

INDEPENDENT REVIEW BOARD  
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Washington, DC 20001  
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Chief Investigator:

Charles M. Carberry, Esq.  
Investigations Office  
17 Battery Place, Suite 331  
New York, NY 10004

Administrator:  
John J. Cronin, Jr.

Board Members:  
Benjamin R. Civiletti, Esq.  
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575 7th Street, NW  
Washington, DC 20004

Joseph E. diGenova, Esq.  
diGenova & Toensing, LLP  
1776 K Street, NW, Suite 737  
Washington, DC 20006

September 17, 2014

VIA UPS GROUND

The Honorable William H. Webster  
1850 K Street, NW, Suite 1100  
Washington, DC 20006

Hon. Loretta A. Preska  
United States District Court  
United States Courthouse  
500 Pearl Street, Room 1320  
New York, NY 10007

Re: APPLICATION 173 OF THE INDEPENDENT REVIEW BOARD

Dear Judge Preska:

I transmit herewith one original and one copy of Application 173 of the Independent Review Board, submitting the Agreement regarding Patrick Flynn of Local 710, approved by the IRB, to Your Honor for review, and if appropriate, to be "so ordered."

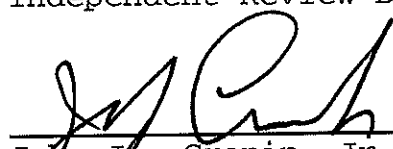
In addition to the Application, enclosed please find the original and one copy of:

- (a) the September 17, 2014, Agreement approved by the IRB;
- (b) an Acknowledgment of Receipt; and
- (c) an Affidavit of Service.

If you find it appropriate, I respectfully request that a member of Your Honor's staff file the original Application, Agreement, Acknowledgment of Receipt and Affidavit of Service with the Clerk's office.

Respectfully Submitted,

Members of the  
Independent Review Board

By:   
John J., Cronin, Jr.  
Administrator

Pursuant to the Consent Order of the United States District Court, S.D.N.Y.  
United States -v- International Brotherhood of Teamsters 88 CIV. 4486 (LAP)

JJC:cft

Enclosures

cc: Tara M. La Morte, AUSA  
Charles M. Carberry, Esq.  
Bradley T. Raymond, Esq.  
Marvin Gittler, Esq.  
Patrick J. Calihan, Esq.  
Patrick Flynn

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	
	:	88 CIV. 4486 (LAP)
Plaintiff,	:	
	:	APPLICATION 173 OF THE
v.	:	INDEPENDENT REVIEW BOARD
	:	-- AGREEMENT BETWEEN THE
INTERNATIONAL BROTHERHOOD OF	:	INDEPENDENT REVIEW BOARD
TEAMSTERS, <u>et al.</u>	:	AND PATRICK FLYNN
	:	
Defendants.	:	

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Pursuant to Paragraph O. of the Rules and Procedures for Operation of the Independent Review Board for the International Brotherhood of Teamsters ("IRB Rules"), the Independent Review Board ("IRB") files this Application submitting the Agreement with Patrick Flynn ("Flynn"), a member of International Brotherhood of Teamsters ("IBT") Local 710 in Mokena, Illinois. The Agreement has been approved by the IRB and is submitted to Your Honor for review and, if appropriate, to be entered as an order.

On June 19, 2014, the IRB issued an Investigative Report to IBT General President Hoffa recommending a charge against Patrick Flynn, the Secretary-Treasurer and Principal Officer of Local 710 for violation of the IBT Constitution, embezzlement, and breaching his fiduciary duty. By his conduct, while an IBT member and Officer, Flynn appears to have breached his fiduciary duty and embezzled approximately \$58,325 of Union funds. In addition it appears that Flynn brought reproach on the union by,

by failing to properly account for Union property dispersed while under his sole control.

While a Principal Officer Flynn failed to maintain proper records for gift cards that were under his sole control and that he used without showing the required information for the dispersement of Local funds. This omission allowed him to conceal possession and use of Local property. It also exposed the Local to risk of civil and criminal penalties and interfered with the Local's legal and recordkeeping obligations under Federal Law and in violation of the IBT Constitution.

