

To: IBT General President, James P. Hoffa
From: Independent Review Board Members
Re: Trusteeship Recommendation Concerning the Ohio Conference
of Teamsters
Date: September 25, 2015

I. RECOMMENDATION

The Independent Review Board refers the below report to the IBT General President recommending that a trusteeship be imposed upon the Ohio Conference of Teamsters ("Conference"), pursuant to Article VI, Section 5 (a) of the IBT Constitution because the Conference is not being conducted in accordance with the International Constitution or for the benefit of the members.

II. Introduction

The Ohio Conference of Teamsters is located at 4632 Paddock Road, Cincinnati, Ohio, in the offices of Local 114. (Ex. 26; Ex. 13 at 67; Ex. 5 at 18; Ex. 32) The Conference does not pay rent to the Local for its use. (Ex. 5 at 17-18; 32) Kimberly Bales, the Secretary Treasurer of Local 114 and Vice-President of Joint Council 26, is the paid administrative assistant to the President of the Conference. Joint Council 26 also used the space. (Ex. 84)

The Conference includes all 27 traditional IBT locals within Ohio and Division Three of the Brotherhood of Locomotive Engineers and Trainmen¹. These locals are divided into two Joint Councils. Joint

¹ These are Local 20, Toledo, Local 24, Akron, Local 40, Mansfield, Local 52, Brook Park, Local 92, Canton, Local 100, Cincinnati, Local 114, Cincinnati, Local 244, Cleveland, Local 284, Columbus, Local 293, Independence, Local 348,

Council 41 has 24 locals and one Division of the Brotherhood of Locomotive Engineers and Trainmen; Joint Council 26 in Cincinnati has three locals, the constitutional minimum for a Joint Council. Two of the Joint Council 26 locals have less than 1000 members each. At the time of the adoption of the Conference's By-laws, there were four Joint Councils in Ohio. (Ex. 86)

In 1989, the IBT had ten State Conferences. In 2014, there were three. They were Kansas-Nebraska, Ohio and Pennsylvania. (Ex. 84) The Ohio Conference and its two Joint Councils do not include IBT members who are in the Graphic Communication Workers and the Maintenance of Way Employees who are also IBT members in Ohio.

Each IBT Local in Ohio pays \$1.25 per member per month to the Conference. (Ex. 26; Ex. 12 at 23) In 2014, the Conference received \$746,690 in per capita tax. (Ex. 26) As IBT membership has steadily decreased in Ohio, so have conference revenues. In 2010 the per capita taxes received were \$802,598, in 2011, \$806,297, in 2012, \$771,464 and in 2013, \$755,494. (Exs. 23, 24, 25) In 2014, over 50% of Conference revenues were paid as compensation to its officers, employees and as stipends to other local officers. (Ex. 26)

IBT members do not elect the Board of the Conference. Each local and Joint Council has two delegates to the Conference. (Ex. 82 at 4) The

Akron, Local 377, Youngstown, Local 400, Cleveland, Local 407, Cleveland, Local 413, Columbus, Local 416, Cleveland, Local 436, Valley View, Local 473, Brook Park, Local 507, Cleveland, Local 637, Zanesville, Local 908, Lima, Local 957, Dayton, Local 964, Brook Park, Local 1108, Richmond Heights, Local 1164, Cleveland, Local 1199, Cincinnati, Local 1224, Wilmington and Division Three of the Brotherhood of Locomotive Engineers and Trainmen ("BLET"), Cleveland. (Exs. 84, 85)

delegates elect the seven members of the Board for four year terms. (Ex. 82 at 9)

Unlike for Joint Councils, the IBT Constitution does not specify duties for geographic conferences. (Ex.3) The International does not audit the Conference. (Ex.87)

As noted, over half of the Conference annual revenues are spent directly on compensation to 53 Local officers who are part-time Conference officers, employees or receive stipends from the Conference. (Ex.88) The Conference has poor financial controls. A large percentage of what it spends is not properly approved. Dispositions of merchandise, such as golf clubs and golf balls often were not properly accounted for. In addition, the Board does not comply with the Conference By-Laws on approval of legal expenses paid for locals such as under an unwritten, at least half-century old retainer agreement between a law firm and the Conference, which in 2014 represented 16.07% of its expenditures. (Exs. 24, 82) When the Board did vote approval of or ratify an expense, it often did not include an amount approved making the resolution worthless. Its officers do not perform their duties. The Trustees failed to examine any financial records or complete Trustee Reports. The two officers required to sign Conference checks do not sign the checks or review any backup documentation. The Conference used facsimile signatures of both officers on every check for years in violation of the Secretary-Treasurer's manual. Moreover, the one function specified in its By-laws for the Conference to do: review all the bargaining agreements entered into in the state has not been performed, if ever, for decades. (Ex.82)

III. JURISDICTION

Pursuant to Article VI, Section 5 (a) of the IBT Constitution, this matter is within the jurisdiction of the IBT General President. Paragraph G of the March 14, 1989 Consent Decree in United States v. International Brotherhood of Teamsters, 88 C. V. 4486 (S.D.N.Y.) and Paragraph I (6) of the court-approved Rules and Procedures for the Operation of the IRB (the "IRB Rules") require that within 90 days of the IRB's referral of this matter, written findings setting forth the specific action taken and the reasons for that action must be filed with the IRB. (Ex. 2 at 7) Pursuant to Paragraph I (9) of the IRB Rules, not meeting this deadline may be considered a failure to cooperate with the IRB. (Ex. 2 at 8; Ex. 3 at Art.VI, §5(a))

IV. INVESTIGATIVE FINDINGS

A. Current Officers

The Board consists of a President, Vice-President, Secretary-Treasurer, Recording Secretary, and three Trustees. (Ex. 82 at Article III, Section 1)

William Lichtenwald ("Lichtenwald") is its President. He is also President of Local 20 in Toledo, Recording Secretary of Joint Council 41, President of Ohio DRIVE and a Trustee of the Local 20 Legal Defense Fund. (Ex. 84; Ex. 13 at 7, 11, 16, 21, 37; Ex. 10 at 46) In 2014, Lichtenwald received salaries of \$81,690 from the Conference, \$94,810 from Local 20 and \$6,000 from Joint Council 41. (Exs 26, 29, 28; Ex. 13 at 14) These totaled \$182,500. (Exs 26, 29, 28; Ex. 13 at 14)

Charles Cimino ("Cimino") is Secretary Treasurer of the Conference, and Secretary Treasurer of Local 400 in Cleveland. (Ex. 9 at 5, 7-8, 23-24) Cimino is Vice-President of Ohio DRIVE. (Ex. 84) In 2014, Cimino received \$34,490 from the Conference. Local 400 paid him no salary. (Ex. 35; Ex. 9 at 24-25) He was not employed in any shop. As described below, under the IBT Constitution, he appears to be ineligible to hold office at the Local and under Conference Bylaws at the Conference. (Ex.3 at Art II, Section 4(a)(1))

Patrick Darrow ("Darrow") is Conference Vice-President, Secretary Treasurer of Local 348 in Akron, Secretary Treasurer of Joint Council 41 and an International Representative. (Ex. 84; Ex. 10 at 15-16, 18) He is also a Trustee of Ohio DRIVE. (Ex. 84; Ex.10 at 46) In 2014, Darrow received salaries of \$31,330 from the Conference, \$68,204 from Local 348, \$15,600 from Joint Council 41 and \$18,000 from the International. (Exs. 26, 34, 28; Ex. 10 at 19-20) These totaled \$133,134. (Exs. 26, 34, 28; Ex. 10 at 19-20)

Albert Mixon ("Mixon") is the Conference Recording Secretary, Secretary Treasurer of Local 507 in Cleveland, President of Joint Council 41 and an International Vice-President. (Ex. 14 at 10, 12-14; Ex, 36; Ex. 5 at 42) He is also a Trustee of Ohio DRIVE. (Ex. 84; Ex. 13 at 53) In 2014, Mixon received salaries of \$6,590 from the Conference, \$117,310 from Local 507, \$15,600 from Joint Council 41 and \$77,924 from the International. (Exs. 26, 36, 28; Ex. 14 at 14-15) These totaled \$217,424. (Exs. 26, 36, 28; Ex. 14 at 14-15)

Randall Verst ("Verst") is a Conference Trustee, President of Local 1199 in Cincinnati and President of Joint Council 26. (Ex. 84; Ex. 17 at 7-8, 10; Ex. 13 at 44-45; Ex. 9 at 50-51; Ex. 5 at 11) He is also a Trustee of Ohio DRIVE. (Ex. 17 at 14) In 2014, Verst received salaries of \$6,340 from the Conference, \$56,649 from Local 1199 and \$7,200 from Joint Council 26. (Exs. 26, 38, 27; Ex. 17 at 14-15) These totaled \$70,189. (Exs. 26, 38, 27)

David Dudas ("Dudas") is a Conference Trustee, Secretary Treasurer of Local 52 in Brook Park, a Joint Council 41 Trustee, Central Regional Director of the IBT Bakery and Laundry Division, and Chairman of the IBT Bakery and Laundry Conference. (Ex. 11 at 6-10; Ex. 13 at 33-34, 47; Ex. 9 at 51) In 2014, Dudas received salaries of \$11,240 from the Conference, \$6,000 from Joint Council 41, \$84,990 from Local 52 and \$19,377 from the International. (Exs. 26, 28, 31, 53; Ex. 11 at 35) These totaled \$121,607. (Exs. 26, 28, 31; Ex. 11 at 35)

In January 2015, Paul Suffoletto ("Suffoletto") replaced Varney Richmond as a Conference Trustee. (Ex. 15 at 25) He is principal officer of Local 284 in Columbus and a Joint Council 41 Director. (Ex. 84; Ex. 15 at 6-7, 14, 17-18) In 2014, Suffoletto received \$2,740 from the Conference, \$115,300 from the Local and \$1,200 from the Joint Council. (Ex. 33; Ex. 15 at 17-18; Ex. 89) These totaled \$119,240. (Ex. 26, 33, 28; Ex. 15 at 17-18)

The Conference employed Kimberly Bales ("Bales") as an administrative assistant. (Ex. 5 at 10; Ex. 26) She is also Secretary Treasurer of Local 114 in Cincinnati and Vice-President of Joint Council

26. (Ex. 26, 32, 27 Ex. 5 at 8, 10; Ex. 13 at 56; Ex. 9 at 27-28) In 2014, Bales received salaries of \$55,440 from the Conference, \$55,300 from Local 114 and \$11,400 from Joint Council 26. (Exs 26, 32, 27; Ex. 5 at 12-13; Ex. 13 at 56-57) These totaled \$122,140. (Exs. 26, 32, 27; Ex. 5 at 12-13)

Travis Bornstein ("Bornstein") is a business representative with the Conference. (Ex. 26; Ex. 7 at 7) He was also President of Local 24 in Akron and Vice-President of Joint Council 41. (Exs. 24, 30; Ex. 7 at 5-6) In 2014, Bornstein received salaries of \$16,210 from the Conference, \$79,943 from the Local and \$15,600 from the Joint Council. (Ex 26, 28, 30; Ex. 7 at 7-8) These totaled \$111,753. (Exs. 26, 28, 30; Ex. 7 at 7-8) Bornstein stated that he was responsible to "settle disputes between local unions and employers" and "assign subcommittees to inspect hotels under our freight contract or to handle disputes." (Ex. 7 at 9-10)²

In addition, to the above salaries in 2014 the Conference paid \$96,820 to forty-six other Local officers for holding various appointed positions or attending meetings. Each received less than \$10,000 during the year. (Ex. 91; Ex. 88)³ For several years the Conference has paid over half its revenues in compensation. The total per capita collected, the total compensation paid and the percentage of per capita receipts of those payments reflected for the years 2010 through 2014 are shown below:

² The Conference has no contracts. The freight contract was not otherwise identified. (Ex. 7 at 9-10)

³ Twenty-three of these individuals received between \$1,200 and \$7,340. The other twenty-three received less than \$1,000. (Ex. 91; Ex. 90)

<u>Year</u>	<u>Per Capita</u>	<u>Compensation⁴</u>	<u>Percentage of Conference Revenue</u>
2010	\$ 802,598	\$ 421,209	52.48 %
2011	\$ 806,297	\$ 430,465	53.38 %
2012	\$ 771,464	\$ 431,451	55.92 %
2013	\$ 755,494	\$ 410,429	54.32 %
2014	\$ 746,690	\$ 402,976	53.96 %

(Exs. 22, 23, 24, 25, 26, 127)

B. Joint Councils

1. Joint Council 26

Joint Council 26 is located at 4632 Paddock Road, Cincinnati, in the same offices as Local 114 and the Conference. (Ex. 5 at 17-18, 20; Ex. 27, 32) Joint Council 26's three member Locals 100, 114 and 1199, all in Cincinnati, are the Constitutional minimum number of locals to support a Joint Council⁵. (Ex. 3 at Art XV, §1(a); Ex. 5 at 33) Of these locals, Local 114 has less than 900 members and Local 1199 has less than

⁴ Compensation includes salaries, cost of benefits, stipends and attendee fees paid. (Ex. 127)

