



May 19, 2011

Mr. Leo W. Gerard, International President  
United Steelworkers  
Five Gateway Center  
Pittsburgh, Pennsylvania 15222

Dear Mr. Gerard:

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 United Steelworkers over United Steelworkers Local 12-2801 in Signal Hill, 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

Enclosure



May 19, 2011

[REDACTED]

Dear [REDACTED]:

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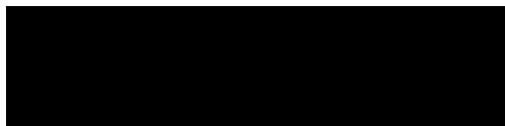
Sincerely,

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Chief, Division of Enforcement

Enclosure



May 19, 2011



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Patricia Fox  
Chief, Division of Enforcement

Enclosure

Statement of Reasons  
For Dismissing the Complaint  
Concerning the Trusteeship Imposed on  
Local 12-2801, by the United Steelworkers  
On November 10, 2010,  
Signal Hill, California

On November 17, 2010, the Department of Labor (Department) received a complaint from members of Local 12-2801 (or local), United Steelworkers (International). The complaint alleged that the International imposed an unlawful trusteeship on Local 12-2801 on or about November 10, 2010, in violation of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (Act), 29 U.S.C. §§461-466.

Section 302 of the Act, 29 U.S.C. § 462, provides that a trusteeship may be established and administered by a labor organization over a subordinate body for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization.

The Department's investigation disclosed that the trusteeship was imposed for a purpose allowable under section 302 of the Act. Specifically, the International conducted an audit of the local. On October 5, 2010, the International auditor issued a report in which the auditor found evidence of salary overpayments, unauthorized expenditures, and incomplete meeting minutes/expense documents. The report also revealed that the local president had appointed a non-member to the office of financial secretary, and made unauthorized payments to the appointee. The auditor's report further showed that democratic procedures were lacking in the local in that many of the local's members speak only Spanish, notice of membership meetings often were not posted or were posted only in English, and interpreters were not provided for many of these meetings. On these facts, the trusteeship was imposed for a purpose allowable under section 302 of the LMRDA. The Act was not violated.

The complaint further alleged that the International did not follow the procedures prescribed in the International constitution for imposing the trusteeship in that it failed to notify the local officers of its imposition. Section 302 of the LMRDA requires a trusteeship to be "established and administered" in accordance with the constitution and bylaws of the organization, which has assumed the trusteeship.

The International relied on the procedures prescribed in Article IX, Section 1 of the International constitution to impose the trusteeship over the local. This provision provides,

In the event the International President shall have reason to believe that any Local is failing to comply with the Constitution, . . . the International President may unilaterally or at the request of officers or members of the Local Union, institute proceedings with due notice of the basis therefor (sic) and of a hearing before any member or members of the International Executive Board. . . . The Local shall be afforded a full and fair hearing. Upon the basis of the hearing the International Executive Board is authorized to render a decision dismissing the proceedings, suspending or revoking the charter of any such Local Union, or directing such other action as may be necessary to secure compliance with the Constitution.

The investigation established that on August 2, 2010, the International received a complaint from a local member along with a petition signed by 255 such members alleging that the local had failed to properly govern the union and represent the membership. By letter dated August 17, 2010, the International notified the officers of Local 12-2801 regarding the complaint and the petition, thereby complying with the notice requirement set forth in Article IX, section 1 of the International constitution. The August 17 letter also notified the officers that the International President had appointed a commissioner and a commission secretary to conduct a hearing and investigate the veracity of the allegations. On August 31, 2010, the commissioner sent letters to the local officers informing them that a hearing would be conducted on September 21-22, 2010, to address the members' concerns, and provided the place, date and time of the hearing.

The hearing was conducted as scheduled. The International complied with the full and fair hearing requirement prescribed in Article IX, section 1 of the International constitution in that members and union officials were afforded an opportunity to testify, present witnesses, and provide direct and rebuttal arguments during the proceedings. On November 10, 2010, the International Executive Board rendered a decision based on the commission's findings of financial malpractice and a lack of democratic procedures in the local. Such decision resulted in the imposition of a trusteeship over the local. The International Executive Board's decision was consistent with the authority delegated to the Executive Board under Article IX, Section 1 of the International constitution. On November 10, 2010, the International sent letters to the local officers by certified mail and standard U.S. Postal mail informing them of the imposition of the trusteeship and that they had been removed from office. Based on the foregoing facts, the trusteeship was established and administered in conformity with the procedural requirements set forth in the International constitution, and the officers of the local were adequately notified of the imposition of the trusteeship and their removal from office. Neither the Act nor the International constitution was violated.

Accordingly, we are closing our file in this matter.