

## MEMORANDUM

**TO:** IBT General President and members of the General Executive Board

**FROM:** Robert D. Luskin, Independent Investigations Officer

**RE:** Recommended charges and specifications against Phil Cooper and Darlene Bradley of Local Union 896

**DATE:** June 24, 2024

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### RECOMMENDED CHARGES

Under authority granted by Paragraphs 30, 31, and 32 of the Final Agreement and Order<sup>1</sup> in *United States v. International Brotherhood of Teamsters*, 88 Civ. 4486 (S.D.N.Y.), the Independent Investigations Officer recommends the following charges and specifications against PHIL COOPER and DARLENE BRADLEY of Local Union 896:

**FIRST CHARGE – LACK OF INTERNAL ACCOUNTING CONTROLS – PHIL COOPER:** That COOPER, as Secretary-Treasurer of Local Union 896, failed to enforce internal accounting controls over the treasury of the local union by permitting and condoning the local union bookkeeper to disburse funds of the local union by electronic funds transfers without obtaining the signatures or other written authorization of persons authorized by local union bylaws to approve such disbursements, thereby violating his obligations under the IBT constitution and local union bylaws and bringing reproach upon the union;

**SECOND CHARGE – LACK OF INTERNAL ACCOUNTING CONTROLS – DARLENE BRADLEY:** That BRADLEY, as bookkeeper responsible for preparing disbursements of local union funds for payment, disbursed funds of the local union by electronic funds transfers without obtaining the signatures or other written authorization of persons authorized by local union bylaws to approve such disbursements, thereby bringing reproach upon the union;

**THIRD CHARGE – UNAUTHORIZED DISBURSEMENTS – PHIL COOPER:** That COOPER, as Secretary-Treasurer of Local Union 896, failed to enforce necessary internal safeguards to prevent payments of local union funds that were not authorized by the local union's executive board and/or membership – specifically, Metrolink allowances to BRADLEY that exceeded

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<sup>1</sup> Exh. 1, Final Agreement and Order, Dckt. 4409-1 (1/14/2015), in *U.S. v. International Brotherhood of Teamsters*, 88 Civ. 4486.

**the amount authorized by the local union executive board – thereby violating his obligations under the IBT constitution and local union bylaws and bringing reproach upon the union;**

**FOURTH CHARGE – UNAUTHORIZED DISBURSEMENTS – DARLENE BRADLEY: That BRADLEY, as bookkeeper responsible for preparing disbursements of local union funds for payment, disbursed funds of the local union by electronic funds transfers to her own use and personal benefit that had not been authorized by the local union’s executive board and/or membership – specifically, Metrolink allowances that exceeded the amount authorized by the local union executive board – thereby violating her obligations under the IBT constitution and local union bylaws and bringing reproach upon the union;**

**FIFTH CHARGE – FAILURE TO COOPERATE WITH THE IIO – DARLENE BRADLEY: That BRADLEY failed to cooperate with the IIO by falsely stating that the executive board of Local Union 896 authorized her to receive \$200 per month as a Metrolink allowance when it had authorized only \$25 per week (implemented as \$100 per month), thereby violating her obligations under the IBT constitution and the Final Order to cooperate with the IIO and bringing reproach upon the union.**

### **JURISDICTION**

Under Paragraph 32 of the Final Order, the IIO designates this matter “as an original jurisdiction case for the General President to review.” Upon receipt, the General President “shall promptly take whatever action is appropriate in the circumstances and shall, within ninety (90) days of the referral, make written findings setting forth the specific action taken and the reasons for that action.”<sup>2</sup>

### **INVESTIGATORY FINDINGS**

The Independent Investigative Officer finds that Local Union 896 Secretary-Treasurer PHIL COOPER failed over an extended period to enforce internal accounting controls over local union disbursements made by electronic fund transfers (EFTs) by permitting bookkeeper

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<sup>2</sup> Exh. 1, Final Agreement and Order.

DARLENE BRADLEY to make EFTs without the express written approval of the local union's check signers and without any oversight whatsoever, with the result that BRADLEY, among other things, made EFTs to herself in amounts she was not authorized to receive. These and further allegations are detailed below.

