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November 21, 2016

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Federal Elections Commission

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Re: MUR 7137 Complaint of Laborers' member Terry L. Miles

Dear Mr. Jordan,

I am writing on behalf of Laborers' International Union of North America, Local #538, (Laborers' Local 538) which serves counties in Iowa with respect to this complaint. Laborers' Local 538 submits the following in response to the Commission's correspondence, dated September 27, 2016 and as a statement of its position regarding the above referenced charge filed by Terry L. Miles. I represent Laborers' Local 538 with respect to Mr. Miles's charge, and future communications on this matter should be directed to the undersigned. We appreciate your willingness to allow us to timely respond by November 22, 2016 and this letter and attached documents will serve as that response. If further information becomes available, we will supplement this submission as appropriate.

The complaint involves a member of the Laborers' International Union, Wisconsin Local 268, member Terry Miles, who has accepted employment with Precision Pipeline on the Dakota Access Pipeline project which was under construction in Illinois until the end of June, 2016 and moved to Iowa in July 2016, where the work continues. The Dakota Access Pipeline project runs through several states. By way of background, when a Laborer member works on the pipeline, the member works under the hourly rate of pay and benefit package of each respective Laborers' Local union with jurisdiction in the geographic area. Thus, on a pipeline project, a Laborer member may work under the contract terms of one Laborers' Local Union in one month and a subsequent Laborers' Local Union in the next month.

Based on our investigation of this complaint, during one month (June 2016), while Mr. Miles was working in Illinois under a different Laborers' Local Union, PAC contributions were inadvertently withheld from his paycheck by the Precision Pipeline payroll office. Apparently the inadvertent withholding resulted from a computer website inaccuracy. Laborers' Local 538 was unaware of the withholding, as the member was not working under the jurisdiction of Laborers' Local 538. Mr. Miles has indicated he did not authorize these political deductions and it is our understanding, from recent discussions with Precision Pipeline, that the deductions were strictly inadvertent and taken in good faith.

The inadvertent nature of the June events becomes even clearer when one considers that from the first week of July, 2016 when Mr. Miles changed his work location to Iowa and began to work under the jurisdiction of my client, Laborers' Local 538, the PAC withholding ceased. This occurred because, at the behest of the Local 538 pipeline Steward, Mr. Rich Phelps, Mr. Miles had completed a Local 538 employment authorization form. Upon completing this form, because PAC contributions are voluntary and Mr. Miles did not wish to make PAC contributions to Iowa, Mr. Miles signed his Local 538 authorization to agree to the dues and employment paragraphs of the form but did not sign the final paragraph, thus indicating that he did not wish to have PAC contributions withheld. Steward Phelps accepted the completed Local 538 authorization form from Mr. Miles and gave it to the Precision Pipeline payroll office. When the work began in Iowa under Local 538 in the first week of July, 2016, the Precision Pipeline payroll officer discontinued any PAC withholding from Mr. Miles in compliance with his wishes, as noted on the Local 538 form.

Mr. Miles continued to work in Iowa from the first week of July, 2016 and for the next four months. No PAC contributions have been withheld from his pay as he has continued to work on the pipeline in Iowa under the jurisdiction of Laborers' Local 538.

I have attached an affidavit to support these facts, prepared by the custodian of records of the Laborers' Employers' Benefit Plan Collection Trust, (LEBPCT), the entity which was created to receive benefit reporting and payments from signatories contractors to the National Pipeline Agreements (such as Precision Pipeline) and in turn, distribute those

amounts to the respective Laborers' Locals and other affiliated entities, such as the pensions, insurance and PAC funds. This affidavit shows that no PAC withholding has been deducted from Mr. Miles' paychecks since he began working under the jurisdiction of Local 538.

Mr. Miles has suggested that he was somehow misled by Local 538 pipeline steward Mr. Phelps when completing his Local 538 authorization but has admitted in his complaint that Mr. Phelps said "these are voluntary". Mr. Miles claims Phelps went on to say "not really you have to sign them". Because it is clear that the Local 538 authorization form contains three signature lines, two involving dues agreement fields and a third separate political field, I believe the facts are clear that there was a misunderstanding. I have attached the affidavit of Mr. Phelps which explains the form and his recollection of the events. I have also enclosed the affidavit of Mr. Dan Tuthill, someone Mr. Miles identifies as a person he spoke to on the telephone which Mr. Tuthill says is inaccurate.

Regardless of the confusion, Mr. Phelps acted properly when he transmitted the signed authorization form completed by Mr. Miles to Precision Pipeline, which resulted in the cessation of the inadvertent PAC contributions once Mr. Miles moved from Illinois to Local 538 in Iowa on July 3, 2016. Mr. Phelps was unaware of the inadvertent withholding in Illinois. Mr. Miles has continued to work under Local 538 in Iowa on the pipeline project for at least an additional four months, with no PAC withholding and no adverse consequences.

