
INVESTIGATIONS OFFICER,

Claimant,

v.

DANIEL C. LIGUROTIS,

Respondent.

DECISION OF
THE INDEPENDENT
ADMINISTRATOR

This matter concerns two charges filed by the Investigations Officer, Charles M. Carberry, against Daniel C. Ligurotis ("Ligurotis"), the Secretary-Treasurer of IBT Local Union 705 in Chicago, Illinois. A hearing was held before me on these charges, and post-hearing submissions were received. Ligurotis was represented by counsel at the hearing. Having reviewed the evidence and the post-hearing submissions, I find that the Investigations Officer has sustained his just cause burden of proving the charges against Ligurotis. United States v. IBT, 754 F. Supp. 333, 337-338 (S.D.N.Y. 1990) ("[T]he Investigations Officer must establish just cause at disciplinary hearings by a fair preponderance of the evidence.").

I. THE CHARGES

The Investigations Officer charged Ligurotis as follows:

CHARGE ONE

While an officer of Local 705 [Ligurotis] brought reproach upon the IBT in violation of Article II, Section 2(a) and Article XIX, Section 6(b)(1)(2) and (3) of the IBT Constitution, and breached [his] fiduciary duties to the members, by directly and indirectly unlawfully obtaining from the local an interest free loan, and embezzling and unlawfully converting to [his] own benefit the funds of Local 705, to wit:

After the United States Department of Labor notified [Ligurotis] of its intention to have [him] repay a

combined total of \$120,000.00 to the Local 705 Pension Fund and the Local 705 Health and Welfare Fund, [he] engaged in a scheme to both unlawfully borrow money from the local and to embezzle and convert to [his] own benefit Local 705's funds.

In October 1986, April 1987 and October 1987, while employed as full-time officer of Local 705, [Ligurotis] accepted salary from the Local 705 Pension Fund and the Local 705 Health and Welfare Fund ("The Funds") totalling \$120,000.00. The money was advanced to [Ligurotis] as compensation for [his] position as Administrator of The Funds. [His] members were participants and beneficiaries of The Funds.

In 1987, representatives of the United States Department of Labor notified [Ligurotis] that [his] receipt of these payments violated provisions of the Employee Retirement Income Security Act of 1974 because [he was] already a full-time, fully compensated officer of Local 705. As a result, [he] learned that \$120,000.00 given to [him] would have to be returned to the Funds. Thereafter, commencing in February 1988, [Ligurotis] schemed to embezzle Local 705 funds, and use a portion of that money to repay \$120,000.00 to The Funds. Specifically, on February 16, 1988, without disclosure to the members or approval of the Local 705 Executive Board, in violation of Section 14(A)(2) of the Constitution and By-Laws of Local 705 ("the By-Laws"), [Ligurotis] caused [his] salary to be increased \$77,000.00 annually. The increase was applied retroactively to October 1, 1987. On February 16, 1988, without Executive Board approval, [he] embezzled union funds when [he] took \$20,500.00 from Local 705. The local's books recorded this payment to [him] as the net amount of a gross payment of \$32,208.35, representing five months back pay.

Beginning in August 1988, at varying times [he] took in cash less than the full amount of the salary increase [he] gave [him]self in February 1988, and told the local's accountant that [he was] applying the difference toward the payment of the \$120,000.00 owed to The Funds. No money was actually paid to The Funds, but the local's accountant kept account of a "salary reduction."

In October 1988, the Secretary of Labor filed a complaint in the United States District Court, Northern District of Illinois based upon the violations made known to [Ligurotis] in 1987. The complaint charged [him] and other trustees of The Funds with, among other charges, violating federal law for paying [him] \$120,000.00. The Secretary of Labor requested the court to "order the defendant Pension and Welfare trustees, jointly and severally, to make full restitution to the respective Funds for all assets of the Funds transferred to

defendant Daniel C. Ligurotis . . ." At, or about, the time the complaint was filed, [he] consented to the entry of a court order dated October 18, 1988 ("The Court Order"). The Court Order provided, in part, that, on or before April 19, 1989, the trustees, one of whom was [Ligurotis], would pay \$120,000.00 to The Funds and "Daniel C. Ligurotis shall neither receive nor be entitled to receive any compensation for services rendered to the Funds during such time as he is contemporaneously employed by and receiving full-time compensation from Local 705"

In April 1989, the [Court] Order's required payment to The Funds was due. As of that time, the amount of [Ligurotis'] "salary reduction" was insufficient to cover the entire \$120,000.00 that was then due. On, or about, April 6, 1989, without Executive Board approval, in violation of law and the ByLaws, [he] signed checks drawn on the account of Local 705 in the amounts of \$80,000.00 and \$40,000.00, payable to the Funds. [He] used this money to satisfy [his] obligations pursuant to the Court Order. This resulted in an unlawful loan to [him] in excess of \$75,000.00. [He] continued to owe to Local 705 a balance on the loan in excess of \$2,000.00 until, or about, January 1990, when the portion of [his] February 1988 salary increase that [he] applied to the debt owing to The Funds reached \$120,000.00. [Ligurotis] paid no interest to Local 705 for the use of its funds.

CHARGE TWO

While an officer of Local 705, [Ligurotis] brought reproach upon the IBT in violation of Article II, Section 2(a) and Article XIX, Section 6(1)(2) and (5) of the IBT Constitution, and interfered with the local's legal obligation, by engaging in a pattern of conduct whereby corruption and unlawful activity, including [his] own, were fostered and rewarded, to wit:

On September 23, 1982, Richard Bravieri, a business agent of Local 705, was convicted in federal court of extorting money from an employer. Thereafter, in 1987, at a time when Bravieri was prohibited by federal statute (29 U.S.C. §504) from serving as an officer or business agent of any labor organization, and despite his gross betrayal of union members, [Ligurotis] hired Bravieri as a "maintenance" employee of Local 705 at a salary that was greater than the salary he was paid at the time of his conviction. [He] continued to warehouse Bravieri as an employee until the expiration of the statutory bar, and, upon expiration, [Ligurotis] appointed him a business agent. [He] never instituted any union disciplinary proceedings against Bravieri.

On September 23, 1982, Richard Green, a business agent of Local 705, was convicted with Richard Bravieri of extorting money from an employer. Thereafter, in 1987, [Ligurotis] hired Green as an employee of Local 705, despite his betrayal of the local's members. [He] never instituted any union disciplinary proceedings against Green.

