

INDEPENDENT DISCIPLINARY OFFICERS

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Independent Review Officer
Hon. Barbara S. Jones

Independent Investigations Officer
Hon. Joseph E. diGenova

Administrator
John J. Cronin, Jr., CPA

SENT VIA E-MAIL AND U.S. MAIL

February 8, 2017

J. Bruce Maffeo, Esq.
Cozen O'Connor
45 Broadway, 16th Floor
New York, NY 10006
jbmaffeo@cozen.com

Bradley Raymond, Esq.
General Counsel
International Brotherhood of Teamsters
25 Louisiana Avenue, N.W.
Washington, D.C. 20001
braymond@teamster.org

Re: Proposed Resolution of Charges Against Nicole Brener-Schmitz

Dear Counsel:


Enclosed you will find a signed copy of the Affidavit and Agreement (the "Agreement") for the resolution of charges against Nicole Brener-Schmitz.

I further write in response to the letter from counsel for Ms. Brener-Schmitz, dated February 2, 2017, regarding paragraph six of the Agreement. In particular, counsel for Ms. Brener-Schmitz has asked for clarification concerning the provision in the Agreement that prohibits Ms. Brener-Schmitz from "accept[ing] . . . any salary, gratuities, gifts . . . or any other compensation of any kind" from "the IBT [or] any other IBT entities," (Agreement at ¶ 6), in light of part-time consulting work that she has performed since her resignation from the IBT for two organizations that have received contributions from the IBT. Based on the information presented in counsel's February 2nd letter, there is no basis to conclude that her current employment with The Trade Brigade of The Citizen Trade PAC or the Democratic Legislative Campaign Committee (DLCC) violates the Agreement. Of course, this would not permit the circumstance that a sham contribution was made by the IBT which

Pursuant to the Consent Order of the United States District Court of the S.D.N.Y.
United States-v-International Brotherhood of Teamsters, 88 CIV. 4486 (LAP)

was then passed on to Ms. Brener-Schmitz.

Very truly yours,


Hon. Barbara S. Jones (Ret.)
Independent Review Officer

Enclosure

cc: John J. Cronin, Jr.
Joseph diGenova, Esq.
Nicole Brener-Schmitz

-----X
 In The Matter of :
 :
 NICOLE BRENER-SCHMITZ :
 : AFFIDAVIT AND AGREEMENT
 :
 Before the :
 :
 INDEPENDENT REVIEW OFFICER :
 :
 -----X

DISTRICT OF COLUMBIA) ss.:
 CITY OF WASHINGTON) ss.:

Nicole Brener-Schmitz, being duly sworn, deposes, says, and agrees as follows:

1. On or about November 9, 2016, the Independent Investigations Officer (“IIO”), appointed pursuant to the Final Order, dated February 17, 2015, in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (DNE) (SDNY) (the “Final Order”), recommended that the following charges be filed against me:

Charge One.

While an IBT employee, you embezzled and converted IBT funds to your own use, brought reproach upon the IBT, violated Federal law and committed an act of racketeering in violation of Articles II, Section 2 (a) [and] XIX, Section 7 (b) (1), (2), (3), (5) and (11) of the IBT Constitution, to wit:

As described in the [IIO's] report, between approximately January 2013 and June 2015, while an IBT employee, you embezzled at least \$11,495.43 from the IBT, by causing the IBT through false representations you made to pay for expenses incurred without a union purpose.

Charge Two.

While an IBT employee, you brought reproach upon the IBT, interfered with its legal obligations, and exposed the IBT to the risk of civil and criminal penalties and violated the IBT's recordkeeping policies in violation of Articles II, Section 2 (a) and XIX, Section 7(b)(1), (2), and (5) of the IBT Constitution, to wit:

As described in the [IIO's] report, between January, 2013 and August, 2015, while an IBT employee, you brought reproach upon the IBT and violated Article II, Section 2 (a) of the IBT Constitution when you submitted to the IBT at least 564 false receipts for charges you incurred on your IBT credit card. You also falsified expense reports you submitted. The union was required to maintain accurate records pursuant to 29 USC Sections 431, 436 and 439, and IBT policies. Your causing the IBT to fail to comply with its record keeping obligations under federal law and your failure to follow IBT policies

exposed the IBT to the risk of civil and criminal actions. 29 USC Sections 439, 440; 18 USC Section 2.

Charge Three.

While an IBT employee, you brought reproach upon the IBT and caused the IBT to violate its legal obligations in violation of the IBT Constitution, Article II, Section 2 (a) and Article XIX, Sections 7(b)(1), (2) and (5), to wit:

On at least two separate occasions, in 2013 and 2015, you caused the IBT to extend interest free loans to you, each of which was over \$2,000, in violation of the IBT's legal obligations under 29 USC Section 503, as described in the [HIO's] report. Under 18 USC Section 2 (b), you were as liable as the principal for these criminal acts.

Charge Four.

