

LIUNA
*Ethics and
Disciplinary
Procedure*



Revised 4/01

LABORERS' INTERNATIONAL
UNION OF NORTH AMERICA
AFL-CIO, CLC
905-16TH STREET, NW
WASHINGTON, D.C. 20006

TABLE OF CONTENTS

Introduction (New).....	2
Ethical Practices Code.....	3
LIUNA Ethics and Disciplinary Procedure	22
Rules for Hearing Procedure	38
Trial Board Rules (New).....	45
Appellate Rules	61
Summary of LIUNA Final Agreement (New)	67
Final Agreement (New)	69
Job Referral Guidelines (New)	86
General Executive Board Polices	93

Introduction

On January 18, 1995, the General Executive Board of the Laborers' International Union of North America (LIUNA) amended its three Constitutions (the International Union Constitution, the Uniform District Council Constitution, and the Uniform Local Union Constitution) to adopt a new Ethics and Disciplinary Procedure. It includes two parts, the Ethical Practices Code, which defines universal standards of conduct applicable to all officers, members and employees of LIUNA and its affiliates, and the Ethics and Disciplinary Procedure, which sets up a process to ensure that potential violations are investigated and decided by experienced, neutral and independent officials in accordance with procedures that are fair and impartial. These independent officers include the General Executive Board Attorney, the Inspector General, the Independent Hearing Officer and the Appellate Officer. In April, 2001, the General Executive Board amended the EDP to add the position of Special Elections Officer. Their respective duties and responsibilities are set out in the Ethics and Disciplinary Procedure. These amendments to the LIUNA Constitutions have worked to promote honesty, integrity and fairness throughout the Union. The Code and the EDP have been considered and upheld by several federal courts, which ruled that the GEB acted properly in adopting these provisions and that these procedures fairly safeguard the interests of the Union and its members.

Both the Independent Hearing Officer and the Appellate Officer have issued rules to govern the pro-

ceedings before them. In addition, these constitutional provisions have been supplemented by certain policies adopted by the General Executive Board, copies of which are also included in this booklet. A similar Canadian Ethical Practices Code has been adopted to govern our members and affiliates in Canada.

In the relatively brief time that the Code, the EDP and our other reform programs and policies have been in effect, LIUNA has achieved remarkable success in strengthening our Union from within and building LIUNA into one of the most progressive and democratic organizations in the entire trade union movement. In addition, with the passage of time and the benefit of experience, the General Executive Board has continued to work with the independent officers to improve these reform programs and to make them as cost-effective, fair and efficient as possible. Although some of these changes may have been difficult at times, they have succeeded in preserving and assuring our Union's integrity and independence and have provided a solid foundation for our continued progress as we move toward our 22nd Convention in 2001 and our 100th anniversary in 2003.

Part One: The Ethical Practices Code

The Ethical Practices Code deals with five areas of activity:

1. Democratic Practices.

The Code recognizes every member's right to par-

ticipate fully in Union affairs. It reaffirms their democratic rights to freedom of speech and participation in the election process. It also cautions that every LIUNA member must respect the rights of every other member, and that no member has the right to undermine the Union or subvert its essential policies. Among its provisions: regular meetings must be conducted in an atmosphere of fairness; Union rules must be applied uniformly without favoritism or discrimination; and corruption of any kind is banned.

2. Financial Practices.

These will be the same as other well-run institutions and will utilize competitive bidding for major contracts. There will be no contracts or investments that result in financial advantage to any officer or representative of the Union, and no Union subsidiary shall make any loans to officers, representatives or employees or their families for private purposes.

3. Health, Welfare and Retirement Funds.

The responsibilities and obligations of Union officials who are also benefit fund trustees have been defined to prohibit the payment of any salaries or fees for serving as a trustee (other than reimbursement of expenses), as well as any financial connection between a benefit fund and any vendor or service provider who does business with a benefit fund. The code also requires union trustees to request or, if necessary, demand regular audits of their funds, and to file these audit reports with the International Union and make them available to the fund's beneficiaries at

least once a year.

4. Business and Financial Activities of Union Officials.

The Code prohibits actual and potential conflicts of interest. The restriction includes keeping confidential all mailing lists of union members; prohibiting any personal financial interest that conflicts with Union duties; and prohibiting any financial interest by a union official in any business with which the Union bargains collectively. Any compensation to a union official, whether in the form of a kickback, valuable gift, lavish entertainment or anything of substantial value, made by an employer with which the Union bargains, or by a vendor or service provider with which the Union does business, is prohibited.

5. Barred Conduct.

Four types of conduct are clearly prohibited:

(a) committing any act of racketeering, which includes crimes such as bribery, extortion, fraud, accepting kickbacks, bookmaking and other felonies [a complete list of these crimes appears in Appendix A to the Ethics and Disciplinary Procedure];

(b) knowingly associating with any member or associates of an organized crime family or syndicate. “Knowingly associate” means that the individual knows that the other person is a member or associate of organized crime; that the association relates directly or indirectly to Union affairs; and that the association is more than a casual relationship. [There are also certain exceptions to the definition of “knowingly associate” that are

described in Appendix B to the Ethics and Disciplinary Procedure. For example, it is not considered a violation of the Disciplinary Procedure if an individual is merely related by blood or marriage to a person considered a member or associate of organized crime as long as the family relationship does not affect the Union];

(c) knowingly allowing any organized crime member or associate to influence the affairs of the Union; and

(d) interfering in any way with the operation of the Ethics and Disciplinary Procedure and the persons responsible for its administration.

Part Two: The Ethics and Disciplinary Procedure

Violations of the Ethical Practices Code are subject to the full disciplinary process set forth in the Ethics and Disciplinary Procedure.

The Ethics and Disciplinary Procedure calls for the creation of four new independent, supervisory positions:

1. General Executive Board Attorney.

The GEB Attorney's function is to investigate and prosecute violations of the Ethics Code. The GEB Attorney will also review the imposition of trusteeships, recommend discipline and present cases to the Independent Hearing Officer. The GEB Attorney may bring charges against any union officer, representative, employee or member for any illegal or unethical conduct, regardless of when the conduct occurred, but only

if the conduct has a present effect on the person's membership or current service to the Union.

Anyone, including a Union officer, representative, member, contractor or vendor, or law enforcement organization may refer a complaint against a Union official or member by filing it with the GEB Attorney. The GEB Attorney or the Inspector General will investigate it and decide whether charges should be brought. The GEB Attorney has the right to take sworn statements from Union personnel and impose discipline if anyone refuses to appear and allow his/her testimony to be taken, or refuses to testify on the grounds of self-incrimination.

Finally, the GEB Attorney will undertake an "Operations Study" to assist the General Executive Board in implementing further policies that will continue to prevent corruption. This study will include, among other areas, reviewing the provisions of the three constitutions, internal operating policies, and field audit procedures.

2. Inspector General.

This position is an in-house, full-time permanent employee of the International Union, whose office is located at Headquarters. The Inspector General's function is primarily to investigate disciplinary violations, and also to handle disciplinary prosecutions that are delegated to him by the GEB Attorney, including defending the imposition of certain trusteeships or presenting cases that do not involve what has been described above as "barred conduct."

3. Independent Hearing Officer.

This position is a permanent, part-time position to be filled by an outside person who is either a former judge, labor department official or otherwise highly qualified individual. The Independent Hearing Officer will act as a neutral judge or arbitrator in all disciplinary hearings, trusteeships, and other matters referred for hearing by the GEB Attorney.

4. Appellate Officer.

This position's function is to hear appeals from decisions of the Independent Hearing Officer as well as appeals from Local Union and District Council Trial Boards. Like the Independent Hearing Officer, the Appellate Officer will be a permanent, part-time position filled by an outside person who is either a former judge, labor department official, or otherwise highly qualified individual.

The Disciplinary Procedure also describes the basic rules for the conduct of hearings, requiring them to be fair and efficient. These rules are supplemented by the Hearing Procedures described in Part Three.

Finally, the Disciplinary Procedure confers two other important powers on the General President and the General Executive Board. The first is that if the General President believes that there is an emergency that threatens the welfare or preservation of the Union, he may suspend, without pay, any union official, whether appointed or elected, at any level of the organization. If the General President takes this action, the GEB Attorney is required to bring formal charges against the official within ten days of the suspension, and the

official is then entitled to a hearing according to the Disciplinary Procedure.

The second provision requires that whenever the General Executive Board or the General President receives notice that any officer, agent, representative or employee of any Union entity has been indicted for a felony or charged with any crime relating to the affairs of a labor organization or employee benefit plan, the General Executive Board or the General President must place the accused person on a temporary leave of absence with pay. The GEB Attorney must then institute a disciplinary hearing before the Independent Hearing Officer based on the indictment or criminal charges.

5.Special Elections Officer.

This position's function is to hear nomination and election protests arising from the election of Local Union and District Council officers. These functions until April, 2001, were performed by the Independent Hearing Officer. Like the Independent Hearing Officer, the Special Elections Officer will be a permanent, part-time position filled by an outside person of high integrity who is experienced, skilled and competent in this area.

Rules for Hearings before the Independent Hearing Officer

All hearings procedures begin with the filing of specific written charges, and the person charged is notified in writing of the accusations. The accused has at least

thirty days to prepare a defense, and is entitled to be represented by an attorney or other person at the hearing. If the accused does not believe that the charges are specific enough, he or she may file a motion for more specific charges, and may request discovery of evidence to be used in the hearing.

The procedures for those hearings will be similar to those that apply in labor arbitrations proceedings, including the use of hearsay or affidavit evidence but only if the Independent Hearing Officer finds it reliable. All testimony will be under oath, and all witnesses will be kept out of the hearing room, except when they are called to testify. If a non-LIUNA member is willing to provide relevant testimony but unable to attend the hearing, the person can provide a deposition in place of live, in-person testimony.

In order to maintain confidentiality, all papers in any disciplinary case, including the charges, motions or other pleadings, documents used as evidence, and the decision of the hearing officer, will be filed only with the Independent Hearing Officer and the parties or their lawyers or other representatives. When a written decision is issued by the Independent Hearing Officer, the entire case file will be transmitted to LIUNA Headquarters where it will be received and entered into a formal record called a docket.

If there is an appeal from the decision of the Independent Hearing Officer, the file will immediately be sent to the Appellate Officer and not returned to Headquarters until a final decision by the Appellate Officer is made. In any case where there is a final decision imposing discipline, the file will be open to inspec-

tion by any member of the Union. In any case where the final decision does not impose discipline, the file will be returned to the Independent Hearing Officer and not be available for inspection by anyone.

In all hearings, the burden of proof will be on the GEB Attorney to convince the Independent Hearing Office by a preponderance of the evidence that there is just cause to impose discipline.

Finally, any hearing will be conducted at a location chosen by the Independent Hearing Officer with an effort to make the place convenient to all parties.

Rules of Procedure for Appeals to the Appellate Officer

All decisions concerning disciplinary matters (but not trusteeships or election protests) by the Independent Hearing Officer are subject to review by the Appellate Officer. An appeal may be commenced within 10 days of any final decision by the IHO by filing a notice of appeal with the Appellate Officer. The Appellate Officer will thereafter set a briefing schedule outlining when any briefs are due and the page limits applicable to each party's briefs.

Each party to an appeal has the opportunity to state whether or not oral argument is requested. The Appellate Officer may also decide to hold oral argument on his own motion and will decide requests for oral argument by the parties. The Appellate Office will make an effort to hold oral arguments at a location convenient to the parties. If the Appellate Officer concludes that additional fact-finding is required, he may remand any matter to the IHO for further investigation.

General Executive Board Policies

Pursuant to its constitutional authority, and in order to accomplish the purposes of the Ethics and Disciplinary Procedure, the GEB has adopted certain additional policies designed to guarantee the success of the reform process. These include:

GEB Policy on Appointment of Officers, Trustees and Benefit Fund Representatives. This policy requires that the names of all persons selected by LIUNA or any local or district council to hold the positions of Regional Manager, Assistant Regional Manager, International Representative, Special International Representative, Trustee or Supervisor over any subordinate body, or labor trustees of any pension plan, welfare plan or other trust fund must be submitted to the Inspector General for his review. If the IG concludes that the appointment is inconsistent with the objectives and purposes of the Ethical Practices Code or the Ethics and Disciplinary Procedure, he may disapprove the appointment.

GEB Policy on Contract Procedures. This policy requires contracts in excess of \$150,000 to be entered into by LIUNA or any of its subordinate bodies must be submitted to the Inspector General for his review. If he concludes that entry into the contract is inconsistent with the objectives and purposes of the Ethical Practices Code or the Ethics and Disciplinary Procedure, he may disapprove the contract.

GEB Policy on Gifts or Donations of Union

Assets or Property. This policy requires that any gift or donation of union property of more than \$5,000 or any gifts or donations in any twelve month period totaling more than \$10,000 must be reported to the Inspector General. He may disapprove any such gifts if he concludes that such a gift or donation is inconsistent with the objectives and purposes of the Ethical Practices Code or the Ethics and Disciplinary Procedure.

GEB Policy on Actions Affecting Subordinate Bodies. All actions by the GEB or the General President to suspend or revoke charters or the consolidate or amalgamate subordinate bodies must be submitted to the Inspector General. He may disapprove any such action if he concludes that it is inconsistent with the objectives and purposes of the Ethical Practices Code or the Ethics and Disciplinary Procedure.

GEB Policy on Reporting Felony Arrests and Indictments. Any member of the GEB, any officer of any subordinate body, and all members serving as trustees of any employee benefit plan, fund, or trust must notify the Inspector General in writing within five days whenever they learn that any member, employee, officer, or labor trustee is arrested, indicted, or otherwise charged with any felony or with any law relating to the affairs of a labor organization or benefit plan.

