

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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March 29, 2017

TO: The Members of Local Union 754
Elmhurst, Illinois

FROM: James P. Hoffa, General President

In accordance with the requirements of the International Constitution, a hearing was conducted on March 5, 2017, to afford the members of Local 754 the opportunity to express their views as to the trusteeship that was imposed on September 26, 2016 and to voice their opinions as to the future of the Local. The panel consisted of Thomas Ratliff, President of Local Union 639 (Washington, D.C.); Michael Scribner, President of Local 696 (Topeka, Kansas); and Dean Modecker, Vice President of Local 455 (Denver, Colorado). I have now received and reviewed a transcript of the hearing, as well as reports and recommendations from members of the hearing panel.

As you know, the Local Union was placed in trusteeship because of its financial situation, lack of experienced leadership in the wake of the removal of Orlando Fuller, and an impending investigation by the Department of Labor regarding inadequacies in the Local's financial administration. Moreover, the Local had failed to renegotiate collective bargaining agreements in a timely manner and was not processing grievances. Membership meetings were not well attended and the Local was failing in its obligation to inform the members, and even members of the Executive Board, of its activities and financial transactions.

The panel heard from the current trustee, Thomas Stiede, as to the condition of the Local. Brother Stiede confirmed that the Local was in a dire situation when the trusteeship was imposed and that the prospects for a financially viable and independent organization remain uncertain. He advised

that before the trusteeship was imposed, the former Executive Board had begun to explore the possibility of merging with another Local Union because of its declining financial condition, and actually proposed a merger with Local 777. But no merger was accomplished prior to the imposition of the trusteeship. In addition to the issues that led to the trusteeship, Brother Stiede advised the panel and members that a second investigation was being conducted by the Department of Labor as to the Local 754 Milk Drivers Pension Fund. Although the precise focus of the investigation has not been disclosed at this point, it appears that questions have been raised as to the propriety of cost allocations between the Fund and the Local, as well as certain actions taken by former Local 754 officer Floyd Prusinski, who still serves as the Fund's administrator.

Several members attended the hearing and most supported maintaining the independence of the Local. I appreciate that these members took time to participate in the hearing and present their views. I commend them for their loyalty to, and support for, the continued existence of the Local Union. Several asked questions as to the procedures going forward, if the trusteeship ended or if the Local is merged. The Constitution provides that at the termination of a trusteeship, an election of officers is conducted to select new leadership. If it is determined that the Local should be merged, its financial condition at that time would dictate whether or not a membership vote would be required.

It is too soon to speculate as to the long-term future of the organization. For now, based upon the recommendation of the trustee, the hearing panel and the facts regarding the Local's financial situation and the ongoing investigations being conducted by the Department of Labor, it is my determination that the trusteeship be continued. I urge you all to continue to cooperate with the trustee as he negotiates the remaining open collective bargaining agreements and reforms the internal administrative procedures to ensure a more efficient and cost-effective Local Union. I assure you the International Union will continue to monitor the situation and advise you of decisions regarding the Local, and provide you with a reason for those decisions.

Fraternally yours,


James P. Hoffa
General President