

SEP 28 3 47 PM '99

**PHILIP L. STIMAC  
ATTORNEY AT LAW  
777 FIRST STREET # 193  
GILROY, CA 95020**

MUA 4930

September 18, 1999

Mr. Lawrence Noble  
Office of General Counsel  
Federal Elections Commission  
999 E Street NW  
Washington, DC 20463

**RE: Complaint For Federal Election Campaign  
Violations [ 2 USCS 437 ( g ) ]**

Dear Mr. Nobel:

In response to your letter dated September 10, 1999, please find my complaint for federal election campaign violations based on the following:

**1) Name of person making complaint:**

Philip L. Stimac  
777 First Street # 193  
Gilroy, CA 95020

**2) Persons committing violation:**

Clinton - Gore  
1133 Connecticut Avenue NW  
Washington, DC 20001  
202 331 4336

American Federation of Teachers  
555 New Jersey  
Washington, DC, 20001  
202 879 4400

Janet Reno  
Main Justice Bldg.  
Constitution Ave, bt. 9th & 10th  
Washington, DC 20202  
202 514 2000

International Brotherhood of Teamsters  
25 Louisiana Avenue  
Washington, DC 20001  
202 624 6800

Stuart Weinberg  
180 Grand Avenue  
Suite 1400  
Oakland, CA 94612  
510 839 6600

Bill Clinton  
1600 Pennsylvania Ave  
Washington, DC 20202  
202 456 1414

Alan Bersin  
US Attorney  
Federal Building  
880 Front Street  
Suite 6293  
San Diego, CA 92101

**3) Source of information**

I am an attorney who represents rank and file members of the American Federation of Teachers and the International Brotherhood of Teamsters ( IBT ).

In 1995, my teacher clients formed the American Teachers Legal Defense Fund as a vehicle to bring class action litigation to recover union dues funneled to Clinton - Gore over their objection and also to address other educational issues.

In 1996, my teamster clients formed the Teamster Driver and Construction Legal Defense Fund to seek an accounting of The Supplemental Dues Scheme of Northern California. Although 29 USCS 411 prohibits unions from raising dues after a contract is signed, since 1986, IBT has collected several million dollars from concrete ready mix drivers in Northern California which they refuse to account for.

Enclosed are examples of letters to the Clinton Administration and IBT in which we ask for an accounting and also for an investigation of supplemental dues funds which were funneled to Clinton - Gore.

Although IBT President Ron Carey promised an investigation, he was then banned from holding office because he contributed IBT money to Clinton - Gore in exchange for promises for contributions for his own campaign.

**4) Facts Describing Violations**

In 1992, I filed a civil rights lawsuit against United States Attorney General William Barr which of course had nothing to do with campaign violations by Bill Clinton, Al Gore, or Clinton - Gore. ( Philip L. Stimac vs. William Barr, United States District Court For The Northern District of California [ San Jose ] Civil Case No. 92 - 20479 ).

In 1993, I filed a federal lawsuit against United States Attorney General Janet Reno which included first time claims never raised in Stimac vs. Barr. ( Philip L. Stimac vs. Janet Reno, United States District Court For The Northern District of California [ San Francisco ] Civil Case No. 93 4140 ).

One issue in that litigation was whether Clinton - Gore engaged in mail fraud in violation of Title 18 United States Code, Section 1341 by making promises to disabled teachers which they never intended to keep. <sup>1</sup>

When I attempted to compel Clinton - Gore to keep their campaign promise to the disabled teachers who had voted and made campaign contributions, the Clinton Administration told me to close my file.

When I filed Stimac vs. Reno, the Clinton Administration stole the incriminating complaint and exhibits from the courthouse, deleted their existence from the court computer and file room and cited Stimac vs. Barr as res judicata. <sup>2</sup>

- 3) In 1996, I filed Philip L. Stimac, Donna Obata and the American Teachers Legal Defense Fund vs. Bill Clinton ( United States District Court For The Southern District of California [ San Diego ] Civil Case No. C 96 988 ).

United States Attorney Alan Bersin was a defendant and the attorney of record in that case. Mr. Bersin also is a life - time friend and classmate of Bill and Hillary Clinton and served as campaign manager for Clinton - Gore in 1992.

Under Mr. Bersin, the U. S. Justice Department again covered up for Clinton - Gore and crushed the American Teachers Legal Defense Fund by arguing res judicata in Stimac vs. Barr to de-campaign finance violations including:

- 1) using the web page of the American Federation of Teachers to endorse Clinton - Gore in violation of 2 USCS 441 ( b ). <sup>3</sup>
- 2) laundering teachers union dues to Clinton - Gore over the objection of the plaintiffs in the class action lawsuit filed by their legal defense fund.
- 3) preventing the teachers from exercising protected First Amendment rights at the federal courthouse a few blocks from the 1996 Republican National Convention.

Mr. Bersin filed a brief with the federal court stating that the issues were too insignificant to even have to brief.

Mr. Stuart Weinberg was also a defendant and attorney of record for the American Federation of Teachers. I was also-

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<sup>2</sup> Exhibit B.

<sup>3</sup> Exhibit C

involved in litigation with Mr. Weinberg's client International Brotherhood of Teamsters, Warehousemen and Helpers under Section 411 and 501 of Title 29 of the United States Code. In that litigation, Mr. Weinberg's firm had created a supplemental dues scheme. My client was the Teamster's Drivers and Construction Legal Defense Fund.

