



Statement of Reasons  
For Dismissing a Complaint  
Alleging the Improper Imposition of a Trusteeship  
on Brotherhood of Railroad Signalmen, AFL-CIO United General Committee 60

This Statement of Reasons is in response to a December 30, 2021 complaint filed with the U.S. Department of Labor (the Department) by a member in good standing of the Brotherhood of Railroad Signalmen (BRS), AFL-CIO United General Committee 60 (UGC-60) alleging that on October 13, 2021, the BRS violated Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. § 461-66, by unjustifiably imposing an emergency trusteeship upon UGC-60 and failing to timely file the required Form LM-15. For the following reasons, the complaint is dismissed.

The LMRDA allows trusteeships for the purpose 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).

The Department’s investigation established that the Grand Lodge imposed a trusteeship over UGC-60 for an allowable purpose. Specifically, in the letter declaring emergency trusteeship, BRS cited UGC-60’s financial malpractice and concluded it needed to “intervene to protect the welfare, funds, and property of the UGC,” and “to assure proper performance of the financial requirements, as well as the performance of the UGC’s collective bargaining agreements and the UGC officers as collective bargaining representatives.” In support of its claim, BRS identified financial instability stemming from “the lack of proper documentation for expenses, no guidelines for the use of debit/credit cards, and unpaid tax liabilities that may incur financial penalties.”

During the Department’s investigation, the Complainant acknowledged that the issues cited in the emergency trusteeship letter were accurate. While Complainant asserted that these reasons were pretextual because UGC-60 voluntarily gave Grand Lodge control over the financials on October 1, 2021, the investigation showed that transferring the books and bank accounts primarily served to alert BRS of the urgency of the financial situation before declaring the emergency trusteeship on

October 13, 2021. Further, the Trustee explained that while BRS had the authority to manage UGC-60's funds, it did not have control of the committee to fix the underlying problems that created the financial instability. The investigation showed that there was a consensus that UGC-60's financial condition needed to be remedied, which is an allowable purpose for imposing a trusteeship under the LMRDA and Article IV, Section 54 of the BRS Constitution.

Given that the stated reason for imposing the trusteeship was valid, the next issue is whether the trusteeship was imposed in accordance with the BRS constitution. Article IV, Section 58 of the BRS Constitution governs emergency trusteeships and provides:

In any situation where an emergency imminently threatens the welfare, funds, or property of the subordinate body, the President may place a subordinate body in trusteeship, subject to a subsequent hearing by the Grand Executive Council. Such hearing shall be held within sixty (60) days after the imposition of such emergency trusteeship. The President shall immediately make a report to the members of the Grand Executive Council on the emergency trusteeship, and the Grand Executive Council will take such action in the premises as it deems advisable, pending outcome of required hearings.

Additionally, Article IV, Section 55 states that a trusteeship hearing must be held within the jurisdiction of the subordinate body and its members must be given at least 10 days' notice.

BRS followed its constitutional procedures. On October 13, 2021, the BRS President imposed an emergency trusteeship on UGC-60. On November 9, 2021, the BRS Grand Executive Council (GEC) sent notice that the trusteeship hearing would be held on December 7, 2021, which satisfied Section 55's notice requirements. The hearing was conducted before the GEC as scheduled in Chambersburg, Pennsylvania – within sixty days of the imposition of the emergency trusteeship, as required by Section 58, and within the area of UGC-60's jurisdiction in accordance with Section 55. The BRS made accommodations and covered travel expenses for all parties in attendance. Complainant and approximately six other UGC-60 officers attended and were permitted to testify as many times as they liked and present evidence; Complainant testified several times. At the hearing, the financial malpractice charges were found to have merit. On December 10, 2021, the GEC issued its ruling that the trusteeship would continue. This was in accordance with Section 58's requirement for the President to immediately make a report to the members of the GEC, and for the GEC to take necessary action following the hearing. Given that the emergency trusteeship was imposed in accordance with the constitution and bylaws for an allowable purpose and

was affirmed after a fair hearing, it is presumed valid for eighteen months from its imposition.

Additionally, Complainant framed the removal of all nine UGC-60 officers as an extreme action. However, Article IV, Section 57 of the BRS Constitution authorizes the trustee to remove or replace officers. Accordingly, the Trustee's act of sending the December 20, 2021 letter to all UGC-60 members stating that all officers were removed from office effectively immediately was permissible.

Finally, Complainant asserted the trusteeship was not established in compliance with the LMRDA in that BRS officers and the Trustee did not file the required Form LM-15 within 30 days of the imposition of the trusteeship. However, the investigation determined that the Grand Lodge mailed the Form LM-15 to the Department of Labor on October 20, 2021, and the report was received by the Office of Labor-Management Standards (OLMS) on November 2, 2021. Thus, the LMRDA's reporting requirements were satisfied.

For the reasons stated above, there was no violation of the LMRDA in the imposition of the trusteeship. Accordingly, this matter does not require further action on the part of the Department and we are closing our file.

U.S. Department of Labor

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



May 5, 2022

[Redacted]

Dear [Redacted]:

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 Brotherhood of Railroad Signalmen (BRS) over United General Committee (UGC) 60 in Hammond, Indiana.

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 files as of this date. the basis for this decision is set forth in the enclosed Statement of Reasons.

Sincerely,

[Redacted Signature]

Tracy L. Shanker  
Chief, Division of Enforcement

Enclosure

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



May 5, 2022

[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 Brotherhood of Railroad Signalmen (BRS) over United General Committee (UGC) 60 in Hammond, Indiana.

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 files as of this date. the basis for this decision is set forth in the enclosed Statement of Reasons.

Sincerely,

[REDACTED]

Tracy L. Shanker  
Chief, Division of Enforcement

Enclosure

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