

Statement of Reasons  
For Dismissing Complaint Concerning the  
Trusteeship Imposed on  
Amalgamated Transit Union Local 1764  
Washington, DC

A member in good standing of Local 1764 of the Amalgamated Transit Union (ATU) filed a complaint on September 14, 2015, with the Secretary of Labor challenging the validity of the trusteeship imposed on the local by ATU. The Complainant alleged that the trusteeship was not imposed for an allowable purpose and that ATU did not follow the procedures established in the ATU Constitution in placing the union under trusteeship as required by section 302 of the Labor-Management Reporting and Disclosure Act (LMRDA), 29 U.S.C. § 462.

The LMRDA allows trusteeships for the purposes of “correcting corruption or financial malpractice, assuring the performance of a collective-bargaining agreement or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objectives of such labor organization.” 29 U.S.C. § 462. A trusteeship established by a parent body in conformity with the procedural requirements of its constitution and bylaws is presumed valid for eighteen months from the date of its establishment and is not subject to attack during such period except by clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable under Section 302 of the LMRDA. 29 U.S.C. § 464(c).

Section 12.6 of the ATU Constitution sets forth the following procedures for establishing a trusteeship:

A trusteeship may be imposed by the IU upon an LU . . . to correct . . . financial malpractice, including mishandling . . . Union funds; . . . assure the performance of collective bargaining agreements or other duties of a bargaining representative; . . . serve as caretaker of the subordinate body, its members and affairs when there is a . . . situation impairing, or threatening to impair, the effective functioning of the subordinate body; or otherwise carry out the legitimate objectives of the IU.

Whenever in the judgment of the GEB [the imposition of a trusteeship] is required, it shall have the power to instruct the IP to place such LU . . . in temporary trusteeship . . . Within thirty (30) days following the imposition of a temporary trusteeship, a hearing shall commence to determine whether the trusteeship is justified and shall continue . . . The hearing officer shall submit his or her findings and recommendations to the GEB . . . Within forty-five (45) days from the date the hearing closes, the GEB shall issue its decision and order.

The Department of Labor investigation established that the International imposed the trusteeship for an allowable purpose. The General Executive Board’s (GEB) reasons for instituting the temporary trusteeship included Local 1764’s inability to fulfill its financial obligations under the ATU Constitution, resulting in a nine-month arrearage in per capita tax payments; failure to carry out its duties as a collective bargaining representative, resulting in a decertification

election; and the indebtedness and financial circumstances impacting the Local, including mounting legal and other bills.

The Department's investigation also determined that the International imposed a trusteeship in accordance with the ATU Constitution. On January 8, 2015, a special session of the GEB approved the immediate, temporary trusteeship of Local 1764. That same day, the International President (IP) appointed a trustee and notified Local 1764's President and Financial Secretary that the Local was being placed under trusteeship. On January 23, 2015, Local 1764 members were notified of the time, date, and place of the trusteeship hearing. Both notices set forth the charges of financial mismanagement and failure to perform duties as a collective bargaining representative. Within thirty days of the imposition of the temporary trusteeship, on February 5, 2015, a hearing was held at ATU Local 689 in Forestville, Maryland. Members in attendance were given the opportunity to ask questions and testify if they desired.

The hearing officer's report recommended that the trusteeship of Local 1764 continue. Within forty-five days of the hearing, on March 21, 2015, a majority of the GEB voted by e-mail to ratify the hearing officer's findings and determination. Notice of the GEB's decision was distributed in a letter dated March 23, 2015; additionally, the trustee held a membership meeting in March or April 2015, where he distributed the March 23, 2015 letter to members in attendance. The trusteeship was thus imposed in accordance with the ATU Constitution and for purposes allowable under the Act. Therefore, it will be presumed valid for 18 months from its imposition.

For the reasons stated above, there was no violation of the LMRDA in the imposition of the trusteeship. Accordingly, this matter does not require further action on the part of the Department and we are closing our file.

**U.S. Department of Labor**

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



April 26, 2016

[REDACTED]

Dear [REDACTED] :

This is to advise you of the disposition of your 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 a trusteeship imposed by the Amalgamated Transit Union (ATU) over ATU Local 1764, in Washington, DC.

The Department's Office of Labor-Management Standards investigated your complaint. After carefully reviewing the investigative findings, 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.

Sharon Hanley  
Chief, Division of Enforcement

Enclosure

**U.S. Department of Labor**

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



April 26, 2016

Mr. Lawrence J. Hanley, International President  
Amalgamated Transit Union  
5025 Wisconsin Avenue, N.W.  
Washington, DC 20016

Dear Mr. Hanley:

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Sincerely,

Sharon Hanley  
Chief, Division of Enforcement

Enclosure