On June 25, 2014, IBT General President James P. Hoffa informed the IRB that he determined to adopt and file the Charges against Flynn and schedule a hearing. On July 22, 2014, notice of the scheduled August 11, 2014 Hearing was sent to the IRB. Before the scheduled hearing was held, Flynn forwarded to the IBT a signed agreement, which the IBT approved and forwarded to the IRB seeking to resolve the matter. The IRB rejected the first Agreement and an Amended Agreement was submitted to the IRB. The Amended agreement, approved by the IRB, is enclosed.

This Application complies with former United States District Court Judge David N. Edelstein's February 2, 1994, Order stating that all IRB Agreements shall "contain a paragraph informing signatories that the agreement will be reviewed and may be rejected." The Agreement reached between the IRB and Patrick

Flynn satisfies this procedure. One original and one copy of an Acknowledgment of Receipt are enclosed with this Application for execution by Your Honor.

Effective September 17, 2014 forward, Patrick Flynn has agreed to restitution of \$58,000 to be paid as follows: Waiver of his July 2014 Commission in the Amount of \$26,607.01 and Vacation of \$6,612 totaling \$33,219.01 and leaving a balance of \$24,780.99 to be paid by Flynn within 30 days of the effective date of the Agreement, a suspension from membership for a period of 5 years or until restitution is complete, which ever occurs later and he has further agreed for a period of 8 years not to:

- (1) hold any position with Local 710 or any employment, office, position or consulting or similar relationship, whether paid or unpaid, with Local 710, or any other IBT Entities;
- (2) receive any gratuities, severance payments or gifts of any kind whatsoever from Local 710, or IBT Entities; or
- (3) accept any pay, salary, allowance, fee or compensation of any kind, except that he may receive any fully vested pension benefits and payment for salary and expenses incurred for work on behalf of Local 710 prior to the effective date of the Agreement;
- (4) accept any contributions on his behalf to any pension, health and welfare, severance or other benefit fund;
- (5) participate in any manner in any of the activities or affairs of Local 710, or any other IBT entities.

We have found the Agreement serves to resolve the matter 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 the 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 and transmit to me a confirmed copy of the Agreement as "so ordered."

Dated: September 17, 2014

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA  
General President

25 Louisiana Avenue, NW  
Washington, DC 20001



KEN HALL  
General Secretary-Treasurer

202.624.6800  
www.teamster.org

August 18, 2014

Mr. John J. Cronin, Jr.  
Administrator  
Independent Review Board  
444 North Capitol Street, N.W.  
Suite 528  
Washington, D.C. 20001

Re: Patrick Flynn

Dear Mr. Cronin:

Enclosed please find a new Affidavit and Agreement signed by Mr. Flynn and by me, on behalf of the IBT, which resolves the IRB recommended charges that General President Hoffa filed against Mr. Flynn and, hopefully, resolves the concerns expressed by the Board in its correspondence of August 14, 2014. I had hoped to be able to attend the next Board meeting in person to explain why I think the agreement should be approved, but unfortunately I have to be in New York on September 17, 2014 to attend another meeting with Judge Preska regarding possible resolution of the one issue on which we are in disagreement with the government in regard to an order ending the Consent Decree. So, instead, I will undertake to lay out in detail here what the agreement with Mr. Flynn provides and why we think it is fair and appropriate.

The agreement provides that Mr. Flynn will resign all elected and appointed positions with Local 710 and other IBT affiliated entities, that he will be barred from holding elected or appointed positions with any IBT affiliates for a period of eight years and that his membership in Local 710 and the IBT will be suspended for a period of five years. It again provides for restitution in the amount of \$58,000, which will be paid through Mr. Flynn's waiver of his July commission and accrued vacation, with a balance of \$24,780.99 to be paid within 30 days after the Agreement is approved.

Mr. John J. Cronin, Jr.