As with the American Teachers Legal Defense Fund, members of the Teamster's Drivers and Construction Legal Defense Fund alleged that union dues were laundered to Clinton - Gore in violation of Title 2.

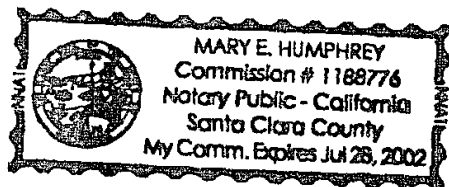
In an attempt to cover up campaign finance violations, Mr. Weinberg filed a malicious complaint against me with the State Bar of California.

I have written to the FBI, Justice Department and Demetrios Boutris But they refuse to meet with me or investigate. Mr. Boutris is the Legal Affairs Secretary to California Governor Gray Davis who is the chief executive officer of the California State Bar.

Mr. Boutris was also a vice - president and legal counsel to a holding company which includes Revlon and was very active in raising funds for Clinton - Gore.

Does FEC have a field office or representative in California whom I can meet with to discuss this in more detail and also share additional documents and information?

Thank you, Mr. Nobel.



Very truly yours,

A handwritten signature in dark ink, appearing to read "Philip L. Stimac".

PHILIP L. STIMAC

State of California  
County of Santa Clara

Subscribed and Sworn to before me on this 22nd Day of  
September, 1999.

A handwritten signature in dark ink, appearing to read "Mary E. Humphrey".  
\_\_\_\_\_  
Mary E. Humphrey, Notary Public



August 30, 1992

Philip L. Stimac, Esq.  
7456-B Church Street  
Gilroy, CA 95020

Dear Mr. Stimac:

Thank you so much for writing to me and for sending me a copy of your letter to the Assistant Attorney General.

Because of the increasing demands on my schedule, I have asked my staff to review this material. In the meanwhile, I am enclosing for your review a paper which outlines my views on the rights and needs of disabled Americans.

These and other concerns are all part of the New Covenant I propose, and my vision for America's future. Thanks again for taking the time to write to me.

Sincerely,

Bill Clinton

Enclosure

EXHIBIT A

FILED

FEB 22 1994

RICHARD W. WIEKING  
CLERK, U. S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

PHILIP STIMAC,

Plaintiff,

v.

JANET RENO, Attorney General,  
United States of America, et al.,

Defendant(s).

No. C 93-4140 CAL

ORDER

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P

Defendants' motion to dismiss plaintiff Philip L. Stimac's complaint was set for hearing on February 25, 1994. However, on February 15, 1994, plaintiff filed a first amended complaint.

Therefore, defendants' motion is taken off calendar, and defendants are hereby given twenty (20) days to move or respond to plaintiff's first amended complaint.

IT IS SO ORDERED.

Date: 2/22/94

Charles A. Legge  
CHARLES A. LEGGE  
UNITED STATES DISTRICT JUDGE

EXHIBIT B

OFFICE OF THE CLERK  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

RICHARD W. WIEKING  
CLERK

450 GOLDEN GATE AVENUE  
SAN FRANCISCO, CA 94102  
(415) 556-3031

November 17, 1994

Philip L. Stimac  
Attorney at Law  
665 Munras Avenue, Suite 226  
Monterey, CA 93940

Re: Philip L. Stimac vs Janet Reno, etal  
Case No. C 93-4140 CAL

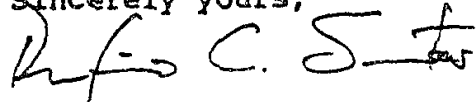
Dear Mr. Stimac:

I am in receipt of your November 12, 1994 letter inquiring about your First Amended Writ of Mandamus and Complaint. A search of our docket and court file show that we are not in receipt of the documents in question.

In order for the Clerk's Office to "correct" the docket sheet please provide us with a file endorsed copy of the documents in question. Failing this, the record will have to stand as presently reported.

If I can be of further assistance or if you have any additional questions you may reach me at (415) 556-3312 or at the above address. Thank you.

Sincerely yours,



Rufino C. Santos  
Deputy Clerk to the  
Honorable Charles A. Legge

# AMERICAN FEDERATION OF TEACHERS

A F T C I O

Welcome to the American Federation of Teachers Web Site. We welcome your comments and questions as we work to provide you with the latest union information, new benefits offerings, and much more!



Be sure to visit our updated web sites page!

♦ Read President Shanker's statement on the Greene/Peterson study of the Milwaukee school voucher program inside - the latest information from the AFT national office.

♦ - President Shanker's weekly commentary on education and important union related issues

♦ Read - the weekly online newsletter for AFT members and leaders.

♦ Get all the info from the recently concluded

♦ Find out how you can contribute to the AFT

♦ Find out more about the grass roots initiative called co-sponsored by the AFT.  
Sign up today!

♦ You can SEARCH the FULL TEXT of our web site to begin your search.

♦ Find out about the

♦ Visit our comprehensive area devoted to , created as a resource for the National Education Summit.

