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ELECTION SUPERVISOR'S SUMMARY REPORT NO. 4 TO THE IBT

The February 26, 2015 Stipulated Agreement and Order appointing the Election Supervisor for the 2015-2016 IBT International Union Delegate and Officer Election (the "2016 Election Agreement") provides that "The 2016 Election Supervisor shall have the right and obligation to submit reports to the IBT which, in turn, has the obligation to share these reports with the membership and the Government." Election Agreement, ¶ 2. Each month during the election cycle, the Office of the Election Supervisor ("OES") provides to the IBT and the Government an accountant's compilation of the OES financial statements, including a chart that shows OES actual and budgeted expenses. This report provides additional narrative context for the monthly financial compilations and summarizes activities conducted from July 14, 2016 through December 12, 2016. During this period OES mailed out ballots, and all members of the IBT had the opportunity to cast secret ballot votes for the offices contested by candidates nominated to the ballot at the 29th International Convention. The ballot tabulation was completed in November, and OES is currently engaged in post-election proceedings.

I. Candidate Forum

A. The Event

The 2016 IBT International Office Candidates Forum was held on August 25, 2016 at the National Press Club in Washington, D.C. ("NPC"), before a live audience of IBT members and journalists. IBT General President Candidate Fred Zuckerman participated in the forum. On

July 15, 2016, counsel for General President Candidate James Hoffa notified OES in writing that General Secretary-Treasurer Candidate Ken Hall would participate in the 2016 Candidates Forum as Mr. Hoffa's representative. *2016 Election Rules*, Article VII, Section 6(d). Each candidate received a block of tickets to the event, and distributed the tickets to members of their choosing.

The 2016 Candidates Forum was presented in the NPC's "Newsmakers" series. Thomas Burr, Washington Correspondent for the Salt Lake Tribune and President of the NPC served as moderator for the event. A panel of journalists experienced in covering labor issues – Michael Rose of Bloomberg BNA, Kimberly Atkins of the Boston Herald, and Harold Meyerson of The American Prospect – posed questions to the candidates. The general format and the *Supplemental Rules* for conducting the 2016 Candidates Forum were largely the same as in 2011 and 2006, and the forum again took approximately 90 minutes. To encourage participation, OES used modern channels of distribution and mechanisms for audience interaction.

B. Publicity For, and Distribution of, the Candidates Forum

OES publicized the 2016 Candidates Forum through several channels. As in past elections, information about the 2016 Candidates Forum was published in the *Teamster* magazine sent to all members (with a special election materials issue for Canadian members), and was directed to be posted on bulletin boards controlled by IBT local unions. These notices were published and posted before the 2016 Candidates Forum and afterwards as well (to encourage members to view the recording). The 2016 Candidates Forum was publicized on the IBT's Facebook page and through additional advertising purchased on Facebook. The NPC also issued its own press release about the 2016 Candidates Forum as an upcoming "Newsmakers" event. The promotional material explained that anyone could view the 2016 Forum as it happened on Facebook (the NPC has studio facilities that produce a high quality video signal compatible with Facebook live, and that factored into selecting the NPC as the site for the 2016 Forum). Shortly

before the event, C-SPAN informed OES that it would be carrying the event live as well, and that distribution channel was announced over Facebook. The reports available from Facebook show that the Facebook promotion reached almost 60,000 individuals directly. Those exposures would have cascaded further through Facebook's network.

Approximately 6,000 individuals joined the Facebook live presentation of the 2016 Forum, and a lively interaction unfolded during the event with more than 1,400 comments posted. OES set up a dedicated cell phone number and an email address for members to submit questions by text message and email. The submissions received were provided to the moderator, who used several of them submission to frame questions for the candidates.

After the live presentation, the full recording of the 2016 Candidates Forum could be viewed on the OES website, on a Vimeo channel set up by OES, and also on C-SPAN (the video may be called up from C-SPAN's archive). Counters associated with the Vimeo and C-SPAN postings show more than 2,300 additional views of the 2016 Forum. OES also posted each question and answer round as a separate segment on Vimeo, and those appear to have received approximately 50 to 100 views each.¹ All of these segments could be downloaded, and then further shared, but OES has no information on that activity.

The recording was made available on DVD, and three copies were sent to each local union (1,569 copies in all). OES received, and fulfilled, 29 requests for the DVD from individual members. The campaigns also requested, and received, a small number of copies.

¹ Candidates for General President and General Secretary-Treasurer delivered acceptance speeches on the final morning of the 29th International Convention, and videos of those speeches were also available for viewing through the OES website. The Vimeo counter for each video reflects several hundred viewings of each of acceptance speeches.

II. Communication with IBT Members

The Election Supervisor publishes reports to the membership in *Teamster* magazine. Because the magazine is not distributed to the membership in Canada, special issues with candidate campaign literature and election information (including the Notice of Election and detailed voting instructions) were prepared and mailed to members in that region in August, September and October.

