in the Public Sector

One of the biggest focuses of the Unity Conference was building Teamster power in the public sector.

"Our Teamster public service workers make our communities safer, healthier, better places to live, and they deserve fair treatment at work," Rabinowitz said. "That's why it is so important that we come together and develop strategies to build Teamster power in public service, organize thousands of workers and give our existing membership the best representation that they could possibly have."

On the third day of the conference Teamsters from all over the country held a rally in support of Senate Bill 135 (a law since passed by the Nevada legislature that will strengthen collective bargaining rights for state employees.)

Local 237 represents over 20,000 workers in the public sector. Floyd addressed the crowd, emphasizing that laws like SB 135 have been an important part of New York Teamsters' success.

"We are as powerful as we are because we have collective bargaining in New York State," Floyd said. "If it wasn't for collective bargaining, we would have to grovel. Because of collective bargaining we have built strength and that is what we are trying to do in Nevada."

Local 117 President Michelle Woodrow also addressed the audience. Local 117 represents thou-

sands of workers throughout the Seattle metropolitan area.

"I know that Washington state workers, just like the workers in Nevada, provide vital services for our communities—education, health care, transportation, public safety—and for that, they deserve the freedom to negotiate over their wages and working conditions," Woodrow said.

A Helping Hand

Dave Hawley, President of Joint Council 7 and Secretary-Treasurer of Local 137 in Redding, Calif., told union leaders about the Local 137 and Local 2010 members who lost their homes in the devastating Camp Fire in Paradise, Calif. in November 2018, and the union's incredible response. The fire destroyed 14,000 homes, including the homes of 150 Teamsters.

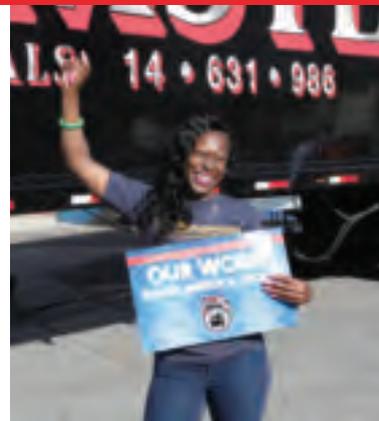
In a matter of weeks, more than \$325,000 was raised by Teamster local unions across the country for fire victims, including \$150,000 from the International Union.

"Nobody stepped up like the Teamsters did, and as quickly as the Teamsters did," Hawley said.

Bruce Dick, a member of Local 137 who works as a social services case manager for Butte County, Calif., said everything he owned except for the clothes on his back and his truck were destroyed in the fire.

"I had a check from the Teamsters Disaster Relief Fund less than 24 hours after the fire, which was great, because I didn't have anywhere to stay," Dick said. "That check is how I got a hotel. What that says is that when the rubber hits the road, the Teamsters react.

"The minute—literally, the minute—that the call went out from our business agent letting Teamster locals and the International Union know that brothers and sisters had lost their houses and needed help, the donations started pouring in," Dick said. "The money



was there for us. The leadership was there for us. If we needed \$10 to get us through, or for gas money, a shoulder to cry on, a pat on the back, whatever it was, we got it.”

Victoria Sinclair, a member of Local 137, said at one point she thought she would die and left voice messages for her loved ones. She survived, and thanks to the support of the Teamsters Union, made it through the tragedy.

“That’s where we knew who had our backs,” Sinclair said of the union’s response. “Knowing that I’m not alone because of my brothers and sisters, that’s what keeps us going.”

Organizing Success

François Laporte, President of Teamsters Canada, said the local unions in Canada have organized thousands of workers over the past five years, helping the membership to “grow twice as fast as the Canadian economy.” The organizing has taken place in the retirement home industry, hospitals, freight, construction and many other areas, he said.

Les Leopold, executive director and co-founder of The Labor Institute, a nonprofit organization that designs research and educational programs for unions and other groups, discussed the rampant “runaway inequality” in the United States.

“Runaway inequality will not cure itself,” Leopold said. “It’s going to take a massive movement to counter runaway inequality, and you as Teamster leaders can help lead this effort.”

Jeff Farmer, Director of the Teamsters Organizing Department, discussed some of the major campaigns under way, including XPO Logistics, passenger transportation, Sysco, Las Vegas casinos and the recent victory by nurses at a hospital in Lewiston, Idaho. Despite huge challenges facing the union, the “Team-

sters have held our own and built our union over 1.4 million members strong,” he said.

“These are tough times,” Farmer said. “We need to be as militant as these times demand.”

Ladell Roberts, a member of Local 120 in Minnesota, is a Sysco worker and steward who has been a Teamster for 20 years.

“I have worked on several organizing campaigns, and we fight for those who cannot fight for themselves,” Roberts said. “Workers deserve what we all fight for. I’m proud to be working with Sysco workers. I’m proud to be a member of Local 120 and I’m proud to be a Teamster.”

Blanca Aquilar, a Teamster for 22 years, currently works at Bally’s Hotel in Las Vegas after 15 years at the now-closed Riviera Hotel. Aquilar is a shop steward and has helped on recent organizing campaigns at hotels and casinos in Las Vegas.

“My union is always there for me, having my back, helping me stay employed with good Teamster wages and benefits,” she said. “To these companies, we are all just a number. But together we are many and strong.”

Rebecca Gibson, a lost-timer from Local 483 in Boise, Idaho who works at UPS as a feeder driver, helped on the recent victory by nurses at St. Joseph Regional Medical Center in Lewiston, Idaho. The nurses voted 157-44 to join Local 690 in Spokane, Wash.

“It was a landslide and we made history in Idaho that night,” Gibson said. “Working on an organizing campaign gave me a unique opportunity to share my story. I wanted the nurses to know that members do make a difference.”

2020 Election

The Unity plenary wrapped with a focus on the impor-



tance of the 2020 elections and the need for local unions and members to get involved, including the importance of electing Teamsters and signing members up for DRIVE, the union's political action committee.

Susie Martinez, a Nevada Assemblywoman elected in 2018, has worked in the Las Vegas hospitality industry and has been a Teamster for over 30 years.

"As a front desk agent and shop steward for Teamsters Local 986, I've fought for fair wages and better working conditions for my co-workers, and I'm a proud Teamster," she said.

Bill Hamilton, an International Vice President and President of the Pennsylvania Conference of Teamsters, told local leaders about success electing Teamsters to the state legislature and helping to re-elect labor-friendly politicians, including Democratic Gov. Tom Wolf.

"We had lost-timers and others working across Pennsylvania to educate members and get them involved in all the races," Hamilton said. "I'm especially proud that we elected four Teamsters to the statehouse."

Jesse Case, Secretary-Treasurer of Local 238 in Cedar Rapids, Iowa, introduced newly organized staff

members of the Iowa Democratic Party and field staff of presidential candidate Eric Swalwell, a member of Congress from California.

"These Teamster campaign workers will be active on campaigns this year and into the future and some of them will be elected to political office in the future," Case said.

Later, Mauricio Diaz, a District Organizing Director for the Iowa Democratic Party and new member of Local 238, reflected on being part of a growing movement of political campaign staffers who are unionizing ahead of the 2020 elections.

"The fact that more and more campaign workers are organizing is good for both unions and the Democratic Party in the long term," Diaz said. "Campaign staffers are promoting the culture of unionism within the world of democratic campaigns. Field organizers aren't just going to stay in Iowa after the election is over. They will be bringing those values to other campaigns where they are advocating on behalf of workers' rights all over the country. What we are doing in Iowa is destined to snowball into something greater."

UNION PRIORITIES

Unity Meetings Focus on Priorities Heading Into Election Year and Beyond



At this year's Unity Conference, attendees took part in dozens of divisional meetings to discuss priorities that need to be tackled now and into the future.

The Teamsters Airline Division convened to discuss the biggest issues facing workers. A productive discussion was held around building effective Go Teams—the aviation professionals responsible for reacting to a crisis. One of the most important pieces of a Go Team response is implementing effective Critical Incident Response Programs (CIRP). CIRPs are protocols in place to provide members in the airline industry with the support they need to get through a traumatic event—especially a plane crash—occurring on the job.

Local 1224 Member Vin Connor is an Atlas Air Pilot who serves as the chairman of the CIRP team at Atlas Air.

"Our role is to assess what people's needs are right away,"

Connor said. "The biggest positive impact we've seen comes from allowing crew members to process what happened. If our crew members need to talk to someone or take time off, we make sure they have those needs met; we walk them through the whole process and get them restored as soon as we can."

At the National Freight Division meeting, the audience gave Director Ernie Soehl and the Negotiating Committee a standing ovation for their job negotiating the YRC Freight, Holland and New Penn National Master Freight Agreement. The contract took effect on May 14—shortly after Unity wrapped up, after the last supplement was ratified.

Those attending Unity said the plenary, meetings and other events were very helpful, giving them knowledge that they will bring back to their local unions.

"One of the most helpful classes for me was the trustee

workshop," said Bob Downing, a UPS shop steward and member of Local 710 in Chicago. "As a Local 710 Trustee, it's helpful to learn more about how we can be the best possible overseers of our organization's financial resources."

Chris Gallegos, a Business Agent at Local 952 in Orange County, Calif., said that speaking with business agents from across the country who have contracts with the same companies as Local 952 offered him opportunities to learn new tactics.