**A. Financial procedures and internal accounting controls applicable to local unions.**

1. The IBT constitution requires that "Local Union Secretary-Treasurers shall maintain a bookkeeping system as prescribed by the General Secretary-Treasurer and approved by the General Executive Board, unless the General Secretary-Treasurer has approved a deviation from the prescribed bookkeeping system."<sup>3</sup> The IBT's Manual for Secretary-Treasurers (Manual) dictates that local unions "operate within an environment where a system of internal accounting controls exist," requiring "at all times strict compliance with those internal accounting controls."<sup>4</sup>

2. The Manual establishes the framework for internal accounting controls by requiring that each disbursement be "[p]roperly authorized through Bylaw action," be "[s]upported by an itemized invoice, receipt, or statement detailing the items ordered or the services provided or to be provided," and be "[s]ubstantiated through an indication that the invoiced item was received or that the services were provided."<sup>5</sup>

3. The Manual further requires each local union to "[i]mplement procedures that require that all disbursements ... are processed by check" and that "all disbursements are reviewed by the applicable check signers or their designees."<sup>6</sup> More specifically, the IBT constitution mandates that "[w]hen disbursements of subordinate bodies are made by check, the check shall bear the

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<sup>3</sup> Exh. 2, IBT constitution, Article XXIII, Section 4.

<sup>4</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), p. iv.

<sup>5</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), Section 2, p. 73.

<sup>6</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), p. 1.

signature of at least two (2) elected officers in the manner provided by the Bylaws of the subordinate body.”<sup>7</sup>

4. The Manual’s preference for using paper checks to pay local union disbursements provides safeguards against fraud and misappropriation. Each check identifies by name the person or entity to whom the disbursement is made and specifies the date and amount of the disbursement. The two officers who sign the check rely on those elements to determine whether to authorize the disbursement with their signatures. The trustees who review local union disbursements after they have been transacted rely on the front and back of the negotiated check included with the local union’s bank statement to verify the identity of the payee, the amount and date of the transaction, and that it was authorized by the appropriate local union officials.

5. Despite its preference for paper checks, the Manual permits a local union to pay operational expenses by electronic means other than check so long as the affiliate 1) “has the same supporting documentation as if the payment had been made by check,”<sup>8</sup> and 2) uses procedures and controls that “require the same approval authorization process as disbursements made by check.”<sup>9</sup>

6. Electronic disbursements, also termed “EFT” (Electronic Funds Transfers) transactions, expose the local union to risks of fraud and misappropriation that paper checks do not. Unlike a disbursement paid by check, which identifies the payee and provides proof that the appropriate local union officials authorized the transaction, the bank statement often does not identify the payee receiving the EFT transaction by name and never provides proof that it was properly authorized by the local union’s designated check signers. The EFT is documented in the local union’s bank statement in the “Other Debits” category, arranged by date and amount of transaction,

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<sup>7</sup> Exh. 4, IBT constitution, Article X, Section 9.

<sup>8</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), Section 7.14, p. 142.

<sup>9</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), p. 2.

with bank-generated “ID” number and “Trace Number” that appear nowhere in the local union’s financial records.

7. Local union trustees are required to perform monthly reviews of all local union disbursements. For check transactions, the Manual requires that trustees “[r]eview the returned checks and make sure that the endorsement is that of the payee as entered on the front of the check.”<sup>10</sup> For EFT transactions, no equivalent to a cancelled check exists, and local union trustees cannot identify the payee or otherwise determine whether the transaction was authorized.

**B. Financial procedures utilized by Local Union 896.**

8. PHIL COOPER is secretary-treasurer of Local Union 896 and has been since 2013.<sup>11</sup> The bylaws of Local Union 896 mandate that COOPER, as secretary-treasurer, “perform all the duties imposed upon Local Union Secretary-Treasurers by the International Constitution and these By-Laws.”<sup>12</sup> The bylaws emphasize that the secretary-treasurer’s authority to disburse funds is narrowly limited to “bills, obligations and indebtedness of the Local Union which have been properly incurred.”<sup>13</sup> The bylaws further provide that the secretary-treasurer periodically report the local union’s financial standing to the membership, and that he “keep itemized records showing the source of all monies received and spent, and he shall keep records, vouchers, work sheets, books and accounts and all resolutions to verify such report.”<sup>14</sup>

9. Local Union 896’s bylaws place financial accountability on the secretary-treasurer but permit him to “employ help when necessary to perform such duties as may be required in the administration of the duties of his offices.”<sup>15</sup> COOPER authorized the hiring of DARLENE

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<sup>10</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), Section 4.3.1, subsection D.5., p. 103.

