

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

---

UNITED STATES OF AMERICA	:	88 Civ. 4486 (DNE)
	:	
Plaintiff,	:	APPLICATION LXXXIV OF THE
	:	INDEPENDENT REVIEW BOARD
v.	:	-- AGREEMENT BETWEEN THE
	:	INDEPENDENT REVIEW BOARD
INTERNATIONAL BROTHERHOOD	:	AND BASIL McDONALD
OF TEAMSTERS, <u>et al.</u>	:	
	:	
Defendant.	:	
	:	

---

Pursuant to Paragraph O. of the Rules and Procedures for Operation of the Independent Review Board ("IRB") for the International Brotherhood of Teamsters ("IRB Rules"), the IRB files this Application submitting the Compromise Agreement with Basil McDonald ("McDonald") member, Trustee and Business Agent of Local Union 815 in Englewood Cliffs, New Jersey. This Agreement was approved by the IRB and is submitted to Your Honor for review and, if appropriate, to be entered as an order. The Agreement seeks to resolve the charges recommended by the IRB and subsequently filed by Joint Council 16. The Agreement, with a copy of the charges annexed thereto as Exhibit A, is enclosed, with a transmittal letter thereof to IBT Joint Council 16 President Anthony Rumore.

This Application recognizes the importance of Your Honor's February 2, 1994, Order in which Your Honor stated that all IRB Compromise Agreements shall "contain a paragraph informing signatories that the agreement will be reviewed and may be rejected." The Agreement reached between the IRB and McDonald satisfies this procedure for Your Honor's review.

In compliance with Your Honor's December 16, 1996, Order, one "backed" original and two copies of an Acknowledgment of Receipt

are enclosed with this Application, for execution by Your Honor.

McDonald was charged with bringing reproach upon the IBT and breaching his fiduciary duties to the members in violation of Article II, Section 2(a), Article XIV, Section 3 and Article XIX, Sections 7(b)(1) and (2) of the IBT Constitution by allowing employers to maintain sham collective bargaining agreements.

Effective the date the IRB approves the Agreement, June 20, 2000, McDonald has agreed to a suspension of three years.

McDonald has further agreed not to:

(1) hold any positions described in paragraph 3 (a-c) of the Agreement, any employment, office, position or consulting or similar relationship with Local 815 or any IBT Entities;

(2) accept any salary, severance payment, allowance, fee or compensation of any kind or benefit fund contributions of any kind, except that he may receive any fully vested pension benefits and fully vested welfare benefits;

(3) accept benefits, gratuities, severance payment or gifts of any kind from Local 815 or IBT Entities;

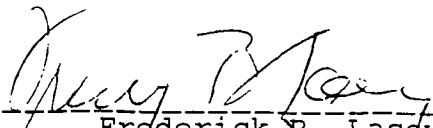
(4) participate in any manner in any of the activities or affairs of Local 815 or any other IBT Entities, including, but not limited to, meetings, discussions, consultations, negotiations, votes or any other business or activity of Local 815 and IBT Entities.

We have found the Agreement comports with Your Honor's February 2, 1994, Order and serves to resolve the charge in a fair and equitable manner.

**Therefore**, we respectfully request that Your Honor execute the Agreement on the line provided. This will, in effect, serve to have this Agreement "so ordered" by the Court. Thereafter, it is

respectfully requested that a member of Your Honor's staff file the fully executed original Agreement with the Clerk.

Dated: June 20, 2000

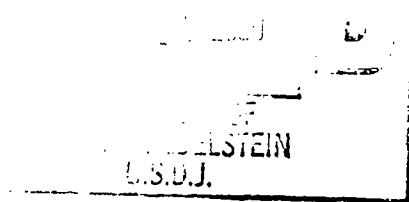
By:   
-----  
Frederick B. Lacey  
Member of the  
Independent Review Board

-----x  
In the Matter of proposed charges against :  
Basil McDonald, former Trustee and :  
Business Agent of Local 815 :

AFFIDAVIT AND AGREEMENT

Before the :  
Independent Review Board :

----- x  
STATE OF NEW JERSEY )  
 )  
COUNTY OF ESSEX )



Basil McDonald, being duly sworn, deposes and says and agrees as follows:

1. The Independent Review Board, appointed pursuant to the Consent Order entered March 14, 1989 in the United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (DND) (SDNY) (the "Consent Order"), recommended charges against me alleging that I breached my fiduciary duties to the members of Local 815, violated the oath of membership and brought reproach upon the IBT by allowing employees to maintain sham collective bargaining agreements. Those charges were filed by Joint Council 16 of the IBT.