♦ Learn more about the American Federation of Teachers in

♦ Find out about



SEP 28 3 48 PM '99

PHILIP L. STIMAC  
ATTORNEY AT LAW  
P.O. BOX 242  
HEALDSBURG, CA 95448

August 9, 1997

Mr. Duane Beeson  
Beeson, Tayer and Bodine  
235 Pine Street  
Suite 1200  
San Francisco, CA 94194-2701

RE: The Supplemental Dues Scheme  
Of Northern California

SUBJECT: Your client Mario Gullo

Dear Mr. Beeson:

In response to your April 2, 1997 letter instructing me to direct all Supplemental Dues requests under Title 29 United States Code, Section 501 [ b ] to you would you kindly send me the following:

- 1) Any and all records, documentation, correspondence, authorization cards, computer hardware and/ or software, lock box identification data, bank accounts, interest summaries, contribution summaries, employee and employer lists, etc. referred to in Memorandum of June 24, 1986 From Jo McClure To Board of Trustees ( see attached ) by which your Client Mario Gullo initiated the Supplemental Dues Scheme.

As I mentioned in my August 5, 1997 letter to Mr. Absalom, Senator Collin's Office has instructed me to submit the Supplemental Dues Scheme to her committee.

Although the committee is presently on recess, I would like to receive this information within the next ten working days so I can forward it to Washington and committee investigators can begin tracing supplemental dues which may have been used as campaign financing to the Democratic National Committee through IBT's PAC, Education and Legislative Fund, The November Group, Share Group, Citizen Action, Mr. Martin Davis or other groups or individuals.

EXHIBIT A

You may recall from your firm's litigation files that Local 287 Secretary – Treasurer David Haas first made this request to Mr. Gullo on April 7, 1988. Mr. Raymond Corrie, a successor of Mr. Haas also requested this information from IBT General President Ron Carey on January 22, 1996 after Mr. Carey campaigned in San Jose, CA for an investigation of supplemental dues corruption.

If for any reason, you will not be able to comply with this request within the next ten days, I would appreciate it if you would contact me so I can make arrangements to extend my prior time commitments with the committee.

Thank you for your continuing cooperation.

Very truly yours,

PHILIP L. STIMAC

cc: Special Investigator, Senate Committee on Government Operations  
United States Attorney, Manhattan  
Federal Grand Jury, Manhattan  
Barbara Zack Quindel

CONSTRUCTION TEAMSTERS HEALTH & WELFARE  
TRUST FUND FOR NORTHERN CALIFORNIA

RECEIVED  
JUN 25 1986

MEMORANDUM

FROM JO MC CLURE

DATE June 24, 1986

TO BOARD OF TRUSTEES

RE: SUPPLEMENTAL DUES PROGRAM

Enclosed herewith please find correspondence from Mr. Mario Gullo, Chairman, with regard to Supplemental Dues involving Locals 94, 137, 150, 216, 287, 291, 315, 386, 431, 439, 490, 533, 624, 890 and 912.

We are presently developing a program which will be operated on the Fund's computer. This program will function similarly to that used for Health & Welfare Contributions.

The procedures are as follows:

1. Employee information taken from the Authorization cards mailed to the Fund Office will be posted to the data base.
2. Report for Supplemental Dues (draft of form attached) will be mailed to individual employers the last of each month. A printed return envelope containing the new lock box number will be included with the report.
3. Contributions will be deposited into an interest bearing market rate account.
4. The Employer's payment, based on detail taken from the Health & Welfare contribution report will be made directly to the new lock box.
5. The bank will provide the Fund with a printout of contributions and copy of bank deposits.
6. The details of the Employer's contribution will be posted into the Fund's computer.
7. Local Union offices will be reimbursed based on contributions received through the end of the month. Contributions received after the end of the month will appear in the next months disbursement.
8. A detailed report of contribution will be mailed to the local union office with the disbursement.

Any contribution received for an employee who has not completed the authorization card will remain in the market rate account. A list of these employees will be mailed to the local union offices monthly.

EXHIBIT

# Union Troubles

## Funding for Election Of Teamster President Is Subject of Inquiry

### Political Consultant's Role During Tough Campaign Could Undercut Carey

### Ties to Democratic Party

By GLENN R. SIMPSON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — For Teamsters President Ron Carey, Martin Davis is both a blessing and a curse.

It was Mr. Davis, then a 30-year-old political adviser, who helped Mr. Carey, then the obscure leader of a Teamsters local of United Parcel Service drivers in New York, win an upset victory in a 1991 race for the Teamsters presidency supervised by the Justice Department. The victory catapulted Mr. Carey into one of the most powerful union positions in America and Mr. Davis into a lucrative political-consulting business with lots of union clients.

Now Mr. Davis is at the center of a campaign-finance investigation that threatens to engulf Mr. Carey. Mr. Davis and an associate have been charged with fraud in financing the Teamsters leader's reelection campaign last year. And while Mr. Carey hasn't been implicated, a federal grand-jury inquiry in New York City could undercut his position in the union. A federally appointed Teamsters election officer, Barbara Zack Quindel, has refused to certify Mr. Carey's reelection because of the allegations, and may order a new election. If that happens, the outcome of the current standoff with UPS could well determine whether Mr. Carey keeps his post.

Federal investigators, as reported by The Wall Street Journal two weeks ago, also are looking into whether Mr. Davis was involved in an unusual agreement with the Democratic National Committee to donate Teamster funds to state Democratic parties in return for help in Mr. Carey's re-election.



Ron Carey

A 1996 memo from a former Teamster democratic official calls for the distribution of nearly \$1 million in Teamsters political-action-committee contributions to affiliates of the DNC nationwide. A separate

#### Looking for the Advantage

As UPS and the Teamsters resumed talks, the strike could give rivals new business for keeps. Meanwhile, a tight labor market would make it tough for UPS to replace strikers, but the Teamsters have their own disadvantage: not much in the kitty. Articles on page A2.

note, written by Mr. Davis, refers to an unspecified "commitment" by the DNC to help the Teamsters in return. The authenticity of the DNC memo has been confirmed by a former DNC official, who says the commitment was that the DNC would encourage some of its donors to contribute to the Carey campaign.

