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Hearing Pursuant to Article IV :  
Of the Constitution of the Transport :  
Workers Union of America, AFL-CIO :

**In the Matter of the Receivership :  
Of TWU Local 208,**  
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**APPEARANCES**

**For Transport Workers Union Local 208:**

Jarvis Williams, President, TWU Local 208  
Darryl Neal, Executive Board, TWU Local 208  
Marcia Woods-Johnson, Executive Board, TWU Local 208  
Henry Cade III, Executive Board, TWU Local 208  
Darryl Neal, Executive Board, TWU Local 208  
Melvin Reese Patrick, Executive Board, TWU Local 208  
David Barker, Executive Board, TWU Local 208  
Tyson Brown, Executive Board, TWU Local 208

**For the Transport Workers Union of America, AFL-CIO:**

Gary Shults, TWU International Training Coordinator  
Stephen Nelder, Fraud Solutions L.L.C.

**The Trial Committee:**

William Brown, Trial Committee Chairman, President, TWU Local 234  
BenYoel Morgan, President, TWU Local 527  
Brian DeLucia, TWU International Representative

**REPORT AND RECOMMENDATION OF THE TRIAL COMMITTEE**

The Transport Workers Union of America recently became aware of alleged financial improprieties occurring at Transport Workers Union Local 208 in Columbus, Ohio. Pursuant to the TWU Constitution the International Executive Council convened on October 29, 2019 and voted unanimously to place TWU Local 208 in Receivership.

On October 30, 2019, the International sent a letter to Local 208 President Jarvis Williams and to former Local 208 Financial Secretary-Treasurer Alesia Combs, notifying them of the unanimous vote of the International Executive Council to place Local 208 in Receivership and appoint International Representative Theotis James as the Administrator.

### Allegations

The allegations in the letter were as follows: According to bank records obtained, Ms. Combs utilized an ATM card to withdraw over \$100,000 over a period of several years to which she was not entitled and for which no legitimate union purpose had been demonstrated. In addition, she drafted several checks, drawn on the Local's bank account payable to herself. These checks required two signatures. Ms. Combs utilized the President's signature stamp, without authorization and she placed a signature on a check that was not her own. The amounts of the checks ranged from \$4,500 to \$6,500. She also concealed her misdeeds by submitting false financial statements to the International. On October 5, 2019, Ms. Combs resigned as Financial Secretary-Treasurer of Local 208.

In the weeks that followed, independent auditor Stephen Nelder from Fraud Solutions, L.L.C. further reviewed the finances of the Local, and reported the following items of financial misappropriation:

- Identified and documented questionable QuickBooks entries of \$3,060 to YMCA Family Shelter September 14, 2014 through December 31, 2014.
- Identified and documented questionable QuickBooks entries of \$26,206.50 to YMCA Family Shelter January 1, 2015 through December 31, 2015.

- Identified and documented questionable QuickBooks entries of \$18,500 to Community Services January 1, 2015 through December 31, 2015.
- Identified and documented ATM withdrawals of \$214,000 between January 1, 2016 through September 30, 2019.
- Documented \$76,810.94 of checks payable to Alesia Combs for reimbursement of “Union Business” that had no supporting documentation.
- Reviewed Mellman and Perdue’s 2014 and 2015 Audited Financial Statements for disqualification or disclaimer due to charitable donations.
- Investigating PNC bank account #5482 hacked in April 2016 that showed \$10,593.16 in fraudulent disbursements.
- Provided Local 208 history of Federal, State and Local tax payments plus filings for Bureau of Workers’ Compensation and Ohio Departments of Jobs & Family Services to Mr. Richard Kirk.
- Currently investigating other questionable transactions to ensure no other individuals were involved.

As of the date of the hearing, Mr. Nelder had identified at least \$338,577.44 of losses due to the acts of Alesia Combs and \$10,593.16 due to unidentified computer hackers, for a total of \$349,170.60. Since the investigation was still ongoing, that amount was subject to change.

