

## Statement of Reasons

For Dismissing the Complaint of a Member Concerning the Trusteeship Imposed on Local 340, International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers on November 12, 2012, in Battle Creek, Michigan

The Department of Labor received a complaint from a member of Local 340, International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers (International) alleging that the International violated section 304(c) of Title III of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. § 464(c), by continuing a trusteeship over Local 340 for a duration that exceeded 18 months from the date of its establishment. The member further stated that the International failed to provide clear and convincing proof that a continuation of the trusteeship is necessary.

Section 304(c) of the LMRDA provides 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 18 months from the date of its establishment. After the expiration of 18 months, the trusteeship is presumed to be invalid unless the labor organization can show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 302 of the LMRDA. 29 U.S.C. § 464(c).

The Department of Labor's investigation disclosed that, although the trusteeship established by the International over Local 340 on November 12, 2012, was properly imposed for a purpose allowable under section 302 of the LMRDA, the International's continuation of that trusteeship is invalid, as the International has failed to rebut the presumption of invalidity that applies once the duration of the trusteeship has exceeded 18 months. The International has not provided clear and convincing proof that the continuation of the trusteeship is necessary for an allowable purpose, as required by Section 304(c) of the LMRDA.

Specifically, the Department's investigation disclosed that when the trusteeship was imposed in 2012, Local 340 was \$400,000 to \$600,000 in debt. The investigation disclosed that, since the imposition of the trusteeship, the administrator of the trusteeship has taken positive steps towards rectifying and eliminating the financial issues in Local 340. By cutting costs, the administrator has been able to pay the bills and contractors, hire a recruiter, increase membership, and make improvements to the pension fund by increasing the retirement age and by implementing a formal rehabilitation plan. In fact, the investigation showed that, since the imposition of the trusteeship, Local 340's liability from its targeting fund has been reduced to approximately \$80,000, outstanding per capita taxes owed to the International have been reduced from \$45,000 in 2011 to \$10,000 in 2014, and the membership has

increased by more than 50 members. The investigation did not establish that duly elected and trained Local 340 officers would be unable to effectuate and continue these same improvements.

On these facts, the International has failed to show by clear and convincing proof that a continuation of the trusteeship was necessary for a purpose allowable under section 302 of the LMRDA. Thus, the International's continuation of the trusteeship violated section 304(c) of the LMRDA.

However, effective September 1, 2015, the International merged Local 340 with Local 25. Consequently, any issue concerning the International's continuation of the trusteeship over Local 340 is moot and, for that reason, we are closing our files on this matter.

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U.S. Department of Labor

Office of Labor-Management Standards  
Division of Enforcement  
Washington, DC 20210  
(202) 693-0143 Fax: (202) 693-1343



September 16, 2016

[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 a trusteeship imposed by the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers over Local 340 in Battle Creek, Michigan.

An investigation was conducted by the OLMS. After carefully reviewing the investigative findings, 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,

Sharon Hanley  
Chief, Division of Enforcement

cc: Beverly Dankowitz, Acting Associate Solicitor  
Civil Rights Labor Management Division

**U.S. Department of Labor**

Office of Labor-Management Standards  
Division of Enforcement  
Washington, DC 20210  
(202) 693-0143 Fax: (202) 693-1343



September 16, 2016

Mr. Eric Dean, General President  
Iron Workers, AFL-CIO  
1750 New York Ave., NW, Suite 400  
Washington, DC 20006-5301

Dear Mr. Dean:

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 the International Association of Bridge Structural, Ornamental and Reinforcing Iron Workers over Local 340 in Battle Creek Michigan.

Pursuant to Section 304 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,

Sharon Hanley  
Chief, Division of Enforcement

cc: Ronald C. Gladney, General Counsel  
Hartnett Gladney Hetterman, L.L.C.  
43 Laclede Avenue  
St. Louis, Missouri 63108

Beverly Dankowitz, Acting Associate Solicitor  
Civil Rights Labor Management Division