On March 20, 1986, Edward Fickett, a business agent of Local 705, was convicted of arson in an Illinois state court. Thereafter, in, or about, June 1990, [Ligurotis] hired Fickett as a Local 705 business agent, although he was barred by federal statute (29 U.S.C. §504) from employment by a labor organization.

In October-November 1989, [Ligurotis] engaged in contumacious conduct when [he] willfully interfered with the Consent Order entered in United States v. International Brotherhood of Teamsters, et al., 88 Civ. 4486 (S.D.N.Y. March 14, 1989), to which [he was] a signatory. Based on that conduct, an order was entered finding [him] in contempt of court, which was affirmed in United States v. IBT, 899 F.2d 143 (2d Cir. 1990).

On August 21, 1991, and at other times, [Ligurotis] possessed a loaded handgun on the premises of Local 705. [He] did so knowing that [his] conduct, at the very least, violated the rules of Local 705. [Ligurotis'] possession of the gun on August 21, 1991, resulted in the death of a fellow union officer, who was also carrying a gun on union premises.

II. THE IBT CONSTITUTIONAL PROVISIONS

The charges against Ligurotis implicate two provisions of the IBT Constitution. The first is Article XIX, Section 6(b)¹, which

¹ Pursuant to the amendment to the IBT Constitution adopted at the 1991 International Convention, this Section of the IBT Constitution now appears at Article XIX, Section 7(b). The only change in language to the quoted provisions that is currently in effect, however, is contained in Section 7(b)(3). That section now reads: "(3) Breaching a fiduciary obligation owed to any labor organization by any act of embezzlement or conversion of union's funds or property." This change in language does not affect the issues that I decide today. Therefore, for the sake of consistency with the Investigations Officer's charges, I will refer to the provisions as "Article XIX, Section 6(b)" throughout this opinion.

sets forth a non-exhaustive list of grounds for bringing disciplinary charges. That list includes:

(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 International Union.

(3) Embezzlement or conversion of union's funds or property.

(5) Conduct which is disruptive of, interferes with, or induces others to disrupt or interfere with, the performance of any union's legal or contractual obligations. Causing or participating in an unauthorized strike or work stoppage.

Article II, Section 2(a), is also implicated. This section, which contains the oath of office mentioned in Article XIX, Section 6(b)(2), mandates that all members shall conduct themselves "at all times in such a manner as not to bring reproach upon the Union"

III. CHARGE ONE

A. FINDINGS OF FACT

Ligurotis is, and has been, the Secretary-Treasurer of Local 705 since September 1986. IO-19 at p. 3.² Secretary-Treasurer is the chief executive officer of Local 705. IO-19 at p. 3; IO-37 at 4. Ligurotis was paid \$120,000 as Administrator of Local 705's Pension Fund and Health and Welfare Funds (the "Funds") from October 1986 until October 1987. IO-1 at p. 3; IO-2; T257-16 to

² The Investigations Officer's exhibits are referred to as "IO," followed by the exhibit number and page reference, if appropriate.

T259-2.³ Ligurotis took the \$120,000 in three equal installments of \$40,000 each. IO-2.

On March 13, 1987, Sherman Carmell ("Carmell"), as attorney for the Funds, was officially interviewed by the Office of Pension and Welfare Benefit Programs, United States Department of Labor ("DOL"), acting pursuant to the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. § 1001 et seq. IO-3(A). During that interview, Carmell was questioned, inter alia, about Ligurotis' salary as Administrator of the Funds. Id. Carmell was again questioned on this issue by the DOL on May 18, 1987 (IO-3(B)), and on May 26, 1987 (IO-3(D)). In addition, Andrew Schumi ("Schumi"), accountant for Local 705's Pension Plan, was questioned by the DOL on May 27, 1987, about Ligurotis' salary as the Pension Fund Administrator. IO-3(E).

On February 16, 1988, after the aforementioned interviews, Ligurotis, without receiving approval from Local 705's Executive Board, granted himself a \$77,000 salary increase for his service as Secretary-Treasurer at the Local. That increase was retroactive to October 1, 1987, and increased Ligurotis' total annual compensation as Secretary-Treasurer to \$225,000 per year. IO-4; IO-5; T274-12 to T274-14; Ligurotis Post-Hearing Brief at pp. 5-6; Investigations Officer Post-Hearing Brief at pp. 4-6.

According to Ligurotis, and notwithstanding the aforementioned interviews, it was not until the "middle of the year" (1988) that

³ All transcript references are to the May 8, 1992, hearing before me. The citation refers to the transcript page number followed by the line number. In this instance, "T257-16 to T259-2" refers to transcript page 257, line 16 through transcript page 259, line 2.

he became aware that the \$120,000 paid to him by the Funds as Administrator was going to have to be repaid to the Funds. T261-1 to T261-25. Shortly thereafter, Ligurotis decided to repay the \$120,000 to the Funds. T262-9 to T263-10. Thus, from August 1988 (six months after granting himself the \$77,000 raise) through December 8, 1988 (that is, for five months), Ligurotis instructed Schumi to reduce his gross monthly pay as Secretary-Treasurer by \$8,750 a month.⁴ T263-19 to T264-15. These "salary reductions," totalling \$43,750, were to be credited by the Local to the Funds as repayment of the \$120,000 improperly received by Ligurotis as Administrator.⁵ Id. The \$8,750 reductions to Ligurotis' pay continued until December, 1988. In January of 1989, however, a check reflecting a full gross monthly salary of \$18,750 (\$11,600 net) was issued in Ligurotis' name. IO-5; T303-6 to T304-15. At that point, the total "salary reduction," \$43,750, was far short of the \$120,000 owed to the Funds. Ligurotis offered no

⁴ This \$8,750 reduction still left Ligurotis with \$10,000 in gross monthly income and a monthly net pay of \$7,000 in August and September and \$6,950 in October through December. See IO-5.

⁵ The reason offered by Ligurotis' accountant for having Ligurotis' salary "reduced" to repay the Funds, rather than Ligurotis simply collecting his salary and writing a personal check to the Funds, was that this method was "easier." T97-8 to T97-11. It was reasoned that, if Ligurotis had included the \$120,000 from the Local as income, and then used it to repay the Funds for income that had previously been taxed, he would have had a \$120,000 deduction entirely offsetting the \$120,000 in income. T97-8 to T99-5. Thus, it is argued, the net tax effect would be the same whether or not Ligurotis realized the \$120,000 as income. Respondent's Post-Hearing Brief at 14.

explanation for why the "salary reductions" ceased in January of 1989. T303-6 to T304-15.

