

OFFICE OF THE ELECTION OFFICER
% INTERNATIONAL BROTHERHOOD OF TEAMSTERS
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Election Officer

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April 16, 1992

James F. Esser
President
IBT Local Union 243
2741 Trumbull Avenue
Detroit, MI 48216

Mary Knox
18415 Dorset
Southfield, MI 48075

Re: Election Office Case No. P-1155-LU243-MGN

Dear Mr. Esser and Ms. Knox:

A protest was filed pursuant to the *Rules of the IBT International Union Delegate and Officer Election*, revised August 1, 1990 ("*Rules*"), concerning expenses incurred by Mary Knox, an alternate delegate from Local Union 243, at the 1991 IBT International Union Convention.¹ The protest was investigated by Regional Coordinator James De Haan.

Pursuant to the *Rules*, Local Union 243 in its Local Union Election Plan decided to send and pay the expenses for both its delegates and alternate delegates to attend the 1991 IBT International Union Convention. Mary Knox was elected as an alternate delegate from Local Union 243. She was elected as a member of a slate committed to the candidacy of Ron Carey for IBT International Union General President. Other successfully elected delegate and alternate delegates from Local Union 243 were members of a slate headed by the incumbent officers of the Local.

Under and in accordance with the Advisory regarding Convention Expenses, issued April 19, 1991, ("*Advisory*") Local 243 advanced per diem expense monies to all its delegates and alternate delegates. After the Convention, again as set forth in the Advisory, the delegates and alternate delegates were required to account for their

¹Prior to the filing of any protest document with the Election Officer, James F. Esser, President of Local Union 243, filed internal union charges against Ms. Knox concerning her expenditure of advanced per diem monies during the period of the 1991 IBT International Union Convention. When notified by the Election Office that the Election Officer had exclusive original jurisdiction with respect to Convention related expenses, Mr. Esser stayed or withdrew, without prejudice, the internal union charges and sought from the Election Officer a decision concerning the propriety of the expenses incurred by Ms. Knox during the Convention. See *In Re Viramontes*, Election Office Case No. P-1021-LU439-CCV, modified 91 Elec. App. 229 (SA).

utilization of such advanced monies by receipt and to return to Local 243 all advances not utilized for reasonable Convention expenses, as demonstrated by receipts.

Local Union 243 questioned some of the receipts submitted to it by Ms. Knox. By check dated July 26, 1991 Ms. Knox reimbursed Local 243 for certain expense items questioned by the Local. Subsequently, by letter dated September 5, 1991, Local Union 243 requested further information from Ms. Knox regarding certain of her expense receipts, including, *inter alia*, the following:

1. an American Express receipt dated June 22, 1991 for which the Local sought the name of the restaurant and suggested that the receipt covered expenditures on behalf of person(s) in addition to Ms. Knox;
2. an International House of Pancakes receipt dated June 23, 1991, where Local 243 suggested that the receipt covered expenditures on behalf of person(s) other than Ms. Knox;
3. a receipt from the Crab House date June 25, 1991 where the Local Union suggested that the receipt covered expenditures on behalf of person(s) in addition to Ms. Knox;
4. a receipt from the Crab House date June 28, 1991 where the Local Union suggested that receipt covered expenditures on behalf of person(s) in addition to Ms. Knox; and
5. an undated receipt in the amount of \$52.76 on a Caribbean Beach Hotel room service form for which Local 243 sought the date the expense was incurred and further suggested that the expense may have covered expenditures for person(s) in addition to Ms. Knox.

Ms. Knox responded by hand written notations on the Local's September 5, 1991 letter. With respect to the last item in question, number 5 above, Ms. Knox indicated that the receipt covered "tips for visitation", subsequently explained by Ms. Knox to indicate tips provided by her to the hotel maid. With respect to the other questioned items, Ms. Knox indicated that the expenditures were for her personal food consumption only. Regarding the American Express receipt date June 22, 1991, Ms. Knox noted "1 -- Mary Knox", further indicating that she could not recall the name of the restaurant. For the Crab House receipt dated June 25, 1991, Ms. Knox admitted that two dinners were purchased, but claimed that the second dinner was ordered by her for take-out because the first was not enjoyable. Ms. Knox stated with respect to the receipt from the Crab House dated June 28, 1991 that "I ate lobster and appetizer and drinks, 1 -- Mary Knox." Similarly for the International House of Pancakes receipt, Ms. Knox's notation on the Local's September 5, 1991 letter stated "1 -- Mary Knox".

Copies of the actual meal checks were obtained from the Crab House. The check for June 25, 1991 shows that two different appetizers, two entrees -- both identical -- and three beverages were ordered. The check for June 28, 1991 demonstrates two separate

appetizers, two different entrees and two identical beverages were consumed. While no actual check was obtained from the International House of Pancakes, a review of the menu demonstrates that it would be almost impossible for one person to consume food items totaling \$20.40, the amount indicated on the receipt submitted by Ms. Knox to Local 243. Since Ms. Knox cannot recall the name of the restaurant at which she ate on June 22, 1991, neither a dinner check nor menu could be reviewed with respect to that expenditure.

After the filing of the instant protest and in response to the investigation by the Regional Coordinator, Ms. Knox stated that the questioned restaurant receipts covered expenditures made on behalf of two persons, herself and a guest. She explained that when she responded to the Local's September 5, 1991 letter she relied on her memory, not having copies of her credit card invoices. Once having obtained such invoices she states that she realized that there were two persons dining on each occasion. She further explained, as noted above, that the \$52.76 Caribbean Beach Hotel room service was the amount of the gratuity she had provided to the hotel maid.

