

Statement of Reasons
for Dismissing the Complaint of a Member
Concerning the Trusteeship Imposed on
Service Employees International Union (SEIU) Local 1107,
on April 28, 2017, in Las Vegas, Nevada

This Statement of Reasons is in response to an August 29, 2017 complaint filed with the U.S. Department of Labor (the Department). The complaint alleges that the trusteeship imposed by the Service Employees International Union (SEIU or International) upon SEIU Local 1107 (Local 1107) 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 the International did not establish the trusteeship in good faith or in accordance with the International's Constitution, and did not conduct a fair hearing. For the following reasons, the complaint is dismissed.

Section 302 of 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." A trusteeship established by a parent body for a valid purpose, 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 International imposed the trusteeship for an allowable purpose. In her April 28, 2017 letter to the Local 1107 membership, [REDACTED] explained that an emergency trusteeship was necessary:

[F]or the purposes of preventing disruption of contracts, assuring that the Local Union performs its duties as collective bargaining representative, restoring democratic procedures, protecting the interests of Local 1107 and its membership, and otherwise carrying out the legitimate objects of the International Union.

Specifically, [REDACTED] letter delineated examples of the necessity of restoring democratic procedures and preventing disruption of contracts such as: 1) the Local Executive Board's inability "to function in an orderly and democratic manner," 2) an officer's "undermining the bargaining team's authority" during negotiations of a

collective bargaining agreement leading to “delayed longevity pay and raises”, and 3) “difficulty getting the information and assistance from the Local that they need to represent themselves and their colleagues” which also interfered with collective bargaining. The Department’s investigation revealed evidence supporting [REDACTED] findings.

The Department’s investigation also determined that the trusteeship was imposed in accordance with the International’s constitution and bylaws. Article VIII, Section 7(a) of the International’s constitution states that:

Whenever the International President has reason to believe that, in order to protect the interests of the membership, it is necessary to appoint a Trustee for the purpose of...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 this International Union, he or she may appoint such Trustee to take charge and control of the affairs of a Local Union or of an affiliated body and such appointment shall have the effect of removing the officers of the Local Union or affiliated body.

Section 7(f) further requires a hearing on an emergency trusteeship within 30 days of imposition, and a decision by the international executive board within 60 days unless the International President determines good reason to extend these time limits. The SEIU International Constitution does not require that a Notice of Hearing regarding trusteeships be sent to all members.

On April 26, 2017, the majority of the Local Executive Board present at the meeting voted in favor of trusteeship. On April 28, 2017, [REDACTED] imposed the emergency trusteeship on Local 1107 and appointed [REDACTED] as Trustee. The Department’s investigation confirmed that on May 25, 2017, IP Henry determined that good cause existed to extend the required time limits to hold a hearing and to render a decision on the emergency trusteeship of Local 1107 due to conflicting schedules and pending commitments. The trusteeship hearing was not held until July 13, 2017, (approximately one and a half months after imposition of emergency trusteeship).

The Department’s investigation found that ultimately, the trusteeship was ratified after a fair hearing. On July 3, 2017, notice of a trusteeship hearing was emailed to former Local 1107 officers and executive board members inviting Local 1107 members to submit oral or written statements for the hearing. The Local Executive Board had an opportunity to have representation at the trusteeship hearing, but declined to do so. At the trusteeship hearing on July 13, 2017, approximately fourteen members and former officers of Local 1107 presented statements. On October 16, 2017, Trustee Hearing Officer April Verrett submitted her report and recommendations concluding that the

emergency trusteeship over Local 1107 was proper and that the trusteeship should continue. On October 23, 2017, the SEIU International's executive board adopted the hearing officer's report and recommendations on the trusteeship hearing in its entirety and ratified the trusteeship over Local 1107.

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.

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 covers the signature area. A small handwritten mark, possibly a checkmark or the letter 'v', is visible just below the bottom center of the redaction box.

Sharon Hanley
Chief, Division of Enforcement



August 15, 2018



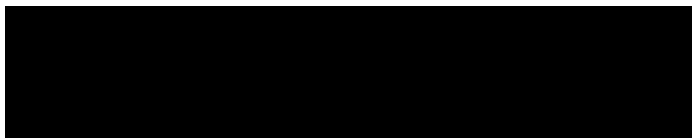
Dear [REDACTED]:

This is to advise you of the disposition of your complaint filed with the Secretary of Labor alleging that violations of Section 302 of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) occurred with respect to the imposition of a trusteeship by the Service Employees International Union (SEIU) over SEIU Local 1107 in Las Vegas, Nevada.

Pursuant to Sections 304 and 601 of the LMRDA, the Office of Labor-Management Standards conducted an investigation. After carefully reviewing the investigative findings, and after consulting with the Office of the Solicitor, Division for Civil Rights and Labor-Management, we have determined that legal action is not warranted in the trusteeship 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

Enclosure

cc: Beverly Dankowitz, Associate Solicitor for Civil Rights and Labor-Management



August 15, 2018

[REDACTED]

Dear [REDACTED]:

This is to advise you of the disposition of your complaint filed with the Secretary of Labor alleging that violations of Section 302 of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) occurred with respect to the imposition of a trusteeship by the Service Employees International Union (SEIU) over SEIU Local 1107 in Las Vegas, Nevada.

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Sincerely,

[REDACTED]

Sharon Hanley
Chief, Division of Enforcement

Enclosure

cc: Beverly Dankowitz, Associate Solicitor for Civil Rights and Labor-Management



August 15, 2018

[REDACTED]

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Sincerely,

[REDACTED]

Sharon Hanley
Chief, Division of Enforcement

Enclosure

cc: Beverly Dankowitz, Associate Solicitor for Civil Rights and Labor-Management



August 15, 2018

[REDACTED]

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[REDACTED]

Sharon Hanley
Chief, Division of Enforcement

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