

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

FROM: The Independent Disciplinary Officers

Hon. Barbara S. Jones
Robert D. Luskin, Esq.

DATED: September 22, 2021

I. INTRODUCTION

The following is Magazine Report 3 of the Independent Disciplinary Officers ("IDO") for 2021 regarding activities from July 27, 2021 through September 22, 2021, 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 COVID-19 Pandemic, 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 will seek all appropriate disciplinary measures against those who would exploit the current situation for improper personal gain.

III. NEW MATTERS

A. Former Local 651 Principal Officer and former Local 651 Business Agent Ron Merrifield

On August 12, 2021, the IIO issued a report to the IBT General President recommending charges be filed against former Local 651 Principal Officer and former Local 651 Business Agent Ron Merrifield. The IIO recommended Philbeck be charged with bringing reproach upon the IBT by 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. Teamsters*. The IIO further recommended Philbeck be charged with bringing reproach upon the IBT by breaching his fiduciary duties, failing to meet with the incoming officers, and failing to return control of Union property 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). Finally, the IIO recommended that both Philbeck and Merrifield be charged with bringing reproach

upon the IBT by 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. IBT*.

Local 651 is located in Lexington, Kentucky and had approximately 3,050 members as of its most recently filed LM-2. Its members are predominantly UPS workers, production plant workers, and freight drivers.

Michael Philbeck has been a Teamster since February 1996. He was the Local's principal officer from 2010 to December 31, 2018. On November 15, 2018, Philbeck lost his bid for re-election for the term beginning on January 1, 2019. Prior to becoming principal officer, Philbeck had been a driver for UPS. He resumed driving for UPS after January 1, 2019.

Ron Merrifield has been a Teamster since May 2, 2008. He was a Business Agent from 2013 until December 31, 2018. Prior to becoming a Business Agent, Merrifield had been a driver for UPS. After losing his bid for re-election in November 2018, Merrifield resumed driving for UPS Freight on January 1, 2019.

Michael Watson is the current President and Principal Officer of Local 651. He has been a Teamster for approximately 42 years. Watson ran for President in Local 651's November 15, 2018 election,

in which he opposed then-President Philbeck's reelection. Watson defeated Philbeck by a margin of 492 to 446, or approximately 4.9%.

The election results were announced on November 15, 2018. According to the IIO's Report, after the election outcome was announced but before leaving office, Philbeck caused to be issued at least 23 checks for extraordinary expenditures without obtaining the required approvals of the incoming Executive Board and the General Membership. The checks totaled approximately \$45,454.34. Philbeck signed each check.

According to the IIO's Report, these expenditures were styled as cash-outs of unused vacation and sick time leave, primarily to Philbeck and other outgoing members. The IIO further alleged that, beginning November 19, 2018, Philbeck caused the Local to pay him a total of five (5) supernumerary salary payments totaling \$3,605.77. According to the IIO's report, the vacation payments, the sick leave payments, and the supernumerary salary payments all lacked the requisite authority, and none served a union purpose.

Of the 23 checks at issue, Philbeck received eleven (11), totaling \$17,430.76, and Merrifield received six (6), totaling \$11,401.92. Merrifield admitted to having cashed out his vacation time at the end of 2018, but claims the transactions were approved by the Local's then-counsel. Neither Philbeck nor Merrifield has paid back any of the funds.

According to the IIO's Report, three days after the election, on November 18, 2018, all seven members of the Executive Board were present on the Local's premises to attend the Executive Board and General Membership Meetings, both scheduled to occur that day. It was the Local's practice that financial documents be reviewed by the trustees prior to Executive Board Meetings.

According to the IIO's Report, beginning around 11:00 am on November 18, 2018, Watson along with three trustees (who together constituted four of the seven members of the outgoing Executive Board) were in Watson's office reviewing the trustee's reports. Executive Board meetings take place in the Local's conference room (the "Hoffa Room,") which is located on the opposite side of the building from Watson's office. At around 12:00 to 12:15 pm (roughly 45 minutes to an hour after the trustees began their review), Vice President Morse "Mo" Minix came from the conference room to Watson's office and informed the trustees and Watson that the remaining three members of the Executive Board (Philbeck, Minix, and Merrifield) were ready to begin. Watson informed Minix they had not yet finished their review.