<sup>11</sup> Exh. 5, Sworn Examination of Phil Cooper, p. 9.

<sup>12</sup> Exh. 6, Local Union 896 bylaws, Section 8(a), in relevant part.

<sup>13</sup> Exh. 6, Local Union 896 bylaws, Section 8(h).

<sup>14</sup> Exh. 6, Local Union 896 bylaws, Section 8(a), in relevant part.

<sup>15</sup> Exh. 6, Local Union 896 bylaws, Section 8(i).

BRADLEY as local union bookkeeper in July 2014.<sup>16</sup> She became local union recording secretary and a member of the executive board effective May 2019 and has retained her bookkeeping responsibilities throughout.<sup>17</sup>

10. All officers and representatives of Local Union 896, including COOPER and BRADLEY, “occupy positions of trust in relation to the Local Union and its members as a group and are, therefore, accountable to the membership with respect to the performance of their duties in handling funds and property of the Local Union.”<sup>18</sup>

11. The bylaws dictate that local union “checks must bear the signature of any two (2) of the following: Local Union President, Local Union Secretary-Treasurer, or two (2) other elected officers as designated by the Local Union Executive Board.”<sup>19</sup> In addition to the president and secretary-treasurer, the executive board has designated only one additional officer, the vice president, to review disbursements and sign checks paying the disbursements.<sup>20</sup> These same officers are the only ones approved to review and authorize EFT disbursements. BRADLEY, as bookkeeper and recording secretary, has never been authorized to approve and disburse local union funds on her own authority.

12. BRADLEY created a form, titled “EFT Form,” for the purpose of documenting the information and authorizations associated with an EFT transaction that correspond with what would appear on the face of a paper check. Thus, the EFT form identified the payee by name and local union title (if any), specified the amount of the transaction, and provided a space for the secretary-treasurer to indicate his approval of the transaction. In addition, the form provided

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<sup>16</sup> Exh. 7, Local Union 896 executive board minutes, 7/28/2014, p. 1.

<sup>17</sup> Exh. 8, Local Union 896 executive board minutes, 5/31/2019, p. 3 (“Recording Secretary Rachel Gomez has announced her retirement. Darlene Bradley will be Acting Recording Secretary for the term.”)

<sup>18</sup> Exh. 6, Local Union 896 bylaws, Section 14(e).

<sup>19</sup> Exh. 6, Local Union 896 bylaws, Section 8(h).

<sup>20</sup> Exh. 9, Sworn examination of DARLENE BRADLEY, p. 16 (“Q Who is authorized to sign checks? A Currently, the secretary-treasurer/principal officer, the president, and the vice president.”)

spaces for identifying the reason for the transaction and indicating whether receipts or other documentation were attached to the form.

**C. EFT disbursements BRADLEY made that were not approved by any authorized official of Local Union 896**

13. For the years 2017 through 2023, the period examined by the IIO's investigation, Local Union 896 paid salaries to its officers and staff and the payroll taxes, fringe benefits, and associated retirement fund contributions on a biweekly basis exclusively by EFT. Under the IBT constitution and local union bylaws, COOPER was required to insure that all such EFT transactions followed the same authorization process as transactions paid by check. At a minimum, the authorization process for EFT transactions required that officers designated by the bylaws or executive board action review and acknowledge in writing that each electronic transaction was authorized. In no case during the six-year period examined during the IIO's investigation did the signatures or initials of the president, secretary-treasurer, or vice president appear on any payroll records, whether on the documentation of EFT transactions of net pay to officers or employees of the local union, or on the documentation of the tax remittances to federal or state taxing authorities or funds remittances associated with payroll. Instead, such expenditures were initiated and transacted by BRADLEY without written permission or review by any single authorized signer – let alone the two signers the bylaws required. During this six-year period, BRADLEY processed more than 150 bi-weekly payrolls, exceeding \$1.5 million, including net pay to officers and employees, remittances of payroll taxes, fringe benefits, and retirement contributions – and all were done by BRADLEY alone without signatures or initials of the local union's designated check signers. The number of EFTs associated with payroll during this span exceeded 600.<sup>21</sup>

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<sup>21</sup> Exh 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶4.

