

**REPORT TO ALL MEMBERS
OF THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS**

FROM: The Independent Disciplinary Officers

Hon. Barbara S. Jones
Robert D. Luskin, Esq.

DATED: July 25, 2022

I. INTRODUCTION

The following is Magazine Report 2 of the Independent Disciplinary Officers ("IDO") for 2022 regarding activities from March 18, 2022 through July 25, 2022, conducted pursuant to the Final Agreement and Order of February 17, 2015.

II. STATUS OF OPERATIONS

The IIO's office in Arlington, Virginia has resumed normal operating status. The IIO continues to closely monitor the state of the COVID-19 pandemic and is conducting its operations in other parts of the country in accordance with applicable regulations, guided by local conditions and the recommendations of relevant public health authorities.

III. NEW MATTERS

A. Stroud

On March 30, 2022, the IIO issued a report to the IBT General president recommending charges against former Local 137 Business

Agent Stanley Stroud, alleging violations of the IBT Constitution and the permanent injunction in *United States v. Teamsters*. The IIO recommended that Mr. Stroud be charged with bringing reproach upon the IBT in violation of his membership oath and breaching his fiduciary duty to the Union.

The IIO's report alleged that on January 21, 2022, while driving a Union-owned vehicle during normal business hours, Mr. Stroud was arrested and charged by local police in Redding, California, for transporting approximately four pounds of suspected methamphetamine and a large quantity of U.S. currency in his Union vehicle. Furthermore, a search of his home by law enforcement officers yielded additional amounts of controlled substances packaged for sale, narcotics paraphernalia, an AR-15 rifle and a machine pistol, with both weapons accompanied by high-capacity ammunition magazines and corresponding ammunition.

Local 137 is located in Redding, California. According to its most recent LM-2 (filed March 14, 2022) the Local had 3,773 members. Those members were employed at various General Teamster, Professional, Health Care and Public Employee employers throughout 15 counties in northern California.

Stroud became a member on May 17, 2006, and became a full-time employee and business agent of the Local in May 2019. After learning of Mr. Stroud's arrest, the principal officer of the Local

terminated Mr. Stroud's employment at the Local, effective January 24, 2022. Mr. Stroud's last dues payment was on January 26, 2022. On February 8, 2022, Stroud was issued a withdrawal card.

On February 22, 2022, the IIO, via UPS Next Day Air, noticed the sworn examinations of both Mr. Stroud and the Principal Officer for March 8, 2022, in Redding, California. On March 8, 2022, Stroud failed to appear for his sworn examination. The principal officer did appear, and testified that Mr. Stroud's arrest for transporting narcotics occurred at a time when he should have been working, and that he was impermissibly using the Union-owned vehicle.

On April 6, 2022, General President O'Brien adopted and filed the charges against Mr. Stroud. Pursuant to Paragraph 32 of the Final Order, the General President was required within 90 days of the IIO's referral (*i.e.*, by June 28, 2022) to file with the IRO written findings setting forth specific actions taken and the reason for such actions.

On June 13, 2022, the IBT forwarded for the IRO's review a proposed settlement agreement providing in relevant part that in exchange for fully resolving the charges, Stroud shall immediately forfeit his membership in the IBT and all subordinate bodies and take all further action necessary to terminate his membership in the same; and that furthermore, Stroud will not seek or apply for

membership in the IBT or any of its Local Unions or other subordinate bodies at any time in the future.

On June 14, 2022, pursuant to Paragraph 36 of the Final Order, the IIO advised the IRO that the covenants in the proposed settlement agreement, if approved, would subject Stroud to the permanent injunctions in Paragraphs 4 and 5 of the Final Order, which would permanently enjoin Stroud from knowingly associating with Teamsters, and permanently enjoin Teamsters from association with him. The IIO further advised that such a result was outcomes with prior outcomes in similar circumstances.

On June 14, 2022, the IRO notified the IBT of her determination that the Settlement was not inadequate. The Final Order's permanent injunctions against knowing association became effective as of that date, and the matter is now closed.

IV. PROGRESS OF EXISTING MATTERS

B. Former Local 683 Principal Officer Todd Mendez

On March 6, 2019, the IIO issued a report ("First Charge Report") to the IBT General President recommending that a charge be filed against Todd Mendez ("Mendez"), former principal officer of Local 683 (El Cajon, CA) for bringing reproach upon the IBT in violation of Article II, Section 2 (a) and Article XIX, Sections 7(b)(1) and (2) and Section (14)(a) of the IBT Constitution, by failing to reasonably cooperate with the IIO by intentionally

testifying falsely during his IIO sworn examination on February 2, 2017.

The IIO's Report alleged that Mendez testified falsely during his IIO sworn examination concerning a document he distributed and caused Board members to sign, purportedly subjecting them to financial penalty for disclosing the terms of a settlement agreement related to a lawsuit brought by a former employee against the Local and Mendez alleging sexual harassment and other causes of action.

