To: The Executive Board of Joint Council 62

From: Members of the Independent Review Board

Re: Proposed Charges Concerning Local 355 Officers Walter Headley, Robert Murray, Arthur Jefferson, David White, Robert Reynolds and former Trustees James Bland and Cecil Clagg.

Date: June 9, 1995

I. RECOMMENDATION

The Independent Review Board recommends that Joint Council 62 initiate charges against IBT Local 355 Officers Walter Headley, Robert Murray, Arthur Jefferson, David White and Robert Reynolds and former Trustees James Bland and Cecil Clagg for breaching their fiduciary duties, bringing reproach upon the IBT and failing to perform, and aiding and abetting said failure to perform, their required duties as Trustees by failing to sign Trustees Reports in violation of Article 11, Section 2(a),[1] Article X, Section 8(b)[2]

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[1] The relevant portion of the IBT membership oath states:
> Each person upon becoming a member thereby pledges his honor: to faithfully observe the Constitution and laws of the International Brotherhood of Teamsters and the Bylaws and laws of his Local Union...to faithfully perform all duties assigned to him...to conduct himself or herself at all times in such a manner as not to bring reproach upon the Union;...

Article II, Section 2 (a) of the IBT Constitution.

[2] The relevant portion of Article X, Section 8 (b) of the IBT Constitution states:
> The Trustees must sign the books of the Local Union if the Trustees have found them correct and the bank balances verified.

and Article XIX, Section 7(b) (1) and (2) of the IBT Constitution,[3] and have violated Section 11 of the Bylaws of Local 355[4]

II. INVESTIGATORY FINDINGS

Local 355, located in Baltimore, Maryland, has approximately 4000 members (Ex 1 at 6). It represents employees in a variety of industries including United Parcel Service, general trucking and miscellaneous workers throughout Maryland as well as parts of Delaware and Virginia. To service its employees on the Eastern Shore it maintains a satellite office in Salisbury, Maryland and conducts general membership meetings there as well as at its Baltimore location (Ex 1 at 15). The current officers were

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[3] Article XIX, Section 7 (b) (1) and (2) of the IBT Constitution provides in pertinent part:

> The basis for charges against members, officers, elected Business Agents, Local Unions, Joint Councils or other subordinate bodies for which he or it shall stand trial shall consist of but not be limited to, the following:...
>
> (1) Violation of any specific provision of the Constitution, Local Union Bylaws or rules of order, or failure to perform any of the duties specified thereunder.
>
> (2) Violation of oath of office or of the oath of loyalty to the Local Union and the International Union.

[4] Section 11 (pg 8) of the Local 355 Constitution and Bylaws provides - Duties of the Trustees:

> It shall be the duty of the Trustees to conduct a monthly examination of the books of the Local Union and report the results at the next regular membership meeting. They shall sign the books of the Secretary-Treasurer only if they find no irregularity... They shall report to the General Secretary-Treasurer as required by the International Constitution....

elected, after a contested election and took office in January 1994 except as noted below (Ex 1 at 5).

The election held in December 1993 was ordered overturned by Joint Council 62 on procedural grounds. A rerun was held and the results were the same with the exception of Trustees Bland (Ex 6) and Clagg (Ex 7) who were replaced by Headley and Murray (Ex 1 at 6) Trustees Headley and Murray took office in June of 1994 (Ex's 4 & 5 at 1)

The current Executive Board members are Denis Taylor, President (Ex 1), David White, Secretary-Treasurer, Robert Reynolds, Vice President (Ex 2), Keith Biddle, Recording Secretary, Arthur Jefferson, Trustee, (Ex 3) Robert Murray, Trustee (Ex 4), and Walter Headley, Trustee (Ex 5).

The present Trustees Jefferson, Headley and Murray, as well as former Trustees Bland and Clagg, had as a matter of custom, signed the monthly Trustees Report, and submitted it to the IBT in blank since they had become Trustees.

