



LIUNA!

MIDWEST REGIONAL OFFICE

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March 21, 2017

Mr. Jeff S. Jordan
Assistant General Counsel
Complaints Examination and Legal Administration
Federal Elections Commission
999 E. Street, NW
Washington, D.C. 20436

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 #231, (Laborers' Local 231) which serves counties in Illinois with respect to this complaint. Laborers' Local 231 submits the following in response to the Commission's correspondence, dated February 1, 2017 and as a statement of its position regarding the above referenced charge filed by Terry L. Miles. I represent Laborers' Local 231 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 March 21, 2017 and this letter and attached documents will serve as that response. I will be providing further information this week with a brief supplement to this submission.

The complaint involves a member of the Laborers' International Union, Wisconsin Local 268, member Terry Miles, who accepted employment with Precision Pipeline on the Dakota Access Pipeline project which was under construction in Illinois of June, 2016 and moved to Iowa in July 2016, where the work continued through the end of 2016. 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, for one month, June 2016, Mr. Miles was working in Illinois, ostensibly under Laborers' Local Union 231 although Local 231 was unaware that he was on payroll in their jurisdiction. During his initial employment meeting with Laborers' Local 538 Pipeline Steward Mr. Phelps, on June 7, 2016 in East Burlington, Iowa, Mr. Miles was provided with a check off form for Laborers' Local 538 (Iowa), for work to be performed in Iowa and he completed it indicating that he did not wish to contribute to the Local 538 political funds.

Apparently however, the pipeline work began for one month in June in Illinois (under the jurisdiction of Local 231) and no Local 231 check off documents were provided to Mr. Miles. Political contributions were then inadvertently withheld from his paycheck by the Precision Pipeline payroll office. Apparently the inadvertent withholding resulted from a computer website inaccuracy on a computer owned by Precision Pipeline.

Laborers' Local 231 was unaware of the June withholding and was unaware that the member was working under the jurisdiction of Laborers' Local 231. The check off application that is completed by members who wish to work in Local 231's jurisdiction clearly shows that 231 political contributions are voluntary and the member must sign to allow the withholding of these funds. Mr. Miles has indicated he did not authorize 231 political deductions and we find no paperwork that was completed with respect to Laborers' Local 231. Indeed, Local 231 was unaware of the situation and has no documents with respect to Mr. Miles.

Instead, it is our understanding, from discussions with Precision Pipeline and a review of their submittal to you, that the 231 deductions were strictly inadvertent and taken in good faith working solely from a computer without Local 231 paperwork. It seems clear that the administrative glitch was due to no action whatsoever related to Local 231.

As earlier stated in Local 538's response to this inquiry, 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, 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. When the work began in Iowa under Local 538 in the first week of July, 2016, the Precision Pipeline payroll officer discontinued 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 Laborers' Local 231 Business Manager Robert Schroeder. In it, he indicates that there was confusion about the Pipeline project jurisdictions apparently because the work in Iowa could not immediately commence in June of 2016 due to permit delays. Mr. Schroeder and Local 231 were unaware of these events until they received a copy of the FEC complaint. Local 231 has offered to repay any political contribution money they may have unknowingly received from Mr. Miles' paycheck in June of 2016.

According to the submittal of Precision Pipeline, Mr. Miles continued to work under Local 538 in Iowa on the pipeline project for at least an additional four months beginning in July 2016, with no PAC withholding and no adverse consequences.

I will be providing a supplemental affidavit this week to describe the specific amounts of any political contributions that may have been inadvertently withheld by Precision Pipeline and submitted to Local 231 with respect to Mr. Miles, for your information. Local 231 receives their political contributions in a lump sum from LEBPCT thus the detail of specific contributions will come by way of an additional affidavit.

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 231 but were, instead, an inadvertent result of an inaccurate Pipeline webpage.
- Local 231 had no documentation to show that Mr. Miles had worked in their jurisdiction for one month in June 2016
- to the extent that they now know, as a result of this complaint, the Precision Pipeline glitch has resulted in one month of inadvertently withheld political contributions to Local 231, the same will be remitted to the member
- Mr. Miles 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 231 in this matter. If we can provide additional information, we stand ready to do so.