"I want to learn as much as I can about how to address automation in the workplace," Gallegos said. "Being here has given me the opportunity to talk to business agents from the East Coast who already have language around automation written into some of their existing contracts. Learning how they are addressing this issue has given me some ideas that I can take back to our membership."



'TEAMSTERS ARE BETTER THAN SLICED BREAD'

First Student Workers in Texas Overwhelmingly Choose Local 745

By a margin of over 95 percent, more than 150 school bus drivers and monitors at First Student of Irving, Texas voted to join Local 745.

The drivers and monitors provide student transportation services for Irving Independent School District.

"These workers have spoken candidly," said Brent Taylor, Secretary-Treasurer of Local 745. "What our newest members have said is that they want the job security, representation and on-the-job improvements that are guaranteed in writing with a Teamster contract at First Student."

The Teamsters represent more than 22,000 workers at First Student. The drivers and monitors from the Irving yard will be immediately covered by the existing First Student National Master Agreement, which provides workers with industry-leading job

protections.

A local supplemental agreement will be negotiated to cover wages, benefits and additional work protections.

'Let Freedom Ring'

Felicia Barnett and Bessie Young are drivers at the Irving yard who said that they are looking forward to collective bargaining.

"The Teamsters are better than sliced bread," Barnett said. "Unions are coming to the south in a big way. Let freedom ring!"

"All I can say is wow," Young said. "This experience has opened up my eyes to a whole new world that I love being a part of. Teamsters are number one in my book!"

Local 745 represents thousands of workers throughout a wide variety of industries in the Dallas-Ft. Worth metropolitan area.

LOCAL 449

STA

STA drivers and monitors who provide student transportation for the Royalton-Hartland School District (often referred to as “Roy-Hart”) have voted to join Local 449. Over 95 percent of workers at the yard participated in the election.

“We are thrilled that Roy-Hart drivers and monitors have decided to join the growing movement of workers at STA seeking to drive up pay and benefits by organizing their union with the Teamsters,” said George Harrigan, Local 449 Secretary-Treasurer.

K. Charles Branch and Lanesia Scalise are drivers at the STA Roy-Hart yard.

“I voted yes because I know that a union can give us a chance to negotiate for higher wages, more days off and better working conditions – most importantly, in writing,” Branch said.

“I support the Teamsters because I’m tired of favoritism; we also should be paid more for the responsibility that we have,” Scalise said.

LOCAL 179

Illinois Central

School bus drivers and monitors at Illinois Central in Kankakee, Ill. voted to join Local 179 recently. There are 90 workers in the unit.

“At Local 179 we represent more than 1,000

bus drivers, including drivers at the Wilmington and Coal City Illinois Central locations,” said Tony Seminary, Local 179 organizer and business agent. “We are excited to have another Illinois Central yard on board with us and look forward to securing them a strong first contract.”

Driver Llorra Kranich and her fellow workers at the Kankakee yard wanted to secure a strong union to represent their interests and help address on-the-job issues like wages, favoritism and job security.

“We worked hard to bring this victory home and I’m so thrilled that now we’ll have a chance to negotiate our first contract,” Kranich said. “Thousands of school bus drivers throughout Illinois are better off because of their Teamsters membership, and soon we will be too.”

LOCAL 299

Republic National Distributing

Driver helpers with Republic National Distributing Company, a wholesale beverage distributor specializing in wine and spirits, voted unanimously to join Local 299 in Detroit recently.

The 19 driver helpers work out of Republic National’s Brownstown, Mich., location. They join 98 drivers at the facility who were already Teamster members.

“These workers stuck together. They were determined to unite as Teamsters, and we are honored to welcome them as members of Local 299,” said Kevin Moore, President of Local 299.

“Before the driver helpers even joined the union, we fought all the way at a hearing in front of the labor board to ensure that they would be included with the existing bargaining unit, and the board agreed,” said Greg Nowak, President of Joint Council 43 and Director of the Teamsters Brewery and Soft Drink Conference. “The driver helpers and drivers work hard together as a team, and now have the strength of unity.”

The driver helpers are seeking to improve wages and gain affordable health care and fair treatment on the job.

LOCAL 215

American Red Cross

Mobile collection staff with the American Red Cross in Evansville, Ind., have voted unanimously to join Local 215. There are 16 workers in the bargaining unit.

By joining the Teamsters, the new members are now covered under the Teamsters national agreement at American Red Cross.

“This group is extremely enthused,” said Chuck Whobrey, President of Local 215. “We’re happy to welcome them

to the Teamsters.”

LOCAL 633

First Student

First Student bus drivers at the North Hampton, N.H. facility voted overwhelmingly to be represented by Local 633. The workers provide student transportation services to the New Hampshire seacoast.

Business Agent Keith Judge and Field Representative Roger Travers successfully organized the yard under the direction and support of Local 633 Secretary-Treasurer Jeff Padellaro.

“It was a team effort by all involved; we welcome our brothers and sisters at this location into the Teamsters’ family and we look forward to negotiating a strong contract for our newest members,” Padellaro said. “I am proud to announce that First Student is wall-to-wall Teamsters throughout the state of New Hampshire. I want to thank Keith Judge, Roger Travers, and Shawn Gilman for their efforts in organizing this location. I would also be remiss if I did not recognize the efforts of the Local 633 shop stewards and members who contributed their time and effort to this great organizing victory. Member-to-member organizing is the most effective tool we have.”



HOW THE
WEST
WAS
WON

TEAMSTERS MAKE ORGANIZING INROADS IN WESTERN REGION

“As soon as we got a contract at Facebook, we started hearing from drivers at all of the shuttle companies wanting to become Teamsters.”

—RODNEY SMITH, ORGANIZER, LOCAL 853



Jesus Valdez just became a Teamster...again.

The port driver and his co-workers at Seldat Distribution in Southern California joined Local 63 recently, but Valdez had previously been a Teamster. He knows the value of a contract and representation.

"It feels great to be a Teamster again," Valdez said. "It feels great to fight for what's right for the drivers—for fairness."

Valdez is part of a growing movement in the Western United States, where the Teamsters Union has had much success organizing new members in recent years.

Seldat

By a vote of 52-2, port trucking drivers at Seldat voted to join Local 63 in Rialto, Calif. The drivers work at two port yards in Compton and Fontana. There are about 80 drivers in the bargaining unit. Voting took place in mid-April and votes were counted on April 30.

"The drivers want fair pay after the company changed their pay system," said Randy Cammack, President Joint Council 42 and Secretary-Treasurer of Local 63. "They also want affordable, quality health insurance."

Unlike most port drivers who are misclassified as independent contractors, Seldat drivers are employees. However, the recent changes to their pay system have resulted in major cuts to their wages.

The company also waged a vicious anti-union

campaign. Local 63 is filing numerous unfair labor practice charges for the company's union-busting tactics that took place during the campaign.

Idaho Nurses United

There were hugs, cheers and smiles all around the night that the votes were counted, and registered nurses with St. Joseph Regional Medical Center in Lewiston, Idaho, found out they were officially Teamsters.

On April 11, the previous months of teamwork had paid off. The nurses voted overwhelmingly to join Local 690 in nearby Spokane, Wash.

Brandi Fiorino has worked at St. Joseph for 17 years, the past eight years as a registered nurse.

During their campaign to organize, she and her co-workers were faced with mandatory hospital meetings and fliers discouraging them from forming their union with the Teamsters.

"One flier said the Teamsters Union would be a bad choice for us because Teamsters are truckers," Fiorino said.

The nurses were prepared, having already discussed as a group with Teamster representatives about what to expect and how management might try to dissuade them from becoming Teamsters.

Keep on Truckin'

Rather than look negatively at the fact that the Teamsters Union has many members in transporta-



tion, the nurses turned management's negative into a positive by embracing the union's diverse membership, which happens to include thousands of health care workers in addition to truck drivers.

During the holidays, the various hospital departments have a tradition of decorating trees or wreaths, which are then auctioned off as a fundraiser. The nurses in the emergency room decorated their tree with a truck driver theme. It included truck driver hats and truck decorations, and won the prize for raising the most money for the fundraiser.

"We got the idea to make these hats that say 'Keep on Truckin' and made 50 of them to give out," Fiorino said. "Everyone wears scrubs at work, but on 'Teamster Tuesdays' we wore our Teamster shirts to and from work that said 'Nurses Rights: Right time, right

place, right union,' and we wore bracelets that said 'Organize.'"

Nina Bugbee, Director of the Teamsters Health Care Division, provided the full resources and support of the union to the nurses in Lewiston as they organized.

Local 690 also represents nurses in Sandpoint, Idaho.

"We have great nurses who are strong employees and leaders. When you hire good nurses because you provide good pay and patient ratios, that gives security to the patients as well as the nurses. We are the patients' advocates and being Teamsters gives us a great platform to be able to advocate," Fiorino said.

St. Joseph was sold two years ago, making it a for-profit hospital for the first time in its more than 100-year history.

“As health care operations are bought out by corporations, this provides an opportunity for unions to increasingly enter the health care world to keep patients safe and stand up for health care workers, including nurses like us,” Fiorino said.

Las Vegas Strip

Thanks to Teamster power at Local 986, more than 4,000 workers on the Las Vegas Strip and in Downtown Las Vegas are now Teamsters and more will be organized in the years to come.

