

**MEMORANDUM**

**TO:** Members of the IBT General Executive Board

**FROM:** Joseph E. diGenova, Independent Investigations Officer

**DATE:** February 14, 2020

**RE:** Proposed Charges Against International Vice President At Large, Joint Council 7 President, and Local 853 Secretary-Treasurer Rome Aloise

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**I. RECOMMENDATION**

Pursuant to Paragraphs 30 and 31 of the Final Agreement and Order, the Independent Investigations Officer (“IIO”) refers the below report to the International Brotherhood of Teamsters (“IBT”) General Executive Board with the recommendation that charges be filed against Rome Aloise (“Aloise”), International Vice President, President of Joint Council 7, and Secretary Treasurer and principal officer of Local 853, for bringing reproach upon the IBT and violating his membership oath by: knowingly harming a fellow member, interfering with and inducing others to interfere with the performance of the Union’s legal obligations, unreasonably failing to cooperate fully with a proceeding of the Independent Review Officer (“IRO”), retaliating and threatening to retaliate against members for exercising rights under the IBT Constitution, and committing an act of racketeering; all in violation of IBT Const., Article II, Section 2 (a); IBT Const., Art. XIX, Sections 7 (b) (2), (5), (10), and (11); IBT Const., Art. XIX, Sec. 14 (a); and 18 U.S.C. §875 (d); to wit:

In September and October of 2018, Aloise used his purported influence over IBT entities in California to threaten financial harm to charitable organization, Instituto Laboral de La Raza (“La Raza”), in order to interfere in that organization’s internal affairs to the detriment of a fellow

member. Notwithstanding the acquiescence of the La Raza board to his demands, Aloise's actions did in fact cause financial harm to La Raza and harmed his fellow member. Aloise's actions were made in retaliation for the fellow member's good-faith efforts to comply with an Order of the IRO.

The IIO also recommends Aloise be charged with bringing reproach upon the IBT and violating his membership oath by: interfering with and inducing others to interfere with the performance of the Union's legal obligations, and unreasonably failing to cooperate fully with a proceeding of the IRO; all in violation of IBT Const., Art. II, Sec. 2(a) and IBT Const., Art. XIX, Sec. 7 (b) (2), and (5), and IBT Const., Art. XIX, Sec. 14(a); to wit:

Throughout the period of his suspension, Aloise interjected himself in the affairs of IBT Local 853, Joint Council 7, and the IBT, despite the prohibitions against his Union activity. He engaged in a pattern of misconduct and utter contempt designed to circumvent the restrictions placed upon him by the IRO on December 22, 2017, as restated on January 19, 2018 and November 1, 2019.

The IIO also recommends Aloise be charged with bringing reproach upon the IBT and violating his membership oath by: interfering with and inducing others to interfere with the performance of the Union's legal obligations, unreasonably failing to cooperate fully with a proceeding of the IRO, retaliating against other members for the exercise of their rights under the IBT Constitution, and obstructing and interfering with an investigation conducted by the IIO; all in violation of IBT Const., Art. II, Sec. 2 (a), and IBT Const., Art. XIX, Sec. 7 (b) (2), (5), (10), and (12) and IBT Const., Art. XIX, Sec. 14 (a); to wit:

During the period of his suspension, Aloise threatened and publicly labeled fellow Teamsters as "rats" or "snitches," based upon his belief that they were cooperating with an IIO

investigation and/or in retaliation for their good-faith attempts to comply with the IRO's December 22, 2017 Order.

## **II. JURISDICTION**

Pursuant to Paragraph 32 of the Final Agreement and Order in *United States v. International Brotherhood of Teamsters*, 88 Civ. 4486 (S.D.N.Y.) this matter is designated within the original jurisdiction of the General Executive Board. The Order requires that within 90 days of the IIO's referral of this matter, written findings setting forth the specific action taken and the reasons for that action must be filed with the IRO. Pursuant to Paragraph 32, copies of this report are being sent to each member of the General Executive Board and the United States Attorney's Office, Southern District of New York.

## **III. INVESTIGATORY FINDINGS**

### **Rome Aloise**

Aloise was an IBT International Vice President at Large, President of Joint Council 7, and principal officer of Local 853 in San Leandro, California. (Ex. 1 at 4)<sup>1</sup> He was Co-Chairman of the California Teamsters Public Affairs Council ("CTPAC"). (Ex. 2 at 91). He was also the director of both the IBT Food Processing and Dairy Divisions. (Ex. 1 at 10). The IBT represents more than 60,000 workers in the food processing industry and more than 35,000 workers in the dairy industry. (Ex. 2 at 3; Ex. 3 at 2) As the Director of these divisions, Aloise oversaw all negotiations and other interactions with IBT employers.

Aloise was also a union Trustee on the Western Conference of Teamsters Trust. (Ex. 1 at 5, 28; Ex. 4)<sup>2</sup> It is the largest area-wide multi-employer pension plan in the United States. (Ex. 1

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<sup>1</sup> Joint Council 7 is comprised of 22 Local unions in California north of Los Angeles and in Northern Nevada. (Ex. 5) These Locals have approximately 100,000 members. (Ex. 5) In 2014, Aloise was paid \$149,854 from the IBT, \$126,440 from Local 853 and \$24,990 from Joint Council 7. (Ex. 6 at 3; Ex. 7 at 15; Ex. 8 at 15)

<sup>2</sup> His brother-in-law, Chuck Mack, is the Trust's full-time union co-chairman. (Ex. 9 at 2)

at 27-28). He was the union co-chair of its investment committee. (Ex.1 at 27-28). Aloise was also Chairman and a Trustee on the Teamsters Benefit Trust (“TBT”). (Ex. 2 at 3). He was also a Trustee on both the IBT’s Voluntary Employee Benefit Trust (“VEBA”) and the IBT’s Supplemental Benefit Trust. (Ex. 1 at 4-5, 9-10). In addition, Aloise was the President of the Western Health Care Coalition, which is a group of separate Teamster funds, including the TBT, that act together to gain advantage from the increased purchasing power of the group in securing services. (Ex. 2 at 3)

On October 24, 2017, following a *de novo* hearing, the IRO found that Aloise had improperly solicited things of value from employers in violation of the Labor Management Relations Act (“LMRA” or “Taft-Hartley Act”). The IRO also found that Aloise’s conduct violated the IBT Constitution, Article XIX, Section 7(b)(13). The IRO further found that Aloise, as business agent of an employer, failed to ensure that its employees meaningfully negotiated, voted on, and had their employment governed by collective bargaining agreements with their employer. The IRO found that those contracts were “sham” contracts in the simplest meaning of the word, and that Aloise’s conduct brought reproach upon the IBT by violating Article VII, Section 1(b) of the IBT Constitution and Article XVII, Section 6 of the Local 853 Bylaws. The IRO further found that Aloise had engaged in reproachful conduct in connection with an election in Local 601. (Ex. 10)

### **Aloise’s Suspension**

Effective December 22, 2017, the IRO imposed the following sanction on Aloise:

1. For two years after the date of this decision, he shall be suspended from his positions as International Vice President, President of Joint Council No. 7, and Secretary –Treasurer and Principal Officer of Local 853.

2. For two years after the date of this decision, he shall not hold any position, elected or appointed, with the IBT, Joint Council No. 7, Local 853, or any other IBT affiliate.

3. For two years after the date of this decision, no IBT entity shall pay him, nor shall he accept, any salary, gratuities, gifts, payments, allowances, fees, benefit payments or contributions or any other compensation of any kind, except that he may receive compensation that has accrued prior to the date of this decision.