Election Supervisor reports provided information about nominations at the 29th International Convention, campaign rights of members, voting procedures, and how to contact the Election Office to obtain a replacement ballot. Members were reminded in every issue that each member's vote was secret and that the *2016 Election Rules* prohibit interference with any member's decision to vote.

III. Content Review of Union-Financed Publications

Article 7, Section 8(e) of the *2016 Election Rules* requires an OES pre-publication review of every Union-financed publication to be mailed or otherwise distributed to the membership between August 2016 and November 2016. The purpose of the review is to ensure that union-financed publications do not contain campaign messages of official union support for candidates.

A *Publication Review Advisory* was distributed union-wide on July 8, 2016, and posted to www.ibtvote.org. Two-hundred fifty-seven items were submitted for review, as summarized on the following table:

UNION-FINANCED PUBLICATIONS REVIEWED						
	# of Bodies	Regular Items	GOTV Items	Robo Scripts	Text Messages	Youtube Videos
IBT Local Unions	67	119	40	5	5	2
IBT Joint Councils	9	18	0	0	1	0
IBT Headquarters	1	42	4	10	2	0
BLET	2	3	0	0	0	0
BMWED	1	2	1	0	0	0
GCC	3	3	0	0	0	0
TOTALS	83	187	45	15	8	2

No protests were filed regarding any of the reviewed publications.

IV. The Count Site

OES identified warehouse-type space at 6295 Edsall Road, Alexandria, Virginia, as suitable for use as a secure facility to hold and process ballots returned by mail from the membership, and to conduct the ballot count. A short term lease for the space was negotiated. The count site had ample space for secure storage, ballot processing, and to house the staff needed to respond to requests for replacement ballots. OES made minor modifications to meet particular needs, including securing the ballot storage area with additional locks and security cameras. OES security staff was on-site around the clock starting from when ballots were stored at the count site.

V. Ballot Mailout and Return

Ballots were mailed out in the United States and Canada on October 6, 2016.

Ballots of members in the United States were returned to a post office in Alexandria, Virginia, picked up daily, and locked in a secure area under 24-hour surveillance at the count site. Ballots of members in Teamsters Canada were returned to a similarly secure location in Windsor, Ontario.

All ballot pickups were open to observation by candidate representatives.

Merriman River Group (“MRG”) equipped and supervised a Call Center at the Count Site to respond to inquiries from IBT members in the United States and Canada. MRG also supervised the pre-count processing of returned ballots (*i.e.*, sorting the returned mail by local union for counting), researched and updated addresses for ballot packages returned as undeliverable, and responded to members who did not receive a ballot package or were requesting a replacement ballot package.

On October 6, 2016, OES mailed 1,356,347 ballot packages to then-active IBT members.² Three supplemental mailings, totaling 9,586 ballot packages, were made on October 7, 11 and 13.³ In total, OES distributed ballot packages to 1,365,933 ballot-eligible members, or 4,063 more ballot packages than in 2011. The MRG call center received calls from 6,090 members requesting replacement ballots and mailed out 6,125 packages (35 were issued to members who called more than once).⁴ Of 65,185 ballot packages returned as undeliverable, MRG obtained updated addresses for 21,458 members, and re-mailed ballot packages to them.

As of the November 14, 2016 deadline, the number of business reply ballot envelopes reported received by the U.S. Postal Service and Canada Post totaled 211,635, a 15% decrease from the 248,933 business reply ballot envelopes received in 2011, and a 27% decrease from the 293,785 envelopes received in 2006. Although the number of ballot packages distributed to members has decreased by about 10% since 2006, the voter response has decreased by a greater percentage.

² OES distributed 1,361,897 ballot packages in 2011, and distributed 1,533,463 ballot packages in 2006.

³ This supplemental distributions total includes 142 ballot packages delivered by OES staff to IBT members employed at the Ringling Bros. Circus.

⁴ The return envelopes for replacement ballots carry coding to ensure that a member cannot return multiple ballots and cast multiple votes.

VI. The Ballot Count

The ballot count for the International Officer election commenced on Monday, November 14, 2016 and continued in two, eight-hour shifts each day until the count of all ballots returned by unchallenged, eligible members was completed on Thursday, November 17. The number of challenged ballots exceeded the winning margin in the contests for General President, General Secretary-Treasurer, and Vice-President At-Large, and OES addressed challenged ballots on November 18.⁵ The count concluded on November 18 after categories of challenged ballots were resolved to the point that the winning margin in every contest exceeded the number of challenges remaining.⁶ Candidate representatives were present during every count session and observed each step in the process. A summary of the count procedure follows.