Meanwhile, in October 1988, the Secretary of the DOL filed a Complaint in the United States District Court for the Northern District of Illinois against Ligurotis and the other Fund Trustees. IO-13. The Complaint requested that the Court "order . . . [Fund] Trustees, jointly and severally, to make full restitution to the respective Funds for all assets transferred to defendant, Daniel C. Ligurotis . . ." Id. at pp. 6-7. On October 18, 1988, the Court entered a consent order in the matter which provided, in pertinent part, that on or before April 20, 1988, "the trustees [of the Funds] shall pay, or caused [sic] to be paid, the sum of \$80,000 to the Pension Fund and the sum of \$40,000 to the Welfare Fund." IO-14.

On April 6, 1989, without having had any further "salary reductions," since they had ceased in January, Ligurotis authorized and signed two Local 705 checks which totaled \$120,000, payable to the Funds. T265-4 to T267-2; IO-15. He received no Executive Board approval prior to issuing these checks. T268-7 to T268-12; T308-5 to T309-2. On April 28, 1989, copies of the canceled checks were sent to Carmell, as attorney for the Funds, along with a letter written by Local 705's accountant, Schumi. IO-15 This letter stated, in pertinent part:

At the request of the Trustees of the Local 705 Pension and Health and Welfare Funds, the Executive Board of Local Union 705 has authorized the payment of \$80,000 to Local 705 Pension Fund and \$40,000 to Local 705 Health and Welfare Fund. The source of these monies was salary authorized but not taken by Daniel C. Ligurotis as Secretary Treasurer of the Union.

Id.

Attorney Carmell forwarded a copy of this letter to the DOL, along with copies of the canceled checks. T127-18 to T128-4. There were, however, several inaccuracies in Schumi's letter. As discussed above, the issuance of these checks had not been authorized by the Executive Board, and Ligurotis' salary reduction had only accrued to \$47,500 at the time the checks were issued. Schumi had neither an explanation for the letter's inaccuracies, nor any recollection of the source of his erroneous information. T124-8 to T129-1.

On April 20, 1989, an Executive Board meeting of Local 705 was held. The minutes of that meeting state, in pertinent part:

The Board received a report from Secretary-Treasurer Daniel C. Ligurotis on the Pension Fund and Health and Welfare Fund compliance with the Consent Order. In reviewing the matter, the Board noted that the minutes of the February 26, 1988 Board meeting do not state one item approved. That item was an increase in the salary of Secretary-Treasurer Daniel C. Ligurotis by \$77,000.00 to an annual salary of \$225,000.00 retroactive to October 1, 1987. The Board unanimously ratified and approved the increase retroactive to October 1, 1987, and to correct the omission.

IO-16.

The minutes of February 26, 1988, to which the above passage refers, report only that a discussion of the retirement of two Union members took place. IO-17. No mention is made in those minutes of the significant retroactive pay raise for Ligurotis.

Id.

In May of 1989, five months after they had halted, the \$8,750 reductions to Ligurotis' salary resumed. IO-8. In January of

1990, the reductions reached a total of \$120,000, thus covering the full amount of the two checks earlier written to the Funds. Id.

B. MERITS OF CHARGE ONE

The facts as I have outlined them above clearly constitute violations of the IBT Constitution. Accordingly, I find that Ligurotis violated both Article XIX, Section 6(b) and Article II Section 2(a) by: (1) Improperly authorizing a loan from Local 705 to himself in violation of Local 705's By-Laws and in violation of 29 U.S.C. § 503; and (2) Embezzling and converting to his own use Local 705 funds through the mechanism of an improper and unauthorized pay raise, in violation of Local 705's By-Laws and in violation of 29 U.S.C. § 501(c).

1) The Improper Loan

The By-Laws of Local 705 clearly contemplate that only the Executive Board has the authority to expend and loan local funds. IO-37 (Section 14(A) of Local 705's By-Laws)⁶. In addition, the Labor Management Reporting and Disclosure Act of 1959 (LMRDA) prohibits a labor organization from, "directly or indirectly," lending money in excess of \$2,000 to any officer or employee of the organization. 29 U.S.C. § 503. I find that Ligurotis authorized a loan to himself from Local 705 funds of at least \$76,250, and thus violated both Section 14(A) of Local 705's By-Laws and Section 503 of the LMRDA.

⁶ Section 14(A) of Local 705's By-Laws provide that "[e]xcept as may be otherwise provided in these Bylaws, the Local Union Executive Board is authorized and empowered to conduct and manage the affairs of this organization, and to manage, invest, expend contribute, use, borrow, lend and acquire Local Union funds. . . ." IO-37 at 10.

On April 6, 1989, two checks were issued by Ligurotis on Local 705's account, payable to the Funds, in the total amount of \$120,000. T265-4 to T267-2; IO-15. It is undisputed that, at the time those checks were issued, the Executive Board of Local 705 had not approved their issuance. T308-5 to T309-2. It is also undisputed that, even if Ligurotis' pay raise were legitimate (which, as discussed later, it was not) and his "salary reductions" were credited, the two checks exceeded Ligurotis' "salary reductions" by \$76,250.

It was understood by all involved that Ligurotis was to have personally repaid the \$120,000 to the Funds from his own monies. T261-7 to T264-12. The arrangement devised by Ligurotis to repay the Funds, however, resulted in Local 705 advancing Ligurotis \$76,250 for the repayment. Eventually (by January, 1990), the full amount was credited back to Local 705 in the form of further "salary reductions." Clearly, this transaction can only be characterized as an unauthorized loan from Local 705 to Ligurotis.

Respondent puts forth three arguments asserting that he did not receive an improper loan from Local 705. None of these arguments, which I shall examine in turn, has merit.

Respondent first argues that, under the terms of the Funds' Trust Agreement and pursuant to ERISA and the law of indemnity and contribution, he was obligated to pay only a portion (if any) of the \$120,000. Ligurotis Post-Hearing Brief at 28-32. He also points out that the October 18, 1988, consent order entered into with the DOL does not state that he is solely responsible for payment of the \$120,000 to the Funds. IO-14. Thus, Respondent argues that he did not have any legal obligation to repay the Funds

and, therefore, he did not receive an improper loan from Local 705. Respondent misses the point.