Job Referral Guidelines. Starting in April, 1995, the General Executive Board adopted and on several occasions revised and modified Job Referral Rules or Guidelines that are intended to ensure that every

member of the Union is treated fairly in job referrals. The current Guidelines adopted by the General Executive Board in 2000 continue to require fair and equal treatment in job referrals and that complete and accurate information about job referrals be available to every Union member. Under the new Guidelines, so long as these purposes are accomplished, the decisions as to how best to achieve them are left to the sound discretion of each Local Union.

Revised Policy on Reimbursement of Legal Fees. This revised policy prohibits the use of union funds prior to the conclusion of litigation to pay the legal fees or expenses for the representation of any officer, member, or employee in a criminal matter or civil action alleging a breach of fiduciary duty. If, in that situation, the individual ultimately is fully vindicated, the union may choose, but is not required, to pay reasonable legal fees and costs. If the individual is substantially but not completely exonerated, then the union may apply to the Inspector General for permission to reimburse a proportionate amount for the reasonable legal fees and costs incurred to defend against the claims where the individual was exonerated. In addition, legal fees cannot be paid or reimbursed in connection with an internal investigation by the LIUNA Inspector General or charges brought by the General Executive Board Attorney, except that if an individual has been finally and fully exonerated, the union may, but is not required to, reimburse reasonable legal fees and costs. If the individual is substantially but not fully vindicated, an application for proportionate reimbursement may be made

to the LIUNA Inspector General.

In addition, the General Executive Board Attorney has advised that union funds must not be used to pay for legal representation of a member(s) who files trial board charges or of a member(s) or officer(s) who is the subject of a trial board charge. The exception to this rule is that the Union may pay for legal counsel at a trial board for the limited purpose of explaining a ruling or practice that may be at issue or to present the Union's position on an issue of law or constitutional interpretation.

February 15, 1995

To All Members, Officers, Representatives, Employees and Affiliates of the Laborers' International Union of North America, and Trustees and Employees of LIUNA Benefit Funds:

On January 18, 1995, the General Executive Board of the Laborers' International Union of North America adopted the LIUNA Ethics and Disciplinary Procedure.

The Disciplinary Procedure provided for the drafting and implementation of an Ethical Practices Code modeled after that adopted by the United Auto Workers in 1992.

The General Executive Board delegated to me the responsibility of drafting the Ethical Practices Code for LIUNA, and that effort has now been completed.

Pursuant to the authorization delegated to me under Paragraph (1) of the LIUNA ETHICS AND DISCIPLINARY PROCEDURE, adopted by the General Executive Board on January 18, 1995, I hereby promulgate the attached Ethical Practices Code, which becomes a part of the LIUNA Ethics and Disciplinary Procedure.

Fraternally,

A handwritten signature in black ink, appearing to read 'Arthur A. Coia', written in a cursive style.

ARTHUR A. COIA
General President

ETHICAL PRACTICES CODE

The following Ethical Practices shall apply to the International Union, all District Councils, every Local Union, all subordinate bodies, and to every employee, member and officer thereof, and to every union trustee and employee of any benefit fund or political action committee.

Democratic Practices

LIUNA's traditions, its Constitution, and federal law all protect the democratic rights of LIUNA's members to participate fully, without fear, abuse, or intimidation in all Union affairs. To that end, the following principles shall be respected.

1. Each member shall be entitled to a full share in Union self-government. Each member shall have full freedom of speech and the right to participate in the democratic decisions of the Union. Subject to reasonable rules, regulations and qualifications, each member shall have the right to run for office, to nominate through duly established constitutional procedures, and to vote in free, fair and honest elections. In a democratic union, as in a democratic society, every member has certain rights but she/he also must accept certain corresponding obligations. Each member shall have the right freely to criticize the policies and personalities of Union officials; however, this does not include the right to undermine the Union as an institution; to vilify other members of the Union and its elected officers or to carry on activities with complete disregard of the rights

of other members and the interests of the Union; to subvert the Union in collective bargaining or to advocate or engage in dual unionism.

2. Local Union membership meetings, District Council delegate meetings, and International Conventions shall be held regularly, with proper notice of time and place and shall be conducted in an atmosphere of fairness.

3. All Union rules and laws must be fairly and uniformly applied and disciplinary procedures shall be fair and afford full due process to each member.

4. The Union shall ensure that its operations shall be conducted in a democratic and fair manner. Corruption, discrimination or anti-democratic procedures shall not be permitted under any circumstances.

Financial Practices

Union funds are held in trust for the benefit of the membership. The membership is entitled to assurance that Union funds are not dissipated and are spent for proper purposes. The membership is also entitled to be reasonably informed as to how Union funds are invested or used.

1. The Union shall conduct its proprietary functions, including all contracts for purchase or sale or for rendering housekeeping services in accordance with the practice of well-run institutions, including the securing of competitive bids for major contracts where appropriate.

2. The Union shall not permit any of its funds to be invested in a manner which results in the personal prof-

it or advantage of any officer or representative of the Union.

3. There shall be no contracts for purchase or sale or for rendering services that result in the personal profit or advantage of any officer or representative of the Union. Nor shall any officer, representative or employee of the International Union, District Council, or any Local Union accept personal profit or special advantage from any action of any officer or representative of the Union.

4. Neither the International Union, District Council or any Local Union shall make loans to its officers, representatives, employees or members, or members of their families, for the purpose of financing the private business of such persons.

Health, Welfare and Retirement Funds

1. No official, representative or employee of the International Union, District Council or a Local Union, nor any union trustee of a benefit fund, shall receive fees or salaries of any kind from a fund established for the provision of health, welfare or retirement benefits, except for reasonable reimbursement provided for in a collective bargaining agreement or trust agreement and expressly approved by the General President or the Board of Trustees, respectively.

2. No official, employee or other person acting as an agent or representative of the International Union, who exercises responsibilities or influence in the administration of health, welfare and retirement programs or the placement of insurance contracts, shall have any

compromising personal ties, direct or indirect, with outside agencies such as insurance carriers, brokers or consultants doing business with the health, welfare and retirement plans.

3. Complete records of the financial operations of all health, welfare and retirement funds and programs shall be maintained in accordance with the best accounting practice. Each Union trustee shall require that each such fund be audited regularly.

4. All such audit reports shall be provided to the International Union and shall be available to the members of the Union covered by the fund.

5. The Union trustees or administrators of such funds shall make a full disclosure and report to the members covered by the fund at least once each year.

Business and Financial Activities of Union Officials

Any person who represents LIUNA and its members, whether elected or appointed, has a sacred trust to serve the best interests of the members and their families. Therefore, every officer and representative must avoid any outside transaction which creates an actual or potential conflict of interest. The special fiduciary nature of Union office requires the highest loyalty to the duties of the office.

1. The mailing lists of the Union are valuable assets. In order to protect the interests of our membership, Union officers and representatives shall not, under any circumstances, without the express prior written

consent of the General President, turn over a Union mailing list to an outsider for use in the promotion or sale of any goods or services that benefit an individual or private concern. Mailing lists are to be used only to promote the necessary legitimate functions of the Union and for no other purpose. It is improper for any official or representative of the Union, without the express prior written consent of the General President, to permit the use of any mailing list by any third party to promote the sale of any goods or services, or to enable professionals to solicit the membership.

2. No officer or representative of the Union shall have a personal financial interest which conflicts with his/her Union duties.

3. Except for stock purchase plans, profit sharing or retirement plans, no officer or representative of the Union shall have any substantial interest in a business with which LIUNA bargains collectively.

4. No officer or representative shall accept “kick-backs”, under-the-table payments, valuable gifts, lavish entertainment or any personal payment of any kind, other than regular pay and benefits for work performed as an employee, from an employer with which the Union bargains collectively or from a business or professional enterprise with which the Union does business.

5. The principles of this Code apply to investments and activities of third parties where they amount to a subterfuge to conceal the financial interests of such officials or representatives.

Barred Conduct

No Union officer, representative or employee, and no union trustee of any benefit fund, shall engage in “barred conduct.”

“Barred conduct” is defined to include: a) committing any act of racketeering, as defined in Title 18 of the United States Code, section 1961(1) [set forth in Appendix A to the LIUNA Ethics and Disciplinary Procedure]; b) knowingly associating with any member or associate of the organized crime syndicate known as La Cosa Nostra (LCN); c) knowingly permitting any member or associate of the LCN to exercise control or influence in the conduct of the affairs of the Union; or d) obstructing or interfering with the LIUNA Inspector General, the General Executive Board Attorney, or the Independent Hearing Officer, as those parties are described in the LIUNA Ethics and Disciplinary Procedure. The term “knowingly associate” shall mean that a) an individual knew that the person with whom he or she was associating was a member or associate of the LCN; b) the association related directly or indirectly to the affairs of the Union; and c) the association was more than fleeting or casual. The definition of “knowingly associate” in this Code also provides for, and incorporates by reference, certain additional exceptions as they appear and are defined in the Consent Decree entered in the case of *United States v. District Council of New York and Vicinity of the United Brotherhood of Carpenters and Joiners of America*, 90 Civ. 5722 [set forth in Appendix B to the LIUNA Ethics and Disciplinary Procedure].

LIUNA ETHICS AND DISCIPLINARY PROCEDURE

WHEREAS, by the imposition of certain trusteeships, internal union discipline, and other techniques, the General Executive Board and the General President have reduced corruption from certain entities within the Union, but have not eliminated all corruption from every entity within the Union; and

WHEREAS, it is in the best interests of this organization to adopt an Ethics Code and a new system of disciplinary procedures designed to rid this Union of any corrupting influences;

NOW THEREFORE, the General Executive Board hereby adopts the following disciplinary procedure:

1. Ethical Practices Code

The General President and General Executive Board are preparing an Ethical Practices Code for the Union, modeled after the Code adopted by the United Automobile Aerospace and Agricultural Implement Workers of America (hereinafter, the "UAW") at the UAW's Thirtieth Constitutional Convention in June 1992, which imposes or codifies standards of conduct for all financial practices relating to the handling of union, benefit and pension funds, the award and administration of contracts, conflicts of interest and similar issues. The General President is hereby authorized to draft and implement an Ethical Practices Code consistent herewith.

In addition to the Ethical Practices Code to be adopted by LIUNA, this Disciplinary Procedure also prohibits all current and future officers, agents, representatives, employees, and members of the Union from engaging in “barred conduct.” “Barred conduct” is defined to include: a) committing any act of racketeering, as defined in 18 U.S.C. § 1961(1) ; b) knowingly associating with any member or associate of the organized crime syndicate known as La Cosa Nostra (LCN); c) knowingly permitting any member or associate of the LCN to exercise control or influence in the conduct of the affairs of the Union; or d) obstructing or interfering with the LIUNA Inspector General, the GEB Attorney, or the Independent Hearing Officer, as those parties are discussed below. For purposes of this Disciplinary Procedure and the Ethical Practices Code, the term “knowingly associate” shall mean that: a) an individual knew that the person with whom he or she was associating was a member or associate of the LCN; b) the association related directly or indirectly to the affairs of the Union; and c) the association was more than fleeting or casual. The definition of “knowingly associate” in the Ethical Practices Code also provides for, and incorporates by reference, certain additional exceptions as they appear and are defined in the Consent Decree entered in the case of *United States v. District Council of New York City and Vicinity of The United Brotherhood of Carpenters and Joiners of America*, 90 Civ. 5722.

The General Executive Board, pursuant to the powers provided for in Article VIII, Section 2(b) of the Constitution of the Laborers’ International Union of North America (hereinafter “the LIUNA Constitu-

tion’), hereby amends the LIUNA Constitution to incorporate fully the Ethical Practices Code.

2. New Positions

The General Executive Board hereby creates the following positions: the GEB Attorney, the LIUNA Inspector General, and the Independent Hearing Officer.

LIUNA shall purchase a policy of insurance and/or bonds, in an appropriate amount, to protect each person holding one of these new positions, and any persons hired by or acting on his behalf, from personal liability for any of the actions under this Disciplinary Procedure. If such insurance is not available, or if the General Executive Board so elects, LIUNA shall indemnify these persons, and any persons hired by or acting on their behalf, from personal liability (and costs incurred to defend against any claim of liability) for any of their actions under this Disciplinary Procedure.

3. The GEB Attorney

LIUNA shall engage the services of an outside attorney, highly regarded for his or her integrity, intellect, and diligence, to serve as the GEB Attorney.

For the purpose of fulfilling the mandate of the GEB and General President, all of the investigative and disciplinary powers described in the LIUNA Constitution, the Uniform Local Union Constitution, and the Uniform District Council Constitution (hereinafter the three constitutions are referred to together as “The Constitution”) are delegated to the GEB Attorney.

The GEB Attorney shall have the authority and duty to investigate and prosecute charges (or otherwise im-

pose discipline, as provided for by The Constitution) against any officer, agent, representative, employee, or member of the Union for engaging in barred conduct. The GEB Attorney also shall have the authority to investigate and prosecute charges (or otherwise impose discipline, as provided for by The Constitution) against any officer, agent, representative, employee, or member of the Union for committing a felony violation under federal or state law; for violating any federal or state law relating to the conduct of the affairs of a labor organization or employee benefit or pension plan; or, for violating The Constitution, the Ethical Practices Code, or any other disciplinary rule, regulation, practice, or procedure adopted by the General Executive Board.

The GEB Attorney shall have the same authority, including the right to impose and review the imposition of trusteeships, over any district council, local, or other entity within the Union. All such disciplinary actions initiated by the GEB Attorney shall be heard by the Independent Hearing Officer, in accordance with the terms of Paragraph 5 below.

The GEB Attorney may recommend discipline, including, but not limited to, suspension, removal from Union office, permanent expulsion from the Union, imposition of a trusteeship over a district council, local union, or other entity of the Union, or the revocation of the charter of a district council, local union, or other entity of the Union.

As long as the offending conduct at issue is deemed to be relevant to an accused's current membership in, or service to, the Union, the GEB Attorney may bring charges, regardless of when the conduct at issue occurred.

