

Statement of Reasons
for Dismissing the Complaint Concerning
the Trusteeship Imposed on ATU Local 1764

This Statement of Reasons is in response to an August 14, 2016 complaint filed with the U.S. Department of Labor. The complaint alleges that the trusteeship imposed by the Amalgamated Transit Union (ATU) upon ATU Local 1764 (Local 1764) violated Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. §§ 461-466. Specifically, the complaint alleged that Local 1764 failed to terminate the trusteeship after eighteen months, and that Local 1764 falsely represented financial information during the trusteeship. For the following reasons, the complaint is dismissed.

The LMRDA allows trusteeships for the purpose of “correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization.” 29 U.S.C. § 462. 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 such period except by clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable under section 302 of the LMRDA. 29 U.S.C. § 464(c). Moreover, a trusteeship is presumed invalid at the expiration of eighteen months, unless clear and convincing proof is provided that the continuation of the trusteeship is necessary for a purpose allowable under the LMRDA. *Id.*

Local 1764 was placed in trusteeship on January 8, 2015. The Department’s investigation of an earlier complaint about this trusteeship found that it was imposed for an allowable purpose and in conformity with ATU’s constitutional procedures. The current complaint alleges that during the course of the trusteeship, the amount of dues Local 1764 collected during 2015 was underreported, and Local 1764’s outstanding debt to ATU International was misrepresented. These financial issues do not fall within the scope of the LMRDA’s trusteeship provisions. The LMRDA provides only that during the trusteeship, it is unlawful to transfer to the parent body receipts or other funds of the subordinate body under trusteeship, except per capita tax and assessments payable by subordinate bodies not in trusteeship. 29 U.S.C. § 462(a)(2).

The current complaint also alleges that the trusteeship was wrongfully continued because the trusteeship extended beyond July 8, 2016. The question of whether the trusteeship extended beyond eighteen months for an allowable purpose is moot. During the investigation, the Department was informed that an election of officers for Local 1764 was conducted and new officers were installed on January 3, 2018. Thus, full

autonomy has been restored to Local 1764. Accordingly, this matter does not require any further action on the part of the Department.

For the reasons set forth above, the file on this matter is closed.



April 4, 2018

[REDACTED]
[REDACTED]
[REDACTED]

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 occurred with respect to a trusteeship imposed by the Amalgamated Transit Union (ATU) over ATU Local 1764, in Silver Spring, Maryland.

The Department's Office of Labor-Management Standards investigated your complaint. After carefully reviewing the investigative findings, 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,

[REDACTED]

Sharon Hanley
Chief, Division of Enforcement

Enclosure



April 4, 2018

Mr. Lawrence J. Hanley, President
Amalgamated Transit Union
5025 Wisconsin Avenue, N.W.
Washington, DC 20016

Dear Mr. Hanley:

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 occurred with respect to a trusteeship imposed by the Amalgamated Transit Union (ATU) over ATU Local 1764, in Silver Spring, Maryland.

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Sincerely,

[Redacted signature]

Sharon Hanley
Chief, Division of Enforcement

Enclosure