

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

FROM: The Independent Disciplinary Officers

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

DATED: November 28, 2023

I. INTRODUCTION

The following is Magazine Report 4 of the Independent Disciplinary Officers ("IDO") for 2023 regarding activities from August 28, 2023 through November 28, 2023, conducted pursuant to the Final Agreement and Order of February 17, 2015.

II. PROGRESS OF EXISTING MATTERS

A. Former Local 853 Principal Officer Dennis Hart

As previously reported, on February 28, 2023, the IIO recommended charges against former Local 853 principal officer Dennis Hart. The IIO recommended that Hart be charged with 1) failure to cooperate with the independent disciplinary process of the Final Order by circumventing and disregarding the IRO-imposed suspension of former International Vice President Rome Aloise; 2) failure to cooperate with the independent disciplinary process by providing material false testimony under oath in sworn examinations and a *de novo* hearing conducted pursuant to the Final

Order; and 3) breaching his fiduciary duty by authorizing and permitting expenditures of Local 853 funds totaling hundreds of thousands of dollars without required advance approvals of the local union executive board and/or the local union membership, and without a union purpose. The details of the IIO's allegations are set forth in Report 1 for this year.

On February 28, 2023, the IIO delivered the report to the General President. On March 3, 2023, the General President adopted and filed the charges. On May 23, 2023, a hearing was held before an IBT panel. Mr. Hart appeared and was represented by counsel. Pursuant to requests by the respondent, the IRO granted an extension of the time until July 27, 2023 for the IBT to make written findings on the charges.

By report to the General President dated July 14, 2023, the Hearing Panel recommended that Charge 1 (circumventing and disregarding Aloise' suspension) be sustained. The Panel recommended that Charge 2 (false testimony in the independent disciplinary process) not be sustained. The Panel recommended that Charge 3 (expenditures without proper approval or union purpose) be sustained as to two expenditures totaling \$40,000, but not sustained as to the remaining expenditures alleged improper by the IIO. The Panel recommended a penalty two-year suspension from membership with a full associational ban, to

include communicating in any manner with IBT officers, employees, and members other than as necessary to obtain an manage earned retirement or healthcare benefits. The panel also recommended a five-year ban on running for office or having any leadership role, paid or unpaid, in any IBT affiliated entity, or conducting union business in any way.

On July 27, 2023 the General President adopted the Report and Recommendations of the Hearing Panel with respect to each of the charges, and transmitted the decision to the IRO as required by Paragraph 32 of the Final Order. On August 2, 2023, the IRO exercised her authority to review the disciplinary decision pursuant to Paragraph 33 of the Order and invited submissions as to its adequacy by the parties on or before August 15, later extended to August 22, 2023. The IIO, the IBT, and the Respondent each made a submission by that date.

On September 14, 2023, the IRO determined that the Panel's findings with respect to all three charges were not inadequate within the meaning of Paragraph 33. However, noting that the panel's recommended sanction represented an upward departure from prior precedent, the IRO directed the IBT to revisit and reexamine its determination as it pertained to the associational ban, either by limiting the associational ban to one year or providing

additional basis for its decision. Pursuant to Paragraph 33, the IBT was given 20 days, or until October 4, 2023.

On October 4, the General President issued a modification of the sanction against Hart limiting the associational ban to one year. On October 9, the IRO determined that the IBT's actions as modified were not inadequate. Accordingly, Hart is subject to a one-year suspension from membership with a full associational ban, as well as a five-year ban from running for office or having any leadership role, paid or unpaid, in any IBT-affiliated entity, or conducting union business in any way. The IRO further clarified, with respect to the associational ban:

Consistent with prior precedent, I find that certain exceptions to the associational ban are warranted. [Hart is] permitted to communicate with Teamsters in obtaining and managing his earned retirement and/or health care benefits. Teamsters, including family members, may have contact with Mr. Hart in social settings, however, they are prohibited from discussing any of the affairs or business of the Teamsters with Mr. Hart. This prohibition includes, but is not limited to, seeking Mr. Hart's advice or consultation regarding Teamster business, affairs or activities; soliciting or engaging Mr. Hart in connection with any type of Teamster business, affairs or activities; allowing Mr. Hart to participate in any Teamster sponsored events; and/or allowing Mr. Hart to participate in local union or International officer elections in any way. To be clear, no Teamster shall discuss or conduct any Teamster business with Mr. Hart. Teamsters are also prohibited from permitting Mr. Hart to exercise any control or influence, directly or indirectly, in any way or degree, in the affairs of the IBT or any of its constituent entities. Teamsters who violate this order shall be

subject to disciplinary action by the Independent Disciplinary Officers.