(Ex. 10 at 11)

Subsequently, by letter dated January 12, 2018, Aloise inquired of the IRO whether he could continue as a Trustee of IBT affiliated benefit funds, including the Western Conference of Teamsters Pension Trust Fund (“WCTPT”), and if he could be employed as a consultant with the WCTPT to provide various services including education and training. (Ex. 12) In response, by letter dated January 19, 2018, the IRO denied Aloise’s request, stating:

The intent of my Order was to prohibit Mr. Aloise from being employed by or consulting for (whether paid or unpaid) any affiliate entity of the Teamsters . . . . [M]y Order is directed solely at Mr. Aloise’s *participation in Teamster activities*. Accordingly, consistent with the Order, Mr. Aloise shall not be permitted to be employed by or consult (in a paid or unpaid capacity) for any health, benefit, welfare or like fund affiliated, associated or connected to the IBT for two years from the date of the Order. Similarly, he cannot serve as a trustee for any such funds.

(Ex. 12 at 8-9) (emphasis added.)

The investigation has uncovered evidence that Aloise has, in a stunning and notorious affront to the IRO discipline, consistently disregarded the prohibition on “consulting for (whether paid or unpaid) . . . affiliate entit[ies] of the Teamsters” and “participation in Teamster activities.” Aloise has participated in, and at times, led contract negotiations and organizing campaigns on behalf of Teamster interests in multiple areas. (Exs. 13-40) A review of Aloise’s emails—both through his continued use of his official Teamster Local 853 email account as well as his personal “ibtrome” email address—during the period of his suspension shows that he initiated to his former

colleagues at Local 853 approximately 1040 emails.<sup>3</sup> Furthermore, Aloise sent 196 emails to members of Local 117, a local located in Tukwila, Washington.<sup>4</sup> Additionally, Aloise sent 216 emails primarily to members of the IBT executive offices. Aloise responded to many other messages sent to him. These communications evidence his “consulting for (whether paid or unpaid) . . . affiliate entit[ies] of the Teamsters” and “participation in Teamster activities” within the meaning of the IRO’s December 22, 2017 sanction (Ex. 11) and her January 19, 2018 letter. (Ex. 12)

Furthermore, Aloise has engaged in an appalling pattern of intimidation, threats, and retaliation against perceived political enemies.<sup>5</sup> This behavior was deliberately and brazenly designed to undermine the disciplinary ends of the IRO’s sanctions by demonstrating that at the conclusion of his suspension period, he would be in a position to take retaliatory action against any who displeased him or otherwise cooperated in the IRO’s suspension order. *See, e.g.,* Ex. 41 at 101-102; Ex. 42 at 21.

**A. Rome Aloise’s involvement with the WCTPT in Seattle**

**The WCTPT Seminar Meetings**

Aloise was aware that the IRO, in her January 19, 2018 rejection of his request for permission to engage in WCTPT activities, left the door open to seek further guidance related to his precluded activities. Aloise sought no further approval or clarification from the IRO. On the contrary, Aloise intentionally, and in a calculating manner, disregarded that denial of permission and continued to involve himself in the affairs of the WCTPT.

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<sup>3</sup> The IIO reviewed only those emails that appeared on official IBT servers.

<sup>4</sup> Local 117, at the relevant time, was a member of a Joint Council 28, and not a member of Joint Council 7, where Aloise held office prior to his suspension

<sup>5</sup> The IBT Constitution prohibits “Retaliating or threatening to retaliate against any member for exercising rights under this Constitution, or applicable law including the right to speak, vote, seek election to office, support the candidate of one’s choice, or participate in the affairs of the Union. Article XIX, Section 7(10)

In September 2018, despite the IRO's specific admonition against his involvement in the WCTPT, Aloise publicly declared his intention to attend a WCTPT seminar in Seattle. (Ex. 43 at 5) Although other attendees raised concerns that Aloise's participation was in violation of the Sanction and thus put other attendees in jeopardy, he insisted on participating, supported by his brother-in-law and WCTPT chairman, Chuck Mack. The objections led to a boycott of the event and a change of venue, at considerable cost to the WCTPT.

Aloise did not attend the seminar in his capacity as a rank-and-file member. The invitation to the seminar was sent only to "Principal Officers, Business Agents and Contract Negotiators." Furthermore, the training to be provided—"bargaining strategies, rules and challenges involving the WCPT" (Ex. 44 at 11-12)—was not only training of which Aloise would have no need as a rank-and-file member, but indeed precisely the sort of training he had sought and been denied permission to provide to others. Rather, Aloise's attendance was a deliberate and calculated message, indeed a not so subtle threat, to his peers and enemies alike that he retained power and influence. (Ex. 45)

In September 2018, Rick Hicks, the head of the Joint Council 28 in Seattle and a WCTPT Trustee, learned of Aloise's plans to attend the WCTPT seminar. (Ex. 44 at 5; Ex. 43 at 28). Hicks objected to Mack about Aloise's attendance, referencing concerns received from his membership that Aloise's presence would put them in jeopardy of running afoul of the IRO's Order. Mack told Hicks that the training session was "kind of [Aloise's] idea," (Ex 43 at 33); Hicks wrote, "Rome [is] going to be in attendance because Rome is Rome." (Ex. 44 at 18)

On September 18, Hicks sent an email to Joint Council 28 officers and staff stating that because Mack would not prevent Aloise from attending, Hicks would not allow the meeting to occur at the Seattle Joint Council office and asked that no Joint Council officer or agent participate

in the meeting. (Ex. 43 at 15). Aloise, who continued to be provided with copies of official IBT correspondence from friendly sources, received a copy of Hicks' email. He then sent an email that night to Mack, other Teamsters, and the WCTPT administrator.<sup>6</sup> He claimed Hicks was acting as a "bully" and that he was undermining "what we all work hard for." (Ex. 46)

On September 19, 2018, Aloise emailed Smith, writing, "What do you think? I am asking my attorneys what they think about mailing this, or if I should just convert it to a letter to him and have it circulated by others or email it to PO's. Your opinion on this is valuable." (Ex. 48) Attached was a draft letter authored<sup>7</sup> by Aloise addressed: "To: All Local Union Principal Officer, Business Agents & Staff of JC 28 From: Rome Aloise-Suspended Officer-Rank & File Teamster." In the draft letter, Aloise admitted to being the architect of the WCTPT seminar and showed his personal offense at Hicks' conduct in objecting to his participation. (Ex. 48) The draft read:

Dear Sisters and Brothers: It is with a sense of disbelief I find it necessary to respond to the Memorandum put out by your Joint Council President on September 18, 2018. Frankly, I am shocked that someone in his position would allow their personal ambition and need to self-promote to interfere with a meeting that is as important as the one scheduled by the WCTPTF for September 27<sup>th</sup>. This meeting is not the normal "Progress of the Fund" meeting that we have become accustomed to over the last few years, but rather a seminar designed to enhance our officers and officials knowledge of the inner workings of the plan, how to negotiate more favorable clauses for our members, how to understand the plan more deeply, and to obtain a greater overall understanding of the plan that is so beneficial to our members ... I have advocated for trustee education and officer/official education for my entire career. I have been the Co-Chair of the IBT Trustee committee since it's [*sic*] inception, and have always felt it is necessary for us all to have a greater knowledge of the benefits that cover our members and their families. Thus, my interest in attending the meeting to observe the process that I hope will continue into the future, and that I hope to be part of upon my return."<sup>8</sup>

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<sup>6</sup> He did not copy Hicks, who received a copy from another Teamster.