“We have been successful because Las Vegas hotel and casino workers want fair wages, solid benefits and a voice at work,” said Chris Griswold, Local 986 Secretary-Treasurer. “These workers make these hotels and casinos successful, and they deserve a secure future as Teamsters for the hard work they do every day.”

Longtime Teamster-represented properties include Caesars Palace, Harrah’s, Linq, Flamingo, Bally’s, Paris, Rio, Circus Circus, Luxor, Excalibur, Stratosphere, Westgate, The Plaza, Four Queens, Planet Hollywood and the Tropicana.

Recent organizing victories have taken place at Wynn, Hard Rock, Elara, Golden Nugget, The Palms and The Cromwell.

In addition, more than 1,500 workers at MGM properties have been organized recently. They include workers at Mirage, Bellagio, Aria, Vdara, Delano, Park MGM, New York, New York, Mandalay Bay and MGM Grand.

‘We Lit a Fuse’

In the past few years, Joint Council 7 in San Francisco has organized and lifted standards for workers at a rapid pace, welcoming thousands of new members to the union. Joint Council 7 represents 23 local unions and serves members in Northern California, the Central Valley and Northern Nevada.

Locals have shown impressive growth in organizing and representing public services workers.

In December 2016, over 1,000 workers in Butte County Social Services and General Services joined Local 137 in Redding, Calif. Not long after that, more than 1,500 public services workers in Contra Costa County joined Local 856 in a landslide victory.

Local 856 won another huge victory when more





than 1,800 workers at West Contra Costa Unified School District joined Local 856, solidifying Local 856's position as the largest public employees union in that county and continuing their strong growth.

A new frontier for organizing has also opened up in the highly successful tech world, uplifting lives and creating a brighter future for workers in a futuristic industry. Local 853 in San Leandro, Calif. has been a big part of that change.

When workers at Loop Transportation, the contractor for Facebook, joined the union, things started moving quickly.

"We lit a fuse," said Rodney Smith, a Local 853 organizer. "As soon as we got a contract at Facebook, we started hearing from drivers at all of the shuttle companies wanting to become Teamsters."

Since then, Local 853 has welcomed new members from Apple, Yahoo, Google, eBay and more.

Food Services of America

On March 8 of this year, a group of 34 drivers in Idaho and Oregon working at Food Services of America, Inc., which US Foods is in the process of purchasing, voted to become members of Local 483 in Boise, Idaho and Local 670 in Salem, Ore.

The two locals filed a combined petition to represent the workers. The vote was 23-9 in favor of Teamster representation. Local 483 will represent 32 of the 34 workers, while Local 670 will represent two.

"It feels good to be a Teamster," said Vince Nye, an employee in Meridian, Idaho for the past four and a half years.

Durham Success

Teamsters in the West have launched a number of successful organizing campaigns to expand their membership at Durham School Services, the second-largest school bus contractor in North America.

"The Teamsters and Durham School Services came to an understanding around freedom of association issues last year," said Rick Middleton, Teamsters Passenger Transportation Division Director. "Along with our national contracts at North American Central and First Student, we now have agreements of some sort with three of the four largest passenger transportation providers in North America."

A recent organizing victory in Everett, Wash. is a good example of the inroads Teamsters have been making at the company.

In April, 127 workers at Durham School Services in Everett, Wash. voted by more than a three-to-one margin to join Local 38.

Durham driver Dan Jones is a member of the organizing committee at the Everett school bus yard. He worked very closely with Local 38 Business Agent Mike Raughter, along with many others, to ensure that the campaign was a success.

"I am proud of my fellow co-workers and the results of this election," Jones said. "This wasn't just a 'yes,' this was a resounding 'yes!' This is the way we want to move forward with Local 38."

Solidarity

"This Durham organizing campaign was driven by



the commitment and perseverance of the committee,” Raughter said. “They want a voice in their workplace for themselves and their co-workers, and they delivered that message overwhelmingly. I couldn’t be happier for our new Teamster sisters and brothers.”

“The solidarity that Durham drivers maintained from start to finish in this organizing campaign is something to be very proud of,” said Steven Chandler, Local 38 Secretary-Treasurer. “Local 38 and the Durham drivers worked countless hours to ensure that our organizing plan worked. Our efforts paid off for the betterment of these new Teamsters.”

Southern California Teamsters have also scored big wins at Durham. Workers at the Durham yard in Carson, Calif. voted to join the union last year, and Local 952 recently ratified a contract with the company that covers more than 300 workers who provide transportation for the Santa Ana Unified School District. The contract includes significant pay raises and more paid time off for the workers. The minimum starting wage for drivers at the yard is now \$19 per hour, up from \$10.25 only seven years ago.

“Contracts like this demonstrate how Teamster power leads to safer buses, better jobs and higher paychecks for our members,” said Local 952 Secretary-Treasurer Patrick D. Kelly. “What’s happening out here on the west coast is a model that can be replicated throughout the country.”

Winning in Washington

In the Pacific Northwest, Joint Council 28 has welcomed hundreds of new members in recent years, providing workers with the security that only comes

with being Teamsters.

“Teamsters in Joint Council 28 recognize the importance of organizing new groups of workers, because with greater size and density comes greater strength,” said Rick Hicks, President of Joint Council 28 and Secretary-Treasurer of Local 174 in Seattle.

Last year, nearly 150 aircraft fuelers, dispatchers and mechanics employed by Swissport joined Local 174. The mostly-immigrant workgroup is based at SeaTac airport, and is responsible for fueling all commercial aircraft departing from that airport. The fuelers joined their 13 fellow Swissport employees working at the SeaTac fuel farm as members of Local 174.

Some other victories at Joint Council 28 local unions include:

- City of Chewelah, Local 690;
 - City of Redmond, Local 763;
 - Cities of Omak and Soap Lake, Local 760;
 - Kittitas Valley Hospital Respiratory Therapists, Local 760;
 - State Department of Corrections workers, Local 117;
 - City of Anacortes Library and Museum, Local 231;
 - APP World Fuel Services, Local 231.
-

‘ENOUGH IS ENOUGH’

On the heels of XPO Logistics’ shareholder meetings in Rye, N.Y. and Lyon, France in May, XPO’s CEO Bradley Jacobs received a total compensation of \$13 million in 2018. In the same breath Jacobs was awarded millions, he and his Board of Directors continued to ignore and deny workers’ claims of abuse and discrimination at the hands of XPO management.

Though the actions by Jacobs and his Board of Directors came as no surprise to XPO’s workers, it did ignite a fire inside of them to take action.

Fed up with XPO’s systemic abuse and anti-union tactics, and with the support of the Teamsters and other international unions, XPO workers from across the nation united together in a global day of action. The action began well before sunrise where over a dozen workers walked off the job and onto the picket line at an XPO Logistics warehouse in North Haven, Conn., after a number of workers filed multiple unfair labor practice (ULPs) complaints.

“XPO continues to treat my co-workers and me with complete disrespect and that’s led us to walk out, raise our voices and say enough is enough,” said John Tullock, an XPO striker from North Haven. “We will continue to stand up to XPO until our concerns are addressed and company executives stop abusing our rights.”

Workers United

While the workers in North Haven formed a picket line outside the warehouse, Teamster members fought side-by-side with XPO truck

drivers, warehouse workers and intermodal drivers throughout the United States protesting and leafleting at hundreds of company facilities to show that the Teamsters and workers are united in standing up for fair pay, benefits and better working conditions.

“XPO truck drivers work long, grueling hours contributing to Bradley Jacobs’s multi-million dollar paychecks, and in return all we get from XPO is a refusal to treat workers fairly, which is why we decided to join together and form a union,” said Mickey Young, an XPO driver from Aurora, Ill. “XPO workers around the globe are more united than ever, and executives need to open their eyes and improve working conditions and business practices before worker instability only worsens and more customers leave for more reliable business partners.”

“XPO makes us feel like we don’t exist, and we are just company property,” said Jose ‘Chema’ Rodriguez, an XPO driver from San Diego. “As someone who drives from Tijuana, Mexico to San Diego every single day to work more than 12 hours, it’s ludicrous that I’m still unable to afford to live in the United States because of the compensation and benefits XPO has denied me by misclassifying me as an independent contractor. XPO executives claim we want to remain as independent contractors, but they aren’t the ones struggling to make ends meet.”

Worldwide Action

As XPO workers in the United States kicked off their day of ac-

tions, XPO workers and unions in the United Kingdom, France, Spain and Belgium were hours into their day of action showing solidarity through photos, videos, and letters to XPO demanding the company stop breaking the law and start treating workers with dignity and respect.

XPO workers in those countries are facing issues related to the company improperly calculating overtime pay, withholding pension payments and delaying paychecks. Workers protested alongside international union leaders at XPO company offices and warehouses to sound the alarm on XPO’s record of violating workers’ rights across the globe.

“The issues at XPO Logistics are not contained to one warehouse, one city or even one country but are rather institutional problems that reach across the world and across XPO’s supply chain,” said Thierry Mayer, an XPO driver and member of the General Confederation of Labour (CGT) Union and member of the European Works Council (EWC) from France.

