U.S. Department of Labor

Office of Labor-Management Standards
Suite N-5119
200 Constitution Ave., NW
Washington, D.C. 20210
(202) 693-0143

June 2, 2026

[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 the imposition of a trusteeship by Amalgamated Transit Union (ATU) over ATU Local Division 788 in St. Louis, Missouri.

Pursuant to Sections 340 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,

[redacted]

Chief, Division of Enforcement

Enclosure

cc: [redacted], Associate Solicitor
Civil Rights and Labor-Management

U.S. Department of Labor

Office of Labor-Management Standards
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200 Constitution Ave., NW
Washington, D.C. 20210
(202) 693-0143

June 2, 2026

John A. Costa
Amalgamated Transit Union
10000 New Hampshire Avenue
Silver Spring, Maryland 20903-1706

Dear President Costa:

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 imposition of a trusteeship by Amalgamated Transit Union (ATU) over ATU Local Division 788 in St. Louis, Missouri.

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Sincerely,

[redacted]

Chief, Division of Enforcement

Enclosure

cc: Dan Smith, Amalgamated Transit Union General Counsel
10000 New Hampshire Avenue
Silver Spring, Maryland 20903-1706

[redacted], Associate Solicitor
Civil Rights and Labor-Management

Statement of Reasons for Dismissing a Complaint Alleging the Amalgamated Transit Union Improperly Imposed a Trusteeship Over Local Division 788

This Statement of Reasons is in response to a September 3, 2025, complaint filed with the U.S. Department of Labor (the Department). The complaint alleged that the trusteeship imposed by the Amalgamated Transit Union (ATU or International) upon Local Division 788 (Local) violated Title III of the Labor-Management Reporting and Disclosure Act of 1959 (the Act or LMRDA), 29 U.S.C. §§ 461-66. The complaint alleged that the trusteeship was improperly imposed because it was not established in good faith for an allowable purpose or in accordance with the ATU constitution. Specifically, the complaint alleged that the trusteeship was instead imposed to remove Local Division 788's officers because the Local Vice President ran against the current International President. The complaint is dismissed for the reasons explained below.

The LMRDA states that a trusteeship established by a parent body in conformity with the procedural requirements of its constitution and bylaws and authorized or ratified after a fair hearing is presumed valid for eighteen months from the date of its establishment. 29 U.S.C. § 464(c). The trusteeship is not subject to attack during this period except by clear and convincing evidence that the trusteeship was not established or maintained in good faith for a purpose allowable under section 302 of the LMRDA. Id. Section 302 of the LMRDA permits a parent labor organization to impose a trusteeship on subordinate bodies for the following purposes: (1) correcting corruption or financial malpractice; (2) assuring the performance of collective bargaining agreements or other duties of a bargaining representative; (3) restoring democratic procedures; or (4) otherwise carrying out the legitimate objects of such labor organization. 29 U.S.C. § 462. Once the period of eighteen months has expired, a trusteeship is presumed invalid unless clear and convincing evidence is provided that continuation of the trusteeship is necessary for a purpose allowable under the LMRDA. 29 U.S.C. § 464(c).

The Department's investigation determined that ATU imposed the trusteeship for an allowable purpose. Section 12.6 of ATU's constitution allows the International to impose a trusteeship on a local union "to correct corruption or financial malpractice, including mishandling or endangering union funds or property" and to "assure the performance of collective bargaining agreements or other duties of a bargaining representative." The "Form LM-15 Trusteeship Report" filed by ATU on July 8, 2025, stated that it placed the Local under trusteeship to "correct corruption or financial malpractice" and "to assure the performance of collective bargaining agreements or other duties of a bargaining representative." More specifically, the Form LM-15 explained that ATU found an "inability to meet financial obligations, excessive financial liabilities, and a payroll and compensation structure which is beyond the current means of the local union; the failure to file audits with the International; the failure to file federal reports; disbursement of local union funds without adequate financial controls;

and the failure to follow accepted procedures and practices." The investigation confirmed that there were multiple financial irregularities: it revealed that the Local had stopped paying its per capita taxes, misappropriated funds, increased officer salaries without approval, failed to make 401k payments or submit payroll taxes for Local officers, failed to deduct union dues from officers' paychecks, and failed to maintain necessary receipts and records. The investigation did not disclose any evidence of an improper purpose. Based on these findings, the trusteeship was imposed for an allowable purpose under Section 302.

The Department's investigation also determined that the trusteeship was imposed in accordance with ATU's constitution. Section 12.6 also authorizes the International General Executive Board (GEB) to instruct the International President (IP) to place a local in temporary trusteeship when necessary. On June 10, 2025, ATU delivered notice of trusteeship to the Local's officers explaining that the Local was being placed in a temporary trusteeship, effective immediately, due to the Local's unsustainable financial situation. Section 12.6 also establishes that the IP must appoint a trustee to administer the local's affairs, and that the International will suspend the local officers. ATU appointed two trustees and suspended the Local's officers.

The complaint alleged that Local officers should not have been removed without specific findings of wrongdoing. ATU suspended the Local's officers as part of the imposition of the trusteeship, as provided under Section 12.6. ATU was not required to make specific findings of wrongdoing against each officer, as that falls under a separate provision, Section 12.4, which applies to discipline of local union officers, outside the context of a trusteeship. Accordingly, ATU imposed the trusteeship in accordance with its constitution.

The Department's investigation also determined that the trusteeship was ratified after a fair hearing. Section 12.6 of ATU's constitution requires that the union hold a hearing within 30 days of imposing the trusteeship. It further requires that the IP send local officers "[a]dequate notice of the time, place, and subject of the hearing" and make such notice "available to members by posting at appropriate locations." Finally, it requires that within 45 days of the end of the hearing, the GEB must issue a decision and order, which it will send to the subordinate body and make available to its members.

The investigation disclosed that the trusteeship hearing was held July 6, 2025, within the required 30 days. On June 23, 2025, ATU sent written notice to Local officers via mail and email that the hearing would be held on July 6, 2025, providing notice of 13 days, and placed notices on worksite bulletin boards. The Local President and Vice President were unable to attend the trusteeship hearing on this date due to their vacation schedule, but the investigation did not find that the notice was inadequate. The investigation further disclosed that Financial Secretary Antoian Johnson testified at the hearing. The transcript shows that attendees interrupted some portions of his testimony, but the hearing officer, trustees, and others reminded attendees to let him speak. When Johnson concluded his testimony, he confirmed that he did not have anything else to say. Within 45 days of the hearing, on August 14, 2025, the GEB issued its decision to continue the trusteeship to the Local, which stated that members could contact the trustee to review the decision and order.

Accordingly, the trusteeship was imposed for an allowable purpose, in accordance with the constitution, and ratified after a fair hearing. As such, it is presumed valid for eighteen months from its imposition on June 10, 2025.

For the reasons stated above, there was no violation of the LMRDA in the imposition of the trusteeship. Accordingly, we are closing our file in this matter.