

Statement of Reasons
Dismissing a Complaint
Alleging the Improper Imposition of a Trusteeship on
Local 25 by the International Association of Bridge, Structural,
Ornamental and Reinforcing Iron Workers

This Statement of Reasons is in response to complaints filed on August 9, 2016, and November 7, 2016, with the U.S. Department of Labor (the Department). The complaints allege that the trusteeship imposed by the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers (BSOIW) upon BSOIW, Local 25 (Local 25) violated Title III of the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA), 29 U.S.C. §§ 461-466 and 29 C.F.R. § 458.26. For the following reasons, the complaints are dismissed.

The LMRDA permits a parent labor organization to impose a trusteeship on a subordinate body for the purpose of correcting corruption or financial malpractice, assuring the performance of negotiated agreements or other duties of a representative of employees, restoring democratic procedures, or otherwise carrying out the legitimate objects of the union. 29 U.S.C. § 462. 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 and is not subject to attack during this 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). However, a trusteeship is presumed invalid at the expiration of eighteen months, unless clear and convincing proof is provided that continuation of the trusteeship is necessary for a purpose allowable under the LMRDA. *Id.*

The Department's investigation revealed that the trusteeship was imposed on April 14, 2015. According to the administrator, the trusteeship was imposed because Local 25 owed per capita dues payments to the BSOIW North Central States District Council, had not addressed its decrease in membership, and had not taken steps to reduce its expenses. In addition, he stated that Local 25's percentage of apprentices was too low and its pension fund was in critical condition. While the investigation indicates that the trusteeship was properly imposed for a purpose allowable under Section 302 of the LMRDA, the BSOIW's continuation of the trusteeship over Local 25 was presumed invalid after October 14, 2016, because it had been imposed for a period exceeding eighteen months.

The investigation determined that the BSOW failed to rebut the presumption of invalidity because the BSOW did not provide clear and convincing proof that the continuation of the trusteeship was necessary for an allowable purpose. The investigation disclosed that the administrator repaid the per capita dues payments, instituted cost-cutting measures, increased the number of apprentices, and increased membership, which alleviated some of the burden on the pension fund. The Department communicated by letter, dated March 1, 2017, that its investigation had not established any legitimate reason that the trusteeship could not be terminated and that it appeared that properly elected Local 25 officers could take control of the union.

The BSOW responded that it intended to terminate the trusteeship once new officer elections were held May 13, 2017. Subsequently, the BSOW filed a terminal trusteeship report as required under 29 C.F.R. § 402.5, in which it indicated that it had lifted the trusteeship on May 13, 2017, and that Local 25's autonomy had been restored. Accordingly, allegations concerning the validity of the trusteeship are moot.

Accordingly, the Department has closed its files on this matter.