

February 15, 1996

VIA UPS OVERNIGHT

Rebecca Hanscom  
7310 Indian Boundary  
Gary, IN 46403

Steve Weinert, Secretary-Treasurer  
Teamsters Local Union 738  
300 S. Ashland Avenue, Room 308  
Chicago, IL 60607

Peter Karahalios  
1921 South Birch  
Desplains, IN 60018

Re: Election Office Case No. E-082-LU738-EOH

Gentlepersons:

In response to a pre-nomination request by Peter Karahalios that his eligibility be verified, the Election Officer found Mr. Karahalios eligible to run for delegate or alternate delegate to the International convention on January 29, 1996. Mr. Karahalios was nominated to run for alternate delegate at Local Union 738's nominations meeting on January 30, 1996. By letter received by the Election Officer on February 2, 1996, Rebecca Hanscom protests Mr. Karahalios' eligibility. Ms. Hanscom alleges that Mr. Karahalios failed to pay his dues in a timely manner for 24 consecutive months prior to his nomination as required by the *Rules for the IBT 1995-1996 International Union Delegate and Officer Election* ("*Rules*").

Article VII, Section 1(a) of the *Rules* provides:

To be eligible to run for any Convention delegate, alternate delegate or International Officer position, one must:

- (1) Be a member in continuous good standing of the Local Union, with one's dues paid to the Local Union for a period of twenty-four (24) consecutive months prior to the month of nomination for said position with no interruptions in active membership due to suspensions, expulsions, withdrawals, transfers or failure to pay fines or assessments;
- (2) Be employed at the craft within the jurisdiction of the Local Union for a period of twenty-four (24) consecutive months prior to the month of nomination; and
- (3) Be eligible to hold office if elected.

According to Mr. Karahalios' TITAN record, his August and October 1994 dues were paid late in cash. The investigation revealed that Mr. Karahalios is employed by Brach and Brock Confections ("Brach"). Brach's collective bargaining agreement with Local Union 738 expired in August 1994. On August 2, 1994, the employer sent a letter to the local union in which it stated that as of that date it would no longer deduct union dues from employee wages. The employer also posted this letter at its work place. As a result of Brach's action, Mr. Karahalios, who was on dues checkoff, did not have dues checked off for August 1994. Mr. Karahalios had authorized his employer to check off his dues, and his employer did, in fact, deduct these dues regularly prior to August 1994.

On August 3, 1994, the local union distributed and posted on bulletin boards at the work place a publication entitled *Candy Rapper*, a union-financed newsletter specifically for members of Local Union 738 employed at Brach. In that edition of the newsletter, the local union advised its Brach members that the company would no longer remit dues to the union and that the union would "set up a procedure in the next few days that will allow out members to pay their dues and maintain their membership."

On September 8, 1994 the local union sent arrearage notices to members whose August 1994 dues had not been paid. Mr. Karahalios received such a notice, and promptly paid his August and September dues by September 12, 1994.

In an edition of *Candy Rapper* dated August 11, 1994, which was also posted and distributed

to Brach members, the Local Union published the following notice:

### UNION DUES

Union members can pay their dues and keep their membership in good standing by either mailing their dues into the Union office, or by dropping the dues by the Union office.

1. Pay can be made by money order or check.
2. Make sure your social security number is on the check or money order.
3. If you are unsure of the amount you owe and have any questions, call the Union office (312/829-4669).
4. Make the check/money orders out to IBT Local 738.

Our address is:

220 S. Ashland, Chicago 60607

You will be issued a receipt by mail.

In addition to the cash-dues obligation published in *Candy Rapper*, the local union asserts that its representatives were present at Brach's every day during the period of the dispute to collect dues from the members.

Brach did not resume checking off employee dues until January 1995. Mr. Karahalios made no cash payment in October. Again, the local union sent a delinquency notice, this time in early November. Mr. Karahalios then paid his October and November dues in cash by November 15, 1994.

The Election Officer finds that while Mr. Karahalios may not have had knowledge that his August dues would not be checked off by his employer by October 1994, he certainly had received ample notice through the September 8, 1994 delinquency letter and the other postings and distributions made by the union by October 1994.

In the circumstances of this case, the Election Officer finds that by failing to make a timely cash-dues payment for October 1994, Mr. Karahalios has not maintained 24 months' continuous good standing prior to his nomination. Accordingly, it is the determination of the Election Officer that Mr. Karahalios is ineligible to run for delegate or alternate delegate to the International convention.

Any interested party not satisfied with this determination may request a hearing before the Election Appeals Master within one day of receipt of this letter. The parties are reminded that, absent extraordinary circumstances, no party may rely upon evidence that was not presented to the

Rebecca Hanscom  
February 15, 1996  
Page 4

Office of the Election Officer in any such appeal. Requests for a hearing shall be made in writing and shall be served on:

Kenneth Conboy, Esq.  
Latham and Watkins  
885 Third Avenue, Suite 1000  
New York, NY 10022  
Fax (212) 751-4864

Copies of the request for hearing must be served on the parties listed above as well as upon the Election Officer, 400 North Capitol Street, Suite 855, Washington, D.C. 20001, Facsimile (202) 624-3525. A copy of the protest must accompany the request for a hearing.

Sincerely,

Barbara Zack Quindel  
Election Officer

cc: Kenneth Conboy, Election Appeals Master  
Julie Hamos, Regional Coordinator