On March 12, 2019, General President Hoffa adopted and filed the charges. On April 8, 2019, counsel submitted to the IRO a proposed affidavit and settlement disposing of the charges. Upon notice from the IIO that additional charges against Mendez were forthcoming, the IRO paused her review of the disposition until all charges could be considered together.

On August 28, 2020, the IIO issued a second report ("Second Charge Report") to the IBT General President recommending that additional charges be filed against Mendez for 1) embezzling union funds, violating Federal law, and committing an act of racketeering in violation of 29 U.S.C. § 501(c), the IBT Constitution, Art. XIX, Sec. 7(b)(3) and (11) and Art. XXII, Sec. 4(e), and the permanent injunction in *United States v. Teamsters*; 2) bringing reproach upon the IBT by breaching his fiduciary duties, failing

to meet with the incoming officers, failing to return Union property and records, and destroying Union property and records in violation of 29 U.S.C. § 501(a), IBT Const. Art. XXII, Sec. 2(c), and IBT Const. Art. XIX, Sec. 9(b)(1) and (2); and 3) bringing reproach upon the IBT by violating his membership oath, knowingly harming a fellow Teamster, and retaliating and threatening to retaliate against a fellow Teamster for exercising rights under the IBT Constitution in violation of IBT Const. Art. II, Sec. 2(a), Art. XIX, Sec. 7(b)(2) and (11).

On September 1, 2020, General President Hoffa adopted and filed the charges in the Second Charge Report. On January 20, 2021, an IBT Panel conducted a remote hearing on the charges via Zoom. Mendez appeared and participated in the hearing.

On March 18, 2021, the IBT adopted the Panel's Recommendation ("IBT Decision"), which dismissed all three charges in their entirety.

On April 6, 2021, pursuant to ¶ 33 of the Final Order, the IRO informed the IBT of her determination that the IBT Decision was "inadequate" in part and "not inadequate" in part. By letter dated May 18, 2021, the IRO informed the IBT that she intended to conduct a *de novo* hearing as to those allegations with respect to which she found the IBT's disciplinary actions inadequate.

The hearing was conducted Friday, October 22, and Saturday, October 23, 2021, at the Grand Hyatt Hotel located at One Market Place, San Diego, CA, 92101. In accordance with paragraph G of the Rules, the hearing was open to members in good standing. Mendez appeared in person and participated in the hearing. The IIO submitted its post-hearing brief on November 15, 2021; Mendez replied December 6, and the IIO replied December 10.

On May 17, 2022, the IRO issued a decision finding that 1) Mendez breached his fiduciary duty by failing to properly post members' dues remittances to TITAN in violation of 29 U.S.C. 501(a); 2) violated the IBT Constitution and breached his fiduciary duty by failing to meet with or designate a willing and qualified representative to meet with the incoming officers during the period between the date of election and the end of the term to review pending grievances, open contract negotiations, and the Local's financial records, and destroyed union property and records in violation of 29 U.S.C. § 501(a), IBT Constitution Article XXII, Section 2(c), and IBT Constitution Article XIX, Sections 9(1) and (2); and 3) Mendez brought reproach upon the union by threatening a fellow member in violation of IBT Constitution Article II, Section 2(a) and Article XIX, Section 7(b)(2).

The IRO dismissed the remaining allegations in the Second Charge Report. Pursuant to IRO's order, the parties submitted

positions as to the appropriate sanction for the foregoing violations on June 7, 2022.

On July 5, 2022, the IRO determined that Mendez be permanently barred from holding office or employment with Local 683 or any other IBT entity. The sanction includes a ban on positions such as shop steward, business agent, or any other officer position, elected or otherwise, within the IBT.

IV. ONGOING INVESTIGATIONS

The IIO is currently conducting a number of investigations throughout the country. In the time period of this report, the IIO has received and processed approximately 57 hotline calls reporting alleged improprieties.

The IDOs do not comment on ongoing investigations or identify areas or conduct under investigation until a formal recommendation of charges is served upon the IBT pursuant to the Final Order.

V. TOLL-FREE HOTLINE

Activities which should be reported for investigation include, but are not limited to, association with organized crime, corruption, racketeering, embezzlement, extortion, assault, or failure to investigate any of these.

To ensure that all calls are treated confidentially, the system which records hotline calls is located in a secure area on a dedicated line accessed only by an Investigator.

Please continue to use the toll-free hotline to report improprieties that fall within IIO jurisdiction by calling 1-800-CALL-472 (800-225-5472).

VI. CONCLUSION

The task of the IDO is to ensure that the goals of the Final Agreement and Order are fulfilled. In doing so, it is our desire to keep the IBT membership fully informed about our activities through these reports. If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline number, or write to the Independent Investigations Officer Robert D. Luskin at:

Office of the Independent Investigations Officer
1515 N. Courthouse Rd, Suite 330
Arlington, VA 22201