Trustee Arthur Jefferson has served on the Executive Board of the Local since his appointment in 1991 (Ex 3 at 6). Since he began his duties as Trustee he signed a blank International Trustees Report at each monthly Executive Board meeting (Ex 3 at 6). The Report would be passed from Trustee to Trustee at the Executive Board meeting and each would sign the blank report (Ex 3 at 9)

When Jefferson first became a Trustee, this signing was done at the request of the then Secretary-Treasurer Robinson (Ex 3 at

9). This signing practice continued up to the Executive Board meeting of the Local held in November of 1994, when the blank report was passed around to the Trustees to be signed (Ex 3 at 11).

Trustees Walter Headley and Robert Murray, as a result of the new election ordered by the Joint Council, came to the Board of the Local in June of 1994. They both prepared sworn written responses, at the request of the Chief Investigator's Office, with regard to their signing of the Trustees Report at the Local. In both cases they indicated that they had signed the Trustees Report in blank from June 1994 to December 1994 (Ex 5 & Ex 4)

Both signed the blank Trustees Report at the direction of the Secretary-Treasurer, David White. Their signing always took place at the regular monthly Executive Board meeting in the presence of all the officers (Ex 4 & 5 at 1).

Vice President Reynolds recalled seeing the Trustees Reports being signed in blank at the regular Executive Board meetings since 1985 (Ex 2 at 11). Reynolds has signed, as the official witness, the blank report after the Trustees signed (Ex 2 - 22).

Past Trustee Bland, who lost his position in the 1994 rerun election, had served as a Trustee since 1990 (Ex 6 at 7). In the course of his duties he always received and signed the Trustees Report in blank at the Executive Board meeting; he never questioned this procedure nor was it ever explained to him (Ex 6 at 10).

Past Trustee Clagg, who also lost his position in the rerun 1994 election, had served as Trustee since his appointment to the

position in 1990 (Ex 7 at 6). He testified that the Trustees Report had been presented to him, in blank, for signature and he had so signed (Ex 7 at 10). He never questioned this procedure (Ex 7 at 11).

III. ANALYSIS

According to the IBT Secretary-Treasurers Manual, "...it is the fiduciary responsibility of the Local Union Officers to exercise control over the handling, recording and safeguarding of all Local Union property..."[5] Local Union Trustees have specific monthly responsibilities related to the proper reporting of the Local Unions' receipts and disbursements. After reviewing the Local's books and records and determining that the documents are accurate, the Trustees are each required to sign a Trustee Certificate in the Cash Disbursements Journal[6] which is maintained by the Local Union. Trustees are also required to review and sign monthly Local Union Trustees Reports[7] which are sent to the

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[5] Manual for Local Union Secretary-Treasurers, Protective Procedures.

[6] Section 6.2 "Trustees Certificate" of the Manual for Local Union Secretary-Treasurers in pertinent part states:
> After preparation of the Trustees Report, the final act is that of completing the Trustees Certificate (at the bottom of the reverse side of the report form). Both copies of this report are to be dated and signed by three Trustees of the Local Union, attesting to the correctness of the report. Their signatures should be witnessed.

[7] Section 6.2 of the Manual for Local Union Secretary-Treasurers in pertinent part states:
> The purpose of the Trustees Report is to provide evidence that the Trustees have completed their

International.

Despite the requirement in the IBT Constitution that Local Union Trustees sign the books and records of the Local Union monthly,[8] this was not done at Local 355.

After this investigation developed the information with regard to the blank signing of the Trustees Reports in the course of deposing the Executive Board members, the Local's board undertook, immediately, a series of steps to attempt to cure their improper conduct.

The date for holding the monthly Executive Board meeting at the Local was moved forward two weeks. This now allows sufficient time for the clerical staff to properly prepare the current Trustees Report, have the document reviewed by the Trustees and then signed and witnessed. This in turn provides the Local enough time to file the Trustees Report with the IBT within its required time. In the past, there was not enough time between the Locals Executive Board meeting date, always held at the end of the month, and the filing due date as set by the I.B.T., for the Trustees Report.

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examination and certified as to the financial transactions and condition of the Local Union, as prescribed by the International Constitution.