Additionally, at a recent regularly scheduled meeting of Pipeline stewards and personnel held on Tuesday, November 15, 2016 to discuss upcoming Pipeline agreements, the participants briefly discussed payroll authorizations and were reminded to be sure to explain to new hires that political contributions require individual member voluntary authorizations.

In conclusion, the facts show:

- the inadvertent PAC deductions taken in June were not the result of any action on the part of Laborers' Local 538 or its Steward, Mr. Phelps but were, instead, an inadvertent result of an inaccurate Pipeline webpage.
- the Steward for Local 538, Mr. Phelps acted properly and Mr. Miles has suffered no PAC withholding while working under the jurisdiction of Laborers' Local 538.
- Mr. Miles has continued his employment on the pipeline under the jurisdiction of Local 538 for several months.

I trust that you would agree that no further action is necessary with respect to Laborers' Local 538 in this matter. If we can provide additional information, we stand ready to do so.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ellen Schanzle-Haskins", with a long horizontal flourish extending to the right.

Ellen Schanzle-Haskins
Attorney At Law
Representing Laborers' Local 538
1 North Old State Capitol Plaza Suite 525
Springfield, Illinois 62701
217 331-5528

ESH/dp

Enc: Affidavit of Tracey Barrick, Custodian of Records, LEBPCT
Affidavit of Local 538 Pipeline Steward Richard Phelps
Affidavit of Dan Tuthill

AFFIDAVIT OF TRACEY BARRICK

I, TRACEY BARRICK, having been first duly sworn on oath, state and depose as follows with regard to Federal Election Commission Confidential Complaint MUR 7137:

1. I am more than 21 years of age, am competent to testify, and have personal knowledge of the facts stated herein.
2. I serve as the Administrator of the Laborers-Employers Benefit Plan Collection Trust ("LEBPCT"), and have served in that position for the past 22 years. As such, I administer the LEBPCT on a daily basis. I am the custodian of, and familiar with, the LEBPCT's books, records, policies and practices.
3. The LEBPCT is a joint labor-management, non-profit trust that serves as a clearinghouse for contributions and other payments owed by various employers under collective bargaining agreements to employee benefit funds, Local Unions and other organizations sponsored by the Laborers' International Union of North America ("LIUNA"). The LEBPCT was established in 1994 pursuant to the National Agreement between LIUNA and the Pipe Line Contractors Association to receive and distribute all employer contributions and other payments owed under that Agreement to employee benefit funds, Local Unions and related organizations. The LEBPCT centralized system for payment and distribution of employer contributions and other payments has since been included in other LIUNA national agreements.
4. Under the LEBPCT system, employers submit to the LEBPCT periodically (usually monthly) the contributions and other payments they owe, along with contribution reports, to the LEBPCT. The LEBPCT promptly distributes these contributions, payments and reports to the appropriate benefit funds, Local Unions and other organizations. This centralized system spares contractors from having to send multiple checks and reports to multiple funds and organizations, and removes a disincentive to continued participation in the benefit funds. The LEBPCT maintains true and complete records of these receipts and distributions in the regular course of operations.
5. Among the payments received from employers by the LEBPCT are voluntary political action committee ("PAC") contributions deducted by the employers from the wages of individual LIUNA members who authorize the deductions. The LEBPCT receives these contributions and distributes them to the designated PAC.
6. I have been asked to review the LEBPCT's records regarding PAC contributions received and distributed by the LEBPCT for LIUNA member Terry Miles beginning in June 2016 to determine whether any such contributions were distributed to Laborers' Local 538. I did so, and determined that no PAC contributions for Mr. Miles received by the LEBPCT were ever distributed to Local 538.
7. No PAC contributions for Mr. Miles have been received by the LEBPCT from

Barrick Affidavit: Page 2

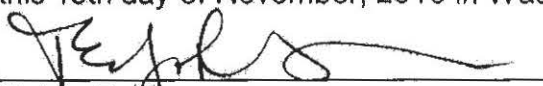
Precision Pipeline or any other employer since the contributions for his July 2016 hours.

Further I sayeth not.


TRACEY BARRICK

Notary's Certification

Sworn to and subscribed before me by the person known to me as Tracey Barrick on this 18th day of November, 2016 in Washington, D.C.


Notary Public

My commission expires on March 14, 2018.



Paola Eldridge Johnston
Notary Public, District of Columbia
My Commission Expires 3/14/2018

Affidavit of Richard Phelps

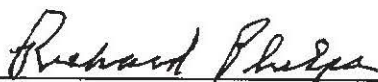
Richard Phelps in response to FEC Confidential Complaint MUR 7137, on oath, deposes and says.