Any officer or member of this International Union, or any person or entity having a business or contractual relationship with this International Union, or any Trustee of any of the International Union's Taft-Hartley Benefit Funds, or the United States Departments of Labor and/or Justice may refer any individual or entity to the GEB Attorney for investigation and possible discipline. In making such referral, the referring party (to the extent lawful and appropriate) shall provide the GEB Attorney with information relating to misconduct by the individual or entity at issue. The GEB Attorney shall, thereafter, investigate the matter and, within the time period agreed to by the referring party and the GEB Attorney, file charges, or issue a report that no disciplinary action is warranted, or refer the matter to the LIUNA Inspector General for further action.

LIUNA will provide the GEB Attorney with sufficient staff, funding, and office space to fulfill his mandate. The GEB Attorney shall have complete and unfettered access to, and the right to make copies of, all books, records, accounts, correspondence, files, and other documents of any individual or entity.

The GEB Attorney shall have the right to take and require the sworn statement, or sworn oral deposition, of any officer, agent, representative, employee, or member of the Union. If any person refuses to testify or to provide evidence before the GEB Attorney on the basis of his privilege against self-incrimination, discipline may be imposed on such person for that reason alone, consistent with the Code of Ethics of the American Federation of Labor-Congress of Industrial Organizations, as adopted by LIUNA in 1958.

The GEB Attorney shall prepare and submit a report on the progress of his or her efforts to remove the influence of criminal elements from the Union to the General Executive Board on or before the fifteenth day of each month. The report shall discuss the status of all investigative and disciplinary proceedings and trusteeships, as well as contemplated future action, including the enforcement of any other lawfully adopted policies of the General Executive Board.

The GEB Attorney also shall prepare reports concerning his or her activities, and the progress he or she is making towards achieving the objectives and purposes of this Disciplinary Procedure, to be published on a bimonthly basis in *The Laborer*.

The GEB Attorney also shall report each instance in which he brings charges or declines to bring charges against any officer, agent, representative, employee, or member of the Union, or any entity within the Union, accompanied by a statement of the reasons, to the General Executive Board within five days after such action is taken.

The GEB Attorney, in conjunction with the LIUNA Inspector General, shall study the operations of the Union and recommend changes to the GEB to improve those operations in order to eliminate all corruption and racketeering activity, referred to hereinafter as the "Operations Study." The operations that the GEB Attorney and LIUNA Inspector General shall study include, but are not limited to, the following:

- a. the procedures used by the Union to investigate and discipline misconduct by the officers, agents, representatives, employees, and members;

- b. the procedures used to fill vacancies in Union positions;
- c. the procedures used to select service providers;
- d. the procedures used to acquire and staff training sites;
- e. the employment procedures; and
- f. the practices relating to the imposition of trusteeships and other sanctions against subordinate organizations.

Within twelve months from the date of adoption of this Disciplinary Procedure, the GEB Attorney and the LIUNA Inspector General will submit a report, making recommendations to the GEB, based upon this study.

The GEB Attorney shall serve for a term of five years from the date of adoption of this Disciplinary Procedure, unless the GEB decides to terminate such services at a different date.

4. The LIUNA Inspector General

LIUNA shall hire an individual, highly regarded for his or her integrity and experience, to serve as a full-time Inspector General on the staff of LIUNA. During the term of the GEB Attorney, the LIUNA Inspector General shall have the authority to resolve all disciplinary matters arising under the Constitution or Ethical Practices Code, and to investigate and prosecute all charges 1) not involving barred conduct, and 2) as to which the GEB Attorney has not exercised authority.

Thereafter, the LIUNA Inspector General shall also acquire the disciplinary authority delegated hereunder to the GEB Attorney. As to any matter within the jurisdiction of the LIUNA Inspector General, the Inspec-

tor General may refer such matter to the appropriate constitutional authority for further proceedings. The LIUNA Inspector General also shall have the right to impose and defend any trusteeship, unless responsibility for the matter is assumed by the GEB Attorney.

The LIUNA Inspector General also shall revise and supervise LIUNA's compliance and ethics training program, and LIUNA's audit program. The LIUNA Inspector General also shall supervise the implementation and operation of all other lawfully adopted procedures and policies of this International Union. Upon determining that there has been a violation of any such practice or policy, and unless the GEB Attorney has assumed jurisdiction of the matter, the LIUNA Inspector General may issue any direction to any officer, agent, representative, employee, or member of the Union, as may be appropriate to remedy the violation.

LIUNA will provide the LIUNA Inspector General with sufficient staff, funding, and office space, to fulfill his mandate. The LIUNA Inspector General shall have complete and unfettered access to, and right to make copies of, all books, records, accounts, correspondence, files, and other documents of any individual or entity.

The LIUNA Inspector General shall have the right to take and require the sworn statement, or sworn oral deposition, of any officer, agent, representative, employee, or member of the Union. If any person refuses to testify, or to provide evidence, before the LIUNA Inspector General on the basis of his privilege against

self-incrimination, discipline may be imposed on such person for that reason alone, consistent with the Code of Ethics of the American Federation of Labor-Congress of Industrial Organizations, as adopted by LIUNA in 1958.

The LIUNA Inspector General also will assist the GEB Attorney in undertaking and reporting on the Operations Study, as delineated above.

During the term of the GEB Attorney, the LIUNA Inspector General shall provide (at least) quarterly reports to the GEB and the GEB Attorney concerning his activities during the previous quarter. Following the completion of such terms, the LIUNA Inspector General shall provide such quarterly reports to the GEB.

5. The Independent Hearing, Special Elections and Appellate Officers

Three former judges, hearing examiners, or attorneys of similar integrity, judgment, and experience shall be hired, with one to serve as an Independent Hearing Officer under this Disciplinary Procedure, another as the Appellate Officer and third as Special Elections Officer. The GEB shall select future independent officers with the approval of the LIUNA Inspector General.

The Independent Hearing Officer shall preside over and provide rulings in a) all cases brought by the GEB Attorney, pursuant to this Disciplinary Procedure; and b) all trusteeships. Following the termination of the role

of the GEB Attorney, the Independent Hearing Officer shall preside over and rule in all disciplinary cases brought by the LIUNA Inspector General alleging the commission of barred conduct or reviewing the imposition of a trusteeship.

The Appellate Officer shall hear all appeals in all matters brought under The Constitution by the LIUNA Inspector General and, in the discretion of the LIUNA Inspector General, appeals from local union or district council trial boards. Such appeals shall be decided under appropriate appellate standards of review. To the extent any provisions relating to the Independent Hearing and Appellate Officers are inconsistent with the LIUNA Constitution, the General Executive Board, pursuant to Article VIII, Section 2, of the International Union Constitution, hereby amends said Constitution to incorporate the provisions herein.

The Special Elections Officer shall preside over and provide rulings on all election protests brought by any member, officer, or candidate for office within the Union except for such matters pertaining to the nomination and election of Convention delegates and members of the LIUNA General Executive Board, which shall be within the exclusive jurisdiction of the LIUNA Election Officer.

At any hearing conducted before the Independent Hearing Officer by the GEB Attorney (or, following the termination of the role of the GEB Attorney, by the LIUNA Inspector General), the following procedures shall apply:

- a. Hearings shall be initiated by the filing of a written specific charge, which shall be served upon the charged party.
- b. The charged party shall have at least thirty days, prior to the hearing, to prepare a defense.
- c. The party charged may be represented by counsel at the hearing.
- d. A fair and impartial hearing shall be conducted before an Independent Hearing Officer.
- e. The hearing shall be conducted under the rules and procedures generally applicable in labor arbitration proceedings, and decisions shall be made based on a “just cause” standard.
- f. The Independent Hearing Officer may require any officer, agent, representative, member, or employee of, or entity within, the Union to produce any book, paper, document, record or other tangible object, for use in any hearing. Any failure to comply with the request of the Independent Hearing Officer shall be considered by the Independent Hearing Officer in assessing whether such individual or entity should be subject to the imposition of discipline.
- g. All testimony and other evidence shall be received by the Independent Hearing Officer under oath.
- h. If any person refuses to testify or to provide evidence before the Independent Hearing Officer on the basis of his privilege against self-incrimination, or for any other reason not supported by

a valid claim of privilege, discipline may be imposed by the Independent Hearing Officer on such person for that reason alone, consistent with the Code of Ethics of the American Federation of Labor-Congress of Industrial Organizations, as adopted by LIUNA in 1958.

- i. Any discipline imposed by the Independent Hearing Officer, or other final decision of the Independent Hearing Officer, shall be subject to appeal by the party disciplined to the Appellate Officer.

Notwithstanding the above procedures, whenever the General President determines that an emergency situation exists in which the welfare or preservation of the Union is at stake, he may suspend without pay any officer or elected union official, at any level of the organization, including without limitation all officers and/or Executive Board members of any local union, any district council, or the International Union, including members of the General Executive Board, pending the filing of formal charges in or within ten days of the date of suspension, and a hearing thereon pursuant to the provisions of sections (a) through (i) of this paragraph.

6. Suspension of Indicted Officers

Upon receipt of notice that any officer, agent, representative, or employee of any entity within the Union has been indicted for any felony violation of any federal or state law, or for violating any federal or state law, relating to the conduct of the affairs of a labor organization

or employee benefit or pension plan, the GEB and/or General President shall place the accused individual on a temporary leave of absence with pay. The GEB Attorney shall promptly institute a disciplinary hearing before the Independent Hearing Officer, who shall determine the appropriate discipline, if any (including whether and for how long to continue the suspension), pursuant to the procedures delineated herein.

Upon the adoption of this Disciplinary Procedure, written notices, informing the Union membership of the signing and scope hereof will be sent to every local union, and will be printed in the first issue of *The Laborer* which is published after the date hereof.

Adopted:

January 18th, 1995

Date:

The General Executive Board of The Laborers'
International Union of North America, AFL-CIO

Appendix A

“Racketeering activity” means (A) any act or threat involving murder, kidnapping, gambling, arson, robbery, bribery, extortion, dealing in obscene matter, or dealing in narcotic or other dangerous drugs, which is chargeable under State law and punishable by imprisonment for more than one year, (B) any act which is indictable under any of the following provisions of title 18, United States Code; Section 201 (relating to bribery), section 224 (relating to sports bribery), sections 471, 472, and 473 (relating to counterfeiting), section 659 (relating to theft from interstate shipment) if the act indictable under section 659 is felonious, section 664 (relating to embezzlement from pension and welfare funds), sections 891-894 (relating to extortionate credit transactions), section 1029 (relating to fraud and related activity in connection with access devices), section 1084 (relating to the transmission of gambling information), section 1341 (relating to mail fraud), section 1343 (relating to wire fraud), section 1344 (relating to financial institution fraud) sections 1461-1465 (relating to obscene matter), section 1503 (relating to obstruction of justice), section 1510 (relating to obstruction of criminal investigations), section 1511 (relating to the obstruction of State or local law enforcement), section 1512 (relating to tampering with a witness, victim, or an informant), section 1513 (relating to retaliating against a witness, victim, or an informant), section 1951 (relating to interference with commerce, robbery, or extortion), section 1952 (relating to racketeering), section 1953 (relating to interstate transportation of wagering paraphernalia), section 1954 (relating to

unlawful welfare fund payments), section 1955 (relating to the prohibition of illegal gambling businesses), section 1956 (relating to the laundering of monetary instruments), section 1957 (relating to engaging in monetary transactions in property derived from specified unlawful activity), section 1958 (relating to use of interstate commerce facilities in the commission of murder-for-hire), sections 2312 and 2313 (relating to interstate transportation of stolen motor vehicles), sections 2314 and 2315 (relating to interstate transportation of stolen property), section 2321 (relating to trafficking in certain motor vehicles or motor vehicle parts), sections 2341-2346 (relating to trafficking in contraband cigarettes), sections 2421-24 (relating to white slave traffic), (C) any act which is indictable under title 29, United States Code, section 186 (dealing with restrictions on payments and loans to labor organizations) or section 501(c) (relating to embezzlement from union funds). (D) any offense involving fraud connected with a case under title 11, fraud in the sale of securities, or the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in narcotic or other dangerous drugs, punishable under any law of the United States, or (E) any act which is indictable under the Currency and Foreign Transactions Reporting Act.

Appendix B

A “barred person” is (1) any member or associate of any La Cosa Nostra crime family or any other criminal group, or (2) any person prohibited from participating in Union affairs.

“Knowingly associating” *does not* include (a) a Union member, representative or official meeting or communicating with a “barred person” who is an employer to discuss the negotiation, execution or management of a collective bargaining agreement, or a labor dispute, when the Union member, representative or official represents, or seeks to represent, or would admit to membership the employees of that employer; (b) a Union member, representative or official meeting or communicating with a “barred person” who is a representative of a labor organization to discuss Union matters; (c) a Union member, representative or official meeting or communicating with an officer, employee or member of LIUNA and its affiliated entities; and (d) a Union member, representative or official meeting or communicating with a relative by blood or marriage solely for social purposes. As used in this paragraph, the term “relative” shall mean a lineal descendent, stepchild, ancestor, sibling or spouse or child of a lineal descendent, stepchild, ancestor, or sibling.

RULES OF PROCEDURE FOR ARBITRATIONS INVOLVING DISCIPLINARY MATTERS FOR INDIVIDUALS BEFORE THE LIUNA INDEPENDENT HEARING OFFICER

Pursuant to the LIUNA Ethics and Disciplinary Procedure adopted on January 18, 1995, the following procedural rules are hereby adopted.

