

INDEPENDENT REVIEW BOARD
444 North Capitol Street, NW, Suite 528
Washington, DC 20001
(202) 434-8080
Facsimile (202) 434-8084
Corruption Hotline (800) CALL IRB

Chief Investigator:

Charles M. Carberry, Esq.
17 Battery Place, Suite 331
New York, NY 10004

Administrator:
ohn J. Cronin, Jr.

September 13, 2007

Board Members:
Benjamin R. Civiletti, Esq.
Venable LLP
575 7th Street, NW
Washington, DC 20004

Joseph E. diGenova, Esq.
diGenova & Toensing, LLP
1776 K Street, NW, Suite 737
Washington, DC 20006

William H. Webster, Esq.
Milbank, Tweed, Hadley & McCloy LLP
1850 K Street, NW, Suite 1100
Washington, DC 20006

James P. Hoffa, General President
International Brotherhood Of Teamsters
25 Louisiana Avenue, NW
Washington, DC 20001

Re: Proposed Charges Against BLET President Don Hahs

Dear Mr. Hoffa:

Enclosed are the Independent Review Board's (IRB) report and accompanying exhibits concerning BLET President Don Hahs. This report is forwarded to you for appropriate action under Section G, paragraphs (d) and (e) of the March 14, 1989 Consent Order entered in United States v. IBT, 88 Civ. 4486 (S.D.N.Y.).

Upon review of the report, if you deem it appropriate, the charges under Article XIX of the IBT Constitution should be filed. You have ninety days within which to file the charges, hold a hearing and forward a final written report to the IRB. Pursuant to paragraph I(9) of the IRB Rules, not meeting this deadline may be considered a failure to cooperate with the IRB. Copies of hearing transcripts should be furnished to the IRB and to the Chief Investigator.

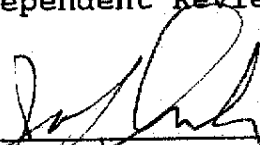
Pursuant to the Consent Order of the United States District Court, S.D.N.Y.
United States -v- International Brotherhood of Teamsters 88 CIV. 4486 (LAP)

If you decide to reject the IRB's recommendation, you must provide a written explanation with the specific reasons for failing to accept. Within seven days of receipt of this letter, please inform the IRB of the actions planned.

Very truly yours,

Members of the
Independent Review Board

By:



John J. Cronin, Jr.
Administrator

Enclosures

cc: Members of the General Executive Board, w/o Exhibits
Bradley T. Raymond, Esq., w/Exhibits
Danna Drori, AUSA, w/o Exhibits
Robert J. Rotapori, Esq., w/Exhibits
Don Hahs, w/Exhibits

TO: James P. Hoffa, IBT General President
FROM: Members of the Independent Review Board
DATE: September 13, 2007
RE: Proposed Charges against BLET President Don Hahs

I. RECOMMENDATION

The Independent Review Board ("IRB") refers the below report to the IBT General President and recommends that charges be filed against the Brotherhood of Locomotive Engineers and Trainmen's ("BLET") President and Principal Officer, Don Hahs ("Hahs"), for bringing reproach upon the IBT, embezzling union funds and breaching his fiduciary duties to the BLET and its members in violation of Article II, Section 2 (a) and Article XIX, Section 7 (b) (1), (2), and (3) of the IBT Constitution.

II. SUMMARY

The evidence suggests Hahs embezzled over \$58,000 in BLET funds through causing the BLET to pay for non-union expenses. From January 1, 2004 to December 31, 2006, Hahs caused the BLET to pay for regular season and playoff Cleveland Cavaliers ("Cavaliers") basketball tickets for

which there was no union purpose. Hahs maintained complete control over the use and distribution of the basketball tickets.

Additionally, from January 1, 2004 to December 31, 2006, Hahs caused the BLET to pay for the travel expenses of his wife, Janice Hahs ("Mrs. Hahs"), to accompany him on trips and to pay for other personal expenses. Mrs. Hahs' presence served no union purpose. Mrs. Hahs was neither a BLET member nor a BLET employee.

III. JURISDICTION

Pursuant to Article XIX, Section 14 (c) of the IBT Constitution, this matter is within the jurisdiction of the IBT General President. Paragraph (G) (e) of the March 14, 1989 Consent Order in United States v. IBT, 88 Civ. 4486 (S.D.N.Y.) and Paragraph I (6) of the Rules and Procedures for Operation of the Independent Review Board ("IRB Rules") require that within 90 days of the IRB's referral of a matter to an IBT entity, that entity must file with the IRB written findings setting forth the specific action taken and the reasons for that action. Pursuant to Paragraph I (9) of the IRB Rules, not meeting this deadline may be considered a failure to cooperate with the IRB.

IV. INVESTIGATIVE FINDINGS

A. Brotherhood of Locomotive Engineers and Trainmen

On January 1, 2004, the Brotherhood of Locomotive Engineers and Trainmen, headquartered in Cleveland, Ohio, merged with the IBT. (Ex. 1 at 13-14; Ex. 2; Ex. 3) At that time the BLET became a Division of the IBT's Rail Conference. (Ex. 2 at 20; Ex. 3) The BLET represents Locomotive Engineers, Conductors, Brakemen, Firemen, Switchmen, Hostlers and other Train Service Employees on railroads throughout the United States. (Ex. 3) The BLET has approximately 59,000 members in about six hundred local units known as "Divisions." (Ex. 3)

The BLET's National Division officers are President Hahs, First Vice President, National Secretary-Treasurer and eight regional Vice Presidents. (Ex. 1 at 11; Ex. 2 at 3, 7)¹ These individuals comprise the BLET's Advisory Board. (Ex. 2 at 20) The Advisory Board has the authority to make decisions and perform any act or duty on behalf of the National Division which is not in conflict with or otherwise provided for in the IBT Constitution, the Rail Conference Bylaws or the BLET Bylaws. (Ex. 2 at Section 2 (b) of National Division Rules) The members elect the National

¹ National officers in addition to Hahs are First Vice President Edward W. Rodzwick, National Secretary-Treasurer William C. Walpert and Vice Presidents Paul Sorrow, Rick Radek, Dale McPherson, Merle Geiger, Stephen Speagle, Lee Pruitt, Marcus Ruef and John Tolman. (Ex. 3 at 3)

Division officers to serve four-year terms. (Ex. 2 at 23)
At the National BLET headquarters, there were approximately
40 employees. (Ex. 4)

In addition to the Advisory Board, the BLET has an
Executive Committee which is comprised of the top three
officers, the National President, the First Vice President
and the National Secretary-Treasurer. (Ex. 1 at 31)
According to Hahs, the Executive Committee has the authority
to make certain decisions such as the assignment of vice
presidents and the organizing of short-line railroads. (Ex.1
at 31-32)

B. Don Hahs

Hahs has been the National President and principal
officer of the BLET since January 1, 2001. (Ex. 1 at 7) In
1973, Hahs became a member of the BLET when he was hired as
an engineer on the Houston Lafayette Division of the
railroad, in Houston, Texas. (Ex. 1 at 6) From 1974 to 1979,
Hahs was the Local Chairman of the Lafayette Division. (Ex. 1
at 6) In 1980, Hahs was elected General Chairman of the
Southern Pacific's Eastern Region. (Ex. 1 at 6) In 1996,
Hahs was elected a National Vice President of the BLET. (Ex.
1 at 6) In 2001, Hahs was elected National President of the
BLET. (Ex.1 at 7) He was re-elected National President in
2005. (Ex. 1 at 7) Since approximately 2003, Hahs has been a