14. In addition to EFT expenditures related to payroll, BRADLEY routinely initiated and completed EFT transactions that were said to constitute reimbursement of various expenses incurred by local union officials and employees. As with payroll EFT transactions, these *ad hoc* payments were not reviewed or authorized in writing by the officers designated to approve transactions. Rather, they were transacted by BRADLEY without review or written authorization. Examples of BRADLEY's actions in disbursing union funds by EFT fall into two categories – those where the EFT form bore only her initials,<sup>22</sup> and those where no initials at all appeared on the form.<sup>23</sup>

15. That BRADLEY was able to make these transactions on her own was solely because she possessed log-in and password credentials to access the local union's general fund bank account, not because the duly authorized officers of the local union had properly authorized the transactions. The number of EFTs unrelated to payroll that BRADLEY processed on her own, without sign-off by check signers, exceeded 700 transactions in the period 2017 through 2023.<sup>24</sup>

16. The EFT form BRADLEY created to collect the “the same supporting documentation as if the payment had been made by check”<sup>25</sup> was inadequate because it did not provide space for *two* authorized signers to approve the transaction. Moreover, the space the form provided for the Secretary-Treasurer's written approval – either his signature or his initials – was uniformly left blank on each of the EFT transactions BRADLEY processed during the period 2017 through 2023 – except when BRADLEY used a rubber stamp bearing a facsimile of COOPER's signature to

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<sup>22</sup> Exh.11a, Examples of EFTs made without authorization, initialed by BRADLEY.

<sup>23</sup> Exh.11b, Examples of EFTs made without authorization, initialed by no one.

<sup>24</sup> Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶5.

<sup>25</sup> Exh. 3, Manual for Secretary-Treasurers (2012 edition), Section 7.14, p. 142.



“authorize” the transaction.<sup>26</sup> BRADLEY’s use of COOPER’s rubber stamp was an impermissible substitute for COOPER’s actual review and approval of the subject transaction; it also did not address the requirement that the transaction be approved by *two* authorized check signers. At sworn examination, COOPER downplayed the use of the rubber stamp: “I’m in the office quite a bit. There’s no really need to have a rubber stamp for my signature. I drive about 200 miles a day, but I’m here a lot. But occasionally, it has come in handy on certain documents. I told you I wear three hats. I’m also married and have grandkids. So there’s more hats.”<sup>27</sup>

17. BRADLEY began using a modified version of the EFT form in 2018. The sole modification of the form was to *eliminate* the space for the Secretary-Treasurer’s approval of the transaction.<sup>28</sup> Rather than changing the form to require the approvals of *two* designated check signers – and then obtaining those approvals – BRADLEY changed the form to require *no* approvals, and then she continued her practice of disbursing union funds by EFT solely at her own discretion.

18. Although the EFT form, both before and after BRADLEY altered it, included spaces for the trustees serving on the local union’s executive board to sign or initial that the transaction was authorized by the executive board and approved by the local union’s designated check signers, no trustee signatures or initials appeared on the forms – ever – to establish that trustees saw them and that they had performed their trustee function of verifying the appropriateness of the transactions.<sup>29</sup>

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<sup>26</sup> Examples of EFT forms BRADLEY prepared that bear the rubber-stamp signature of COOPER appear in Exh. 17, EFT forms for 2015 Metrolink allowances, pp. 6-9 and 12-13; and Exh. 18, EFT forms for 2016 Metrolink allowances, pp. 2-13, 16-17, and 20-21.

<sup>27</sup> Exh. 5, Sworn examination of Phil Cooper, p. 73.