Mr. Davis and his lawyer have declined to comment. He has pleaded not guilty and is free on bail.

Mr. Carey and his defenders suggest that if Mr. Davis did what he is accused of he was a rogue operative; defenders say the Teamsters president was unaware of any improper fund raising on his behalf. They also point out that the federal inquiry started because of information fed to prosecutors by associates of James P. Hoffa, whom Mr. Carey defeated last November. "Much of this is fantasy-spinning by Hoffa campaign operatives who want Ron Carey's head on a platter," says John Bell, a Carey spokesman. "It's just the old guard starting at work."

Mr. Davis got started in politics in 1982, campaigning for then-mayor Tom Bradley of Los Angeles in a California gubernatorial race. After the Carey victory six years ago, Mr. Davis and his partners at the November Group consulting firm acquired a long roster of union clients and also did considerable work for the Democratic Party. Mr. Davis has addresses in Aspen, Colo., and Venice Beach, Calif., in addition to his townhouse in the Dupont Circle area of downtown Washington, D.C.

The events that brought him to the attention of the U.S. attorney's office in Manhattan began in July of last year, when the Teamsters gathered for their annual convention in Philadelphia. Mr. Carey had won praise for his aggressive efforts to clean up the union. Talking to reporters, the former van driver confidently predicted that convention delegates would endorse him for a new term as president.

But as the convention was coming to a close a week later, Mr. Carey and his advisers, including Mr. Davis, were shocked to watch as a majority of delegates backed Mr. Hoffa, son of the late Teamsters president Jimmy Hoffa, in a straw poll. It was an unmistakable sign that Mr. Carey faced a tough fight in the unionwide election slated for late November, shortly after the U.S. presidential voting.

Seeking to counter the well-financed Hoffa threat, Mr. Carey and his allies launched a huge effort to ensure that his

Please Turn to Page A8, Column 1

EXHIBIT B

2004-10-26 10:40:20

# Teamster Campaign Is Subject of Probe

*Continued From First Page*

own campaign was well-funded, the details of which are only now emerging. Its centerpiece was a fund, whose existence only came to light after the election, with the name Teamsters for a Corruption Free Union.

Federal prosecutors have alleged in court that Mr. Davis swung into action to round up contributions to the fund. According to a Federal Bureau of Investigation agent's sworn complaint, filed June 6 in federal court in New York, Mr. Davis launched an intricate plan to take money from the Teamsters treasury and other sources, launder it through his own company and those of some business associates, and eventually funnel the money into Mr. Carey's campaign.

One person allegedly involved was Michael Ansara, a former activist in the 1960s radical group Students for a Democratic Society, who now owns a Boston telemarketing firm called Share Group. Mr. Ansara is cooperating with prosecutors. The FBI complaint says Mr. Ansara has told the agency that on Sept. 30, Mr. Davis called him to discuss a plan for getting money to the Carey campaign. Mr. Davis allegedly instructed Mr. Ansara to submit phony invoices to Delancey Printing, a Washington firm that does work for both the Democratic National Committee and the Teamsters. According to the FBI agent's statement, the printing firm then paid Share Group \$11,250. The funds went into a pot destined for the Carey campaign. The printing firm didn't return calls seeking comment.

A few weeks later, the FBI complaint says, Mr. Davis allegedly told Mr. Ansara that Share Group would be getting a large contract from the International Brotherhood of Teamsters, or IBT, to make telephone calls to turn out voters in the November congressional elections. Mr. Ansara then negotiated a \$97,000 contract with William Hamilton, then the Teamsters' top Washington lobbyist.

Mr. Davis allegedly instructed Mr. Ansara not to make all of the congressional-election calls that had been paid for, and instead to put the money aside for Mr. Carey's campaign. According to the complaint, Mr. Davis "stated that the client, the IBT, knew of the plan, and wanted it done this way."

Still more funds — \$75,000 — came to Share Group around this time from the liberal group Citizen Action, which has close ties to both the Teamsters and the Democratic Party, according to the FBI affidavit. These funds, the FBI says Mr. Ansara told it, were obtained through a phony consulting invoice and were also destined for the Carey campaign. Citizen Action couldn't immediately be reached for comment.

Mr. Ansara told the FBI agent, Joseph Phelan, that Mr. Ansara's wife, Barbara Arnold, made \$95,000 in contributions on his behalf to Teamsters for a Corruption Free Union, using the funds set aside by Share Group.

Ms. Arnold, who hasn't been charged in the New York case, is described in the FBI complaint as a cooperating witness. Mr. Ansara has pleaded guilty to fraud and is awaiting sentencing. Since Mr. Davis was arraigned in June, there has been no action on his case. But in a sign of where the probe may be heading, prosecutors have served sweeping subpoenas on the Teamsters and the Democratic National Committee, seeking all records of financial connections between the two entities. A number of businesses with ties to Mr. Davis, including Delancey Printing and Share Group, received contracts from both the Teamsters and the DNC.

