



Statement of Reasons for Dismissing a Complaint  
Alleging the Communications Workers of America  
Improperly Imposed a Trusteeship on its Subordinate, Local 9423

This Statement of Reasons is in response to an April 14, 2023 complaint filed with the United States Department of Labor (the Department) by a member in good standing alleging that the trusteeship imposed by the Communications Workers of America (CWA) upon Local 9423 violated Title III of the Labor Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. §§ 461-66. Specifically, the complaint alleged that the trusteeship was imposed in retaliation for Local 9423 reporting missing union funds to the Department and filing a bond claim for lost union funds attributable to a Local 9423 officer. The complaint is dismissed for the reasons explained below.

The LMRDA states that a trusteeship established by a parent body in conformity with the procedural requirements of its constitution and bylaws and authorized or ratified after a fair hearing is presumed valid for eighteen months from the date of its establishment. 29 U.S.C. § 464(c). The trusteeship is not subject to attack during this period except by clear and convincing evidence that the trusteeship was not established or maintained in good faith for a purpose allowable under section 302 of the LMRDA. *Id.* Section 302 of the LMRDA permits a parent labor organization to impose a trusteeship on subordinate bodies for the following purposes: (1) correcting corruption or financial malpractice; (2) assuring the performance of collective bargaining agreements or other duties of a bargaining representative; (3) restoring democratic procedures; or (4) otherwise carrying out the legitimate objects of such labor organization. 29 U.S.C. § 462. Once the period of eighteen months has expired, a trusteeship is presumed invalid unless clear and convincing evidence is provided that continuation of the trusteeship is necessary for a purpose allowable under the LMRDA. 29 U.S.C. § 464(c).

The Department's investigation established that CWA imposed the trusteeship for an allowable purpose. In the "Form LM-15 Trusteeship Report" filed for Local 9423 on April 30, 2023, CWA explained that the trusteeship was instituted to "correct corruption or financial malpractice." More specifically, the Form LM-15 explained that "there is substantial evidence of theft of union property at Local 9423, and the Local has failed to adequately address the alleged theft by filing a charge[.]"

The Department's investigation also determined that the trusteeship was imposed in accordance with CWA's Constitution and Bylaws. Article XIII, Section 8(c) of the CWA Constitution states that the CWA Executive Board may appoint a temporary

administrator when there is substantial evidence that a local officer is engaging in theft of union funds or property and the matter has not been adequately addressed by the local. CWA has further explained that “adequately addressed” means, “For instance, charges have been filed within the Local, they are proceeding, and they are going on the charges in that Local.”

If a local or its officers object to a trusteeship imposed under Section 8(c), CWA follows the procedures specified in Article XIII, Section 8(b). Under that section, the President is required to: (1) provide written notice to the Local of the reasons which were the basis for the appointment of the temporary administrator; and (2) appoint a member of the Executive Board to hold a hearing for the purpose of determining the reasons for and the objections of the Local or its officers to the appointment of a temporary administrator. This section also provides that the Local is entitled to at least ten days’ notice of the time and place of the hearing. After the hearing, the member of the Executive Board holding the hearing compiles a report with recommendations to the Executive Board to affirm, reverse, or modify the appointment of the temporary administrator.

On April 27, 2023, then-President Christopher Shelton provided written notice to Local 9423 of the basis for the appointment of a temporary administrator. The hearing was initially set for June 5-7, 2023 at the Local 9423 union hall; however, Local 9423 requested that the hearing be postponed. On July 31, 2023, District 1 Vice President Dennis Trainor, the Executive Board member holding the hearing, notified Local 9423 that the hearing would be held October 10-12, 2023, and on September 12, 2023, Vice President Trainor notified Local 9423 that the hearing location would be the Hilton Garden Inn in San Jose.

The trusteeship hearing was held October 10-11, 2023. At the hearing, an independent certified public accountant presented a report assessing Local 9423’s finances from the period of October 2019 through July 31, 2023. That report found, among other things: instances of cash receipts with no corresponding bank deposits; evidence of deficit spending; spending practices that resulted in Local 9423 incurring bank fees, late fees, finance charges, and interest; and evidence of checks being written with insufficient funds. Local 9423 had the opportunity to present evidence as well as examine and cross-examine witnesses, which it did. Based on the evidence presented at the hearing, Vice President Trainor recommended that the CWA Executive Board affirm the appointment of a temporary administrator over Local 9423. On December 22, 2023, CWA adopted Vice President Trainor’s report and recommendation, concluding that there was substantial evidence that a Local 9423 officer was engaging in theft of union funds and that while Local 9423 had taken “various unilateral actions,” it had not resolved concerns regarding theft of the Local’s funds.


Accordingly, the trusteeship was imposed in accordance with the constitution and bylaws for an allowable purpose and was ratified after a fair hearing. Therefore, it will be presumed valid for 18 months from its imposition on December 22, 2023.

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.

Sincerely,

A large black rectangular redaction box covering the signature of Tracy L. Shanker.

Tracy L. Shanker  
Chief, Division of Enforcement

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

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 14, 2024

[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 Communications Workers of America (CWA) over CWA Local 9423 in San Jose, California.

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 file 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

**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 14, 2024

Claude Cummings Jr., President  
Communications Workers of America  
501 3rd Street, NW  
Washington, DC 20001

Dear President Cummings:

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 Communications Workers of America (CWA) over CWA Local 9423 in San Jose, California.

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Sincerely,



Tracy L. Shanker  
Chief, Division of Enforcement

Enclosure

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