

**REPORT TO ALL MEMBERS
OF THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS**

FROM: The Independent Disciplinary Officers

Hon. Barbara S. Jones
Hon. Joseph E. diGenova

DATED: September 14, 2020

I. INTRODUCTION

The following is Magazine Report 3 of the Independent Disciplinary Officers ("IDO") for 2020 regarding activities from May 20, 2020 through September 14, 2020, conducted pursuant to the Final Agreement and Order of February 17, 2015.

II. STATUS OF OPERATIONS

The IDO wish to assure the membership that despite the ongoing Coronavirus crisis, the officers continue to operate to effectuate the purposes of the Final Order. The IIO office remains open under alternative staffing procedures designed to protect the IIO staff as well as the community at large, consistent with applicable government regulations and health department recommendations. Investigators continue to receive referrals from members throughout the country, and are pursuing those allegations both vigorously and safely. Unfortunately, it is the experience of the IIO and his staff of career Investigators that times of unusual

crisis are often times of unusual opportunity for those inclined toward waste, fraud, and abuse. The IIO is particularly vigilant during this time and intends to seek the harshest disciplinary measures against those who would exploit the current situation for improper personal gain.

III. PROGRESS OF EXISTING MATTERS

A. International Vice President Rome Aloise

On February 14, 2020, the IIO issued a report to the IBT General Executive Board recommending that a charge be filed against Rome Aloise ("Aloise"), International Vice President, President of Joint Council 7, and Secretary Treasurer and principal officer of Local 853 for bringing reproach upon the IBT and violating his membership oath by: knowingly harming a fellow member, interfering with and inducing others to interfere with the performance of the Union's legal obligations, unreasonably failing to cooperate fully with a proceeding of the IRO, retaliating and threatening to retaliate against members for exercising rights under the IBT Constitution, and committing an act of racketeering; all in violation of IBT Const., Article II, Section 2 (a); IBT Const., Art. XIX, Sections 7 (b) (2), (5), (10), and (11); IBT Const., Art. XIX, Sec. 14 (a); and 18 U.S.C. §875 (d).

The IIO's Report alleged that Aloise used his purported influence over IBT entities in California to threaten financial harm to a charitable organization, Instituto Laboral de La Raza

("La Raza"), in order to interfere in that organization's internal affairs to the detriment of a fellow member. The IIO further alleged that, notwithstanding the acquiescence of the La Raza board to his demands, Aloise's actions did in fact cause financial harm to La Raza and harmed his fellow member. The IIO further alleged Aloise's actions were made in retaliation for the fellow member's good-faith efforts to comply with an Order of the IRO.

The IIO also alleged that Aloise engaged in a pattern of misconduct and utter contempt designed to circumvent the restrictions placed upon him by the IRO on December 22, 2017, as restated on January 19, 2018 and November 1, 2019. The IIO further alleged that, during the period of his suspension, Aloise threatened and publicly labeled fellow Teamsters as "rats" or "snitches," based upon his belief that they were cooperating with an IIO investigation and/or in retaliation for their good-faith attempts to comply with the IRO's December 22, 2017 Order.

On February 14, 2020, the IIO delivered to the General Executive Board of the IBT his Report outlining the foregoing allegations, supported by 89 exhibits comprising 1,771 pages of documents. On February 25, 2020, the General President adopted and filed the charges. Pursuant to Paragraph 32 of the Final Order, within 90 days of the IIO's referral (or by Thursday, May 14,

2020),¹ the General Executive Board was required to file with the IRO written findings setting forth the specific actions taken and the reason for such actions.

On March 9, 2020, the IBT appointed a Hearing Panel pursuant to IBT Constitution Article XIX. Due to logistical and safety concerns about conducting an in-person hearing during the ongoing Coronavirus crisis, the Panel directed Aloise to present it with written arguments, together with the sworn declarations of any favorable witnesses and any documents or exhibits he might wish to present in his defense. Aloise produced the sworn statements to the Panel on May 26, 2020.

With the bulk of the testimony presented in written form, the Panel was able to hold a limited, in-person hearing on July 20, 2020, in Kansas City, Missouri. Counsel for the IBT participated remotely, and third party witnesses were not required to put themselves or others at risk by traveling to the hearing site. The hearing was completed the same day, July 20.