<sup>7</sup> The IIO has not found any evidence that Aloise ever sent the draft to anyone other than Smith.

<sup>8</sup> Aloise's own description of the seminar, "designed to enhance our officers and official's knowledge..." would necessarily exclude rank-and-file members such as Aloise. (Ex. 48)



(Ex. 48) Aloise went on to blame Hicks' "power play" as the reason for objecting to Aloise participating in the WCTPT seminar, writing:

[Hicks'] claim that he was "approached by several of you" is nothing more than a fabrication. I texted him asking him to meet for coffee or a drink the night before the meeting, on Saturday, September 15. No one else had knowledge of my attending the meeting and wouldn't have known. This is nothing more than a power play at your expense. As everyone knows, and I have to live with, I am suspended from being an officer of our Union for two years, I am not suspended or removed from being a Teamster and can associate freely with anyone. I fully intend to return to all of the positions I held, including my position on the GEB, that he apparently covets enough to jeopardize your ability to further and better equip yourself to represent your members.

(Ex. 48)

The WCTPT meeting was held in Seattle on September 27, but at another location. Aloise attended but did not speak. (Ex. 43 at 48). Aloise later wrote in an email to Local 117 representative Leonard Smith, "The seminar went well. No BS from anyone. In fact walk ins more than made up for the loss of attendees from JC28. Hicks stepped on his dick on this one." (Ex. 49)

**B. The Instituto Laboral de La Raza**

Although Hicks claims credibly that his refusal to allow the use of Seattle Joint Council facilities or participation of its members in the WCTPT seminar was motivated by concern that Aloise's participation would put his members in jeopardy of violating the IRO's order, Aloise apparently viewed the action as a personal attack. Aloise then retaliated against Hicks by using financial threats to interfere in third-party non-profit charitable entity's affairs in order to publicly embarrass Hicks. (Ex. 50 at 54; Exs. 51-57)

The Instituto Laboral de la Raza ("La Raza") is a labor related non-profit in San Francisco that supports immigrant workers' rights. Hicks had been informed on September 17, 2018 by La Raza Executive Director Sarah Shaker that he was to receive an award at La Raza's annual fund-raising dinner. (Ex. 58 at 11). The organization raised a considerable portion (approximately 50%)

of its annual revenue from this event. Shaker estimated that, due to Hicks' popularity, La Raza could expect approximately 800 attendees at the awards dinner. (Ex. 52) Freddy Sanchez, a former IBT Local Officer and La Raza board member, had nominated Hicks for the award at the La Raza board meeting on September 5, and the nomination had carried unanimously. (Ex. 51 at 1)

On the evening of October 2, 2018 (five days after the Seattle WCTPT seminar), Sanchez, who had had little if any contact with Aloise for many years, received a call from him at home. (Ex. 50 at 54; Ex. 59 at 16) Aloise demanded that Sanchez withdraw the award from Hicks. Aloise said if that was not done, he would ensure that no Teamster would attend La Raza's fundraiser. Aloise told Sanchez he would call each Local in California and La Raza would be ruined if the organization did not accede to his demand to rescind the award from Hicks.<sup>9</sup> Sanchez had also received a call from Rudy Gonzalez, another La Raza board member, who had been principal officer of IBT Local 856 (San Francisco area), and was the Executive Director of the San Francisco Labor Council. Gonzalez told Sanchez that the award to Hicks needed to be rescinded. (Ex. 50 at 74-79) Sanchez then called Shaker and told her about Aloise's threat.<sup>10</sup> (Ex. 50 at 59)

On October 2, 2018, almost a month after Hicks was publicly named as the recipient of the award, Gonzalez sent an email to the La Raza Board members and to Shaker that stated, "I regret to inform you all that Mr. Rick Hicks has made political decisions that will now put Instituto and our annual fundraiser in the middle of an internal fight of the International Teamsters and perhaps more importantly, the Joint Council that represents Northern California."<sup>11</sup> We literally cannot

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<sup>9</sup> The Final Agreement and Order expressly enjoins an IBT member from committing an act of racketeering as defined in 18 U.S.C. §1961. Aloise's extortionate threats are acts of racketeering under 18 U.S.C. §1961(a).

<sup>10</sup> Shaker testified that Aloise had called her office directly, but she declined to take the call. (Ex. 60 at 48)

<sup>11</sup> There are only two Joint Councils in California: one in the north and one in the south. The Joint Council in northern California Gonzalez referred to was Joint Council 7, of which Aloise had been president prior to his suspension

afford to have the Institute placed in the middle of a controversy.” (Ex. 55) The next day, Shaker forwarded Gonzalez’s internal La Raza board email to Aloise. (Ex. 55)

On October 3, 2018, Gonzalez sent an email to Shaker stating that the board had voted that day to rescind the award. He included the text of a letter he wanted Shaker to send to Hicks. (Ex. 56; Ex. 58 at 18-19; Ex. 60 at 72-73). Shaker sent the letter on October 5. In the cover email to Hicks, Shaker wrote: “I am so sorry. My Board, which includes Teamsters, has advised that we cannot proceed with our invite to you because of the danger of potential backlash directed at our nonprofit by ranks of Teamsters.” (Ex. 57)

Aloise, who had no previous involvement, and certainly no official position with La Raza, was confident that his threats were taken seriously. On October 3, 2018 (the morning following his call to Sanchez, in which he threatened to cause La Raza to suffer financial harm if the Hicks award was not withdrawn), Aloise and Leonard Smith, a Local 117 officer and ally of Aloise, exchanged text messages. At 9:21 AM, Smith texted Aloise that “Rick [Hicks] announced to his Eboard that he’s getting a labor leader of the year award from a progressive organization in the Bay Area.” Aloise responded via text at 9:24 AM, “Not going to happen.” (Ex. 61)

Two days later, on October 5, 2018, Aloise forwarded a copy of Shaker’s letter of rescission of Hicks’ award to five of his political allies: Carlos Borba, Dave Hawley, Ashley Alvarado, Dennis Hart and Doug Bloch. (“Bloch”)<sup>12</sup> (Ex. 62). Aloise’s forwarding of the La Raza letter to this circle of Teamster allies, on the very same day the letter was sent to Hicks, was intended as a message that despite the IRO’s sanction, Aloise remained both powerful and willing to use his influence to cause harm to those whom he perceived to be attacking him, including those like

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<sup>12</sup> Doug Bloch was the Political Director of Joint Council 7 (Ex. 8 at 17; Ex. 63 at 5)

Hicks, who were “do[ing] everything within their power to see that the suspension [was] truly effectuated.” *Friedman*, 838 F. Supp at 809.

Within minutes, both Hawley and Hart responded. Hawley replied to all, “I love it.” (Ex. 64). Hart replied to all, “Campaign Material!” (Ex. 64) These comments strongly suggest that Aloise had alerted this group of allies to his efforts to retaliate against fellow Hicks for “scrupulously abid[ing] by the terms of the suspension.” *Friedman*, 838 F. Supp at 809.