August 18, 2014

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In our view, these terms are at or near the high end of the range of penalties that have been imposed and/or agreed to in prior cases involving allegations of embezzlement against the top officers of Local Unions and other affiliates. See, e.g., Vazquez (March 5, 2010)(amount allegedly embezzled was approximately \$55,000; officer was removed from office and barred from union office and employment for the remainder of his term, suspended from membership for one year and fined the amount allegedly embezzled); Hahs (March 14, 2008)(amount allegedly embezzled was approximately \$55,000; officer was removed from office and barred from union office and employment for the remainder of his term, suspended from membership for one year and fined the amount allegedly embezzled); Trerotola (September 22, 1995)(amount allegedly embezzled was approximately \$31,000; officer was removed from office and barred from union office and employment and suspended from membership for two years); Ryan (August 20, 1996)(amount allegedly embezzled was approximately \$1,000; officer was removed from office and barred from union office and employment for five years); Dickens and Weber (December 23, 1991)(amount allegedly embezzled was approximately \$6,000; officers were removed from office and barred from holding union office and employment for five years); Nunes (September 6, 1991)(amount allegedly embezzled was approximately \$65,000; officer was removed from office, barred from union office and employment for five years and suspended from membership for one year); Busby (amount allegedly embezzled was approximately \$6,000; officer was removed from office, barred from union office and employment for three years and suspended from membership for one year); Sowell (October 22, 2009)(amount allegedly embezzled was approximately \$250,000; officer was removed by the IBT during a trusteeship; IRB approved an agreement providing for a five year bar on holding union office and employment and a five year suspension of membership; any amounts owed to officer to be reduced by the amount allegedly embezzled and suspension converted to permanent expulsion if restitution not paid); Kenny (September 21, 2011)(amount allegedly embezzled was approximately \$170,000; officer was removed from office, barred from union office and employment for ten years, suspended from membership for five years and fined the amount allegedly embezzled); Dipilato (March 2, 2007)(amount allegedly embezzled was approximately \$22,000; officer signed agreement providing for his removal from office, a five year ban on union office and employment, a five year suspension from membership and restitution of the amount allegedly embezzled); Martucci (April 2, 2012)(amount allegedly embezzled was approximately \$6,000; officer was removed from office, barred



from union office and employment for two years, suspended from membership for two years and fined the amount allegedly embezzled).

In the case of Mr. Flynn, the IBT has taken into consideration the factors cited by the Board in its August 14, 2014 correspondence, as well as the following:

- Mr. Flynn's willingness to sign an agreement, including among other things his commitment to pay restitution. In this regard, the IBT places a premium on obtaining voluntary resolution of disciplinary charges, particularly when it includes a commitment to restitution in cases involving allegations of embezzlement. Significantly, in some of the cases cited above restitution appears to have been neither agreed to nor required.
- Mr. Flynn's ready and full cooperation with the trusteeship that was recently imposed on Local 710;
- Mr. Flynn's many years of exemplary and otherwise unblemished service as a trade unionist and union official in various positions in Local 710, the IBT and other affiliates.

Also, and respectfully, we do not believe the IBT's decision in the recent Local 630 matter or the proposed agreement that has been presented in the Harvey Jackson/ Local 1150 matter are inconsistent with the terms of Mr. Flynn's agreement. As indicated above, in Kenny (September 21, 2011), the Local's principal officer was accused of embezzling approximately \$170,000, nearly three times what Mr. Flynn is accused of embezzling. And, as indicated above, Mr. Flynn has resolved the charges against him voluntarily in an agreement providing for full restitution; Kenny and the two other officers who were charged with embezzlement from Local 630 contested the charges and made no commitment to pay restitution. Mr. Jackson's penalty likewise takes into account, among other things, the fact that Jackson settled the charges against him and agreed to pay restitution. In addition to this, his agreed upon penalty takes into account the additional charge recommended by the Board that he testified untruthfully; Mr. Flynn was not charged with testifying untruthfully.