Trustee on the Short Term Disability Trust. (Ex. 1 at 9-10)
In 2006, the BLET paid Hahs \$161,000 in salary. (Ex. 1 at 7;
Ex. 4)

C. Hahs Caused the Union's Purchase of Cleveland Cavaliers Basketball Tickets For Non-Union Purposes

The BLET established the BLET Building Association ("Building Association") as a non-profit Ohio corporation to hold and operate the Standard Building, a 24-story office building in Cleveland, Ohio, which the BLET owned. (Ex. 4; Ex. 5 at 8, 162-163) The BLET used only the mezzanine and part of the fifth floor and leased the remainder. (Ex. 5 at 162-163) Any profits of the Building Association were transferred to the BLET's general fund. (Ex. 6 at 6) The Building Association's net worth was an asset of the BLET. (Ex. 4 at 3, 9)

In 2004, 2005 and 2006, the Building Association purchased season tickets to Cleveland Cavaliers basketball games. Hahs asserted that he and National BLET Secretary Treasurer William Walpert ("Walpert") jointly made the decision to purchase the basketball tickets on behalf of the Building Association. (Ex. 1 at 70-72) Walpert testified that Hahs solely made the decision to purchase the Cavaliers' tickets each year. (Ex. 5 at 167-172, 184) From 2004 to 2006, Hahs directed Walpert to use funds from

the Building Association's checking account to purchase regular season and playoff tickets. (Ex. 1 at 71-74, 76, 80-84; Ex. 5 at 167, 170, 184)² The funds expended were \$13,120; \$21,860; and \$12,900 for a total of \$47,880 for the three years. (Ex. 8; Exs. 10-14)³ In 2004 and 2005, the Building Association operated at a loss of \$449,008 and \$520,480 respectively. (Ex. 6 at 3-4)⁴

For these years, the Building Association issued five checks for \$47,880 for the purchase of the tickets. (Ex. 8; Exs. 10-14) Hahs appeared to have caused the BLET to give the Building Association money in amounts that matched four of the five checks the Building Association issued to pay for the tickets. (Ex. 10; Exs. 12-14; Ex. 18; Exs. 102-105) For these four checks, on the day that Hahs caused the Building Association to issue a check for the purchase of

² Hahs and Walpert signed the five checks the Building Association issued for the tickets. (Ex. 8; Exs. 10-14; Ex. 21 at 94)

³ On March 30, 2004, the Building Association issued a check to the Cavaliers for \$7,680. (Ex. 10) On April 28, 2004, the Building Association issued a check for \$5,440 to the Cavaliers. (Ex. 11) On March 23, 2005, the Building Association issued a check to the Cavaliers for \$21,860. (Ex. 12) On April 6, 2006, the Building Association issued a check for \$8,544 to the Cavaliers. (Ex. 13) On May 23, 2006, the Building Association issued a check for \$4,356 to the Cavaliers. (Ex. 14)

⁴ The BLET made twenty-five loans, between 2004 and 2006, from the general funds checking account to the Building Association. (Ex. 5 at 175-176; Ex. 22) These loans totaled approximately \$1.72 million. (Ex. 22) As of December 2006, the Building Association had repaid the BLET only a fraction of those loans. (Ex. 22) As of December 2006, the Building Association still owed the BLET approximately \$1.3 million. (Ex. 22)

the tickets, he also caused the BLET to issue a check in the same amount to the Building Association. (Ex. 10; Exs. 12-14; Exs. 102-105)⁵ Hahs characterized these payments as loans from the BLET to the fund. They remain unpaid. (Ex. 22; Exs. 102-105) In addition, Hahs also caused the BLET to pay \$7,176 from its general fund for the remaining cost of the regular season and playoff tickets. (Ex. 9; Exs. 15-16)

During Hahs' IRB sworn examination, he gave three reasons for causing the Building Association to purchase the basketball tickets. The first two reasons were to support Cleveland and to support the Cavaliers. (Ex. 1 at 70-71) Neither reason benefited the union.

His third reason was "to have [the basketball tickets] for the building in case we wanted to use them for - if tenants wanted to use them, we thought that might help us

⁵ On March 30, 2004, Hahs caused the Building Association to issue a check for \$7,680 for the purchase of the tickets. (Ex. 10) On this same day, the BLET issued a \$7,680 check to the Building Association. (Ex. 18; Ex. 102) On March 23, 2005, Hahs caused a Building Association check for \$21,860 to be issued for the purchase of the tickets. (Ex. 12) On this same day, the BLET issued a check for \$21,860 to the Building Association. (Ex. 18; Ex. 103) On April 6, 2006, Hahs caused the Building Association to issue a check for \$8,544 for the purchase of tickets. (Ex. 13) On this same day, the BLET issued a check for \$8,544 to the Building Association. (Ex. 18; Ex. 104) On May 23, 2006, Hahs caused a Building Association check to be issued for \$4,356 for the tickets. (Ex. 14) On this same day, the BLET issued a check for \$4,356 to the Building Association. (Ex. 18; Ex. 105)

rent some space." (Ex. 1 at 71, 76-77, 82-84)⁶ This proffered reason to purchase the tickets for use with current and prospective tenants was a sham. There was no evidence supporting that was ever the intent. Walpert stated the Building Association had no amount budgeted for marketing initiatives like gifts intended for prospective and current tenants. (Ex. 5 at 177) Walpert and Hahs never told Michael Loomis ("Loomis"), who served as the Building Association Manager from approximately 1988 to February 2007, and who was responsible for tenant relations, providing services and repairs for current tenants, renting space and negotiating leases, about the purchase of the tickets. (Ex. 1 at 75-76; Ex. 25 at 121-122; Ex. 125 at 8, 13-14, 33)⁷ Loomis testified that it was not until 2006 that he heard that basketball tickets were purchased by the Building Association. (Ex. 125 at 33-34) In 2006, Loomis learned from Kim Bunch ("Bunch"), his secretary and office manager, about the Building Association's purchase of basketball tickets. (Ex. 125 at 35-37) Bunch told Loomis

⁶ Rodzwick stated Walpert told him that Hahs ordered the basketball tickets for the current and prospective tenants of the Building Association. (Ex. 20 at 43-44) BLET National Vice President Tolman also testified that Hahs told him that the basketball tickets were purchased for the benefit of the building. (Ex. 23 at 43)

⁷ Loomis stated that in the late summer of 2004, the BLET hired Diane Davidson ("Davidson"), a broker, to handle the leasing of office space at the Building Association, a responsibility which had previously belonged to Loomis. (Ex. 125 at 23, 29-30)

about the invoices she had received for the payment of basketball tickets. (Ex. 125 at 35-37)⁸ In the time he served as Building Manager, Loomis was aware of only one marketing initiative to attract new tenants. (Ex. 125 at 25-26) This initiative consisted of a brochure that he and Davidson had developed to attract new tenants. (Ex. 125 at 25-26)

