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Statement of Michael G. Cherkasky,  
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Before the Subcommittee on Oversight and Investigations  
Committee on Education and the Workforce

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Chairman Hoekstra and distinguished members of this House Subcommittee on Oversight and Investigations, thank you for this invitation to testify concerning my work as the Election Officer responsible for supervising the 1998 Rerun Election for the top officers of the International Brotherhood of Teamsters.

I appeared before this Subcommittee one year ago and told you what I hoped to accomplish during my service as Election Officer. I am pleased to tell you now that my work as Election Officer is nearly complete and I expect that the Election Office should end its operations this summer. As of today, I have certified 20 candidates as elected to the IBT's General Executive Board: 18 of those have been sworn into office. On March 31, 1999, I issued the decision proposing to certify the election of the two Teamsters Canada Vice-Presidents and that decision is now under review with the Election Appeals Master, Kenneth Conboy.

I declined to certify the election of J.D. Potter as a Southern Region Vice-President after an investigative audit conducted at my direction found that he had contributed \$10,000 in personal funds – double the limit imposed by the Election Rules – to the Hoffa campaign. The facts found in my investigation, conducted jointly with the Independent Review Board, caused me to conclude that Mr. Potter had violated the campaign contribution rules and had then testified falsely to conceal the violation. A rerun election, with three candidates nominated for the Southern Region Vice-President position, is now underway. Ballots are scheduled to be mailed to the Southern Region membership on May 7, 1999 and the ballot count is scheduled to start on June 10, 1999 at the Election Office in Washington, D.C.

From my vantage point, having the rerun election for IBT officers supervised by an independent Election Officer served the Consent Decree's objective of fostering the membership's democratic participation in the affairs of the union. Approximately 356,000 ballots were counted, representing about one-fourth of the union's membership. Although the number counted was less than that in the initial election, it shows solid interest and involvement in the process by hundreds of thousands of members. The totals suggest that candidates worked hard to compete and turn out their votes. In the Southern Region, the margin between the winning and losing candidate was 1,003 votes out of more

than 28,000 counted; in the Western Region the margin was 5,241 out of more than 68,000 votes counted; and in Canada the margin of victory was 1,772 votes.

I believe that having the election supervised by an independent authority enhanced the credibility and legitimacy of the results. Where there is independent supervision, conducted with integrity, the members and the candidates know that the results are trustworthy and were not foreordained by the entrenched powers of the union or, as used to be the case at the IBT, by organized crime. In the supervised environment, members and candidates learned exactly what it means to campaign, compete, and vote freely.

The Election Office staff and I have heard from many IBT members in the course of the supervision. Many of the members, in the course of asking questions about the process, or in pressing a protest allegation, have praised the Consent Decree that gave them the right to vote for their International officers and thanked the Government that brought it about. These comments tell me that the supervised elections in 1991, 1996, and the supervised rerun election in 1998 have built the members' trust in the democratic process.

The Election Office processed more than 400 protests during the rerun election. When I found a violation of the Election Rules and imposed a remedy, my objective was to keep the playing field level for

the competing candidates and maintain an environment in which the voters could make their choice freely and without coercion. Protests filed covered a broad range of activity, from alleged misuse of union resources, to campaign finance violations, to allegations of coercion. Plainly, members made use of that process to have air their complaints about election rule violations.

When I was here last year, the question of funding the supervision was not resolved. By September 1998, an agreement between the Government and the IBT made \$6.1 million available to run the supervised election. The Election Office had approximately \$500,000 in funds remaining when the \$6.1 million was made available. From that cash, the Election Office has spent approximately \$5.4 million on the rerun election. That number is less than what the 1998 draft budget for the rerun election projected. Much of the variance is accounted for by simple cost savings: the real estate market favored us in the fall of 1998 and the site rented for the rerun election ballot count cost less than we had budgeted based on the cost of the 1996 count site. While I did employ hundreds of temporary workers to count the ballots, the physical layout of the ballot count site allowed for a slightly smaller staff than in 1996. These are some of the factors that generated a saving of almost \$500,000 on the cost of the mechanics of counting the ballots.

Other savings arose because the rerun election generated fewer protests than had been anticipated from previous experience. Fewer protests meant that I had less need to draw on the staff of Regional Coordinators to conduct field investigations.

The funds remaining in the Election Officer's account – slightly more than \$1 million – should be enough to conduct and complete the supervision of the Southern Region Rerun Election and, afterwards, to wind up the business of the Election Office. I do not presently anticipate any need to draw on the contingency fund that IBT local unions created in the fall of 1998 to ensure that there would be enough money to do the job right.

Thank you again for the opportunity to appear before you and testify today. I would be happy to respond to any questions from the Subcommittee.