It is clear that all involved believed Ligurotis was going to pay the \$120,000 to the Funds. Indeed, a letter was forwarded to the DOL stating that the source of the repayment to the Funds was "salary authorized but not taken by Daniel C. Ligurotis as Secretary Treasurer of the Union." IO-15. Further, Ligurotis has always maintained that it was his intention to pay back the full \$120,000 to the Funds. T261-7 to T264-12. Local 705 advanced Ligurotis \$76,250 so that he could repay this \$120,000 to the Funds. That money was eventually offset by Ligurotis' further "salary reductions." This arrangement is a loan, plain and simple. Whether Ligurotis was legally obligated to repay the full \$120,000 to the Funds is wholly irrelevant.⁷

Respondent next argues that he did not violate Section 503 of the LMRDA because that section applies only to loans given to an "officer or employee" of the Local and, he argues, "if [I] did receive a loan 'indirectly' from Local 705 it was as Trustee of Funds, not Secretary-Treasurer of Local 705. . . ." Ligurotis Post-Hearing Brief at 33. This argument, too, is devoid of merit. Ligurotis had the authority to disburse Local 705 funds only by virtue of his position as Secretary-Treasurer of the Local. IO-37 at 4-5 (Section 8(B) of Local 705's By-Laws). It was in this

⁷ The following hypothetical highlights this point: Assume that Ligurotis promised to make a \$120,000 gift to a group of friends, and that this promise did not result in any legal obligation because it was gratuitous. Nonetheless, Ligurotis diverts \$120,000 in Local 705 funds to his friends, and then repays the Local. The transaction between Ligurotis and the Local would certainly be characterized as an unauthorized loan, despite the fact that the underlying promise to pay was legally unenforceable.

capacity, and not in his capacity as Trustee of Funds, that Ligurotis was able to authorize a loan to himself of \$76,250. Thus, his conduct falls squarely within the scope of LMRDA Section 503.

Finally, Respondent asserts that he did not act "willfully"⁸ in taking the loan from Local 705 and, therefore, did not violate Section 503 of the LMRDA. Ligurotis Post-Hearing Brief at 33-34. The facts, however, do not support this contention. Ligurotis' "salary reductions" of \$8,750 originally lasted only five months, from August of 1988 until December of 1988. When the reductions stopped after just five months, Ligurotis' monthly net paycheck increased by approximately \$4,600; yet he maintains that he "never noticed" this increase. T303-6 to T304-15. I do not find Ligurotis' testimony to be credible on this point.

Further, when Ligurotis, as Secretary-Treasurer of Local 705, signed the two Local 705 checks totalling \$120,000, payable to the Funds, he never asked whether his "salary reductions" would cover the full amount of the checks. T301-11 to T301-22. It is apparent that Ligurotis did not make this inquiry because he either knew that he had not accumulated enough "salary reductions" to satisfy the \$120,000 obligation, or he did not care, planning, in any event, to use Local 705 funds to make up the difference. Either way, such conduct is sufficient to mandate a finding that his violation of Section 503 was willful. See, e.g., Trans World Airlines, Inc. v. Thurston, 469 U.S. 111, 126 (1985) ("reckless

⁸ 29 U.S.C. § 503(c) states: "Any person who willfully violates this section shall be fined not more than \$5,000 or imprisoned for not more than one year, or both."

disregard" for whether or not conduct violated statute is sufficient to find that violation was "willful" for purposes of the 29 U.S.C. § 626(b), the double damages provision of the Age Discrimination in Employment Act).

Ligurotis' actions in willfully taking a \$76,250 loan from Local 705 resulted in a violation of Section 503 of the LMRDA, and brought reproach upon the Union in violation of Article XIX, Section 2(a) of the IBT Constitution. Further, his actions in taking the loan without Executive Board approval was contrary to Section 14(A) of Local 705's By-Laws and, thus, in violation of Article XIX, Section 6(b)(1) of the IBT Constitution.

2) Embezzlement by Means of a Fraudulent Pay Raise

A preponderance of the credible evidence supports the conclusion that Ligurotis violated LMRDA Section 501(c) by granting himself a \$77,000 retroactive pay raise. 29 U.S.C. 501(c) provides:

Embezzlement of assets; penalty. Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or the use of another, any of the monies, funds, securities, property, or other assets of a labor organization of which he is an officer, or by which he is employed, directly or indirectly, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

To sustain this charge the Investigations Officer must prove that Ligurotis acted with "fraudulent intent to deprive [Local 705] of its funds." United States v. Welch, 728 F.2d 1113, 1118 (8th Cir. 1989) ("Nevertheless, under any test union officials violate Section 501(c) only when they possess fraudulent intent to deprive the union of its funds"). See also Investigations Officer v.

Vitale, Decision of the Independent Administrator, at pp. 9-10 (December 18, 1990).

In addressing the issue of fraudulent intent, "all of the evidence [must be] considered together . . . in light of all the surrounding circumstances." Welch, supra, 728 F.2d at 1119, quoting, Morrisette v. United States, 342 U.S. 246, 275-76 (1951). Further, it is "permissible to infer from circumstantial evidence the existence of intent." United States v. Local 560, 780 F.2d 267, 284 (3d Cir. 1985), citing United States v. Berrell, 496 F.2d 609, 610 (3d Cir. 1974).

I find that the weight of the credible evidence supports the conclusion that Ligurotis acted with fraudulent intent when he, without any Executive Board approval whatsoever, granted himself a retroactive pay raise on February 16, 1988.

On February 16, 1988, Ligurotis told Local 705's in-house accountant, Timothy Donohue ("Donohue") that his (Ligurotis') salary had been increased to \$18,750 a month. T177-16 to T179-2; IO-4. He told Donohue that the raise had been approved retroactively to October 1st of 1987, and he had Donohue issue him a check for five months "back pay". Id. Donohue did not recall Ligurotis stating that the Executive Board had approved the increase, but he "presumed" that Ligurotis had received the requisite approval. T179-3 to T179-10. There is, however, no entry in the minutes of the February Executive Board meeting that mentions a raise to Ligurotis. IO-17. Even more significantly, the date of the February board meeting was February 26, 1988 - 10 days after Ligurotis had Donohue issue the retroactive back-pay check. Id.