Merrifield claims Watson also told Minix that he (Watson) was "not going to attend any more meetings." Merrifield claims to have overheard the conversation between Watson and Minix from his own office, next door to Watson's. Watson, along with all other

witnesses present in Watson's office at the time, deny he made such a statement. The other trustees likewise deny making any statement to the effect that they would refuse to attend any meetings.

According to the IIO's Report, at approximately 1:30 pm, Philbeck purported to call the Executive Board Meeting to order, even though Watson and the other Trustees were still reviewing the books in another part of the building. At his sworn examination, Philbeck admitted he was aware that a quorum was required and that none was present at the time of the call to order.

During this gathering, Philbeck, Minix, and Bennett voted to approve various expenditures. In particular, they purported to approve a motion to cash out all vacation time purportedly owing to himself, Merrifield, and a third business agent. They also purported to approve Philbeck's purchase of his Local-owned laptop—purchased by the Local 16 months earlier at a price of \$2,695.43—for \$200. They also purported to retain a new attorney to represent the Local in litigation after Philbeck left office. They also purported to approve funds for the Local's Christmas Breakfast.

According to the IIO's Report, Philbeck admitted in his sworn examination that all of these actions were taken without a quorum. He further admitted that he was aware Watson and the Trustees were

in the building, that he did not personally hear either Watson or any of the Trustees refuse to attend the Executive Board meeting, and that he did not make any attempt to personally inform them he intended to begin the meeting. He also admitted he was aware the IBT Constitution placed restrictions on outgoing officers' ability to make non-routine expenditures in the period between the election and the end of term.

According to the IIO's Report, for each of the four motions considered at the November 18 gathering (Christmas Breakfast, cashing out unused leave, retaining new counsel, and allowing Philbeck to purchase his laptop), the absent board members (two of whom were officers-elect) testified that if given an opportunity to attend the meeting, they would either not have approved the motions at all or would not have approved them without knowing and specifically approving their cost.

According to the IIO's Report, the payments that Philbeck caused the Local to make for allegedly unused sick and vacation leave violated the Local's internal policies and procedures, as noted by an International Auditor in April 2019. The auditor noted that the 304 hours of vacation time purportedly available to Philbeck in 2018 included 192 hours "rolled over" from 2017 to 2018, "none of which was recorded as an obligation on the Local's Statement of Assets and Liabilities." The Local's Policies and

Procedures Manual allow an employee to cash out up to one week of vacation or option time prior to December 15 of that year; the Local's policies do not allow for sick leave to be cashed out at all.

The IIO further alleged that Philbeck caused the Local to make additional extraordinary expenditures without consulting the incoming officers as required by the IBT Constitution and the Local's Bylaws. According to the IIO's Report, on December 10, 2018, Philbeck ordered three hundred and fifty 2019 Wall Calendars for a total cost of \$2,218.58. On December 11, he ordered one thousand pocket planners at a cost of \$2,430.05. Both exceeded the \$2,000 threshold for Executive Board approval per the Local's Bylaws; neither was approved by the Executive Board, nor were they approved by the incoming officers. At his sworn examination, Philbeck claimed it was appropriate to order \$4,648.63 worth of materials identifying him as president of the Local for calendar year 2019 because those materials were distributed at the Christmas breakfast, before the end of his term. He stated, "in December I was still the president. It had the right name on."

The IIO further alleged that Philbeck breached his fiduciary duty by acts and omissions during the transition. The Report alleged that Philbeck failed in his obligation to meet or designate

someone to meet with the incoming officers to review the Local's affairs. As a result, several of the Local's obligations went unpaid. These checks included Local Dues, 401K, Employee payroll along with other miscellaneous checks for Local business.

According to the IIO's Report, Watson wrote Philbeck on December 20, 2018 expressing general availability to meet to review outstanding grievances, contractual issues, and financial records. Watson testified that a transition meeting was scheduled for December 28. He further testified that he and the incoming executive board were present at the Local that day, as was Philbeck, but that Philbeck refused to meet with them.