1. Pleadings

All pleadings regarding disciplinary matters before the Independent Hearing Officer (IHO) including the list of charges, motions and briefs shall be filed with the Independent Hearing Officer consisting of an original and one copy. The IHO should be served at Vaira Backstrom & Riley, 1600 Market, Suite 2650, Philadelphia, PA. 19103. A separate copy must be served on the opposing party. The IHO will hold the pleadings confidential and permit no one except the parties and their authorized representatives to examine them during the pre-hearing and hearing stages of the proceedings. A person other than those authorized by this order who wishes to examine the pleadings at the prehearing and hearing stages of the proceedings must file a motion with the IHO which demonstrates a particularized need to examine the documents. The need to examine the pleadings cannot prejudice the right of all parties to a fair hearing.

Upon a final decision by the IHO which concludes an arbitration, the original record containing the pleadings and other documents will be forwarded to

General Secretary-Treasurer of the LIUNA who will enter it on a formal docket as described below.

2. Formal Docket

(a) The General Secretary-Treasurer of the LIUNA shall establish a formal docket at a secure location within the General Headquarters of the union.

(b) The security of the docket will be the responsibility of the General Secretary-Treasurer.

(c) The docket will contain all charges, pleadings, and other papers filed with the IHO, as well as all opinions and orders of the IHO, arbitration transcripts, and other documents ordered by the IHO to be docketed.

(d) A separate file will be maintained for each matter, with a separate number. The details of this numbering system will be formulated at a future date. The General Secretary-Treasurer shall maintain a separate docket summary sheet, similar to those maintained by federal courts, which indicates the matter number, the date the document is entered on the docket, and a brief description of the document.

(e) The original documents placed on the docket shall not be removed except upon order by the IHO or the Appellate Officer.

(f) The documents on the docket and the docket entry sheet may be examined by members of the LIUNA or their representatives upon request made to the General Secretary-Treasurer, but may not be removed from the premises of the General Headquarters except upon a written order by the IHO or the Appellate Officer. It is the responsibility of the General Secretary-Treasurer to insure that no one examining the docketed

materials destroys or damages the records.

(g) Copies of the documents on the docket may be made at any time upon request of those persons who are authorized to examine the material.

(h) Persons, other than those authorized to examine the docket by these rules, who wish to examine the docket must request permission from the General Secretary-Treasurer.

3. Discovery

As a general rule, labor arbitration proceedings do not maintain the formal discovery procedure of common law courts of the United States, nor of many proceedings before administrative law judges in various state and federal agencies. Notwithstanding the informality, due process standards must met, in the context of the types of hearings and their purposes.

In disciplinary hearings the following discovery procedures will be followed:

(a) Motion for Full Disclosure. Title 29 U.S.C. Sec. 411 (a)(5) requires fair notice of the charges in sufficient time to enable the member to defend himself/herself. The charges should be specific enough to inform the member of the offense(s) of which he/she has been charged, but need not be as specific as a criminal indictment. The standards of particularity of Title 29 U.S.C. Sec. 411 (a)(5), as construed by the courts, will be followed. A member who believes that a charge filed against him/her is not specific enough to enable him/her to defend against it may file for full disclosure (in the nature of a bill of particulars). A motion for a full disclosure must be filed with the IHO within ten

business days of the receipt of the charge(s) by the member. A copy of the motion shall be served upon the GEB attorney. The GEB attorney shall respond within seven business days by formal reply to the IHO with a copy served on the opposing party. The IHO will rule upon the contested portions of the motion.

(b) Documents. Within fifteen business days of the filing of charges the GEB attorney shall identify to the member served with charges the documents which the GEB attorney intends to offer into evidence at the hearing. Upon request of the member, the GEB attorney shall make the documents available to the member by providing copies, or in the event the documents are too voluminous, the GEB attorney shall make the documents available for inspection by the member.

This provision is not intended to limit the GEB attorney from obtaining and utilizing additional documents other than those specified within the time limits set out above. In the event the GEB attorney determines that additional documents may be offered in evidence, the GEB attorney will promptly notify the opposing party of their identity to permit examination and inspection.

(c) Witness List. No later than seven business days prior to the scheduled date of the hearing, the GEB attorney shall provide the member with a list of the names of the witnesses the GEB attorney intends to call at the hearing. In the event that other witnesses become available the GEB attorney shall promptly notify the opposing party of their identity.

4. Motions

All motions must be filed with the IHO pursuant to paragraph (1) of these rules. Opposition to a motion shall be filed within seven business days. Upon petition the IHO may grant additional time to answer a motion.

5. Hearing Procedure

(a) The member charged is entitled to be represented by a lawyer or other non-lawyer representative of his/her choice, at all stages of the proceedings.

(b) The hearings will be conducted in a courtroom-like manner, although strict evidentiary rules which are ordinarily followed by common law courts will not be applied. Hearsay will be admitted provided there is a demonstration of reliability in the custom and practice of labor arbitrations. Documents admitted in evidence will be properly marked and made part of the record. All witnesses will be sworn and testimony will be transcribed by an accredited court reporter. A transcript will be filed with the IHO for inclusion in the record. Testimony of witnesses will consist of direct examination, cross-examination, redirect and recross. A witness once excused may be recalled with permission of the IHO.

Objections and motions during the hearing shall be made according to normal courtroom procedure. Unless otherwise directed by the IHO, witnesses will be sequestered from the hearing room except during their testimony.

(c) Evidence by Affidavit. The IHO may receive and consider evidence of witnesses by affidavit in accordance with the custom and practice of labor arbitrations.

(d) The hearings will be conducted at a location des-

igned by the IHO. An attempt will be made to hold the hearings at locations convenient to all parties. Attendance at the hearings will be limited to the parties, their attorneys or representatives.

(e) The burden of proof is upon the GEB attorney to convince the IHO that just cause exists to discipline the member.

(f) Subpoenas. Either party may request the IHO to issue a subpoena duces tecum (for documents) or ad testificandum (for testimony) to a member or officer of the LIUNA pursuant to section 5(f) of the amended disciplinary rules. If the IHO is convinced that the documents or testimony sought are probative and admissible, a subpoena will be issued. Failure to comply with the subpoena will be dealt with in the manner set forth in section 5(f) of the LIUNA Ethics and Disciplinary Procedure pertaining to such refusals.

This section in no way limits the subpoena power granted independently to the GEB attorney by the LIUNA Ethics and Disciplinary Procedure.

(g) Depositions. In the event that a non-LIUNA member is willing to offer testimony, but is unavailable to appear at the hearing, either party may petition the IHO for permission to take the deposition of the person. If the moving party convinces the IHO that the testimony of the witness is probative and admissible a deposition may be taken for evidentiary purposes, following as closely as possible the Federal Rules of Civil Procedure. The transcript of the deposition may be offered in evidence as part of the hearing.

(h) The IHO may request briefs and arguments on questions that arise during the hearing and may request

proposed findings and conclusions.

(i) The parties may make summary arguments and submit summary briefs in conclusion.

(j) The IHO will render a decision in writing. The IHO need not await the transcription of the record to render a final decision.

(k) Following the IHO's written decision, the IHO will transmit the original record to the General Secretary-Treasurer for inclusion on the docket.

s/Peter F.Vaira

Peter F.Vaira

Independent Hearing Officer

Dated: February 15, 1995

Rules of Procedure for All LIUNA Local Union Trial Board Hearings¹

As Amended August 22, 1996

Pursuant to the LIUNA Ethics and Disciplinary Procedure adopted on January 18, 1995, the following rules are hereby adopted. The rules shall take effect on May 20, 1996 and shall apply to all LIUNA Local Union Trial Board Hearings.

Rule 1. Scope and Purpose of Rules

These rules govern the procedure in all Local Union Trial Board Hearings conducted by Local Unions and District Councils of the Laborers' International Union of North America (hereafter, "LIUNA" or "the Union"). They shall be construed and administered to secure the just and speedy determination of every matter brought before a Local Union Trial Board (hereafter, "the Trial Board"), and to ensure uniformity of disciplinary process throughout the Union. The following rules shall in no way be construed to conflict with the Constitutions of LIUNA or the aforementioned LIUNA Ethics and Disciplinary Procedure.

Rule 2. Commencement of Trial Board Process

Pursuant to Article XII, Section 1 of the LIUNA Local Union Uniform Constitution ("Local Union Constitution"), any officer or member in good-standing of a Local Union may bring charges against any other officer or member of a Local Union, by filing written charges in duplicate with the Recording Secretary of

the Local Union of which the accused is a member. These charges must be signed by the person preferring them and indicate the provisions of the Constitutions to be relied upon, or the agreement or rule alleged to have been violated. The charges must set forth the violation or wrong charged and the date on which it allegedly occurred with a level of specificity and particularity that will enable the charged party to understand the conduct with which he or she is charged and, therefore, to prepare adequately a defense against such charges.

Rule 3. Notification of Preferment and Hearing

In accordance with Article XII, Section 2 of the Local Union Constitution, the Recording Secretary, upon receipt of written charges against a member or officer of the Local Union, shall promptly notify the members of the Executive Board that charges have been filed, and after consultation with them, shall promptly set a date for a hearing and trial on the charges. Immediately thereafter, a copy of the charges shall be mailed to the accused at his or her last-known address. A written notice of the time and place where the hearing and trial will take place before the Trial Board shall be mailed to the accused and to the charging party not less than seven days nor more than twenty-one days before the date of the hearing and trial.

Rule 4. Service of Materials Upon Other Parties

Any materials relating to the Trial Board Hearing that are submitted by a party to the Recording Secre-

tary or Trial Board before, during or after the Trial Board Hearing shall also be provided at or before the time of such submittal to all other parties involved in the matter at their last-known address.

Rule 5. Computation of and Extensions of Time

(a) Computation of Time

In computing any period of time prescribed by these rules, only business days shall be included. The day of the act or event from which the designated period of time begins to run shall not be included.

(b) Enlargement of Time

The Trial Board may enlarge the time prescribed by these rules on request of any party. A request for more time shall be set forth in a letter submitted to the Recording Secretary, stating the reasons for the request. A copy of any letter requesting an extension shall be served on all other parties in accordance with Rule 4 of these Rules of Procedure.

(c) Requests for Delay of Hearing

Pursuant to Article XII, Section 3 of the Local Union Constitution, where the charging party or the accused makes a request for a delay of the Trial Board Hearing, the Trial Board may grant a postponement, for good cause shown. Such requests shall be set forth in a letter submitted to the Recording Secretary, stating the reasons for the request. A copy of the letter shall be served on all other parties in accordance with Rule 4 of these Rules of Procedure.

Rule 6. Changes to Charges

After preferring charges, if the charging party wishes to amend or supplement the charges, he or she shall make such changes in writing and mail them to the Recording Secretary. A copy must be mailed to all other parties in accordance with Rule 4 of these Rules of Procedure. Once a Trial Board Hearing has been scheduled, no changes may be submitted except with the consent of the President, or, if the President is disqualified from the Trial Board, the Vice-President. If both officers are disqualified, changes in the charges may be submitted only with the consent of the remaining members of the Trial Board.

Rule 7. Answer to Charges

The accused may, but is not required to, submit to the Recording Secretary a written answer to the charges any time after receiving a copy of the charges from the Recording Secretary, up to and through the time of the Trial Board Hearing.

The answer may set forth why the accused should be found not guilty of the charges by the Trial Board, including any defenses the accused may wish to assert. Failure to raise any claim, defense or issue in the answer shall not constitute a waiver of any kind.

Such an answer shall be served on the charging party in accordance with Rule 4 of these Rules of Procedure.

Rule 8. Charges Preferred Against Multiple Members

Charges preferred against more than one member or officer of the Local Union may be heard by the Trial

Board at a single hearing if the charges arise from the same alleged conduct or scheme. An accused, however, may request in writing to the Recording Secretary, not less than seven days before his or her scheduled Trial Board Hearing, that the charges against him or her be heard separately from those against another accused. The Trial Board shall grant such a request for good cause shown.

Rule 9. Requests for Documents

Either the charging party or the accused may request documents from the Local Union. The Local Union shall honor such requests if: (1) made not less than seven days prior to the scheduled date of the Trial Board Hearing; (2) the requests are not substantially burdensome on the Local Union; (3) the documents requested are narrowly relevant to the dispute at issue; and (4) honoring such requests would not compromise the goals, security, privileged relationships or other important interests of the Local and International Unions.

If the Local Union has concerns about the confidentiality of documents, the Local Union may make the documents available to the requesting party at the offices of the Local, but not permit the requesting party to retain or copy the documents.

If required to honor a request for documents pursuant to this Rule, the Local Union shall make such documents available not less than three days prior to the scheduled date of the Trial Board Hearing.

Rule 10. Establishment of a Trial Board

In accordance with Article XII, Section 3 of the Local Union Constitution, the members of the Executive Board shall constitute the Trial Board; except that neither the charging party, nor the accused, nor any member directly interested or involved in the charges may sit as a member of the Trial Board.

In such cases, the President of the Local Union shall appoint a substitute or substitutes from the members in good-standing reasonably soon after the need for such substitution(s) is apparent. If the President is to be disqualified, then the Vice-President shall appoint a substitute or substitutes; and if he is also to be disqualified, then the substitute shall be appointed by the remaining Trial Board members.

The impartiality of the Trial Board is particularly at risk when relatives, close friends or close political allies of either the charging party or the accused, or members who are directly involved in the conduct at issue sit on the Trial Board. When deciding the composition of the Trial Board, great care must be used in selecting substitutes to ensure that the substitutes are selected in a neutral fashion and can be fair to both parties.

If a Trial Board is convened to hear charges that were previously heard by an earlier Trial Board, as in the case of a remand for a new hearing by the Appellate Officer, no members of the earlier Trial Board may serve on the new Trial Board.

Where the entire Executive Board of a Local Union appears to be disqualified, the matter may be referred to the General President, who shall be entitled to investigate to determine whether grounds for such disqualification exist. Upon a finding of grounds for disqualifi-

cation, the General President shall have discretion to assume original jurisdiction over such charges, in which case he shall refer the matter to the Independent Hearing Officer, or, in his discretion, to the appropriate District Council for trial. Matters referred to the Independent Hearing Officer or the District Council by the General President are subject to appeal to the Appellate Officer. In the event the General President refers the Matter to the District Council, an appeal may be made to the Appellate Officer.