Pursuant to the Panel's order, both Aloise and the IBT submitted their post-hearing briefs the same day, August 26, 2020. As required by IBT Constitution, Art. XIX, the Panel has prepared a full report and recommendation for the consideration of the

¹ This deadline was subsequently extended by the IRO, as permitted by Paragraph 32 of the Final Order, upon her finding of "good cause" relating to delays imposed by the Coronavirus crisis. The current deadline for the General Executive Board's response is now October 1, 2020.

General Executive Board. The IBT has informed the Independent Disciplinary Officers that it expects the Board to be able to render a decision by the current deadline set by the IRO, October 1, 2020.

B. Former Local 683 Principal Officer Todd Mendez

On March 6, 2019, the 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. Upon notice from the IIO that additional charges against Mendez were

forthcoming, the IRO continued her review of the disposition until all charges could be considered together.

On August 28, 2020, the IIO issued a report to the IBT General President recommending that additional charges be filed against Mendez for 1) embezzling union funds, violating Federal law, and committing an act of racketeering in violation of 29 U.S.C. § 501(c), the IBT Constitution, Art. XIX, Sec. 7(b)(3) and (11) and Art. XXII, Sec. 4(e), and the permanent injunction in United States v. International Brotherhood of Teamsters; 2) bringing reproach upon the IBT by breaching his fiduciary duties, failing to meet with the incoming officers, failing to return Union property and records, and destroying Union property and records in violation of 29 U.S.C. § 501(a), IBT Const. Art. XXII, Sec. 2(c), and IBT Const. Art. XIX, Sec. 9(b)(1) and (2); and 3) bringing reproach upon the IBT by violating his membership oath, knowingly harming a fellow Teamster, and retaliating and threatening to retaliate against a fellow Teamster for exercising rights under the IBT Constitution in violation of IBT Const. Art. II, Sec. 2(a), Art. XIX, Sec. 7(b)(2) and (11).

The IIO's report alleged that in December 2018, while still in office but after having lost his bid for reelection, Mendez caused the Local to make at least \$110,120 in unauthorized severance payments, vacation payouts and salaries to himself and six other former Local employees without a union purpose and

without notice to or consent of the incoming officers. It further alleged that Mendez failed in his Constitutional duty to meet with or designate a willing and qualified representative to meet with the incoming officers during the period between the date of election and the end of the term to review pending grievances, open contract negotiations, and the Local's financial records. Furthermore, Mendez vandalized and destroyed the Local's records and property. The IIO's report further alleged that Mendez engaged pervasive pattern of verbal and physical harassment of Local 683 officers, employees, members, and their families.

Mendez was the Local's Secretary-Treasurer and principal officer from January 1, 2010 to December 31, 2018. On December 21, 2018, Mendez lost his bid for re-election as principal officer for the term beginning January 1, 2019.

The IIO's report alleged that in his last weeks in office (after Mendez learned that he had lost his bid for re-election), Mendez caused the Local to disperse to himself and six other local employees a total of at least \$110,120 in unauthorized payments. The incoming board and the members did not approve these extraordinary expenditures as required under Article XXII, section 4(e) of the IBT Constitution and Art. XVI, Sec. 20 of the Local's Bylaws. These payments were also a violation of Mendez' oath of office, as stated in the IBT Constitution. The severance payments paid after the election with no authority served no union purpose.

Mendez was notified of his loss on December 20, 2018. In letters dated December 21, 2018, and December 27, 2018, the Secretary Treasurer-elect reminded Mendez of his Bylaw obligation not to award himself and others new benefits through extraordinary expenditures. Nonetheless, the IIO alleged that after December 20, 2018, without the required authority, Mendez caused the Local to make purported "severance payments" to himself and six others. He also caused the Local to make an unauthorized anniversary bonus payment to himself, as well as overpayments of cashed out vacation to himself and others.