Under Mr. Carey, the Teamsters, who had supported President Reagan and other Republicans in the 1980s, have returned with fervor to the Democratic fold, becoming strong supporters of President Clinton. After the July 1996 Teamsters convention, that relationship apparently became closer than ever. A memo to Mr. Davis, written a few weeks after the convention under the name of Richard Sullivan, then the DNC's finance chairman, asks that

contributions from the Teamsters PAC be distributed to Democratic parties in more than a dozen states.

A former DNC official says Mr. Sullivan didn't draft the memo himself but learned of its existence shortly after it was sent and acknowledges that it was sent by Democratic campaign officials. Certain officials of Mr. Clinton's re-election campaign were also involved in the discussions with Mr. Davis, according to some former DNC and Clinton campaign officials. Their understanding was that Mr. Davis expected the DNC to ask some of its donors to give to Mr. Carey's campaign, although it isn't clear whether any such agreement was ever carried out.

The Teamsters' former top Washington lobbyist, Mr. Hamilton, who handled the union's contract with Mr. Ansara, is emerging as a major figure in the inquiry. He resigned from the Teamsters last week, saying he would no longer cooperate with the grand-jury inquiry. Mr. Hamilton and his lawyer couldn't be reached yesterday. In his resignation letter, he said he didn't "knowingly" do anything wrong.



James P. Hoffa

## Obscure Account

Mr. Hamilton administered the Teamsters' Drive political-action committee, one the biggest in American politics. Records show that he directed that more than \$700,000 in Teamsters PAC funds be poured into an obscure account called the Education and Legislative Fund, which previously had contained only small amounts. The books of this fund, unlike those of the Teamsters PAC, aren't available for public inspection.

The Teamsters say no money in the Education and Legislative Fund went to help Mr. Carey's campaign. "The Drive E&L fund is used for nonfederal expenditures, generally things that are sort of peripheral to campaigns, for example, Drive hats," a Teamsters spokeswoman says. "Or if a local has pulled some people off the job to work on a campaign, we reimburse them for lost time. We had a Teamsters summer program out in the field, and we reimbursed locals out in the field. That kind of stuff."

But while some of the money in the fund paid for routine expenses, internal Teamsters financial documents provided to The Wall Street Journal by people sympathetic to Mr. Hoffa also show that much of the money in the fund went to Mr. Davis's company and other entities associated with Mr. Carey's campaign. In addition, Federal Election Committee records show the DNC received more than \$75,000 from the Education and Legislative Fund.

Nancy Stella, a spokeswoman for the Teamsters, says the payments to Mr. Davis's November Group and to the DNC were to finance "get out the vote" activities for the congressional elections. "To our knowledge, there were no expenditures from this fund that were improper," she says.

## Key Law Firm

One party that has received little attention in the affair is a New York law firm, Cohen, Weiss & Simon, that has long ties to Mr. Carey. They go back to his days at Local 804 in New York, which used Cohen Weiss as its counsel. Records indicate the firm bills more than \$1 million annually to Teamsters headquarters. In addition, it is frequently brought in to work with Teamsters locals that Mr. Carey orders taken over because of corruption allegations. The firm acted as counsel to the Carey campaign, making more than \$300,000 of "in-kind" contributions to the campaign.

According to FBI agent Phelan's affidavit, two donations to Teamsters for a Corruption Free Union were sent to the offices of Cohen Weiss.

Shortly after the Carey campaign came under law-enforcement scrutiny, a Cohen

sociate named Nathaniel Charny, work on the Carey campaign, on the firm. Richard Leebove, who has investigated Mr. campaign finances and helped the Davis-Ansara connection to ent, says he frequently came across Mr. Charny. "I did some interviews early on with some of the contributors, including Barbara Arnold," said Richard Leebove, "and they all said, 'The guy who we dealt with was Nathan Charny.'" Mr. Charny's lawyer declined comment.

Carey spokesman Mr. Bell, who is also a spokesman for Cohen Weiss, says the law firm wasn't involved in soliciting Carey contributions and just accepted contributions mistakenly sent to it by the Carey campaign itself. Mr. Bell says that Mr. Charny's departure from the firm is related to a mistake he made during the inquiry but that he committed no impropriety the firm is aware of.

### **Fighting Back**

As the investigation continues, Mr. Carey's allies are responding by attacking irregularities in the financing of Mr. Hoffa's campaign last year. They allege, for instance, that about \$200,000 of improper contributions were accepted by the Hoffa forces. A number of other allegations of financial impropriety have been lodged against the Hoffa effort. Mike Belzer, a former Teamster now at Cornell University, says all the allegations could wind up as "offsetting technicals" in the eyes of the election officer.

Ken Paff, a prominent Teamster who founded the union's first major reform movement, Teamsters for a Democratic Union, says he continues to believe Mr. Carey is reforming the union and hasn't been tainted by the fraud in his campaign. If evidence emerges to the contrary, "I'm going to change my opinion of what's happening in the Teamsters," he says.