Rule 11. Decisions by Executive Board in Absence of Trial Board

Any decision to be made by the Trial Board pursuant to these Rules shall be made by the Executive Board if a Trial Board has yet to be established. No officer of the Executive Board may partake in any such decision if he or she is also the charging party, the accused, or has a direct interest in the matter to which the decision pertains.

Rule 12. Commencement of Trial Board Hearing

Both the charging party and the accused shall be ready and able to present all evidence they wish to present to the Trial Board, including the testimony of witnesses, upon the commencement of the Trial Board Hearing, unless the Recording Secretary or the Trial Board specifically indicates in writing to all parties not less than three days prior to the scheduled date of the Hearing that they will not be bound by such a requirement.

Rule 13. Attendance at Trial Board Hearings

The entire Trial Board Hearing may be attended by the Trial Board, the charging party, the accused, a licensed court reporter, and any attorney or other person authorized by the Trial Board to represent a party pursuant to Rule 15 of these Rules of Procedure. In matters tried before a Local Union Trial Board or Executive Board, any member in good standing of that Local may attend the hearing. In matters tried before a District Council Trial Board, any member in good standing of any Local Union involved in the case may attend the hearing.

Rule 14. Failure of a Party to Attend Trial Board Hearing

Pursuant to Article XII, Section 4 of the Local Union Constitution, if the charging party fails to appear, the charges shall be dismissed. If the charging party ceases attending the Trial Board Hearing after it has commenced but before the hearing is completed, the charges shall be dismissed. If the accused fails to appear, the Trial Board shall proceed with the hearing and receive all the facts and evidence available.

Rule 15. Representation By One Other Than A Party

Either the charging party or the accused may be represented at the Trial Board Hearing by a fellow member in good-standing of the Local Union. The charging party or the accused may be represented by an attorney only in the discretion of the Trial Board.

Rule 16. Recording of the Trial Board Hearing

The Trial Board Hearing should be recorded by a licensed court reporter. The Trial Board's deliberations shall not be recorded. The Local Union shall pay for the court reporter's services.

Such recording by a licensed court reporter shall constitute compliance with the requirement of Article XII, Section 5 of the Local Union Constitution that the Trial Board record minutes of its meetings and proceedings. The transcript of the Hearing, together with any documents submitted, shall constitute the official record of the Trial Board.

The Local Union should generally not seek to satisfy this requirement by tape recording the proceedings.

Any Trial Board may obtain a waiver of the duty to transcribe its proceedings upon the prior written approval of the Appellate Officer.

Rule 17. Trial Board Hearing

In accordance with Article XII, Section 4 of the Local Union Constitution, the Trial Board Hearing shall be conducted in an orderly, fair, and impartial manner and should assure the full presentation of all the facts to the Trial Board.

The burden of proof shall be on the charging party. The charging party shall first present whatever evidence he or she possesses to substantiate the charges. The accused shall have the right to be present throughout the hearing and to cross-examine the charging party and any of the witnesses upon completion of his or her

testimony.

After the evidence in support of the charges has been received, the accused shall present his or her defense. The charging party shall have the right to cross-examine the accused and any of the witnesses upon completion of his or her testimony.

The Trial Board should be chaired by the President, or the next highest official of the Local Union if the President has been disqualified. If no Local Union officials are serving on the Trial Board, the Trial Board should select a chairperson from among its members. The chairperson of the Trial Board should conduct the Hearing — leading the parties through the proceedings and maintaining order.

Rule 18. Evidence

The charging party and the accused may offer such evidence as is relevant and material to the charges and necessary to an understanding and determination of the allegations.

The charging party and the accused may offer witnesses to testify during the Hearing. Neither the charging party, the accused, nor the Trial Board may compel a witness to testify. Exhibits, when offered by the parties, may be received in evidence by the Trial Board.

Either the charging party or the accused may offer signed statements from witnesses who cannot attend the Hearing, as well as any other hearsay. The Trial Board may consider such materials and enter them as evidence in the record if they are found reliable; except that if hearsay evidence is critical to proving the charges and little or no corroborative evidence is offered, the hearsay

evidence shall be deemed inadmissible.

The Trial Board shall be the judge of the relevance and materiality of the evidence offered, and conformity to legal rules of evidence is not necessary. All evidence shall be taken in the presence of all members of the Trial Board and all of the parties, except where any of the parties is absent and has waived his or her right to be present.

Rule 19. Closing of Trial Board Hearing

The Trial Board shall specifically inquire of all parties present whether they have any further proofs to offer or witnesses to be heard. If satisfied that the record is complete, the Trial Board shall declare the Trial Board Hearing closed.

Rule 20. Reopening of Trial Board Hearing

The Trial Board Hearing may be reopened on the Trial Board's initiative, or upon application by the charging party or the accused, at any time before the Trial Board issues its Report. The decision whether to reopen a Trial Board Hearing is in the discretion of the Trial Board.

Rule 21. Dismissal of Charges

(a) Voluntary Dismissal

The charging party may withdraw the charges at any time prior to the Trial Board Hearing by letter to the Recording Secretary or by oral communication during the Trial Board Hearing. If a charging party voluntarily dismisses the charges, he or she may not subsequently prefer the same charges.

(b) Involuntary Dismissal

Except pursuant to Rule 14 of these Rules of Procedure, the Trial Board shall not dismiss the charges until all the evidence has been presented to it by all the parties, and the Trial Board Hearing has been otherwise completed.

Rule 22. Trial Board's Finding and Decisions

In accordance with Article XII, Section 5 of the Local Union Constitution, upon conclusion of the hearing, the Trial Board shall consider all of the evidence and argument submitted and proceed to make its findings and decision. It shall prepare a Report of said findings and decision, which shall set forth specifically the grounds for its findings and decision and which shall be signed by all the members of the Trial Board. The Recording Secretary shall forthwith mail a copy of said Report to the charging party and the accused at their last-known addresses.

Rule 23. Sanctions

If the Trial Board finds the accused guilty of any of the charges, it shall promptly determine appropriate sanctions, if any. Appropriate sanctions include, but are not limited to, a letter of reprimand to be published in the local newsletter, a fine, suspension from office, suspension from the Local or International Union, and expulsion. The Trial Board may also conclude that no sanction is appropriate, even if it finds against the accused.

Rule 24. Costs

The costs of any Trial Board Hearing, including the cost of the court reporter, shall generally be paid by the Local Union. The Trial Board may impose the costs on the charging party only on a unanimous finding that the charges were filed in bad faith, for the purpose of harassment, and were entirely frivolous and without any basis. The assessment of costs on the charging party is highly disfavored, and is expected to be quite rare.

Rule 25. Majority Decision

Unless specifically stated otherwise in these Rules of Procedure or the Constitutions, all decisions of the Trial Board must be by a majority.

Rule 26. Substantial Compliance

The Trial Board, within its discretion, may consider pleadings that are untimely or otherwise not in technical compliance with these Rules.

Rule 27. Submission of Trial Board's Report at Next Local Union Meeting

In accordance with Article XII, Section 6 of the Local Union Constitution, a copy of the Trial Board Report shall be submitted at the next regular meeting of the Local Union. The findings and decision of the Trial Board shall be binding unless and until two-thirds of the members present and voting at said meeting reverse or modify the findings and decision of the Trial Board. The Recording Secretary shall forthwith mail a copy of said action to the charging party and the accused at their last-known addresses.

Rule 28. Appeal of Trial Board Decision

In accordance with Article XII, Section 7 of the Local Union Constitution, if either the charging party or the accused is aggrieved, he or she may, within thirty days from the date of the notice of said action, appeal therefrom to the General Executive Board by filing such appeal with the General Secretary-Treasurer at LIUNA Headquarters in writing. The appeal shall clearly and specifically set forth the grounds for support of said appeal and shall contain a copy of the findings and decision, and action.

All appeals received by the General Executive Board shall be promptly reviewed by the Inspector General for determination as to whether the appeal will be forwarded to the Appellate Officer. Such determination is at the Inspector General's discretion.

After notice of such appeal from the General Secretary-Treasurer or the Appellate Officer, the Local Union shall then submit promptly to the General Secretary-Treasurer or the Appellate Officer, whichever sent the notification, the following:

1. Copy of the charges
2. Copy of the notice for hearing
3. Record of the Trial Board Hearing
4. Copy of Report of the Trial Board
5. Copy of notification of the Trial Board's decision
6. Copy of minutes of regular meeting at which the Trial Board reported to the Local Union
7. Copy of notification of Local Union action

Rule 29. Effect of Appeal of Trial Board

Decision

If an appeal is seasonably taken, it shall have the effect of staying the decision and sentence of the Trial Board, and no fine, suspension or expulsion shall be effective pending the outcome of the appeal, provided, however, that where any officer has been found guilty and suspended from office because of negligence, incompetence or dishonesty in the performance of his or her duties, the officer shall remain suspended from holding such office pending the decision of the Appellate Officer or the General Executive Board on his or her appeal.

Rule 30. Harmless Error

No error in either the admission or exclusion of evidence and no error or defect in any ruling or order or in anything done or omitted to be done by the Trial Board or by any of the parties is grounds for granting a new Trial Board Hearing or for otherwise disturbing the Trial Board's Decision, unless refusal to take such action appears to the Trial Board to be inconsistent with substantial justice. The Trial Board at every stage of the proceedings may disregard any error or defect in the proceeding which does not affect the substantial rights of the parties.

W. Neil Eggleston
LIUNA Appellate Officer

AMENDMENT TO RULES OF AUGUST 22, 1996:

Rule 13 was amended on August 22, 1996, to clarify that only members of a Local Union that is connected to the case may attend a Trial Board proceeding. Thus, in the case of a Trial Board conducted before a Local Union, only members of that Local may attend. In case of a Trial Board conducted before a District Council, only members of the Local Unions involved in the dispute may attend.

Rule 16 was amended on August 22, 1996, to clarify that a Trial Board may request from the Appellate Officer a waiver of the Rule's provision for transcription by a licensed court reporter. This amendment is intended to provide a limited exception for small Locals for which the cost of transcription would be prohibitively expensive. The Appellate Officer will not ordinarily grant a waiver except on a clear and convincing demonstration of hardship. A waiver of transcription, if granted, does not waive the Trial Board's constitutional obligation under Article XII, Section 5 to make some record of its proceedings.

These amendments are not intended to, nor should they be interpreted to, expand or restrict any substantial right of a party to a Trial Board proceeding.

OFFICE OF THE APPELLATE OFFICER LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

Rules of Procedure for Appeals to the Appellate Officer.

Rule 1. Scope of Rules

Pursuant to the LIUNA Ethics and Disciplinary Procedure adopted on January 18, 1995, the following rules are hereby adopted. The rules shall take effect on May 10, 1995 and shall apply to all appeals to the Appellate Officer from decisions rendered after May 10, 1995 by the Independent Hearing Officer ("IHO").

Rule 2. Pleadings

All pleadings referred to in these rules, including notices of appeals, motions, briefs, and appendices, shall be filed with the Appellate Officer in care of the following: W. Neil Eggleston, Appellate Officer, Howrey & Simon, 1299 Pennsylvania Avenue, N.W., Washington, D.C. 20004. The original and one copy of each pleading shall be filed. A separate copy must be served on the opposing party. Filing of pleadings may be accomplished by mail or courier addressed to the Appellate Officer. Pleadings will be treated as filed on the day of mailing or transmittal. The Appellate Officer will hold the pleadings confidential and permit no one except the parties and their authorized representatives to examine them during the pendency of the proceedings.

Rule 3. Notice of Appeal

A party wishing to appeal from a final decision of the IHO must file, within 10 days of the filing of a final decision by the IHO, a notice of appeal with the Appellate Officer. The notice shall indicate the party or parties taking the appeal; the date of the decision below; and the names of counsel for or other authorized representative of each party.

Rule 4. Briefing Schedule

Upon filing of the notice of appeal, the Appellate Officer will serve upon each party a briefing schedule indicating when each party's briefs are due to be filed. The briefing schedule will also set forth the page limits applicable to each party's briefs. In appropriate cases, the Appellate Officer, upon the motion of any party or on his own motion, may order expedited briefing and argument.

Rule 5. Briefs

(a) Principal Brief

The principal briefs of the appellant and appellee shall contain the following:

- (1) A statement of the issues presented for review.
- (2) A statement of the facts relevant to the issues presented for review. All facts stated shall be supported by reference to the page or pages of the record or appendix (see Rule 6, below) where that fact appears.
- (3) An argument.
- (4) A short conclusion stating the relief sought.

(b) Reply Brief

The appellant may file a brief in reply to the brief of the appellee.

Rule 6. Appendix to the Briefs

(a) Contents

The appellant shall submit, bound separately from the principal brief, one copy of an appendix containing any opinion, memorandum of decision, report or findings of facts and conclusions of law issued by the IHO in support of his decision. The appendix shall also contain copies of any other opinions, orders, excerpts from transcripts and other documents relevant to the issues raised on appeal. The appellee may also submit with its brief one copy of an appendix containing any materials not contained in the appellant's appendix.

(b) Hearing of Appeals on the Original Record Without the Necessity of an Appendix

The Appellate Officer may, upon motion of any party or on his own motion, dispense with the requirement of an appendix and permit appeals to be heard on the original record.

Rule 7. Computation and Extensions of Time

(a) Computation of Time

In computing any period of time prescribed by these rules or a briefing schedule, only business days shall be included. The day of the act or event from which the designated period of time begins to run shall not be included. In all instances in which a responsive pleading or brief is required, the time period shall commence running from the date the brief or pleading requiring a response was mailed or otherwise transmitted.

