Review Board Charges Pat Flynn with Embezzlement

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July 3, 2014: Chicago Local 710 secretary treasurer Pat Flynn has been charged by the Independent Review Board (IRB) with embezzling \$58,000 in visa gift cards, violating his fiduciary duty, and exposing the local to legal liability in a cover-up.

Flynn was paid \$482,543 by Local 710 members' dues in 2013, plus an additional \$44,900 in deferred income, making him the highest paid of all Teamster' fat cats.

The 105-page <u>investigative report and recommended charges</u> (https://tdu.org/sites/default/files/IRBChargesPatFlynnJune2014%20%281%29%20%281%29.p <u>df</u>) indicates that the IRB has thoroughly investigated what happened with the gift cards during the years 2009-2012.

Each year Local 710 staff would provide a number of stewards with \$150 gift cards. Flynn, the local secretary treasurer, would then direct the staff to purchase excess cards that were kept by him personally in his office, separate from other union property and money. The same thing happened with \$25 gift cards purchased as prizes for union meeting attendance. The excess cards were not accounted for and were not shown as assets on the LM-2 or the monthly trustees' reports, although the visa cards were as good as cash.

The report notes that Flynn's various explanations for the scheme are not credible. "Flynn essentially claimed that since local funds had been converted into gift cards solely under his control, at that point magically he did not have to account for their use." (pp 79-80)

The IRB points out that Flynn served as the local secretary treasurer since 2004, was an employee of the local for 33 years, had served on Hoffa's General Executive Board, and studied accounting in college, so his claimed ignorance does not stand.

IRB procedures call for Hoffa to bring charges against Flynn, hold a hearing, and report the results to the IRB within 90 days, or decline to act. At that point the IRB will take over and make the final determination on the adequacy of actions taken.

The IRB exists to investigate and root out corruption in the Teamsters Union. Of the three members on the board one is chosen by Hoffa and the General Executive Board, one by the US Attorney, and one selected jointly by both.

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