In particular, the IIO alleged that Mendez caused a vacation payment to be made to himself on January 1, 2019, in the amount of \$7,950.00. As of January 1, 2019, Mendez lacked the authority to make that payment, which occurred after December 31, 2018, his last day in office. Mendez also caused the Local to pay to him on January 1, 2019 an anniversary bonus of \$10,600.00, to which he was not entitled. Because his term expired at midnight on December 31, 2018, he was no longer employed at the Local on what would have been his anniversary date, January 1. Anniversary bonuses are not prorated. Mendez' entitlement to the bonus had not yet accrued at the time he caused it to be paid. Mendez also caused the Local to pay him a \$26,500.00 lump sum payment on January 1, 2019 for "severance." Mendez also caused similar payments to be made to a select group of outgoing employees and officers.

The Local's severance policy, which Mendez implemented in 2013, allowed for (at the option of the Local), payment of severance to be made either in a lump sum or in bimonthly payments within 90 (ninety) days from the date of termination or resignation. Prior to the 2013 change, the policy had been that severance was structured over weekly payments.

The IIO alleged that in order to fund the lump sum payments, Mendez transferred a total of \$183,740.14 from two savings accounts on December 27, 2018. Incoming dues remittances received in December 2018 from employers were not posted to TITAN, but were diverted into accounts that were soon to be drained of their funds. Although the severance, bonus, and vacations were paid out, Mendez failed to pay the local's bills, including insurance for the automobiles and for the building, as well as the loan payment on the building. Moreover, the payouts for the severance were dated January 1, 2019, although they had cleared the bank by automatic deposit in December 2018. Other members of the former staff also received their vacation pay in lump sum payments after they no longer held their positions.

The IBT Constitution, Art. XXII, Sec. 4(e), required that any extraordinary payments during the transition period be approved by the officers-elect. No opportunity was presented to the incoming Board to consider whether these lump-sum payments (versus structured payments over the course of ninety days) were

appropriate, as was required by the IBT Constitution, the Local's Bylaws, and his Oath of Office. Neither the incoming Secretary Treasurer nor the Board-elect was consulted, or even made aware of these lump-sum payments. The incoming Board would not have approved them if they had known of them. The combined payments to Mendez and the former employees drained the Local's bank accounts to zero.

The IIO also alleged that Mendez caused the Local, through a dues check-off, to pay the January 2019 union dues for himself and several other members of the former Executive Board, on January 1, 2019, as though each of them were still employed by the Local. That was a privilege (approximately \$535) to which they were no longer entitled. Having been voted out of office, the individual members of the former Board were no longer employees of the Local on January 1, 2019, and were thus personally responsible for paying their January 2019 dues.

Besides being unauthorized, there was no union purpose for the unauthorized payments and dues remittances that Mendez awarded himself and select employees, which increased their compensation as they left office.

The IIO also presented evidence that theft and vandalism occurred at the Local during the outgoing Board's lame duck period. The security cameras for the Local were disabled from December 20, 2018, the day Mendez lost the election, until January 1, 2019. Passwords for the alarm system, phones, and computers were disabled

or changed, requiring the hiring of an IT specialist to access them. A shredding company removed and destroyed a quantity of documents on December 27, during the period the cameras had been disabled. An IBT auditor had to spend months going through a painstaking process of "rebuilding" the Local's accounting records.

When the incoming officers gained entry to Mendez' former office, they discovered that Mendez had not left any passwords or codes, nor did he provide any instructions for TITAN, the computers, the security system, the keypad code for Mendez' former office, or any keys for other offices. The new officers were forced to call a locksmith at a cost of approximately \$467.62 to change the locks and get into the offices that remained locked.

The IIO's report also alleged that although a number of putatively "returned" cell phones were found on Mendez' desk, Verizon records confirm that all of the Mendez staff (with one exception) failed to return their most recently issued Local 683 cell phones.² The "returned" phones were in fact old devices, some of which had been assigned to the former employees dating back to 2015 and 2016. Restoring the Local Board's access to its cell phone accounts took about 30 days.

² As an example, on August 24, 2018, Mendez used his union credit card to purchase a new iPhone for himself, at a cost to the Local of \$861.99. That iPhone was never returned to the Local after Mendez left office in December 2018.