OES hired approximately 300 temporary workers to staff the ballot count. These workers were assigned to transport, handle, and process ballots at the count site. OES affiliates, drawn from the ranks of the Regional Directors and Adjunct Directors around the United States, were engaged to supervise the temporary workers. For the count week, the full complement of temporary workers worked for four days (instead of five or six days) because there were fewer ballots to process than in the past.

As described in the *Supplemental Rules for the Conduct of the Mail Ballot Election* (October 3, 2016), ballots were sorted and counted by local union, with results reported from the

⁵ Challenged ballots as recorded in the OES eligibility database totaled 12,282 as of November 17, 2016 and the narrowest winning margin in a contested election was the 4,035 vote spread between At-Large Vice-President candidates Steve Vairma and Sandy Pope.

⁶ OES obtained dues records from the IBT reflecting payments that were made by the November 10, 2016 arrearage cure date but that were posted after creation of the Election Control Roster with the information used in the OES eligibility database. The updated information showed that of the 12,282 challenged ballots, 5,991 were from members clearly ineligible to vote, 2,908 were from members clearly eligible to vote, and 3,383 remained in challenged status. After counting the 2,908 ballots the narrowest winning margin was 4,157 votes, a figure that exceeded the 3,383 challenged ballots remaining.

tabulating machines to the observers as each local was completed. Checking voter eligibility by scanning bar codes against the member database is an efficient process, as is the tabulation of ballots by electronic scanner. This technology is accepted by the candidates and observers, partly because all of the equipment used in eligibility testing and ballot tabulation is subject to checking and verification by observers. Thus, before the ballot count started the candidates had the opportunity to observe a check of the system and to submit their own queries for testing. After picking some local union Election Control Rosters (“ECR”) generated from the IBT’s database for review, candidates identified member names at random from the ECR, noted the member’s eligibility status, and then put that member’s name into the OES eligibility database to test whether the database reflected the same status. In every instance, the OES database produced the correct data. Candidates also had the opportunity to test the logic and accuracy of the ballot scanners, by marking (or mis-marking) ballots for scanning. In every instance, the machines tabulated the ballots accurately, including tabulation of overvotes according to the proper logic and the detection of blank ballots.

Once the actual ballot count started, candidate observers stationed throughout the count site could observe the entire process, from when ballots returned by the members of a local union were called out of the ballot security room, through eligibility, envelope slitting and ballot extraction, re-marking or re-making ballots as necessary to make the ballot machine-readable, scanning the ballots at the tabulators, and the return of counted ballots to the security room. The ballot count tabulated results for 521 separate local unions.⁷ Any issues observers raised on the count floor regarding the process were addressed promptly by OES staff.

⁷ The number of precincts reported totals 551. In addition to the local unions (each one a “precinct”), the supplemental counts of “stray” ballots and challenged ballots are counted by region, with each regional

A copy of the final results, as completed on November 18, 2016, is posted at www.ibtvote.org.

VII. Protests

Through December 9, 2016, OES has received 422 protests and disposed of 374 of them through 339 written decisions. Overall, the Election Appeals Master issued 32 rulings: 23 have been affirmances; 2 were partial reversals; 1 case was remanded for further investigation; and 6 dismissed or withdrawn. All protest rulings of the Election Supervisor and the Election Appeals Master are publicly available at www.ibtvote.org.

VIII. CCERS

Starting on September 15, 2016, all candidates were required to file CCERS every two weeks. Candidates were also required to file a projection of fundraising and expenditures, and to report deviations from the anticipated budgets. Candidate compliance with these requirements was very high, and missed deadlines were cured promptly. OES's forensic audit team at Duff & Phelps continues to review and analyze CCERS filings and to test compliance with the *2016 Election Rules*.

IX. Budget and Expenses

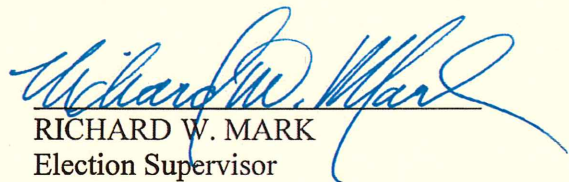
OES proposed to the parties a budget of \$12,885,700 based on certain assumptions about the level of election activity. Every month, OES provides a report to the parties showing the total amount expended to date measured against the budget in each category. The IBT has promptly provided funding to meet OES's needs as requested.

tabulation counting as one precinct. The stray ballots plus the five categories of challenged ballots, multiplied by five regions, results in 30 additional precincts.

OES will continue to share its monthly expense information with the government and the IBT so that the parties have complete information about the costs incurred. With the completion of the ballot count, OES will collect all outstanding bills and begin the wind-down of operations. OES will advise the IBT of the cash requirements necessary to complete supervision of the 2015-2016 IBT International Union Delegate and Officer Election.

Dated: December 12, 2016
New York, New York

Respectfully submitted,


RICHARD W. MARK
Election Supervisor