

January 8, 1999

VIA FIRST-CLASS MAIL

Garnet Zimmerman, President
Teamsters Local Union 31
1 Grosvenor Square
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CANADA

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Louis Lacroix Team Canada Slate
c/o Ron Douglas
Teamsters Canada
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Louis Lacroix, President
Teamsters Canada
2540 Daniel-Johnson Boulevard, Suite 804
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John Lam
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Lucia Slack
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Hoffa Slate
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1150 Connecticut Avenue, NW, Suite 500
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Wendy Tupling Guest
Human Resources Manager, BC Region
Purolator Courier
3700 Jericho Road
Richmond, BC V7B 1M5
CANADA

James P. Hoffa
2593 Hounds Chase
Troy, MI 48098

Re: Election Office Case No. PR-407-LLS-EOH

Gentlepersons:

Garnet Zimmerman, president of Local Union 31 and a candidate for vice-president on the Hoffa Unity Slate, 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 the Louis Lacroix Team Canada Slate ("Lacroix Slate"), and John Lam and Lucia Slack, members of Local Union 31. Mr. Zimmerman alleges that the Lacroix Slate utilized Mr. Lam's employee discount offered to him by his employer, Purolator Courier ("Purolator"), to send campaign literature at a cheaper rate than that available to general customers, in violation of the

Rules. In addition, Mr. Zimmerman alleges that a review of the Lacroix Slate's Campaign Contribution Expenditure Report ("CCER") does not list any donations from or payments to Mr. Lam at any rate.

The Lacroix Slate admits utilizing Mr. Lam's employee discount to mail campaign literature but denies that any violation of the **Rules** has occurred. Furthermore, Ron Douglas, a representative of the Lacroix Slate, states that at the time Mr. Zimmerman filed his protest, the Lacroix Slate had not yet submitted records of any payments made to Mr. Lam to reimburse him for his mailing of the campaign literature.

The protest was investigated by Election Office Staff Attorney Peter F. Gimbrère.

Mr. Zimmerman provided evidence to the Election Office which showed that Mr. Lam had utilized his Purolator employee discount of 75% off the cost of a regular mailing to send a number of packages on behalf of the Lacroix Slate. Mr. Douglas stated that the Lacroix Slate had reimbursed Mr. Lam for approximately \$80.00 worth of mailing costs. He added that the employee discount was available to any candidate who could convince an employee of Purolator to utilize the discount on his behalf. Finally, he explained that the reimbursement to Mr. Lam had not yet been submitted to the individual in charge of preparing the CCERs.

Section I(B)(2) of the *Advisory on Campaign Contributions and Disclosure* (revised November 1997) states as follows:

A discount provided to an employee (whether an IBT member or not) by an employer on its products/services which are subsequently given by the employee to a candidate or campaign committee is not an improper campaign contribution (from either the donor-employee or the employer) to the candidate.

Under the **Rules**, discounts do not constitute campaign contributions if they are "commercially established" and are "available to the customers of the supplier." *See Rules*, Definitions at ¶5(c). This first requirement is met if the practice of employers providing employee discounts on goods/services is a common or accepted practice of the employer or within the relevant industry (for example, airlines provide significant discounts on the cost of its flights to employees; entertainment parks/centers, such as Disney World, provide significant discounts or free passes to employees; certain breweries provide discounts on beer to their employees). The second requirement is met if such a discount is offered to *all* employees. The same type or terms of the discount must be available to all similarly situated employees of the employer. (Emphasis in the original)

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In the instant protest, an investigation by the Election Office determined that employee discounts are offered to all Purolator employees nationwide. According to Wendy Tupling Guest, Human Resources Manager for Purolator Courier in the BC Region of Canada, the 75% discount utilized by Mr. Lam is the same rate that is available to all other employees. With respect to the failure of the Lacroix Slate to include the reimbursement to Mr. Lam on the CCER, the only expenditures required to be itemized on the CCER are those in excess of \$100. As the Lacroix Slate reimbursed Mr. Lam for less than that amount, there is no need for that reimbursement to be listed on the CCER.

Accordingly, the 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 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