In either case, we believe the enclosed agreement is fair and just, and we urge the Board to approve it.

Mr. John J. Cronin, Jr.  
August 18, 2014  
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Please do not hesitate to contact me if the Board has any additional questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'BR' followed by a long horizontal flourish.

Bradley T. Raymond  
General Counsel

cc: Charles Carberry, Esq.  
Patrick Calihan, Esq.

-----X  
 In The Matter of :  
 :  
 PATRICK FLYNN :  
 : AFFIDAVIT AND AGREEMENT  
 :  
 Before the :  
 :  
 INDEPENDENT REVIEW BOARD :  
 :  
 -----X

STATE OF ILLINOIS ) ss.:  
 COUNTY OF COOK ) ss.:

Patrick Flynn, being duly sworn, deposes, says, and agrees as follows:

1. On or about June 19, 2014, the Independent Review Board (“IRB”), appointed pursuant to the Consent Order entered March 14, 1989 in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (DNE) (SDNY) (the “Consent Order”), recommended that the following charges be filed against me:

Charge One. While the principal officer and a member of Local 710, you violated the IBT Constitution and breached your fiduciary duties to the Local and its members and brought reproach upon the IBT in violation of Article II, Section 2 (a) and Article XIX, Section 7 (b) (1), (2) and (3) of the IBT Constitution by allegedly embezzling approximately \$58,000 in Union property that was under your control.

Charge Two. While the principal officer and a member of Local 710, you brought reproach upon the IBT, exposed the Local to the risk of civil and criminal penalties and interfered with the Local's legal and record keeping obligations under federal law in violation of Article II, Section 2 (a) and Article XIX, section 7 (b) (2) and (5) of the IBT Constitution by failing to maintain records of the disposition of over \$58,000 in Local gift cards in your exclusive possession and control.

2. General President Hoffa subsequently adopted and filed these recommended charges.
3. I make this Affidavit and Agreement (the "Agreement") to resolve the IRB recommended charges described in paragraphs 1 and 2. This Agreement does not constitute an admission or denial of the wrongdoing alleged in these charges.
4. I represent and agree to the following:
  - (a) I have been a member of Local 710 since approximately 1973. I have been an employee of Local 710 since 1981. I have been a member of Local 710's Executive Board since 1993. I have been the Local's Secretary Treasurer and principal officer since 2004. I was an International Vice President from 1997 until January of 2010. I was an officer of Joint Council 25 from 2004

until 2009. In addition, I serve as a trustee for the Teamsters Union Local 710 Pension Fund, the Teamsters Union Local 710 Health and Welfare Fund, the Local 744 Beverage Division Pension Fund, the Local 710 Employees Trust Fund and the Local 710 DRIVE Fund.

(b) Other than the foregoing, I have held no other elected or appointed positions or offices of any kind with Local 710, the IBT or any of their affiliated entities, including any other locals, superior bodies, inferior bodies, conferences, councils, committees, divisions, pension, health, welfare or severance plans or other such entities ("IBT entities").

5. I hereby agree that I will resign all of my elected and appointed positions with Local 710 and all other IBT affiliated positions, effective upon the date this Agreement is approved by the IRB ("the effective date"). I further agree that from the effective date of this Agreement and for a period of five years thereafter or until I pay the restitution set forth below, whichever occurs later, my membership in Local 710 and the IBT shall be suspended. I further agree not to seek, accept or hold any employment, office, position or consulting or similar relationship, whether paid or unpaid, with Local 710 or any

other IBT entity for a period of eight years from the effective date of this Agreement or until I pay the restitution set forth below, whichever occurs later.