[8] Article X, Section 8 (b) of the IBT Constitution in pertinent part states:
The Trustees must sign the books of the Local Union if the Trustees have found them correct and the bank balances verified. In the event that a Trustee declines to sign the books, the Trustee must state in writing to the Local Union Secretary-Treasurer his reasons for declining to do so.

An outline of the Locals remedial steps are contained in the sworn written responses of Trustees Headley and Murray (Ex 5 & 4).

IV. PROPOSED CHARGES

The Local 355 officers Arthur Jefferson, Walter Headley, Robert Murray, David White and Robert Reynolds and former Trustees James Bland and Cecil Clagg have each breached their fiduciary duties, brought reproach upon the IBT by failing to perform their duties and have violated Article 11, Section 2 (a), Article X, Section 8 (b) and Article XIX, Section 7 (b) (1) and (2) of the IBT Constitution and have violated Section 11 of the Bylaws of Local 355.

TO WIT: The Trustees Jefferson, Murray, Headley, Bland and Clagg, from on or about January 1990 to December 1994, did sign the Trustees Report as being properly prepared and reflective of the true financial condition at the Local when said Trustees Report as signed was blank. They were aided and abetted in this blank signing by Secretary-Treasurer White and Vice President Reynolds.

EXHIBITS TO THE LOCAL 355 REPORT

Ex. 1	Sworn Examination of Denis Taylor dated December 15, 1994
Ex. 2	Sworn Examination of Robert Reynolds dated December 15, 1994
Ex. 3	Sworn Examination of Arthur Jefferson dated December 15, 1994
Ex. 4	Sworn Written Interrogatory of Robert Murray dated February 24, 1995
Ex. 5	Sworn Written Interrogatory of Walter Headley dated February 23, 1995
Ex. 6	Sworn Examination of James Bland dated December 15, 1994
Ex. 7	Sworn Examination of Cecil Clagg dated December 15, 1994
Ex. 8	Local 355 Bylaws
Ex. 9	Various Local 355 Trustee Reports

INDEPENDENT REVIEW BOARD
444 North Capitol St., NW, Suite 528
Washington, DC 20001
(202) 434-8080
Facsimile (202) 434-8084
Corruption Hotline (800) CALL IRB

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Chief Investigator:
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17 Battery Place, Suite 331
New York, NY 10004

Administrator:
John J. Cronin, Jr.

Board Members:
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One Riverfront Plaza
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William H. Webster, Esq.
Milbank, Tweed, Hadley & McCloy
1825 Eye Street, NW, Suite 1100
Washington, DC 20006

November 14, 1995

VIA EXPRESS MAIL

Charles Stansburge, President
IBT Joint Council 62
416 Eastern Avenue
Baltimore, MD 21221

RE: Local 355

Dear Mr. Stansburge:

The Independent Review Board, at its meeting today, accepted the penalties set forth in your November 2, 1995 letter. This action closes the matter.

Very truly yours,

Members of the
Independent Review Board

By: _____
John J. Cronin, Jr.
Administrator

cc: Judith A. Scott, Esq.
Administrator, Ethical Practices Committee

416 EASTERN AVENUE -- BALTIMORE, MARYLAND 21221

Phone: (410) 574-0440

EXECUTIVE OFFICES

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November 15, 1995

Mr. Denis Taylor, President
Teamsters Local Union No. 355
1030 S. Dukeland Street
Baltimore, Md. 21223

Dear Sir and Brother:

After review of the decision of Joint Council No. 62 by the Independent Review Board in the matter of charges concerning certain Officers and former Trustees signing blank Trustee reports, the IRB remanded the case back to the Joint Council. The IRB recommended that the full time Officers, namely; Arthur Jefferson, Robert Reynolds and David White be given an unpaid suspension for a four (4) week period of time.