⁵ The substantially larger city of San Diego has three Locals with more members but does not have a separate Joint Council. (Ex. 84) In 2012, the then two Joint Councils for Illinois were merged into one Joint Council (Ex. 97) The State Conference was also eliminated. Those Locals in the southern region of the dissolved Joint Council were further from Chicago than Cincinnati is from Cleveland. (Ex.96) In 2009, the Joint Council for Middle California was merged into Joint Council 7 for Northern California. (Ex. 98) Those locals in the Southern part of the former Joint Council were of comparable distance from the San Francisco base of Joint Council 7 to the distance from Cincinnati to Cleveland. (Ex. 96)

1,000 members. (Exs. 32, 38)⁶ In 2014, the Joint Council collected \$130,984 in per capita tax from the Locals. (Ex. 27)

2. Joint Council 41

Joint Council 41 is located at 6051 Carey Drive, Valley View, Ohio, near Cleveland.⁷ (Ex. 28) There are twenty-four Locals and one BLET Division in Joint Council 41. (Ex. 85) In 2014, Joint Council 41 collected \$674,160 in per capita tax. (Ex. 28)

Joint Council 41 has a severance plan entitled "Joint Council No. 41 Severance Plan" ("Severance Plan"). (Ex. 28) Its participants are the full time employees of the 24 Locals within Joint Council 41 and all full time Joint Council employees. (Ex. 92 at 4 & 6; Ex. 13 at 13-14, 21) As of February 28, 2015, there were 105 active participants in the plan. (Ex. 92) Joint Council 41 made contributions to the severance plan of \$206,831 in 2014. (Exs. 28, 92, Ex. 13 at 13-14)

This benefit is received for local employment in addition to whatever benefits were being received at the Local level. Members' dues were being used without their consent to give additional benefits to Local employees for Local work. Each eligible participant has \$191.80 per month deposited into an account, plus "monthly income/loss allocations". (Ex. 93) The \$206,831 contribution in 2014 from the Joint Council to the Severance Plan was 30.67% of all Joint Council 41 revenues. As of February 28, 2015, the amount the plan owed to the 105

⁶ In 2014, Local 100 had 4,618 members, Local 114 had 815 members and Local 1199 had 946 members. (Exs. 43, 32, 38)

⁷ Joint Council 44, which had been located in Toledo, merged into Joint Council 41 in 2009. (Ex. 95; Ex. 13 at 73) Joint Council 41's offices are in Local 436's offices. The Joint Council pays \$3,235.95 rent to Local 436. (Ex. 99)

participants totaled \$2,878,220.65. (Ex. 94) Salaries and other compensation for Joint Council 41 officers and employees, represented an additional 33.9% of revenues. Thus when all compensation including contributions are included, 64.57% of revenues were spent on compensation. (Ex.94)

3. Joint Council Functions According to the IBT Constitution

The IBT Constitution provides that Joint Councils are intermediate IBT bodies that have jurisdiction over multiple issues. (Ex. 3 at Art. XV, §4). The Joint Council must approve a Local's request to strike a company. It must forward that request to the International for its strike sanction. (Ex. 3 at Art. XII, §4). The Joint Council is also responsible for recommending to the International whether Local Union requests for out-of-work benefits for members should be approved. (Ex. 3 at Art. XII, §15(f)). According to the IBT Constitution, Local Unions must submit copies of some proposed collective bargaining agreements to the Joint Council for approval before submission to the employer. (Ex. 3 at Art. XII, §7; Ex. 9 at 20). In addition, "Joint Councils shall have full power to adjust all questions of jurisdiction between Local Unions subject to the provisions of Article XII, Section 21, to try cases against Local Unions, cases appealed from Local Unions, appeals by members, and to try individual cases which Local Unions refuse or neglect to try in accordance with the trial procedure provided for in Article XIX", (Ex. 3 at Art. XV, §4; Ex. 9 at 22) In addition, charges filed "against or involving a majority of the members of a Local Union Executive Board shall be filed with the Secretary-Treasurer of the Joint

Council for trial by the Joint Council Executive Board". (Ex. 3 at Art XIX, §1 (a))

The Bylaws of Joint Council 41 require that the Joint Council "seek to have incorporated in collective bargaining agreements entered into by ... member Local Unions the maximum union security and job protection provisions permitted by law, and to strive to protect and preserve their bargaining position and bargaining power to protect and preserve the benefits obtained for members of the International Union. . ." (Ex. 128 at Art II, Sec 1 (b)) The Bylaws also provide Locals shall submit two "copies of proposed collective bargaining agreements, or amendments thereto, to the Joint Council for approval, before submission to the employer". (Ex. 128 at Art VII, Sec 1)

Joint Council 41 pursuant to its Bylaws reviewed all proposed collective bargaining agreements within its jurisdiction. (Ex. 13 at 28-29) As discussed below, the Ohio Conference failed to follow the requirement in its By-laws to collect all contracts from its Locals, further evidencing the lack of any service the Conference provided.

C. The Ohio Conference

1. Conference Actions

From the minutes of its meetings and its Forms LM-2 it appears that the Conference does little in terms of activities that benefit the members. Over 50% of its revenues was used for payments to its officers, employees and other Local officers, and, at least, over another 20% paid legal expenses of other entities without required Board approval. (Exs. 22-26; Exs. 147-151; Chart, pg. 8, supra)

Its Board, on average, holds meetings four times a year. Its Board members and other Local officers it paid were unable to provide examples of concrete actions taken to benefit the members. Indeed, one Conference employee, Bornstein, suggested the Conference's major purpose was to supplement the salaries of officers in less prosperous locals. (Ex.7 at 27-28)) That was consistent with the evidence. In addition to Board meetings, the Conference had an annual meeting of Delegates. (Exs.57, 58, 64, 65, 67, 68, 71, 72, 73)

Among the objectives stated in the Conference Bylaws beyond general statements of assisting workers and encouraging fraternity, were educating members and developing statistical information services to assist locals in serving membership. (Ex. 82 at Art.I) The Conference did neither. It did not publish a Conference newsletter for the members to inform them of what it does.

A review of its minutes from November 2009 until 2014 showed the Board and the Conference's activities as follows:

2010

In November, 2009, in a less than 15 minute meeting, the Board voted its officers, the Local officers serving as Directors and its employees Christmas bonuses. (Ex.54) At the next Board meeting, which lasted an hour in February 2010, the Board approved making some gifts, donations and sponsorships. There was a discussion of a labor issue about employers misclassifying employees as independent contractors. No action was taken. It also agreed to pay a maximum of thirty-five thousand dollars for 50% of the costs of the Christmas party Joint Council 41 was

throwing for Local officers, business agents and their spouses⁸. In essence since JC 41 covered all but three Locals in the Conference, it was agreeing to pay as much as \$35,000 to have the officers and Business Agents of the three Cincinnati Locals and their spouses attend a party approximately four hours away. (Exs. 96, 55) The next Board meeting lasted approximately one hour in July, 2010, and was held in conjunction with the Conference's annual meeting. At it, the Board confirmed telephone polls which approved a \$3,000 donation to Local 24 to support a dispute with an employer, and approved an expenditure for the purchase a laptop for Bales for approximately \$2,250. (Exs.56, 81)

It also agreed to purchase a \$2,000 advertisement in the Hoffa Scholarship program, confirmed Conference salaries and stipends, and agreed on extra per diem compensation for its officers, directors and staff attending the Conference's annual meeting. There was also a discussion at the Board meeting of items on the agenda at the annual delegates meeting. The Board received a report from the law firm that received the unapproved retainer, stating it was doing less work on organizing for the Locals because of the economy. The Board filled a vacancy and elevated a local officer to fill a position that was becoming vacant. (Exs. 56, 57, 58)

At the November, 2010 Board meeting which lasted thirty minutes, the Board approved the Christmas bonuses for itself and Conference employees. It filled two open board positions. It created a new Industrial Trades Division and Director. The minutes of that meeting

⁸ In fact it paid more, as discussed below, with no approval of the additional amount.

do not reflect any discussion of compensation for that newly-created position and the required Board approvals of compensation⁹. (Ex.59)

2011

The next Board meeting on January 6, 2011, lasted 22 minutes. The Board filled a Board position and approved the hiring an assistant for the Conference Administrator Bales at a weekly salary of \$100.¹⁰ (Ex.60)

The next meeting was for three hours on February 8, 2011. The Board members voted raises for themselves. The minutes did not reflect the amount of the raises approved as required¹¹. The Board also approved hiring a lobbying firm for \$2,500 per month. The IBT General Secretary-Treasurer was present at this meeting (Ex.61)

At the April 14, 2011 meeting the Board passed a resolution to purchase four shirts each for every Ohio Delegate and Alternate Delegate to the IBT Convention. The "cost would be split between the Ohio Conference of Teamsters - 50%, Joint Council No. 41 - 25% and Joint Council No. 26 - 25%".¹² (Ex. 62) There were no records establishing that the Conference was reimbursed by the Joint Councils for the expense. The Board passed a resolution "to hold a cocktail party consisting of drinks and appetizers for the State of Ohio Delegates, Alternate

⁹ The Director when appointed received \$3,340 annually without Board approval. (Ex. 136)

¹⁰ The Board voted to compensate the replacement, Diana "Corky" Hymore, at the "same amount" Nancy Norman received before she retired from Local 20. As "Office Staff" for the Ohio Conference, Hymore received \$100 per week. (Ex. 60, 88)

¹¹ Federal law requires documented authorization for all expenditures. Moreover, a resolution to spend without amounts is worthless as an approval.

¹² There are no records reflecting any contribution of their respective 25% cost contribution from either Joint Council. The shirts cost \$7,687.07. There was never an approval of this amount.

Delegates and invited guests on Tuesday evening, June 28, 2011 while at the I.B.T. Convention in Las Vegas, NV this year". (Ex. 62) It also authorized payment for the Conference staff to go to Las Vegas for the Convention to help with the Conference's cocktail party. No amounts of the expense for these items as required for effective approval were included. In addition, the Board approved "to pay all expenses for Les Singer to attend the I.B.T. Convention as a guest of the Ohio Conference of Teamsters". (Ex.62) Singer was a former President of the Conference until 2004. The union purpose for the expense was not stated or apparent. The amount of the expenses approved were not included. It also approved a new paid position of Sergeant-at-Arms for \$100 per meeting. (Ex.62)

On August 15, 2011, at an hour meeting the Board approved spending "the necessary funds" for a campaign to repeal state Senate Bill 5, discussed issues arising with two Local 957 employers, voted to hire a political liaison and voted to increase payments to officers, directors and committee chairmen and Co-Chairmen for attendance at the annual Conference meeting. The minutes did not detail the amounts of the increases. (Ex.63)

2012

The July 16, 2012 meeting lasted one hour. The Board approved Christmas bonuses for the Conference Officers, Directors, Committee Chairmen, Co-Chairmen and staff. The Board also approved Lichtenwald's motion to be reimbursed for a \$500 gift certificate he had purchased for

a retired member. The union purpose for the gift to this single Ohio retired Teamster was not stated. The Board voted to make a \$6,000 donation to the Hoffa Scholarship Fund, a \$750 donation to the Teamsters National Black Caucus, a \$100 donation to Local 413's fishing tournament, \$500 for Local 957's pre-labor day rally and approved \$2,500 for the purchase of advertising space on a race car operated by a Local officer. (Exs. 66; 200) The Board approved a motion to pay the expenses for the Conference's 2013 Golf Tournament, but there was no amount given. (Ex. 66)

On November 1, 2012, there was a meeting for one hour and eight minutes. The Board filled vacancies. It approved Christmas bonuses for Conference Officers, Directors, Committee Chairmen, Co-Chairmen, employees and Staff. The Board approved the payment of \$30 per day to Local officials serving on Grievance Panels. The IBT General President and General Secretary-Treasurer were at the meeting. (Ex. 69)

2013

The August 12, 2013 meeting lasted 53 minutes. The Board approved the payment of an additional \$30 per day compensation for Conference Officers, Directors and Staff for their attendance at the 2013 Annual Meeting of the Conference. The Board also approved the payment of \$30 per day to Local officials serving on Grievance Panels. A legal report was presented. (Ex.70)

2014

The January 17, 2014 meeting lasted 27 minutes. The Board voted to fill a vacancy and approved the purchase of a new car for Lichtenwald. There was no approved amount for the cost of it.¹³ The Board also approved the payment of \$30 per day compensation for Conference Officers, Directors and Staff for their attendance at the 2014 Annual Meeting of the Conference and the payment of \$30 per day to Local officials serving on Grievance Panels. The Board approved Christmas bonuses for Officers, Directors, Committee Chairmen, Co-Chairmen, employees and Staff¹⁴. (Ex.74)

The July 28, 2014 meeting lasted one hour. The Board approved a \$6,000 expense for the purchase of a program ad page for the IBT Unity Conference. It also approved the payment of an additional \$30 per day compensation for Conference Officers, Directors and Staff for their attendance at the 2014 Annual Meeting of the Conference and the payment of \$30 per day to Local officials serving on Grievance Panels.¹⁵ The Board ratified a telephone poll vote to create a Political Contributing Entity, to accept donations used to oppose ballot initiatives. The Board filled a vacancy for a Chairperson on a committee. It also approved the creation of a Movie Division and appointed a Chairman. No required

¹³ The total amount of the loan agreement was \$55,395.27. The 2014 LM-2 indicated a vehicle costing \$49,502 was purchased with a loan from a credit union. On May 16, 2014, the Conference issued a check in the amount of \$1,153.98 to the Toledo Teamsters Federal Credit Union for the first payment on a 2014 Ford Expedition. (Exs. 26, 100) There was no Board approval as required to enter into the loan in order to finance the purchase of the car.