On October 11, 2018, the La Raza Board formally rescinded Hicks’ nomination and substituted Peter Finn, the principal officer of IBT Local 856 (San Bruno, California) and a political ally of Aloise. (Ex. 65 at 14) The awards dinner, with Finn as honoree, was held on April 6, 2019. (Ex. 66 at 1) Instead of the 800 attendees expected at the awards dinner before the change, attendance was only 430, slightly more than half of that number. Rather than the estimated \$290,400 in revenue for the La Raza charity when Hicks was the intended nominee, the actual number of attendees resulted in revenue of \$156,100. That amount was the lowest in the last five years.<sup>13</sup> (Ex. 44 at 44; Ex. 65 at 2; Ex. 52)

Aloise’s interference in an outside charitable organization’s award to Hicks, through his threats to its future financial well-being, not only caused serious harm to the organization, it caused harm to fellow Teamsters, Hicks and Sanchez. This conduct brought reproach upon the IBT and likely violated state and federal law, including 18 U.S.C. § 875 (d) (extortion of a thing of value by means of a threat to injure the property or reputation of another).<sup>14</sup>

The conduct is particularly troubling because Aloise’s threats do not appear to have been motivated by simple political rivalry, but rather as a direct retaliation for good faith efforts to

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<sup>13</sup> The La Raza award dinner proceeds for the past 5 years were: 2015 - \$226,900; 2016 - \$222,850; 2017 - \$179,500; 2018 - \$242,550; and 2019 - \$156,100. (Ex. 44 at 44)

<sup>14</sup> 18 U.S.C. § 875(d) is a defined act of racketeering under 18 U.S.C. § 1961(a), and all members are enjoined from committing act such acts under the Final Order and Agreement, ¶ 2(A).

comply with the IRO's order. Furthermore, prior to the date of the awards dinner, Aloise had obtained information from within IBT headquarters that IIO investigators had travelled to locations on the West Coast, from Seattle to Southern California. Aloise began claiming that he knew, despite precautionary redactions made to travel records by IIO staff, what the purpose of those trips was, and began using that information to threaten other Teamsters. (Ex. 41 at 99-100; Ex. 67 at 77-82). Taken together, Aloise's conduct is not only independently reproachful, but an attack on the disciplinary system established in the Final Order.

**C. Aloise's Confrontation and Intimidation of Freddy Sanchez**

On April 6, 2019, the La Raza dinner took place at the San Francisco Hilton, now with Finn as the honoree. Freddy Sanchez was in attendance, as he had been for each of the previous twelve years he was involved with La Raza. (Ex. 66) Approximately two weeks prior to the awards dinner, Sanchez had been contacted by Pablo Barrera, of Local 287 in San Jose, California. Sanchez had agreed to Barrera's request that he sit at Barrera's table at the dinner. Also present at that table was Jerry Sweeny, the Secretary Treasurer of Local 287. Sanchez and Barrera had had cordial contact for the preceding five years, and their communications until that evening had been as frequent as three times per week. Sanchez described Barrera's demeanor on the night of the awards dinner as inattentive and cold toward him. (Ex. 66 at 2)

Thirty-five to forty minutes into the awards dinner, Sanchez saw Aloise enter the banquet area and approach the table. Aloise stood next to Sweeny, who was seated to the immediate left of Sanchez, and leaned down to put his head next to the seated Sweeny. Aloise spoke quietly to Sweeny for approximately two to three minutes.<sup>15</sup> Aloise then stood behind Sanchez, leaned down to put his head next to Sanchez' head and said at a volume audible to everyone else at the table,

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<sup>15</sup> What was said at that point was inaudible to Sanchez. (Ex. 66)

“Freddy, you’re a rat.” Aloise stood up and walked away. Shortly after that, Sweeny and his girlfriend left the table and did not return for the remainder of the evening. (Ex. 66)

For several weeks following that incident, Sanchez made numerous attempts to contact Sweeny and Barrera. (Ex. 66) As of September 10, 2019, neither one had returned any of Sanchez’ phone call, emails or messages. Aloise counted on the long-established IBT culture and succeeded in weaponizing it against an eighty-five-year-old former Teamster official, who was working in an unpaid position for a non-profit community organization. Aloise succeeded in causing Sanchez to be shunned by his brother Teamsters.<sup>16</sup> According to Sanchez, it became clear to him that Barrera’s request of Sanchez to sit at Barrera’s table at the awards dinner was a calculated effort designed to isolate Sanchez from other awards dinner attendees who might have taken steps to intervene when Aloise accused Sanchez of being a “rat.” (Ex. 66)

**D. Aloise’s Interactions with Marty Frates**

In May 2019, the IBT held its annual Unity Conference in Las Vegas, Nevada. Aloise was present. Witnesses observed him to be present in a “breakout session” where Teamster business was discussed, and votes were recorded.<sup>17</sup> (Ex. 41 at 83, 94)

Local 70 Secretary Treasurer and principal officer Marty Frates was also present. Frates served as a Delegate for Joint Council 7. (Ex. 41 at 34) Frates and Aloise have had political differences in the past. Among them was a disagreement on how to approach a proposed UPS contract supplement and sort rider. At the May 2019 IBT Unity Conference, during the period of his suspension, Aloise asked Frates to meet with him to “patch things up.” (Ex. 41 at 96).

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<sup>16</sup> As of September 10, 2019, neither one returned any of Sanchez’ phone call, emails or messages,

<sup>17</sup> In doing so Aloise was in violation of the IRO’s sanction which prohibited Aloise from engaging in Teamster activity.

On or about May 19, 2019, Frates and another Teamster went to the Local 853 offices, which are located a short walk from the Local 70 offices. The meeting took place on a Sunday morning. There were only two persons from Local 853 present: Aloise and the principal officer, Dennis Hart. (Ex. 41 at 102) The meeting did not last long. Rather than “patch things up,” Aloise told Frates that he was a “snitch,” and that Frates and Rick Hicks were “snitches on him.” Frates responded by telling Aloise that he had heard Aloise “had been running around telling everyone” that Frates and Hicks had been providing information to the IIO “to get him out.” Aloise went on to warn Frates that Hicks would “never get anything, anywhere, anyplace.” Frates understood that statement to mean that Aloise would see to it that Hicks would not receive any appointments to any paid positions in the IBT. (Ex. 41 at 101-102)

**E. Examples of Aloise’s day to day involvement in Teamster affairs**

In addition to his retaliation against those who sought to comply with the IRO’s sanction, Aloise has flagrantly disregarded the guidance provided by the IRO in her January 19, 2018 clarification, which explained that the intent of her “Order is directed solely at Mr. Aloise’s participation in Teamster activities,” and that Aloise was therefore precluded from “being employed by or consulting for (*whether paid or unpaid*) any affiliate entity of the Teamsters.” (Emphasis added.) (Ex. 12 at 8)

The IIO has discovered hundreds of electronic communications during the period of Aloise’s suspension between him and other Teamsters discussing a diverse array of official Teamster affairs.<sup>18</sup> Of particular note are 1) Aloise’s *de facto* role in continuing to run the affairs Local 853 and Joint Council 7, of which he had been principal officer until his suspension; 2) his continued relationship with Southern Wine and Spirits, the employer from whom he had solicited

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<sup>18</sup> Ex. 89 contains a small sampling of unrelated emails demonstrating the level and volume of day to day involvement in Teamster affairs Aloise enjoyed during his suspension period.

things of value in the charged conduct leading to his suspension; and 3) his active leadership role in Teamster organizing efforts regarding rideshare gig workers (Uber and Lyft.)

