REPORT TO ALL MEMBERS
OF THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS

FROM: The Independent Disciplinary Officers
Hon. Barbara S. Jones
Hon. Joseph E. diGenova

DATED: March 31, 2017

I. INTRODUCTION

The following is Magazine Report 2 of the Independent Disciplinary Officers (“IDO”) for 2017 regarding activities from November 30, 2016 through March 31, 2017 conducted pursuant to the Final Agreement and Order of February 17, 2015. This Report provides information on one new Charge Report and updates on six existing charges.

On October 11, 2016, for medical reasons, the Independent Review Officer (“IRO”), Benjamin R. Civitelli, submitted his resignation to United States District Court Judge Loretta A. Preska. On December 16, 2016, Barbara S. Jones was appointed the new IRO.

II. NEW REPORT

A. FORMER LOCAL 186 OFFICERS
WILLIAM ELDER AND DOUGLAS SAINT

On December 5, 2016, pursuant to Paragraphs 30 and 31 of the Final Agreement and Order, the Independent Investigations Officer (“IDO”) issued a Charge Report to the IBT General President recommending that charges be filed against former Local 186 Secretary-Treasurer and Principal Officer William Elder (“Elder”), and former Local 186 President Douglas Saint (“Saint”) for embezzlement of Union funds in violation of 29 USC §501(c), the permanent injunction in United States v. International Brotherhood of Teamsters and the IBT Constitution. In December 2015, they caused the Local to make over $97,000 in unauthorized severance payments to themselves and two other former Local employees without a union purpose. The Report alleged that Elder and Saint embezzled by causing the Local’s money to be paid to them and others without authority and not for a union purpose.

On December 8, 2016, the IBT General President adopted and filed the charge. On January 10, 2017, the IBT General Counsel requested a 30 day extension of the 90 day period in which the processing of the charges needed to be completed. The IRO granted it to April 4, 2017. On January 25, 2017, the IBT scheduled a hearing for February 16, 2017. On February 14, 2017, in response to notification that Mr. Elder’s counsel had a court appearance scheduled for the date of the IBT hearing, the IRO granted an additional sixty day extension. On March 17, 2017, the IBT scheduled the hearing for April 18, 2017, in Los Angeles, California.

III. PROGRESS OF EXISTING MATTERS

A. OHIO CONFERENCE OF TEAMSTERS
OFFICERS AND AN EMPLOYEE,
KIMBERLY BALES, CHARLES CIMINO, AND
WILLIAM LICHTENWALD

On June 9, 2016, the IIO issued a Report to the IBT General President recommending charges against Ohio Conference of Teamsters (“OCT”) Administrative Assistant Kimberly Bales (“Bales”), OCT President William Lichtenwald (“Lichtenwald”), and former OCT Secretary Treasurer Charles Cinimo (“Cimino”). A revised Charge Report was issued on June 15, 2016. Among the proposed charges against Lichtenwald, Cinimo and Bales were that they breached their fiduciary duties and violated the Conference Bylaws by consistently making expenditures of Conference funds without approvals required under its Bylaws and in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1) and (2) of the IBT Constitution. The report alleged they caused over $1,755,000 in unauthorized expenditures to be made. The IIO recommended that Lichtenwald and Bales also be charged with embezzling and breaching their fiduciary duties through allegedly making approximately $238,433 in unauthorized transfers of Conference money to their Locals to be used to pay their Local’s benefits contributions as part of their local compensation to them in violation of the IBT Constitution. It was alleged this was done without authority and with no benefit to the Conference from these expenditures. Embezzlement is an act of racketeering all members are enjoined from committing under the Final Agreement and Order. In addition, it was recommended that Lichtenwald be charged with embezzling $62,395.27 for allegedly causing the Conference to purchase a car for his exclusive use without a Conference purpose and without the required board approval of the amount. In addition, it was recommended that Cinimo and Lichtenwald be charged for allegedly failing to maintain Conference records accounting for the disposition of Conference assets required under federal law.

By letter dated June 24, 2016, General President Hoffa adopted and filed the charges. On August 24, 2016, the IRO sent a notice to IBT that the deadline remained September 15, 2016, to have the matter completed. On August 26, 2016, the IBT requested a 90 day extension, which was granted by the IRO on August 30, 2016, extending the deadline to December 15, 2016. On September 7, 2016, the IBT scheduled a hearing for October 12, 2016. On November 1, 2016, the IBT held a hearing on the charges and continued the hearing to December 1, 2016. On December 14, 2016, IBT General President Hoffa issued a decision which found that the charged parties had breached some of their duties as fiduciaries. The decision found that Mr. Lichtenwald’s and Mr. Cinimo’s retirements and agreements never to hold any position with the OCT were appropriate penalties. With respect to Ms. Bales, the IBT decision found that her permanent resignation from the OCT was an appropriate penalty. On February 14, 2017, the IRO found the IBT’s decision to be not inadequate.