



November 1, 2013



Dear [REDACTED]:

This is to advise you of the disposition of the complaint filed with the Secretary of Labor alleging a violation of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) with regard to the trusteeship imposed by the National Federation of Federal Employees over its General Services Administration Council in Washington, DC.

Pursuant to Sections 304 and 601 of the LMRDA, an investigation was conducted by the Office of Labor-Management Standards. Following review of the investigative findings by this office and the Office of the Solicitor, Division for Civil Rights and Labor-Management, a decision has been made that those findings do not provide a basis for action by the Department.

A statement of reasons setting forth the basis for this decision is enclosed.

Sincerely,

Patricia Fox
Chief, Division of Enforcement

Enclosure

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

U.S. Department of Labor

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



October 23, 2013

Mr. William R. Dougan, National President
National Federation of Federal Employees
805 15th Street, NW Suite 500
Washington, DC 20005

Dear Mr. Dougan:

This is to advise you of the disposition of the complaint filed with the Secretary of Labor alleging a violation of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) with regard to the trusteeship imposed by the National Federation of Federal Employees over its General Services Administration Council in Washington, DC.

Pursuant to Sections 304 and 601 of the LMRDA, an investigation was conducted by the Office of Labor-Management Standards. Following review of the investigative findings by this office and the Office of the Solicitor, Division for Civil Rights and Labor-Management, a decision has been made that those findings do not provide a basis for action by the Department.

A statement of reasons setting forth the basis for this decision is enclosed.

Sincerely,

Patricia Fox
Chief, Division of Enforcement

Enclosure

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

Statement of Reasons Dismissing a Complaint
Concerning the Trusteeship Imposed
by the National Federation of Federal Employees

This Statement of Reasons dismisses the complaint filed with the United States Department of Labor alleging that violations of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. §§ 461 – 466, as made applicable to federal sector unions by 29 C.F.R. § 458.26-28 and the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. § 7120(d), occurred with respect to the trusteeship imposed by the National Federation of Federal Employees (NFFE), over the General Services Administration (GSA) Council.

The Department conducted an investigation. After carefully reviewing the investigative findings, we have determined that legal action is not warranted in this case. For the following reasons, the complaint is dismissed.

Under the standards of conduct regulations applicable to federal sector unions, trusteeships shall be established and maintained for the purpose of: (a) correcting corruption or financial malpractice; (b) assuring the performance of negotiated agreements or other duties of a representative of employees; (c) restoring democratic procedures; or (d) otherwise carrying out the legitimate objects of the union. 29 C.F.R. § 458.26. To the extent that a trusteeship conforms with the procedural requirements of the constitution and bylaws and is authorized or ratified after a fair hearing, the trusteeship is presumed valid for a period of 18 months from the date of its establishment and shall not be subject to attack except upon clear and convincing proof that it was not established or maintained in good faith for purposes allowable under § 458.26. *See* 29 C.F.R. § 458.28.

The investigation revealed that the trusteeship was established and maintained for a purpose allowable under the LMRDA. The trusteeship was imposed based on the disorder of GSA's financial records, as well as its failure to adopt new bylaws, failure to hold proper elections, failure to hold regular meetings, and the misuse of official time by officials. A 2011 NFFE audit showed that several officers were non-dues paying members and thus, ineligible to hold office. A review of the records indicated that there was no active Secretary-Treasurer, that no ledger/cash book was maintained, but that Council President [REDACTED] disbursed union funds without membership approval.

The audit also found that officer terms and elections were not in compliance with the International Association of Machinists and Aerospace Workers (IAMAW) Constitution. Former GSA President [REDACTED] could not say when the last officer election had occurred. Based on these events, Thomas Buffenbarger, IAMAW International President, imposed a trusteeship on the GSA Council effective June 13,

2012 in accordance with § 458.26 (b) and (c) and IAMAW Constitution Article VI, Section 8. The trusteeship was imposed to ensure democratic procedures, an allowable purpose under the LMRDA.

The trusteeship was also imposed in accordance with the constitution and bylaws. Article VI, Section 8 of the IAMAW Constitution states that a trusteeship may be imposed whenever the International President "receives information which leads him/her to believe that such organization: (1) is violating the Constitution, the laws, policies, rules and regulations of the G.L., or the bylaws of such L.L., D.L., council or conference approved by him/her or the E.C.; (2) is endangering the good and welfare of the organization or the membership; (3) is being operated in such a manner as to jeopardize the interests of the I.A.M. or its subordinate bodies; or (4) if the I.P. believes that such action is necessary for the purpose of: (a) correcting financial malpractice; (b) assuring the performance of collective bargaining agreements or other duties of the bargaining representative; (c) preventing any action which is disruptive of, or interferes with, the performance of obligations of other members or subordinate bodies under collective bargaining agreements; (d) restoring democratic procedures; or (e) carrying out the legitimate objectives of this Union." Article VI, Section 8. The trusteeship was imposed based on the receipt of such information in the 2011 audit.

The trusteeship was also ratified after a fair hearing. A trusteeship hearing was conducted on July 11, 2012, and each GSA Council officer had the opportunity to attend and actively participate in the hearing. During the hearing, it was confirmed that the Council had elected as President a non-dues paying member. The trusteeship was imposed for an allowable purpose, in accordance with the constitution and bylaws and ratified after a fair hearing. There was no violation of the LMRDA.

It was also alleged that since the imposition of the trusteeship, IAMAW has seized the GSA's funds and misused them. However, the Department's investigation revealed that since the trusteeship's establishment, the Council's funds have been maintained in a separate account and no withdrawals had been made. The facts do not support the allegation of misuse of funds. Therefore, there was no violation.

For the reasons set forth above, we are closing the Department's file on this matter.