As further evidence that Hahs' proffered reason was a sham was that there was never any announcement sent to prospective or current tenants informing them of the availability of Cavaliers tickets. (Ex. 1 at 72-73; Ex. 28; Ex. 125 at 38) In addition, the manner in which the tickets were kept and used did not support Hahs' rationale that they were to be a marketing tool for the current tenants or potential tenants. Hahs, who did not deal with tenant affairs, maintained complete control of the basketball tickets. (Ex. 1 at 73, 75-76; Ex. 5 at 8) Hahs, while claiming that while he had some responsibilities with the Building Association, admitted most of the oversight of this entity belonged to Walpert and BLET Controller Harold Volpe ("Volpe"). (Ex. 1 at 75) Building Manager Loomis confirmed that Walpert and not Hahs, was responsible for

⁸ According to Loomis, Bunch was responsible for the bookkeeping and payment of bills on behalf of the Building Association. (Ex. 125 at 35) Loomis stated Bunch never told him about the amounts on these basketball invoices. (Ex. 125 at 36)

the oversight of the Building Association. (Ex. 125 at 15-17, 26)⁹ Loomis reported directly to Walpert on a monthly basis. (Ex. 125 at 15-17, 29)¹⁰

Hahs, who had nothing to do with the tenants, kept the tickets in his office drawer and solely decided who would use them. (Ex. 1 at 72-74; Ex. 24 at 83-84; Ex. 125 at 15-17) None of those in charge of the building, Loomis, Volpe and Walpert, were ever responsible for distributing any tickets. (Ex. 1 at 73; Ex. 125 at 37)

Further evidencing this sham rationale was the complete failure to document the use of tickets as a tax-deductible business expense. There was no effort made to keep the necessary documentation the IRS required in order to claim these tickets as a business expense of the Building Association. (Exs. 10-14; Ex. 17 at 2; Ex. 19; Ex. 94) The IRS rules state:

Taxpayers who deduct these expenses must exclude personal expenses when computing their deductions and must have documentation for the expense including statement of the business purpose, names of persons being entertained, date and location. (Ex. 26)

⁹ According to Loomis, starting with former BLEET President John Seitzma, the Building Manager no longer reported to the National President. (Ex. 125 at 15) Instead, the Building Manager reported directly to the National Secretary-Treasurer. (Ex. 125 at 15)

¹⁰ Loomis testified that during these monthly meetings, the only other individuals present were BLEET controller, Volpe and Volpe's staff. (Ex. 125 at 17, 31) Walpert was responsible for approving the day to day operations and all aspects of the maintenance of the building. (Ex. 125 at 16, 26)

Hahs did not maintain, nor did he cause anyone else to maintain, documentation concerning the use of the tickets in 2004, 2005 and 2006. (Ex. 1 at 72, 74, 83; Ex. 17 at 2; Ex. 21 at 95-96; Ex. 25 at 102-103, 106)¹¹ The failure of Hahs or anyone else to document the purchase of the basketball tickets contrasted with Loomis' practice of maintaining a list documenting the tenant recipients of these gifts at Christmas. (Ex. 125 at 40-52)

Hahs asserted that his intended use of the tickets for the BLET Building's current and prospective tenants failed as a program. Hahs stated, "[s]o far I don't think that's materialized like we thought." (Ex. 1 at 71) Using the tickets as incentives did not result in getting new tenants to rent space. (Ex. 1 at 83) Allegedly, he found it difficult to find current or prospective tenants who would use the tickets. (Ex. 1 at 83) As an explanation, Hahs asserted that the current tenants in the BLET Building were older people who were not interested in the tickets. (Ex. 1 at 83)

Walpert also testified that he was aware "that the

¹¹ In 2004, the BLET purchased four tickets for each of 27 games for Cleveland Indians baseball games to be raffled off to BLET employees. (Ex. 25 at 106-108) Unlike the basketball tickets that Hahs purchased for the Building Association, a list was kept documenting the winners of these raffles. (Ex. 113)

Cleveland Cavaliers tickets were not always used." He also stated, "I've heard they were not always used by prospective tenants. The employees or other officers may have used those tickets too." (Ex. 5 at 177) Neither Hahs nor Walpert ever discussed ticket distribution with Loomis who had tenant and prospective tenant contact. (Ex. 125 at 36-37, 62)

Due to tenants' and prospective tenants' failure to use the tickets, in 2004, Hahs claimed he was forced to give away tickets. He used them to take family, friends, union employees, friends of union employees, and visiting BLET railroad officials to the basketball games. (Ex. 1 at 72-75 86-87; Ex. 17 at item 5; Ex. 21 at 24-25, 94-95; Ex. 24 at 81, 83; Ex. 25 at 105)

Thomas Brennan ("Brennan"), former BLET Counsel, observed in 2004 that Hahs only gave away tickets to employees at the last minute when he could not use the tickets himself. (Ex. 24 at 83) In any event, even if Hahs' original reason for the purchase in 2004 was to help rent the building, that purpose having been proven to be totally ineffective, could not support the purchase and use of the tickets in 2005 and 2006. (Ex. 1 at 71-74, 82-84; Exs. 12-16; Ex. 24 at 80-81; Ex. 98)

The evidence suggested that Hahs used the tickets for

his benefit. He controlled the tickets. (Ex. 1 at 72-74; Ex. 24 at 83-84) From 2004 to 2006, Hahs admitted bringing his wife to at least eight games. (Ex. 1 at 86) He admitted he also took his grandson, Derrick, to at least ten games between 2004 and 2006. (Ex, 1 at 86-87) The evidence suggests Hahs made substantially more personal use of the tickets. He maintained control of the tickets. (Ex. 1 at 73) Hahs deliberately caused no records to be kept of who used the tickets between 2004 and 2006. (Ex. 1 at 72, 83)

From the IRB requested documents, it appeared Hahs attended a minimum of 19 Cleveland Cavaliers games between March 2004 and December 2006. (Exs. 31-32) His expense reports for that period showed that Hahs had paid for nineteen meals at the arena in which the Cavaliers played their home games. (Exs. 31-32)¹² Moreover, employees and employees' friends were also given tickets. (Ex. 1 at 75; Ex. 17; Ex. 21 at 24-25, 94-95; Ex. 24 at 83; Ex. 25 at 105)

In 2006, when the Cavaliers made the playoffs, Hahs admitted attending two out of the three-playoff games. (Ex.

¹² In his expense reports, Hahs had submitted these 19 meal receipts at the Cleveland Cavaliers' arena as a business expense to offset his taxable income for the At-Home allowance he received daily from the BLET for being at his home station. (Ex. 1 at 87-88, 91-92, 96-97, 180, 185-186, 194; Ex. 21 at 125-126; Exs. 31 - 33)

1 at 70, 74-75)¹³ Although these would have been among the most attractive games, none of the attendees at the playoff games were current or prospective tenants of the Building Association. (Ex. 1 at 79) Hahs, Walpert, Volpe and former BLET Chief Counsel Harold Ross went to the first playoff game. (Ex. 1 at 74-75; Ex. 25 at 105) Hahs, Denise Sears ("Sears"), an employee of the BLET accounting department, and two of her friends attended the second playoff game. (Ex. 1 at 75) Sears used all of the tickets for the third playoff game. (Ex. 1 at 75)

After the IRB had requested documents in their February 8, 2007 books and records request, relating to the purchase of Cleveland Cavaliers tickets and a list of all attendees at these games, Walpert requested the accounting department to begin keeping track of the basketball