¹⁴ According to the minutes, the approval for the Christmas bonuses was obtained via a telephone poll in November, 2013, and the vote at the January, 2014 meeting was a ratification of that approval. (Ex. 80)

¹⁵ On July 11, 2014, the Conference sent letters to some of the attendees which stated they "will receive \$30.00 per day as additional compensation for your participation at these meetings". (Ex. 101)

approval of compensation for that position was reflected in the minutes¹⁶. The Chairman was paid \$200 a month without the required approval. (Ex.79, 75)

The November 25, 2014 meeting lasted 23 minutes. The Board approved the payment of \$30 per day to Local officials serving on Grievance Panels and approved Christmas bonuses for Conference Officers, Directors, Committee Chairmen, Co-Chairmen, employees and Staff as in past years. (Ex.78)

In 2015 there were two Executive Board meetings, one on January 14 and the other on July 27, 2015. On August 25, 2015, the IRB requested copies of the minutes of those meetings. In its response, dated September 3, 2015, almost nine months after one of its infrequent Board meetings, the Conference Administrator Bales stated that the minutes of both meetings had not yet been prepared. (Ex. 102)

2. Annual Delegates Meetings

Each year the Ohio Conference held an annual meeting of delegates at a hotel in Ohio. (Ex. 13 at 39-40, 51; Ex. 5 at 61)¹⁷ The Conference delegates and alternate delegates, plus guests and invited speakers attended the meetings. Article II, Section 2 of the Bylaws stated "[e]ach Local Union shall be entitled to two (2) delegates; each Joint Council shall be entitled to two (2) delegates". (Ex. 82; Ex. 9 at 26; Ex. 13 at 38) There were 28 Locals and two Joint Councils in the

¹⁶ As of April 1, 2015, the Conference paid that Chairmen of that committee \$200 per month. (Ex. 88)

¹⁷ In 2010, the annual meeting was held at the Cincinnati Marriott hotel in Covington, Kentucky. (Exs.56, 57, 58)

Conference. Thus, the Conference had sixty maximum delegates. In addition, Article II, Section 5 stated "[t]here may also be alternate delegates selected who shall serve in case of the disability of the regular delegates". (Ex. 82)

The Doll law firm attended the annual meetings. It presented their Legal Report to the delegates. The legal report included the names of matters billed under the retainer and work done outside the retainer also. The firm also took notes and prepared the minutes of the meetings. (Ex. 5 at 42; Ex. 13 at 83-85; Ex. 9 at 37)

Mixon, the Recording Secretary for the Conference since 2012, testified he took notes at the annual and Board meetings, but did not have them typed up. He kept his notes and did not give them to anybody. He would use his notes to compare to the typed minutes, which, although Recording Secretary, he did not prepare. (Ex. 14 at 13; 44-45) Those minutes a lawyer prepared. (Exs. 70-78; 137)

While representing a witness, Doll stated, "I don't know if it was so much paid to take minutes. It was to make sure that the minutes were correct".¹⁸ There were no sensitive legal issues in the minutes of Delegate or Board meetings. (Ex. 13 at 84) Doll stated that in the past, the Ohio Conference used a court reporter to take the minutes of the meetings, but it cost too much. (Ex. 13 at 84-85) He stated he "was asked to help and assist" in this matter. (Ex. 13 at 85) Doll stated he would take notes at the meetings. He asserted it "was my job to help

¹⁸ Given the continuous omission of the amounts for expenditures the Board approved that was not being achieved.

make sure they're done correctly, Ms. Bales takes notes, I don't think Mr. Mixon was at the last meeting, but those notes are taken and then I put them together". (Ex. 13 at 85) Lichtenwald stated "Kim, Al Mixon and the attorneys" took the notes at the meetings. (Ex. 13 at 83) The Recording Secretary never requested him to do it. The expenditures for the lawyer's attendance and minute drafting were not approved or ratified by the Board as required. (Ex. 70-78; Ex. 137)

As discussed below, the expenses for the Annual meeting were not approved by the Board as required.

a. 2010 Annual Meeting

On July 19, 20 and 21, 2010, the Ohio Conference held its annual meeting at the Cincinnati Marriott in Covington, Kentucky. It paid the hotel \$24,583.23. (Ex. 103) Of this, \$13,001.84 was for food, \$11,412.64 for rooms and \$168.75 for copying. (Ex. 103)

The minutes of the 2010 meeting reflected it started at 9:05 a.m. on Tuesday, July 20. Government officials were present as guest speakers. In addition, there were some non-Ohio Teamsters there. The meeting was adjourned at 12:10 p.m. The meeting continued on Wednesday at 8:50 a.m. There were speeches by General President Hoffa, Governor Ted Strickland, Chuck Hoverman, IBT Director of Public Sector, Doll and Kevin Boyce, Treasurer for the State of Ohio. Cimino gave the financial report. (Exs. 56, 57, 58)

b. 2011 Annual Meeting

Between Monday, August 15, 2011 and Wednesday, August 17, 2011, the Ohio Conference held its annual meeting at the Double Tree Hotel in

Columbus. (Exs. 105, 63, 64, 65) According to the minutes, of the 132 attendees, 80 were delegates¹⁹. (Ex. 64) The Conference paid the Double Tree Hotel \$16,642.04. (Ex. 105) This included \$8,917.59 for rooms, \$7,487.46 for coffee and one day's buffet breakfast.

The annual meeting started on Tuesday, at 9:00 A.M. and adjourned at 11:55 A.M. There were guest speakers from the IBT and government officials. On Wednesday, August 17, 2011, at 9:05 a.m. the meeting continued, with more guest speakers, including the General President, other IBT representatives and government officials. After some housekeeping motions, the annual meeting ended at 11:09 a.m. on Wednesday, August 17, 2011. (Ex. 64-65, 105)

c. 2012 Annual Meeting

Between Monday, July 16, 2012 and Wednesday, July 18, 2012, the Conference held its annual delegates meeting at the Salt Fork Lodge & Conference Center in Cambridge, Ohio ("Salt Fork Lodge"). (Exs. 66, 67, 68) According to the minutes there were 43 Delegates, 47 Alternate Delegates, 15 Guests and two Retirees for 107 attendees²⁰. (Ex. 67 at 3) The Conference paid the Salt Fork Lodge \$36,616.97. (Ex. 106, 107) The Conference spent \$15,157.00 for rooms, \$17,695.25 for food, \$1,974.00 for drinks and \$2,324.32 for miscellaneous items. (Exs. 107, 129) The meals included breakfast and a luncheon on September 17th and breakfast on September 18th.

¹⁹ Under the Bylaws the maximum number was 60 which would include eligible delegates and alternate delegates if replacement were necessary for an absent delegate. (Ex. 82 at Art. II, §5)

²⁰ According to the Bylaws, Alternate Delegates were to be added as replacements for absent delegates and not in addition to Delegates. ((Ex. 82 at Art II, § 5) Accordingly, there should only have been 17 Alternates.

The annual meeting started on Tuesday, July 17, 2012 at 9:00 a. m. There were guest speakers from the IBT, the Central States Pension Fund and government. The meeting was adjourned at 11:16 a.m. The meeting continued on Wednesday, July 18, 2012, at 9:02 a.m. There were more guest speakers including the General Secretary Treasurer. After some housekeeping motions, the annual meeting ended at 11:33 a.m. on Wednesday, July 18, 2012. (Exs. 66, 67, 68)

d. 2013 Annual Meeting

Between Monday, August 12, 2013 and Thursday, August 15, 2013, the Conference held its annual meeting at the Maumee Bay Lodge & Conference Center ("Maumee Bay") in Oregon, Ohio. According to the minutes there were 42 Delegates, 27 Alternate Delegates, 10 guests and 26 retirees, a total of 105 attendees. (Exs. 70, 71, 72, 73)²¹ The total payment to Maumee Bay was \$47,887.57. (Exs. 108, 109) This included \$22,022.99 for rooms, \$14,241.47 for food, \$1,228.25 for alcohol, \$5,413.99 for meeting rooms, equipment and service charges, \$4,905.87 for taxes and \$75.00 for miscellaneous items. (Ex. 109) The Board never approved any amounts for the Conference costs, including for the attendance of retirees.

The annual meeting started on Tuesday, August 13, 2013 at 9:00 a.m. New officers of the Conference were nominated. There were guest speakers from the IBT, AFL-CIO and government. The meeting was adjourned at 11:03 a.m. The meeting continued on Wednesday, August 14, 2013 at 9:00 a.m. There were more guest speakers. The meeting adjourned at 11:48 a.m.

²¹ Again, the number of alternate delegates present exceeded that provided for in the Bylaws.

The meeting continued on Thursday, August 15, 2013 at 9:01 a.m. New officers of the Conference were elected. There were guest speakers. After some housekeeping motions, the annual meeting was adjourned at 10:20 a.m. on Thursday, August 15, 2013. (Ex. 70, 71, 72, 73)

e. 2014 Annual Meeting

Between Monday, July 28, 2014 and Wednesday, July 30, 2014, the Conference again held its annual meeting at Maumee Bay. According to the minutes 40 Delegates, 29 Alternate Delegates and 14 guests were present, totaling 83 attendees²². (Ex. 76) The total payment to Maumee Bay was \$36,284.07. (Exs. 110, 111) This included \$14,748.00 for rooms, \$12,089.30 for food, \$1,531.00 for alcohol, an additional \$4,203.39 for meeting rooms, equipment and service charges, \$3,465.73 for taxes and \$246.65 for miscellaneous items. (Ex. 111) The Board never approved any amounts for the Conference costs.

The annual meeting started on Tuesday, July 29, 2014 at 9:01 A.M. There were guest speakers from the IBT, including the General President. The Doll firm and government. The meeting was adjourned at 11:15 A.M. The meeting continued on Wednesday, July 30, 2014 at 9:03 a.m. There were more guest speakers from the IBT and government. After some housekeeping motions, the annual meeting was adjourned at 10:48 a.m. on July 30, 2014. A.M. (Ex. 75, 76, 78)

²² Again, the number of alternate delegates present exceeded the number provided for in the Bylaws.

D. THE CONFERENCE FAILED TO MEET ITS OBLIGATIONS UNDER THE IBT CONSTITUTION, IBT POLICIES AND THE CONFERENCE BY-LAWS FOR PROTECTING THE MONEY AND PROPERTY ENTRUSTED TO IT AND FOR CONDUCTING ITS BUSINESS.

1. Conference Secretary-Treasurer Cimino is Ineligible to Hold Office

The IBT Constitution requires a member must have been working in his craft for a period of 24 months to be eligible for office. Art. II § 4(a)(1). (Ex. 3) A salaried union officer working full time for the Local meets that requirement. An unsalaried Local officer does not. Art. II § 4 (e) provides in pertinent part:

"However, officers who are not full-time employees of an affiliate, who are not otherwise employed at the craft, and who do not receive a salary for performing work for the affiliate in addition to their duties under the By-laws, shall not be considered to satisfy the working at the craft requirement by virtue of being an officer."

(Ex. 82 at Art. II § 4(a)(1), (e))

The Conference Delegates re-elected Cimino to his position as Secretary-Treasurer in 2013. At that time, while he held the title of Secretary-Treasurer and Principal Officer in Local 400, he was not a salaried employee of the Local. He also was not an employee of any Local employer. Under Federal law, he could not be a "full-time" volunteer employee. Under the Constitution, he was not eligible to be a Local officer. (Exs. 3 at Art. II §§ 4(a)(1); 4(e); Exs. 35, 71, 82) Under the Conference Bylaws, Cimino was not eligible to be a Conference Officer. (Ex. 82, at Article III, Section 2)

If he was a full time unpaid officer, his employment would have been illegal. The Fair Labor Standards Act, 29 U.S.C. §201, et seq., ensures that employees are paid for work. For Cimino to be a full-time

management employee of the Local Union exempt from the Act's minimum wage requirements, he must be paid a salary of at least \$455 per week. 29 U.S.C. §213 (a)(1); 29 C.F.R. §541. He did not meet the definition of an exempt management employee. If he was an unpaid full-time employee of the Local, he would be causing the Local, the representative of employees, to be violating the Federal Labor Standards Act. This would be a reproachful act. Moreover, as further evidence of his not being full-time, he received \$314,596.63 out of his Joint Council 41 severance plan on October 9, 2014. (Ex. 112)

2. Lack of Financial Controls

The April 2012 IBT Secretary-Treasurer's Manual stressed, "of primary importance is the requirement that all Affiliates must operate within an environment where a system of internal accounting controls exist and there must be, at all times, strict compliance with those internal accounting controls." (Ex. 83 at IV)

The Conference also violated IBT policies requiring an affiliate to have a functioning system of internal controls in place to protect members' funds. (Ex. 83 at p.1) The IBT Secretary-Treasurers Manual required minimal acts to be done to ensure the members' money was not being stolen. (Ex. 83 at 73)

For example, there were no confirmations by anyone at the Conference that the items and equipment allegedly purchased as the Secretary Treasurer's manual required. (Ex. 83 at 73) It was a basic element of internal controls that the Conference completely abandoned (Ex. 138 at 26, 37)

OLMS has stated that for labor organizations:

Adequate and effective internal controls require a separation of functions and responsibilities among a number of individuals who are actively involved in the Financial process and who provide activities. (Ex. 139)

The controls of an IBT affiliate need not be elaborate but, "... At a minimum, all disbursements must be properly authorized through Bylaw action. Supported by an itemized invoice, receipt or statement detailing the items ordered or the services provided or to be provided. Substantiated through an indication that the invoiced item was received or that the services were provided." 2012 IBT's Secretary-Treasurer's manual, (Ex. 83 at 73)

As discussed below, failures of officers in the Conference to properly review the Conference expenditures others made were major flaws in the internal control system, particularly when the Principal Officer was one of the primary shirkers of this duty. Schaeffer, Internal Controls In Accounts Payable, (2014) (Ex. 138 at 69-70, 143, 151)

As the IBT has noted, segregation of the duties of employees in a financial transaction is at the heart of any functioning system of internal controls. IBT Secretary-Treasurer Manual (Ex. 83 at 1); OLMS Memorandum, "Internal Financial Controls." (2010) (Ex. 139) An employee should not be in the position of being able both to cause an improper expenditure and to approve it. Id. (Ex. 100); Stone, "Simplifying Segregation of Duties," Internal Auditor. (2008) (Ex.

