

October 27, 1998

**VIA FIRST CLASS MAIL**

George Saavedra  
845 Thetford Place  
Fairfield, CA 94533

James P. Hoffa  
2593 Hounds Chase  
Troy, MI 48098

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Keller, Thoma, Schwarze,  
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440 E. Congress, 5<sup>th</sup> Floor  
Detroit, MI 48226

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32300 Northwestern Highway  
Suite 200  
Farmington Hills, MI 48334

**Re: Election Office Case No. PR-218-JHC-NCE**

Gentlemen:

George Saavedra, a member of Local Union 490, filed a pre-election protest pursuant to Article XIV, Section 2(b) of the ***Rules for the 1995-1996 IBT International Union Delegate and Officer Election*** (“***Rules***”) against James P. Hoffa, a candidate for general president, and Attorney Stewart Katz. The protester alleged that Mr. Hoffa accepted an improper contribution from Mr. Katz. The Hoffa Campaign and Mr. Katz deny the allegation.

This protest was investigated by Regional Coordinator Judith E. Kuhn.

Mr. Katz is an attorney for Copper & Brass Company in Wilmington, Delaware. Local Union 504 represents the employees at Copper & Brass Company and is currently negotiating a collective bargaining agreement.

The protester alleges that during the course of negotiations, Mr. Katz advised the union’s bargaining team that Mr. Hoffa is a personal friend of his, that he had given Mr. Hoffa “the maximum” contribution, and that when Mr. Hoffa becomes general president, he will tell the local union to agree to the employer’s offer. The protester contends that regardless whether an actual contribution was made, the statement made in negotiations is sufficient to constitute a violation. The protester did not participate in the negotiations.

Dave Robbins, secretary-treasurer of Local Union 504, and Bill Donovan, a member of Local Union 504 did participate in the negotiations. Mr. Robbins states that during the negotiations, Mr. Katz proposed strong management rights language and said he had negotiated that language with Mr. Hoffa for the Brighton Hospital in Michigan. At the July 15, 1998, negotiating session, according to Mr. Robbins, Mr. Katz referred to Mr. Hoffa on a first-name basis and spoke about him as the next IBT president. Mr. Robbins states that in the July 28<sup>th</sup> negotiations, Mr. Robbins told Mr. Katz, "If Jimmy is elected, he'll put the screws to you," to which Mr. Katz allegedly responded, "Oh no. He'll tell you to cave. I gave him money. I made a contribution; whatever the maximum is \$100 to \$200. I gave him the max."

Mr. Donovan only corroborates that Mr. Katz said he was a friend of Mr. Hoffa and told the investigator that he was sure that Mr. Katz did not say anything about making a contribution to Mr. Hoffa.

The **Rules** strictly prohibit campaign contributions from employers. See Article XII, Section 1(b)(1). The ban on contributions from employers does not apply to a candidate's or slate's segregated legal and accounting fund. Disinterested employers therefore may make contributions to the legal and accounting fund. See **Rules**, Article XII, Section 1(b)(2). A disinterested employer is one that is not a party, or member of an association which is which is a party to a collective bargaining agreement with the IBT, and which is not, or since January 1, 1992, has not been, the subject of an organizing campaign by the Union. See *Advisory on Campaign Contributions and Disclosure* (Revised November 1997) at 17, n. 7.

Both the Hoffa Campaign and Mr. Katz deny any contribution. The Election Office has reviewed the Campaign Contribution and Expenditure Reports filed by the Hoffa Campaign and Mr. Hoffa and has not found any contribution to Mr. Hoffa's campaign or his legal and accounting fund from Mr. Katz and any other person associated with his law firm. A recent Election Office audit of the Hoffa Campaign did not reveal any contribution by Mr. Katz or any member of his law firm. As there is no evidence of an actual contribution, the Election Officer will not address whether a contribution by Mr. Katz to the legal and accounting fund would be improper.

As to the contention that Mr. Katz's statement, even if inaccurate, constitutes an improper endorsement, the Election Officer notes that Mr. Katz denies making the remark. Moreover, the Election Officer would not find bargaining table banter, without more, to represent a prohibited employer endorsement.

Accordingly, this protest is DENIED.

Any interested party not satisfied with this determination may request a hearing before the Election Appeals Master within one (1) day of receipt of this letter. The parties are reminded that, absent extraordinary circumstances, no party may rely upon evidence that was not

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presented to the 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 & 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, 444 North Capitol Street, NW, Suite 445, Washington, DC 20001, Facsimile (202) 624-3525. A copy of the protest must accompany the request for a hearing.

Sincerely,

Michael G. Cherkasky  
Election Officer

cc: Kenneth Conboy, Election Appeals Master  
Judith E. Kuhn, Regional Coordinator