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MOSCOW, RUSSIAN FEDERATION

December 1, 1993

Edward M. Shaw, Esq.
Stillman, Friedman & Shaw
425 Park Avenue
New York, NY 10022

Re: Investigations Officer v. Officers of Local 810

Dear Mr. Shaw:

Enclosed please find a copy of United States District Judge David N. Edelstein's September 15, 1993, Memorandum & Order affirming my July 16, 1993, Decision in the above-referenced matter.

Very truly yours,


Frederick B. Lacey

FBL:saw
Enclosure

cc: Charles M. Carberry, Esq.
Steven C. Bennett, AUSA
Richard N. Gilberg, Esq.
John J. Cronin, Jr., Esq.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
UNITED STATES OF AMERICA, :

Plaintiff, :

- against - :

MEMORANDUM & ORDER

INTERNATIONAL BROTHERHOOD OF :
TEAMSTERS, CHAUFFEURS, :
WAREHOUSEMEN AND HELPERS OF :
AMERICA, AFL-CIO, et al., :

Defendants. :

88 Civ. 4486 (DNE)

-----X
IN RE: APPLICATION CXVIII OF THE
INDEPENDENT ADMINISTRATOR
-----X

EDELSTEIN, District Judge:

WHEREAS Application CXVIII presents for this Court's review the Independent Administrator's decision regarding disciplinary charges brought by the Investigations Officer against Respondents Dennis Silverman ("D. Silverman"), Max Sanchez ("Sanchez"), Stephen Silverman ("S. Silverman"), and John Chambers ("Chambers"), Executive Board members of IBT Local Union ("Local") 810, located in New York City; and

WHEREAS the Investigations Officer charged D. Silverman and Sanchez with bringing reproach upon the IBT by improperly increasing contributions to Local 810's Staff Retirement Plan (the "Plan"), in violation of the IBT Constitution and Local 810's Bylaws, and thereafter distributing the proceeds following the Plan's termination and dissolution (the "Retirement Plan Charge"); and

WHEREAS the Investigations Officer charged D. Silverman, Sanchez, S. Silverman, and Chambers with improperly causing Local 810 to pay the legal fees incurred by Louis Smith, a Local 810 member convicted of a felony and the crime of menacing (the "Disbursement Charge"); and

WHEREAS the Independent Administrator found that the Investigations Officer had satisfied his just cause burden of proving both the Retirement Plan Charge and the Disbursement Charge by a preponderance of the evidence; and

WHEREAS as a penalty for the Retirement Plan Charge, the Independent Administrator suspended D. Silverman and Sanchez for a period of three months during which they are required to remove themselves from their positions with Local 810 and other IBT-affiliated entities, and are prohibited from drawing compensation therefrom; and

WHEREAS as a penalty for the Disbursement Charge, the Independent Administrator suspended D. Silverman, Sanchez, S. Silverman, and Chambers for a period of six months during which they are required to remove themselves from their positions with Local 810 and other IBT-affiliated entities, and are prohibited from drawing compensation therefrom; and

WHEREAS the Independent Administrator imposed sanctions on D. Silverman's, Sanchez's, S. Silverman's, and Chambers' employee benefits pursuant to this Court's December 28, 1990 Memorandum & Order, 753 F. Supp. 1181 (S.D.N.Y. 1990), aff'd, 941 F.2d 1292 (2d Cir.), cert. denied, 112 S. Ct. 1161 (1992), and also prohibited them from receiving contributions toward legal expenses related to the instant disciplinary action for any IBT-affiliated entity; and

WHEREAS the Independent Administrator stayed the imposition of penalties pending this Court's review; and

WHEREAS Respondents have informed the Court that they will not file objections to Application CXVIII of the Independent Administrator, see Letter, dated Aug. 17, 1993, from Edward M. Shaw to the Court (on file with the Southern District of New York) (stating that D. Silverman and Sanchez will not file objections); Letter, dated Aug. 31, 1993, from Celia A. Zahner to the Court (on file with the Southern District of New York) (stating that S. Silverman and Chambers will not file objections); and

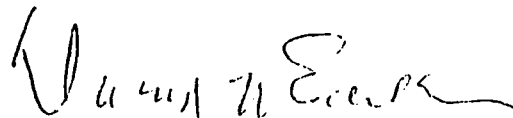
WHEREAS the Independent Administrator's decision is fully supported by the evidence and is neither arbitrary or capricious, see Aug. 27, 1990 Opinion & Order, 745 F. Supp. 908, 911 (S.D.N.Y. 1990), aff'd, 941 F.2d 1292 (2d Cir.), cert. denied, 112 S. Ct. 1161 (1992); March 13, 1990 Opinion & Order, 743 F. Supp. 155, 165 (S.D.N.Y.), aff'd, 905 F.2d 610 (2d Cir. 1990);

IT IS HEREBY ORDERED that the decision of the Independent Administrator is AFFIRMED in its entirety; and

IT IS FURTHER ORDERED that the stay imposed by the Independent Administrator is dissolved.

SO ORDERED.

Dated: New York, New York
September 15, 1993



U.S.D.J.