1. I am more than 21 years of age, am competent to testify, and have personal knowledge of the facts stated herein.
2. I am a Steward for Laborers' Local 538 and have been designated as a steward on the Dakota Access Pipeline running from Illinois to Iowa.
3. I am not the Business Manager of Local 538 and hold no position of authority.
4. In my capacity as a steward I am charged with gathering the new hires, many of them from other states or Laborers' locals and helping to complete required paperwork to work on the Dakota Access project.
5. I am aware that the Laborers' Local 538 uses a "check off authorization" form which contains three authorizations for signature, one for Local 538 working dues, a second authorization for dues to the District Council (a part of the Agreement) and a third authorization to contribute to the Iowa Labor Political Education fund ("ILPEF") and the Midwest Construction Promotional Committee ("MCPC").
6. It is usual for me to explain to the Laborer member when asked about the third paragraph, political portion of the certification, that it is voluntary and further that it helps promote union growth.
7. I have spoken to/met Wisconsin member Terry Miles on two occasions.
8. On June 6, 2016, I spoke to Terry Miles and other pipeline workers from other areas (non Local 538 members) to prepare them for work on the Dakota Access Pipeline and to distributed Local 538 authorization forms to prepare these Laborers' members to begin work on the pipeline.
9. Mr. Miles completed his form indicating he did not want to participate in the Iowa Laborers' Political Education Fund and the Midwest Construction Promotional

Committee and he signed the Local 538 document as to paragraph 1 and 2 but did not do so as to paragraph 3.

10. I did indicate that paragraph 3 was voluntary but I explained that I had worked in Wisconsin on a pipeline project recently and had agreed to pay into the Wisconsin local PAC funds because I thought it was in the best interest of the Wisconsin Laborers and so I had signed. When he did not agree, I accepted his Local 538 authorization form just as he had completed it. A copy of his signed Local 538 form is attached.
11. As is my duty, I gave one copy of the attached Local 538 form to Precision Pipeline payroll officer Jillian, and returned the other copies to Local 538.
12. Dakota Access Pipeline Spread 2 began in Illinois in Hancock County Illinois on June 7, 2016 and moved to Iowa on July 3, 2016.
13. My only other encounter with Mr. Miles was several weeks later when I was in my truck at the Precision Pipeline payroll trailer. Mr. Miles says this occurred on June 24, 2016. On this occasion, Mr. Miles came up to my truck and angrily said to me "if someone forged my name they are going to jail." I knew I had not forged his name as I knew I had turned in his Local 538 authorization just as he had given it to me. I demanded that we go into the payroll office. Once inside, Mr. Miles talked with Jillian and I believe Jillian may have shown Mr. Miles a computer screen and explained something about the pipeline agreement. I was not sure what was going on but I said again I did not forge his name.
14. On July 3, 2016 the pipeline project moved to Iowa under Laborers' Local 538 and Mr. Miles has continued his employment on the pipeline project in Iowa under Local 538, apparently until October, 2016, according to my steward reports.
15. I believe that I acted appropriately in my dealings with Mr. Miles.

Further affiant sayeth not.



Richard Phelps

Subscribed and sworn to by me this 18 day of November, 2016.

Karen Tuthill
Notary Public



CHECKOFF AUTHORIZATION AND ASSIGNMENT

Local Union No. _____

Affiliated with

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO.I, TERRY MILES (print name) do hereby assign to Local Union No. 538, Laborers'

International Union of North America, AFL-CIO, such amounts from my wages as shall be required to pay an amount equivalent to the initiation fees, readmission fees, membership dues, and assessments of the Local Union as may be established for its members from time to time. My employer, including my present employer and any future employer, is hereby authorized to deduct amounts from my wages and pay the same to Local Union and/or its authorized representative, in accordance with the collective bargaining agreement in existence between my employer and the Union. This authorization shall become operative upon the effective date of each collective bargaining agreement entered into between my employer and the Union. This authorization shall be irrevocable for a period of one year or until termination of the collective bargaining agreement in existence between my employer and the Union, whichever shall be sooner, and I agree and direct that this Authorization shall be automatically renewed and shall be irrevocable for successive periods of one year each, or for the period of any subsequent agreement between my employer and the Union, whichever shall be shorter, unless written notice is given by me to my employer and the local Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective bargaining agreement between my employer and the Union, whichever occurs sooner. For the effective period of this Checkoff Authorization and Assignment, I hereby waive any right I may have to resign my union membership. Furthermore, this Checkoff Authorization shall continue in accordance with the above renewal and revocation provisions irrespective of my membership in the Union.

