

Statement of Reasons
For Dismissing the Complaint
Concerning the Trusteeship Imposed on
Local 524 of the United Association of Plumbing and
Pipe Fitting Industry of the United States and Canada
Scranton, PA

A member in good standing of Local 524 of the United Association of Plumbing and Pipe Fitting Industry of the United States and Canada (UA) filed a complaint on April 21, 2015 with the Secretary of Labor challenging the validity of the trusteeship imposed on the local by the UA. The Complaint alleged that the UA did not follow the procedures outlined in the UA Constitution in imposing the trusteeship and imposed the trusteeship for an invalid purpose under 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 collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects 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 92 of the UA Constitution requires the following procedures for setting up a trusteeship:

- (a) If the General President has or receives information which leads him to believe that any of the officers of a Local Union or other affiliated body are dishonest or incompetent, or that such organizations are not being conducted in accordance with the Constitution or laws of the UA...the General President may, after filing of charges or causing charges to be filed, appoint a trustee to take charge of and control the affairs of such Local Union... where, in the judgment of the General President, an emergency situation exists within the Local Union or other affiliated body, the trustee may be appointed prior to such hearing but such hearing shall then commence within twenty (20) days and a decision shall be made by the General President in sixty (60) days after the appointment of the trustee...
- (b) In all cases a copy of the charges, together with a notice setting the time and place of hearing including the name of the hearing officer, shall be served on the Local Union or other affiliated body at least ten (10) days (Sundays and holidays included) previous to the trial by serving either the President or Financial Secretary or any two (2) members of the Executive Board of the Local Union.

The Department of Labor investigation established that the UA imposed a trusteeship in accordance with the UA Constitution. International Representative David Donato in letters to General President William Hite dated May 20 and July 5, 2014, outlined 16 reasons to place the Local under trusteeship and requested that an emergency trusteeship be imposed. Hite imposed

an emergency trusteeship on July 14, 2014. Consistent with the constitution and bylaws a copy of the charges and notice of the trusteeship were timely served on the local. On July 14, 2014, the trusteeship order, which provided notice that a hearing would be held on the trusteeship on July 28, 2014, was posted in the Local office along with the 16 charges against the Local. The notice was also e-mailed and sent by certified mail to then Acting Business Manager Raymond Sajone and Local President Kevin Lance. As the hearing was on July 28, 2014, the officers were given the required ten day notice, and the hearing occurred within twenty days as required by the constitution for emergency trusteeships.

The hearing was held on July 28, 2014 at the Hilton Scranton & Conference Center in Scranton, PA. Both Sajone and Lance testified that they received a full and fair hearing. On August 25, 2014, the hearing officer submitted his Report and Recommendation to Hite recommending the continuation of the trusteeship over Local 524. On September 10, 2014, Hite agreed with the hearing officer's recommendation and maintained the trusteeship over Local 524. His decision fell within the sixty days required by the constitution to make a decision after an emergency trusteeship is imposed. Accordingly, the UA complied with the procedural requirements for imposing a trusteeship on Local 524.

The Department's investigation also determined that the trusteeship was imposed for an allowable purpose, restoring democratic principles and carrying out the legitimate objects of the labor organization. Specifically, the basis for the trusteeship included the business manager's failure to fulfill his duties and responsibilities, the Local's declining membership and high unemployment rate, the loss of a significant amount of the market share, and the appointment of a new business manager in a manner that was not consistent with the Local Bylaws. The trusteeship was imposed in accordance with the constitution and bylaws and for a purpose allowable under the Act. Consequently, the trusteeship is presumed to be 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 any further action on the part of the Department and we are closing our file.



July 28, 2015

Mr. William Hite, General President
United Association of the Plumbing and Pipe Fitting Industry
of the United States and Canada (UA)
Three Park Place
Annapolis, MD 21401

Dear Mr. Hite:

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, as amended (LMRDA), occurred with respect to the imposition of a trusteeship by the United Association of the Plumbing and Pipe Fitting Industry of the United States and Canada (UA) over Local 524, in Scranton, Pennsylvania.

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,

Stephen J. Willertz
Acting Chief, Division of Enforcement

Enclosure

cc: Christopher Wilkinson, Associate Solicitor

U.S. Department of Labor

Office of Labor-Management Standards
Division of Enforcement
Washington, DC 20210
(202) 693-0143 Fax: (202) 696-1343



July 28, 2015



Dear [REDACTED]:

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cc: Christopher Wilkinson, Associate Solicitor