(b) Enlargement of Time

The Appellate Officer may enlarge the time prescribed by these rules on request of any party. Such requests shall be set forth in a letter submitted to the Appellate Officer stating the reasons for the request, and a copy of such letter shall be served on all other parties.

Rule 8. Oral Argument

The principal briefs of the appellant and appellee shall state whether oral argument is requested. The Appellate Officer may request oral argument on his own motion in the absence of a request for oral argument by either party. If oral argument is ordered, the Appellate Officer will notify each party within a reasonable time after the filing of all briefs. Arguments will be heard at a time and place designated by the Appellate Officer. An attempt will be made to hold oral argument at a location convenient to all parties. Attendance at the argument will be limited to the parties and their attorneys or representatives.

Rule 9. Petition for Rehearing

A petition for rehearing may be filed within 10 days after the Appellate Officer renders a decision. The petition shall state the points of law or fact which in the opinion of the petitioner the Appellate Officer has overlooked. There will be no oral argument in support of a petition. No answer to a petition will be received unless requested by the Appellate Officer. If a petition for rehearing is granted, the Appellate Officer may make a final disposition of the case without reargument.

Rule 10. Motions

Unless otherwise provided under these rules, an application for an order or other relief shall be made by filing a motion with service on all parties. Unless the time for filing a response is modified by the Appellate Officer, any party may file a response in opposition to a motion within 7 days after the motion is mailed or otherwise transmitted. No oral argument will be heard on motions unless otherwise ordered by the Appellate Officer.

Rule 11. Permissive Appeals

An appeal from a ruling other than a final disposition by the IHO may be sought by filing a petition for leave to appeal with the Appellate Officer. Allowance of such an appeal is disfavored, and is within the discretion of the Appellate Officer. The petition shall be filed within 15 days of the ruling from which appeal is sought. A notice of appeal need not be filed. The petition for leave to appeal shall contain a statement of the facts necessary to an understanding of the issues to be presented by the appeal; a statement of those issues and of the relief sought; a statement of the reasons why in the opinion of the petitioner the appeal shall be allowed; and a copy of the ruling complained of and any opinion or memorandum relating thereto. No answer to a petition will be received unless requested by the Appellate Officer.

Rule 12. Remand for Further Investigation

The Appellate Officer reserves the right to remand any matter to the IHO for further investigation or fact-find-

ing.

Rule 13. Substantial Compliance

The Appellate Officer, within his discretion, may consider pleadings that are untimely or otherwise not in technical compliance with these rules.

Rule 14. Transmission of Record

Following the issuance of the Appellate Officer's final written decision and the expiration of time for the filing of any petition for rehearing, the Appellate Officer will transmit the original record to the General Secretary Treasurer for inclusion in the docket in accordance with the procedure outlined in Rule 2 of the IHO's Rules of Procedure For Arbitrations Involving Disciplinary Matters For Individuals Before the LIUNA Independent Hearing Officer.

W. NEIL EGGLESTON

Appellate Officer

DATE: May 10, 1995

Summary of LIUNA-Government Final Agreement

February 13, 1995, was an historic occasion for LIUNA. On that day, the General Executive Board approved an unprecedented and landmark agreement with the United States government that enabled our Union, once and for all, to move beyond the old claims of improper ties to organized crime through the adoption of internal standards and procedures to combat corruption. That agreement was the first of its kind in the history of trade union reform and set the model for innovation at a national level. It was completely different from the situation at other unions threatened by receivership under the direction and control of a federal court and which, after many years of fruitless litigation, faced ruinous financial and other consequences with no end in sight.

Since 1995, LIUNA's internal reform programs, including the Ethical Practices Code, the Ethics and Disciplinary Procedure, the General Executive Board policies reported in this booklet, and the constitutional amendments that provide for independent oversight over the election of members of the General Executive Board, have unquestionably succeeded. In recognition of the remarkable progress achieved by these programs, the federal government on January 18, 2000, signed a final agreement with LIUNA. Under that agreement, the federal authorities agreed to eliminate completely any possibility of a federal takeover of LIUNA, which had remained a possibility until that time. In exchange, LIUNA agreed to maintain our internal reform pro-

grams without material changes. However, in cooperation with the independent officers, the General Executive Board will continue to revise and modify these programs to make improvements or to make them more efficient or cost-effective. This final agreement recognizes and is a tribute to the real progress LIUNA has made over a very short time, progress that simply would not have been possible without the continuing support and dedication of our members, affiliates and the leadership throughout out Union.

Final Agreement

This Agreement (“Agreement”) is entered into this 18th day of January, 2000, between the Laborers’ International Union of North America (hereinafter referred to as “LIUNA”) and the United States of America, by and through the Assistant Attorney General for the Criminal Division, James K. Robinson, and the United States Attorney for the Northern District of Illinois, Scott R. Lassar.

WHEREAS, on February 13, 1995, following extensive negotiations, the United States and LIUNA entered into an agreement which included an agreed upon contingent consent decree, designed to ensure that LIUNA and all locals and other entities within LIUNA are rid of any corrupting influence, including the influence of organized crime;

And WHEREAS, on January 14, 1998, LIUNA, and the United States extended the agreement until January 31, 1999; and thereafter entered into a new agreement effective through January 31, 2000 (collectively, the “Predecessor Agreements”);

And WHEREAS, in accordance with the foregoing Predecessor Agreements, LIUNA, with the cooperation and assistance of the United States, adopted and implemented a program of internal reforms to seek the elimination of any corrupting influence within LIUNA and its affiliates and to ensure that all members of LIUNA have the opportunity freely and democratically to participate in its affairs;

And WHEREAS, the program of internal reforms (collectively, the “Internal Reform Programs”) has

included the adoption and implementation by the General Executive Board of LIUNA of the LIUNA Ethics and Disciplinary Procedure, the LIUNA Ethical Practices Code, the Amended Job Referral Rules, various policies designed to ensure that union funds are not used for improper purposes and that persons appointed to responsible positions are free from any corrupting influence, and amendments to the International Union Constitution to provide for appointment of an Elections Officer to guarantee that the election of members of the General Executive Board is free, fair and democratic;

And WHEREAS, the United States and LIUNA agree that the Internal Reform Programs have been effective and have achieved substantial and significant success in eliminating corrupting influence within LIUNA and ensuring that the members of LIUNA may freely and democratically participate in its affairs;

And WHEREAS, the United States and LIUNA agree that it is desirable that such responsible and cost-effective Internal Reform Programs should remain a component of LIUNA;

And WHEREAS, the United States has given consideration for this agreement by forbearing on its right to file a civil action against LIUNA and implement the previously negotiated consent decree;

And WHEREAS, the United States and LIUNA agree that this is an enforceable agreement designed to ensure the continuation of the Internal Reform Programs;

NOW, THEREFORE, LIUNA acting by and through its General Executive Board and the United States agree as follows:

1. (a) LIUNA shall continue to support the Internal Reform Programs established for the purpose of ensuring that LIUNA is free from any corrupting influence and that individual members of LIUNA are permitted freely to participate in its affairs, and LIUNA shall take no action that will materially impair the efficacy of the Internal Reform Programs.
- (b) LIUNA shall not make any material change to the established Internal Reform Programs (a “Material Change”) without securing the prior approval of the United States, which shall not be withheld unreasonably. A Material Change shall, without limitation, be deemed to include any of the following:
 - 1) Any change to the LIUNA Ethics and Disciplinary Procedure, the LIUNA Ethical Practices Code, the GEB Policies enforceable by the GEB Attorney or Inspector General, or any amendment to the LIUNA International Union Constitution, the Uniform District Council Constitution, the Uniform Local Union Constitution (hereinafter “the LIUNA Constitutions”) which change will materially impair the efficacy of the Ethics and Disciplinary Procedure or the Ethical Practices Code or the authority of the Elections Officer.
 - 2) The removal without good cause of the Elections Officer, GEB Attorney, Inspector General, Independent Hearing Officer, or

Appellate Officer, or, in the event of their removal, resignation or incapacity, the appointment without consent of the United States of a successor to any of the foregoing officers. Pursuant to Section 3 of the LIUNA Ethics and Disciplinary Procedure, the General Executive Board agrees to extend the term of the General Executive Board Attorney until the 2006 General Convention.

- 3) The failure of LIUNA to furnish reasonable funding to the Elections Officer, the GEB Attorney, the Inspector General, the Independent Hearing Officer, or Appellate Officer sufficient for them to perform their duties as set forth in the Ethics and Disciplinary Procedure, Ethical Practices Code, and LIUNA Constitutions; such funding must take into consideration reasonable budgetary constraints and priorities so as to ensure the integrity and effectiveness of the Internal Reform Programs while also recognizing LIUNA's legitimate need to maintain other programs and services for members and affiliates and to operate in a fiscally sound and prudent manner consistent with applicable provisions of the LIUNA Constitutions and with principles of fiduciary responsibility. LIUNA may continue to discuss with such officers, as LIUNA has in the past, accommodations and modifications designed to save the

- union cost and expense without materially impairing the efficacy of the offices.
- 4) The failure of LIUNA to fulfill its obligations or commitments set out in the LIUNA Constitutions and/or any written agreements external thereto with regard to the Elections Officer in connection with the 2001 or 2006 International Elections.
 - 5) The failure of LIUNA to implement or abide by final decisions of the Inspector General, the GEB Attorney, the Independent Hearing Officer, the Appellate Officer or the Elections Officer are within the scope of their authority under the LIUNA Constitution.
- c) Professor Stephen B. Goldberg shall be the Elections Officer, and Robert E. Bloch and Henry E. Murray, the Deputy Elections Officers, for the 2001 International Election. LIUNA agrees to retain an Elections Officer to run the 2006 International Election.
 - d) The budget for the conduct of the 2001 International Election and certain other matters related to the 2001 International Election as well as the mechanism for the review of the decisions of the Elections Officer shall be determined by the parties prior to January 14, 2000, and the agreed terms shall become part of this agreement, binding upon the parties and the Elections Officer, Inspector General, General Executive Board Attorney, Independent Hearing Officer, and Appellate Officer.

2 If the United States concludes that LIUNA is in breach of this Agreement, the United States will provide written notice thereof and, unless the United States concludes reasonably and in good faith that an emergency situation exists, it shall give LIUNA fifteen (15) calendar days to cure the breach. LIUNA agrees to stay implementation of any disputed changed immediately upon receiving written notice from the United States. If the United States concludes that LIUNA has failed to cure the breach within fifteen (15) calendar days, or if an emergency situation exists, the United States shall have the right to seek judicial enforcement of LIUNA's obligations through the filing of an appropriate complaint for injunctive and other appropriate relief (the "Enforcement Litigation"). LIUNA shall also have the right to seek judicial enforcement of this agreement in the event of a breach by the United States, which litigation shall be brought in the United States District Court for the Northern District of Illinois in accordance with subparagraph (f) below. In the event that the United States commences Enforcement Litigation:

- a) LIUNA hereby agrees to accept service of process in the Enforcement Action accomplished by certified mail, return receipt requested, upon both the GEB Attorney and the LIUNA Inspector General; and
- b) LIUNA hereby waives any challenge to venue and to personal jurisdiction over the Enforcement Action in the United States District Court for the Northern District of Illinois; and
- c) LIUNA hereby agrees that a demonstrated

breach of its obligations under this Agreement shall constitute irreparable harm to the interests of the United States, that the United States has no adequate remedy at law, and that the United States is entitled to injunctive relief requiring compliance with this Agreement; and

- d) LIUNA hereby agrees that the only issue to be adjudicated in the Enforcement Litigation is, with respect to paragraph 1(a), whether it has materially complied with its obligations under paragraph 1(a) or, with respect to paragraph 1(b), whether the proposed change to the Internal Reform Programs is a Material Change within the meaning of this Agreement; and
- e) LIUNA hereby agrees to stay implementation of any disputed change pending entry of final judgment in the Enforcement Litigation, and consents to the entry of an interlocutory injunction enjoining any disputed change pending final adjudication in the Enforcement Litigation; and
- f) LIUNA agrees that under the Local Rules of the United States District Court for the Northern District of Illinois, all of the conditions for relatedness are met with respect to any Enforcement Litigation and *United States and LIUNA v. Construction and General Laborers District Council of Chicago and Vicinity*, No. 99 C 5229 (N.D.Ill.), and that LIUNA will not oppose a motion for relatedness brought by the United States.

2. Representatives of LIUNA shall continue through the 2006 general election to meet and confer, on a periodic basis, with representatives of the United States and to submit periodic reports of LIUNA's progress and activities at the request of the United States. LIUNA shall furnish without delay any information the United States deems necessary to the exercise of its rights under this Agreement. The government shall continue to provide lawful assistance and cooperation to representatives of LIUNA in working to achieve the goals of this Agreement and the Internal Reform Programs

3. This Agreement constitutes the whole, complete, and entire understanding of the parties with respect to all matters recited herein. This Agreement shall not be subject to alteration, modification, or amendment whatsoever except by writing, signed by both parties and approved by LIUNA's General Executive Board.

4. This Agreement shall expire on September 30, 2001, or after certification of the 2001 general election, whichever is later, except that:

- a) LIUNA's obligation to comply with the duly authorized rules, procedures, and decisions of the Elections Officer for the conduct of the 2001 and 2006 nomination/election of Convention delegates, the 2001 and 2006 General Convention, and the 2001 and 2006 nomination and election of the General Executive Board shall remain enforceable in accordance with paragraph 2 of this Agreement through such time as the Elections Officer shall certify the foregoing elections; and

- b) LIUNA shall not prior to the 2006 General Convention make any Material Change to the established Internal Reform Programs. Any such action shall remain subject to the provisions of paragraphs 1 and 2 of this Agreement.
- c) The General Executive Board agrees to support the Internal Reform Programs through the 2006 General Convention and further agrees that it shall not directly or indirectly offer, solicit, sponsor, or enact any resolution, proposal, constitutional amendment or take any other action through the 2006 General Convention which would cause or result in any material change in the aforesaid Internal Reform Programs and that would thereby materially impair the efficacy of such programs. Any such action shall remain subject to the provisions of paragraphs 1 and 2 of this Agreement.