Union dues and fees are not deductible as charitable contributions for federal income tax purposes. Local dues may qualify as business expenses, however, and may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Service.

Birth Date _____

Social Security Number _____

Address NEILLSVILLE W 54456Date 06. 07 2016Signature [Signature]**GREAT PLAINS LABORERS DISTRICT COUNCIL DEDUCTION AUTHORIZATION*****

I authorize my current Employer, and all subsequent Employers, to deduct from my wages or compensation an amount of _____ per hour or _____ % of gross wages for working dues and remit the same monthly to the Secretary-Treasurer of the Great Plains Laborers' District Council, 4208 W. Partridge Way Unit 2 Peoria, IL 61615. I understand that dues, contributions or gifts to Great Plains Laborers' District Council or Local Union are not deductible as charitable contributions for federal income tax purposes. Dues paid to the Great Plains Laborers' District Council or Local Union, however, may qualify as business expenses, and may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Service. This authorization shall be irrevocable for one (1) year from the date of its execution and after said one (1) year only by written notice given to the Great Plains Laborers' District Council and the appropriate Local Union at least ninety (90) days prior to the termination of the collective bargaining agreement, but otherwise shall be by its terms renewable from year to year during the term of succeeding collective bargaining agreements as provided by Federal Law.

Signed this 7th Day of JUNE, 20 16 at _____Employee's [Signature]

Social Security No. _____

Address _____

Phone No. _____

No. _____

Street _____

NEILLSVILLEW54456

City _____

State _____

Zip _____

Witness _____

PAYROLL CHECK-OFF AUTHORIZATION

I hereby authorize and direct each employer signatory to an agreement with the Laborers' International Union of North America or any of its affiliates for whom I work to deduct from my paycheck _____ cents for each hour worked every pay period and to remit such amount to the Iowa Laborers' Political Education fund ("ILPEF") and _____ cents for each hour worked every pay period and to remit such amount to the Midwest Construction Promotional Committee ("MCPC") at such times as other remittances are made to the Union. This authorization is voluntarily made. I understand that the signing of this authorization and the making of payments to either Fund are not conditions of membership in or employment with the Laborers' International Union and that I have the right to refuse to sign this authorization and to refuse to contribute to one or both funds without reprisal and that these funds will use the money they receive to make political expenditures and contributions in connection with federal, state, and local elections. I also understand that this amount of money is merely a suggested guideline, that I am free to contribute more or less than this amount by any lawful means other than this check-off and that the Union cannot favor or disadvantage me because of the amount of my contribution or my decision not to contribute. This authorization shall become effective on the date set forth below and shall remain in effect indefinitely hereafter, or until termination of the employment relationship. The authorization is revocable by written notice given to my employer, but shall be by its terms renewable from year to year.

Contribution to Laborers Political League are not deductible as charitable contributions for federal income tax purposes.

DATE _____

X

SIGNATURE _____

**EXECUTED IN TRIPLICATE, WITH ONE COPY FOR THE EMPLOYERS, ONE COPY FOR THE GREAT PLAINS LABORERS' DISTRICT COUNCIL, AND ONE COPY FOR THE LOCAL UNION.

Affidavit

Dan Tuthill, on oath, in response to FEC confidential complaint MUR 7137, deposes and says.

1. I am more than 21 years of age, am competent to testify and have personal knowledge of the facts stated herein.
2. I am a Field Representative for Laborers' Local 538 in East Galesburg, Illinois.
3. I am not the Business Administrator nor the Business Manager of the Local and hold no position of authority.
4. In my capacity as field representative, if a member is dissatisfied with a matter the member may complain to me and I will attempt to resolve the complaint by referring it to the Business Manager of the Local.
5. I have no recollection of talking to pipeline LiUNA worker Terry Miles and I do not believe I have ever met Mr. Miles.
6. I am aware that the Local 538 uses a "check off authorization" form which contains three signature authorizations, paragraph one for working dues for the local, a second paragraph authorization for working dues for the District Council and the third paragraph signature check off authorization to allow a contribution to the Iowa Labor Political Education fund ("ILPEF") and the Midwest Construction Promotional Committee ("MCPC").
7. In the past, if I was asked to talk to a member about signing an authorization for the third paragraph, the political portion of the certification, I have explained that it is voluntary and further that it helps promote union growth.

8. I do not believe I spoke to Terry Miles on June 7, 2016 or at any time and I have not attended any of the pipeline orientations.
9. Records at Local 538 reflect Mr. Miles worked on the pipeline project under Local 538 from July through October 2016 and during that time I believe I had no contact with him and he did not file a grievance with me or Local 538 to my knowledge.

Further affiant sayeth not.



Dan Tuthill

Subscribed and sworn to by me this 21st day of November, 2016.



Notary Public