After careful review of all circumstances involved in this case and the recommendation from the IRB, the Joint Council, at its November 2, 1995 Executive Board meeting made the following decision:

"Brothers Arthur Jefferson, Robert Reynolds and David White, all full time Officers in Teamsters Local Union No. 355 and involved in the signing of blank Trustee reports, shall be placed on a four (4) week unpaid suspension from their positions as Officers and/or Business Agents. During such suspension, they shall receive no compensation whatsoever for any losses during the suspension nor shall they receive any compensation upon their reinstatement after the suspension for such suspended period of time. They shall however, be permitted to pay union dues for such suspended period."

You are directed to impose such suspension within ninety (90) days from the date of this letter and to advise the Joint Council in writing of such suspensions and dates. These suspensions may be imposed in a staggered manner, but not less than four (4) week increments and at your discretion, but within the ninety day period.

The Independent Review Board, in their November 14, 1995 letter, has accepted the penalties as set forth and have closed their file on this matter. The Joint Council will also close their file on the matter after receiving your letter in writing as advised.

Fraternally yours,

Charles H. Stansburge
President

CHS:

cc: Charles M. Carberry, Esq.
Chief Investigator-IRB
John J. Cronin, Jr.
Administrator-IRB
Arthur Jefferson, BA & Trustee
Teamsters Local 355
Robert Reynolds, Vice President
Teamsters Local 355
David White, Secretary-Treasurer
Teamsters Local 355

Letter to Denis Taylor sent Registered-Return Receipt - All others regular mail.

416 EASTERN AVENUE -- BALTIMORE, MARYLAND 21221

Phone: (410) 574-0440

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November 2, 1995

Mr. John Cronin, Administrator
Independent Review Board
444 N. Capital St. N. W. Suite 528
Washington, D. C. 20001

RE: Local 355 (signing of blank Trustee reports)
James Bland, Cecil Clagg, Walter Headley,
Arthur Jefferson, Michael Krainer, Robert Murray,
Robert Reynolds and David White

Dear Mr. Cronin:

Please be advised that the decision of Joint Council No. 62's Executive Board on July 20, 1995 which was upheld in part and remanded back to the Executive Board by the I.R.B. for further action, specifically as the decision pertained to the full time officers, namely, David White, Robert Reynolds and Arthur Jefferson has been amended.

The Executive Board at its November 2, 1995 meeting made the following decision in regards to the above and is as follows:

"That Brothers David White, Robert Reynolds and Arthur Jefferson, all full time officers in Local Union 355 and involved in the case referenced above shall be placed on a four (4) week unpaid suspension from their positions as Officers and/or Business Agents. During such suspension, they shall receive no compensation whatsoever for any losses during the suspension nor shall they receive any compensation upon their reinstatement after the suspension for such suspended period of time. They shall however, be permitted to pay union dues for such suspended period."

The Principal Officer of Local 355 shall be advised of the above decision and directed to impose such suspension within ninety (90) days from the date the Joint Council 62 notifies the parties involved that the decision has met with your approval. Such suspensions may be imposed in a staggered manner, but not less than four (4) week increments at the discretion of the Principal Officer. We believe this decision is in full compliance with your recommendations.

Please advise Joint Council 62 of your approval or further recommendations.

Sincerely yours,

Charles Stansburge

Charles H. Stansburge
President
Joint Council 62

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1825 Eye Street, NW, Suite 1100
Washington, DC 20006

VIA UPS OVERNIGHT MAIL

September 25, 1995

Charles H. Stansburge, III
President, Joint Council 62
416 Eastern Boulevard
Baltimore, MD 21221

Re: Charges concerning Local 355 Officers Walter Headley, Robert Murray, Arthur Jefferson, David White, Robert Reynolds, and former Trustees James Bland and Cecil Clagg.

Dear Mr. Stansburge:

The Independent Review Board has reviewed the materials submitted with your letter of July 20, 1995, including the transcript of the hearing before the Joint Council.

It was undisputed at the hearing before the Joint Council that the Trustee reports were signed in blank. During the hearing, the charged parties stated that at the monthly Executive Board meetings the blank Trustee reports were signed for the next month. The claimed reason for this practice was that, since the Executive Board meetings were held at the end of the month, there was insufficient time to forward the Trustee reports to the International in a timely manner if the Local waited for completed reports to be signed at the monthly meeting.

