

Statement of Reasons
Dismissing a Complaint
Concerning the Trusteeship Imposed on Local 1969
American Federation of Government Employees
in Minneapolis, Minnesota

The Department of Labor (Department) received a complaint on August 8, 2016, alleging a violation of the Civil Service Reform Act of 1978 (CSRA) and the Department's regulations at 29 C.F.R. §§ 458.26-28, concerning the trusteeship that the American Federation of Government Employees (AFGE) imposed over AFGE, Local 1969 (Local 1969). Members in good standing of Local 1969 alleged that AFGE imposed the trusteeship for unlawful purposes, in bad faith, to keep the entrenched leadership in power, and that the imposition was not in accordance with Article IX of the AFGE National Constitution. Also, the members alleged that the trusteeship hearing was unfairly conducted because the National Vice President concealed the trial procedures and exploited an amateur trial committee.

Section 458.26 of the Department's regulations allows trusteeships for the purpose of "(a) correcting corruption or financial malpractice; (b) assuring the performance of collective bargaining agreements or other duties of a bargaining representative; (c) restoring democratic procedures; or (d) otherwise carrying out the legitimate objects of such labor organization." Further, a trusteeship established by a parent body in conformity with the procedural requirements of its constitution and bylaws is presumed valid for eighteen months from the date of its establishment and is not subject to attack during this period except by clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable under the regulations. 29 C.F.R. § 458.28.

The Department's investigation established that AFGE National President J. David Cox, in accordance with Article IX, Sections 5(a) and the "expedited" trusteeship procedures outlined in 5(b)(4) of the AFGE National Constitution, imposed a trusteeship on Local 1969 by letter dated April 12, 2016. He informed Local 1969 members that a trusteeship was imposed due to a loss of leadership and violation of law. In support, he stated that two local officers, including the local president, were removed from office for issues of financial mismanagement. Additionally, he stated that the issues between the current and former officers resulted in numerous calls, emails, and complaints to the District Office which necessitated the District's involvement with the local's operation, including multiple rerun elections.

A trusteeship hearing was held on May 24, 2016. The hearing panel's June 22, 2016 recommendation ratified the imposition of the trusteeship, based on both a lack of leadership and fiduciary responsibility. By memorandum dated June 27, 2016, Cox notified Local 1969's membership that the panel conducted the hearing as scheduled and issued its report and decision to ratify the trusteeship.

With regard to the hearing panel's finding that there was a lack of leadership, the Department's investigation established that during the hearing, AFGE presented multiple e-mail communications highlighting complaints from union members, specifically hospital employees, demonstrating that Local 1969's executive board members failed to work effectively with members on representational issues. With regard to the panel's finding that there was a lack of fiduciary responsibility, the Department's investigation established that the hearing panel found that an unsecured cash box was stored at the union office; a money ledger was not used to record financial transactions associated with the cash box; and that there were no receipts for the receipt and disbursement of cash from the unsecured cash box. These conclusions confirmed that the trusteeship was imposed for proper purposes.

Further, the Department's investigation did not substantiate the members' allegation that Local 1969 was not afforded a fair hearing, as required by Section 458.28 of the Department's regulation. The members alleged that it was difficult to prepare for the hearing for a number of reasons. First, the basis of the trusteeship was ambiguous and the AFGE Hearing Guide was purposely withheld from them to prevent them from adequately preparing for the hearing. They further alleged that they were forced to select one person to represent all of them, even though this person had never been an officer or steward and did not possess sufficient knowledge of the facts and events to properly represent them. Finally, they alleged that the hearing panel's decision was influenced by National Vice President (NVP) Jane Nygarrd because panel members were from locals in her district.