**PHILIP L. STIMAC  
ATTORNEY AT LAW  
P.O. BOX 242  
HEALDSBURG, CA 95448**

August 1, 1997

Mr. Steven Jigger, AUSA  
United States Department of Justice  
Racketeering and Corrupt Organizations Task Force  
Philip Burton Federal Building and Courthouse  
450 Golden Gate Avenue  
San Francisco, CA 94102

**RE: The Supplemental Dues Scheme  
of Northern California**

**SUBJECT: Mario Gullo, Past Chairman IBT's Health &  
Welfare Trust Fund of Northern California <sup>1</sup>**

**Ron Carey, IBT General President <sup>2</sup>**

**Law Firm of Beeson, Tayer and Bodine <sup>3</sup>**

**Litman Insurance Administrators <sup>4</sup>**

Dear Mr. Jigger:

Thank you for returning my telephone call and taking the time to speak with me about IBT's Supplemental Dues Scheme. I am setting forth for your

<sup>1</sup> On June 13, 1986 Mario Gullo authorized the Teamsters Supplemental Dues and Contract Administration Fund in his capacity as Chairman of The Construction Teamsters Health and Welfare Trust Fund. In 1995, Mr. Gullo was indicted by the Federal Grand Jury and prosecuted by you for union corruption. As part of the disposition of your case, Judge Walker banned Mr. Gullo from participation in any union related activities.

<sup>2</sup> On April 22, 1995, IBT General President Ron Carey was the principal speaker at a campaign rally in San Jose, CA and promised an investigation of the Supplemental Dues Scheme if elected.

<sup>3</sup> Beeson, Tayer and Bodine is a twelve attorney labor firm with offices in San Francisco and Sacramento. Although they represent the interests of IBT in Northern California, they have simply abandoned the concerns of hundreds of victims of the Supplemental Dues Scheme and openly support widespread stonewalling, retaliation, intimidation and suppression of incriminating financial records.

<sup>4</sup> When Mario Gullo created The Supplemental Dues Scheme in 1986, it was administered in Daly City at the Headquarters of IBT's Health and Welfare Trust Fund For Northern California. All financial records, computer hardware and software, bank deposits, monthly and annual reports, employer contribution summaries, interest summaries, IRS reports, employee authorization cards, lock box data, and account records are now administered by Litman Insurance Administrators, Teamsters' Benefit Fund, Mr. Martin Lowy, Director, P.O. Box 820, Fremont, CA 94537. Tele: 1-800-535-2219

review a brief summary of the scheme based on my involvement with it since June, 1996.

After your office and the appropriate Department of Justice officials in Washington D.C. have had an opportunity to make an initial review, I would like to arrange a meeting with Mr. Tom Cota, Mr. David Saucedo, Mr. Joe Simas and Mr. Butch Glumac present. These loyal members of IBT have been tireless advocates of a full and fair accounting of the scheme and have courageously put their jobs and careers on the line in their relentless attempt to complete the full and fair accounting and investigation into the scheme which David Haas and other elected officers of IBT first commenced on April 7, 1998 ( The David Haas Accounting and Investigation ).

I am confident you will be impressed that their personal testimonies coupled with their documentation shows undeniable patterns of union corruption and looting of union funds by IBT and their attorneys as well as clear patterns of both mail and wire fraud, breach of fiduciary duties by union officials [ 29 USCS 501 (a) ], embezzlement of union funds [ 29 USCS 501 (c) ] and obstruction of justice in connection with their continuing attempts to complete The David Haas Accounting & Investigation.

To support their contentions, I would also like to share with you statements of one of IBT's own accountants under oath, as well as a large amount of legal and financial documents and exhibits generated by myself, Eugene Fle-mate, Fernando Hernandez, Christopher Katenbach, and other local attorneys who have diligently worked to uncover IBT's monolithic scheme of corruption and racketeering during the past nine years.

After your initial investigation, I am certain you will agree with us that even a small amount of Justice Department talent and resources will go a very long way in reminding IBT officials and their attorneys in San Francisco and Washington D.C. of the importance of fair and open financial accounting to the rank and file members they serve.

I would also like to introduce you to active and retired rank and file members and officers of IBT whose anonymity I will honor until either yourself or members of the Federal Grand Jury desire to speak to them.

There are three reporters at the San Jose Mercury News who have followed and published articles about Mr. Gullo and Mr. Haas' activities related to IBT and the Supplemental Dues Scheme. If you feel there is merit to the concerns of my clients, you may wish to contact them.

Finally, at some stage in your investigation, I feel it would be helpful for your office to interview local businessmen like Robert Albaney of Central Supply and Bob Walker of Walker's Concrete. Although they are not direct victims of the



scheme like their concrete ready-mix driver employees, they represent dozens of companies in Northern California who are unknowingly being compelled to make employee deductions and keep financial records in connection with IBT's ***phantom trust fund and fiduciary accounting procedures*** set in motion by Mr. Gullo before his federal indictment.

## **I. Creation Of The Supplemental Dues Scheme By Mario Gullo.**

In June, 1986 Mario Gullo devised a scheme to illegally collect money from members of IBT Locals 94, 137, 150, 216, 287, 291, 315, 386, 431, 439, 490, 533, 624, 890 and 912 in Northern California. ( Exhibit A, attached includes the original correspondence signed by Mr. Gullo, which initially authorized the scheme. )

In cooperation with randomly selected employers in Northern California, IBT officials began withholding up to twenty - five cents per hour from a small and unsuspecting group of employees for each hour they worked ( approximately \$500.00 per year per member and \$350,000.00 per IBT local in Northern California of which there are 36 . ) <sup>5</sup>

## **II. Why The Supplemental Dues Scheme Was Illegal When It Was Initially Created .**

The scheme was illegal when it was created for a number of reasons. Most importantly, Title 29 United States Code, Section 411 ( 3 ) prohibits a dues increase unless there is a secret ballot vote by the general membership. Although IBT members were never allowed to vote on the scheme, and no election ballots or results can be produced, IBT officials continue to fraudulently represent to employers and employees that " the membership overwhelming accepted... " supplemental dues ( See Exhibit A, June 18, 1986 letter from Mr. Gullo to rank and file members ).