140) Simply put, a person using a union card or seeking a disbursement from the union should not be the person approving the expense or disbursement. Devaney *et al*, Preventing Fraud and Embezzlement in Your Nonprofit Organization. (Ex. 141) There should be two sets of eyes; the person who initiates the transaction should not be the person approving the transaction²³. (Ex. 142 at 13). Separation of duties is a prophylactic control that helps prevent embezzlement and misuse of the Conference's assets. Other such controls include the requirements for proper authorization and documentation. University of California, *Understanding Internal Controls* (Ex. 142 at 10). In all of these areas, the Conference's Secretary-Treasurer failed to ensure the Conference, through him and the other officers, complied with the By-Laws, IBT policies and legal requirements that were the Conference's controls.

The following underscore the Conference's failures:

a. Failure to Comply with Check Signing Requirements

The President and Secretary-Treasurer, under the Conference By-laws, are both required to sign Conference checks. No other officers are authorized to sign. (Ex. 5 at 21, Exs. 33-34, Ex. 82 at 13 & 15) Bales maintained the Conference's books and records, including the check book, in Cincinnati. (Ex. 5 at 20-21) Lichtenwald was in Toledo, Secretary

²³ Of course compliance with actual policies is essential for there to be effective controls. IBT Secretary Treasurer manual at IV (Ex. 83) The Conference officers repeated violations of Bylaw requirements for approvals and documentation of transactions show that they refused to accept the important restrictions on their ability to spend member's money. All were responsible for insuring the Bylaws were obeyed and the employees followed the rules. All failed in their responsibilities.

Treasurer Cimino in Cleveland. (Ex. 13 at 17) Bales used a facsimile stamp for both Lichtenwald's and Cimino's signatures for all Conference checks. (Ex. 5 at 20-21; Ex. 13 at 18; Ex. 9 at 27-28) She testified that since at least 2009, when she started keeping the books of the Conference, the President and the Secretary-Treasurer never signed checks. (Ex. 5 at 24) Both Lichtenwald and Cimino admitted they did not sign checks nor did they review the invoices or other backup for the expense before the checks were mailed to pay them. (Ex. 13 at 17-19; Ex. 9 at 28-31; Ex. 5 at 35) Lichtenwald stated Bales "sends us a printout of what the expenses are every month and we look it over. . . . the Secretary-Treasurer also looks at the same thing and if we don't have any objections then a check is issued". (Ex. 13 at 17-19; Ex. 9 at 27-29) Cimino stated he did not see the actual checks. Cimino further stated, "I don't see the receipts for the expenses on the credit cards". (Ex. 9 at 29)

There are many problems with this non-compliant practice. For example, when Bales incurred expenses at the Conference Annual Meeting and at the Christmas party, which were then paid by her by Conference check, she was essentially authorizing her own expenses which remained otherwise not reviewed. One illustration of the issue occurred on Monday, July 28, 2014 at 5:48 P.M., Bales charged \$44.19 on her Conference card at a Lounge at Maumee Bay. An attached internal Conference document referenced "Kim Bales, Roger Insprucker, Bonetta Insprucker 07-28-14 food O.C.T Ann Mtgs Kimberly Bales". (Ex. 113) Bonetta Insprucker is former Conference President Insprucker's wife. The union reason for paying for a retired, former President and his wife's refreshment was

not explained. In another example on July 28, 2014, Bales charged two dining room charges at Maumee Bay. One was for \$27.47 and the other was for \$44.33. These charges were on Bales hotel folio. A notation on the hotel folio stated "Dinner 07-28-14 O.C.T. Ann. Mtgs Kim Bales, Roger Insprucker, Bonetta Insprucker". (Ex. 113) Again, the union reason for the Conference paying for these expenses that were provided to a retired attendee and his wife was not explained. In a final example, on Tuesday, July 29, 2014 at 11:57 AM, Bales charged \$37.67 on her Conference credit card at the Water's Edge. The receipt stated, "Lunch 07-29-14 O.C.T. Ann Mtgs Kim Bales, Bonetta Insprucker" (Ex. 113) No union purpose was given. Given the way in which Cimino and Lichtenwald failed to review expenses and sign checks, Bales' charges were approved and paid out of Conference funds by her, without any review by Lichtenwald and Cimino. The documentation which gave no explanation of union purpose was also in violation of union and legal requirements.

Article V, §1 of the Conference Bylaws required the Secretary-Treasurer, to "sign, along with the President (Chairman), all checks drawn on the funds of the Conference." (Ex. 82 at Art. V) Similarly, Art. IV, Section 1 separately required the President to sign all checks. (Ex. 82 at 13)

The IBT Secretary-Treasurer's Manual is applicable to the Conference. (Ex. 83) That Manual provided with respect to the use of facsimile signatures:

In 1969 the General Executive Board approved the process for which an Affiliate can request approval to use a machine facsimile signature on checks representing the disbursement of Affiliate funds. The procedures require that the general

membership of the Affiliate must approve the use of a machine facsimile signature and that the request must then be forwarded to the Office of the General Secretary-Treasurer for consideration and approval. **NOTE: FACSIMILE SIGNATURES SHOULD NOT BE ROUTINELY USED.** (Emphasis in original)

However, the general Secretary-Treasurer may approve a request that two machine facsimile signatures may be used on checks up to a specific amount, and requiring one handwritten signature of all checks in excess of that amount.

Generally, the use of two machine facsimile signatures will be restricted to checks of \$5,000 or less.

(Ex. 83 at Sec. 7.16)

On August 3, 2015, the IRB requested the IBT to furnish any requests the Conference made to the General Secretary-Treasurer to use a facsimile signature when signing checks. (Ex. 114) On August 7, 2015, the IBT responded and stated, "enclosed are documents responsive to the above-named request" as a result of a search. (Ex. 121) The IBT did not provide any documents permitting the Conference to use a facsimile signature.

Cimino, Lichtenwald and Bales were all experienced Local officers who had also held Joint Council positions. Bales was familiar with the IBT's Secretary-Treasurer's manual and studied it. (Ex. 5 at 15-16) Lichtenwald claimed he was "somewhat familiar" with the IBT's Secretary-Treasurer's manual. (Ex. 13 at 9) He knew the Secretary-Treasurer's manual applied to the Conference. (Ex. 13 at 66)

b. The Trustees Did Not Perform Their Required Duties

As noted, the Secretary Treasurer's manual applies to all IBT Affiliates, including Conferences. (Ex. 83 at 1) Section 4.3 of the Secretary Treasurer's Manual provided:

As set forth in Article X, Section 8 of the International Constitution, it is the responsibility of the Local Union or other Affiliate Trustees to examine the books of the Local Union or other Affiliate. Once the Trustees are satisfied as to the accuracy of the information recorded therein, sign the books and forward signed Trustees Reports to the Office of the General Secretary-Treasurer. The Trustees Report and Certificate should be signed by the three Trustees of the Local Union or other Affiliate. Their signatures must be witnessed by any competent person.

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Trustees have an obligation to sign the Affiliate's books and Trustees Reports if they have found them to be correct and the bank balances verified. This is interpreted to mean that the books and the corresponding Trustees Reports must be signed where: 1) the transactions (entries) recorded in the Affiliate's books reflect the cash receipts and cash disbursements activity for the applicable month; and 2) that the cash assets of the Affiliate reconcile with the applicable bank statements for the same period.²⁴

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At least one Trustee is required to sign the Trustees Reports and Trustees Certificate. However, if only one signs, the International will question why the others did not sign.

(Ex. 83 at Sec 4.3)

Bales prepared the monthly Trustees reports and put the income and expenses on the reports. (Ex. 5 at 36) She did not forward them to the Trustees. They were not given an opportunity to examine the records. She forwarded the Trustees Report she prepared to Lichtenwald and Cimino. (Ex. 5 at 38-39) Since 2009, when Bales first started to keep the books of the Conference, the Trustees have never examined the expenses and have never reviewed the Trustees Reports she completed. (Ex. 5 at 35-

²⁴ Article X, Section 8 (a) in part states "...the books of the Local Union must be examined monthly by the Local Union Trustees and the Trustees shall make a monthly report of such examination on forms prescribed by the General Secretary-Treasurer". Section 8 (b) in part states: "The Trustees must sign the books of the Local Union if the Trustees have found them correct and the bank balances verified". (Ex. 3 at Art. X Sec. 8)

38) The Trustee Reports were never submitted to the International, which ignored the Conference's failure to submit the required reports. (Ex. 121)

The Conference provided the IRB with unsigned copies of monthly Trustees Reports for the period from January 1, 2010 through June 30, 2015. (Exs. 115-120) None had been submitted to the IBT as required. In response to an IRB request to the IBT for Conference Trustees Reports, on August 7, 2015 the IBT stated it had provided all responsive documents in its possession. (Ex. 121) The IBT had not provided any Trustees reports from the Conference. Obviously, the reports were never signed and forwarded to the IBT as required. (Ex. 121) Inexplicably, the IBT Secretary-Treasurer's office for years ignored the Conference's failure to comply with its mandated requirements for forwarding basic information about the affiliate. This is particularly troubling since the Secretary-Treasurer's office decided not to ever audit the Conference.

Trustee Verst, had been a Conference Trustee since 2012. (Ex. 17 at 7-8, 10, 27) He stated there was a difference between what a Trustee for a Local did and what a Conference Trustee did²⁵. Verst, Local 1199 Principal Officer, explained, "The Trustee for 1199 actually looks at the checks at the Ohio Conference we've just- I have never done that. I don't know that it's ever been asked." (Ex. 17 at 27-28) He stated that "my main function has been part of just the Executive Board (of the Ohio Conference) in making policy decisions". (Ex. 17 at 27-28) He never saw cancelled checks, and never looked at any receipts which supplemented

²⁵ The Secretary-Treasurers Manual does not recognize a distinction. (Ex.83 at 100)

check payments. (Ex. 17 at 28-29) He did not act in accordance with his responsibilities detailed in the Secretary-Treasurer's Manual.

Trustee Dudas was familiar with the Secretary-Treasurer's manual. (Ex. 11 at 6, 17) ²⁶ He stated as a Conference Trustee since the end of 2013, he would "get a report from the secretary-treasurer and he goes over the financials, the expenses, the approval of motions for expenses". (Ex. 11 at 8, 16) He further stated he did not see the receipts, "[j]ust on the ledger of the expenses when the secretary-treasurer goes over it". (Ex. 11 at 16) Dudas stated he had "never asked to see the backup". (Ex. 11 at 16) Other than the Secretary-Treasurer's financial reports, he did not receive financial information. Dudas had never signed a Trustees Report. (Exs. 119-120) He did not act in accordance with his duties under the Secretary-Treasurers Manual.

Trustee Suffoletto, President of Local 284, became a Conference Trustee in January 2015. (Ex. 15 at 25) He had not received any training for the position. (Ex. 15 at 29-30) Suffoletto explained as a Trustee he expected to be reviewing financials and approving expenditures. In fact, he had not looked at any financial records or Trustees Reports since he became a Conference Trustee. (Ex. 15 at 27-29) Suffoletto, since January 2015 had only approved a few expenditures as a member of

²⁶ Dudas, who was also a Trustee of Joint Council 41, stated when he reviewed the records of Joint Council 41 "we review the prepared financial documents, we sign off on them". (Ex. 11 at 11) He stated that the financial documents were the Trustees Reports. (Ex. 11 at 12) Dudas stated that the financials were comprised of "checks and balances, the checks, the cash(ed) checks, the investments and all that, make sure balances verify". (Ex. 11 at 11) Dudas stated he looked at the bank statements and the cancelled checks. (Ex. 11 at 11-12) He stated he would sign the Trustees Report and then the witness would sign it. (Ex. 11 at 13) There were no signed reports provided either by the Conference or the IBT to support this assertion.

the Board. (Ex. 15 at 25, 27-29) As an example, he stated about a week before his sworn examination he received a fax from Lichtenwald seeking approval to buy a set of golf clubs for under \$700 for Joint Council 41's golf outing. (Ex. 15 at 27-29)

The Trustees were prevented from doing their duties by the system Bales, Lichtenwald and Cimino had in place. It eliminated all checks on them.