Very truly yours,



Ellen Schanzle-Haskins

Attorney At Law

Representing Laborers' Local 231

1 North Old State Capitol Plaza Suite 525

Springfield, Illinois 62701

217 331-5528

Enc: Affidavit of Robert Schroeder, Business Manager, Laborers' Local
231

Affidavit

Robert Schroeder, 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 the Business Manager for Laborers' Local 231 in Pekin, Illinois.
3. When a LiUNA member from another local works on a project in Illinois in the counties represented by Local 231, such as the Dakota Access Pipeline Project, the member works under the hourly rate of pay and benefit package for the Local 231 and the worker completes paperwork accordingly.
4. As a part of the wage and benefit package, there are voluntary contributions to political funds which the member must specifically authorize that he/she agrees to, that is, a 3¢ per hour voluntary contribution to the Laborers' Local 231 (Illinois) Laborers Political League (LPL) and 5¢ per hour voluntary contribution to the Midwest Region Laborers' Political League (Fed LPL).
5. Paperwork is provided which allows the member to voluntarily opt out of contributions to these voluntary funds. (See Attached Local 231 checkoff Authorization and Assignment).
6. This paperwork, when completed by the worker, is kept in our office as part of our business records and a copy goes to the payroll office of the employer.
7. I have done a thorough search of the Local 231 office and no paperwork indicates that Mr. Miles signed the checkoff document in June of 2016 or at any time to work in the jurisdiction of Laborers' Local 231.

8. It is my belief that there was some confusion as to the jurisdiction of the respective local unions on the Dakota Access Pipeline Project. The project was set to begin in June 2016 in both Iowa (Local 538) and Illinois (Local 231) but due to a delay in Iowa permits, the work actually began in Illinois.
9. I further believe that member Miles was not given a Local 231 checkoff for several reasons. I have read his description of what he was given to sign. He indicates it was "yellow" (ours is white) and the form "left blank" the amounts to be withheld. (Local 231 checkoff specifically lists the 3¢ and 5¢). Additionally member Miles signed a Local 538 check off which is attached to his complaint and that checkoff has the dollar amounts "left blank."
10. Member Miles had his induction meeting in West Burlington, Iowa and at that time, I believe that member Miles was being hired to work in Iowa under the jurisdiction of Local 538 by Local 538 pipeline steward Phelps and not to work under Local 231.
11. I was not aware that pipeline LiUNA worker Terry Miles was working in Illinois under the jurisdiction of Local 231 in June 2016 or at any other time and I do not believe I have ever met or talked to Mr. Miles.
12. I have not attended any of the Dakota Access Pipeline orientations.
13. In my capacity as Business Manager, if a member is dissatisfied with a matter the member may complain to me and I will attempt to resolve the complaint.
14. At no time did Mr. Miles file a grievance with me or Local 231 and I only became aware of his claim when a copy of the FEC complaint was sent to me by my attorney. If Local 231 received funds, we are happy to remit same. I understand that Precision Pipeline admits that it was their error that caused the deductions.

Further affiant sayeth not.

Robert Schroeder

Robert Schroeder

Subscribed and sworn to by me this 21st day of March, 2017.

Kathleen K Beckman

Notary Public



CHECKOFF AUTHORIZATION AND ASSIGNMENT • Local Union No. 231 Affiliated with LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO

I, _____ (print name) do hereby assign to Local Union No. 231, 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 is 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 _____

Date _____

Signature _____

VOLUNTARY CONTRIBUTION TO LABORERS' LOCAL #231 LABORERS POLITICAL LEAGUE

I hereby authorize and direct my employer to deduct from my pay during periods I am employed the sum of three cents (\$03) per hour worked as a voluntary contribution to Laborers' Local #231 Laborers Political League and to remit said sums directly to Local #231 as above provided.

This authorization shall be irrevocable for a period of one year from the date hereof, or until termination of the applicable collective bargaining agreement, whichever occurs sooner, and shall automatically renew and be irrevocable for successive one year periods thereafter unless revoked by me between ten and twenty days prior to any renewal period by written notice to the employer and Laborers' Local #231 Laborers Political League.

Date: _____ Signature: _____

Covering the following counties: Adams, Fulton, Hancock, McDonough and Tazewell, Brown, Mason, Schuyler and Pike

Updated 5/1/2013



MIDWEST REGION LABORERS' POLITICAL LEAGUE PAYROLL CHECK-OFF AUTHORIZATION FORM

Local Union _____

I hereby authorize and direct each Employer signatory to an agreement with Laborers' International Union of North America or any of its affiliates for whom I work to deduct from my paycheck five cents (\$05) for each hour worked every pay period and to remit such amount to the Midwest Region Laborers' Political League (M.R.L.P.L.) 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 M.R.L.P.L. are not conditions of membership in the Union or of employment with any Employer, that I have a right to refuse to sign this authorization and to contribute to M.R.L.P.L. without reprisal and that M.R.L.P.L. will use the money it receives 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.

I also understand that contributions to the M.R.L.P.L. are not deductible as charitable contributions for federal income tax purposes.

This authorization shall remain in full force and effect until revoked by me in writing.

Print Name _____

Social Security Number _____

Signature _____

Date _____

Colors: White - Midwest Region I. P.L.

Green - Local Union

Pink - Chairman

Red - Member