



January 18, 2012



Dear [REDACTED]:

This is to advise you of the disposition of a complaint filed with the Secretary of Labor alleging that violations of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), occurred with respect to the trusteeship imposed by the National Alliance of Postal and Federal Employees over NAPFE Local 1012 in Seattle, Washington.

Pursuant to Sections 304 and 601 of the LMRDA, an investigation was conducted by the Office of Labor-Management Standards. After carefully reviewing the investigative findings, and after consulting with the Solicitor of Labor, we have determined that legal action is not warranted in this case. We are, therefore, closing our file as of this date.

The basis for this decision is set forth in the enclosed Statement of Reasons.

Sincerely,

Patricia Fox  
Chief, Division of Enforcement

**U.S. Department of Labor**

Office of Labor-Management Standards  
Division of Enforcement  
Washington, DC 20210  
(202) 693-0143 Fax: (202) 693-1343



January 18, 2012

James M. McGee, President  
National Alliance of Postal and Federal Employees  
1628 11<sup>th</sup> Street, NW  
Washington, DC 20001-5086

Dear Mr. McGee,

This is to advise you of the disposition of a complaint filed with the Secretary of Labor alleging that violations of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), occurred with respect to the trusteeship imposed by the National Alliance of Postal and Federal Employees over NAPFE Local 1012 in Seattle, Washington.

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January 18, 2012

[REDACTED]  
National Alliance of Postal and Federal Employees Local 1012  
10700 27Th Ave. South  
Seattle , Washington 98168

Dear [REDACTED]

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Sincerely,

Patricia Fox  
Chief, Division of Enforcement

Statement of Reasons  
For Dismissing the Complaint  
Regarding the Trusteeship Imposed on  
Local 1012 by  
The National Alliance of Postal and Federal Employees

The Department of Labor received a complaint alleging that the National Alliance of Postal and Federal Employees (NAPFE) imposed a trusteeship on subordinate Local 1012 when NAPFE placed Local 1012 in "inactive" status and withheld the Local's operating funds. The investigation confirmed that NAPFE placed Local 1012 in "inactive" status in April 2009. NAPFE refers to an "inactive" local as being "in escrow" because an inactive local's funds are placed in escrow and are unavailable to local officers. Prior to being placed in "inactive" status, local officers had authority over local operating funds.

A trusteeship is defined in Section 3(h) of the LMRDA as "any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws." To constitute a trusteeship action, the parent union need not take over all of the affairs of the subordinate. Suspension of the subordinate's prior control of any significant activity (e.g. control of local funds) may constitute a trusteeship under Title III of the LMRDA. Although a subordinate union's officers may remain in place with formal control of the local, such control is meaningless without the financial resources to conduct the union's business. By holding Local 1012's funds in escrow, NAPFE in effect imposed a trusteeship on the Local. Moreover, the trusteeship was invalid under the LMRDA because NAPFE did not follow its constitutional procedures for placing a subordinate local in trusteeship before placing Local 1012 in inactive status and putting Local operating funds in escrow. See NAPFE Constitution, Article VIII, section 3.

The Department informed NAPFE of its determination that a violation of the LMRDA had occurred in a meeting with NAPFE President McGee on January 4, 2011. Although NAPFE did not concede that Local 1012 was in escrow, it took the position that Local 1012 could become "active" by submitting its deficient or delinquent financial reports and electing a financial-secretary. The investigation confirmed that Local 1012 completed both requirements. In September 2011, NAPFE arranged to have the escrowed funds and any subsequent funds deposited into an account accessible by Local 1012. Consequently, the violation of the LMRDA revealed by the Department's investigation has been remedied, and the complaint is dismissed.