In sum, no Trustee verified the Conference's bank balances. No Trustee prepared for and filed Trustee reports with the IBT. Coupled with the fact that the Conference's checks were not signed by those required to do so, there was a major breakdown in the IBT mandated financial control system for its affiliates.

c. Failure of the Board to Approve Expenditures as Required

Conference Bylaws Art. IV, §1 and Article VI §2 (L) require that the Board either approve or ratify expenditures. If an expense was \$5,000 or over the Board had to approve it.

Article IV, §1 of the Conference Bylaws stated:

The President (Chairman) shall have the authority to sign all official documents, to disburse or order the disbursement of all moneys necessary to pay the bills, obligations, and indebtedness of the Conference, including such amounts which in his judgment will further the best interest of the Conference, subject to the approval or ratification of the Conference Executive Board. (emphasis added)

The President (Chairman), together with the Secretary-Treasurer may jointly take such action as in their judgment will further the best interests of the Conference and its

members, which action shall include, but not be limited to, the expenditures of moneys for such purposes, subject to the approval of the Executive Board. Such action may include aid, assistance or recognition, monetary or otherwise, to any persons or organizations which the President (Chairman) and Secretary-Treasurer may feel are deserving in the best interest of the labor movement. (emphasis added)

Article VI, §2 (L) of the Conference Bylaws stated:

To do all acts, whether or not expressly authorized herein, which the Board may deem necessary or proper for the protection of the property of the Conference and for the benefit of the organization and members.

The provisions of this Article shall be qualified as follows: All expenditures, investments, contributions, sales or acquisitions of property whether real or personal which exceeds, in any one instance, the sum or value of an amount equal to \$5,000.00, shall, need the approval of the Executive Board.

(Ex. 82 at Arts. IV and VI)

The Conference Board failed repeatedly to comply with this requirement. A review of the last five years of Conference expenses of \$5,000 or more for which no Board approval was obtained, or which were approved without the amount known or stated, showed that over \$500,000 in Conference funds were spent without approval as required²⁷. (Ex. 122)

The following are examples:

On July 30, 2010, the Conference paid \$24,583.23 to the Cincinnati Marriot at River Center for its annual meeting. At the February 23, 2010 Executive Board meeting, only the date and location of that year's annual meeting were voted on. There was no Board approval reflected in any minutes of the amount. (Ex. 103)

²⁷ The total amount of unapproved expenditures of \$5,000 or more is \$551,314.76. (Ex. 122) Approximately \$38,382 of those expenses were incurred in 2015. Despite a request for minutes, the Conference has not provided the IRB with its records indication whether these expenses were approved. (Ex. 102)

On August 30, 2010, the Conference paid \$17,881.55 to the Tam O'Shanter golf course for its annual golf tournament. (Ex. 123) There was no required Board approval for the expenditure.

On November 5, 2010, the Conference paid \$5,000 to Local 114 as a reimbursement to the Local 114's Health & Welfare and Pension plan for Bales. (Ex.194) There was no Board approval for the expense. No explanation as to why it was paying this expense for a part-time Conference employee was given in any document.

On February 9, 2011, the Conference spent \$6,000 for a Silver Page Sponsorship for the Hoffa Memorial Scholarship Fund. (Ex. 125) At a Conference Executive Board meeting on February 8, 2010, the Board only approved the expenditure of \$2,000. (Ex. 55) No Board approval or subsequent ratification for the additional \$4,000 was obtained.

On February 25, 2011, the Ohio Conference paid \$2,123.39 to Joint Council 41. (Ex. 126) The check voucher stated "Balance due per Bill Lichtenwald 02/15/11 help defray cost of Christmas Party (1/2 cost)". (Ex. 126)²⁸ This additional expense above the previously approved \$35,000 expense was not approved or ratified by the Board as required.

On May 20, 2011, the Conference paid \$5,746 to Local 20 as a reimbursement to the Local 20's Pension plan for Lichtenwald. (Ex. 123) There was no Board approval for the expense. No explanation as to why

²⁸ The Conference Board had approved the providing of financial assistance to Joint Council 41's Christmas party. The specific authorization was in the amount of \$35,000. (Exs.55, 56) The total cost of the party was \$74,246.78. (Ex. 130) On December 29, 2010, the Conference paid \$35,000 to Joint Council 41 only for the previously approved amount of \$35,000. (Ex. 130)

the Conference was paying this expense for its part-time employee was in any record produced.

On June 17, 2011, the Conference paid \$11,293.67 to Bally's Las Vegas as a deposit for a cocktail party to be held on June 28, 2011. (Ex. 182) Approval for the holding of a cocktail party had been sought through a telephone poll on March 10, 2011. (Ex. 143) That poll failed to approve the amount of the cost of the deposit or full expense. The result of the telephone poll was affirmed at a Board meeting on April 14, 2011. But again, no amount was approved. (Ex. 62)

On October 14, 2011, the Conference paid an additional \$9,912.52 to Bally's Las Vegas, for the final cost of the cocktail party. Other than the April 14, 2011 approval of the poll to hold the party, there was no approval by the Board for the cost of that party, which totaled in excess of \$20,000. (Exs. 54-65)

On June 24, 2011 the Conference paid \$7,413.79 to American Way Sales, a vendor of T-shirts and other items. At the April 14, 2011 Board meeting, the Board voted to provide four shirts to each member of the Ohio delegation to the IBT Convention. No amount was approved. (Ex. 144)

On August 23, 2011, the Conference paid \$22,205.83 to the Tam O'Shanter Golf Course. (Ex. 124) There was no approval by the Board for the amount of the expenditure.

On October 3, 2011, the Conference paid \$16,642.04 to the Doubletree Hotel. (Ex. 105) A telephone poll conducted on March 10,

2011 approved the holding of the meeting but failed to approve the amount. The amount was never approved. (Ex. 145)

On December 12, 2011, the Conference paid \$5,000 to the Salt Fork Lodge & Conference Center as a deposit for the July 2012 Annual Meeting. There was no approval by the Board for the expense. (Ex. 129)

On March 16, 2012, the Conference paid \$6,750.55 to Local 407 for Lost Time reimbursements. (Ex. 183) There was no explanation as to what the lost time expense was related. There was no Board approval for the expenditure.

On August 15, 2012, the Conference paid \$21,933.10 to the Tam O'Shanter golf course for its annual golf tournament. (Ex. 131) There was no Board approval for the expenditure.

On September 28, 2012, the Conference paid \$5,000 to the Maumee Bay Lodge as a deposit for its 2013 annual meeting. (Ex. 108) There was no Board approval for the expenditure.

On October 3, 2012, the Conference paid \$31,616.97 to the Salt Fork Lodge & Conference Center for its Annual meeting. (Ex. 107) There was no Board approval for the expenditure.

On December 28, 2012, the Conference paid \$7,332.27 to Local 507 for Lost Time reimbursements. (Ex. 184) There was no explanation as to what the lost time expense related. There was no Board approval for the expenditure.

On August 9, 2013, the Conference paid \$18,553.90 to the Tam O'Shanter golf course for its annual golf tournament. (Ex. 132) The

proposal to hold the tournament in 2013 was approved at the July 16, 2012 Board meeting, but there was no Board approval for the expenditure. (Ex. 66)

On August 30, 2013, the Conference paid \$42,887.57 to the Maumee Bay Lodge for its 2013 annual meeting. (Ex. 108) There was no Board approval for the expenditure.

On September 13, 2013, the Conference paid \$7,500 to the Mayor CPA Group. (Ex. 185) There was no Board approval for the expenditure.

On December 9, 2013, the Conference paid \$5,000 to the Maumee Bay Lodge as a deposit for the 2014 annual meeting. (Ex. 110) There was no Board approval for the expenditure.

On May 9, 2014, the Conference paid \$7,500 to Gary M. Tiboni, C.P.A. for a 2013 Year End Audit²⁹. (Ex. 186) There was no Board approval for the expense.

On May 16, 2014, the Conference paid \$1,153.98 to the Toledo Teamsters Credit Union for the first payment on a May 1, 2014, \$55,395 loan for a 2014 Ford Expedition for Lichtenwald. (Ex. 100) At the January 17, 2014 Board meeting, a proposal to provide for a new vehicle for Lichtenwald was approved without approving then or subsequently the amount of the expense. (Ex. 100) There was never Board approval for the amount of the expense which was reflected in a loan of \$55,395.

²⁹ Gary M. Tiboni, C.P.A. is the son of Gary M. Tiboni, a former President of Joint Council 41. (Ex. 16 at 5; Exs. 36-37)]

On August 14, 2014 the Conference paid \$31,284.07 to Maumee Bay Lodge for its 2014 annual meeting. (Ex. 111) There was no Board approval for the expense.

On August 14, 2014 the Conference paid Truck Drivers Local 92 PAC \$5,000 for "Reimbursement". No other explanation for the expense was supplied. What was being reimbursed was not known. The Board did not approve the expense. (Ex. 187)

On August 22, 2014, the Conference paid \$20,235.22 to the Tam O'Shanter golf course for its annual golf tournament. (Ex. 133) There was no Board approval for the expenditure.

On two occasions, October 1, 2014 and December 19, 2014, without the required Board approvals, the Conference transferred funds in the amount of \$50,000 and \$102,592, respectively, from the Conference general fund to the Ohio Conference of Teamsters Political Contributing Entity Fund. (Exs. 134, 135) There was no Board approval for either of the transfers.

On December 12, 2014, the Conference paid \$5,000 to Maumee Bay Lodge for a deposit for the 2015 annual meeting. (Ex. 188) There was no Board approval for the expense.

On December 26, 2014, the Conference paid \$6,449.78 to Local 507 for lost time reimbursement. (Ex. 189) There was no Board approval for the expense. No explanation of what lost time was being reimbursed was in the records as required under Federal law.

There were at least two checks the Conference issued in 2015 for over \$5,000 each. Because the Conference has delayed in completing its

minutes, there were no records of any Board approval in 2015 for the expenditures the Conference made for over \$5,000 or of any other expenses.

d. Failure to Follow Specific Bylaws Obligations Regarding Payment of Locals' Legal Expenses

The Conference in 2014 paid over 16% of the revenue it received to a law firm in Dayton, Ohio pursuant to an unwritten, at least five decades-old retainer agreement no Board member had approved or knew the terms of for legal expenses for services the firm provided some Locals. (See chart Infra. at page 42) These payments were a violation of the Conference's Bylaws which expressly required Board approval of these expenditures. Art. XII, Section 1 covers the payment of legal expenses for Locals. (Ex. 82)

The Conference allegedly retained the law firm of Doll, Jansen, Ford & Rakay, in Dayton, Ohio ("Doll law firm") through an agreement, which was purported to be in place for decades and which was not memorialized in any Conference records or those of the law firm.³⁰ (Ex. 13 at 73-74, 79; Ex. 9 at 33; Ex. 5 at 46-47; Ex. 10 at 67-68; Ex. 11 at 23-25; Ex. 17 at 52; Ex. 8 at 40; Ex. 12 at 27; Ex. 18 at 44) If it ever existed, its terms have not been ratified by subsequent Boards. No

³⁰ In a September 4, 2014 letter, the Ohio Conference stated "I have contacted Doll, Jansen and Ford, the attorney's office which has represented the Ohio Conference of Teamsters (O.C.T.) for over 50 years and with whom the O.C.T. has the retainer agreement, regarding the request for a copy of the retainer agreement. John Doll, the senior partner of the law firm, informed me that his office has not been able to locate any copy of the retainer agreement which he believes has existed since the early 1960's, and perhaps even earlier". (Ex. 146)

current board member ever saw a retainer agreement for which the Conference was paying \$10,000 a month. (Ex. 5 at 47; Ex. 9 at 33-34; Ex. 10 at 68; Ex. 11 at 23-25; Ex. 13 at 74, 79-80; Ex. 17 at 52; Ex. 11 at 24; Exs. 147-151)³¹ The Conference also paid for other services from the firm for Locals and for itself that apparently the retainer did not cover.³²

No member of the Board was able to state what was covered under the retainer consistent with what the law firm claimed was covered. Periodically, over the years, at the law firm's request, the Board voted to increase the amount paid to the firm under the retainer. On no such occasion did the Board approve the retainer terms, or even list them.

These expenditures allegedly under the retainer were not for the Conference needs but for services the firm provided to some Locals. The total amount of per capita collected, the amount of retainer paid and the percentage of the retainer to per capita received for the years 2010 through 2014 is listed below:

<u>Year</u>	<u>Per Capita</u>	<u>Retainer</u>	<u>Percentage</u>
2010	\$ 802,598	\$ 112,000	13.95 %
2011	\$ 806,297	\$ 120,000	14.88 %
2012	\$ 771,464	\$ 120,000	15.55 %
2013	\$ 755,494	\$ 120,000	15.88 %

³¹ At the July 19, 2010, annual meeting of the Ohio Conference "Roger (Insprucker) advised the Executive Board that the firm of Doll, Jansen & Ford was requesting an increase in its hourly rate from \$140.00 an hour to \$155.00 an hour and was also requesting an increase in the monthly retainer from \$9,000.00 a month to \$10,000.00 a month. Roger (Insprucker) stated the last increase under the retainer was in 2002 and the last hourly increase occurred in 2006. (Ex. 56) A motion was made by Pat Darrow to approve the increase as requested. Charles A. Cimino, Jr. seconded the motion and the motion passed unanimously". Between January and August 2010 the retainer agreement was for \$9,000 per month. (Exs. 147 - 151)

³² Indeed in 2014, including retainer payments and other payments to the firm 19.3% of the Conference's revenues went to the law firm without required approvals. (Ex. 151)

2014 \$ 746,690 \$ 120,000 16.07 %
(Exs. 22-26, Exs. 147-151)

Lichtenwald initially testified under oath he did not know if the Conference paid a monthly retainer to the Doll law firm. (Ex. 13 at 80) This would be consistent with his never signing checks, as required. After his answer, an attorney from the firm conferred with him during his testimony. After that, Lichtenwald then testified the Conference paid a monthly retainer to the firm, but he did not know the amount of the retainer. (Ex. 13 at 81) The \$10,000 monthly check to the firm was the largest bill the Conference paid regularly every month.