<sup>28</sup> Compare Exh. 12a, Examples of EFT forms with space for secretary-treasurer’s approval, with Exh. 12b, Examples of EFT forms without space for secretary-treasurer’s approval.

<sup>29</sup> Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶6.

One trustee highlighted at sworn examination the fact that the EFT form did not and could not verify that the recipient of the funds identified on the form had received the funds. Thus,

A. I'm hoping that [the disbursement] goes to the person's account. I'm hoping.

Q. So you're hoping. You don't have a way of independently verifying where that payment went?

A. It -- the thing is that it's a payment reimbursing the member. So I don't have access to their accounts. So I'm hoping that the account that's provided for that member, they're going to get their money. From that point, I hope they would speak up if they didn't.

Q. And is that the situation with most EFTs, that is to say, with EFT forms such as this, you wouldn't see any documentation --

A. I wouldn't see a full account number, but I would see that it did go to their account.<sup>30</sup>

The inability of the trustees to verify that the person named on BRADLEY's EFT form received the payment was due in part to the fact that local union bank statement did not, where the recipient was a person, identify him/her by name;<sup>31</sup> instead, it merely cited ID and Trace numbers that otherwise did not appear in local union records.<sup>32</sup>

#### **D. EFT transactions BRADLEY made for Metrolink allowances.**

19. In August 2014, the local union executive board authorized an employment benefit for BRADLEY and Marci Ibarra, another local union employee, of \$25 per week to reimburse them for commuting fares they incurred on the Metrolink, a regional transportation system.<sup>33</sup> This allowance was implemented as a monthly payment of \$100.<sup>34</sup> Beginning in June 2015, BRADLEY elected to make the payments to herself and Ibarra by EFT transaction rather than by

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<sup>30</sup> Exh. 13, Sworn examination of Alberto Hernandez, pp. 21-22.

<sup>31</sup> Exh. 21, Local Union 896 general fund bank statement excerpts, July 2017 through April 2018.

<sup>32</sup> *Id.*

<sup>33</sup> Exh. 14, Local Union 896 executive board minutes, August 18, 2014, p. 3 ("Secretary Treasurer Phil Cooper made a motion to provide a stipend of \$25.00 a week for Darlene Bradley & Marci Ibarra for taking mass transit. Second by Trustee David Prado motion passed unanimously.") The executive board took this action pursuant to Local Union 896's Employee Manual (Exh. 15), Section 5 (Employment Benefits), subsection 5.4 (Additional Benefits): "The Local may also provide the following benefits: Group Health Insurance, Pension Contributions, and Metrolink/Metrorail Commuter Benefits."

<sup>34</sup> Exh. 16, Local Union 896 "Bulletin" stating that "Darlene Bush [*sic*] and Marci Ibarra to receive \$100 each a month towards purchasing Metrolink monthly passes."

paper check.<sup>35</sup> None of the forms bore the signature or initials of two designated local union check signers; some included the rubber-stamp facsimile signature of COOPER.<sup>36</sup>

20. Although the local union had authority to extend the Metrolink allowance to other employees, no evidence exists that it granted the benefit to any employee other than BRADLEY and Ibarra, the persons identified by name in the executive board minutes<sup>37</sup> and the Bulletin.<sup>38</sup> Nonetheless, BRADLEY commenced paying the allowance to Aida Taboada by EFT transaction in January 2016, after Taboada began employment with the local union as an office clerical.<sup>39</sup> None of the EFT forms documenting the Metrolink disbursements to BRADLEY, Ibarra, or Taboada showed approval by any single designated check signer of the local union, let alone the two signers required by bylaws; most of the forms included COOPER's rubber-stamp facsimile signature.<sup>40</sup>

21. During the period commencing with an EFT payment made July 3, 2017 (for the month of July 2017) and continuing for eleven consecutive months through an EFT payment made April 30, 2018 (for the month of May 2018), BRADLEY remitted herself \$200 monthly, with the remittance to Taboada remaining at \$100 monthly.<sup>41</sup> The payments BRADLEY made to herself during this

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<sup>35</sup> Exh. 17, EFT forms documenting payment of the Metrolink allowance to BRADLEY and Ibarra for the period June through December 2015.