6. This Agreement concerns contractual obligations only, and nothing herein shall limit or in any way waive or release any administrative or judicial civil claim, demand or cause of action, whatsoever, or any criminal matter or case, of the United States or its agencies. Moreover, this Agreement is limited to the United States Department of Justice and cannot bind any other federal agency or any state or local prosecuting, administrative or regulatory authority, except as expressly set forth in this Agreement.

7. This Agreement is between LIUNA and the United States only. It is not intended, does not, and may not be relied on by any person or entity not a party

hereto to create any rights, substantive or procedural, enforceable at law.

LABORERS' INTERNATIONAL UNION
THE UNITED STATES OF AMERICA
OF NORTH AMERICA

s/ Terence M. O'Sullivan
TERENCE M. O'SULLIVAN
General President

/s/ Carl E. Booker
CARL E. BOOKER
General Secretary-Treasurer

Vice Presidents:

MASON M. WARREN
VERE O. HAYNES
CHUCK BARNES
GEORGE R. GUDGER
MIKE QUEVEDO, JR.
ARMAND E. SABITONI
TERRENCE M. HEALY
RAYMOND M. POCINO
EDWARD M. SMITH
JAMES C. HALE
JOSEPH S. MANCINELLI
STEVE HAMMOND
JOSEPH J. LICASTRO
WILLIAM H. QUINN

/s/ Michael S. Bearse
MICHAEL S. BEARSE
General Counsel

/s/ Robert D. Luskin
ROBERT D. LUSKIN
General Executive Board Attorney

/s/ James K. Robinson
JAMES K. ROBINSON
Assistant Attorney General
Criminal Division
U.S. Department of Justice

/s/ Scott R. Lassar
SCOTT R. LASSAR
United States Attorney
Northern District of Illinois

Supplemental Election Agreement

This Supplemental Election Agreement is entered into this 18th day of January, 2000, between the Laborers' International Union of North America (hereinafter referred to as "LIUNA") and the United States of America, by and through the Assistant Attorney General for the Criminal Division, James K. Robinson, and the United States Attorney for the Northern District of Illinois, Scott R. Lassar.

This document memorializes the agreement between the United States and LIUNA with respect to the union's international elections and supplements the Agreement between the United States and LIUNA (attached hereto) and is enforceable thereunder. As in any negotiation, these agreements are the product of the give and take of compromise and both sides have the expectation that the letter and spirit of the agreements will be respected in their entirety in deference to the delicate and difficult process which produced these agreements.

Elections Officer. Professor Stephen Goldberg will serve as Elections Officer for the 2001 LIUNA International Election. His deputies will be Robert Bloch and Henry Murray.

Budget. LIUNA will adequately fund the Elections Officer so as to ensure a free, fair, and democratic election. LIUNA has approved a budget in the amount of \$3.8 million to fund the Election Officer operations for the 2001 International Election. There shall be available an additional sum of up to \$600,000, which may be expended only if the Elections Officer certifies that

such further expenditures are necessary to ensure that the election is free and fair. If the Elections Officer determines that an emergency exists that will force him to exceed \$4.4 million, he will immediately inform both LIUNA and the Department of Justice of the need and justification for additional funding. LIUNA will consider any such request in light of its duty to hold free and fair elections and its duty to act in a fiscally responsible fashion. If the Department of Justice determines that LIUNA has acted unreasonably in denying such a request, LIUNA agrees that the Department can seek judicial review of LIUNA's actions under the settlement Agreement.

Mail Balloting. The General Executive Board shall, acting pursuant to its authority under Article II, Section 2(e) of the International Union Constitution, amend Article VII, Section 5 of the International Union Constitution to provide in relevant part as follows:

The Elections Officer shall have authority to determine the method of election of the General President, the General Secretary-Treasurer, Vice Presidents at Large, and District Vice Presidents, provided that the method of election in a particular local shall be the same for all officers. Members of all Local Unions shall be entitled to vote for candidates for the offices of General President, General Secretary-Treasurer, and Vice Presidents at Large. Only members from Local Unions within an Electoral District shall be entitled to vote for candidates for the office of District Vice President from their respective District, as set forth in Article VIII, Section 2(a-ix)

of the International Union Constitution. The election will be held at a time set by the Elections Officer, but no less than 60 days and nor more than 80 days following the close of the regular Convention. The candidate receiving the highest number of votes cast shall be considered elected. In the event that there is no contest for any particular office, the Secretary of the Convention may declare the candidate to be elected upon motion made and adopted to do so.

Ballot Threshold Requirements. The General Executive Board shall, acting pursuant to its authority under Article II, Section 2(e) of the International Union Constitution, amend Article VII, Section 4 of the International Union Constitution to read as follows:

Section 4. In order to stand for election, a candidate must be nominated by duly elected delegates by secret ballot at the Convention. In order to be nominated for the office of General President, General Secretary-Treasurer, or Vice President at Large, a candidate must secure the votes of at least ten percent of all delegates eligible to vote. In order to be nominated for the office of District Vice President, a candidate must secure the votes of at least ten percent of all delegates eligible to vote from the Electoral District served by such Vice President. Any delegate may place in nomination the name of any member in good standing for the offices of General President, General Secretary-Treasurer, Vice President at Large, and District Vice President otherwise meeting the qualifications for office specified in Article VI,

Section 4 of the International Union Constitution.

Nomination and Election of Delegates at the Same Meeting. The General Executive Board shall, acting pursuant to its authority under Article II, Section 2(e) of the International Union Constitution, amend the International Union Constitution by deleting Article V, Section 9(e) and by amending Article V, Section 9(c) to read as follows:

A Local Union shall not conduct nomination and election of delegates to the Convention at the same meeting. No less than 14 days prior to said nominations meeting, notice thereof shall be mailed by the Secretary-Treasurer to each good-standing member of the Local Union at his last-known address, and such notice shall list the number of delegate positions to be filled and the time and place of such meeting. Notice shall also be sent to the Elections Officer, who must receive said notice no less than seven days before the meeting. If, following the close of nominations and prior to the election, it is discovered that one or more of the nominees is disqualified to run, that person shall be disqualified. Further nominations to fill the position of the disqualified member shall be accepted, if, but only if the disqualification brings the number of nominees below the number of delegates allocated to the Local Union. If, at said nomination meeting candidates for the position of delegate are unopposed, the nominees shall be declared duly elected.

Absentee Voting. LIUNA has agreed that the General President shall issue a variance from the provisions of Article V, Section 9(f) of the International Union Constitution in order to allow absentee voting for the election of delegates.

Working at the Calling. The LIUNA General Counsel has agreed to provide additional guidance on this qualification for office by July 1, 2000.

Declaration Date for Candidacy. The General President shall issue a variance from the provisions of Article VII, Section 2 of the International Union Constitution to allow candidates to declare their candidacy no later than fifteen (15) days before the start of the Convention.

GEB/Regional Manager. The General Executive Board shall, acting pursuant to its authority under Article II, Section 2(e) of the International Union Constitution, amend the relevant provisions of Article VI, Section 7 of the International Union Constitution to read as follows:

. . . the annual salary of each Vice President shall be \$25,000, provided that if the Vice President's total compensation from LIUNA and its affiliated or subordinate bodies is less than \$57,000, LIUNA will pay the Vice President an additional amount to bring the Vice President's total annual compensation from LIUNA and its affiliated or subordinate bodies to \$57,500.

Adjudication of Election Protests. The General President shall issue a variance from the provisions of Article V, Section 6 of the International Union Constitution to require that all protests in connection

with the 2001 nominations and elections of Convention delegates or the General Executive Board shall be within the jurisdiction of the Elections Officer, rather than the General Secretary-Treasurer or the Credentials Committee.

Appellate Review of Elections Officer Decisions. The General Executive Board shall, acting pursuant to its authority under Article II, Section 2(e) of the International Union Constitution amend Article VII, Section 9 of the International Union Constitution to read as follows:

Section 9. The Appellate Officer shall have authority to review and pass upon any decision of the Elections Officer in accordance with procedures established by the Appellate Officer, who shall affirm the decision of the Elections Officer unless it is determined that the Elections Officer acted contrary to the terms of the International Union Constitution, the Uniform Local Union Constitution, the Uniform District Council Constitution, governing law, or any agreement between the United States and LIUNA with respect to international elections; or with respect to the exercise of his authority in accordance with Section 8(c) above, it is determined that the Elections Officer abused his discretion.

Rule-Making Authority. The parties agree that the Elections Officer's authority to promulgate election rules pursuant to Article VII, Section 8(b) of the LIUNA International Union Constitution includes the authority to issue rules similar to those utilized in 1996, and/or to those suggested in Appendix "A" to the Elections

Officer's report of February 11, 1997. The Elections Officer's rule-making authority may not be used to alter any of the agreements that the parties have reached or to amend the terms of the LIUNA Constitutions.

Elections Officer in 2006. LIUNA agrees that an independent Elections Officer will conduct the 2006 International Election and will not be appointed without the agreement of the United States.

Rights of Third Parties. This supplemental agreement between the United States and LIUNA is not intended to, does not, and may not be relied on by any person or entity not a party hereto to create any rights, substantive or procedural, enforceable at law.

LABORERS' INTERNATIONAL UNION
UNITED STATES OF AMERICA
OF NORTH AMERICA

/s/ Terence M. O'Sullivan
TERENCE M. O'SULLIVAN
General President

/s/ James K. Robinson
JAMES K. ROBINSON
Assistant Attorney General
Criminal Division
U. S. Department of Justice

/s/ Michael S. Bearse
MICHAEL S. BEARSE
General Counsel

/s/ Scott R. Lassar
SCOTT R. LASSAR
United States Attorney
Northern District of Illinois

/s/ Robert D. Luskin
ROBERT D. LUSKIN
GEB Attorney

JOB REFERRAL GUIDELINES

In order for the Laborers' International Union of North America (LIUNA), and its subordinate local unions, to maintain and administer a processing system for referral of applicants to employment in a fair and equitable manner, and to establish records and procedures which will be adequate to disclose fully the basis on which each referral is made, the following **guidelines** have been promulgated and shall be adopted and implemented by each LIUNA Local Union:

1. Requirements And Review Process

Each Local Union in the United States shall adopt written referral rules conforming to the revised Hiring Hall Guidelines, set forth below. The purpose of these Hiring Hall Guidelines is to maintain and administer a processing system for referral of applicants to employment in a fair and equitable manner, and to establish records and procedures which will be adequate to disclose fully the basis on which each referral is made.

All rules and policies pertaining to the referral of applicants must be written and prominently posted in the Local Union office and hiring hall. All referral issues not specifically mandated by the following Guidelines must be individually approved by membership vote at two consecutive meetings and then submitted, with the relevant minutes, for GEB Attorney review and approval.

Once approved by the GEB Attorney, all referral rules will remain in effect indefinitely; renewed approval is not required.

2. Non-Discrimination in Job Referrals

Referrals to jobs will be on a nondiscriminatory basis and will not be based on, or in any way affected by, race, gender, national origin, sexual orientation, disability, religion, or lawful union-related activity.

3. Effect on Hiring Hall Guidelines

All referrals by a Local Union to jobs within its jurisdiction shall be made in accordance with these Guidelines except to the extent that any rule contained herein conflicts with a term of collective bargaining agreement. Any Local Union that concludes that these Guidelines conflict with the term of a collective bargaining agreement shall submit a Notice of Conflict citing the relevant sections of the agreement and the Hiring Hall Rules to the GEB Attorney. The GEB Attorney shall advise the Local Union in writing whether such a conflict exists.

4. Registration of Availability for Referral

A. An applicant seeking referral to a job must file with the Local Union a signed and dated referral form providing name, telephone number, social security number, and stating any skills the applicant possesses and the jobs the applicant is able to perform, including any relevant licenses or certifications. Blank referral forms will be available at the Local Union. The Local Union will compile an out-of-work list, consisting of the applicants who have registered their availability for referral, listed in order of seniority according to their date of registration. The Local Union may confirm any prior employment, licenses, or certifications listed by an appli-

cant. The Local Union may challenge an applicant's representations concerning his prior employment, licenses, or certifications. If the Local Union makes a challenge, it must promptly notify the applicant in writing, who shall have five business days from the receipt of this notice in which to respond and to submit any relevant information. Any applicant who remains aggrieved by a final decision of the Local Union may file a protest with the Independent Hearing Officer, who shall finally resolve all such disputes.

B. Apprentices shall be referred under a separate out-of-work list, in order according to the requirements of the apprenticeship program.

C. Only applicants who are not currently employed at the trade may register their availability for referral.

D. Applicants shall be removed from the out-of-work list upon receiving a job referral, subject to the Local Union's stated short-term referral policy (this may include instituting a policy whereby applicants are removed from the referral list after a single referral, *regardless of the duration of the job*). An applicant who is laid off or discharged from a job must again register his or her availability for referral by telephone, postcard, or in person, in accordance with the Local Union's written policy, in order to be included on the out-of-work list.

E. Applicants must also register their availability for referral periodically (once each month, ninety days, or half year), in accordance with the Local Union's written policy.

5. Referral Procedure

A. Applicants on the out-of-work list shall be referred to jobs in the order in which they have registered their availability for referral, with the first registered applicant referred first, provided that the applicant has the qualifications requested by the employer.

B. Requests by an employer for specific applicants should be made in writing or, if made orally, shall be confirmed promptly by the employer in writing.

C. The Local Union shall record all employer requests for laborers, the date and time of the request, the name of the dispatcher, the name of the employer, the location of the job, and the start date of the job.