It was not until the April 20, 1989, minutes that the pay raise is finally mentioned - over one year after Ligurotis first began drawing checks at his new salary. IO-16. The relevant portion of the April 20, 1989 minutes state:

The Board received a report from Secretary-Treasurer Daniel C. Ligurotis on the Pension Fund and Health and Welfare Fund compliance with the Consent Order. In reviewing the matter, the Board noted that the minutes of the February 26, 1988 Board meeting do not state one item approved. That item was an increase in the salary of Secretary-Treasurer Daniel C. Ligurotis by \$77,000.00 to an annual salary of \$225,000.00 retroactive to October 1, 1987. The Board unanimously ratified and approved the increase retroactive to October 1, 1987, and to correct the omission.

Id.

As noted earlier, even if approval for the raise was given at the February 26, 1988 meeting, this was still 10 days after Ligurotis received his check for his retroactive back pay. In an attempt to explain away this obvious inconsistency, Respondent adopts the "informal meeting" theory. Ligurotis Post-Hearing Brief at pp. 1-8. Much of the Local's business, he argues, is carried out at "informal meetings," and it must have been at one of these "informal meetings" that his raise was approved. Id. I find, however, that even if informal meetings of the Executive Board are

permissible⁹, there is no evidence to indicate that such a meeting

⁹ Respondent cites the following provision, Section 14(F) of Local 705's By-Laws, as authority for informal meetings of the Executive Board:

As to all matters requiring action by the Local Union Executive Board, and when the Executive Board is not in formal session, the Executive Board may act by telegram, letter or telephone. When action by the Local Union Executive Board is required, the principal executive officer may obtain same by telegraphing, writing or telephoning to the members of the Executive Board and such members may take action on the matter brought to their attention in the same manner. Such action so taken by the majority of the members of the Local Union Executive Board shall constitute the action of the Board as though the Board were in formal session.

Ligurotis Post-Hearing Brief at 3, n.5.

I do not find Respondent's interpretation of Section 14(F) as permitting the use of "informal meetings" under any and all circumstances to be reasonable. First, under his interpretation, Section 14(C), which requires formal meetings upon notice to the Executive Board, would be rendered a nullity. All business that could be carried out at a formal meeting (such as setting the compensation of the Local's officers) could also be disposed of at an "informal meeting." Second, informal meetings of the Executive Board would invariably lead to precisely the situation that Respondent argues happened here -- the principal executive officer might corral an informal quorum of the Executive Board for the purpose of awarding himself a substantial raise; and then the event might not be officially reported to the membership until over one year later. An interpretation yielding such a result is not reasonable.

A reasonable interpretation of Section 14(F) is that it was designed to allow the Executive Board to deal with emergent matters that require immediate action when the Board is not in session. This reading is clearly indicated by the sentence: "As to all matters requiring action by the Local Union Executive Board, and when the Executive Board is not in formal session, the Executive Board may act by telegram, letter or telephone." IO-37 at 13 (emphasis added). The emphasized words indicate the purpose behind the section -- when the Executive Board must act, and the Board members are not present, then the Board may take action through the informal procedures. A raise for the Secretary-Treasurer is not action requiring immediate attention and, thus, not within the scope of Section 14(F).

was held for the purpose of approving Ligurotis' pay raise.

I begin by noting, as I have stated before, that "[t]he suggestion that a matter subject to Executive Board approval would be handled 'off the record' or prior to the Executive Board's actual meeting or otherwise apart from their usual considerations of such matters is implausible on its face." Investigations Officer v. Wilson, Dickens and Weber, Decision of the Independent Administrator at 19-20 (Dec. 23, 1991). A \$77,000 a year retroactive pay raise for the Local's principal executive officer is exactly the type of item which would usually be clearly documented at a regular meeting of the Executive Board¹⁰. I find the absence of a formal meeting to be strong evidence that the pay raise was not authorized by the Executive Board.

Further, the testimonial evidence supporting the "informal pay raise" theory is so thin as to be accorded no weight. One board member states that he does not recall any board member receiving a retroactive raise at any meeting. IO-21 at 22-23, 32-33. Another board member remembers two raises given to Ligurotis, one for \$20,000, but is not sure of the dates of the raises nor the amount of the second raise. IO-23 at 38-39. A third board member states

¹⁰ Indeed, much more mundane matters than the setting of the principal executive officer's compensation were properly handled "on the record" at Local 705. Some examples include: March 10, 1988: Purchase of three tables at dinner for Jerry Cosentino (IO-39); September 20, 1988: "Lengthy discussion" concerning the location of a dinner show for the Union Stewards and Agents (Id.); November 15, 1988: Discussion concerning entertainment for Local Christmas party (Id.); May 18, 1989: Purchase of 56 tickets for Chicago Regional Trucking Association's Golf Outing (Id.); March 28, 1990: Approval of payment for 600 sandwiches prepared for a seminar (IO-41).

that Ligurotis did receive a "\$75,000 or \$77,000" pay raise, but he, too, does not recall the date of that pay raise. IO-24 at 10. Indeed, even Ligurotis is unsure of the date upon which the board allegedly approved his raise. T273-13 to T274-11.

This thin testimonial evidence does little to supplement the virtually nonexistent documentary evidence -- which consists only of minutes prepared over one year after the pay raise, stating that the Executive Board approved the raise at a meeting held 10 days after Ligurotis began drawing his new salary. IO-16.

The scarce and contradictory evidence presented, combined with the implausibility of the assertion that the Secretary-Treasurer would be given a \$77,000 retroactive pay raise "off the record," leads me to find that Ligurotis did not have the requisite Executive Board approval when he received his retroactive pay raise in February, 1988. Thus, against this backdrop, I find that Ligurotis acted with fraudulent intent to deprive Local 705 of its funds when he granted himself an unauthorized pay raise.

Finally, Ligurotis argues that the Executive Board has since ratified his pay raise - either tacitly, or at the April 20, 1989, board meeting. Ligurotis Post-Hearing Brief at 25-27. He asserts, therefore, that regardless of whether the raise had approval at the time it was first received, it is now legitimate because of the subsequent Executive Board approval. However, such a "post-hoc ratification . . . c[an] not legitimize behavior that was wrong when committed." Wilson, Dickens and Weber, supra at p. 20, n.15, citing Morrissy v. Curran, 423 F.2d 393, 399 (2d Cir. 1970).

Because Ligurotis acted with fraudulent intent at the time he gave himself the retroactive pay raise, any subsequent ratification of the pay raise is irrelevant to the charge.

Ligurotis' actions in raising his pay without Executive Board approval violated 29 U.S.C. 501(c), and brought reproach upon the Union in violation of Article II, Section 2(a) of the IBT Constitution. In addition, his actions violated Article XIX, Section 6(b)(1), (2) & (3) of the IBT Constitution.