“We are struggling in France to receive the overtime pay owed to us by XPO and concerned about issues with pensions, misclassification and working conditions we hear from our co-workers around the world,” Mayer said. “We are tired of fighting XPO for rights and benefits that are legally given to us as employees and we will continue to speak up until these issues are resolved.”

End Worker Abuse

The day of action also prompted

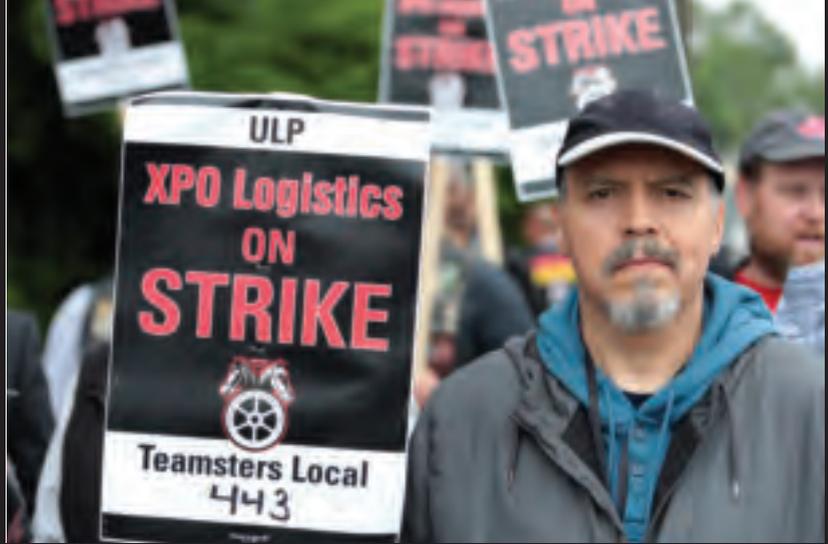
members of Congress to join the workers on the picket line, including Congresswoman Rosa DeLauro who represents Connecticut's Third District, where XPO's North Haven warehouse facility resides. Rep. DeLauro spoke out against the company's illegal actions and voiced her support for the workers in their fight for fair treatment.

"Do not let these naysayers get in your way and deter you from what your tasks are. You have a right to be part of the decisions that affect your life and the lives of your families," Rep. DeLauro said. "You have the right to affordable health care, you have the right to retirement security, and most of all you have the right to get respect for what you do."

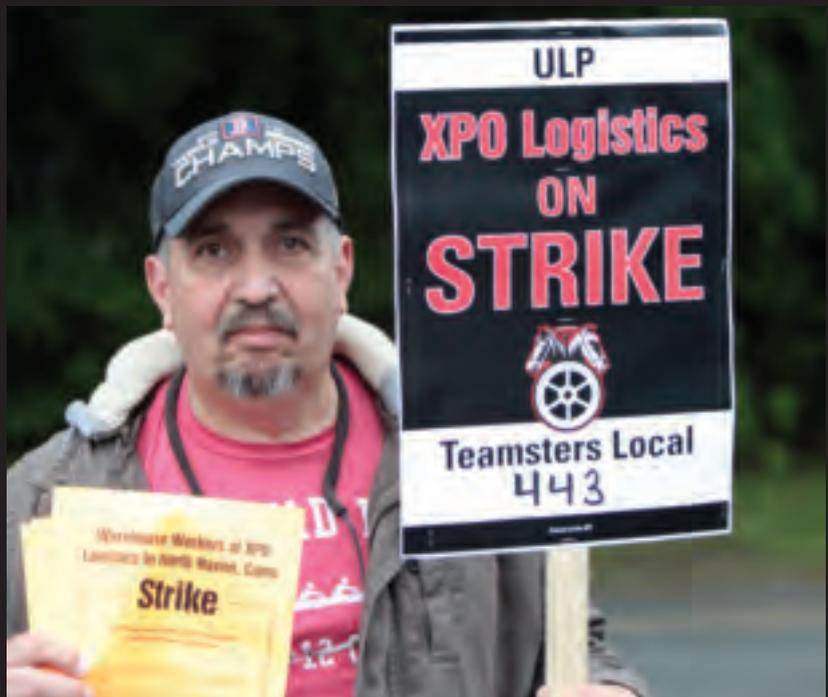
The global day of action is proof that the Teamsters and international unions around the world are united with XPO workers in the fight to end worker abuse and to ensure that every worker is treated with respect, has access to affordable health care, is paid a fair wage and their retirement is secure.



For more information, scan the QR code with your smartphone's camera or QR reader (available for free).



XPO Logistics Workers Around the Globe Protest Company's Abusive Practices





AP PHOTO

Teamsters Disaster Relief Comes to the Heartland

'THIS IS WHAT WE DO'

Local 554 UPS Driver Mike O'Hearn and his family were at their house in Columbus, Neb. weathering a torrential storm when the phone rang. "You should get out of there right now." "Why?" "Your house is going to be underwater within the next 24 hours."

O'Hearn looked outside, saw more than two feet of water in his driveway, and called 911. A few of hours later, the O'Hearns were on the roof of their house, waiting to board a Blackhawk helicopter as flood waters demolished their surroundings.

There was one problem: the rescue crew said no dogs, but Mike's wife Patty wasn't leaving without the furriest family member. Mike grabbed the Shih Tzu, put the dog in a duffel bag, and handed the bag to his wife. Mike's son Sean watched as she ascended on a rope ladder jerking frantically toward the sky, all while 60-mile-per-hour winds gusted all around them.

"Good thing Mom went first," he said. "She never would've gone if she saw one of us do that."

Immediate Needs

The flooding that rampaged throughout the Great Plains communities abutting the Missouri River began last March. Just as they had been in every region slapped by the cruel hand of Mother Nature in recent memory, the Teamsters were among the first on the ground when disaster subsided. Joint Council 56 along with Locals 554, 120 and others worked with Teamsters throughout the country to direct supplies and personnel where they were needed.

"Immediate needs were identified and a strategic relief effort was under way," said Danny Avelyn, Local 554 Secretary-Treasurer. "This effort saw thousands of volunteers from far and near who were eager to help. The collective spirit of those selfless volunteers



made all the difference in helping to ease the ravages and aftermath of the flooding."

"New friendships have developed," said Scott Utech, Local 554 business agent. "The experience has left many with a better appreciation of what we otherwise take for granted in our daily lives."

Disaster relief can be challenging in rural areas in part because of the distances separating distressed communities, making the role that the Teamsters play in coordinating deliveries all the more critical. Local 554 Trustee Gary Neeman said that the union delivered around 750 pounds of supplies in a four-week period, and noted that collaboration with partner organizations was essential to success.

"Watertown, S.D. was in the jurisdiction of the Salvation Army," Neeman said. "They had supplies but not enough transportation, so they asked Joint Council 56 to bring our truck up there. I said, 'You have to understand that we're Teamsters. People helping people—this is what we do. You tell us where we have to take this stuff, we're going to be there.'"

Neeman said that one of the most heart-wrenching moments of the disaster relief mission came in Fremont, Neb. when he was delivering supplies to an elderly woman and her grandchildren. As he loaded the goods into her car, the woman's granddaughter looked at her and said, "Does this mean we get to eat tonight?"

"My heart went in my throat," Neeman said. "I gave her the money I had and said 'I don't care where you go tonight, just go get something to eat. If you want to spend all of this money on chicken nuggets, go spend it on chicken nuggets, but I don't want you three to go hungry tonight.'"

Rebuilding Lives

Dan Shultz is a Local 554 member from Pacific Junction, Iowa who works as a service technician for General Electric. He was in Minnesota at the time of the flooding, and he got phone calls from neighbors volunteering to move as much of his things as they could. When everyone had to be evacuated, he watched his house become submerged from a home security camera. In the spirit of Teamster resilience, Shultz didn't miss a day of work in the week immediately following the flood, but he said that the experience is difficult to explain if you haven't been through it.

"You're at work right now, just imagine if anything and everything you left at home this morning you no longer have," Shultz said. "The only possessions you have is what you have on you. Photos, mementos, everything is gone. Still, I've gotten food, cleaning supplies, financial assistance; everyone has been here for me."

O'Hearn also must rebuild extensively to get back to his life before the flood. Being in a rural community, he and neighbors rely on wells for clean water, and the flood may have contaminated their water



supply with harmful bacteria. If his well is contaminated, he'll have to dig another, an undertaking that would likely be expensive and time consuming—and in addition to the renovations on his home.

O'Hearn claims he became a dues-paying Teamster after he was wrongfully terminated and Local 554 got him his job back, and that the union has always been there for him. In spite of his challenges, he said he's an optimist and that he appreciates the response from his union brothers and sisters.

"This is the way we do it," O'Hearn said. "Your neighbors needs help, you help them out. The union is no different."

For more information or to donate, visit ibt.io/tdrfund



REPORT TO ALL MEMBERS OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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

DATED: May 31, 2019

I. INTRODUCTION

The following is Magazine Report 2 of the Independent Disciplinary Officers (“IDO”) for 2019 regarding activities from March 7, 2019 through May 31, 2019, conducted pursuant to the Final Agreement and Order of February 17, 2015.