Pursuant to paragraph 35 of the Final Order, decisions of the IRO are final and binding, and the matter is now closed.

B. Mike Bergen and Mike Pharris (Local 166); John Searcy and John Smith (Local 117)

As previously reported, On May 22, 2023, the IIO recommended charges against former Local 166 principal officer Mike Bergen, current Local 166 principal officer Mike Pharris, Local 117 principal officer John Searcy, and Local 117 Director of Strategic Campaigns John Smith. The IIO recommended that the four respondents be charged with failure to cooperate with the independent disciplinary process by knowingly enabling former International Vice President Rome Aloise to exercise authority from which he was suspended by order of the Independent Review Officer. The IIO further recommended that Searcy be charged with failing to cooperate with the independent disciplinary process by making false and materially misleading statements that had the purpose or effect of inducing other members to disregard the suspension order against Aloise. The full charge referral was published online as a supplement to the IDO's May 30, 2023 report, available at <https://irbcases.org/>.

On May 24, 2023, the General President adopted and filed the charges against Bergen, Pharris, Searcy, and Smith.

Hearings on the charges were held before an IBT Panel in Ontario, California on June 22, 2023, and in Tukwila, Washington on June 28, 2023.

On September 18, 2023, the General President, adopting the Panel's report and recommendations, found Bergen, Searcy, and Smith guilty of the IIO-recommended charge of failure to cooperate by enabling Aloise's exercise of authority from which he was suspended. He also found Pharris not guilty of the same charge. He also found Searcy not guilty of the charge of making false and materially misleading statement in an IIO sworn examination. The General President adopted the Panel's recommended sanctions of, with respect to Bergen, 3 years suspension for office and employment; with respect to Smith, 18 months suspension from office and employment; and with respect to Searcy, 12 months suspension from office and employment.

On September 19, 2023, the IBT General Counsel issued an opinion stating that the General President's suspensions from office and IBT employment of Bergen, Smith, and Searcy were effective immediately. On September 20, 2023, the IRO issued a stay of General President's suspensions of Smith and Searcy, pending her review of the adequacy of the IBT Panel's report and recommendations. (The suspension with respect to Bergen, who did

not appear at the hearing, file written briefing, or otherwise contest the charges against him, was not stayed.)

After written briefing, on October 26, 2023, the IRO held oral argument as to the adequacy of the IBT's response to the IIO-recommended charges within the meaning to paragraph 33 of the Final Order. The suspensions with respect to Smith and Searcy remain stayed pending the IRO's adequacy determination.

C. Steve Beck, Stu Helfer, Stacy Murphy, Lou Valletta, Scott Gonsalves, Joel Bellison, and Mike Fritz (Local 853) Dave Hawley, Carlos Borba, Mark Gleason, Peter Nuñez, and Doug Block (Joint Council 7); and Jason Rabinowitz (Local 2010)

As previously reported, on July 18, 2023, the IIO issued a report to the IBT General President recommending charges against the above-captioned respondents. The IIO recommended that Respondents Beck, Helfer, Murphy, Hawley, Borba, Gleason, Nuñez, Bloch, and Rabinowitz be charged with failure to cooperate with the independent disciplinary process by knowingly enabling former International Vice President Rome Aloise to exercise authority from which he was suspended by order of the Independent Review Officer. The IIO further recommended that Respondents Beck and Murphy be charged with bringing reproach upon the IBT by making false statements in the Independent Disciplinary process. The IIO further recommended that Respondents Helfer, Murphy, Valletta, Gonsalves, Bellison, and Fritz be charged with bringing reproach upon the IBT by

permitting and making expenditures of Union monies without proper authorization.

The full charge referral was published as a supplement to the August 28, 2023 report at <https://irbcases.org/>. The above-referenced report was the last of three planned charge referrals arising solely from misconduct of persons who enabled and permitted Aloise to violate his suspension order.

On August 16, 2023, the General President adopted and filed the charges recommended by the IIO. Pursuant to Paragraph 32 of the Final Order, the General President was required within 90 days of the IIO's referral (i.e., by Tuesday, November 14, 2023) to file with the IRO written findings setting forth specific actions taken and the reason for such actions. On August 18, 2023, the IBT requested 90-day extension of time, which request the IRO granted on August 28, 2023. Accordingly, the IBT has until January 15, 2024 to provide written findings with respect to the above-referenced charges.

V. ONGOING INVESTIGATIONS

The IIO is currently conducting a number of investigations throughout the country. The IIO has also received and processed approximately 26 additional reports alleged improprieties during the time period of this report.

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.

VI. 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).

VII. 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