2. I make this Affidavit and Agreement (the "Agreement") to resign my IBT membership and all IBT affiliated positions for a period of three (3) years in order to resolve the IRB charges described in paragraph 1. This Agreement does not constitute an admission or denial of the IRB charges.

3. I represent and agree to the following:

- (a) I was a member of the International Brotherhood of Teamsters ("IBT") and a member of IBT Local 815;
- (b) I was Trustee and Business Agent of IBT Local 815;

(c) I currently hold no elected or appointed offices of any kind, paid or unpaid, in the IBT or any of its affiliated entities including any locals, superior bodies, conferences, councils, pension, health, welfare or severance plans or other such entities (collectively "IBT Entities");

(d) I currently receive no salary, allowances, or remuneration of any kind from any IBT Entity.

4. I hereby resign from the IBT and Local 815 effective upon the date this Agreement is approved by the Independent Review Board ("the Effective Date"). For the period commencing on the Effective Date and ending three years after the Effective Date (hereinafter the "Period of this Agreement"), I agree not to hold membership in the IBT. For the Period of this Agreement, I further agree not to hold any position with Local 815, any positions mentioned in paragraphs 3(a)-(c) above, and any other employment, office, position or consulting or similar relationship, whether paid or unpaid, with Local 815 or any IBT Entities.

5. For the Period of this Agreement, Local 815 and any other IBT Entities shall not and shall not become obligated to pay to me, nor shall I make a claim for or accept, any salary, severance payment, allowance, fee, or compensation of any kind, except that I may receive my fully vested pension benefits and fully vested welfare benefits.

6. I will receive no benefits, gratuities, severance payment or gifts of any kind whatsoever from Local 815 or IBT Entities for the Period of this Agreement. During the Period of this Agreement, Local 815 or any other IBT Entities shall not and shall not become obligated to make, nor shall I make a claim for or accept, any contributions on my behalf to any pension, health and welfare, severance or other benefit fund.

7. For the Period of this Agreement, I shall not participate in any manner in any of the activities or affairs of Local 815 or any other IBT Entities, including, but not limited to, meetings, discussion, consultations, negotiations, votes or any other business or activity of Local 815 or IBT Entities.

8. I have entered this Agreement on the understanding that the Independent Review Board agrees that it will not proceed with the charges described in paragraph 1 above.

9. I understand that the Independent Review Board's Agreement is limited to the charges described in paragraph 1 and that it expressly reserves the right to pursue charges against any other officer, member, employee or entity of the IBT or Local 815 arising from the allegations contained in the charges described in paragraph 1 or any other investigation.

10. I understand and agree that this Agreement will be submitted to the Independent Review Board ("IRB") for its review and, if approved by the IRB, it will be submitted to the United States District Court for the Southern District of New York for review. I understand that, if this Agreement is approved by the United States District Court for the Southern District of New York, it will be entered as a Court Order. I understand that no representations have been made as to whether this Agreement will be approved by the IRB or the United States District Court for the Southern District of New York. If this Agreement is not approved by the United States District Court for the Southern District of New York, there will be no Agreement.

11. I make this Agreement freely, under no duress or coercion of any kind and after consultation with my attorney.

12. I have authorized my attorney to transmit this Agreement, signed by me, to the Independent Review Board. When it is signed by the Independent Review Board, it will be submitted to the Court for review.

Basil K. McDonald  
BASIL McDONALD

Sworn to before me this

23 day of May, 2000

[Signature]

Notary Public

MATHEWS PATHICKAL  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 10/10/2001

AGREED JOINT COUNCIL 16 IBT

BY: [Signature]  
ANTHONY RUMORE, PRESIDENT

Approved:

[Signature]  
for the Independent Review Board

Dated: June 30, 2000

So Ordered:  
Hon. David N. Edelstein

[Signature]  
U.S. District Judge

Dated: July 5, 2000