The IIO further alleged that Philbeck wrongfully maintained control of the Local's social media accounts after his term of office ended. According to the IIO Report, after Philbeck lost his re-election bid in 2018, he changed the passwords to the Local's Facebook account and blocked several union members from using their administrative privileges within that account. Despite no longer having any official position with Local 651, he continued to exercise control over the account and to represent the publicly visible pages associated with it as official Local 651 publications. To obtain control of the Facebook pages, the Local was forced to file suit in the Eastern District of Kentucky on March 15, 2019, alleging breach of fiduciary duty under the

L.M.R.D.A (29 U.S.C. § 501(a)) and various state law claims. The Local obtained a preliminary injunction on March 22, 2019 enjoining Philbeck from "posting on the social media accounts he controls that are portrayed, publicized, or otherwise held out or could be perceived as official accounts or pages of the Union without identifying himself as the poster and from holding himself out as a current officer of the Union." The Court ultimately entered summary judgment in favor of the Local on June 3, 2020, ordered Philbeck to deliver the passwords to the accounts to an authorized representative of the Local, and permanently enjoined him from "continuing to administer the social media accounts or any other account that is or could be perceived as an official social media account of the Union while he is not serving as an officer of the Union."

The IIO further alleged Philbeck caused the Local to pay him unearned salary payments. Prior to the election, in addition to his weekly salary of \$1,346.15, Philbeck received a weekly salary of \$480.77 for his duties as President. Philbeck typically received his salary via Direct Deposit. According to the IIO's Report, beginning November 19, 2018, Philbeck caused the Local to pay him additional salary payments, also purportedly for his duties as President and on top of the \$480.77 weekly presidential salary and \$1,346.15 employee salary he had been receiving before the

election. Philbeck received a total of five additional payments totaling \$3,605.77 of additional salary. The supernumerary payments were issued as live checks. Philbeck's ordinary salary payments for the same pay periods were paid through direct deposit. The Local's QuickBooks records indicate that Philbeck's five supernumerary salary checks (like all 23 checks at issue in this Report) were issued by his girlfriend, who at the time was employed by the Local and had access to the QuickBooks system. At his sworn examination, Philbeck was unable to provide an explanation for the supernumerary payments.

Finally, the IIO's Report alleged that Philbeck and Merrifield redeemed credit card points for valuable merchandise without authorization. In December 2018, Philbeck redeemed 165,000 points from the Local's credit card issued by Central Bank of Lexington, Kentucky. With these points he received six \$25 Amazon gift cards and two Apple Watches (a \$1,494.41 value). Philbeck admits receiving the two Apple Watches but denies receiving the gift cards.

According to the IIO's Report, Philbeck claims the Local adopted a policy "around 2016" whereby authorized signatories on Local-owned cards were permitted to redeem credit card points—supposedly at his or her option—for either merchandise or for cash back. If the signatory elected cash back, the funds "went back

into the local's account," but if redeemed for merchandise, the signatory could keep the merchandise for his or her personal use. Philbeck produced no documentation that such a policy ever existed, nor was he able to provide a rationale for allowing the same points to inure to the benefit of the Local if redeemed for cash, but to the benefit of the signatory if redeemed for merchandise. Philbeck never responded to Watson's March 1, 2019 letter requesting the items' return or reimbursement, nor have the gift cards—which Philbeck denies receiving—ever been located.

According to the IIO's Report, also in December 2018, Merrifield redeemed 15,000 points from the Local's credit account for three \$50 Ruth's Chris gift cards. Unlike Philbeck, Merrifield admits receiving the gift cards. Merrifield admits he never responded to Watson's request for their return or reimbursement, claiming "I believe his motive here, his goal here, is to make me appear to be doing something that is less than right."

The General President adopted and filed the IIO's recommended charges on August 16, 2021. Pursuant to the Final Order, the IBT had until November 10, 2021 to resolve the charges. On September 22, 2021, the IBT informed that IRO that it had appointed a panel to consider the charges at a hearing that, based on the panel members' availability, was tentatively scheduled for December 16,

2021. The IBT requested an extension until January 31, 2022 to reach a resolution. The IRO granted the request.

IV. 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 their 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 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 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

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 pandemic, until October 1, 2020.