While an IBT employee, you brought reproach upon the IBT in violation of Article II, Section 2 (a) and Article XIX, Section 7 (b) (1), (2) and (5) by engaging in criminal conduct designed to defraud the IBT by knowingly writing checks to pay your obligations to it when you knew there were insufficient funds in your accounts to cover the checks. Your actions were felony violations of the Code of the District of Columbia, Section 22-1510, to wit:

As described in the [IIO's] report, while an employee, you brought reproach upon the IBT through defrauding it by submitting to it personal checks when you knew there were insufficient funds in your account to cover the checks you gave the IBT to pay it for your debts owed it for illegal loans. These were crimes with the IBT as your victim.

Charge Five.

While an IBT employee, you brought reproach upon the IBT when you created a conflict of interest under the law and in violation of the IBT's Code of Conduct for its employees, and in violation of Articles II, Section 2 (a) and XIX, Sections 7 (b) (1), (2) and (5) of the IBT Constitution, to wit:

As described in the [IIO's] report, you received \$4,000 in your personal bank account from the executive of an organization that received donations from the IBT PAC, D.R.I.V.E. As part of your duties, you were involved in having donations from D.R.I.V.E. made to this organization. You did not disclose your personal receipt of money from the done organization's executive to anyone at the IBT as required under its Code of Conduct and the law.

2. General President Hoffa subsequently adopted these recommended charges.
3. I make this Affidavit and Agreement (the "Agreement") to resolve the IIO recommended charges described in paragraph 1. This Agreement does not constitute an admission or denial of the wrongdoing alleged in these charges.
4. I represent and agree to the following:
 - (a) I have been an employee of the IBT since May of 2008. Shortly after being hired, I became a member of Local 175. From 2009 until 2014, I held the position of Federal Political and Field Director. In December of 2014, I was promoted to the position of Political Director. I resigned my employment with the IBT effective September 16, 2016. On or about that date, I also resigned my membership in Local 175.
 - (b) Other than the foregoing, I have held no other elected or appointed positions or offices of any kind with the IBT, Local 175 or any of their affiliated entities, including any other locals, superior bodies, inferior bodies, conferences, councils, committees, divisions, pension, health, welfare or severance plans or other such entities ("IBT entities").

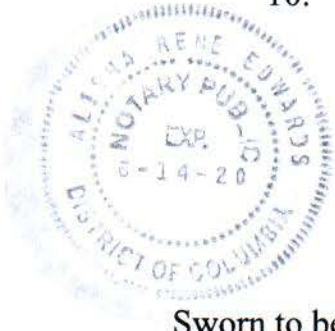
5. I hereby agree that from the effective date of this Agreement (which is the date on which the Agreement is approved by the Independent Review Officer) and for a period of three years thereafter or until I pay the restitution set forth below, whichever occurs later, I shall be ineligible for membership in Local 175 or any other affiliate of the IBT. I further agree not to seek, accept or hold any employment, office, position or consulting or similar relationship, whether paid or unpaid, with the IBT or any other IBT entity for a period of five years from the effective date of this Agreement or until I pay the restitution set forth below, whichever occurs later.
6. From the effective date of this Agreement and for a period of five years thereafter, neither the IBT nor any other IBT entities shall pay me, nor shall I accept, any salary, gratuities, gifts, payments, allowances, fees, benefit payments or contributions or any other compensation of any kind, except that I may receive any compensation or benefits which have accrued to me prior to the effective date of this Agreement, including any vested or accrued pension, vacation or other benefits under any existing benefit plans or programs maintained or sponsored by the IBT. In addition, I may receive payment for any salary or expenses I incurred in connection

with my work on behalf of the IBT prior to the effective date of my resignation on September 16, 2016 in accordance with existing policies and procedures of the IBT. I understand that the Independent Investigations Officer will be provided notice of any such claim for reimbursement of expenses and all supporting documentation before an IBT payment to me can be completed.

7. For a period of five years from the effective date of this Agreement, the IBT and other IBT entities shall not make, nor shall I accept, any contributions on my behalf to any pension, health and welfare, severance or other health benefit fund, except as required by any vested benefits to which I am entitled under any existing benefit plans or programs maintained or sponsored by the IBT.
8. I further agree that within ten (10) days after the effective date of this Agreement I shall pay to the IBT restitution in the amount of \$11,495.43. I understand that the IBT will provide proof of the restitution payment to the Independent Review Officer (“IRO”).
9. I understand and agree that this Agreement will be submitted to the Independent Review Officer (“IRO”) for his or her review and approval. I understand that no representations have been made as to whether this Agreement will be approved by the IRO. If this

Agreement is not approved by the IRO, this Agreement will be null and void.

10. I make this Agreement freely and under no duress or coercion of any kind.



Nicole Brener-Schmitz

Sworn to before me this

31 day of January 2016

ALISHA RENE EDWARDS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 14, 2020

Notary Public

The UPS Store (1360 25th St)
1320 1st NW STE 100
WASHINGTON, DC 20005

Witnessed

AGREED:

For International Brotherhood of Teamsters

Dated: 2/2/17

APPROVED:

For the Independent Review Officer

Dated: February 8, 2017