

U.S. Department of Labor

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



November 29, 2024



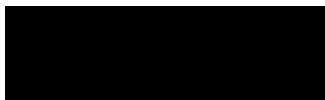
Dear [REDACTED]:

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 American Federation of State, County and Municipal Employees (AFSCME) over AFSCME Leadership Council 25 in Lansing, Michigan.

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,



Alison Dunn
Acting Chief, Division of Enforcement

U.S. Department of Labor

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200 Constitution Ave., NW
Washington, D.C. 20210
(202) 693-0143



November 29, 2024

Lee Saunders, President
American Federation of State, County and Municipal Employees, AFL-CIO
1625 L Street, N.W.
Washington, DC 20036-5687

Dear President Saunders:

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 American Federation of State, County and Municipal Employees (AFSCME) over AFSCME Leadership Council 25 in Lansing, Michigan.

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Sincerely,

A black rectangular redaction box covering the signature of Alison Dunn.

Alison Dunn
Acting Chief, Division of Enforcement

cc: Teague Paterson, General Counsel
American Federation of State, County & Municipal Employees, AFL-CIO
1625 L Street, NW
Washington, DC 20036

, Associate Solicitor
Civil Rights and Labor-Management Division

Statement of Reasons for Dismissing the Complaint Concerning the Trusteeship Imposed on AFSCME Leadership Council 25

This Statement of Reasons is in response to a December 6, 2023 complaint filed with the U.S. Department of Labor (the Department). The complaint alleges that the trusteeship imposed by the American Federation of County, State, and Municipal Employees (AFSCME) on AFSCME Leadership Council 25 (LC 25) violated Title III of the Labor-Management Reporting and Disclosure Act of 1959 (the Act or LMRDA), 29 U.S.C. § 462. Specifically, the complaint alleged that the trusteeship was improperly imposed because AFSCME did not establish the trusteeship for an allowable purpose or in accordance with its Constitution and bylaws, and did not conduct a fair hearing. For the following reasons, the complaint is dismissed.

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 AFSCME imposed the trusteeship for an allowable purpose. In the "Form LM-15 Trusteeship Report" filed for LC 25 on January 26, 2024, AFSCME explained that the trusteeship was instituted to "[p]rotect the union's viability." More specifically, the Form LM-15 explained, "The union has continuously lost membership that has impacted its ability going forward to protect its membership." The investigation disclosed that LC 25 had lost approximately half of its membership in about the last decade. In his October 17, 2023 memo to LC 25 and its affiliated local unions, International President Lee Saunders (IP Saunders) announced that he was "establishing an administratorship over AFSCME Council 25" and that the Michigan Organizing Committee was being established to assume the jurisdiction of LC 25. IP Saunders explained that the change was necessary because LC 25 did not have

the capacity and resources needed to organize workers and grow without “the direct involvement of the International Union.”

Article IX, Section 45 of the International’s constitution explains that an administrator is “empowered to conduct and manage the affairs of the subordinate body” as “necessary for the preservation of the rights and interests of the members of the subordinate body and of the International Union.” Under Section 45, an AFSCME administrator may “take possession of all the funds, properties, books and other assets of such subordinate body . . . such assets to be held in trust for the benefit of the subordinate body and to be expended only to the extent necessary for the proper conduct of the affairs of the subordinate body.”

To the extent that an administratorship is equivalent to a trusteeship, the International proceeded in accordance with the International’s constitution and bylaws which provide for a fair hearing. Article IX, Section 27 of the International’s constitution states that:

In any case where the International President determines that an organizational opportunity requires the establishment of a structure to conduct organizational and related activities in a jurisdiction because . . . the existing affiliate does not have the capacity to successfully conduct such activities, the International President, subject to the advice and consent of the International Executive Board, may establish an organizing committee covering such jurisdiction. The International President shall promptly notify each subordinate body in the affected jurisdiction of the decision to establish an organizing committee, which shall not be effective until at least sixty days after the date of notice to the subordinate bodies in the affected jurisdiction. Any such subordinate body may, by action of such subordinate body, appeal the International President’s decision to the International Executive Board by filing such appeal with the International Secretary-Treasurer within forty-five days after the date of notice of the International President’s decision . . . Upon the establishment of an organizing committee in a jurisdiction where there is an existing council, and when practicable, such council shall be dissolved and the property of such council, including its right to receive per capita tax from its affiliated local unions, shall transfer to the organizing committee to be used in connection with such organizing activities

On October 16, 2023, the AFSCME International Executive Board voted to approve the establishment of the Michigan Organizing Committee. The following day, IP Saunders promptly notified LC 25 that the International Executive Board had consented by vote to his decision to establish the organizing committee in LC 25’s jurisdiction. IP Saunders’ October 17, 2023 memo stated that the establishment would “be effective on

February 1, 2024,” more than sixty days after the date of that notice to the subordinate body.

Article IX, Section 38 provides that the International President may refer a subordinate body to a judicial panel if there is “reasonable cause to believe” that the subordinate body is “conducting the affairs of the subordinate body in such a manner as directly and seriously to jeopardize the fundamental rights and interests of the membership of the subordinate body or the International Union.” Article IX, Section 44 provides that the Chairperson of a judicial panel will appoint an Investigating Committee that may hold hearings between seven to thirty days’ notice to a subordinate body to determine if “administratorship” is appropriate. On October 17, 2023, the AFSCME Judicial Panel Chair issued to the LC 25 Executive Board notice of a hearing to be held eight days later at 10:00 A.M. on October 25, 2023. The hearing notice stated: “All interested parties will be given a fair opportunity to present their views in this matter. If you intend to participate in the hearing, please notify the Judicial Panel by 5:00 pm EDT on October 23, 2023.”

During the October 25, 2023, hearing, AFSCME legal counsel questioned the Senior Field Coordinator of the AFSCME Organizing and Field Services Department and the Associate Director of the AFSCME Accounting and Auditing Department, and introduced documents during this questioning in support of the administratorship. According to the hearing transcript, the Judicial Panel Chair instructed: “Testimony to be given today is subject to cross-examination by those who have entered an appearance in this matter and subject to any questions that the Investigating Committee may wish to ask.” However, no one asked to cross-examine the witnesses. In total, twelve individuals spoke against the administratorship at the October 25, 2023 hearing. On November 7, 2023, the AFSCME Investigative Committee recommended the imposition of an administratorship over LC 25. The next day, IP Saunders issued a letter to the LC 25 officers announcing that they were relieved of their positions, and that he had appointed an administrator and deputy administrator for LC 25. Thus, the Department’s investigation found that administratorship was ratified after a fair hearing in that LC 25 had an opportunity to present and cross-examine witnesses and evidence.

Following the establishment of the administratorship on November 8, 2023, the International continued to comply with the constitution, including the appeals process provided by Article IX, Section 27. By December 4, 2023, five AFSCME local union presidents from Michigan filed separate appeals to the International Executive Board over the decision to establish the Michigan Organizing Committee. On December 6, 2023, the International Executive Board held a meeting online. Appellant Vicki L. Lyons, President of AFSCME Local 1640, spoke on behalf of the appealing parties during the Board meeting. On December 8, 2023, the International Executive Board issued a written denial of the appeals to the appellants.

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

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.

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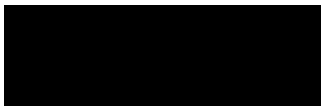
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