¹³ The Cavaliers made the playoffs at the end of the 2005-2006 season. Hahs had the Building Association purchase 4 tickets for each of the 16 playoff games that the Cavaliers could possibly play at home if they continued through the playoffs to the finals, for \$7,920. The cost for each ticket was calculated as follows: 4 tickets for each game, times 16 games, equals 64 tickets, divided into \$7,920 equals \$123.75 for each ticket. (Ex. 12) The Cavaliers, however, were eliminated from the playoffs after playing only three playoff games at home. The price of these tickets was calculated as follows: four tickets for each of three-playoff games, resulted in 12 tickets, at \$123.75 a ticket, totaling \$1,485. (Ex. 12) As a result, the BLET is entitled to a credit of \$6,435. For purposes of this report, Hahs was charged with causing the Building Association and the BLET's to purchase \$48,621 of Cleveland Cavaliers regular season and playoff tickets between 2004 and 2006. This figure was derived by subtracting the credit of \$6,435 from BLET's and the Building Association's total purchase price of \$55,056. (Exs. 8-16)

tickets. (Ex. 5 at 168-169; Ex. 27)¹⁴ In addition, eight days after the IRB conducted sworn examinations in which various BLET officers and BLET employees were questioned about the purchase of Cleveland Cavaliers tickets, the BLET, on April 20, 2007, cancelled the seat/license agreement with the Cleveland Cavaliers. (Exs. 98-99)¹⁵

D. The BLET's Payment of Mrs. Hahs' Travel Expenses

It appears that Hahs caused the BLET to pay for his wife's travel expenses for which there was no union purpose. Hahs had the BLET pay for his wife's airline tickets and personal expenses, like meals, at various BLET and non-BLET functions throughout the country. She was not a member of the union, and her presence at the functions was not for a union purpose. (Ex. 5 at 65) Between January 2004 and December 2006, Hahs had the BLET pay \$7,951.97 in

¹⁴ George Faulkner ("Faulkner"), BLET's counsel, sent a letter in response to an IRB document request stating that the 2006-2007 tickets were provided to BLET employees, Smith, and Darlene Zarlotta, of the BLET accounting department. (Ex. 17) In addition, Faulkner claimed that he purchased some tickets from the BLET. (Ex. 17) Additionally, the BLET submitted a memo from Dyann Davison ("Davison"), Loomis' replacement and BLET Building Association Manager, in which she stated she used four May 8, 2007 playoff tickets, to take out two prospective tenants, Ryan Marrie and his wife, from Ohio Real Title Agency, LLC to this game. (Ex. 29) On May 16, 2007, Davison sent an e-mail stating that the May 16, 2007 Cleveland Cavaliers' playoff tickets had been provided to Jamie Lebovitz, Esq. of Nurenberg, Paris [Heller & McCarthy], a tenant (Ex. 30)

¹⁵ In this letter, the BLET stated they were also returning the 2007-2008 tickets they received. (Ex. 28 at 3 (item #2); Exs. 98-99)

personal travel expenses for his wife.¹⁶ Payment for spouses to accompany officers is a non-union expense. Investigations Officer v. Baccaro, Decision of the Independent Administrator (June 23, 1992)

1. Manner in which Reimbursement Was Made

Hahs used a union-issued American Express credit card to charge all business related expenses. (Ex. 1 at 21) Walpert, and Patricia Smith ("Smith"), the office bookkeeper and Walpert's secretary, were the only individuals in the union who saw Hahs' expense reports and accompanying receipts. (Ex. 5 at 17, 21-23; Ex. 21 at 7, 14-16, 35-36; Ex. 25 at 21-23)

At the conclusion of his BLET-related travel, Hahs submitted his receipts to Smith who used them to draft and prepare Hahs' expense reports. (Ex. 1 at 21-25) Smith asked Hahs "on two or three occasions" if she should put his wife's expenses on the expense reports. (Ex.1 at 44; Ex. 21 at 74-77) Hahs told her she should. (Ex. 1 at 44) After Smith finished preparing Hahs expense reports she gave them directly to Hahs. (Ex. 1 at 24-25) Hahs reviewed the reports to ensure that Smith had put every receipt he had given her on the expense report. (Ex. 1 at 24-25) After

¹⁶ This \$7,951.97 figure was derived from trips Hahs caused the BLET to pay for his wife's expenses: \$1,687.70 for regional conferences and \$6,264.27 for non-regional conferences. (Exs. 67-68; Ex. 56; Ex. 74)

Hahs examined his expense report and found it to be complete, he would sign it. (Ex.1 at 25) Hahs' report was then sent to Walpert for his review and signature. (Ex. 1 at 25; Ex. 20 at 20)

2. Mrs. Hahs' Attendance at Regional Conferences

Mrs. Hahs was never a member of the BLET. (Ex. 1 at 41, 45; Ex. 5 at 65) She had never served as an officer or a delegate of the Grand International Auxiliary ("GIA"). (Exs. 49-51)

The GIA, now known as the BLET Auxiliary, is an organization that "exists to support the interest and welfare of the Brotherhood of Locomotive Engineers and Trainmen." (Exs. 53-54) The GIA was a separate autonomous entity, independent from the BLET, and had its own set of Bylaws. (Exs. 50-51; Ex. 55) The GIA members were not members of the BLET. (Ex. 24 at 22; Exs. 50-51) Mrs. Hahs was a current member of the GIA 7 in Atlanta, Georgia. (Ex. 34)

The purpose of the GIA was to provide support and to promote issues that affected the health, safety, welfare and quality of life of railroaders and their families. (Ex. 35; Ex. 49, Exs. 53-55) The GIA gave assistance to widows, widowers and their families in matters related to work-related incidents and injuries. (Ex. 35, Ex. 51) The GIA

also attempted to keep its members abreast of current legislation, affecting family members that were employed as trainmen. (Exs. 54-55)

From 2004 to 2006, Mrs. Hahs accompanied her husband on at least eleven trips to various regional BLET conferences at union expense. (Exs. 37-47) Hahs had the BLET pay \$1,687.70 for his wife's expenses, such as airfare and registration fees, for these conferences. (Exs. 37-47; Exs. 56-63, 67) Each year there were four regional conferences: the Southeastern Meeting Association ("SMA"), the Eastern Union Meeting Association, ("EUMA"), the International Western Convention ("IWC") and the Southwestern Convention Meeting ("SWCM"). (Exs. 34-35; Ex. 49)

Brennan, who had served as BLET counsel from 2000 to 2006, testified he was not aware of any policy that allowed any of the BLET officers to bring their wives to regional conferences at BLET expense. (Ex. 24 at 9, 47) According to Walpert, there were two different historical practices in place concerning the Advisory Board members' bringing their spouses to regional conferences at BLET expense. (Ex. 5 at 66-67)

Walpert claimed the BLET had historically allowed Advisory Board members to bring their spouses to one

regional conference each year at BLET expense. (Ex. 5 at 66) He stated the National President was allowed to bring his spouse to more than one regional conference per year at BLET expense. (Ex. 5 at 66-67) No documentation supports Walpert, who was also complicit in Hahs' basketball ticket scheme.