1) **Aloise's continued *de facto* leadership of L-853 and JC-7**

**Continued Use of Email Address**

During his suspension from holding any official position with the IBT, Aloise maintained control of his official IBT email account, "Raloise@teamsters853.org." As a rank-and-file member, Aloise was not entitled to use that official Local 853 email address. Aloise forwarded some messages he received at his official Local 853 address to his personal email yet chose to send email from his official email when it suited him. (For his "personal" email account, Aloise chose ibtrome@gmail.com, incorporating the letters "ibt," to give the appearance that Aloise was corresponding in an official IBT capacity.) On numerous occasions after Aloise received email at his official Local 853 email address, Aloise forwarded that email to his "ibtrome" address. On occasion, Aloise responded to the sender, advising the sender to use the ibtrome address.<sup>19</sup> On other occasions, Aloise replied via his official Local 853 email address.

**Instructions to Officers**

The volume of Aloise's email communication with fellow Teamsters demonstrates the depth of his involvement in the day to day affairs of Local 853 and Joint Council 7, where Aloise was formerly principal officer prior to his suspension. Aloise continued to give direct instructions to Local 853 officers on how to carry out union affairs, often couched with tongue-in-cheek statements acknowledging the sham nature of his *pro forma* suspension with *de facto* control such as "just my opinion as a rank and file member" or "[o]f course this is just a suggestion as I have

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<sup>19</sup> Aloise was aware that his Local 853 email was subject to IIO document requests. He knew that using his "ibtrome" email address would make it more burdensome for the IIO to access the comprehensive universe of his communications.



no authority to tell you to do anything.” This language was designed to demean the IRO and her Order, and to undermine her legitimacy.

For example, on February 21, 2018, Aloise sent an email to Local 853 and JC-7 leadership indicating that he had authored a memo (not attached) to the 853 / JC-7 members on how to deal with a perceived challenger to his continued *de facto* leadership. Aloise provided instructions on how to deal with this individual, who Aloise stated was “challenging you [principal officer Dennis Hart] in my absence and doing something that does nothing but show you all disrespect.” (Ex. 69) Aloise couched his instructions to Hart, who had assumed Aloise’s former position, with the sarcastic remark “just my opinion as a rank and file member on how this stuff should be dealt with.” (Ex. 69)

An August 18, 2018 email exchange with Stacy Murphy, vice president of Local 853, further typifies the *de facto* leadership role Aloise enjoyed during his suspension period. His conduct displays an extraordinary level of contempt for the IRO-imposed sanction. The email is related to contract negotiations being held between 853 and a company identified as “We Drive U.” Aloise clearly gave direction to Murphy, with instructions such as “that language has to be there” and “I think a letter has to go out” and “these actions are important, get it done.” (Ex. 18) Aloise, in another sarcastic reference to his continued *de facto* authority, told Murphy, “I think you should write [the letter], *with a little help from a friend...*” (Ex. 18) (emphasis added.)

On August 19, 2018, Aloise attached a letter to a second email to Murphy covering the same issue, with the instructions: “This or some form of it should go out to the clients, CEOs, transportation managers of the clients, and to our members before the actions. Maybe even send out people to leaflet the riders before the actions start.” Aloise then took another opportunity to

mock his suspension, writing: “Of course this is just a suggestion as I have no authority to tell you to do anything.”<sup>20</sup> (Ex. 70)

On April 4, 2019, Aloise sent an email to Local 137’s Dave Hawley, Randy Cammack at Joint Council 42, and Dennis Hart at Local 853. (Ex. 71) Aloise included sample letters he wanted each of the recipients of the email to adopt and send in support of the Energy4US Coalition.<sup>21</sup> (Ex. 72; Ex. 73) Again, Aloise mocked his status as a suspended officer, but also admitted to another specific violation of the terms of the suspension order and its subsequent clarification letter: “Obviously, I am not asking this as even a rank & file teamster, which is what I am, but **as a consultant** to some of my old friends.” (Ex. 71) (emphasis added.) The IRO’s clarification letter specifically precluded Aloise from acting as a consultant, either paid or unpaid, for any Teamster entity. (Ex. 12)

#### **Continued involvement in major transactions**

Aloise continued to be involved in the major operational decisions of Local 853. For example, Aloise sent emails to Local 853 officials proposing a bylaw change. He then authored the cover letter under the name of the principal officer Dennis Hart. (Ex. 74; Ex. 75; Ex. 76) Also in March 2019, Local 853 purchased a building adjacent to its headquarters, located at 7730 Pardee Lane. Oakland, California. Email exchanges in March 2019 showed that Aloise met with the realtor, toured the property, facilitated an additional tour for others, and was provided with copies of the purchase contract and its addendum. (Ex. 78)

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<sup>20</sup> Cf. *In re: Friedman, Yontek, et al*, Decision of the Independent Administrator (June 21, 1993) (Ex. 90), aff’d sub nom. *United States v. Teamsters (Friedman)*, 838 F. Supp. 800 (S.D.N.Y. 1993) (Edelstein, J.) “To comply with a suspension order, it is not nearly enough for a Union leader to simply stop using his title. Rather, he must not seek to exert any pressure, **no matter how subtle**, upon those who have learned to follow his lead.” Aloise was not being subtle here.

<sup>21</sup> One such sample letter had been sent on January 16, 2018, more than a year before Aloise’s request, by Chuck Mack to Rick Hicks of Joint Council 28 and others. (Ex. 77)

## **Standing for Election**

The sham nature of Aloise's rank-and-file status with Local 853 was revealed completely when on November 4, 2019, while still under suspension, Aloise brazenly stood for election to resume his former post as principal officer of Local 853. (Ex. 63) He was unopposed. Notwithstanding a specific admonition from the IRO in a letter dated November 1, 2019 that he ceases engaging in any activities prohibited by the suspension Order (Ex. 79), Aloise allowed his name to remain on the ballot. The results of that election were reported on November 4, 2019, at an event where Aloise was present. (Ex. 63)

### **2) Aloise's Continued Relationship with Southern Wine**

The original charged conduct resulting in Aloise's sanction involved, *inter alia*, receiving things of value from an IBT employer, Southern Wine and Spirits (now Southern Glazers Wine & Spirits). (Ex. 10) Email exchanges<sup>22</sup> beginning almost immediately after the sanction was imposed demonstrate Aloise's close relationship with the highest levels of management at Southern Wines continued despite the sanction. His continued interactions are especially blatant as the violative conduct involved the very same employer from which Aloise was found guilty of receiving things of value in the original charge.

On December 22, 2017, the same day the sanction took effect, Aloise via his official Local 853 email sent a copy of the decision to Stuart Korshak and Clement Kong, both representatives of Southern Wine.<sup>23</sup> (Ex. 81) Aloise, Kong and Korshak, via an email exchange, arranged to speak on the phone that same day. (Ex. 81) Just a few days later, on January 9, 2018, Kong emailed both

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<sup>22</sup> Note that evidence in this matter is limited only to activity the IIO has reviewed between Aloise and Southern Wine where the emails were routed through an IBT server. The IIO believes that additional emails may have been sent through non-IBT channels.

<sup>23</sup> Korshak, an attorney, was the conduit used by Aloise when he solicited things of value from Southern Wine in the original charges.

Korshak and Aloise (at his official Local 853 email address), attaching a dinner reservation confirmation for a party of three at Paradiso Restaurant for that same day. (Ex. 80)

The three apparently met again in April 2018. On April 7, Korshak emailed Kong and Aloise (again at his official L-853 address): “Lunch in [*sic*] 4/16 is on in a site to be selected by Rome.” Aloise then forwarded that email to his private email (ibtrome@gmail.com) and sent another email to Kong and Korshak instructing them to “send emails to: ibtrome@gmail.com.” Kong responded, “got it.” (Ex. 82) From that point, communications between Aloise and Southern Wine were obscured from the IIO unless an IBT affiliated account was copied. Nonetheless, given the close relationship between Aloise, Kong, and Korshak, the IIO has no reason to believe their communications did not continue through channels not easily accessible to its review.