The Conference did not have a written copy of the retainer agreement. (Ex. 146) In a letter from Bales to the IRB the Conference represented the retainer agreement had been in existence since the early 1960s, perhaps earlier. (Ex. 146; Ex 13 at 73-74)³³ No member of the current board of the Conference ever negotiated the coverage of any retainer agreement. (Ex. 13 at 73-74, 79; Ex. 9 at 33; Ex. 5 at 46-47; Ex. 10 at 67; Ex. 11 at 23; Ex. 17 at 52; Ex. 8 at 40; Ex. 12 at 27; Ex. 18 at 44) The only document allegedly reflecting what services and costs the Conference covered for the Locals through the retainer was an undated pamphlet the law firm prepared titled, "Do You Know What Legal Services the OCT Provides for Your Local?" The firm appears to have distributed this pamphlet annually at the Conference delegates meeting. (Ex. 153; Ex. 9 at 34-35; Ex. 5 at 46; Ex. 17 at 52-53; Ex. 10 at 68; 11 at 24)

³³ According to the August 22, 1991 Board meeting minutes a motion was made "to increase the retainer by \$1,000.00 per month contingent on there being no reduction in per capita tax rate paid to the OCT". (Ex. 154) It did not state what the retainer covered.

There was no Conference contact person on the pamphlet; only the contact information for the law firm was there. The pamphlet stated that the relationship between the firm and the Conference was over 40 years old. (Ex. 153) There was no date on the pamphlet to determine from which date it was measuring back.

Essentially, as outlined in the pamphlet, the firm would provide in three areas the following services to the Locals that the Conference would pay for:

I) REPRESENTATION IN ORGANIZING AND ELECTIONS

Legal assistance in filing representation petitions; attending administrative hearings before the NLRB and SERB (State Employment Relations Board); negotiating election agreements and voluntary recognition or card-check agreements; advising and assisting with campaign strategy and materials; meeting with prospective members; and assisting in resolving post-election issues.

II) LEGAL COUNSEL ON CALL

The law firm would make itself available for "short" telephone consultations for common legal questions Local officers encounter, review documents and do "legal research on minor issues". There were no definitions to interpret what short, minor and common meant.

III) ROUTINE EXPENSES AND COSTS FOR ANY LEGAL MATTER

In addition, apparently to make the Doll firm located in Dayton more competitive with other lawyers throughout the state closer to the Locals, the retainer with the Conference was to cover long distance telephone charges, copying costs and postage incurred in

representing the locals. The conditions under which such expenses would be provided under the retainer were not detailed. The pamphlet also provided that while Locals would pay fees for using the firm's services, the Conference retainer would cover the costs associated with the firm's lawyers' travel, including transportation, lodging and meals.

(Ex. 153)

As noted above, Art. XII, Section 1 of the Bylaws addressed the Conference's payment of Locals legal expenses. It was consistently violated. It provided:

In the event that any member Local Union of the Ohio Conference of Teamsters shall avail itself of the legal service of local, area or house counsel which pertains to matters, controversies or litigation which directly or indirectly affects or involves the policies of the International Union under which the Ohio Teamsters operate, those Local Unions shall be obligated to consult or cause counsel to consult the office of the general counsel of the Ohio Conference of Teamsters as to procedure and operation with reference to the matters, controversies or litigation so that the office of the general counsel may take such steps as are necessary or proper in order that the policy of the International Union is conserved and protected to the end that a uniform continuity prevails in the State of Ohio.

Should the General Counsel for the Ohio Conference of Teamsters be requested to render services for any local union or unions, such counsel shall act only on behalf of such local or locals and not the Conference. The Executive Board, in their discretion, may consider assisting in the payment, or the payment of legal expenses in only such matters as involve the International Union and in which the State of Ohio has an interest, or in such matters as the Conference deems to be for the general welfare of the Teamster movement.

(Ex. 82 at Art. XII, Section 1 (emphasis added))

By its terms, the Bylaws required the Board to make a decision as to whether to pay requests for legal expenses for Locals. On its face a retainer agreement claiming the Ohio Conference would pay all legal

expenses, except fees in connection with the use of a single law firm in any matter would be outside the power of the Executive Board to approve. Under the Bylaw, it has to make a determination that the International Union or the State of Ohio have an interest or that it deems the matter to be "for the general welfare of the Teamster movement." (Ex. 82) Unless a local legal matter met those criteria, the Board had no power to authorize payment.

Lichtenwald testified the Doll law firm was available to the local unions. His local could afford to use its own counsel. There were however "some small local unions who can't, and they have - by virtue of the fact they're the (sic) Ohio local, they can call John Doll for legal advice, for counsel". (Ex. 13 at 77)³⁴ He stated those locals usually had under 1,000 members. (Ex. 13 at 77)³⁵ Some Local officers testified that their locals could not pay their own legal fees for routine matters and therefore the retainer allowed them to secure counsel. (Ex. 14 at 30-31)

Nowhere in its By-Laws was the Conference given the blanket power to pay expenses for Locals that cannot afford to pay operational costs. There is no listed purpose for its existence as being to subsidize locals

³⁴ The Doll law firm represented Lichtenwald, Bales, Bates, Suffoletto, Webster, Verst, Butts, Baird, Jones and Wilp at their sworn examinations. (Exs. 4; 5; 6; 8; 12; 13; 15; 17; 18 and 19)

³⁵ In 2014, twelve of the 28 Locals in the Ohio Conference had less than 1,000 members. The twelve are: Local 40 in Mansfield with 820 members, Local 52 in Brook Park with 944 members, Local 114 in Cincinnati with 815 members, Local 244 in Cleveland with 693 members, Local 336 in Independence with 423 members, Local 400 in Cleveland with 395 members, Local 473 in Brook Park with 922 members, Local 908 in Lima with 870 members, Local 964 in Brook Park with 691 members, Local 1108 in Richmond Heights with 208 members, Local 1164 in Cleveland with 313 members and Local 1199 in Cincinnati with 946 members. (Exs. 31, 32, 35, 38-41, 45-49))

that continuously cannot pay normal expenses. Payments of Locals' legal expenses were to be approved under the specific Conference Bylaw provisions. (Ex. 82, at Art. XII, Sec. 1) The Conference perpetual subsidy of legal costs for such Locals that were not able to pay lawyers in routine matters out of their own revenues concealed the true financial state of these Locals from the International union. The subsidies would not be disclosed on Forms LM-2 or in Trustees reports. (Exs. 82, 22-26)

Outside the retainer, the Conference also paid other Local legal expenses without the required Board approval. In a five year review of minutes, although spending between \$200,421.46 and \$144,321.75 of Conference revenues in addition to the retainer amount on locals' legal expenses, not once for any matter did the Conference Board make the required determination to authorize payment. (Exs. 147-151) The following are examples:

On August 6, 2010, the Conference paid \$3,990 to the law firm. (Ex. 147) The billing statement stated it was for the Statewide Highway/Heavy Agreement [Kokosing Issues] ³⁶. (Ex. 147) The Conference itself has no contracts. That appears to have been a Local 436 matter. There was no Board approval for these payments for a Local's legal expense.

On February 1, 2012, the Conference paid \$2,759 to the law firm. (Ex. 149) The check voucher stated it was for "Kokosing issues -

³⁶ According to the minutes of Joint Council 41 Delegates meeting of March 22, 2010, the "Kokosing issues" related to an employer termination of its contract with Local 436, in Valley View, Ohio. (Ex. 155)
At the June 13, 2010 Joint Council 41 Executive Board meeting, Tiboni, as part of his President's Report, stated that while the Kokosing issue was specific to Local 436, it is potentially a state-side issue. (Ex. 156) In either case, there was no subsequent Conference determination, authorization or approval of the legal expense.

Statewide Hgwy/Heavy Agreement December 2011". (Ex. 149) There was no Board approval for these payments for a Local's legal expense.

On January 6, 2012, the Conference paid \$1,798 to the law firm. (Ex. 149) The check voucher stated it was for "Kokosing issues - Statewide Hgwy/Heavy Agrmnt - Shelly and Sands". (Ex. 149) Again, there was no required Board approval for paying Local 436 legal expense. Even if it was not a Local legal expense, there was no approval or ratification by the Board of the expense as required under the Bylaws for expense approval.

On June 1, 2012, the Conference paid \$3,363.50 to the law firm. (Ex. 149) The check voucher stated it was for "Legal fees - April 2012 Kokosing issues - Statewide Hghey/Heavy Agrmnt". (Ex. 149) On June 8, 2012, the Conference paid \$3,487.50 to the law firm. (Ex. 149) The check voucher stated it was for "04/2012 Solid Waste District Fact Finding; 04/2012 Tuscarawas County Sheriff Negotiations; 04/2012 Lawrence County 911 Transfer of Bargaining". (Ex. 149) The sheriffs were Local 92 members. The Conference has no contracts with employers.

Again, on November 9, 2012, the Conference paid \$5,115 to the law firm. (Ex. 149) The check voucher stated it was for "Local # 92 Legal Fees, Aug 2012 Nego. Lawrence County Sheriff's Office, Aug 2012 Nego. Tuscarawas County Sheriff". (Ex. 149) Local 92 was located in Canton, Ohio. There was no Board approval for these payments for a Local's legal expense.

On January 18, 2013, the Conference paid \$1,472.50 to the law firm. (Ex. 150) The check voucher stated it was for "Legal fees for LU # 92

Lawrence County Sheriff's Office Nego.2012". (Ex. 150) Again, there was no required Board approval for paying this Local's legal expense.

On March 22, 2013, the Conference paid \$2,050 to the law firm. (Ex. 150) The check voucher stated it was for "Lawrence County Sheriff's Office Negotiations 2012 LU # 92". (Ex. 150) Again, there was no required Board approval for paying this Local's legal expense.

3. The Conference Does Not Comply with Its Bylaws Obligations Regarding Local Contracts.

The Bylaws required "[any] local union desiring to present a proposal to its employers shall submit a copy of same to the Conference Division Chairman to which that particular craft or industry is a part of; such as Bakery, Dairy, Heavy Highway Construction, Beverage, Local Construction and Building Supply, Warehouse, Miscellaneous and Industrial, or Drivers' Council and shall make such corrections, deletions or additions as may be advised by the Division Chairman and / or that Division Policy Committee ". (Ex. 82 at 3; Ex. 13 at 30-32) The Conference Chairmen were Local officers the Conference President appointed with Board approval under the By-laws. The Bylaws further require: "Before having the employer sign the agreement, the local union shall file a true copy of the negotiated and consummated agreement with the aforementioned Division Chairman for his final approval". (Ex. 82 Art. 1, §4) The Conference Chairmen did not review nor did the Conference retain contracts as required. (Ex. 5 at 31-32; Ex. 7 at 10)

In a letter dated May 4, 2015, Bales misrepresented to the IRB on behalf of the officers "[t]here is no requirement under the IBT Constitution or the Ohio Conference of Teamsters Bylaws that any Local

Union submit collective bargaining agreements to the Ohio Conference for review and approval. Occasionally, when a Division Chairman or Co-Chairman assists a Local Union in contract negotiations, the negotiated collective bargaining agreement will be forwarded to the Division Chairman or Co-Chairman for an informal review. However, there are no records kept and no documents related to such informal reviews."³⁷ (Ex. 152) She either knowingly or recklessly attempted to mislead the IRB in misrepresenting the Conference's Bylaw obligations. In the almost two months after her misrepresentation she failed to correct it. Only when questioned under oath did she do so. (Ex. 5 at 31-33)

In her testimony on July 1, 2015, Bales abandoned her misleading initial response. She acknowledged, only after prompting through a series of questions, the Conference Bylaws required the contracts of the locals to be sent to it. (Ex. 5 at 31-33) She conceded extensive, if not complete, non-compliance, stating "very few contracts" were sent in. (Ex. 5 at 32)

4. Expenses Without a Stated Union Purpose

As discussed above, the Conference Bylaws required that there be a union purpose for expenses it incurred. (Ex. 82 at 13) Federal law and IBT policy require the union purpose be in the affiliate records of expenditure. (Ex. 83 at 178, Ex. 157) The officers often failed to comply with the requirement. (Ex. 157)

³⁷ John R. Doll, Esq, William Lichtenwald. O.C.T. President and Charles Cimino, Jr. O.C.T. Secretary-Treasurer were CC'd on this letter. (Ex. 152)

The Conference had a consistent pattern of not requiring the union purpose for expenditures to be given before it paid an expense. In addition to examples previously discussed, below are others:

On July 22, 2010, the Marriott Hotel charged Cimino's Conference credit card \$250.00 for "cleaning fee for smoking in hotel room. Hotel was a smoke free hotel". (Ex. 158) Bales stated she "asked Roger Insprucker what I should do with the bill, and he said go ahead and pay it". (Ex. 5 at 79) There was no written record of that approval. No union purpose was in the records for the expense. The Ohio Conference paid the charge that was personal and not for the benefit of the members. Bales, an experienced Local union officer would have known this. Cimino stated he did not know the hotel charged his Conference credit card for cleaning his smoke free room. (Ex. 9 at 47-48)

On Friday, December 10, 2010, Bales charged \$172.66 on her Conference card at the Hyde Park Steakhouse in Cleveland. (Ex. 171) The receipt stated "Roger Insprucker Kim Bales dinner OCT/JC #41 Christmas party, Cleveland, Ohio". (Ex. 171) On Saturday, December 11, 2010, Insprucker charged \$22.32 at the Renaissance Hotel in Cleveland for breakfast. (Ex. 171) The receipt stated "Ohio Conf of Teamsters Joint Council # 26 Christmas Party 12-11-10 food breakfast". (Ex. 171) Also on December 11, 2010, Insprucker charged \$24.98 for room service at the Renaissance Hotel. (Ex. 172) In addition, Insprucker and Bales were each charged \$60.00 for two nights parking at the Renaissance Hotel while attending the Christmas party. (Ex. 172) None of these charges explained the union purpose for paying these individual expenses to attend a Christmas party.