II. PROGRESS OF EXISTING MATTERS

A. Former Local 683 Principal Officer

On March 6, 2019, the Independent Investigations Officer (“IIO”) issued a report to the IBT General President recommending that a charge be filed against Todd Mendez (“Mendez”), former principal officer of Local 683 (El Cajon, CA) for bringing reproach upon the IBT in violation of Article II, Section 2 (a) and Article XIX, Sections 7(b)(1) and (2) and Section (14)(a) of the IBT Constitution, through failing to reasonably cooperate with the IIO by intentionally testifying falsely during his IIO sworn examination on February 2, 2017.

The IIO’s Report alleged that Mendez testified falsely during his IIO sworn examination concerning a document he distributed and caused Board members to sign, purportedly subjecting them to financial penalty for disclosing the terms of a settlement agreement for a lawsuit brought by a former employee against the Local and Mendez personally alleging sexual harassment and other causes of action.

On March 12, 2019, General President Hoffa adopted and filed the charges. On April 8, 2019, counsel submitted to the IRO a proposed affidavit and settlement disposing of the charges. The IRO is currently reviewing the proposed disposition.

B. Local 817 Member James Norizsan

On November 28, 2018, the IIO recommended to the Executive Board of Local 817 that a charge be filed against former Local 817 member James Norizsan (“Norizsan”) for violating the IBT Constitution Article II, Section 2(a) and Article XIX, Sections 7(b) (1), (2), and (9), by knowingly associating with a prohibited person under the Final Agreement and Order, Frank Radice. Radice had been permanently barred from the IBT for being a member of Organized Crime pursuant to an IRB decision issued June 18, 2014, and approved by United States District Judge Loretta A. Preska on March 4, 2015.

Pursuant to Paragraph 32 of the Final Agreement and

Order, the IIO designated this as a matter within the jurisdiction of the Local 817 Executive Board. On January 29, 2019, counsel for Local 817 submitted to the IRO a proposed affidavit and settlement disposing of the charges. However, after being advised by the IIO of additional discussions between counsel for Local 817 and counsel for Norizsan regarding the terms of the affidavit and settlement, the IRO is awaiting a modified proposed disposition.

III. ONGOING INVESTIGATIONS

The IIO is currently conducting a number of investigations throughout the country. In the time period of this report, the IIO has received and processed approximately 67 hotline calls reporting alleged improprieties.

The IDO do not comment on ongoing investigations or identify areas or conduct under investigation until a formal recommendation of charges is served upon the IBT pursuant to the Final Order.

IV. TOLL-FREE HOTLINE

Activities which should be reported for investigation include, but are not limited to, association with organized crime, corruption, racketeering, embezzlement, extortion, assault, or failure to investigate any of these.

To ensure that all calls are treated confidentially, the system which records hotline calls is located in a secure area on a dedicated line accessed only by an Investigator. Please continue to use the toll-free hotline to report improprieties that fall within IIO jurisdiction by calling 1-800-CALL-472 (800-225-5472).

V. RELOCATION OF IIO OFFICE

The Office of the Independent Investigations Officer has relocated from its former premises in New York City to a location in the Washington, D.C., metropolitan area. The new address of the IIO is as follows:

Hon. Joseph E. diGenova
Office of the Independent Investigations Officer
1515 N. Courthouse Rd, Suite 330
Arlington, VA 22201

Mail correspondence going forward should be addressed to the new office.

VI. CONCLUSION

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

UNION FINANCES REMAIN STRONG

The financial state of our union has never been better. Despite political and corporate attacks trying to silence labor unions, our finances and assets continue to grow. The strength of the International Brotherhood of Teamsters comes from our membership, but our financial strength makes it possible to maintain our position as one of the most powerful and effective voices for working people in North America.

Having a solid treasury allows the Teamsters Union to continue to organize, negotiate and uphold contracts, and fight those trying to take us down. With our resources, we can take on the bigger fights, the powerful employers and the anti-worker politicians.

The strike fund continues to grow and is at an all-time high. A strong strike fund sends the message to employers that we will not back down whether we are negotiating a national contract or a local stand-alone contract. Our strike fund is there to assist members when they need it most and we are proud to be in a position to offer such assistance.

I am proud to report that, through April 2019, we have more than \$225 million in our strike fund. That's up \$28 million from April of last year.

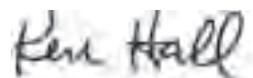
In fact, through April 2019, the total assets in the General Fund and the Strike and De-



fense Fund exceeded \$359 million, up \$33 million from last year.

In my years as General Secretary-Treasurer, I have worked hard to be a strong fiduciary steward of your membership dues and will continue to do so.

But the success of this union depends on all of us.


Ken Hall
 General Secretary-Treasurer

INTERNATIONAL BROTHERHOOD OF TEAMSTERS FINANCIAL REPORT 2018

INTERNATIONAL BROTHERHOOD OF TEAMSTERS
DECEMBER 31, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	General Fund	Strike and Defense Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 30,326,939	\$ 2,510,101	\$ 484,820	\$ 1,325,201	\$ -	\$ 34,647,061
Receivables, net						
Trade	20,918,132	33,500	-	627,250	(1,843,299)	19,735,583
Grants and contributions	551,262	-	-	-	-	551,262
Accrued investment income	22,863	633	-	36	-	23,532
Due from/(to) related entities	556,014	(59,002)	-	(209,000)	-	288,012
Loan receivable from related entity	-	-	-	3,000,000	-	3,000,000
Other	119,959	-	-	-	-	119,959
Inventories	292,673	-	-	-	-	292,673
Prepaid expenses	699,908	-	-	-	-	699,908
Investments	36,838,181	205,539,762	-	16,614,015	-	258,991,958
Security deposits and other	401,082	-	-	10,000	-	411,082
Property and equipment, net	35,984,225	-	-	-	-	35,984,225
Total assets	\$ 126,711,238	\$ 208,024,994	\$ 484,820	\$ 21,367,502	\$ (1,843,299)	\$ 354,745,255
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued expenses	\$ 21,808,661	\$ 1,854,729	\$ -	\$ 91,748	\$ (1,843,299)	\$ 21,911,839
Accrued pension cost	2,517,611	-	-	-	-	2,517,611
Accrued postretirement benefits cost	742,975	-	-	-	-	742,975
Total liabilities	25,069,247	1,854,729	-	91,748	(1,843,299)	25,172,425
NET ASSETS						
Without donor restrictions	101,140,315	206,170,265	-	21,275,754	-	328,586,334
With donor restrictions	501,676	-	484,820	-	-	986,496
Total net assets	101,641,991	206,170,265	484,820	21,275,754	-	329,572,830
Total liabilities and net assets	\$ 126,711,238	\$ 208,024,994	\$ 484,820	\$ 21,367,502	\$ (1,843,299)	\$ 354,745,255

See accompanying notes to consolidated financial statements.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS FINANCIAL REPORT 2018

INTERNATIONAL BROTHERHOOD OF TEAMSTERS
DECEMBER 31, 2018

CONSOLIDATED STATEMENT OF ACTIVITIES

	General Fund		Strike and Defense Fund	Hoffa Scholarship Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	
REVENUE AND OTHER SUPPORT							
Per capita and initiation fees	\$ 164,330,494	\$ -	\$ 23,059,675	\$ -	\$ -	\$ -	\$ 187,390,169
Grants and contributions	4,034,131	-	-	-	127,852	-	4,161,983
Affinity program	-	-	-	-	-	3,835,583	3,835,583
Investment loss, net	(585,101)	-	(1,830,435)	-	-	(130,921)	(2,546,457)
Sales of supplies, net	30,602	-	-	-	-	-	30,602
Gain on disposal of property and equipment	31,564	-	-	-	-	-	31,564
Other	283,263	-	-	-	-	-	283,263
Net assets released from restrictions	4,720	(4,720)	-	-	-	-	-
Total revenue	<u>168,129,673</u>	<u>(4,720)</u>	<u>21,229,240</u>	<u>-</u>	<u>127,852</u>	<u>3,704,662</u>	<u>193,186,707</u>
EXPENSES							
Program services							
Member services							
Communications, magazine and public relations	10,523,464	-	-	-	-	-	10,523,464
Industry trade divisions and relations	40,079,597	-	-	-	-	-	40,079,597
Strike and defense	1,940,183	-	10,412,111	-	-	-	12,352,294
Research, education and training	16,926,879	-	-	-	-	184,425	17,111,304
Retiree relations, scholarships and other	102,486	-	-	-	-	-	102,486
Organizing	20,926,014	-	-	-	-	-	20,926,014
Other	9,676,625	-	-	-	536,250	305,016	10,517,891
Affiliation fees	11,272,581	-	-	-	-	-	11,272,581
Government affairs	12,038,852	-	-	-	-	-	12,038,852
Legal and litigation	5,088,563	-	-	-	-	-	5,088,563
Civil RICO	7,933,945	-	-	-	-	-	7,933,945
Teamster Affiliates Pension Fund	13,500,000	-	-	-	-	-	13,500,000
Convention	1,559,897	-	-	-	-	-	1,559,897
Total program services expenses	<u>151,569,086</u>	<u>-</u>	<u>10,412,111</u>	<u>-</u>	<u>536,250</u>	<u>489,441</u>	<u>163,006,888</u>
Support services							
Administration and governance	8,636,486	-	-	-	69	297,322	8,933,877
Total expenses	<u>160,205,572</u>	<u>-</u>	<u>10,412,111</u>	<u>-</u>	<u>536,319</u>	<u>786,763</u>	<u>171,940,765</u>
CHANGE IN NET ASSETS BEFORE DECONSOLIDATION	7,924,101	(4,720)	10,817,129	-	(408,467)	2,917,899	21,245,942
DECONSOLIDATION OF ENTITY	-	-	-	(17,678,603)	-	-	(17,678,603)
CHANGE IN NET ASSETS	7,924,101	(4,720)	10,817,129	(17,678,603)	(408,467)	2,917,899	3,567,339
NET ASSETS							
Beginning of year	107,603,133	506,396	195,353,136	17,678,603	893,287	18,357,855	340,392,410
Other pension and postretirement adjustments	(14,386,919)	-	-	-	-	-	(14,386,919)
End of year	<u>\$ 101,140,315</u>	<u>\$ 501,676</u>	<u>\$ 206,170,265</u>	<u>\$ -</u>	<u>\$ 484,820</u>	<u>\$ 21,275,754</u>	<u>\$ 329,572,830</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS FINANCIAL REPORT 2018

