

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

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KEN HALL
General Secretary-Treasurer

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NOTICE

July 30, 2014

TO: The Officers and Members of Teamsters Local Union 710,
Mokena, Illinois

FROM: James P. Hoffa, General President

As many of you know, the International Union has received a referral from the Independent Review Board (IRB) recommending charges be brought against Secretary-Treasurer Pat Flynn. In accordance with the established procedures, charges have been filed and are pending consideration by a hearing panel.

More recently, the IRB has recommended that a trusteeship be imposed over the Local. Based upon a review of the allegations contained in the IRB's recommendation, and in view of the pending charges against the Local's principal executive officer, I have decided to exercise the authority vested in the General President by Article VI, Section 5 of the International Constitution and am imposing a temporary emergency trusteeship over the affairs of Local 710.

This decision is based upon the following credible allegations, which I have determined warrant the imposition of a trusteeship in order to protect the members of the Local and preserve the Local's assets while the procedures established by the IRB's rules are completed.

1. The Local Union has not established or maintained adequate safeguards to protect the assets of the Local and ensure that they are used solely for the benefit of the Union's membership.

2. As a result, some \$58,000.00 in Local Union assets cannot be accounted for. These assets were in the form of gift cards which were intended to be distributed to members of the Local, but appear to have been utilized for other purposes or for reasons that cannot be identified. The Local failed to maintain records of the manner in which the assets have been used, preventing any verification that they were used for legitimate Union reasons.
3. The Local Union failed to accurately report its financial condition on submissions to the International Union and U.S. Department of Labor. Apart from violating statutory mandates and the procedures set forth in the International Union's Secretary-Treasurer's Manual, the Local projected inaccurate financial information to its members, inaccurately inflating the financial wellbeing of the Local. If the Local had accurately reported its financial assets and liabilities in 2011, for example, the members would have realized that the Local was operating with a deficit, rather than a surplus as the records reflected.
4. Among the failures of the Local's financial disclosure reports was it underreporting of liabilities owed to benefit funds and obligations owed to officers and employees resulting from unpaid commissions, a significant component of the officers' and employees' compensation.
5. The President and Secretary-Treasurer entered into a lease arrangement and engaged in other financial transactions without the required approval of the Local Union Executive Board. The remaining members of the Executive Board, including the Trustees, failed to perform their duties under the Bylaws to ensure that the Local's assets were being spent with proper authorization and that the financial reports filed with the International Union and Department of Labor were accurate.

Based upon the systemic failure of the Executive Board to oversee the financial activities of the President and Secretary-Treasurer, and in view of the additional financial pressures that will be imposed on these officers by the processing of the IRB referrals, it is my determination that a Trustee must be appointed to avoid any additional misuse of Union funds or the filing of inaccurate reports.

Accordingly, I have appointed International Vice President and Joint Council President John T. Coli as Trustee. Pursuant to the requirements of the

International Constitution, you will soon be advised of a hearing to consider whether this emergency trusteeship should be extended or dissolved. I urge all of you to cooperate with the Trustee in the interim, and to participate in the hearing once it has been scheduled.

I assure you that this office will work with the Trustee to correct the problems outlined above and restore the Local to self-governance as quickly as possible.

Fraternally yours,

A handwritten signature in black ink, reading "James P. Hoffa". The signature is written in a cursive, flowing style with a large initial "J".

James P. Hoffa
General President