After the hearing, on July 20, 1995, Joint Council 62 recommended,

> that a strong letter of reprimand be sent to each of the charged parties and that it be read into the minutes of the Local Union Executive Board meeting. Also that the membership be notified of these infractions at the next scheduled general membership meeting at both locations.

(JC Decision at 15) Two current Trustees, Headley and Murray, are not full-time officers of the Local; rather, they are employed by employers having collective bargaining agreements with the Local. The two charged former Trustees, Bland and Clagg, were also part-time officers. The sanction the Joint Council imposed appears to be within an acceptable range for the four part-time Trustees, since they were not at the Local's office on a daily basis and the Local's full-time officers appear to have failed to educate them regarding their duties.

However, it appears that the sanction against the three full-time officers, Secretary-Treasurer David White, Vice President Robert Reynolds and Trustee and Business Agent Arthur Jefferson, is inadequate. Because the full-time officers, who are responsible for the day-to-day functioning of the Local, failed to comply with specific financial control requirements that in essence are aimed at monitoring their actions, it appears that a one-month unpaid suspension would be a more appropriate sanction for the full-time officers.

A one-month unpaid suspension from all union positions for the three full-time officers would be consistent with the agreed upon sanction in a prior case under the Consent Decree involving Katherine Leal, the full-time Recording Secretary for Local 856. The Investigations Officer charged Leal with falsifying a quorum sheet for a Local 856 membership meeting. In a September 1992 affidavit and agreement, Leal agreed to a four-week unpaid suspension from her positions as an officer and business agent.

Accordingly, this case is returned for further action as indicated.

Sincerely yours,

Members of the
Independent Review Board

by: John J. Cronin, Jr.
Administrator

416 EASTERN AVENUE -- BALTIMORE, MARYLAND 21221 Phone: (410) 574-0440

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EXECUTIVE OFFICES

TEAMSTERS JOINT COUNCIL No. 62

AFFILIATED WITH THE

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

July 20, 1995

TO THE FOLLOWING: JAMES BLAND, CECIL CLAGG, WALTER HEADLEY, ARTHUR JEFFERSON, MICHAEL KRAINER, ROBERT MURRAY, ROBERT REYNOLDS AND DAVID WHITE

Dear Sirs and Brothers:

After reviewing the transcript of the July 11th Hearing and the recommendation of the 3-person panel in the matter of charges against former and present Officers of Teamsters Local Union No. 355 concerning the signing, witnessing and/or participating of blank Trustee reports, it is the decision of the Executive Board of Teamsters Joint Council No. 62 that:

> A letter of reprimand shall be issued to each of the charged parties and also incorporated into the minutes of the next Local Union Executive Board meeting and the letter to read as follows:

LETTER OF REPRIMAND

WHEREAS, the above named individuals were found to be in violation of their fiduciary responsibility by signing, witnessing or otherwise participating in the signing of blank Trustee reports--as a result of the Hearing held on July 11, 1995 and upheld in part as recommended by that panel by the Joint Council 62 Executive Board are therefore reprimanded AND

Directed to fully comply with the details of their official duties as defined by the International Constitution, Local Union By-laws and Laws to meet and fully comply with their fiduciary responsibility heretofore.

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In accordance with the provisions of Article XIX, Section 2(a) and (b) of the Constitution of the International Brotherhood of Teamsters, any appeal of this decision must be made in writing to the Secretary-Treasurer of the International Brotherhood of Teamsters within fifteen (15) calendar days from the date this decision is placed in the mail.

Fraternally yours,

Charles H. Stansburge

Charles H. Stansburge
President

CHS:ks

cc: John J. Cronin, Jr., Administrator-IRB
Charles M. Carberry, Esq., Chief Investigator
Denis J. Taylor, President-Teamsters L.U. #355
TJC #62 Executive Board
3-person panel: William Armes, Mary "Sue" Erbe and Aaron Sawyer

Letters to charged persons sent Registered-Return Receipt mail.

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