The Department's investigation found that the members were notified of the hearing in a memorandum dated April 19, 2016. The notice included the date, time and location of the hearing. While the complainants asserted that AFGE officials purposefully withheld the AFGE Hearing Guide from them, there was no evidence that any of the former officers, complainants or any other Local 1969 members asked Local 1969 for the Trusteeship Hearing Manual. Further, the Hearing Manual was available on AFGE's website. The members' representative was allowed to examine witnesses, introduce exhibits and cross-examine all of the AFGE witnesses. The members who served on the hearing panel were selected by staff in AFGE's General Counsel's office from among officers of other locals in the district where the local is located. According to AFGE, it is standard practice for panel members to be selected from locals within the same district. The investigation did not reveal any evidence that the hearing panel members were influenced by the fact that the members were from locals in NVP Nygarrd's district.

Inasmuch as the trusteeship was established for a purpose allowable under 29 C.F. R. §§458.26-28 and in accordance with the expedited trusteeship procedures outlined in Article IX, Section 5(b) of the AFGE Constitution, and pursuant to a fair hearing, the

trusteeship is presumed to be valid for a period of 18 months from April 12, 2016, the date of its establishment.

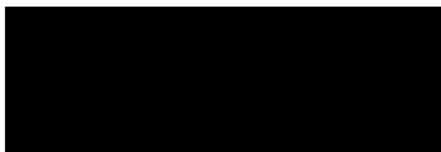
For the reasons stated above, the Department has concluded that there was no violation of 29 C.F.R. 458.28. Accordingly, this matter does not require any further action on the part of the Department and we are closing our file.

U.S. Department of Labor

Office of Labor-Management Standards
Division of Enforcement
Washington, DC 20210
(202) 693-0143 Fax: (202) 693-1343



March 24, 2017



Dear [REDACTED]:

This is to advise you of the disposition of your complaint filed with the Secretary of Labor alleging that violations of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), occurred with respect to the trusteeship imposed by the American Federation of Government Employees (AFGE) over Local 1969 in Minneapolis, Minnesota.

Pursuant to Sections 304 and 601 of the LMRDA, an investigation was conducted by the Office of Labor-Management Standards. After carefully reviewing the investigative findings, and after consulting with the Solicitor of Labor, we have determined that legal action is not warranted in this case. We are, therefore, closing our file as of this date. The basis for this decision is set forth in the enclosed Statement of Reasons.

Sincerely,



Sharon Hanley
Chief, Division of Enforcement

Enclosure

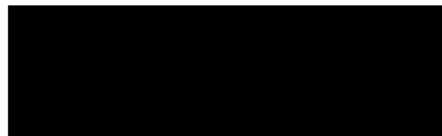
cc: Beverly Dankowitz, Associate Solicitor
Civil Rights and Labor-Management Division

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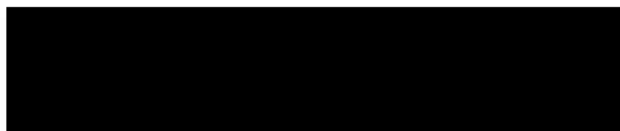


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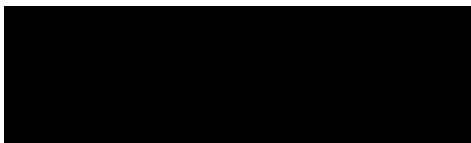
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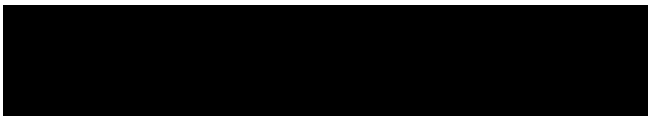


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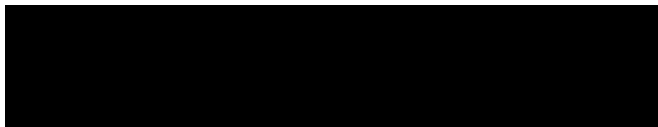
J. David Cox, National President
American Federation of Government Employees
80 F Street, NW
Washington, DC 20001

Dear Mr. Cox:

This is to advise you of the disposition of a complaint filed with the Secretary of Labor alleging that violations of Title III of the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), occurred with respect to the trusteeship imposed by the American Federation of Government Employees (AFGE) over Local 1969 in Minneapolis, Minnesota.

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