Other officers, such as First Vice President Edward Rodzwick ("Rodzwick") and John Tolman ("Tolman"), and BLET Controller Volpe, as well as BLET bookkeeper, Smith, testified that they believed that BLET officers were allowed to bring their spouses to one regional conference per year at BLET expense. (Ex. 20 at 27; Ex. 21 at 72-73; Ex. 23 at 40-41; Ex. 25 at 125) Neither of these alleged policies was documented in any form. (Ex. 5 at 66-67; Ex. 20 at 27; Ex. 21 at 73; Ex. 23 at 42; Ex. 25 at 125-126; Ex. 36; Ex. 100 at 4)

Two former BLET Presidents described the different practices that had been in place during their administrations concerning the BLET's payment of spousal expenses at regional conferences. Former BLET President Larry McFather ("McFather"), who had served as BLET President from 1987 to 1991, stated that it was the past practice for the National President to bring his wife to

all four regional conferences at BLET expense. (Ex. 126) ¹⁷ McFather stated that all BLET officers, other than the National President, were only allowed to bring their wives to one regional conference a year at BLET expense. (Ex. 126) On the other hand, former BLET President, Clarence Monin ("Monin"), who had served as BLET President from 1996 to 1999, stated he was aware of only one policy which allowed both the President and the Advisory Board Members to bring their spouse to one regional conference a year at BLET expense. (Ex. 124) Monin stated that if he wanted the BLET to pay for his wife's expenses at a regional conference, other than the one trip she was allowed per year, he had to get authorization from the Executive Committee.¹⁸ In any event, the payments are improper and the existence of such policies goes solely to the issue of whether Hahs had the intent to embezzle.

From 2004 to 2006, Mrs. Hahs attended eleven of the

¹⁷ McFather stated that when he brought his wife to the four annual regional conferences at BLET expense, her expenses were mostly for meals. (Ex. 126) McFather stated he usually drove to the regional conferences and that he very seldom had the BLET pay for his wife's airfare to these regional conferences. (Ex. 126)

¹⁸ Former BLET President Monin stated, during his tenure as BLET President, it was rare for him to travel with his spouse at BLET expense other than the one regional conference. (Ex. 124) According to Monin, he may have brought his wife on additional business trips when he drove. (Ex. 124) However, Monin stated he never charged the BLET for any additional expenses his wife incurred on any of the business trips she accompanied him, other than the one regional conference each year, which she was allowed to attend at BLET expense. (Ex. 124)

twelve regional conferences. (Exs. 37-47) Hahs caused the BLET to pay \$1,687.70 for his wife's airline tickets and expenses to these regional conferences as follows: \$633.70 for 2004; \$315 for 2005; and \$739 for 2006. (Exs. 37-47; Exs. 56-63; Ex. 67)¹⁹

Hahs claimed that his wife traveled to regional conferences to attend the GIA auxiliary meetings held concurrently, but separately, from the BLET meetings. (Ex. 1 at 129-130, 138, 204-205, 253-254) He also asserted that his wife's active role, as his liaison to the GIA, justified the BLET's payment of her expenses at these regional conferences. (Ex. 1 at 45-49, 97-99, 128-130, 201)

In 2004, Walpert asked Hahs about his wife's travel at BLET expense. (Ex. 5 at 72-73) Hahs told Walpert:

The wife of the President is expected to travel. She has various duties and functions. [These duties were] to attend auxiliary meetings representing the President, to attend the open sessions of the regional meetings. (Ex. 5 at 72-73)

Several National GIA officers stated that Mrs. Hahs' presence at the GIA regional meetings was not mandatory

¹⁹ Hahs was given credit for the BLET's historical practice of allowing the spouses of Advisory Board members to attend one regional conference each year at BLET expense. For purposes of this report, Hahs was given credit each year for the most expensive regional conference trip expenses his wife incurred at BLET expense. (Exs. 37-47; Exs. 56-63; Ex. 67) As noted, the practice was a violation, but it goes to the question of intent.

since she was not an officer. (Exs. 48-51) In an interview with current National Third Vice President Delaine Morris ("Morris"), she stated Mrs. Hahs had not been a member of any Local Auxiliary until she joined her local auxiliary in Atlanta, Georgia in either 2002 or 2003. (Ex. 34) According to Morris, she has never seen Mrs. Hahs at any of the monthly local GIA meetings in Atlanta. (Ex. 34) Mrs. Hahs was neither an officer nor an active member of a Local GIA Chapter or the National GIA Chapter. (Exs. 34-35 and 48-51) At the regional conferences that Mrs. Hahs attended, she had no role except for socializing with the other women. (Ex. 34) Mrs. Hahs did not have any leadership role at these regional conferences. (Exs. 34-35; Exs. 49-50) She neither chaired any of the conferences nor made any presentations. (Ex. 35, Exs. 49-50) Mrs. Hahs did not contribute any articles to any GIA newsletters. (Ex. 35; Ex. 51)

Mrs. Hahs may have had a limited role at some regional conferences. Former GIA President Onita Wayland ("Wayland"), who served as National President from 2001 to 2005, stated that Mrs. Hahs had a role at some of these regional conferences. (Ex. 52) According to Wayland, Mrs. Hahs chaired one of the Southwestern Regional meetings and organized a number of programs given by lawyers to newer

GIA members. (Exs. 52) Wayland was unable to recall the details of this event. (Ex. 52) Helen Brand, National GIA Treasurer recalled that in either 2004 or 2005 Mrs. Hahs had a role in introducing the speakers at a Southwestern region conference. (Ex. 49) In addition, in a regional meeting in Branson, Missouri, another former National GIA Treasurer stated Mrs. Hahs obtained donations, such as clothing, to be given away at a regional conference. (Ex. 50)

Hahs contended that the BLET had a longstanding practice of having the wives of the National Presidents accompany their husbands to these conferences at the BLET's expense. (Ex. 1 at 46-48, 242-244)²⁰ This alleged policy was not documented in the BLET's Bylaws or in any other documents the BLET provided to the Chief Investigator's Office. (Ex. 2; Ex 5 at 66-67) Hahs also claimed that any BLET members who were present at these meetings knew that his wife was serving as his liaison. (Ex. 1 at 43, 99-100)

The BLET did not pay for any other GIA attendees to these conferences, including its officers. The National GIA officers paid for their own expenses and airfare. (Ex. 55 at 4-9) Article II, Sections 1-10 of the Constitution

²⁰ The IBT's October 2000 Local Union Financial and Administrative Policies stated that "[i]t is not proper for the Local Union to pay for personal expenses" such as "travel expenses of family members" or "meal expenses of family members." (Ex. 106)

and Bylaws of the GIA provided, "each of the officers of the Advisory Board attend the 'home' regional convention every year at the officer's own expense." (Article II, §1(t); §2(f); §3(q); §4(h); §5(j); §6(h); §7(c); §8(d); §9(b); §(10(b)))

Current National GIA President Becky Schneider ("Schneider"), who began her term as President in 2006, stated that the only time the BLET paid the expenses of a GIA attendee at a conference, was when the GIA officer received BLET funds that had been pre-allocated to the GIA according to a 2001 BLET passed resolution, allowing GIA members to attend certain conferences and functions with funds provided by the BLET. (Ex. 2 at 187-188; Ex. 51; Ex. 64 at 220) The BLET adopted Resolution stated:

BE IT RESOLVED that the BLET will provide funding in the minimum amount of \$25,000 per year to the GIA for the purpose of offsetting the spiraling costs associated with the necessary and reasonable expenses incurred in its support of the BLET and its concerns. This funding will be derived from National Legislative Board funds that can be used at the discretion of the National Legislative Board as outlined in Section 1(b) Legislative Board Rules. (Ex.2 at 187-188)

The money the BLET allocated to the GIA was to be used at the discretion of the National Legislative Boards. (Ex. 2 at 187-188) Between 2004 and 2006, the BLET paid approximately \$5,417 in BLET funds for GIA officers to

attend conferences and Legislative Board Meetings. (Ex. 65). To obtain reimbursement from the BLET for these conference expenses, the GIA officers submitted itemized documentation to the BLET National Vice President and the National Legislative Representative Tolman, which explained the union purpose for these trips. (Ex. 51; Ex. 65) Hahs' expense reports did not itemize his wife's expenses. (Exs. 56-63) No explanation was provided for why Mrs. Hahs' expenses should have been reimbursed. (Exs. 56-63) Mrs. Hahs' expenses were not paid out of the designated funds for the GIA. Instead, Hahs submitted his wife's expenses as part of his expense reports to be reviewed by Smith and Walpert.