INTERNATIONAL BROTHERHOOD OF TEAMSTERS
DECEMBER 31, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

	General Fund	Strike and Defense Fund	Teamster Disaster Relief Fund	Supplemental Benefits Trust	Total
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Cash received from					
Affiliated conferences, joint councils and local unions	\$ 163,288,352	\$ 23,179,243	\$ -	\$ -	\$ 186,467,595
Investment income	1,321,142	6,829,759	-	627,730	8,778,631
Other revenue and reimbursements	4,149,397	-	127,852	3,793,313	8,070,562
Net cash received	<u>168,758,891</u>	<u>30,009,002</u>	<u>127,852</u>	<u>4,421,043</u>	<u>203,316,788</u>
Cash disbursed to					
Service providers, suppliers, vendors and others	(159,437,993)	(8,085,734)	(536,319)	(749,476)	(168,809,522)
Affiliated conferences, joint councils and local unions	(8,185,754)	-	-	-	(8,185,754)
Members for benefits under Strike Benefit Assistance Program	-	(1,637,112)	-	-	(1,637,112)
Net cash disbursed	<u>(167,623,747)</u>	<u>(9,722,846)</u>	<u>(536,319)</u>	<u>(749,476)</u>	<u>(178,632,388)</u>
Net cash provided by (used for) operating activities	<u>1,135,144</u>	<u>20,286,156</u>	<u>(408,467)</u>	<u>3,671,567</u>	<u>24,684,400</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES					
Proceeds from sale or redemption of investments					
	118,996	11,307,791	-	1,018	11,427,805
Purchase of investments	(1,318,710)	(31,129,770)	-	(628,748)	(33,077,228)
Purchase of fixed assets	(4,038,713)	-	-	-	(4,038,713)
Disposal of fixed assets	159,942	-	-	-	159,942
New loans to affiliates	(50,000)	-	-	-	(50,000)
Payment of loans by affiliates	81,808	-	-	-	81,808
Loan to related entity	-	-	-	(3,000,000)	(3,000,000)
Net cash used for investing activities	<u>(5,046,677)</u>	<u>(19,821,979)</u>	<u>-</u>	<u>(3,627,730)</u>	<u>(28,496,386)</u>
NET INCREASE (DECREASE) IN CASH	<u>(3,911,533)</u>	<u>464,177</u>	<u>(408,467)</u>	<u>43,837</u>	<u>(3,811,986)</u>
CASH AND CASH EQUIVALENTS					
Beginning of year	<u>34,238,472</u>	<u>2,045,924</u>	<u>893,287</u>	<u>1,281,364</u>	<u>38,459,047</u>
End of year	<u>\$ 30,326,939</u>	<u>\$ 2,510,101</u>	<u>\$ 484,820</u>	<u>\$ 1,325,201</u>	<u>\$ 34,647,061</u>

See accompanying notes to consolidated financial statements.

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. Net assets are classified as net assets without donor restrictions and with donor restrictions. Net assets are generally reported as net assets without donor restrictions unless assets are received from donors with explicit stipulations that limit the use of the asset. Net assets with donor restrictions in the General Fund as of December 31, 2018, resulted from contributions from local union members, local unions, and other affiliates for member-to-member communications through a Field Action Fund run by the International Union.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of International Union's General Executive Board and Management.

Board-designated net assets: Net assets that are not subject to donor-imposed restrictions but are subject to self-imposed limits by the action of the General Executive Board of the International. These net assets may be used at the discretion of the International's General Executive Board.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the International or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted net assets are "released from restrictions" when the amounts are expended for the purpose specified.

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:

Program Services

General Fund - Provides for the ongoing activities of the International Union not specifically carried out by any other fund. The General Fund also includes the consolidated accounts of the Teamsters National Headquarters Building Corporation, a for-profit corporation formed to be a title holding corporation for the International Union's headquarters building.

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

Strike and Defense Fund - The Strike and Defense Fund was created in 2002 to support members engaged in collective action to obtain recognition, obtain and/or protect wages and benefits through the negotiation of collective bargaining agreements, enforce collective bargaining agreements, and support members who have been locked out by their employers. Fifteen percent of per capita tax received by the International Union, excluding the amounts received for members in Teamsters Canada and members employed in the public sector who do not have the legal right to strike, are transferred to the Strike and Defense Fund. Participation in the Strike and Defense Fund for the Brotherhood of Locomotive Engineers and Trainmen Division, Brotherhood of Maintenance of Way Employees Division, and the Graphic Communications Conference are governed by the applicable merger agreements. The net assets of the Strike and Defense Fund are considered designated net assets as prescribed by the International Union constitution.

Hoffa Scholarship Fund - The Hoffa Scholarship Fund represents the accounts and activities of the James R. Hoffa Memorial Scholarship Fund, Inc., formerly a related organization under the International Union's control. Effective January 1, 2018, the Hoffa Scholarship Fund Board of Directors decided to separate the Scholarship Fund from International Union's control. Some of the Scholarship Fund's Board of Directors are International Union officers and employees; however, it will operate as a separate, segregated fund of the International Union. The transfer of net assets is reflected on the Consolidated Statement of Activities.

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

Supplemental Benefits Trust - The Supplemental Benefits Trust represents the accounts and activities of the International Brotherhood of Teamsters Supplemental Benefits Trust, a financially inter-related organization under the International Union’s control. The Trust was established on January 1, 2003, to serve as a vehicle for the coordination of several credit cards, insurance, and other programs offered to members of the International Union and their families by third party vendors. The Trust is funded primarily through royalty payments payable in accordance with the provisions of various agreements between the International Union and third party vendors which have been assigned by the International Union to the Trust.

Support Services

General and Administrative - This supporting service category includes the functions necessary to secure the proper administrative functioning of the International Union’s governing board, maintain an adequate working environment, and manage financial responsibilities of the International Union.

Cash and Cash Equivalents - Cash and cash equivalents consist of amounts held in demand deposit accounts and money market accounts.

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

Investments - Investments are reported at their aggregate fair value. The fair value of investments is determined by quoted market prices as reported by the investment custodian.

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

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

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

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

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

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

Financial Presentation - The International Union’s consolidated financial statements present its net assets, revenues, expenses, gains, and losses, classified between net assets without donor restrictions and net assets with donor restrictions, 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 with the exception of rental income for an office for which appropriate Federal and state income taxes are paid.

The Teamster Disaster Relief Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is reasonably expected to be a publicly supported organization and not a private foundation. This Fund is subject to tax derived from unrelated business activities.

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

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

NOTE 4. TRADE RECEIVABLES

Trade receivables consist of the following at December 31, 2018:

Per capita and initiation fees	\$ 18,511,351
Due from Strike and Defense Fund	1,843,299
Unsecured notes receivable	181,473
Affinity programs	627,250
Other	<u>415,509</u>
	<u>\$ 21,578,882</u>

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

NOTE 5. UNINSURED CASH BALANCES AND INVESTMENT CONCENTRATIONS

The International Union places its cash and cash equivalents with various financial institutions deemed creditworthy. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in a single bank. As of December 31, 2018, the International Union’s cash in excess of FDIC insurance coverage totaled \$10,029,544.

The International Union places its cash and cash equivalents with a Canadian financial institution deemed creditworthy. Canadian cash balances are insured by the Canada Deposit Insurance Corporation (CDIC) up to \$100,000 in a single bank. As of December 31, 2018, the International Union’s cash in the Canadian financial institution in excess of CDIC insurance coverage totaled \$6,388,384 in Canadian dollars (approximately \$4,620,227 in U.S. dollars).

The Supplemental Benefits Trust maintains its cash with a financial institution. As of December 31, 2018, the Supplemental Benefits Trust’s cash in excess of FDIC insurance coverage totaled \$1,075,201.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2018, the Teamsters Disaster Relief Fund’s cash in excess of FDIC insurance coverage totaled \$234,820.

NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government totaled \$551,262 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, 2018 is summarized below:

	<u>Cost</u>	<u>Fair Value</u>
Common stock	\$ 535,225	\$ 1,653,897
Mutual fund - equity	39,295,308	50,527,946
Mutual funds - fixed income	203,397,061	198,861,950
Money market mutual fund	<u>7,948,165</u>	<u>7,948,165</u>
	<u>\$ 251,175,759</u>	<u>\$ 258,991,958</u>

Investment loss, net, for the year ended December 31, 2018 consisted of the following:

	<u>General Fund</u>	<u>Strike and Defense Fund</u>	<u>Supplemental Benefits Trust</u>	<u>Total</u>
Interest and dividends	\$ 1,332,507	\$ 6,830,215	\$ 627,623	\$ 8,790,345
Net realized and unrealized (loss) gain on investments	(1,858,961)	(8,614,970)	(740,384)	(11,214,315)
Investment expenses	<u>(58,647)</u>	<u>(45,680)</u>	<u>(18,160)</u>	<u>(122,487)</u>
	<u>\$ (585,101)</u>	<u>\$ (1,830,435)</u>	<u>\$ (130,921)</u>	<u>\$ (2,546,457)</u>

NOTE 8. FAIR VALUE MEASUREMENTS

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

Basis of Fair Value Measurement:

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

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

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

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

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

Fair Value Measurements at December 31, 2018

	Total	Level 1	Level 2	Level 3
Common stock - all cap value	\$ 1,653,897	\$ 1,653,897	\$ -	\$ -
Mutual fund - equity	50,527,946	50,527,946	-	-
Mutual funds - fixed income	198,861,950	198,861,950	-	-
Money market mutual fund	7,948,165	7,948,165	-	-
	<u>\$ 258,991,958</u>	<u>\$ 258,991,958</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the year ended December 31, 2018, there were no transfers in or out of levels 1, 2, or 3.

NOTE 9. PROPERTY AND EQUIPMENT

Property and equipment held by the International Union consists of the following as of December 31, 2018:

Land - headquarters	\$ 794,117
Headquarters building	52,938,868
Leasehold improvements	26,000
Furniture and fixtures	5,424,755
Equipment	4,972,152
Data processing equipment	2,694,383
Computer software	4,680,598
Automobiles	26,847
Work in process	4,169,933
	<u>75,727,653</u>
Less accumulated depreciation	<u>(39,743,428)</u>
Net property and equipment	<u>\$ 35,984,225</u>

Depreciation expense for the year ended December 31, 2018 was \$1,748,864.

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NOTE 10. THE TEAMSTER AFFILIATES PENSION PLAN

The Teamster Affiliates Pension Plan (the Plan) provides defined benefits to eligible officers and employees of the International Union’s affiliates.

The General Executive Board elected to curtail the Plan effective December 31, 1994, thus freezing benefits for most participants at the then accumulated level. Effective January 1, 1995, the Plan was amended to allow the affiliates to contribute on behalf of their employees. For those participants whose employer continued to contribute, benefits were not frozen until December 31, 2001. Effective January 1, 2002, no additional retirement or other benefit will be accrued under this Plan by any participant of the Plan. Any participation agreement which may have been submitted by an affiliate to, and accepted by, the Trustees of this Plan at any time on or after January 1, 1995, was terminated effective January 1, 2002, and no contributions were accepted by the Trustees from an affiliate on behalf of a participant employed by that affiliate with respect to any period of time beginning on or after January 1, 2002.

No individual who was initially employed by an affiliate on or after January 1, 2002, was eligible to become a participant of the Plan. No compensation that was received by a participant of the Plan with respect to any period of time beginning on or after January 1, 2002, was considered to be the earnings of that participant for purposes of the Plan. Any periods of credited service and/or vesting service earned by a participant on or after January 1, 2002, shall continue to be used to determine the eligibility of that participant to receive a retirement or other benefit under this Plan, but shall not be used to determine the amount of any retirement or other benefit which that participant may otherwise be entitled to receive under this Plan.

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

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

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

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

The International Union’s participation in the multiemployer defined benefit pension plan for the annual period ended December 31, 2018 is outlined in the table below. The zone status is based on information that the International Union has received from the multiemployer defined benefit pension plan and is certified by the multiemployer defined benefit pension plan’s actuary.

Among other factors, pension plans in the red zone are generally less than 65 percent funded, pension plans in the yellow zone are less than 80 percent funded, and pension plans in the green zone are at least 80 percent funded.

Legal Name of Pension Plan	Pension Plan’s Employer Identification Number	Pension Plan’s Plan Number	Zone Status	Extended Amortization Provisions Used?	Expiration Date of Collective Bargaining Agreement?
The Teamster Affiliates Pension Plan	52-6128127	333	Yellow as of 12/31/18	No	N/A

Legal Name of Pension Plan	Contributions to the Pension Plan	Contributions to the Pension Plan greater than 5% of total Pension Plan Contributions (Plan year ending)	Employer Contribution Rates	Number of Active Participants being Contributed for
	12/31/2018		12/31/2018	12/31/2018
The Teamster Affiliates Pension Plan	\$ 13,500,000	Yes	N/A	458

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

For the Plan year beginning January 1, 2013, the Plan was certified as endangered status under the Pension Protection Act of 2006. The Board of Trustees of the Plan adopted a funding improvement plan to increase the funding percentage of the Plan which meets all of the statutory and regulatory requirements for a funding improvement plan effective as of January 1, 2013.

The funding improvement plan calls for the IBT to make annual contributions to the Plan beginning January 1, 2014 and ending December 31, 2023 in the amounts recommended by the actuary and approved by the IBT's General Executive Board.

The International Union is expected to contribute \$14,750,000 in 2019. Contributions to the Plan in subsequent years will be determined by the International Union in consultation with the Plan's actuary.

NOTE 11. RETIREMENT AND FAMILY PROTECTION PLAN

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

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

The following are the balances as of or for the year ended December 31, 2018 as provided by the Plan's actuary:

	2018
Projected benefit obligation	\$ (167,928,579)
Fair value of plan assets	<u>165,410,968</u>
Funded status	<u>\$ (2,517,611)</u>
Accumulated benefit obligation	<u>\$ (146,243,741)</u>
Amounts recognized in the statement of financial position:	
Liabilities	\$ (2,517,611)
Amounts in net assets not recognized as components of net periodic benefit cost:	
Accumulated net gain or (loss)	\$ (62,298,048)
Prior service (costs) credit	<u>-</u>
	<u>\$ (62,298,048)</u>

	Pension Expense	Pension Obligation
Weighted-average assumptions:		
Discount rate	3.75%	4.25%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	3.00%	3.50%
Employer contributions	<u>\$ 20,000,000</u>	
Benefits paid	<u>\$ 9,023,296</u>	
Net periodic pension cost	<u>\$ 5,627,688</u>	

The International Union’s expected contribution to the Plan for the year ended December 31, 2019 is \$16,000,000. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2019	15,400,493
2020	15,373,615
2021	14,730,481
2022	14,060,943
2023	13,671,032
Aggregate for five years beginning 2024	60,809,070

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

The Plan’s overall investment strategy is to invest in securities that will meet or exceed an absolute return of 7.00%. In order to meet its needs, the Plan’s investment strategy is to emphasize total return primarily by emphasizing long-term growth of principal while avoiding excessive risk and; secondly, by achieving returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets.

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

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

The major classes of plan investments at December 31, 2018 are:

	<u>Fair Value</u>
Mutual funds	\$ 129,973,154
Collective trust funds	20,451,467
Hedge fund	11,720,012
Money market mutual fund	113,869
	<u>\$ 162,258,502</u>

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

Basis of Fair Value Measurement:

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

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

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

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

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

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	Fair Value Measurements at December 31, 2018			
	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 129,973,154	\$ 129,973,154	\$ -	\$ -
Money market mutual fund	113,869	113,869	-	-
Total assets in the fair value heirarchy	130,087,023	\$ 130,087,023	\$ -	\$ -
Investments measured at NAV	32,171,479			
Total Investments	\$ 162,258,502			

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

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

For the year ended December 31, 2018 there were no transfers between levels 1, 2, or 3.

The unfunded commitments, redemption frequency and redemption notice periods for the investments measured at fair value using the Net Asset Value per Share (or Its Equivalent) practical expedient are as follows at December 31, 2018:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trust funds:				
NT Coll Russell 3000				
Index Fund	\$ 9,162,093	\$ -	Daily	N/A
Invesco - Balanced Risk				
Allocation Trust	11,289,374	-	Daily	N/A
Hedge fund:				
PanAgora Risk Parity				
Multi-Asset Group Trust	11,720,012	-	Bi-monthly	3 business days
	\$ 32,171,479	\$ -		

The PanAgora Risk Parity Multi-Asset Fund's objective is to balance risk exposures in a given portfolio in an optimal fashion, so as to avoid risk concentration - be it across asset classes, or within asset class. The Fund's approach may be applied in a multi-asset class portfolio that has exposure to equities, bonds, commodities and other inflation-hedging instruments, as well as within certain stand-alone asset classes such as Diversified Risk Equity and Diversified Risk Commodities. The PanAgora Risk Parity Multi-Asset Fund is a hedge fund that may invest in derivatives.

NOTE 12. TEAMSTERS NATIONAL 401(K) SAVINGS PLAN

In 1996, the International Union entered into a trust agreement to participate in the Teamsters National 401(k) Savings Plan (the Plan). Beginning in April 1997, employees of the International Union who have completed 30 days of service may contribute to the Plan through payroll deductions. Participants may contribute up to 89% of their pretax salaries up to the maximum prescribed by law and an additional 5% of after-tax salaries. The International Union, as a Plan sponsor, does not contribute to the Plan and assumes no liability for the Plan's administrative costs.