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 pandemic, the Panel directed Aloise to present it with written arguments, together with the sworn declarations of any 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 most of the testimony and evidence submitted in written form, the Panel conducted an in-person hearing on July 20, 2020, in Kansas City, Missouri. Counsel for the IBT participated remotely, and 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 on August 26, 2020.

As required by IBT Constitution, Art. XIX, the Panel prepared a full report and recommendation for the consideration of the General Executive Board, dated September 3, 2020. The Panel found that the preponderance of the reliable evidence supported certain aspects of each of the three charges. In particular, the Panel

determined that the evidence supported aspects of Charge I in that Aloise contacted a representative of La Raza and made the threatening remarks to him as described in the IIO's report; it further determined that despite his suspension, Aloise violated the IRO's prior order by involving himself in union business on some occasions as alleged in Charge II of the IIO's Report²; and, it further determined that the evidence supported Charge III of the IIO's Report with respect to remarks Aloise made to one member.³

After considering a number of factors, the Panel recommended Mr. Aloise be suspended for 30 days from his positions as International Vice President, President of Joint Council 7, and Secretary Treasurer and Principal Office of Local 853. It further recommended he be barred for 30 days from holding any position, elected or appointed, paid or unpaid, with the IBT, JC 7, or Local 853, or any other IBT affiliate. It further recommended that for 30 days, no IBT entity pay him, nor shall he accept, any salary, gratuities, gifts, payments, allowances, fees, benefit payments or contributions or any other compensation of any kind, except that

² The Panel did not find that Aloise exercised "de facto" leadership control of Local 853 or Joint Council 7 during his suspension as alleged by the IIO.

³ For statements made to the remaining members, the Panel concluded that Mr. Aloise's speech was permissible "trash talk" under the Labor-Management Reporting and Disclosure Act.

he may receive compensation accrued prior to the implementation of the suspension. Aloise would be permitted to retain his membership during the period of his suspension, and to exercise all rights of membership other than holding office or employment with an IBT entity or advising or consulting concerning the business affairs of any IBT affiliate.

On October 1, 2020, pursuant to the IRO's scheduling order, the Panel's Report was presented to the General Executive Board. Rather than take a vote on the Panel's Report, the GEB instead voted by simple majority on a proposed Settlement Agreement under which Aloise would agree to a 30 day suspension on terms broadly similar to those recommended by the Panel. The GEB approved the Settlement Agreement by a vote of 12 to 11.

On October 28, 2020, the IRO determined that the proposed Settlement Agreement did not "fairly or adequately meet the disciplinary goals set out in the Final Order." She ordered the IBT within 20 days, or by November 17, 2020, to produce a submission detailing any additional actions it might take to correct the deficiencies in its response to the IIO's Charge Report.

On November 13, 2020, the IBT, by counsel, informed the IRO that it had "no pathway at this juncture for obtaining the IBT General Executive Board's approval of additional actions

concerning [the Aloise] matter that would be deemed by you to be 'not inadequate'" and requested the IRO to take appropriate action under the Final Order.

On December 8, 2020, after discussions among the parties and with the IRO, the IRO set a *de novo* hearing for March 1, 2021 and set a pre-hearing schedule for both parties to exchange any additional evidence or testimony. Pursuant to the prehearing schedule, the IIO produced its list of witnesses and exhibits on January 8, 2021. Aloise produced his list of witnesses and exhibits on February 5, 2021.

Over the course of February and early March, 2021, the IRO oversaw discussions between the IIO and Mr. Aloise concerning planning and logistical matters for the *de novo* hearing. Due to travel restrictions and other scheduling concerns, the IRO ordered the hearing to be rescheduled to begin Tuesday, April 6, 2021, at 10:00 a.m. Eastern. The first portion of the hearing, consisting of the testimony of Aloise himself, was conducted in-person at the offices of Bracewell LLP in New York City from April 6 through April 9, 2021. The remainder of the hearing, including the testimony of all other witnesses, was conducted via video conference beginning April 12, 2021. Due to the ongoing Coronavirus pandemic, nonparticipants in the proceedings were not permitted to physically attend the proceedings; however, in

accordance with paragraph G of the Rules, a video feed was transmitted to a remote location where, subject to capacity limitations and other safety restrictions issued by local public health authorities, nonparty IBT members in good standing were able to observe the proceedings.