The IIO also reported that the incoming officers contacted the Local's IT consultant for further questions concerning the computer systems. The consultant responded that he considered himself no longer to be responsible for providing the IT support the Local had paid him to perform. Although the new Secretary-Treasurer pointed out that the IT consultant was under contract to the Local, and not to any of its former officers, the consultant remained loyal to the former administration.

A new computer consultant was retained, and he determined that all the computers except for the TITAN computer had been either completely wiped or had important files and software deleted. The new consultant, who arrived at the Local's offices on January 1, 2019, described the offices "in shambles, with computer devices everywhere, unplugged and with remnants of shredded paper on the floors of individual offices."

According to the new consultant, in order for the departing Mendez and other officers to have wiped the computer hard drives to the extent they were erased, they would have had to have taken multiple steps, navigating Windows protocols designed to protect against accidental deletions, and multiple prompts asking the user "are you sure?" The destruction of the operating systems and data, all of which were the property of the Local, was likely to have taken between thirty and sixty minutes per computer.

The IIO also alleged that because Mendez failed to provide

the security codes and failed to notify the alarm company of the change in administration at the Local, the alarm company refused to provide the codes for the alarm to the new officers at the Local.

According to the IIO's report, the new staff went through the files left at the local union. There were no union business files other than old files prior to 2010, and all of the personnel files were missing. There was a large volume of shredded files in the office upstairs. In fact, on December 27, 2018, a shredding company removed several boxes of documents to be destroyed.

All the Local's offices were cleared out of anything useful. But for the fact that some of the employer companies had copies of the Local's proposals on the open contracts that were left, the incoming Board would have had no indications about what stage in the negotiations they were.

As a result, the new officers were not able to reconstruct all of the files for those pending or on-going negotiations. While all of the employers cooperated with the Local's requests for copies of proposals on pending negotiations, none of the employers were able to provide copies of any negotiation notes, which would have been in the sole possession of the former administration's business agents and officers. By January 2019, several of the negotiations had already expired at year-end.

The Local was also left with open grievances. There were no

records of those grievances at the Local. The only way the new officers learned about them was when the former Local attorney forwarded all the grievance files.

Mendez and the former Board members and business agents left no negotiation notes. All the notebooks were empty. The IIO alleged that in addition to creating a severe handicap for the incoming Board, Mendez presided over the destruction and removal of records necessary to the orderly and effective business of the Local. These actions and omissions were a grave disservice to the members, who relied on the progress of negotiations for new contracts. Mendez left the new Local Officers essentially in the dark on contract negotiation issues. Those officers were forced to rely on the employers' willingness to share their proposals and notes from on-going negotiations.

The IIO also alleged that Mendez also violated his oath of office by failing to promptly deliver any money or property of the Union to his successor in office. Mendez failed to notify the Local's bank that there was going to be a transfer of authority. It took approximately one week after January 1, 2019 for the newly-elected Board to gain access to the Local's bank accounts and to change the authorized signatories on the accounts.

The IIO also reported that on December 20, 2018, a fifteen year Local 683 member, who served as a Shop Steward at Sysco, was present at the Local's hall when the election results were

announced. After the announcement that the Mendez slate had lost the election, Mendez started yelling at various individuals who had not supported him. As the witness was walking outside, he attempted to say some conciliatory words to Mendez. Mendez told him, "Don't worry, my clip shoots faster than your Glock." Mendez also threatened him, saying, "He [Mendez] would get me and my family; they are dead." Mendez further told him that "[the witness] didn't know who [he] was f***ing with." Minutes after the witness had left the meeting room, Mendez emerged from the room and threatened the witness again, saying, "I am going to rip your f***ing head off."

Video footage showed Mendez arriving at the January 2019 membership meeting following his failed reelection efforts. The videos show Mendez confronting other members in a threatening manner: stepping directly in front of a member and standing inches away, placing his face directly in front of the member. In another section of the video, Mendez is shown confronting a former Local 683 Secretary Treasurer. That confrontation was serious enough for the police to have been asked to intervene.

On September 1, 2020, General President Hoffa adopted and filed the charges. Paragraph 32 of the Final Order requires that within 90 days of the IIO's referral (or by November 30, 2020), the General Executive Board must file with the IRO written findings setting forth the specific action taken and the reason for such

action.

IV. 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 39 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.

V. 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).

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.