Under the BLET Bylaws, Hahs had the ability to authorize his own expenditures. Under Section 13 (a) of the BLET Bylaws, it states:

Salaried national officers, or any member employed exclusively by the National Office, when absent from their designated headquarters on BLET business, shall be reimbursed for actual reasonable expenses incurred, but only when itemized statement covering such expenditures has been approved and endorsed by the National President. (Ex. 2 at 27)

As a fiduciary, Hahs had to ensure that union money was used for a union purpose. Indeed, BLET's travel policy for reimbursing expenses underscored that the BLET "will

reimburse employees for all reasonable and necessary expenses while traveling on authorized organization business." (Ex. 107)

Hahs seemed to assert that the BLET Advisory Board Officers implicitly authorized the reimbursement of his wife's expenses because its members allegedly knew the BLET had paid his wife's expenses. (Ex. 1 at 43) Authorization for union payment of expenses unrelated to a union purpose could not be authorized. In any event, while the members of the Advisory Board might have observed that Mrs. Hahs had been present at these regional conferences, other than Walpert, they had no way of knowing that her trips were at BLET expense. Only Walpert would have known this since he alone saw Hahs' expense reports. (Ex. 5 at 17, 21-25) The Advisory Board minutes reflected no discussion on this issue. (Ex.1 at 41-43; Ex. 5 at 77; Ex. 36; Ex. 20 at 28-30)

Hahs also claimed that all the Officers knew about his wife's travel at BLET expense because each Advisory Board member annually received a financial summary of each other Advisory Board member's reimbursed expenses for that year's out of town travel. (Ex. 1 at 114-117) These financial summaries contained nothing more than a total for each individual. They did not differentiate expenses incurred

by Hahs from those of his wife. (Ex. 1 at 114-117) Hahs' wife's travel expenses were submitted under his name. (Ex. 1 at 114-117) Nothing in these financial summaries would have alerted the other Advisory Board Members that Hahs caused the BLET to pay for his wife's trips.

Further evidencing Hahs' intent to use the BLET funds for personal reasons were the other multiple occasions for which he could not offer any explanation, however specious, for submitting personal expenses for reimbursement. For example, he caused the BLET to pay the regional conferences registration fees for his grandson, Derrick. (Ex. 1 at 135-138; Exs. 38-39, 42 and 66) Hahs acknowledged that there was no union purpose for his grandson, who was neither a BLET member nor a BLET employee, to attend these conferences. (Ex.1 at 117-120) Between January 2004 and December 2005, Hahs caused the BLET to pay \$200 in registration fees for his grandson to attend three regional conferences. (Exs. 38-39, 42 and 66) As with the basketball tickets, it was another instance of Hahs using union funds for his personal benefit.

Another example of Hahs' intent to use the BLET funds for personal reasons was his causing the BLET to pay for movies he charged to his hotel room while he was away on

business trips.²¹ Between January 2004 and December 2006, Hahs charged approximately \$923 to the BLET for movies he charged to his hotel room while on official BLET business. (Ex. 58; Ex. 61; Ex. 70; Ex. 78; Ex. 80; Ex. 85; Ex. 93; Ex. 97; Ex. 108; Exs. 116-118)

Hahs stated that there was no written policy on the number of movies an individual could charge on a business trip. (Ex. 1 at 56)²² Hahs claimed he believed he could charge one movie per day of the business trip. (Ex. 1 at 56)²³ Nevertheless, Hahs even violated the policy as he claimed to understand it with regard to the number of movies the BLET would pay for on a business trip. (Ex. 1 at

²¹ The IBT's October 2000 Local Union Financial and Administrative Policies, stated that "it is not proper for the Local Union to pay for personal expenses" such as movies. (Ex. 106)

²² According to Walpert, the BLET had an unwritten policy concerning expensing movies while on a business trip. Each officer was allowed to expense a single movie per business trip. (Ex. 5 at 42) Two other officers, Rodzwick and Tolman, also testified they were allowed one movie per trip. (Ex. 20 at 17-18; Ex. 23 at 20) Tolman stated that "it was kind of understood that [if] you stay for an extended amount of time, it would be acceptable to have more than one movie." (Ex. 23 at 20)

²³ Smith stated Walpert told her that each officer was allowed one movie per day while on a business trip. (Ex. 21 at 116-117) Smith stated that when she reviewed an officer's expense report she would call up any Advisory Board officer who had charged more than one movie per day and inform the Officer that he was only allowed one movie charge per day at BLET expense. (Ex. 21 at 116)

Hahs claimed that he did not learn about the BLET's policy regarding the charging of movies until April 11, 2007, the day before his sworn examination. (Ex. 1 at 56) Hahs stated that he learned from Walpert, that the BLET's policy was one movie per trip. (Ex. 1 at 56) For purposes of this report, Hahs was only charged for movies he caused the BLET to pay in excess of one movie a day. (Ex. 108)

56; Ex. 108) Hahs charged \$225.91 on his expense reports for multiple movies on the same day. (Ex. 108) ²⁴

Hahs never reimbursed the BLET for these personal charges. (Ex.1 at 101-102) As with the payment of his grandson's registration fees at regional conferences, this was another instance of Hahs' intentional use of union funds for his personal benefit.

3. Reimbursement of Mrs. Hahs' Expenses at Non-Regional Conferences for which there was no Union Purpose

Mrs. Hahs also accompanied her husband, at union expense, on trips to events and activities unrelated to any GIA activity. Between January 2004 and December 2006, Hahs

²⁴ On April 11, 2004, three movies, each at the price of \$12.99, were charged to his room, for a total of \$38.97. (Ex. 1 at 101, Ex. 70) The Union paid the bill. (Ex. 70) On April 14, 2004, Hahs charged three movies, each at the price of \$12.99 to his BLET credit card, for a total of \$38.97. (Ex. 70) The Union paid the bill. (Ex. 70) Hahs claimed that these movie charges were incurred by his grandson, since he "hardly ever" watched any movies. (Ex.1 at 101-102; Ex. 70) Hahs testified that he never reimbursed the BLET for any of the April 2004 movies he caused the BLET to pay for while he was away on these business trips. (Ex. 1 at 101-102)

On February 12, 2005, Hahs charged two movies, one at \$13.78 and the other at \$12.63, for a total of \$26.41. (Ex 78) The Union paid the bill. (Ex. 78) On February 13, 2005, Hahs charged two movies, each at the price of \$14.92 to his room, for a total of \$29.84. (Ex 78) The Union paid the bill. (Ex. 78) On February 26, 2005, Hahs charged two movies, each at the price of \$12.99 to his room, for a total of \$25.98. (Ex. 117) The Union paid the bill. (Ex. 117) On April 4, 2005, Hahs charged two movies, each at the price of \$12.99 to his room, for a total of \$25.98. (Ex. 80) The Union paid the bill. (Ex. 80) On June 14, 2005, Hahs charged three movies, two at the price of \$13.99 and one for \$9.99 to his room, for a total of 37.97. (Ex.58) The Union paid the bill. (Ex. 58) On June 16, 2005, Hahs charged two movies to his hotel room, one at \$12.99 and the other at \$13.99, for a total of \$26.98. (Ex. 58) The Union paid the bill. (Ex. 58)