The hearing concluded on April 28, 2021. Pursuant to the IRO's scheduling order, the IIO submitted its post-hearing brief on May 19, 2021. Aloise responded on June 21, 2021. The IIO replied on June 28, 2021. Aloise's liability on each of the charges is now before the IRO. Pursuant to the IRO's December 8, 2020 Order re Hearing Procedures, should the IRO make a finding of liability on any of the charges, the penalty for any such violation will be addressed separately.

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, by 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 related to a lawsuit brought by a former employee against the Local and Mendez 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. 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).

In charge one, 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 anniversary bonuses, accrued vacation, severance payments, and salary payments to himself and six other former Local employees without a union purpose and without notice to or consent of the incoming officers. In charge two, the IIO's report 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. Charge two further alleged Mendez vandalized and destroyed the Local's records and property. In charge three, the IIO's report alleged that Mendez engaged in a pervasive pattern of verbal and physical harassment of Local 683 officers, employees, members, and their families.

On September 1, 2020, General President Hoffa adopted and filed the charges. Paragraph 32 of the Final Order required 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.

On September 24, 2020, the General President appointed a Hearing Panel to hear the charges against Mendez. On October 13, 2020, the IBT advised the IRO that the earliest day by which schedules could be coordinated to hold the hearing was December 15, 2020, and requested a 60 day extension of the deadline for action, or until January 29, 2021. The IRO granted the extension and the hearing was scheduled for December 15.

On Friday, December 11, 2020, in response to the IBT's reminder of the upcoming hearing, Mendez informed the Panel that due to an unspecified disability, he would not be able to attend the hearing on December 15. The Panel informed Mendez that, although it was within its rights to proceed in Mendez' absence, the Panel had decided to vacate the December 15 hearing and reschedule for a date after January 1, 2021, at a location and time, and under such conditions, as it deemed appropriate.

On January 20, 2021, the Panel conducted the hearing remotely via Zoom. Mendez appeared and participated in the hearing.

On March 16, 2021, the Panel issued its Report and Recommendation, which the General President adopted and reissued as his own Decision ("IBT Decision") two days later, March 18. The Decision dismissed all three charges in their entirety.

On April 6, 2021, pursuant to ¶ 33 of the Final Order, the IRO informed the IBT of her determination that the IBT Decision was "inadequate" in part and "not inadequate" in part. In particular, she found that with respect to charge one, the IBT Decision was "inadequate" in its dismissal of the allegations of unauthorized anniversary bonus and vacation payments, but "not inadequate" in its dismissal of the allegations of unauthorized severance and salary payments. With respect to charge two, she found that the IBT Decision was "inadequate" in its dismissal of the charge. With respect to charge three, she found that the IBT's Decision was "inadequate" in its dismissal of the allegations of threats made to one identified member, but "adequate" in its dismissal of the allegations of threats to other individuals.

On Tuesday, April 20, 2021, within the 20 days allowed by ¶ 33 of the Final Order, the IBT informed the IRO that "respectfully, [it] is not willing to take further action against Mr. Mendez at this time." By letter dated May 18, 2021, the IRO informed the IBT that she intended to conduct a *de novo* hearing as to those allegations with respect to which she found the IBT's

disciplinary actions inadequate.

On July 29, 2021, the IRO issued a notice setting the *de novo* hearing for September 20, 2021. Mendez subsequently notified the IRO that he was unavailable on that date. Pursuant to a status teleconference conducted on August 13, the IRO issued a revised notice setting the *de novo* hearing for Friday, October 22, and Saturday, October 23, 2021 at 10:00 a.m. at the Cortez Hill Meeting Room in the Grand Hyatt Hotel located at One Market Place, San Diego, CA, 92101. Information concerning attendance restrictions (if any) resulting from any public health ordinance then in force will be made available on the website of this publication (<https://teamster.org/idoreports/>) prior to the hearing.

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 36 hotline calls reporting alleged improprieties.

The IDOs 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.

VI. 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).

VII. 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 Robert D. Luskin for all investigations at:

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