On Tuesday, July 29, 2014, Hymore charged \$125.11 on her Conference card at the Oregon Inn, Oregon, Ohio. (Ex. 113) Her expense report stated "see receipt for guest names Spouses luncheon". The receipt listed "Corky Hymore, Barb Collinson, Janice Lichtenwald, Gwen Jackson, Deborah Mixon, Kathie Cimino, Patty Myer, Lisa Cimino, Benetta Insprucker, Rebecca Verst". (Ex. 113) There does not appear to have been a luncheon for delegates' wives, only those of officers and ex-officers. The union purpose was not stated for either category. There also was no Board approval or ratification as required.

5. Failure to Account for Conference Assets

a. Donations of Golf Clubs

Lichtenwald testified that Jackson and Darrow would purchase giveaways for the Conference golf tournament. They would call Lichtenwald and tell him they were going to buy certain items as giveaways for the golfers. Lichtenwald stated he would then approve the purchases. When the bills came in Bales, who was located in Cincinnati, would call Lichtenwald, who was located in Toledo, and tell him what was purchased and the amount of the charge. Lichtenwald would then approve the payment. Lichtenwald testified he "can't remember" if he saw the bills. (Ex. 13 at 90-91) It was his practice not to review bills. (Ex. 13 at 17-19) There was no Board approval or ratification for the expenditures as required. There were no records showing the Conference's receipt of the merchandise or its disposition.

In the years from 2010 through 2014 the Conference purchased 31 sets of golf clubs for \$17,318.16, which it claimed to donate to eight Locals and Joint Council 41 for each entity's golf outing³⁸. In addition, in each of the years 2010, 2011 and 2013, the Conference donated \$100 to Local 413 in Columbus, Ohio as a "hole sponsor" for that Local's golf outing. (Exs. 159, 160, 161) There was no approval or ratification by the Board for these expenditure as required. There was no union purpose provided for the expenses. The costs were as follows:

<u>Year</u>	<u>Number</u>	<u>Cost of Golf Clubs</u>
2010	6	\$ 2,950.33
2011	7	\$ 3,358.62
2012	5	\$ 2,510.75
2013	7	\$ 4,083.91
2014	7	\$ 4,414.55
Total	31	\$ 17,318.16

(Exs.174- 178)

On July 16, 2010, the conference paid American Way Sales \$3,387.07. (Ex. 173) The check voucher indicated it was for "Pen & Pencil set as giveaways at O.C.T. ann. Mtgs. 07/19-07/21/10". (Ex. 173) The invoice indicated the OCT had purchased 251 "Twist pen & Pencil set Burgundy with acrylic dome". (Ex. 173) The minutes of the July 19, 2010 Board meeting stated, "Roger (Insprucker) reported on the pen and pencil set that would be given to delegates, alternate delegates and guests at the 2010 Annual Meeting of the Ohio Conference of Teamsters". (Ex. 56) The July 21, 2010 minutes stated there were 44 Delegates, 42 Alternate

³⁸ The golf clubs were donated to Local 20 in Toledo (5), Local 52 in Brook Park (4), Local 100 in Cincinnati (5), Local 348 in Akron (5), Local 407 in Cleveland (5), Local 413 in Columbus (2), Local 436 in Valley View (1), Local 908 in Lima (1) and Joint Council 41 in Valley View, Ohio (4). (Exs. 174- 178)

Delegates and 25 guests present. (Ex. 58) Assuming each received one set, there were 140 sets unaccounted for. The Conference did not have records required by law and the IBT of the disposition of its assets. (Ex. 83 at 73)

Between 2010 and 2014, in connection with its annual golf tournaments, the Conference purchased various items as alleged giveaways for the golfers, such as golf clubs, hats, golf balls, divot repair tools and custom embroidered towels. (Ex. 13 at 87-88; Ex. 5 at 69-70) The Conference consistently purchased items in excess of the number of participants in these golf tournaments. No records were kept, as required, of the disposition of the items.

For example, on June 25, 2010, the Conference paid \$1,693.59, for 50 boxes of Pinnacle golf balls. (Ex. 162) There was no approval or ratification by the Executive Board of this expenditure. These were a Conference asset. There was no record of the disposition of these items.

On July 16, 2010, the Conference spent \$3,107.18 for 225 golf hats. There were 170 golfers that year. Assuming each golfer received a hat, there were no records accounting for the surplus merchandise. (Ex. 180, 181) There was no approval of the expenditure.

On August 5, 2011, the Conference paid \$3,529.16 for 228 golf hats. (Ex. 179) There were 168 golfers. (Ex. 196) There was no required Board approval or ratification of this expenditure. There were no records showing the disposition of the surplus merchandise.

On July 27, 2012, the Conference paid a total of \$6,163.03 for 262 divot repair kits, 189 golf cases, 50 dozen Titleist golf balls and 180

golf towels³⁹. (Exs. 163, 164, 165) There were 159 golfers. (Ex. 197) There was no Board approval or ratification for these expenditures as required. There were no records showing that the Conference received the items or to whom they were given.

On July 5, 2013, Darrow, the vice-president of the Conference, charged \$1,385.29 on his Conference credit card at the Lakeview Golf Course in Hartville, Ohio for golf clubs and a golf umbrella. (Ex. 166) There was no approval or ratification by the Board for this expenditure as required. The receipt did not list a business purpose for that purchase. (Ex. 166) There were no records of the disposition of these items. Despite the lack of necessary information, the Conference paid the credit card company for this purchase. (Ex. 166) Cimino testified he did not know that Darrow had purchased a set of golf clubs for \$1,385.29. (Ex. 9 at 41-42) Cimino testified that Bales would send him a list of checks to be paid which included the payee and the amount, but that he would never look at the receipts. (Ex. 9 at 28-29)

On July 12, 2013, the Conference paid \$5,344.82, for the purchase of 50 dozen Titleist golf balls and 225 golf caps⁴⁰. (Exs. 167, 168) There were 134 golfers that year. (Ex. 198) There were no records showing that the Conference received the items or or how they were disposed of. Indeed, there were no records of the disposition of any surplus

³⁹ In sequential checks to the same vendor, American Way Sales, the Conference paid \$1,051.62 for divot repair kits and golf cases, \$1,973.15 for golf balls and \$3,138.26 for towels. (Exs. 163, 164, 165)

⁴⁰ In sequential checks to the same vendor, American Way Sales, the Conference paid \$2,057.20 for the golf balls and \$3,287.62 for the hats. (Exs. 167, 168)

merchandise. There was no approval or ratification by the Board for these expenditures as required⁴¹.

Dudas stated that he had seen "sleeves" of excess golf hats in Lichtenwald's Local 20 office in Toledo. (Ex. 11 at 37-38) Bales stated that excess items purchased by the Conference, such as hats, desk plaques, pen and pencil sets and playing cards, usually come back to her office, or the offices of Lichtenwald or Cimino, whereupon they were distributed to members who ask for "free" items. There were no records of each distribution⁴². Bales stated that the union purpose for the purchase and distribution in that matter is because "Well the guys all like, you know, gifts." (Ex. 5 at 71-75)].

In another example of the Conference failure to follow the IBT rules for recording the purchase, inventory and disposition of Conference assets, Hymore, on Sunday, July 27, 2014, charged \$476.09 on her Conference card at Best Buy. (Ex. 113) She purchased two galaxy tablets for \$169.99 each, two tablet cases for \$30.62 each and one Bluetooth speaker for \$43.73. (Ex. 113) Her expense report stated "Raffle Prizes for OCT Annual 7/30/14 (2) galaxy tablets (2) tablet cases (1) Bluetooth speaker". (Ex. 113) There were no indications in the Conference records that it had received them, or how and to whom they had been disposed of whether through any raffle or otherwise.

⁴¹ This was the only Conference golf tournament for which any type of Board approval was obtained. At the July 16, 2012 Board meeting, a proposal to hold the 2013 tournament was made and approved, without mention of the amount of the expenditure, which was \$30,785.18, resulting in a net cost to the Conference of \$10,125.18. (Exs.66, 199)

⁴² Lichtenwald, Cimino and Bales were required to have records that accounted for the disposition of Conference assets. 29 U.S.C. §§431, 436, 439.

E. Defenses

Cimino, at each of the annual meetings between 2010 and 2014, read the "Acts and Actions" report as follows:

I move that all acts, actions and undertakings heretofore engaged in by the Executive Board of the Ohio Conference of Teamsters from the last Annual Meeting ending on (date) to this date, (date), be approved, confirmed, accepted and ratified, presently and retroactively, and that the financial transactions as disclosed by the Financial Statements heretofore accepted, be approved through (date) as all such acts, actions and undertakings have been made pursuant to the Bylaws of the Ohio Conference of Teamsters and for the benefit of the Ohio Conference of Teamsters and its membership.

(Exs. 58, 65, 68, 73, 77)

The delegates at each of these annual meetings seconded and approved the motions. (Exs. 58, 65, 68, 73, 77) A *post hoc* attempt to escape liability for acting improperly is worthless. Indeed, it evidenced the Board believed it was needed, but did not absolve them of the depth of their failure to act properly. See U.S. v. International Brotherhood of Teamsters, (Ligurotis), 814 F. Supp. 1165, at 1179-1181 (S.D.N.Y., 1993) (Edelstein, J.) Every year, the Board members ignored their fiduciary obligation to inquire into, monitor and approve the Conference expenditures and their sworn promises to follow the Bylaws.

Moreover, a blanket absolution without knowledge of what was being forgiven would have no consequence because without detail of what is being approved, it is meaningless. The delegates of the Ohio Conference had no powers. The Bylaws specifically stated the Board approval of expenses was necessary and the Delegates' approval was not. (Ex. 82, at

Art. IV, Section 1) The Board members could not escape their responsibilities to act in compliance with the Bylaws in such a matter.

After the IRB investigation has been ongoing since August, 2014 and after all its Board members and its administrator had been deposed, the Conference created and had a meeting, of a "Best Practice Subcommittee" on August 20, 2015. (Exs. 169, 170) The Ohio Conference Board members for decades had not complied with its Bylaws and the requirements for affiliates in the IBT Secretary-Treasurer's Manual. Its Board has always been composed of experienced Local officers who in Local positions needed to be familiar with the IBT Secretary-Treasurer's Manual and as Conference officers, its Bylaws. Yet, those responsibilities were ignored. In 2009, it hired a full-time local officer to an over \$50,000 a year, part-time position as Conference Administrator. The administrator similarly was required to be familiar with the Conference Bylaws and Secretary-Treasurer's Manual. The Conference continued to be in violation despite spending more than half its income for rewarding its Board and others and in continuing to spend the Conference's money without required approvals. This attempted Band-Aid is not persuasive.

Conclusion

The Conference spent, at least, 70% of members' money for the benefit of its officers, employees and other Local officers and in spending funds without required approval under the Bylaws⁴³. Without

⁴³ For example in 2014, the Conference spent over 80% of the money it received from the Local's per capita payments either for the direct benefit of its

appropriate Board approvals under the guise of some over half-century written agreement its officers spent 16% of revenues under an alleged retainer agreement to pay legal expenses locals' incurred to a select law firm in violation of the Bylaws. In total, over 20% of its revenues annually flowed to this one law firm without required Board approval⁴⁴.

The Conference spent nothing on members' education or providing statistical information to support the best possible service to the membership in collective bargaining which were claimed objectives for its existence in its Bylaws. It failed to perform its specific obligation in its Bylaws concerning retaining and reviewing collective bargaining agreements. It failed to follow basic financial controls that the Constitution, its Bylaws, IBT policies and federal labor laws imposed on it.