On June 28, 2006, while Hahs was attending the BLET Convention, he charged two movies to his hotel room, each at \$14.99, for a total of \$29.98. (Ex. 97) The Union paid the bill. (Ex. 97)

caused the BLET to pay \$6,264.27 for his wife's airline tickets for these additional trips. (Ex. 1 at 97-98, 110-111; 120-122, 147-150, 167-168, 188-191, 213-214, 233-234, 240-241, 257-258; Ex. 28; Exs. 56-63; Exs. 68-91; Ex. 95; Exs. 100-101)²⁵ As reflected in the agendas and other documents for these trips, there was no union purpose for Mrs. Hahs to attend any of these trips and no union benefit resulted from her attendance. (Ex. 7; Ex. 24 at 61-77; Exs. 58-59; Exs. 68-91; Ex. 95, Exs. 100-101) In addition to the BLET's payment of Mrs. Hahs' airfare for the aforementioned trips, in 2005, Hahs added his wife to his Continental Airlines President's Club Annual membership for \$385, at BLET expense. (Ex. 1 at 166-167; Ex. 93)²⁶ Hahs claimed the union purpose behind this was as follows:

Serves a purpose [for Mrs. Hahs] when she's traveling she has someplace to wait out airlines. She doesn't travel with me all the time. Sometimes she travels in later or earlier. Normally later at the meetings. [sic] She's at the airport. She needs a place to do some prep for the trip and everything just like anybody else. (Ex. 1 at 63)

Hahs and his wife's airline club membership was

²⁵ These trips resulted in \$1,620.19 in airfare for 2004; \$2,464.08 for 2005; and \$2,180 for 2006. (Ex. 68)

²⁶ Hahs could not recall what years, other than 2005, in which he had the BLET pay for his and his wife's Continental President's Club Membership. (Ex. 1 at 166-167) He testified that he usually purchased a Continental President's Club Membership for his wife. (Ex. 1 at 62, 166-167)

submitted on his expense report. (Ex. 1 at 166-167; Ex. 93)
On December 20, 2006, Hahs renewed his membership for \$440
for the 2007 year. This renewal included his wife. (Ex.
28; Ex. 91)

According to two Former BLEET National Presidents,
McFather and Monin, anytime an Officer or the National
President wanted to bring their spouse on a BLEET-related
trip at BLEET expense, such a trip had to be authorized and
approved by the Executive Committee. (Ex. 124; Ex. 126)
Hahs did not follow this past practice. Hahs testified
that as the highest ranking officer, he never sought nor
did he require approval from anyone when he brought his
wife to meetings at BLEET expense. (Ex.1 at 41-42, 98; 111,
123, 189, 192)

Described below are some examples of trips Mrs. Hahs
accompanied her husband on, at BLEET expense, where there
was no union purpose for Mrs. Hahs' attendance at these
meetings and functions.

Mrs. Hahs accompanied her husband to the Western
General Chairman's Association Meeting, ("WGCA Meeting") in
Las Vegas from April 10 to April 16, 2004. (Ex.1 at 103-
104)²⁷ Hahs caused the BLEET to pay \$406.70 for his wife's

²⁷ Although the dates for the WGCA were scheduled from April 13 to
April 15, 2004, Hahs and his wife arrived on April 10, three days prior
to the meeting and left one day after the meeting had concluded. (Ex. 1

airline tickets. (Ex. 70)²⁸ This meeting was convened for the various General Chairmen in the Western Region of the BLET to discuss issues pertaining to collective bargaining, remote control operations and railroad security. (Ex. 24 at 61-64; Ex. 69) No GIA meetings were held at the WGCA meeting. (Ex. 24 at 61-63) Thus, there was no union purpose for Mrs. Hahs' trip.

Hahs had the BLET pay \$296.70 for his wife's airline tickets to Las Vegas for the Burlington Northern Santa Fe Northlines General Committee Association meeting ("BNSF GCA meeting") which was held between June 28 and July 3, 2004. (Ex. 1 at 110-113; Ex. 72) Hahs claimed his wife was with him because

That's the big thing where everybody brings their wives. They're big informational conferences, and it's an election. That's when we had this election. (Ex. 1 at 133)

Hahs contended his wife was there "with the other ladies, you know to bring them up to date on what's going on in the Brotherhood from the GIA side and just to be with everybody." (Ex. 1 at 113)

There were no GIA meetings or open meetings that Mrs. Hahs could have attended at this meeting. (Ex. 1 at 113-114; at 103-104; Exs. 69-70)

²⁸ Hahs also admitted that between April 10, 2004 and April 16, 2004, the BLET paid for meals for his wife and grandson. (Ex. 1 at 98-100)

Ex. 71; Ex. 24 at 64-66) Hahn's explanation for causing the union to pay, even when there was no GIA meeting, was, "Any time [my wife] goes, they didn't necessarily have an auxiliary meeting, but she meets with all the other wives and talks about trying to get them in the Auxiliary. . . ." (Ex. 1 at 113) There was no union purpose as to why the BLET paid for Mrs. Hahs to attend this event. (Ex. 1 at 112-114; Exs. 71-72)

Hahs had the BLET pay \$282.20 for his wife's airline tickets to Boston for the Democratic National Convention which was held between July 23 and July 29, 2004. (Ex.1 at 121-122; Exs. 73-74) Hahs explained that his wife went on this trip to "see what was going on politically in the country so she could come back and report on it. There were a lot of important speakers there, and a lot of different unions were there and it was a real educational trip I thought." Hahs justified spending the BLET's funds because this was an experience that Mrs. Hahs could report back to the GIA at a regional meeting after her attendance. (Ex. 1 at 123) There were no GIA meetings at this Convention. (Ex. 73)

The BLET did not reap any benefit from Mrs. Hahs' educational experience at the Democratic National Convention. In interviews with current National GIA

officers, they stated that Mrs. Hahs never gave any presentations or updates at any GIA meetings about this trip or any other meetings she had attended. (Ex. 34; Exs. 50-51) Even if Mrs. Hahs had discussed these trips at the Auxiliary Meetings, this would not have benefited the BLET, as the GIA is a separate independent entity.

Hahs had the BLET pay \$215.89 for Mrs. Hahs' airline tickets to Kansas City, Missouri, for a Christmas Party held by one of the BLET's designated Counsel, Jerry Schlichter. The trip was from December 4 to December 6, 2004. (Ex. 1 at 147-149; Exs. 76-77) There was no union purpose for Mrs. Hahs' attendance at this social event.