IV. CHARGE TWO

A. FINDINGS OF FACT

The Second Charge recounts a series of conduct by Ligurotis that, together, brought reproach upon the Union. That conduct consisted of: (1) Rewarding criminal conduct; (2) Possessing a loaded handgun on Local 705 premises; and (3) Engaging in contumacious conduct. My findings of fact for each instance of conduct follow:

1) Rewarding Criminal Conduct (The Hiring of Bravieri, Green and Fickett)

In 1982, Richard Bravieri ("Bravieri") and Richard Green ("Green") business representatives of Local 705, pled guilty in the United States District Court, Northern District of Illinois, to charges that they extorted money from employers. IO-29. See also, IO-30; IO-38 at 11-13.

In 1987, Bravieri approached Ligurotis and asked if he (Bravieri) could return to his position as a business representative at Local 705. T278-19 to T279-18. However, by

virtue of his 1982 extortion conviction, Bravieri was barred from serving as an officer or business agent of Local 705. See 29 U.S.C. § 504 (1959). Ligurotis, however, temporarily employed Bravieri in a maintenance position until after the statutory bar expired. T278-19 to T279-18. At that point, Ligurotis moved Bravieri back to the position of business representative. Id. See also IO-20 at 6-11.

Green was also hired in 1987 by Ligurotis, despite Green's 1982 extortion conviction. T282-5 to T282-14. Green worked as a night watchman for three and one half years after he was re-hired by Ligurotis for the sole purpose of ensuring that Green would meet the pension fund's years of service requirements. T282-12 to T283-7. Again, Ligurotis was aware of Green's 1982 extortion conviction when he hired him. T282-5 to T282-11.

In 1986, Edward Fickett ("Fickett"), a Local 705 steward, was convicted of arson. IO-31. The DOL thereafter notified Fickett that, pursuant to the bar imposed by LMRDA Section 504, he would be ineligible for employment at Local 705 for a period of 13 years. IO-32. Nevertheless, in June of 1990, Ligurotis gave Fickett a job at Local 705 as a business representative. T285-19 to T286-1. Even though Ligurotis knew of the 1986 arson conviction, the extent of his inquiry into whether Fickett was eligible for employment with Local 705 consisted of his asking Fickett "if he was cleared with all his obligations with the government," and consulting with the Local's attorney. T286-2 to T287-2. On January 6, 1992, after receiving a request from the Investigations Officer for sworn

responses to written questions concerning Fickett's employment, Ligurotis fired Fickett. T289-13 to T291-22.

2) Possessing a Loaded Handgun on Local 705 Premises

As a matter of course, beginning in October of 1990, Ligurotis carried a loaded handgun on Local 705 premises. T295-11 to T296-16; IO-20 at 84-85. He did so even though he knew that possessing weapons on Local property violated Local 705 rules. T297-4 to T297-8. See also IO-20 at 84-85. On August 21, 1991, his possession of a loaded handgun resulted in the death of a fellow union officer.¹¹ IO-40.

3) Contumacious Conduct

On December 12, 1989, Ligurotis was found to be in contempt of court for violating the Consent Decree entered in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (S.D.N.Y. March 14, 1989). See IO-36. The Honorable David N. Edelstein found that Ligurotis violated the Consent Decree's specific injunction barring him from "interfering with the work of the court-appointed officers" by becoming a named plaintiff in a lawsuit filed in order to undermine the Court's interpretation of the Consent Decree. IO-36 at 146. The United States Court of Appeals for the Second Circuit affirmed Judge Edelstein's findings of contempt. United States v. IBT, 899 F.2d 143 (2d Cir. 1990)

¹¹ I note, for the record, that Ligurotis was acquitted of second degree murder charges in connection with this shooting death. Illinois v. Ligurotis, No. 91-28618 (Cook County Cir. Ct. Crim. Div. September 2, 1992). The Court entered a verdict of "not guilty" after finding that Ligurotis had acted in self-defense.

(entered in this matter as Investigations Officer's exhibit 36). In doing so, the Court of Appeals stated that there was "clear and convincing evidence that Ligurotis instigated the bringing of the suit purposefully to harass the Election Officer by forcing him to relitigate some issues already decide adversely to Ligurotis." Id. at 146-47.

B. MERITS OF CHARGE TWO

The thrust of the Investigations Officer's Second Charge is that Ligurotis violated the IBT Constitution by "engaging in a pattern of conduct whereby corrupt and unlawful activity, including [his] own, were fostered and rewarded . . ." Supra, at 3. This pattern of conduct, it is alleged, "brought reproach upon the IBT in violation of Article II, Section 2(a) and Article XIX, Section 6(1)(2) and (5) of the IBT Constitution . . ." Id.

The evidence introduced in this matter showed that Ligurotis engaged in a pattern of disregard for any standard of conduct expected of a high-ranking union official. Such contempt for the rule of law is precisely what the Consent Decree, to which Ligurotis was a signatory, was designed to eliminate from the IBT. Accordingly, I find, as set forth in greater detail below, that the Investigations Officer has sustained his just cause burden as to Charge Two.¹²

¹² I note, as a preliminary matter, the adoption of certain amendments to the IBT Constitution at the 1991 International Convention. Specifically, the delegates to the convention have proposed that Article II, Section 2(a) be amended to read that all members of the IBT shall conduct themselves "at all times in such
(continued...)

1. The Hiring of Bravieri, Green and Fickett

The basic facts concerning the hiring of Bravieri and Green are not in dispute. Ligurotis was well aware that both had previously been convicted of extorting money from employers. T278-14 to T278-18. Bravieri was given a job in maintenance, which he held only until the law permitted him to be promoted to business representative. Green was given the job of night watchman, which he held only until he put in enough time to receive his pension. It is clear that both men were given special favors of "stop-gap" employment until they either were legally permitted to move to another job or retire on a pension. The Investigations Officer aptly uses the term "warehoused" to describe how these men were kept with the Union as a maintenance employee and night watchman, respectively. Investigations Officer's Post-Hearing Brief at p. 17.

Ligurotis does correctly point out that his hiring of Bravieri and Green did not violate LMRDA Section 504 as it read in 1982.