<sup>36</sup> *Id.* Pages 6-9 and 12-13 bear the rubber-stamp signature of COOPER.

<sup>37</sup> Exh. 14, Local Union 896 executive board minutes, 8/18/2014, p. 3.

<sup>38</sup> Exh. 16, Local Union 896 "Bulletin."

<sup>39</sup> Exh. 18, EFT forms documenting payment of the Metrolink allowance to BRADLEY, Ibarra, and Taboada for 2016. Payments to Ibarra ceased after April 2015. The monthly payment paid each recipient was \$100.

<sup>40</sup> *Id.*, pp. 2-13, 16-17, 20-21.

<sup>41</sup> *See* Exhs. 19 (EFT forms for 2017 Metrolink allowances) and 20 (EFT forms for 2018 Metrolink allowances). BRADLEY paid herself \$100 per month for the period January through June 2017. After June 2017, BRADLEY paid herself \$200 per month for the period July 2017 through May 2018. Taboada received \$100 per month throughout. The local union did not produce the EFT forms for the July 2017 allowances. However, the July 2017 local union general fund bank statement (Exh. 21, Local Union 896 general fund bank statements for the period July 2017 through April 2018, p. 4) shows an ACH withdrawal of \$300 on July 3, 2017, with BRADLEY receiving \$200 and Taboada \$100, and ACH withdrawals of \$300 corresponding to the remaining EFT Metrolink payments to BRADLEY and Taboada for the period. The remaining pages of Exh. 21 (pp. 5, 6, 8, 10-14, and 16) verify the EFT forms in Exhs. 19 and 20.

eleven-month period were exactly double the amount the local union executive board authorized in its August 2014 resolution.<sup>42</sup> No further executive board resolution raised the Metrolink allowance for BRADLEY, and no designated check signer of the local union signed off on the increase in allowance payments to her.<sup>43</sup> Rather, BRADLEY misappropriated the additional sum to herself simply because she decided to do so.

22. BRADLEY's first payment to herself of \$200 per month for the Metrolink allowance<sup>44</sup> came the same day – July 3, 2017 – as the effective date of a 50 cents per hour wage increase (totaling approximately \$87 per month) the local union executive board approved for Taboada.<sup>45</sup> The executive board did not grant any similar increase in compensation to BRADLEY at that time.<sup>46</sup> BRADLEY made the last payment to herself of \$200 per month for the Metrolink stipend for the month of May 2018.<sup>47</sup> In July 2018, two months later, the executive board voted BRADLEY a one-time bonus of \$2,500 “for her extraordinary work on the new office in Pasadena,”<sup>48</sup> apparently unaware she had been paying herself an extra \$100 per month in Metrolink allowance that permitted her to keep pace with the wage increase the executive board had granted Taboada. These facts demonstrate that BRADLEY intended to grant herself an unauthorized increase in compensation approximately equal with the authorized increase in compensation the executive board granted to Taboada, and that BRADLEY stopped the unauthorized increase at about the time the executive board granted her the bonus.

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<sup>42</sup> Exh. 7, Minutes of Local Union 896 executive board, 7/28/2014.

<sup>43</sup> Exh. 19 (EFT forms for 2017 Metrolink allowances), pp. 12, 14, 16, 18, 20, and 22, and Exh. 20 (EFT forms for 2018 Metrolink allowances), pp. 2, 4, 6, and 8.

<sup>44</sup> Exh. 21, Local Union 896 general fund bank statements for the period July 2017 through April 2018, p. 3.

<sup>45</sup> Exh. 22, Local Union Executive Board minutes, June 28, 2017, p. 3: “Aida Taboada increase to .50 an hour a motion was made, A discussion ensued regarding Secretary Treasurer Phil Cooper and second by Alberto Hernandez effective July 3rd 2017, motion passed.”

<sup>46</sup> *Id.*

<sup>47</sup> Exh. 20, EFT forms for 2018 Metrolink allowances, p. 8.

<sup>48</sup> Exh. 23, Local Union Executive Board minutes, July 30, 2018, p. 3.

