

Statement of Reasons for Dismissing a Complaint
Concerning the Operation of a Trusteeship Over Local 1036,
United Food and Commercial Workers International Union

A complaint was filed on September 26, 2013 with the Secretary of Labor alleging that the United Food and Commercial Workers International Union violated Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. §§ 461-466, when it transferred funds from subordinate body, Local 1036, while that local was in trusteeship.

The complaint alleged that while Local 1036 was in trusteeship, from January 3, 2008 to July 1, 2009, the International transferred \$100,000 of the local's funds to the International, in violation of section 303 of the LMRDA. 29 U.S.C. § 463(a)(2). Section 303(a)(2) provides, in relevant part, that during any period when a subordinate body of a labor organization is in trusteeship, it shall be unlawful "to transfer to such organization any current receipts or other funds of the subordinate body except the normal per capita tax and assessments."

The investigation disclosed that on February 26, 2009, the trustee appointed by the International to manage the affairs of the local transferred \$100,000 of the local's monies to the International, as a contribution to the International's effort to pass legislation favoring unions. The transfer of the local's funds violated section 303(a), because it was made during the time in which the local was in trusteeship and the funds were neither an assessment nor per capita tax. Shortly after the Department contacted the International to inquire about the unlawful transfer, the International conducted its own investigation and agreed that the transfer was unlawful and should not have occurred.

The International has remedied the violation. The investigation disclosed that Local 1036 was dissolved on July 1, 2009, which also ended the trusteeship. The International merged members of Local 1036 into the membership of two other locals, Local 8 and Local 770. The International provided the Department with copies of checks it issued to the two locals in December 2013 to reimburse former Local 1036 members for the transfer of funds; the amounts paid to each local were proportional to the number of former Local 1036 members in each local. The Department confirmed that Local 8 deposited its check for \$28,350; Local 770, through its counsel, advised the Department that the local deposited the International's check for \$71,650. The unlawful transfer of Local 1036's funds was remedied.

For the reasons set forth above, the Department has concluded that the violation of Title III of the Act was remedied, and the file has been closed.

U.S. Department of Labor

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



March 28, 2014



Dear [REDACTED]:

This is to advise you of the disposition of the complaint you 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 United Food and Commercial Workers International Union over Local 1036, a now-defunct local union affiliate that was based in Camarillo, California.

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

cc: Christopher Wilkinson, Associate Solicitor for Civil Rights
and Labor-Management Laws

U.S. Department of Labor

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



March 28, 2014

Mr. Joseph T. Hansen, International President
United Food and Commercial Workers Union
1775 K Street, NW
Washington, DC 20006

Dear Mr. Hansen:

This is to advise you of the disposition of a complaint that was 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 United Food and Commercial Workers International Union over Local 1036, a now-defunct local union affiliate that was based in Camarillo, California.

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 for the in the enclosed Statement of Reasons.

Sincerely,

Patricia Fox
Chief, Division of Enforcement

cc: Christopher Wilkinson, Associate Solicitor for Civil Rights
and Labor-Management Laws