IBT officials also misled its own members by stating that supplemental dues would be earmarked in a separate account, for advocating and litigating against non union drivers and related non union activities, that there would be full and regular accountability to the members and that supplemental dues would only be collected after each member to be assessed signed IBT's pre-printed authorization card ( See Exhibit A, letter from Mario Gullo to members dated June 18, 1987 ).

<sup>5</sup> According to the testimony of a former accountant of IBT, union officials targeted approximately 10 % of members for supplemental dues. If you subpoena records from Local 287 in San Jose, where Mr. Gullo preceded Mr. Haas as Secretary - Treasurer for example, you will find that young unsophisticated drivers at Central Supply and Walker's Concrete are forced to pay supplemental dues but Local 287 drivers who work for United Parcel Service, Emery, Granite Rock and other companies in Local 287 were not targeted by IBT.

### **III. Why The Supplemental Dues Scheme Was Illegal As Initially Administered.**

Since its inception, large sums of money which were illegally collected as supplemental dues began disappearing from IBT's Health and Welfare Trust Fund without any accountability to the rank and file members. Although the supplemental dues scheme required recording on the Trust Funds computer and other financial records and reporting and contributions and recordkeeping by employers, IBT is unable to produce any documentation so the members can trace their dues and ascertain how much was embezzled by Gullo and other union officials.

More importantly, IBT continues to ignore numerous requests for a full and fair accounting of these funds in connection with IBT's fiduciary duties under Title 29 United States Code, Section ( a ) ( b ) and ( c ) by IBT officials such as Raymond Corrie and David Haas as well as rank and file members in Northern California.

Funds collected as supplemental dues were never earmarked in a separate ( or any bank or trust account ), IBT' refuses to produce the computer hardware and software from Trust Fund Headquarters in Daly City or Fremont, and none of the non union advocacy or litigation activities were ever performed by IBT.

If you were to subpoena IBT and employer's records you would find instances where no authorization cards were signed, mandatory retroactive execution of cards forced on members to cover up IBT wrongdoing, threats of lawsuits, intimidation and suspension by members who objected to the scheme or asked for an accounting pursuant to Title 29 United States Code Section 501 [ b ].

IBT began randomly targeting young, unsophisticated members for automatic supplemental dues deductions from their weekly paychecks. IBT particularly likes to shake down concrete ready mix drivers who are more vulnerable to retaliation and suspension from union officials when they attempt to secure an accounting and investigation from IBT officials.

### **IV. IBT's Supplemental Dues Scheme Under General President Ron Carey**

Although Mr. Carey promised an investigation of the scheme if elected, nothing ever comes out of his office except the diversion of more union dues to attorneys to thwart an accounting.

Like Haas, Local 287 Secretary - Treasurer Raymond Corrie then took it upon himself to conduct his own internal investigation. On January 22, 1996, he submitted his findings to Carey and asked Carey to investigate Lipman Insurance Administration because his investigation revealed that The Supplemental Dues Scheme is a " real can of worms " forced on IBT members who were " ... sold a bill of goods " ( See Exhibit B attached ).<sup>6</sup>

With total disregard to Sections 411 and 501 of Title 29 of the United States Code, IBT attempted to make retroactive changes to the supplemental dues scheme with various employers and began threatening and suspending members if they did not retroactively sign authorization cards as part of the scheme. Joe Simas and Butch Glumac are two members who were suspended from IBT in retaliation for their noble efforts to compel an accounting.

In face of *allegations of criminal misappropriation of union funds*, and longstanding breaches of fiduciary duties under Title 29 United States Code, Section 501 ( a ), ( b ) and ( c ), Mr. Carey continues to committed even more union funds to IBT's Associate General Counsel in Washington D.C., The Law Firm of Altshuler, Berzon, Nussbaum, Berzon and Rubin and The Law Firm of Beeson, Tayer and Bodine in San Francisco to intentionally mislead the federal judiciary, stonewall the members he serves, and thwart their right to a full and fair accounting of all supplemental dues collected under the scheme.

Although as a result of your prosecution of Mr. Gullo, Judge Walker banned him from IBT activities, Beeson, Tayer and Bodine devised another scheme to obstruct an accounting under Section 501 by using even more union funds to represent Mr. Gullo so all of the high ranking union officials and attorneys could shield themselves under the attorney - client privilege ( Exhibit C ).

I am sure t you would agree that this makes a mockery out of Judge Walker's order

#### **V. Beeson, Tayer and Bodine and The Conspiracy Against David Haas**

When Mr. Gullo and IBT created the Supplemental Dues Scheme, in 1986, David Haas served as Local 287 Business Agent and actually participated in the creation of scheme. ( See Exhibit A, June 18, 1986 letter to IBT members signed by Haas and Gullo ).

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<sup>6</sup> In an attempt to thwart the success which Corrie, Saucedo, Simas, Cota and other unnamed union officials were beginning to have in forcing high ranking officials like Carey, Arron Belk, Earl Brown, Larry McDonald and C.E. " Arkie " Spoon, to complete The David Haas Accounting and Investigation, IBT in Washington then devised another *fraudulent scheme to be carried out at the 1995 Toronto Annual Convention at the exclusion of the members in San Jose* who were calling for a completion of The Haas Accounting and Investigation. I will provide that documentation to you in person.