23. BRADLEY never repaid the local union for the additional Metrolink stipend she paid herself over the 11-month span, which totaled \$1,100.00.<sup>49</sup>

24. At sworn examination, BRADLEY misrepresented the circumstances of the unauthorized increase. Even though the only executive board action concerning a Metrolink allowance authorized \$25 per week (equated to \$100 per month) for BRADLEY and Ibarra, BRADLEY asserted at sworn examination that she had been authorized \$200 per month while the other employee, whom she identified as Taboada, was authorized only \$100 per month. According to BRADLEY –

A ... I didn't feel it was right that the board allowed me \$200 and Aida \$100. So we made it even. I asked the board just to give us the same.

Q Did they initially offer you \$200 and Aida \$100?

A Yes.<sup>50</sup>

This explanation was false, as established by the August 2014 executive board resolution granting BRADLEY and Ibarra the Metrolink stipend in the same amount (\$25 per week,<sup>51</sup> implemented as \$100 per month<sup>52</sup>), followed by 35 consecutive months in which BRADLEY and first Ibarra and then Taboada were paid the same amount – \$100 per month,<sup>53</sup> followed by BRADLEY paying herself \$200 per month without executive board authorization while Taboada remained at \$100 per month.<sup>54</sup> Aside from BRADLEY's self-serving statement, no evidence exists that she asked the executive board to *lower* her Metrolink allowance from \$200 per month to \$100, for the reason that the executive board had never authorized payment to BRADLEY of an allowance *higher* than \$100, the same amount authorized for the other office clerical.

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<sup>49</sup> Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶13.

<sup>50</sup> Exh. 9, Sworn examination of Darlene Bradley, p. 49.

<sup>51</sup> Exh. 14, Local Union Executive Board minutes, August 18, 2014.

<sup>52</sup> Exh. 16, Local Union 896 "Bulletin."

<sup>53</sup> Exhs. 17, 18, and 19.

<sup>54</sup> Exhs. 19, 20, and 21.

25. BRADLEY was able to manipulate the amount of the Metrolink allowance she paid herself because she made the payment by EFT, and COOPER, with the fiduciary responsibility for safeguarding the local union's finances, abdicated his obligation to oversee disbursements of local union funds made through EFT transactions.

26. At sworn examination in April 2022, COOPER acknowledged that the local union should use a better procedure for securing approval of EFT transactions before they were made, including the printing of a substitute check and obtaining the required authorization of two of the local union's designated check signers.<sup>55</sup> He failed to acknowledge that he could improve the process by performing his obligation to review and approve each EFT transaction and, equally, to prohibit such transactions until two designated signers approved them.

27. IIO investigators returned to Local Union 896 in October 2023, eighteen months after COOPER's sworn examination, to determine whether the local union had implemented the procedure COOPER described. On that occasion, BRADLEY told our investigator that her new practice with EFT transactions was to create a substitute check in QuickBooks by using the check template but deleting the check number, print the substitute check on plain paper rather than a local union check, and obtain the signatures or initials of two of the local union's check signers on the substitute check.<sup>56</sup> An IIO investigator reviewed dozens of EFT transactions BRADLEY made after the date of COOPER's sworn examination and found only one<sup>57</sup> where check signers had signed or initialed the substitute check or any other documentation that would show they approved the transactions.<sup>58</sup> All others followed the process BRADLEY described – except for obtaining

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<sup>55</sup> Exh. 5, Sworn examination of Phil Cooper, p. 79.

<sup>56</sup> Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶¶9 & 10.

<sup>57</sup> Exh. 24, EFT issued to Javier Herrera, April 3, 2023; check signer initials highlighted in yellow on p. 3 of exhibit.

<sup>58</sup> Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶11.

the signatures or initials of the check signers.<sup>59</sup> When confronted with this evidence, BRADLEY acknowledged that she had made all EFT transactions but that one without obtaining proper authorization.<sup>60</sup>

28. With respect to EFT transactions, COOPER has utterly failed in his financial responsibility and fiduciary obligation to insure that disbursements of local union funds are done according to proper procedure. By permitting BRADLEY to make than a thousand EFT transactions without review – including misappropriation to herself of funds that were not authorized and that she took merely because she wanted them, COOPER has relinquished financial control over a key aspect of local union funds. As a result, COOPER has violated the IBT constitution, the local union bylaws, and the Secretary-Treasurers Manual, and has brought reproach upon the union.