### The Trial

In accordance with Article IV of the International Constitution, a Trial Committee consisting of the undersigned was designated as a subcommittee designated by the International Administrative Committee to make findings and a recommendation regarding if Local 208 should remain in Receivership. Notification was sent to Mr. Williams and former Financial Secretary-Treasurer Ms. Combs that the trial regarding the charges regarding the Receivership was scheduled for December 3, 2019. A subsequent notice rescheduled that trial

for December 19, 2019, to take place at the Union office. The hearing took place at the location, date and time scheduled, at the Union office located at 2800 North High St., Columbus, Ohio.

Just before the trial in this matter, the Trial Committee heard extensive testimony regarding the fraudulent conduct of former Financial Secretary-Treasurer Alesia Combs. At that trial, auditor Stephen Nelder from Fraud Solutions, L.L.C. was sworn in and testified as to his findings, listed above. Mr. Nelder also testified that additional sums were discovered following his initial review, and that the loss investigation is ongoing. Thus, the full extent of the loss to Local 208 is not clear.

At the trial in this matter International Administrator Theotis James described to the Committee that at the time of discovery of the misappropriation of funds, Local 208 was in arrears to the Central Ohio Transit Authority in the amount of approximately \$158,000 for lost-time payments. Local 208 was also indebted to its current counsel Robert Sauter, Esq. in the amount of \$8,000 for professional legal services rendered to the Union and was indebted to the TWU International in the amount of approximately \$33,000 for missed per capita payments. Workers' Compensation and unemployment insurance taxes were also in arrears in the approximate amount of \$12,000. Despite these significant financial liabilities, Local 208 only had approximately \$78,000 in assets available for operations. The Committee did not hear any evidence that the financial condition of Local 208 has improved in any way.

In addition, the Local 208 By-Laws require the Local Union President to “see that all union officers perform their respective duties.” The By-Laws also refer to an “audit committee” responsible for overseeing the work of the Financial Secretary-Treasurer.

It appears from the foregoing that these structural oversight functions were not utilized by the Local Union leadership with respect to Ms. Combs’ activities as Financial Secretary-Treasurer.

The Trial Committee heard testimony from several current members of the Local 208 Executive Board, Marcia Woods-Johnson, Henry Cade III, Darryl Neal, Melvin Reese Patrick, David Barker, Tyson Brown, and current Local 208 President Jarvis Williams. Each witness acknowledged the beleaguered financial condition of the Local and acknowledged that Local 208 needs International oversight in order to restore the Union to fiscal and organizational health. Additionally, all of these witnesses agreed that the continuation of the Receivership with clear benchmarks for the Local to meet in order to exit that status, is the only way forward for Local 208.

### Decision

After extensive deliberations, the Trial Committee finds that the evidence adduced at the trial of this matter and the related trial of Ms. Combs is indisputable, and paints a picture of brazen, continuous and unbridled theft from Local 208 on the part of Ms. Combs. Her pattern of stealing from the Union, and in some cases using the name of the Union President in order to do so, violated the duty of loyalty she owed to the members she was supposed to serve, in addition to violating the By-Laws of Local 208 and the International Constitution. Article XVI, Section 4 of the Constitution places significant responsibility on the Financial

Secretary-Treasurer, in part because the management of the finances of a local union so directly impact its ability to carry out its purpose. Among other things, that officer is required to do the following:

- Receive all monies paid into the Local Union, including monies received for welfare or special funds, and give official receipts for all such monies received using the triplicate receipt book supplied by the International Union or a form approved by the International Administrative Committee.
- He/she shall deliver the original receipt to the payer, a triplicate thereof to the International Secretary-Treasurer and shall retain the duplicate in the files of the Local Union.
- He/she shall deposit all monies received in the name and number of the Local Union in such bank or banks as the Local Executive Board may direct.
- He/she shall sign all checks.
- He/she shall make no payments by cash, check or otherwise, unless such payment is supported by a voucher duly completed pursuant to the rules and regulations established by the International Administrative Committee. Such vouchers shall be preserved by him/her and his/her successor for at least five (5) years.
- He/she shall keep regular books and records of the Local's finances pursuant to the rules and regulations established by the International Administrative Committee.
- He/she shall report monthly to the Local Executive Board and to the International Secretary-Treasurer on the forms approved by the International Union.