As detailed above, the Conference is not being operated for the benefit of the members and not being operated in compliance with its Constitution and Bylaws.

officers, employees and local officers or without the required Board approvals under the Bylaws. (Chart, pg. 8 Supra; Ex. 122)

⁴⁴ In 2010, payments to the firm were 22.3% of per capita. In 2011 payments to the firm were 22.6% of per capita. In 2012, payments to the firm were 29.39% of per capita. In 2013, payments to the firm were 22.98% of per capita. In 2014, payments to the firm were 19.32% of per capita. (Ex. 151)

Exhibits to Ohio Conference of Teamsters Letter

Final

Ex.	1	Consent Judgment, dated 3/14/89
Ex.	2	IRB Rules and Procedures
Ex.	3	IBT Constitution (Excerpts)
Ex.	4	Sworn Examination Doyle Baird 7/24/15
Ex.	5	Sworn Examination Kim Bales 7/1/15
Ex.	6	Sworn Examination James Bates 7/24/15
Ex.	7	Sworn Examination Travis Bornstein 6/30/15
Ex.	8	Sworn Examination Ron Butts 7/2/15
Ex.	9	Sworn Examination Charles Cimmino 6/29/15
Ex.	10	Sworn Examination Patrick Darrow 6/29/15
Ex.	11	Sworn Examination David Dudas 6/30/15
Ex.	12	Sworn Examination Alan Jones 7/1/15
Ex.	13	Sworn Examination Bill Lichtenwald 6/29/15
Ex.	14	Sworn Examination Al Mixon 6/29/15
Ex.	15	Sworn Examination Paul Suffoletto 7/24/15
Ex.	16	Sworn Examination Gary Tiboni 6/29/15
Ex.	17	Sworn Examination Randall Verst 7/1/15
Ex.	18	Sworn Examination David Webster 7/2/15
Ex.	19	Sworn Examination Edward Wilp 7/1/15
Ex.	20	O.C.T. 2003 Form LM-2
Ex.	21	O.C.T. 2004 Form LM-2
Ex.	22	O.C.T. 2010 Form LM-2
Ex.	23	O.C.T. 2011 Form LM-2
Ex.	24	O.C.T. 2012 Form LM-2
Ex.	25	O.C.T. 2013 Form LM-2
Ex.	26	O.C.T. 2014 Form LM-2
Ex.	27	JC-26 2014 Form LM-3
Ex.	28	JC-41 2014 Form LM-2
Ex.	29	L-20 2014 Form LM-2
Ex.	30	L-24 2014 Form LM-2
Ex.	31	L-52 2014 Form LM-2
Ex.	32	L-114 2014 Form LM-2
Ex.	33	L-284 2014 Form LM-2
Ex.	34	L-348 2014 Form LM-2
Ex.	35	L-400 2014 Form LM-2
Ex.	36	L-507 2014 Form LM-2
Ex.	37	L-957 2014 Form LM-2

Exhibits to Ohio Conference of Teamsters Letter

Final

Ex.	38	L-1199 2014 Form LM-2
Ex.	39	L-40 2014 Form LM-2
Ex.	40	L-244 2014 Form LM-2
Ex.	41	L-336 2014 Form LM-2
Ex.	42	JC-44 2008 Form LM-2
Ex.	43	L-100 2014 Form LM-2
Ex.	44	L-436 2014 Form LM-2
Ex.	45	L-1164 2014 Form LM-2
Ex.	46	L-1108 2014 Form LM-2
Ex.	47	L-964 2014 Form LM-2
Ex.	48	L-908 2014 Form LM-2
Ex.	49	L-473 2014 Form LM-2
Ex.	50	L-683 2014 Form LM-2
Ex.	51	L-542 2014 Form LM-2
Ex.	52	L-481 2014 Form LM-2
Ex.	53	IBT HQ 2014 Form LM-2, Excerpts
Ex.	54	O.C.T. Exec Board Meeting Minutes 11/9/09
Ex.	55	O.C.T. Exec Board Meeting Minutes 2/23/10
Ex.	56	O.C.T. Exec Board Meeting Minutes 7/19/10
Ex.	57	O.C.T. Annual Meeting Minutes 7/20/10
Ex.	58	O.C.T. Annual Meeting Minutes 7/21/10
Ex.	59	O.C.T. Exec Board Meeting Minutes 11/18/10
Ex.	60	O.C.T. Exec Board Meeting Minutes 1/6/11
Ex.	61	O.C.T. Exec Board Meeting Minutes 2/8/11
Ex.	62	O.C.T. Exec Board Meeting Minutes 4/14/11
Ex.	63	O.C.T. Exec Board Meeting Minutes 8/15/11
Ex.	64	O.C.T. Annual Meeting Minutes 8/16/11
Ex.	65	O.C.T. Annual Meeting Minutes 8/17/11
Ex.	66	O.C.T. Exec Board Meeting Minutes 7/16/12
Ex.	67	O.C.T. Annual Meeting Minutes 7/17/12
Ex.	68	O.C.T. Annual Meeting Minutes 7/18/12
Ex.	69	O.C.T. Exec Board Meeting Minutes 11/1/12
Ex.	70	O.C.T. Exec Board Meeting Minutes 8/12/13
Ex.	71	O.C.T. Annual Meeting Minutes 8/13/13
Ex.	72	O.C.T. Annual Meeting Minutes 8/14/13
Ex.	73	O.C.T. Annual Meeting Minutes 8/15/13
Ex.	74	O.C.T. Exec Board Meeting Minutes 1/17/14

Exhibits to Ohio Conference of Teamsters Letter

Final

Ex.	75	O.C.T. Exec Board Meeting Minutes 7/28/14
Ex.	76	O.C.T. Annual Meeting Minutes 7/29/14
Ex.	77	O.C.T. Annual Meeting Minutes 7/30/14
Ex.	78	O.C.T. Exec Board Meeting Minutes 11/25/14 (Draft Copy)
Ex.	79	O.C.T. Phone Poll dated 6/5/14
Ex.	80	O.C.T. Phone Poll dated 11/6/13
Ex.	81	O.C.T. Phone Poll dated 7/9/10
Ex.	82	O.C.T. Bylaws
Ex.	83	Secretary Treasurers Manual Excerpt
Ex.	84	IBT Roster 9/1/14
Ex.	85	JC-41 Website Excerpt
Ex.	86	IBT Roster 4/1/01
Ex.	87	IBT Letter to IRB dated 7/23/14
Ex.	88	OCT Salary List dated 04/01/15 (From O.C.T. Document Response)
Ex.	89	O.C.T. 2014 W-2 for Paul Suffoletto
Ex.	90	2014 O.C.T. Payroll records
Ex.	91	2014 Salaries Less Than \$10,000
Ex.	92	JC-41 Severance Plan & Trust
Ex.	93	Contribution to JC-41 Severance Plan Memo (Murray)
Ex.	94	JC-41 Severance Plan Balance Schedule 2/28/15
Ex.	95	IBT Roster excerpt, 5/1/08
Ex.	96	Map Printouts
Ex.	97	JC-65 2012 Form LM-3
Ex.	98	JC-38 2009 Form LM-2
Ex.	99	JC-41 Rent Payments to L-436 in 2014 (schedule) with check register backup
Ex.	100	O.C.T. Check # 047553 & Auto Loan Agreement
Ex.	101	O.C.T. Letter to Conference Attendees dated 7/11/14
Ex.	102	O.C.T. Letter to IRB dated 9/3/15
Ex.	103	O.C.T. Check # 43806 dated 7/30/10
Ex.	104	IBT Financial Procedures Manual Excerpt, October 2000
Ex.	105	O.C.T. Check # 45062 dated 10/3/11
Ex.	106	O.C.T. Check # 45290 dated 12/12/11
Ex.	107	O.C.T. Check # 45972 dated 8/15/12
Ex.	108	O.C.T. Check # 46069 dated 9/28/12
Ex.	109	O.C.T. Check # 46924 dated 8/30/13 with 2013 meeting schedule
Ex.	110	O.C.T. Check # 47241 dated 12/9/13
Ex.	111	O.C.T. Check # 47782 dated 8/15/14 with 2014 meeting schedule

Exhibits to Ohio Conference of Teamsters Letter

Final

Ex. 112	JC-41 Severance Check #1599 dated 10/09/14
Ex. 113	O.C.T. Check # 47851 dated 9/2/14
Ex. 114	IRB Letter to IBT dated 8/3/15
Ex. 115	O.C.T. Trustee Reports 2010 sent to IRB 7/31/15
Ex. 116	O.C.T. Trustee Reports 2011 sent to IRB 7/31/15
Ex. 117	O.C.T. Trustee Reports 2012 sent to IRB 7/31/15
Ex. 118	O.C.T. Trustee Reports 2013 sent to IRB 7/31/15
Ex. 119	O.C.T. Trustee Reports 2014 sent to IRB 7/31/15
Ex. 120	O.C.T. Trustee Reports 2015 sent to IRB 7/31/15
Ex. 121	IBT Letter to IRB dated 8/7/15
Ex. 122	OCT Expenses over 5,000 W/O approval schedule
Ex. 123	O.C.T. Check # 43883 dated 8/30/10
Ex. 124	O.C.T. Check # 44903 dated 8/23/11
Ex. 125	O.C.T. Check # 44371 dated 2/9/11
Ex. 126	O.C.T. Check # 44388 dated 2/25/11
Ex. 127	Salary and Benefits paid schedule, 2010-2014
Ex. 128	JC-41 Bylaws
Ex. 129	2012 Annual Meeting Salt Fork Lodge Schedule
Ex. 130	O.C.T. Check # 44242 dated 12/29/10
Ex. 131	O.C.T. Check # 45943 dated 8/15/12
Ex. 132	O.C.T. Check # 46909 dated 8/9/13
Ex. 133	O.C.T. Check # 47790 dated 8/22/14
Ex. 134	O.C.T. Check # 47921 dated 10/1/14
Ex. 135	O.C.T. Check # 48130 dated 12/19/14
Ex. 136	John Golish 2011 O.C.T. W-2
Ex. 137	OCT Schedule of billings by Doll's firm for recording minutes W/ Backup
Ex. 138	Internal Controls Excerpt, Mary Schaeffer
Ex. 139	D.O.L. Internal Financial Controls Document, 2010
Ex. 140	Internal Auditors Document, Stone, 2009
Ex. 141	Venable Non-Profit Alert Document, 2013
Ex. 142	Understanding Internal Controls Guide- University of California
Ex. 143	O.C.T. Phone Poll dated 3/10/11- Party
Ex. 144	O.C.T. Check # 44706 dated 6/24/11
Ex. 145	O.C.T. Phone Poll dated 3/10/11- DoubleTree Meeting
Ex. 146	O.C.T. Letter to IRB dated 9/4/14
Ex. 147	2010 Payments to Attorneys schedule W/ backup
Ex. 148	2011 Payments to Attorneys schedule W/ backup

Exhibits to Ohio Conference of Teamsters Letter

Final

Ex.	149	2012 Payments to Attorneys schedule W/ backup
Ex.	150	2013 Payments to Attorneys schedule W/ backup
Ex.	151	2014 Payments to Attorneys schedule W/ backup
Ex.	152	O.C.T. Letter to IRB dated 5/4/15
Ex.	153	O.C.T. Legal Counsel Pamphlet (Not dated)
Ex.	154	O.C.T. ExBd meeting minutes 8/22/91
Ex.	155	JC-41 Delegates Meeting Minutes 3/22/10
Ex.	156	JC-41 ExBd Meeting Minutes 6/13/10
Ex.	157	OLMS Compliance Tip- Union Credit Card Policy (April 2010)
Ex.	158	O.C.T. Check # 43876 dated 8/27/10
Ex.	159	O.C.T. Check # 43692 dated 6/25/10
Ex.	160	O.C.T. Check # 44772 dated 7/8/11
Ex.	161	O.C.T. Check # 46736 dated 6/21/13
Ex.	162	O.C.T. Check # 43701 dated 6/25/10
Ex.	163	O.C.T. Check # 45873 dated 7/27/12
Ex.	164	O.C.T. Check # 45874 dated 7/27/12
Ex.	165	O.C.T. Check # 45875 dated 7/27/12
Ex.	166	O.C.T. Check # 46858 dated 8/1/13
Ex.	167	O.C.T. Check # 46799 dated 7/12/13
Ex.	168	O.C.T. Check # 46800 dated 7/12/13
Ex.	169	O.C.T. "Best Practices" letters dated 8/11/15
Ex.	170	O.C.T. "Best Practices" letters dated 8/20/15
Ex.	171	O.C.T. Check # 44290 dated 1/4/11
Ex.	172	O.C.T. Check # 44365 dated 2/1/11
Ex.	173	O.C.T. Check # 43793 dated 7/16/10
Ex.	174	2010 Donation of Golf Clubs schedule
Ex.	175	2011 Donation of Golf Clubs schedule
Ex.	176	2012 Donation of Golf Clubs schedule
Ex.	177	2013 Donation of Golf Clubs schedule
Ex.	178	2014 Donation of Golf Clubs schedule
Ex.	179	O.C.T. Check # 44848 dated 8/5/11
Ex.	180	O.C.T. Check # 43792 dated 7/16/10
Ex.	181	2010 list of Golfers at O.C.T. Golf Outing
Ex.	182	O.C.T. Check # 44694 dated 6/17/11
Ex.	183	O.C.T. Check # 45525 dated 3/16/12
Ex.	184	O.C.T. Check # 46341 dated 12/28/12
Ex.	185	O.C.T. Check # 46991 dated 9/13/13