29. Similarly, BRADLEY had a fiduciary responsibility to the local union to apply internal accounting standards to the financial duties she performed, both by enforcing the requirement that two designated check signers authorize in writing each EFT she generated and by refusing to make EFT transactions unless she first obtained that written authorization. That she did not – more than 1,500 times involving a sum exceeding \$1.5 million – violated the IBT constitution, the local union bylaws, and the Manual, and has brought reproach upon the union.

30. Breach of fiduciary responsibility to enforce internal accounting standards violates the IBT constitution, local union bylaws, and the Manual and is a basis for suspension from office. In *U.S. v. International Brotherhood of Teamsters*, 951 F.Supp. 1113 (S.D.N.Y. 1997) (Giacumbo), Judge Edelstein affirmed an IRB decision suspending a local union principal officer from membership

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<sup>59</sup> Exh. 25, Example of substitute check to document EFT disbursement, August 15, 2023; Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶11.

<sup>60</sup> Exh. 10, Declaration of IIO Senior Investigator Jerome Pugh, ¶12.

and from office for, among other offenses, issuing checks drawn on the local union bank account without the required two signatures. COOPER and BRADLEY are subject to such sanction.

31. Federal labor law, 29 U.S.C. 501(c), and the IBT constitution, Article XIX, Section 7(b)(3), prohibit embezzlement or conversion of union funds.<sup>61</sup> Embezzlement occurs where the union official acted with fraudulent intent to deprive the union of its funds. *U.S. v. Welch*, 728 F.2d 1113, 1118 (8<sup>th</sup> Cir. 1984). The court in *United States v. Stockton*, 788 F.2d 210, 217 (4<sup>th</sup> Cir. 1985), *cert. den.*, 479 U.S. 840 (1986), a prosecution for embezzlement under Section 501(c), explained the essence of this offense in the following terms:

It bears repeating that the conversion of property that lies at the core of embezzlement must be without the permission of the owner, and contrary to the wishes of the owner. In the context of Section 501(c), the owner of the property is the union itself – its collective membership – not individual union officials who are vested with power to dissipate union funds in the manner currently before the court ... The permission of the union is lacking if the appropriate or expenditure is outside the scope of the fiduciary trust placed in the defendant by the union as a whole and outside the scope of the powers of any union official on whose permission the defendant has sought to rely.

BRADLEY's intent to defraud is established by her payments to herself of an amount double what the local union executive board had authorized her to receive for the Metrolink allowance, under circumstances where her knowledge of the correct amount was established by her actions paying herself the correct monthly amount for nearly three years. Suspension or removal from office, employment, and membership, and restitution of the embezzled funds are warranted for embezzlement.

32. Giving intentionally misleading testimony during an IIO sworn examination violates §14(i) of the IBT Constitution, for which suspension from office, employment, and membership is warranted. *In Re: Mireles & Roa* Decision (October 17, 2000 IRB Decision at 38-39), *aff'd*, *United States v. IBT*, 166 LRRM 2890 (S.D.N.Y. February 21, 2001); *In Re: Terrence Freeman*, (January

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<sup>61</sup> Exh. 26, IBT constitution, Article XIX, Section 7(b)(3).



31, 2000 IRB Decision) *aff'd*, United States v. IBT, 164 LRRM 2813 (S.D.N.Y. June 14, 2000). Giving false testimony constitutes a failure to cooperate with the IIO. “Cooperation by all IBT members with the IRB is essential if the Consent Decree is to serve its intended purpose.” *Michael Bane* (July 17, 2001). Penalties for failure to cooperate range from two years’ suspension from membership to as high as associational ban. *Frank Gillen* (August 3, 2007). BRADLEY’s false statement was made to cover up her embezzlement. As such it was egregious and warrants a severe disciplinary sanction.

**The foregoing charges and findings are submitted to the General President in accordance with the Final Order for action that is appropriate under the Final Order and the IBT constitution.**

Respectfully submitted,

ROBERT D. LUSKIN  
*Independent Investigations Officer*



By:

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Jeffrey Ellison, *Senior Counsel*