



International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

September 18, 2009

VINCENT J. GIBLIN
GENERAL PRESIDENT

CHRISTOPHER HANLEY
GENERAL SECRETARY-TREASURER

To the Officers and Members of Local Union No. 501

Dear Brothers and Sisters:

GENERAL VICE PRESIDENTS

WILLIAM C. "WAGGONER"

BRIAN E. HICKEY

GARY KROEKER

JOHN M. HAMILTON

PATRICK L. SINK

JERRY KALMAR

RUSSELL E. BURNS

JAMES T. CALLAHAN

RODGER KAMINSKA

MARK HOLLIDAY

JAMES M. SWEENEY

ROBERT T. HEENAN

TRUSTEES

JOHN M. HOLLIDAY III ~
CHAIRMAN

JOHN T. AHERN

MICHAEL GALLAGHER

KuBAj. BROWN

GLEN D. JOHNSON

GENERAL COUNSEL

RICHARD GRIFFIN

Over the course of the past year, my office has received numerous complaints concerning the operation of Local Union No. 501, including allegations of \$105,770 accumulated vacation payout to the former Business Manager, embezzlement of union funds, **personal use of union credit** travel outside the jurisdiction by fulltime employees for no union purpose, **removal of union property without authorization**, acceptance of cash from vendors, **employment of former employees as consultants in violation of trust agreements**, a sexual harassment law suit filed by a current employee against the Local and certain officers, decertification losses and possible decertification efforts in Unit 12, **electioneering on union time**, and breaches of computer security concerning members' personal information. I have had inquiries made concerning these allegations and have yet to receive adequate explanations refuting the allegations. Moreover, my office continues to receive, on almost a daily basis, additional allegations despite my understanding that Local Union employees have been directed to have no communications with the International Union.

As General President of this International Union, it is my responsibility to assure that Local Union officers conduct the business of the Local Union in compliance with their fiduciary obligations. I am also obligated to assure that you, the members of Local 501, receive the representation and service to which you are entitled. Therefore, in light of the constant flow of complaints and allegations my office has received, I have decided to send an investigative team of internal auditors and the Intern-independent accounting firm under the direction of James VanDyke, itJ0:ErCrrref trf Staff, to conduct an investigation at Local 501's offices and provide my office with a report. Once the report has been received and evaluated, I will be communicating with you further.

Vincent J.
General President

VJG:rg

cc: Dennis Lundy, Regional Director, Western

Fraternally,