### **Cannabis**

Aloise was intimately involved in assisting Southern Wine’s efforts to branch out into the distribution of cannabis. On February 4, 2019 Clement Kong emailed JC-42 representative Kristin Heidelberg, (subject line: “Marijuana Distribution in New York”). Kong wrote:

We have not met but Rome Aloise referred me to you . . . . We have been long time labor and employment counsels for Southern Glazer’s Wine & Spirits. We have worked with Rome probably close to 30 years. Our client, Southern, is interested in forming a separate company to do marijuana distribution in New York and other states . . . . Rome and my partner Stu Korshak recommended that I reach out to you and discuss how we can utilize your services to figure out the best way to ensure the bill passes.

(Ex. 83 at 1) On February 27, 2019 Heidelberg wrote to Kong, “Called Rome last night and he will see Bern<sup>24</sup> this morning at the Beverage conference. He’s going to follow up on this. He understands the urgency in getting in front of Cuomo. K.” (Ex. 83 at 3)

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<sup>24</sup> Bernadette McColloch is an IBT International Representative.

On April 9, 2019 Heidelberg, Kong and Korshak engaged in a series of emails that reflect Aloise's continued involvement in the Southern Wine's cannabis issues. Kong wrote: "I wrote Rome today for an intro to Terry Hancock."<sup>25</sup> Heidelberg replied: "[I] asked who would be the best contact person to begin these conversations, and that is Mike (the political director for the JC). Mike can then introduce us to the JC President (which is the guy Rome suggested)..." (Ex. 84) Kong wrote: "The question is who can make this happen? I really don't have any contacts, except to start with who Rome suggested, Terry Hancock President of JC." Heidelberg responded: "Maybe it's in our interest, and that of Southern, to reach out to Mike. Or the other gentleman that Rome pointed you to." (Ex. 84)

On April 15, 2019 Kong emailed Hancock, describing Aloise's involvement behind the scenes:

Most growers do not want separate tiers. They want to control the entire system to promote its own brands and to keep nonunion. In these states, we have also seen the UFCW advocate that there should only be two tiers and that the UFCW should be the Union of choice and not the Teamsters. Rome Aloise and his fellow Teamsters in CA stopped the UFCW and got the Governor to insert language in the bill to require any company with over 25 employees to have a Labor Peace Agreement with the Union and that the drivers will be Teamster positions. In New York, a few days before Governor Cuomo was going to announce his adult use cannabis bill, there was no 3 tier system model in the bill. Through the help of Rome, President George Miranda, called Governor Cuomo and basically told the Governor that the driver jobs were Teamster jobs and not UFCW and that a 3 tier system will open up good paying jobs to his members. Cuomo included most of the language that the Teamsters wanted in the bill but as you know the process, other interested parties added provisions that weakened the 3 tier model. Currently, there is a lot of back and forth lobbying to figure out what the final NY Cannabis bill will be. ... Since Rome asked me to work with you because of the trust and respect that he has for you, I plan to do so. Maybe we can all meet in Chicago and figure out a strategy and approach to the bill. I am sure it will not be an easy lift and success will need the help of both parties."

(Ex. 84)

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<sup>25</sup> Terry Hancock is President of Joint Council 25 and principal officer of Local 731.

### 3) Aloise's Leadership of Organizing Efforts for Uber and Lyft

Both prior to and during the period of his suspension, Aloise played an active, prominent and notorious role in a campaign to organize drivers for Uber and Lyft. He was not subtle about his disdain for the IRO suspension order.

On August 9, 2018, Doug Bloch emailed Aloise, cc'ing California IBT Local Presidents Mark Gleson and Dennis Hart, writing, "[A]s you know, we are part of a project with Working Partnerships USA (WPUSA) and SEIU called Gig Workers Rising. Both WPUSA and SEIU have put money into that project; we've put nothing in. The project has a full-time organizer right now. Since we are already in this project with them, we cannot do any meeting with NY people alone without suffering a lot of blowback..."

On the same day, Aloise wrote back: "Given what is going on in NY surrounding the UBER-LYFT app based drivers with the minimum wage and the limitation on the number of drivers, maybe it is worth talking about setting up a Driver's Guild in SF, and then of course expanding it at a later date . . . . I am not sure how it would all work, we can talk before they come into town. But in NY, a lot of money is pouring into the Guild and back to the Machinists who were behind the establishment of the Guild. I will talk to you guys as I see you." (Ex. 35) In another email that day, Aloise wrote: "Just wanted to get the dialogue going again on this. I think it has to work within the group that is established with Working Partnerships but Mark and Local 853 might want to be players also in what comes out of the discussions." (Ex. 35)

On August 15, 2018, Local 117 representative Leonard Smith wrote to Aloise inquiring from Aloise the status of a neutrality agreement with a company identified as "Chariot." Aloise directed Smith: "[Chariot] told me today it would be done by Thursday. But avoid them if they call you before you get it. I believe they are playing games." (Ex. 85)

On October 17, 2018, Benjamin Geyerhahn, CEO of Workers Benefit Fund, wrote an email to Aloise entitled “Teamster Term Sheet - Invitation to edit.” On October 18, Smith and Aloise discussed Geyerhahn’s term sheet. Aloise dictated detailed instructions:

WBF will work with and Teamsters Local 117 to support the creation of legislation and a guild infrastructure for Seattle Drivers. At its own expense, WBF will provide with polling, legislative support, legal support, its expertise and its relationships with Uber and Lyft. This support includes financial support for these items carrying through until legislation is passed. In exchange, it receives the Teamsters full support and exclusive right to provide benefits to the Seattle drivers through the Teamsters Local 117 or entities it creates or is created by legislation for the purpose of delivering benefits to Seattle drivers who will receive benefits. Teamsters will choose the benefits and have the right to reject benefits selected by WBF. If WBF cannot (or refuses) to provide a benefit, the Teamsters are entitled to purchase on their own...

Aloise affixed a chart and lists the “key elements.” (Ex. 36)

**F. California Labor Federation**

In his continued involvement with these high-level Teamster projects, Aloise on occasion purported to be acting on behalf of the California Labor Federation (“CLF”). According to its 2016 JC-7 Form LM-2 filing, the CLF received \$68,000.00 in “Affiliation fees,” from Teamster entities. (Ex. 86) Since April 2017, the CLF received \$16,000.00 in annual funding from the Northern California IBT Joint Council 7 alone. (Ex. 87 at line 149). Aloise led Joint Council 7 since 2009, until his sanction took effect, and thus would have been aware that the CLF, by virtue of its funding, was a Teamster-affiliated entity within the meaning of the IRO’s Order.

Even were that not the case, however, Aloise’s communications make clear that his role with the CLF is merely a fig leaf for his continued role at the highest levels of Teamster affairs.

For example, on November 21, 2018 Aloise wrote in relation to the Uber and Lyft negotiations:

For any of this to get any traction in California, it will need to have some language about staying out of certain functions, *which are core industries to the Teamsters*, i.e.; such as package delivery, freight transportation, etc. If there is to be a carve out of their “industry”, this will be essential, and perhaps a model for the other companies to deal with the ramifications of the Dynamix decision. *I am meeting*

*with people from the State Fed today to discuss their ideas, fears, prejudices, and all. Also, I will meet with Hoffa next week to get him on board.”*

(Ex. 38) (emphasis added).