¹²(...continued)

a manner as not to bring reproach upon the Union by violating any **specific provision of this Constitution . . .**" (Amended portion in bold). Respondent argues that this new language bars a finding that Ligurotis brought reproach upon the Union through the conduct charged. Ligurotis Post-Hearing Brief at pp. 40-41.

Whether the language cited above would support a finding that Ligurotis violated the IBT Constitution through the conduct charged is, however, not an issue in this case. Respondent ignores the plain words of the Introduction to the 1991 IBT Constitution, which makes clear that the language upon which he relies is not presently in effect. See IBT Constitution at "Introduction" (1991). The effective relevant provisions of Article II, Section 2(a) are identical to that which existed under the 1986 Constitution. It is this provision that Ligurotis has violated through the conduct charged.

Ligurotis Post-Hearing Brief at p. 43. Further, he notes that the act of hiring Bravieri and Green did not amount to the kind of "gross misconduct" that might constitute aiding and abetting in violations of Civil RICO. Cf. United States v. Teamster Local 560, 581 F. Supp. 279, 335-36 (D.N.J. 1984); Ligurotis Post-Hearing Brief at pp. 41-42. I am, however, charged under the Consent Decree with determining whether Ligurotis' conduct violated the IBT Constitution. This does not require a finding that he violated the laws of the United States. And, while it is true that his hiring of Bravieri and Green alone would not amount to conduct "bring[ing] reproach upon the Union," it is one link in the chain of reproachful conduct which encouraged and fostered lawlessness.

Added to the warehousing of Bravieri and Green is the hiring of Edward Fickett. Again, the facts are essentially undisputed. Fickett, who was ineligible for employment with Local 705 by virtue of his 1987 arson conviction, was hired by Ligurotis in 1990. IO-32; T285-19 to T286-1. Ligurotis' inquiry into whether Fickett was eligible for employment with the Local was cursory at best. It was not until after he received inquiries from the Investigations Officer concerning Fickett that Ligurotis determined that Fickett was ineligible, and terminated him. T289-13 to T291-22.

The hiring of Fickett during a period when he was barred from employment with the Local pursuant to Section 504 of the LMRDA is a telling incident, especially when it is added to the earlier employment of Bravieri and Green. Ligurotis, it seems, acted with great eagerness to accept back into the fold those individuals with

criminal backgrounds. He gave Bravieri, a convicted extortionist, a temporary position with maintenance until he could legally be moved back up to the position of business representative. He made special accommodations for Green, another convicted extortionist, to quietly work his final three and one half years until he could receive his pension benefits. And now comes Fickett, a convicted arsonist, who was ineligible to be employed by Local 705 in any capacity. Once again, however, Ligurotis was eager to find a position for this convicted felon -- so eager, in fact, that he did not even take the necessary precautions to ensure that he was complying with federal labor laws in hiring him.¹³ Clearly, Ligurotis has shown a pattern of presumption and bias in favor of hiring and helping those who have shown contempt for the law and the IBT.

2. Possessing a Loaded Handgun on Local 705 Premises

It is undisputed that Ligurotis has possessed a handgun on Local 705 premises since October of 1990. T295-11 to T296-16. Respondent's argument that there is no evidence indicating that the

¹³ Again, Respondent argues that his actions did not violate federal law, namely, LMRDA § 504. He asserts that, in order to constitute a violation of Section 504, he must have acted "knowingly" and "willfully" in hiring Fickett during the 13 year debarment period. Respondent's Brief at p. 48. Although I do find that a preponderance of the evidence supports the conclusion that Ligurotis acted "knowingly" and "willfully" in his hiring of Fickett, I note that this conclusion is irrelevant to my decision today. The point is that Ligurotis was unconcerned with whether or not hiring Fickett would constitute a violation of federal law. Such disregard for whether or not his actions complied with applicable federal labor laws is simply another instance in a line of conduct which brought reproach upon the Union.

gun was loaded (Ligurotis Post-Hearing Brief at 52-53) is unpersuasive, in that the gun was used to shoot and kill a fellow union officer on August 21, 1991. Further, the avowed purpose for carrying the gun was personal protection -- and an unloaded pistol affords little protection.

I do accept Ligurotis' contention that, due to the fact that he had been appointed an auxiliary police officer by the Chief of Police, he believed that he was permitted to carry the gun. T298-8 to T299-6. His actions in openly displaying the weapon to a federal agent are consistent with the belief that he had a legal right to possess the gun. T86-21 to T87-1. This belief in the legality of his actions does mitigate the severity of his infraction. It does not, however, negate the fact that his conduct violated the law. To possess a firearm in Illinois, an individual must have a Firearm Owner's Identification Card. Ill. Rev. Stat. Ch. 38, para. 83-2 (1991). Ligurotis did not have such a card. In addition, being an auxiliary police officer would not give him the right to carry a firearm unless he was in uniform and in the performance of his duties. Ill. Rev. Stat. ch. 24, para. 3-6-5 (1991).

More importantly, however, than his unwitting violation of Illinois law, was his knowing violation of Local 705 rules. Ligurotis knew that there was a policy against possessing firearms on the Local's premises. Indeed, he even signed a statement that he would not carry a gun on Local 705 grounds. IO-20 at 84-85. He was not exempted in any way by the Executive Board from the

requirements of this rule. Id. Yet he chose to ignore the policy, substituting his personal judgment for that of the Executive Board, and continuing his pattern of treating all Union rules as being inapplicable to him.

3. Contumacious Conduct

The final link in Ligurotis' chain of reproachful conduct stems from his being found in contempt of court by Judge Edelstein. The United States Court of Appeals for the Second Circuit affirmed Judge Edelstein's finding of contempt.

Ligurotis' contumacious conduct is clearly outlined in the reported opinion of the Second Circuit, United States v. International Brotherhood of Teamsters, 899 F.2d 143 (2d Cir. 1990) (entered in this matter as Investigations Officer's exhibit 36). His actions in instituting a lawsuit in Chicago for the purpose of "'undermin[ing]' the New York court's . . . interpretation of the Consent Order . . .," id. at 146, cap the foundation upon which the Investigations Officer stands his Second Charge. Ligurotis' contempt reinforces the fact that he believes he is above any standard of conduct governing union officials. Indeed, his mindset is clearly shown by a statement he made at a meeting of Local 705: "Nobody's going to come up and tell me how to run my locals." Id. at 145 (emphasis added). Ligurotis, however, seems to miss the point - the locals do not belong to him, they belong to the membership.