6. From the effective date of this Agreement and for a period of eight years thereafter, neither Local 710 nor any other IBT entities shall pay me, nor shall I accept, any salary, gratuities, gifts, payments, allowances, fees, benefit payments or contributions or any other compensation of any kind, except that I may receive any compensation or benefits which have accrued to me prior to the effective date of this Agreement, including any vested or accrued pension, vacation or other benefits under any existing benefit plans or programs maintained or sponsored by Local 710. In addition, I may receive payment for any salary or expenses I incurred in connection with my work on behalf of Local 710 prior to the effective date of this Agreement in accordance with existing policies and procedures of Local 710.
7. For a period of eight years from the effective date of this Agreement, Local 710 and other IBT entities shall not make, nor shall I accept, any contributions on my behalf to any pension, health and welfare, severance or other health benefit fund, except as required by any

vested benefits to which I am entitled under any existing benefit plans or programs maintained or sponsored by Local 710 or any other IBT entities.

8. I further agree that within 30 days of the effective date of this Agreement I shall pay to Local 710 the sum of \$58,000. In this regard, I understand that I am currently owed by the Local the following amounts:

July Commission:           \$26,607.01

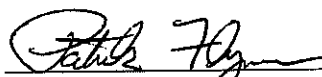
Vacation:                   \$6,612.00

It is my understanding and representation that these amounts are confirmed in records maintained by Local 710 and that, aside from vested pension benefits under the Local's Employee Trust Fund and the Local 710 Pension Plan, they are the only amounts that are due me from the Local. In lieu of being paid my July Commission and accrued vacation, I agree to waive them in order to facilitate the payment I have agreed to make, as described above, leaving a balance owed by me to Local 710 of \$24,780.99.


9. I understand and agree that this Agreement will be submitted to the Independent Review Board ("IRB") for its review and approval. 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 the 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 IRB or the Southern District of New York, this Agreement will be null and void.


10. I make this Agreement freely and under no duress or coercion of any kind.
11. I will transmit this Agreement, signed by me, to the IBT. When it is signed by the IBT and the IRB, it will be submitted to the Court for review.

  
Patrick Flynn

Sworn to before me this  
15 day of August 2014

  
Notary Public  
State: Illinois  
County: Cook



Witnessed 

AGREED:

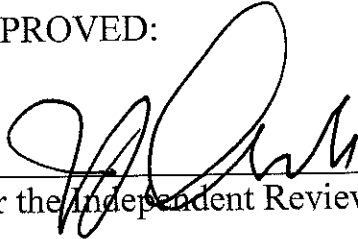




\_\_\_\_\_  
For International Brotherhood of Teamsters

Dated: 8/18/14

APPROVED:



\_\_\_\_\_  
For the Independent Review Board

Dated: 9/17/14

So Ordered:

\_\_\_\_\_  
U.S. District Court Judge  
Hon. Loretta A. Preska

Dated: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	
	:	88 CIV. 4486 (LAP)
Plaintiff,	:	
	:	ACKNOWLEDGMENT OF RECEIPT
v.	:	OF APPLICATION 173 OF THE
	:	INDEPENDENT REVIEW BOARD
INTERNATIONAL BROTHERHOOD OF	:	REGARDING PATRICK FLYNN
TEAMSTERS, <u>et al.</u>	:	
	:	
	:	
Defendants.	:	

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This Court hereby acknowledges that Application 173 of the Independent Review Board ("IRB") for the International Brotherhood of Teamsters ("IBT") has been received by this Court, and that this Court has caused to be filed the original documents concerning Application 173 of the IRB with the Clerk of the Court of the Southern District of New York.

This Court further certifies that the instant Acknowledgment of Receipt ("the Acknowledgment") has been filed with the Clerk of the Court of the Southern District of New York, and that a copy of the Acknowledgment has been forwarded to the following:

John J. Cronin, Jr.  
444 North Capitol Street, NW,  
Suite 528  
Washington, DC 20001  
Administrator of the  
Independent Review Board

Marvin Gittler, Esq.  
Asher, Gittler, Greenfield & D'Alba  
200 West Jackson Blvd., Suite 1900  
Chicago, Illinois 60606

Patrick J. Calihan, Esq.  
55 West Jackson Blvd, Suite 1534  
Chicago, Illinois 60604

Dated: \_\_\_\_\_, 2014  
New York, New York

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U.S.D.J.