On April 7, 1988 after Mr. Haas began to see through IBT's Supplemental Dues scheme, he made the first of several requests for an accounting from Secretary - Treasurer Gullo. After undeniable stonewalling by Gullo, missing reports, authorization cards, non-existent accounts and major discrepancies in financial accounting, Haas was able to shine enough light on the Supplemental Dues Scheme to win the support of Robert Sandoval ( President of Local 287's Executive Board ), Bill Brooke ( Executive Board Vice - President ), and Robert Williams ( Local 287 Trustee ).

Through the efforts Haas and his fellow local officials, The David Haas Accounting and Investigation was at least able to get off the ground despite the opposition of IBT and their attorneys.

The more progress Haas and his supporters on the Executive Committee made however, the more illegal obstacles Beeson, Tayer and Bodine created to thwart an accounting. After Sandoval and Williams first submitted the supplemental dues scheme to the United States Department of Labor, Barton Wolin, another Executive Board member joined forces. At the suggestion of the Department of Labor, Haas and his group consulted with San Jose Attorney Fernando Hernandez.

On October 6, 1988, after his preliminary investigation of the Supplemental Dues Scheme indicated serious financial wrongdoing and unaccountability by Gullo and IBT, the Executive Board passed Haas' motion to retain Attorney Hernandez pursuant to Local 287's Bylaws.

Haas eventually succeeded Gullo as Secretary - Treasurer of Local 287 however was subjected to intimidation and retaliation by IBT when he continued to attempt to compel an accounting of the scheme.

Although David Haas' efforts were noble and accurate, they alone were not enough to overcome the obstruction tactics of Beeson, Tayer and Bodine and the monolithic forces within IBT. Many IBT members attribute his untimely death to his personal battle against IBT to compel an accounting of The Supplemental Dues Scheme.

In 1989, San Francisco Attorney Christopher Kattenbach filed a series of civil suit on behalf of Haas, Brooke, Williams and Sandoval which eventually resulted in a civil jury award to David Haas's Estate of more than \$500, 000.00 for the intimidation he encountered from his own union in his attempts as an elected official to compel an accounting of The Supplemental Dues Scheme. ( Haas vs. Local 287 [ C-89 - 20531 WAI, Northern District of California; 95 - 16735, 96 - 15267, 96 - 15268 and 15274, Ninth Circuit Court of Appeals ] ).

Beeson, Tayer and Bodine represented IBT's interests in that litigation.

## **VI. IBT's Supplemental Dues Scheme And Local 150**

Another tireless advocate for an accounting of The Supplemental Dues Scheme is Tom Cota. In addition to being a life-time IBT member, Tom served as Trustee for Local 150, AGC Master Agreement Member and Shop Steward for Granite Construction.

As additional background information, I am providing you with a copy of a civil complaint which I prepared for Tom and fellow IBT members Gerald Comstock and Ron Summers of Local 150 ( Exhibit E ). You can see from Paragraph 42 and the various exhibits the efforts Tom made to secure an accounting for Local 150.<sup>7</sup>

Part of IBT's Supplemental Dues Scheme is for union officials such as Cliff Webb and Beeson, Tayer and Bodine to simply stonewall the members whom they serve as fiduciaries under Title 29 United States Code, Section 501 and play " Supplemental Dues Ping Pong " with requests for an accounting.

For example in Exhibits I, J, K, M, and N of this complaint IBT, Tom Gilmartin, Perry Hogan, Ron Carey, Jimmy Hammack, Local 150's Executive Board, Mr. Webb Ken Mee, Larry McDonald, Aaron Belk, Gary Dixon, Jim Angell and Mike Tobin simply play games with Tom's efforts to restore honesty and integrity to IBT from his Section 501 fiduciaries who have turned IBT into an infectious cesspool of looting and corruption. In each of these instances, IBT eventually refers the member to Beeson, Tayer and Bodine.

In response to my letter to Attorney Neil Bodine dated April 1, 1997, in which I specifically informed him of undeniable criminal activity of Mr. Gullo, Beeson, Tayer and Bodine and IBT, Mr. Beeson responded *and through a series of letters and correspondence promised even more meetings, depositions, an accounting of the Supplemental Dues Scheme and an investigation of ethical violations by Beeson, Tayer and Bodine in connection with embezzled union dues.*

Another three months of stonewalling and obstruction of justice have now passed since Attorney Duane Beeson assured an accounting of The Supplemental Dues Scheme with no further action by Beeson, Tayer and Bodine.

## **VII. IBT's Supplemental Dues Scheme And Locals 94, 137, 216, 291, 315, 386, 431, 439, 490, 533, 624, 690, 912**

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<sup>7</sup> I have never served IBT with this complaint and dismissed it without prejudice until DOJ can complete their initial investigation and perhaps subpoena a few of the basic documents which support the existence of the scheme.

You can see from Exhibit A that IBT collects supplemental dues from a number of other locals in the Northern and Eastern District of California which are also administered by Lipman Insurance Administration in Fremont. CA.

#### VIII. Conclusion

Thank you again very kindly Mr. Jigger, for your time in reviewing the Supplemental Dues Scheme. I am looking forward to meeting with you to discuss these and other concerns of my clients in more detail.

I assure you that this is a very simple case with very simple remedies and one which DOJ and The Federal Grand Jury should review.

Very truly yours,

PHILIP L. STIMAC