NOTE 13. RELATED ENTITIES

The International Union has various related entities not included in the consolidation, which include a political and education fund (a separate, segregated fund of the International Union), two defined benefit pension plans, a defined contribution pension plan, a legal defense fund, and a voluntary employee benefits trust. These entities, as well as the Strike and Defense Fund, Supplemental Benefits Trust, and Teamster Disaster Relief Fund, which are included in the consolidated financial statements, and amounts due to the International Union at December 31, 2018, are as follows:

Strike and Defense Fund	\$	59,002
Teamster Affiliates Pension Plan		4,368
Retirement and Family Protection Plan		644
Voluntary Employee Benefits Trust		283,000
Supplemental Benefits Trust		<u>209,000</u>
 Total	\$	<u><u>556,014</u></u>

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

The Supplemental Benefits Trust (the Trust) shares common Trustees with the IBT Voluntary Employee Benefits Trust (VEBA). In 2015, VEBA obtained a \$7,000,000 line of credit with United Bank. The Trustees of the Trust approved to guarantee the repayment of up to fifty percent of any amount borrowed by the VEBA under this line of credit. For the year ended December 31, 2018, the Trust paid \$39,121 in expenses relating to VEBA the line of credit for collateral examination and loan renewal fees, as approved by the Trustees. No outstanding principal amount was due on the line of credit at December 31, 2018.

During the year ended December 31, 2018, the Trust gave \$3,000,000 to VEBA in the form of an interest-free loan, as approved by the Board of Trustees. At December 31, 2018, VEBA owed the Trust \$3,000,000 related to this loan.

NOTE 14. POSTRETIREMENT BENEFITS

The International Union provides life insurance benefits for retired employees meeting the requirements of a normal pension or becoming disabled and receiving a disability pension. Spouses and dependent children of these retirees are also eligible to participate. In addition, certain spouses and dependent children of deceased active employees are eligible to participate in the plan.

In accordance with applicable accounting standards, the International Union has recognized a liability of \$742,975 which represents the actuarially calculated accumulated benefit obligation. The accumulated benefit obligation represents the present value of future premiums to be paid by the International Union calculated using various assumptions for matters such as mortality and discount rate. The total recognized in net periodic benefit cost for the year ended December 31, 2018 totaled (\$95,479).

NOTE 15. ACCRUED LEAVE

In compliance with "Compensated Absences," the International Union has established a liability of \$3,298,088 representing accumulated future absences of its employees through the year ended December 31, 2018, 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 credit card agreement with Capital One Financial (COF), formerly HSBC Finance Corporation. This agreement provides COF the right to use certain intangible property, belonging to the International Union, including the International Union's name, logo, trademarks, and membership lists, in exchange for specified royalty payments to be paid to the International Union. COF will be entitled to use this intangible property in connection with its efforts to market credit card and certain other financial products to members of the International Union. The terms of this agreement currently extend through December 31, 2023. This agreement will renew automatically for one year successive periods unless either party notifies of their intent not to renew the agreement at least twelve months prior to December 31, 2023. Under the terms of the current agreement with COF, the minimum royalty payments COF will make to IBT will be \$3.5 million per year through February 28, 2019, \$1.5 million per year from March 1, 2019 through December 31, 2022 and \$1 million per year from January 1, 2023 through December 31, 2023.

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

The International Union has entered into an agreement with Metropolitan Property and Casualty Insurance Company (MetLife) effective September 1, 2013. This agreement provides Met Life the exclusive right to market and sell home and auto insurance coverage to International Union members, in exchange, MetLife will pay an annual marketing fee of \$25,000

in each calendar year of the initial term of the agreement and an inquiry fee per inquiry paid in installments pursuant to the agreement. The initial term of this agreement is five years. This agreement will continue for successive annual terms until terminated by either the International Union or MetLife upon 180 days prior written notice to the other. For the year ended December 31, 2018, the annual marketing fee of \$25,000 was terminated.

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

Total royalty revenue for the year ended December 31, 2018 is as follows:

Royalty revenue:	
Capital One	\$ 3,500,000
MetLife	<u>335,583</u>
Total	<u>\$ 3,835,583</u>

NOTE 18. LEASES

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

<u>Year Ending December 31,</u>	
2019	\$ 603,988
2020	139,379
2021	106,848
2022	101,942
2023	104,417
Thereafter	<u>102,691</u>
Total	<u>\$ 1,159,265</u>

Rental payments totaled \$1,203,883 for the year ended December 31, 2018.

NOTE 19. LOAN PAYABLE

During the year ended December 31, 2017, the International Union signed a loan agreement (line of credit) and promissory note with Amalgamated Bank to borrow amounts up to \$6,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment is due by March 31, 2020. As of December 31, 2018, the line of credit was not drawn upon and the outstanding principal balance was zero; however, the loan remains open for the International Union's working capital needs.

There was no interest expense for the year ended December 31, 2018.

NOTE 20. RISKS AND UNCERTAINTIES

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

NOTE 21. AVAILABILITY AND LIQUIDITY

The following represents the International Union's financial assets available within one year of the statements of financial position date for general expenditure at December 31, 2018:

Financial assets available within one year:	
Cash and cash equivalents	\$ 34,647,061
Investments	258,991,958
Trade receivables	<u>19,735,583</u>
Total financial assets	313,374,602
Less amounts unavailable for general expenditures:	
Net assets with donor restrictions	<u>986,496</u>
Financial assets available to meet general expenditures within one year	<u>\$ 312,388,106</u>

As part of the International's liquidity plan, excess cash is invested in short-term investments.

NOTE 22. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2018:

Specific Purpose	
Field Action Fund	\$ 501,676
Teamster Disaster Relief Fund	<u>484,820</u>
Total financial assets	<u>\$ 986,496</u>

Net assets without donor restrictions for the year ended December 31, 2018 are as follows:

General Fund	\$ 101,140,315
Strike and Defense Fund	206,170,265
Supplemental Benefits Trust	<u>21,275,754</u>
Total financial assets	<u>\$ 328,586,334</u>

Net assets released from net assets with donor restrictions for the year ended December 31, 2018 were \$4,720.

NOTE 23. CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Union has adjusted the presentation of these statements accordingly. The ASU has been applied to all periods presented.

NOTE 24. FUNCTIONAL ALLOCATION OF EXPENSES

The International Union's expenses relate to various programs and other activities. The following information presents expenses by functional and natural classification. Expenses directly attributable to a specific functional area of the International Union are represented as expenses of those functional areas.

	December 31, 2018		
	Program	Support	Total
	Services	Services	
Salaries, employee benefits and taxes	\$ 61,139,606	\$ 8,005,423	\$ 69,145,029
Occupancy, telephone, postage and office supplies	19,193,953	946,741	20,140,694
Professional fees	17,746,700	525,567	18,272,267
Contributions, grants, and awards	17,648,227	39,121	17,687,348
Travel	14,040,460	(524,543)	13,515,917
Teamsters Affiliates Pension Plan	13,500,000	-	13,500,000
Depreciation and amortization	1,021,528	727,336	1,748,864
Other expenses	18,716,414	(785,768)	17,930,646
Totals	\$ 163,006,888	\$ 8,933,877	\$ 171,940,765

NOTE 25. SUBSEQUENT EVENTS

The International Union has evaluated subsequent events through May 20, 2019, the date the consolidated financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.



In Memoriam

Teamsters Remember Dave Sweeney

Dave Sweeney, who was Director of the Teamsters Legislative and Political Action Department until he retired in 1993, passed away in June.

Sweeney became a Teamster member in 1951 as a part-time employee in Washington state. He worked in canneries and as a laundry and dry cleaning driver. He proudly paid his union dues for more than 50 years after becoming a member.

His first job that involved the International Union started in 1955 when he began working for the Western Conference of Teamsters. Within six months he was placed on the board of his union as a Trustee at his local and about a year later he had been made President of the Central Labor Council.

He became the union's Political and Legislative Director in 1971.

Involving the Members

"Brother Sweeney's ability to get people involved in the political process was impressive. He could rally retirees, young people, spouses of Teamsters and anyone else to take a stand on issues concerning working families," said Jim Hoffa, Teamsters General President. "Even in retirement, he never stopped caring about working people."

Sweeney was good at getting Teamster retirees involved in the political process.

"In doing a good political operation, a lot of times the retirees are your base," Sweeney said in a 2011 interview. "They've got the time and they will come in and work."



In 1971, when 18-year-olds were given the right to vote, Sweeney and the Teamsters were the first to try to recruit these young voters into the union and its political action committee, DRIVE. He understood the importance of getting young people involved because he himself was involved in politics from a very young age. His father was active in politics in Washington state and, at age 13, Sweeney was assisting government officials on the floor of the state legislature.

"Part of being a good local union officer is being involved in politics. And you should try to involve your members, their wives, and their kids in the process. And you have to explain to your membership that if they have a good health and welfare program and medical care, that is a result of collective bargaining," Sweeney said.



Take a Stand for Working Families

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

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

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

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

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

GIVE TO THE TEAMSTERS DISASTER RELIEF FUND



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



For more information or to donate, visit ibt.io/tdrfund or scan the QR code with your smartphone's camera or QR reader (available for free).