



April 25, 2012

Mr. David Kinglee, President
NAPFE Local 1017
[REDACTED]
Bakersfield, California 93387-1532

Dear Mr. Kinglee:

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 1017 in Bakersfield, 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

U.S. Department of Labor

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



April 25, 2012

James M. McGee, President
National Alliance of Postal and Federal Employees
1628 11th 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 1017 in Bakersfield, 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.

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Sincerely,

Patricia Fox
Chief, Division of Enforcement

Statement of Reasons
For Dismissing the Complaint
Regarding the Trusteeship Imposed on
Local 1017 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 1017 (or Local) when NAPFE placed Local 1017 in “inactive” status and withheld the Local’s operating funds. The Department’s investigation confirmed that NAPFE placed Local 1017 in “inactive” status in March 2011. 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 1017’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 the Local in inactive status and putting Local operating funds in escrow. See NAPFE Constitution, Article VIII, section 3.

NAPFE President McGee told the Department that, although NAPFE did not concede that Local 1017 was in escrow, it took the position that Local 1017 could become “active” by submitting its delinquent financial reports. The investigation confirmed that Local 1017 submitted its delinquent audit report and IRS Form 990. In December 2011, NAPFE arranged to have the escrowed funds and any subsequent funds deposited into an account accessible by Local 1017. Consequently, the violation of the Act revealed by the Department’s investigation has been remedied, and the complaint is dismissed.