#### IV. ANALYSIS

The standard of proof to establish the charges against Aloise is a preponderance of evidence. Rules Governing the Authorities of Independent Disciplinary Officers and the Conduct of Hearings, Section C (“The purpose of the hearing shall be to determine whether the proposed findings, charges, or recommendations regarding discipline or trusteeship found in the Independent Investigations Officer’s Investigative Report are supported by a preponderance of reliable evidence”); *United States v. IBT [Simpson]*, 931 F. Supp. 1074, 1089 (S.D.N.Y. 1996), *aff’d*, 120 F. 3d 341 (2nd Cir. 1997); IBT Constitution, Art. XIX, Sec. 1(e).

Violation of a suspension order is conduct that is “clearly disruptive of . . . the performance of the Union’s legal obligations” within the meaning of IBT Constitution, Art. XIX, Sec. 7(b)(5): “namely, [the obligation] that suspensions imposed pursuant to the [Final Order] be carried out completely, properly, and fully.” *In re: Friedman, Yontek, et al*, Decision of the Independent Administrator (June 21, 1993) (“*Friedman (IA)*”) at 22,<sup>26</sup> *aff’d* sub nom. *United States v. IBT [Friedman]*, 838 F. Supp. 800, 816 (S.D.N.Y. 1993) (Edelstein, J.) (“*Friedman (S.D.N.Y.)*”) Such conduct also brings reproach on the IBT within the meaning of IBT Constitution, Art. II, Sec. 2(a). *Id.* at 22.<sup>27</sup>

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<sup>26</sup> The Independent Administrator’s decision is attached as Ex 90.

<sup>27</sup> The IBT Constitution was amended in 2016 in conformity with the Final Order, with an additional provision stating: “All officers, members, employees, and representatives of the International Union and its affiliated bodies shall cooperate fully with the Disciplinary Officers in the course of any investigation **or proceeding** undertaken by it. Unreasonable failure to cooperate shall be deemed to be conduct which brings reproach upon the Union . . . .” IBT Const., Art. XIX, Sec. 14 (a) (emphasis added). Although a matter of first impression, the IIO believes that failure to fully cooperate with a suspension order of the IRO, in addition to interfering with the Union’s legal obligations in violation of Sec. 7 (b) (5), also violates the new provision at Sec. 14 (a).



The *Friedman* decisions offer instructive precedent on the elements of a violation of a suspension and make clear the nature of Aloise’s blatant violations. In that case, Harold Friedman, formerly President of IBT Local 507, had been given a one year suspension from his IBT positions on charges relating to embezzling funds from another (non-IBT) local, of which he was also president. Like Aloise, Friedman had not been suspended from IBT membership, but only from his official positions. *Friedman (IA)* (“I intended only that Friedman was to remove himself from those positions he held with the IBT. I did not intend to suspend his IBT membership as well.”) During the period of his suspension, Friedman “regularly met over dinner with” officers and business agents of IBT Local 507, contending that these meetings were “purely social occasions at which no business was discussed.”<sup>28</sup> *Id.* at 15-16. The IA found this testimony not to be credible, writing, “I find that the dinners with Friedman were contacts that included discussions of IBT Local 507 business, **and, as such, constituted a violation of his suspension.**” *Id.* at 17 (emphasis added.) The district court upheld this finding. *Friedman (S.D.N.Y.)*, 838 F. Supp. 800 at 810.

Other acts the IA found to be violative of Friedman’s suspension included endorsing an employer contract at a ratification meeting,<sup>29</sup> *Friedman (IA)* at 12; attendance at a general meeting under circumstances “designed to convey the message that Friedman was still involved in IBT Local 507 affairs,” *id.* at 14; attendance at Christmas parties and blood bank drives in a “place of prominence” that gave the membership “the overall impression . . . that he retained significant

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<sup>28</sup> It is, of course, beyond dispute that Aloise’s continued contacts with Local 853 and Joint Council 7 officers were not “purely social occasions at which no business was discussed.”

<sup>29</sup> Significantly, Friedman purported to attend the contract ratification meeting solely in his capacity as president of a non-Teamster local not covered by the suspension order, purportedly prefacing his remarks with “I am here as the President of the Baker’s Union . . . [I] have nothing to say about 507, and I’m not here to say it.” *Friedman (IA)* at 12. The IA rejected this argument, writing that such words were not “a talisman that magically transformed Friedman’s comments into those that were non-violative of his suspension. To say that they would allow a person suspended from the IBT to speak to the membership with a wink and a nod as an interested outsider, while still retaining influence over the Union. **This is not permitted.**” *Id.* at 13 (emphasis added.)

influence over IBT Local 507,” *id.* at 18; and giving “pep talks” concerning Union activities to IBT Local 507 officers and agents, *id.* at 21. The district court affirmed each of these findings.

*Friedman (S.D.N.Y.)*, 838 F. Supp. 800 at 810-11.

In analyzing the violation, the IA explained:

[S]imply removing oneself from office is not enough to comply with a suspension order. In order for a suspension from the IBT to have any effect whatsoever, it must be implemented in both substance and form. In other words, Union power must be relinquished through all channels *de jure* and *de facto*; legitimate and illegitimate; denotative and connotative. To comply with a suspension order, it is not nearly enough for a Union leader to simply stop using his title. Rather, he must not seek to exert any pressure, no matter how subtle, upon those who have learned to follow his lead. He must not seek to give direction of any type to any IBT body, no matter what the means. In short, he must not in any way attempt to give the impression, either to the Union leadership or membership, that he still retains any power of any sort.”

*Friedman (IA)* at 9-10.

In affirming at the district court, Judge Edelstein amplified:

The suspended IBT official must approach his suspension with a grave sense of respect. He must accept its provisions not only in form but also in substance and spirit. Those around him must share this sense of respect and do everything within their power to see that the suspension is truly effectuated. Indeed, a suspension is not a matter of concern solely to the suspended individual, but also the IBT community around him. Thus, when an IBT member is suspended from holding any officer or trusteeship position with the Union, but is permitted to retain his membership in the IBT, the suspended individual is afforded the opportunity to remain a member of the IBT in return for the covenant that he and his IBT community will scrupulously abide by the terms of the suspension. A violation of the suspension is a breach of this covenant and merits the imposition of a more serious penalty.

*Friedman (S.D.N.Y.)*, 838 F. Supp. 800 at 809.

To put it mildly, Aloise has not “approach[ed] his suspension with a grave sense of respect.” *Id.* at 809. His continued *de facto* control over Local 853 has amounted to “simply stop[ping] using his title,” while continuing to “give direction” to Local’s *de jure* officers in carrying out the Local’s affairs. Furthermore, Aloise has taken extraordinary measures to “give

the impression . . . to the Union leadership [and] membership that he still retains” great power within the IBT. *See, e.g.,* Ex. 88 at 18: “[Y]ou should learn that it doesn’t bode well for you to burn bridges with people that have helped you and support you. **I will be back**, so throwing me under the bus doesn’t make much sense.” (Emphasis added.)