In addition, the Financial Secretary-Treasurer takes an oath of office pledging to perform the duties of the office as required by the Constitution, to bear "true and faithful allegiance" to the International and their Local Union, and to perform faithfully the duties assigned to them to the best of their ability. Stealing Union assets violates this oath, and violates the trust placed in the officer by the members.

Further, continuous, methodical, pre-meditated theft of Union assets, as demonstrated here, is the embodiment of “fraudulently misappropriating funds of the union” and has wreaked havoc on the finances of Local 208 and likely damaged the confidence the members placed in their Local leadership. There can be no place in the TWU, or in the broader labor movement, for a Union officer who steals money from the members they are elected to serve.

In times such as these, the membership must be united in purpose, and must have confidence that their Local leadership is working diligently to manage and wisely spend the dues they pay, and that the leadership is building the Union to a place where it can not only withstand attacks from without, but can also be assertive in negotiations seeking better wages and terms and conditions of employment for the membership. Theft from the treasury undermines all of these aims, weakening the Union’s ability to fight off challenges, damaging the Union’s standing with its employers, and casting serious doubt in the minds of the members as to the focus and interests of the leadership itself. It cannot be tolerated.

Further, the financial condition of the Local as recounted by International Administrator Theotis James described to the Committee showed that Local 208 was in arrears to the Central Ohio Transit Authority in the amount of approximately \$158,000 for lost-time payments. Local 208 was also indebted to its current counsel Robert Sauter, Esq. in the amount of \$8,000 for professional legal services rendered to the Union and was indebted to the TWU International in the amount of approximately \$33,000 for missed per capita payments. Workers’ Compensation and unemployment insurance taxes were also in arrears in the

approximate amount of \$12,000. Despite these significant financial liabilities, Local 208 only had approximately \$78,000 in assets available for operations. The Committee did not hear any evidence that the financial condition of Local 208 has improved in any way. Additionally, the Trial Committee heard from a number of Local 208 Executive Board members, who all agreed that the continuation of the Receivership is necessary to help Local 208 recover from the actions of Ms. Combs, and that internal governance changes must be made to safeguard against such actions in the future.

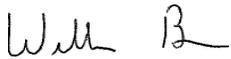
Thus, since the Local is not currently able to handle its own affairs, the International must continue the Receivership in order to help Local 208 get back on sound financial footing and restore confidence in its ability to operate in accordance with the International Constitution. There is simply no way Local 208 can function without significant assistance, especially in upcoming contract negotiations with its main employer. Instead, the Receivership must continue as long as necessary to restore credibility to the operation of the Union, and restore member confidence in the Local, which will only happen if a series of controls and best practices are put in place to avoid a similar situation in the future. This decision reflects the seriousness of the problems facing Local 208, and the importance of ensuring that the organization functions in the most efficient and effective manner for its members.

For these reasons, the Trial Committee recommends the following with regard to Transport Workers Union Local 208:

1. The Receivership shall continue;
2. The Local 208 By-Laws must be amended to comply with the International Constitution in all respects;
3. Heightened financial controls and training must be put in place immediately;
4. Local 208 shall not have an ATM card, or a signature stamp;
5. All checks shall be signed by at least two officers;
6. Each account shall have three authorized signatories;
7. Increased financial disclosure to the Executive Board shall be required;
8. Such other and further relief as the International Administrative Committee shall deem appropriate.

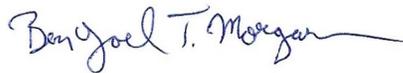
All members of the Trial Committee concur in this Recommendation.

DATED: this 26<sup>th</sup> day of February 2020



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William Brown  
Chairman



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BenYoel Morgan



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Brian DeLucia