The Advisory provides that the Local Union is only responsible for actual reasonable expenses incurred by its delegates and, if applicable as in this case, its alternate delegates. The Advisory further notes that the Local is not responsible for paying expenses incurred by spouses, family members, or guests other than those guests whose attendance was reasonably related to the business of the Convention. Finally the Advisory directs that expenses for which reimbursement is sought must be reasonable and documented and that advanced expense monies not so spent must be returned to the Local Union. In each case where the matter has arisen, the Election Officer has applied a rule of reasonableness to disputed expenses, balancing the interest of IBT members serving as delegates and alternate delegates to the 1991 IBT International Union Convention to have their reasonable expenses reimbursed by the Local Union and the equally strong interest of the Local Union to expend members' dues monies on only legitimate Union business.

In accordance with the Advisory and the principles stated above, Ms. Knox is not entitled to obtain reimbursement for food consumed by anyone other than herself; expenses incurred by her guest(s) is not to borne by Local 243. Since Ms. Knox admits that the American Express receipt dated June 22, 1991, the International House of Pancakes receipt dated June 23, 1991, and the Crab House receipts dated June 25 and 28, 1991 covered the cost of meals both for herself and a guest, Ms. Knox is to reimburse Local 243 for 50% of the amount noted on each receipt, for a total reimbursement of \$133.67.

The final disputed expense concerns the amount of \$52.76, which Ms. Knox contends was a gratuity she left the hotel maid. The Election Officer has previously ruled that gratuities such as payments to maids, porters, bellmen and other individuals who provide personal services are reasonable expenses associated with travelling and staying in a hotel during the period of the 1991 IBT International Union Convention. The Election Officer has recognized that individuals who provide such services customarily do not give receipts to patrons. Accordingly the Election Officer has held

that a delegate or alternate delegate who provides such gratuities may be reimbursed by his/her Local Union for such gratuities provided that the gratuity is reasonable and "receipted" by the delegate or alternate delegate providing a written document to the Local noting the amount and recipient of the gratuity, accompanied by a statement that a gratuity was actually provided. See In Re IBT Local Union 769, Election Office Case No. P-888-LU769-SEC, affirmed 91 Elec. App. 193 (SA).

Ms. Knox has not as yet provided an appropriate receipt to Local 243. Further the Election Officer finds that the amount of \$52.76 for a gratuity to the hotel maid is not a reasonable amount. The Election Officer has previously found that a gratuity for hotel maid service at the rate of four dollars per night is reasonable. See In Re Viramontes, Election Office Case No. P-1136-LU439-CCV. The Election Officer cannot find any support for finding a gratuity in excess of that amount to be reasonable.

Ms. Knox remained at the hotel at the Convention site for seven nights. Accordingly the Election Officer determines that a gratuity for hotel maid service in an amount of \$28 or less is reasonable. Accordingly, if Ms. Knox provides a "receipt" to Local 243 documenting that she provided a gratuity to the hotel maid and the amount of such gratuity, she is entitled to reimbursement for such gratuity. However, regardless of the amount actually provided to the hotel maid, all amounts in excess of \$28, i.e., \$24.76 or the difference between Ms. Knox's "receipt" and \$52.76, whichever is greater, will be disallowed by the Election Officer as not being reasonable.

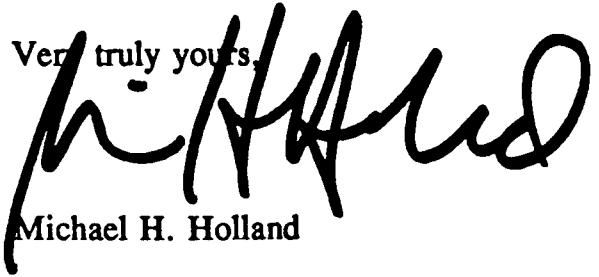
This protest is determined in accordance with the foregoing. Within five (5) days of the date of this decision Ms. Knox shall provide Local 243 with a "receipt" documenting the gratuity she provided the hotel maid plus reimbursement in the amount of at least \$158.43, representing 50% of the face amount of the four disputed meal charges and the difference between the amount Ms. Knox claimed as a maid service gratuity and the \$28 found by the Election Officer to be reasonable.² Within three days thereafter Ms. Knox shall provide an affidavit to the Election Officer of her compliance with this decision, including a copy of any "gratuity receipt" provided by her to Local 243 as well as documentation demonstrating that appropriate reimbursement has been made by her to Local 243.

If any interested party is not satisfied with this determination, they may request a hearing before the Independent Administrator within twenty-four (24) hours of their receipt of this letter. The parties are reminded that, absent extraordinary circumstances, no party may rely upon evidence that was not presented to the Office of the Election Officer in any such appeal. Requests for a hearing shall be made in writing, and shall be served on Independent Administrator Frederick B. Lacey at LeBoeuf, Lamb, Leiby & MacRae, One Gateway Center, Newark, New Jersey 07102-5311, Facsimile (201) 622-6693. Copies of the request for hearing must be served on the parties listed above, as well as upon the Election Officer, IBT, 25 Louisiana Avenue, N.W., Washington,

²Should Ms. Knox fail or elect not to provide a "receipt" reflecting the maid service gratuity, the amount she is to reimburse the Local is \$186.43.

D.C. 20001, Facsimile (202) 624-8792. A copy of the protest must accompany the request for a hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael H. Holland". The signature is stylized and cursive, with a large initial "M" and "H".

Michael H. Holland

MHH/kan

cc. Frederick B Lacey, Independent Administrator
James De Haan, Regional Coordinator