



July 10, 2019

Statement of Reasons for Dismissing a Complaint  
Alleging the International Brotherhood of Teamsters  
Improperly Imposed a Trusteeship on its Subordinate, Local 559

This Statement of Reasons is in response to an October 1, 2018 complaint filed with the U.S. Department of Labor (the Department). The complaint alleges that the trusteeship imposed by the International Brotherhood of Teamsters (IBT or International) upon IBT Local 559 (Local 559) violated Title III of the Labor-Management Reporting and Disclosure Act of 1959 (the Act or LMRDA), 29 U.S.C. § 462. Specifically, the complaint alleged that the trusteeship was improperly imposed because the International: 1) failed to establish the trusteeship with specific reasons or merit and, 2) violated the International's Constitution by cancelling regular membership meetings and preventing Local 559 from holding an officer election. For the following reasons, the complaint is dismissed.

Section 302 of 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." A trusteeship established by a parent body for a valid purpose, 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).

The Department's investigation established that the International imposed the trusteeship for an allowable purpose. In the "Form LM-15 Trusteeship Report" filed for Local 559 on October 9, 2018, the International explained that the trusteeship was instituted to "assure the performance of collective bargaining agreements or other duties of a bargaining representative." Specifically, the Form LM-15 identified deficiencies in communicating with members and maintaining bookkeeping and TITAN records. The International stated that the purpose of the trusteeship was to respond to member inquiries and restore administrative services and recordkeeping accountability in accordance with federal law, the International's constitution, and local bylaws.

The Department's investigation also determined that the trusteeship was imposed in accordance with the International's constitution and bylaws. Article VI, Section 5(a) of the 2016 IBT Constitution states that the International's General President may appoint a temporary trustee when: 1) the President believes "an emergency situation exists within the Local Union" necessitating trusteeship, 2) the Local union has been "advised for the reason for the appointment," and 3) at least ten days' notice of a scheduled hearing is given to the Local union. A three-member panel must hold a trusteeship hearing within thirty days of the temporary trustee appointment, and must provide recommendations to the General President within sixty days of

receipt of the hearing transcript. The International's General President must render a final decision on the imposition of trusteeship within fifteen days of receiving the recommendations. Article VI, Section 5(g) of the International's constitution states "that the local union...may petition the General President for the restoration of self-government" but not before "six months starting with the date of the decision following the first hearing on the appointment of the trustee." No provisions of the International's constitution require trustees to continue regular membership meetings.

On August 28, 2018, IBT [REDACTED] [REDACTED] notified Local 559's membership by letter that—in accordance with Article VI, Section 5(a) of the International Constitution—the local was being immediately placed into emergency trusteeship with [REDACTED] as trustee. [REDACTED] [REDACTED] August 28, 2018 letter also stated that Local 559's regular election of officers could not be held as scheduled that year because membership records were in too much disarray to be able to "determine whether individuals [we]re eligible to run for office, nominate or vote."


On September 18, 2018, [REDACTED] notified the Local 559 membership of a trusteeship hearing to be held on September 29, 2018, with a three-member panel. Less than sixty days after the hearing, on October 25, 2018, [REDACTED] issued his final decision to maintain the trusteeship over Local 559 based on the trusteeship hearing transcript and the panel's recommendation. A review of the hearing transcript also indicated that the union was underfunded, dues were not being properly collected and recorded, and there were no clerical or business agent staff to perform daily operations. No petitions under Article VI, Section 5(g) of the International's constitution for restoration of Local 559's self-government were submitted after [REDACTED] final decision on trusteeship. Thus, the International timely complied with the trusteeship provisions of the International's constitution.

The trusteeship was also ratified after a fair hearing. At the trusteeship hearing on September 29, 2018, approximately fifteen members of Local 559 were given the opportunity to speak and offer documents for the hearing record. No evidence indicates that any member was prevented from, or told to stop, speaking during the hearing. The hearing panel also received letters and petitions, including petitions to merge the local with another union. Additionally, during the hearing, Trustee Lucas reported his findings and efforts from the temporary trusteeship, as well as the future plans for the trusteeship.

Accordingly, the trusteeship was imposed in accordance with the constitution and by-laws for an allowable purpose and was ratified after a fair hearing. Therefore, it will be presumed valid for 18 months from its imposition.

For the reasons stated above, there was no violation of the LMRDA in the imposition of the trusteeship. Accordingly, this matter does not require further action on the part of the Department and we are closing our file.

Sincerely



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