Most troubling, however, is Aloise’s vindictive and retaliatory behavior against other Teamsters exhibited in the La Raza affair and its aftermath. Even if it were true that Aloise’s participation in the WCPTF seminar were compatible with his suspension (notwithstanding the IRO’s specific prohibition on paid or unpaid employment or consulting for the WCPTF), Hicks was rightly concerned that Aloise’s attendance at the function raised serious concerns that could place himself and other members in danger of failing to cooperate with the IRO’s Order. Indeed, in *Friedman*, other members who enabled (or even acquiesced) to the suspended member’s violations were themselves charged and sanctioned.<sup>30</sup> The methodical and Machiavellian steps Aloise took in pursuing his vendetta against Hicks and those who shared his concerns therefore are not merely reflective of Aloise’s own lack of a “grave sense of respect” for his suspension, *id.* at 809, but an attack on the disciplinary system itself. The fact that Aloise’s retaliation included threats of financial harm to a third-party non-profit organization completely uninvolved in the dispute renders the conduct particularly egregious, and brought reproach upon the IBT.

The threats were also a violation of 18 U.S.C. §875(d), which is an act of racketeering under 18 U.S.C. §1961, and therefore is an act which every member is enjoined from committing under the Final Agreement and Order. Causing Hicks to lose his award was a thing of value to

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<sup>30</sup>*See Friedman (S.D.N.Y.)*, 838 F. Supp. at 815. (“I find that the Independent Administrator’s determination that respondent officers and business agents failed to fulfill their duty to prevent Friedman from violating the terms of his suspension and his statutory debarment is both reasonable and compelling. As the Independent Administrator observed, ‘This duty is an affirmative one; acquiescence in the face of a violation of a suspension order or a statutory debarment is a violation of that duty.’”)

Aloise, who wanted to retaliate against Hicks for objecting to Aloise's presence at the WCTPFT seminar in Seattle. Likewise, Aloise's ability to publicly show his influence and his ability to both do harm to Hicks and to retaliate against Hicks was a thing of value to him.

A "thing of value" under the relevant statutes and rules can have both an objective and subjective connotation. *See United States v. Roth*, 333 F.2d 450, 453 (2d Cir. 1964) ("Value is usually set by the desire to have the 'thing' and depends upon the individual and the circumstances."); *United States v. IBT (Perrucci)*, 965 F. Supp. 493 (S.D.N.Y. 1997) (finding alleged "worthless" boat to be a . . . thing of value" in light of recipient's conduct evidencing value he placed in boat). This follows from courts' consistent broad reading of the term "thing of value" under bribery and associated statutes. *See Roth*, 333 F.2d at 453 ("Congress gave the broadest possible scope to the statute by adding to the word 'money' the words 'or other things of value'"); *United States v. Williams*, 705 F.2d 603, 605 (2d Cir. 1983) ("The phrase 'anything of value' in bribery and related statutes has consistently been given a broad meaning to carry out the congressional purpose of punishing misuse of public office.") (internal citation omitted); *United States v. Schwartz*, 785 F.2d 673, 680 (9th Cir. 1986) ("Ordinarily ... the measure of value is not limited to commercial or monetary worth .... [t]hat value commonly extends in scope to include intangibles has been the conclusion of various courts when faced with the task of construing criminal statutes that contain the term thing of value.") (emphasis in original). In other words, just because something is free does not mean it is worthless, or without value, under the bribery laws. An individual's desire for an object or intangible item, such as a service or employment, can suffice. *See, e.g. Roth*, 333 F.2d at 453; *United States v. Douglas*, 634 F.3d 852, 858 (6th Cir. 2011) (finding jobs are "things of value" under Section 186). Put another way, whether someone

can be improperly influenced is not measured by whether the requested thing has a particular monetary value so long as it is an object of desire. *See Schwartz*, 785 F.2d at 680.

## V. PROPOSED CHARGES

Based upon the foregoing, it is recommended that Aloise be charged as follows:

### Charge I

While a suspended officer of the IBT, IBT Local 853, and Joint Council 7, you brought reproach upon the IBT and violated your membership oath by: knowingly harming a fellow member; interfering with and inducing others to interfere with the performance of the Union's legal obligations, retaliating and threatening to retaliate against members for exercising rights under the IBT Constitution, and committing an act of racketeering; all in violation of IBT Const., Article II, Section 2 (a); IBT Const., Art. XIX, Sections 7 (b) (2), (5), (10), and (11), IBT Const., Art. XIX, Sec. 14 (a); and 18 U.S.C. §875 (d); to wit:

In October 2018, you threatened to cause financial harm to Instituto Laboral de La Raza, a charitable organization, if an award it had previously announced would be awarded to a fellow member, Rick Hicks, were not rescinded. These threats were made in retaliation for the fellow member's good-faith efforts to comply with the terms of the Independent Review Officer's December 22, 2017 Order. In response to threats you made to members of the La Raza board, that award was rescinded, thereby intentionally causing harm to a fellow Teamster. Notwithstanding the acquiescence of the La Raza board to your demand for rescission of the award to Hicks, the change made after your threats of financial harm did in fact cause financial harm to a La Raza, as detailed in the above report.

## **Charge II**

While a suspended officer of the IBT, IBT Local 853, and Joint Council 7, you brought reproach upon the IBT and violated your membership oath by: interfering with and inducing others to interfere with the performance of the Union's legal obligations, and unreasonably failing to cooperate fully with a proceeding of the Independent Review Officer; all in violation of IBT Const., Art. II, Sec. 2(a) and IBT Const., Art. XIX, Sec. 7 (b) (2), and (5), and IBT Const., Art. XIX, Sec. 14(a); to wit:

As detailed in the above report, on December 22, 2017, pursuant to the Final Agreement and Order (the "Final Order") the Hon. Barbara S. Jones, Independent Review Officer, issued a decision suspending you from all IBT-affiliated positions for two years and ordered that you not participate in any IBT related activity for two years, from December 22, 2017 and continuing to December 22, 2019. Notwithstanding that suspension, you interjected yourself in the affairs of IBT Local 853, Joint Council 7 and the IBT despite these prohibitions against your Union activity. For example, you continued to participate in the IBT's efforts to organize workers in the cannabis industry, to organize Uber and Lyft drivers, you attended the annual Unity Conferences in Las Vegas and the Soft Drink and Beverage Conference held in Florida. At other times, you advised Teamsters on contract language, advised on the purchase by Local 853, of a new building, and advised on your preference for which members should or should not serve on union committees. At other times, through your use of emails and text messages, you advised and instructed on and discussed Union matters with Joint Council 7 Executive Board members and Local 853 business agents and Executive Board members. In many ways, you broadcasted the appearance that you continued to maintain influence and control over Local 853, Joint Council 7 and IBT affairs.

### **Charge III**

While a suspended officer of the IBT, IBT Local 853, and Joint Council 7, you brought reproach upon the IBT and violated your membership oath by: interfering with and inducing others to interfere with the performance of the Union's legal obligations, retaliating against other members for the exercise of their rights under the IBT Constitution, and obstructing and interfering with an investigation conducted by the IIO; all in violation of IBT Const., Art. II, Sec. 2 (a), and IBT Const., Art. XIX, Sec. 7 (b) (2), (5), (10), and (12) and IBT Const., Art. XIX, Sec. 14 (a); to wit:

As detailed in the above report, in retaliation for his good-faith attempts to comply with the Independent Review Officer's December 22, 2017 Order, you threatened to prevent a fellow member, Rick Hicks, from receiving any future appointments to positions within the IBT; based upon your belief that they were cooperating with an IIO investigation, you labeled publicly two fellow IBT members and a former IBT member as "rats" or "snitches," thereby causing harm to their reputations; and you threatened an IBT Local's Communications Director with a reminder that you "will be back," thereby implying that you intended to retaliate against the fellow Teamster.