Respondent argues that I should not consider the contempt order in making my decision in this matter, because: (1) He was

held in contempt only in his capacity as an International Vice President and GEB member, and not as an officer of Local 705 (Ligurotis Post-Hearing Brief at 50); and (2) I would be going outside the mandate of the Consent Decree and infringing upon judicial functions if I interpret the contempt order (Ligurotis Post-Hearing Brief at 50-51). I reject both arguments.

First, Ligurotis is charged with contumacious conduct "[w]hile an officer of Local 705." Charge Two at 4. Clearly, his contumacious conduct did take place while he was an officer of Local 705. Further, this incident, combined with the series of conduct already discussed, brought "reproach upon the Union" in violation of Article II, Section 2(a) of the IBT Constitution. This is all that the Investigations Officer must show in order to sustain his just cause burden. The capacity in which Ligurotis engaged in such activity is irrelevant, provided that the activity served to bring reproach upon the Union.

Second, I need not determine the validity of the contempt order. In my capacity as Independent Administrator, I simply note that the event took place and view it in light of all the other evidence in determining whether or not Ligurotis' activities brought reproach upon the Union. This in no way injects me into "the interpretation and application of a most fundamental Judicial function." Ligurotis Post-Hearing Brief at 50.

Accordingly, I find that the combined conduct by Ligurotis of: (1) Hiring Richard Bravieri, Richard Green, and Edward Fickett; (2) Possessing a loaded handgun on Local 705 premises in violation of

Illinois law and in knowing violation of Local rules; and (3) Engaging in contumacious conduct by purposefully interfering with the work of the court-appointed officers in carrying out the Consent Decree, served to bring reproach upon the Union in violation of Article II, Section 2(a) of the IBT Constitution.

V. THE PENALTY TO BE IMPOSED

For the violations discussed herein, I impose the following penalties upon Daniel C. Ligurotis:

A. CHARGE ONE

When Ligurotis took a significant personal loan from the Local 705 Treasury without approval from his Executive Board, he committed a serious breach of his duty as an officer of that Local, he violated LMRDA Section 503, and he violated the Local's By-Laws. When Ligurotis embezzled Local 705 funds by authorizing himself a substantial pay raise, this, too, was a serious breach of his duty as an officer of the Local, a violation of LMRDA Section 509, and a violation of the Local's By-Laws.

By treating the Local as if it were his "personal piggy bank," Investigations Officer v. Morris and McNeil, Decision of the Independent Administrator at 26 (June 14, 1991), Ligurotis sent the message that union officers are entitled to use the members' funds for their own pleasure. Ligurotis' actions also sent the message that with prominence and power comes privilege -- the privilege of being above the rules. Those in positions of power within the IBT

and its affiliates have the highest duty to see that their power is not abused. Ligurotis has breached that duty.

I have considered the letters and character testimony given on Ligurotis' behalf. I cannot, however, ignore the wide-ranging breaches of duty and violations of the law in which Ligurotis has engaged. Accordingly, I order that Ligurotis is hereby permanently barred from membership in the IBT.

By virtue of this decision, Ligurotis is to remove himself from all of his IBT-affiliated Union positions (including membership in the IBT), and draw no money or compensation therefrom, or from any other IBT-affiliated sources.

B. CHARGE TWO

Although Ligurotis has been banished from the IBT pursuant to my decision on Charge One, the conduct proven under Charge Two merits discussion and the imposition of a penalty.

Ligurotis hired and "warehoused," two individuals whom he knew had been convicted of extorting money from employers. He hired a third person whom he knew had been convicted of arson, and who was barred from employment at the Local pursuant to LMRDA Section 504. His actions show an eagerness to hire and, indeed, make special arrangements for, convicted felons.

Ligurotis possessed a loaded handgun on Union premises in violation of Illinois law and Union rules. While the fact that he believed he was legally permitted to possess the gun does mitigate the seriousness of the infraction, the fact that he knew that he

was violating Union rules highlights the point that Ligurotis believed that he was above those rules.

Ligurotis was found in contempt of court for interfering with the work of the court-appointed officers, in violation of the Consent Decree. Again, this shows his clear disdain for any rule, law, or court order.

One of the main objectives of the Consent Decree is to restore the rule of law to the IBT. When one who is in Ligurotis' position condones lawlessness, the core purpose of the Consent Decree is frustrated. All members of the IBT, no matter how prominent and important they may be, must understand that the rules of the Local Unions, and the rules contained in the IBT Constitution, apply equally to all IBT members.

Accordingly, on Charge Two, I also permanently banish Ligurotis from the IBT.

C. RESPONDENT'S BENEFITS

At my request, Respondent's attorney wrote to me indicating that Respondent is entitled to the following benefits:

1. Pension and funeral benefit from Local 705 IBT Pension Fund.
2. Medical benefits from Local 705 IBT Health and Welfare Fund.
3. Pension from IBT Affiliates Plan.
4. Severance (maximum of \$25,000) from Local 705, IBT.

Respondent's attorney also indicated that no IBT affiliate is paying Respondent's attorney's fees or costs.

I will not alienate any of Respondent's benefits arising out of his Local 705 IBT Pension Fund or his IBT Affiliates Plan. See, Investigations Officer v. Senese, et al., Supplemental Decision of the Independent Administrator (November 29, 1990), aff'd United States v. IBT, 753 F. Supp. 1181 (S.D.N.Y. 1990). See also, Gordon v. Sheet Metal Workers National Pension Fund, 110 S.Ct. 680 (1990).

In addition, I will not alienate any of Respondent's vested benefits in the Local 705 Health and Welfare Fund. I do, however, order that neither the IBT nor any IBT-affiliated entity may make any further contributions to the Fund on Respondent's behalf. Respondent may, if he wishes, use his personal funds to continue these benefits.

Lastly, I direct that Local 705 not pay Respondent his severance, and I further direct that that money be used as an offset against the monies wrongfully taken by Ligurotis from Local 705. See Investigations Officer v. Calagna et al., Decision of the Independent Administrator (May 9, 1991), aff'd United States v. IBT, 88 Civ. 4486 (DNE), slip op. (S.D.N.Y. August 14, 1992).

Of course, Respondent is not to have any portion of his legal fees and costs paid by the IBT or any IBT-affiliated entity.

VI. MY VOLUNTARY STAY

I will stay this decision and the penalty imposed pending Judge Edelstein's review of my decision, which will be submitted to him for consideration by way of Application.



Frederick B. Lacey
Independent Administrator

Dated: October 27, 1992