D. An applicant shall not be referred to an employer if the applicant was previously discharged for cause by the same employer.

6. Dissemination of the Referral Rules

All rules and referral policies must be in writing. These Guidelines and all Local Union referral rules and policies must be posted conspicuously in the office and hiring hall of each Local Union, where they are available for review at all times in which the Local Union is open. Additional copies of these Guidelines and all Local Union referral rules shall be made available to members upon request, subject to the payment of reasonable copying costs. New members shall receive a free copy of the job referral rules upon admission to membership.

7. Job Referral Records

A Local Union shall maintain accurate and current records of all job referrals. The records shall

be preserved for a period of three (3) years from the making of each record. The records shall include the following information:

A. Under telephone referral systems where the Local Union calls the applicant, the Local Union must record all referral attempts, including the date and time of the call(s), the name of the person making the call(s), and the outcome of the call.

B. Under telephone bid systems, the Local Union must record every bid received, including the name of the applicant, the time of his or her call, the name of the office employee who took the call, and the job the applicant was bidding for.

C. Under in-person referral systems, the Local Union must record the attendance of every applicant and the outcome of each attempted referral made by the Local Union or bid for referral made by the applicant.

D. Under all referral systems, the Local Union must also record:

- i.** All registration by applicants of their availability for referral, including the date of each applicant's registration;
- ii.** A current out-of-work list, including all applicants whose registrations of availability for referral are then in effect, listing the date of each applicant's registration, and organized according to seniority.
- iii.** All requests from employers for workers,

including the date of each request, the name of the employer, the location of the job site, the length of the job (if known), and any request by the employer for applicants with special skills, licenses, or certifications, or a specific applicant pursuant to 4(B), above.

- iv. All job referrals made, including the name of the employer, the applicant referred, the date on which the applicant registered his or her availability for employment, the date of the referral, the location of the job site, the date the applicant was hired, and the date any employment terminated.

8. Access to Job Referral Information

- A. The Local Union must promptly respond to any applicant's request for access to any record containing the job referral information described in §7, pertaining to periods during which the applicant was registered for referral. Access to records includes the right to photocopy or take notes from all referral documents. Local Unions may adopt rules that restrict access to Social Security Numbers and, where there is a concern that such information may be misused in a manner contrary to the interests of the local union, members' telephone numbers. In all cases, however, applicants must be provided sufficient information to determine the identity of all individuals registered, contacted, or dispatched for employment.

An appointment for inspection shall be scheduled for within five (5) days of request. Copies shall be provided promptly, subject to reasonable copying costs.

- B.** Lists containing the information described in §7D(i) and 7D(ii) shall be conspicuously posted, or otherwise immediately available for inspection, at the offices of a Local Union on a weekly basis, so that the previous week is posted or immediately available by the close of business on the following Monday. The information shall remain posted or immediately available for at least two weeks.

9. Alleged Violations of Hiring Hall Rules

Any complaints or concerns regarding alleged violations of hiring hall procedures should be directed to the GEB Attorney's Office, at (202) 457-6198. Alleged violations of LIUNA's Code of Ethics should be promptly addressed to Inspector General W. Douglas Gow, (202) 942-2360.

GENERAL EXECUTIVE BOARD'S POLICY ON APPOINTMENT OF OFFICERS, TRUSTEES AND BENEFIT FUND REPRESENTATIVES

Pursuant to its authority under Article VII, §§2(c) and (n) of the Constitution of the Laborers' International Union of North America, and in order to accomplish more fully the purposes of the LIUNA Ethical Practices Code ("Code"), and the Ethics and Disciplinary Procedure ("EDP") and to ensure compliance with Section 411 of the Employee Retirement Income Security Act of 1974, it is hereby declared to be the policy of the General Executive Board that the names of all persons selected by the International Union or any of its affiliated or subordinate bodies to hold the position of Regional Manager, Assistant Regional Manager, International Representative, Special International Representative, Trustee or Supervisor to oversee the affairs of a labor organization pursuant to 29 U.S.C. §162, or labor trustees on any pension benefit plan or welfare benefit plan or other trust fund associated with LIUNA or its affiliated or subordinate bodies, including but not limited to PACs, LECET funds, and training funds shall be submitted to the Inspector General for review. If the Inspector General determines that such appointment is inconsistent with the objectives and purposes of the Code or the EDP, then in the case of an entity other than pension benefit plan or welfare benefit plan or other trust fund associated with LIUNA or its affiliated or subordinate bodies, including but not limited to PACs, LECET funds, and training

funds, the appointment shall be rescinded; and, in the case of a pension benefit or welfare benefit plan or other trust fund associated with LIUNA or its affiliated or subordinate bodies, including but not limited to PACs, LECET funds, and training funds, the Inspector General shall so advise the fiduciaries of such fund. This policy shall apply as well to the appointment of all persons selected to fill any vacancy on the General Executive Board between the times of regular elections for such positions and to fill any vacancy in any of the positions named above.

GENERAL EXECUTIVE BOARD'S POLICY ON CONTRACT PROCEDURES

Pursuant to its authority under Article VIII, §§2 (c) and (n) of the Constitution of the Laborers' International Union of North America and in order to accomplish more fully the purposes of the LIUNA Ethical Practices ("Code") and the Ethics and Disciplinary Procedure ("EDP"), it is hereby declared to be the policy of the General Executive Board that all proposed contracts in excess of one-hundred fifty thousand (\$150,000.00) dollars to be entered into by LIUNA or any of its affiliated or subordinate bodies shall be submitted to the Inspector General. If the Inspector General determines that entry into such contract is inconsistent with the objectives and purposes of the Code or the EDP, LIUNA or its affiliated or subordinate body may not enter into such contract. No proposed contract shall be subdivided or apportioned in order to avoid the intent and purposes of this policy. The Inspector General should be provided with such advance notice of the proposed contract as may be reasonable in the circumstances to allow him to form an informed judgment.

GENERAL EXECUTIVE BOARD'S POLICY ON GIFTS OR DONATIONS OF UNION ASSETS OR PROPERTY

Pursuant to its authority under Article VIII, §§(c) & (n) of the Constitution of the Laborers' International Union of North America and in order to accomplish more fully the purposes of the LIUNA Ethical Practices ("Code") and the Ethics and Disciplinary Procedure ("EDP"), it is hereby declared to be the policy of the General Executive Board that any proposed gift or donation of Union property or assets to be made by LIUNA or any of its affiliated or subordinate bodies, where such gift or donation exceeds the fair market value of five thousand (\$5,000.00) dollars or where the cumulative total of such gifts or donations made to all recipients over the course of any consecutive twelve (12) month period exceeds the fair market value of ten thousand (\$10,000.00) dollars , shall be reported to the Inspector General. The Inspector General may disapprove thereof upon his determination that such gift or donation is inconsistent with the objectives and purposes of the code or the EDP. It shall further be the policy of the General Executive Board that any member who serves as trustee of any pension benefit plan or welfare benefit plan or other fund associated with LIUNA or its affiliated or subordinate bodies, including but not limited to LECET funds and training funds shall recommend to the trustees of such fund that any gift or donation meeting one or more of the thresholds set forth above shall be reported to the Inspector General . If the Inspector General determines that such gift or

donation is inconsistent with the objectives and the purposes of the Code or EDP, he shall so advise the fiduciaries.

GENERAL EXECUTIVE BOARD'S POLICY ON REPORTING FELONY ARRESTS AND INDICTMENTS

Pursuant to its authority under Article VIII, §§(c) and (n) of the Constitution of the Laborers' International Union of North America and in order to accomplish more fully the purposes of the LIUNA Ethical Practices ("Code") and the Ethics and Disciplinary Procedure ("EDP"), and to ensure compliance with Section 411 of the Employee Retirement Income Security Act of 1974, it is hereby declared to be the policy of the General Executive Board that any member of the GEB, any officer of any affiliated or subordinate body, and all members serving as trustees on any employee benefit plan, fund, or trust shall notify the Inspector General in writing whenever it shall come to their attention that any member, employee, officer or labor trustee is arrested, indicted or otherwise charged with any felony under the laws of Canada or the United States or any province or state thereof or with any offense relating to the conduct of the affairs of a labor organization or employee benefit plan, such written notice to be provided within five (5) calendar days of receiving notice of such arrest, indictment, or charge, whichever may occur soonest.

GENERAL EXECUTIVE BOARD POLICY ON ACTIONS AFFECTING SUBORDINATE BODIES

Pursuant to its authority under Article VIII, §§(c) and (n) of the Constitution of the Laborers' International Union of North America and in order to accomplish more fully the purposes of the LIUNA Ethical Practices ("Code") and the Ethics and Disciplinary Procedure ("EDP"), it is hereby declared to be the policy of the General Executive Board that all actions by the General Executive Board or the General President to suspend or revoke charters or consolidate or amalgamate subordinate bodies pursuant to Article II, §3 of the Uniform Local Union Constitution shall be submitted to the Inspector General. If the Inspector General determines that such action is inconsistent with the objectives and purposes of the Code or the EDP, the General President or the General Executive Board shall not take such action.

REVISED GENERAL EXECUTIVE BOARD'S POLICY ON PAYMENT OF LEGAL FEES WITH UNION FUNDS

Pursuant to its authority under Article VIII, §§2(c) and (n) of the Constitution of the Laborers' International Union of North America ("LIUNA") and in order to accomplish more fully the purposes of the LIUNA Ethical Practices Code, and the LIUNA Ethics and Disciplinary Procedure, it is hereby declared to be the policy of the General Executive Board that union funds may not be used for the payment of the legal fees or expenses for the representation of any officer, member, or employee at any stage of a criminal matter or at any stage of a civil action claiming a breach of fiduciary duties prior to the resolution of the allegation or charge.

If the officer, employee, or member is fully exonerated from the alleged misconduct and the conduct arose out of the performance of his or her official duties, the International, District Council, or Local Union may reimburse the individual for such reasonable legal fees and costs as were incurred to defend against the charges as to which the officer, employee, or member has been exonerated. If the officer, employee, or member is substantially exonerated, the International, District Council, or Local Union may apply to the Inspector General for permission to reimburse the individual in a proportionate amount for such reasonable fees and costs as were incurred to defend against the charges wherein the officer, employee, or member has been exonerated. Upon consultation with the General Counsel, the Inspector General shall have discretion to set the appro-

priate amount of reimbursement, if any, taking into account among other relevant considerations the nature of the charges from which the individual has been exonerated, the nature and seriousness of any misconduct that has been found, the financial condition of the entity seeking permission to make partial reimbursement, the reasonableness of the fees for which reimbursement is sought, and the best interests of the Union and membership. If the applicant or the General Executive Board Attorney is dissatisfied with the decision of the Inspector General, either may seek review from the Appellate Officer. The Appellate Officer may reverse or modify the Inspector General's decision only upon a finding that: (i) the decision is arbitrary or capricious or; (ii) the decision constituted an abuse of discretion.

Legal fees cannot be paid or reimbursed at any time or in any fashion in connection with an investigation by the LIUNA Inspector General or charges brought by the General Executive Board Attorney under the LIUNA Constitutions, the Ethical Practices Code, or Ethics and Disciplinary Procedure; provided, however, that if an officer, employee, or member is fully exonerated from the alleged misconduct after a hearing before the Independent Hearing Officer, and an appeal, if any, to the Appellate Officer, the International, District Council, or Local Union may elect to reimburse the individual for such reasonable legal fees and costs as were incurred to defend against the charges as to which the officer, employee, or member has been exonerated. If the officer, employee, or member is substantially exonerated, the International, District Council, or Local

Union may apply to the Inspector General for permission to reimburse the individual in a proportionate amount for such reasonable fees and costs as were incurred to defend against the charges wherein the officer, employee, or member has been exonerated. Upon consultation with the General Counsel, the Inspector General shall have the discretion to set the appropriate amount of reimbursement, if any, taking into account among other relevant considerations the nature of the charges from which the individual has been exonerated, the nature and seriousness of any misconduct that has been found, the financial condition of the entity seeking permission to pay reimbursement, the reasonableness of the fees for which reimbursement is sought, and the best interests of the Union and membership. In the event that such reimbursement, if permitted, would exceed \$100,000, the Inspector General may obtain a non-binding opinion from a respected judge or lawyer highly regarded for his or her integrity and experience as to whether such reimbursement complies with this Policy, is consistent with the entity's fiduciary obligations, and is warranted in order to prevent unfairness. If the applicant or the General Executive Board Attorney is dissatisfied with the decision of the Inspector General, either may seek review from the Appellate Officer. The Appellate Officer may reverse or modify the Inspector General's decision only upon a finding that: (i) the decision is arbitrary or capricious or; (ii) the decision constituted an abuse of discretion.

Legal fees also cannot be paid or reimbursed at any time or in any fashion in connection with any civil action arising from or related, directly or indirectly, to

any investigation or charge, unless ordered by the court in accordance with law.

Nothing in this policy shall be construed to provide a LIUNA officer, employee, or member with any right to reimbursement of or indemnification for legal fees. Additionally, this policy is not intended, and shall not be construed, to affect or abridge the fiduciary duties that LIUNA officers and employees owe the Union under federal or state law, the LIUNA Constitutions, or the Ethical Practices Code. In determining whether the International, a District Council, or a Local Union will reimburse a person for reasonable legal fees and costs, or will seek permission from the Inspector General to make such reimbursement - and in determining the amount of reimbursement that is reasonable, appropriate, and fiscally responsible - the Union officers and employees must exercise informed and independent judgment in a manner consistent with their fiduciary responsibilities, and recognizing that they owe the highest duty of loyalty to the Union's membership rather than to any individual.

¹ These rules, while styled as Rules of Procedure for All LIUNA Local Union Trial Board Hearings, apply equally to all trial board hearings, whether before a local union, a district council, or elsewhere. These rules were originally promulgated May 20, 1996.