Hahs had the BLET pay \$418.20 for his wife's airline tickets to Las Vegas, Nevada, for a Convention Planning Meeting, which was held between December 11 and December 15, 2004. (Ex. 1 at 149-153; Ex. 77) Mr. and Mrs. Hahs arrived on Saturday, December 11, 2004 and stayed until Wednesday, December 15, 2004. (Ex. 77) Two other Executive Committee Members who also attended the meeting, Walpert and Rodzwick, arrived at least two days after Hahs. (Ex. 92; Ex. 114)²⁹ The only thing Hahs recalled about this trip was that, "We had two or three meetings at [a casino] for

²⁹ Rodzwick and Walpert both came on Monday, December 13, 2004. (Ex. 92; Ex. 114)

the special reps, and we had one Convention Planning Meeting." (Ex. 1 at 152) Mrs. Hahs was neither a part of the planning committee nor was she a Special Representative. There was no union benefit for her to accompany her husband on this trip at BLET expense.

In 2005, Hahs had his wife accompany him on several trips at BLET expense for which there was no union purpose or union benefit for her attendance at these functions. Hahs caused the BLET to pay \$246.90 for his wife's airline tickets to Miami, Florida, for the Cooperative Rail Labor Organizations Meeting which was held between February 5 and February 16, 2005. (Ex.1 at 167-168; Ex. 7; Ex. 78) The BLET Executive Committee and other BLET members attended this meeting to negotiate health and welfare benefits for its members. (Ex. 1 at 167-168; Ex. 20 at 38; Ex. 23 at 22; Ex. 24 at 71-74) There was no union benefit for Mrs. Hahs' attendance.

Hahs had the BLET pay \$298.40 for his wife's airline tickets to St. Louis, Missouri for the John Barringer National Railroad Library Board Meeting. The Hahs' were in St. Louis from April 22 to April 24, 2005. (Ex.1 at 189-90, Exs. 80-81) At this meeting, Hahs had been nominated to serve as a Trustee on this Board. (Ex.1 at 189; Ex. 81) Hahs' wife had no role in this meeting. Mrs. Hahs was not

a trustee and could not attend the closed-door meeting. There was no union purpose for her to accompany her husband on this trip.

Hahs caused the BLET to pay \$208.90 for his wife's airline tickets to Chicago for the AFL-CIO Convention. The Hahs' arrived on July 19 and left on July 25, 2005. (Ex. 59) This Convention was scheduled from July 23 to July 28, 2005. (Ex. 83) Hahs and his wife arrived on Tuesday July 19, 2005, four days before the Convention began. (Ex. 59; Ex. 83) Rodzwicz, who also attended the AFL-CIO convention, did not arrive in Chicago until Saturday, July 23, 2005, which was the actual start date of the Convention. (Ex. 115) Hahs was invited to serve as a delegate to work with five other labor unions to try to stop the loss in union membership. (Ex. 83) Mrs. Hahs served no union purpose in accompanying her husband on this trip.

Hahs had the BLET pay \$707.88 for Mrs. Hahs' airline tickets to Seaward, Alaska for a PAC fundraiser. The Hahs' were in Alaska from August 3 to August 6, 2005. (Ex. 1 at 213-214; Exs. 84-85) Hahs claimed this fundraiser was for Congressman Don Young, the Chairman of the Transportation Infrastructure Committee. (Ex. 1 at 213-214) Hahs claimed that the cost for part of this trip was paid for by the

BLET's PAC Fund. (Ex. 1 at 213-214) Hahs' itinerary showed that this trip included a three-day fishing excursion in which no meetings were scheduled. (Ex. 1 at 216; Ex. 84) The BLET did not receive any union benefit as a result of Mrs. Hahs' attendance at this event. The Hahs' arrived August 3, 2005 and departed August 6, 2005.

4. Hahs Caused the BLET to Pay for His and His Wife's Trip to Las Vegas for a Non-Union Purpose

According to the expense reports Hahs prepared, Hahs and his wife traveled to Las Vegas between July 31 and August 5, 2004. Hahs caused the union to pay approximately \$1,677.77 for both their airfare and travel related expenses. There was an \$833.40 charge for their round trip flight to Las Vegas. (Ex. 56; Ex. 74) During this trip, Hahs also charged \$530.97 for lodging at the Golden Nugget and Flamingo Hotels, \$251.06 for the rental of a car and \$62.34 in other expenses. (Ex. 56; Ex. 74; Ex. 119) Hahs' expense reports did not specify why he was in Las Vegas during these dates. (Ex. 56; Ex. 74)

On April 30, 2007, the IRB sent a letter to the BLET requesting documentation for Hahs' trip to Las Vegas between July 31 and August 6, 2004. In response to this request, the BLET submitted records which indicated that Hahs had accepted an invitation to attend the National

Association of State Legislative Board Chairmen's Annual Meeting in Kalispell, Montana from August 1 to August 3, 2004. (Ex. 17 at item 23; Ex. 120; Ex. 121 at 23) Neither the BLET nor the IBT had any records which indicated any union meetings Hahs attended in Las Vegas between July 31 and August 6, 2004. (Ex. 17 at 23; Ex. 28; Ex. 96; Ex. 121 at 23) In addition, Hahs, who had produced agendas and documents regarding other BLET-related trips he had taken, did not produce any agendas or other documentation to the IRB in response to the IRB's request for why he and his wife had caused the union to pay the expenses for this Las Vegas trip. (Ex. 17 at 23; Ex. 28; Ex. 96; Ex. 121 at 23) In addition, Hah's July and August 2004 personal calendars and activity report did not indicate any trip he took to Las Vegas on behalf of the BLET. (Ex. 123)³⁰

V. LEGAL ANALYSIS

A. Hahs Embezzled BLET Assets

The IBT Constitution prohibits embezzlement or conversion of union funds. IBT Const., Art. XIX, Section 7

³⁰ In response to a May 17, 2007 IRB document request asking for any personal calendars or activity reports that the BLET officers maintained, the BLET on June 4, 2007 sent us copies of personal calendars that Hahs and the other officers maintained. (Ex. 28; Ex.123) Hahs stated that activity reports were submitted by all BLET officers on a monthly basis. (Ex. 1 at 98-99) These activity reports listed all trips the officers took on behalf of the BLET. (Ex. 1 at 98-99) The BLET officer's activity reports were published in the BLET newsletter in order to keep BLET members and Divisions informed of the activities of the National Division officers. (Ex. 1 at 98-99)

(b) (3). The standard for embezzlement under federal labor law, 29 U.S.C. § 501(c), is instructive. Officer v. Calagna, Decision of the Independent Administrator at 11 (May 9, 1991), aff'd., United States v. IBT, 777 F. Supp. 1123 (S.D.N.Y. 1991). For Hahs to be found to have committed embezzlement, it must be established that Hahs acted with fraudulent intent to deprive the BLET of its funds or property. See United States v. Welch, 728 F.2d 1113, 1118 (8th Cir. 1984); Investigations Officer v. Caldwell, Decision of the Independent Administrator at 7 (Feb. 9, 1993), aff'd., United States v. IBT, 831 F. Supp. 278 (S.D.N.Y. 1993).

In addressing the issue of fraudulent intent, "all of the evidence [must be] considered together . . . in light of all the surrounding circumstances." United States v. Welch, supra, 728 F.2d at 1119, quoting Morrisette v. United States, 342 U.S. 246, 275-76 (1951). It is "permissible to infer from circumstantial evidence the existence of intent." United States v. BLET 560 of the IBT, 780 F.2d 267, 284 (3d Cir. 1985), citing United States v. Burrell, 496 F.2d 609, 610 (3rd Cir. 1974); see also Investigations Officer v. Caldwell, Decision of the Independent Administrator at 7 (Feb. 9, 1993), aff'd., United States v. IBT, 831 F. Supp. 278 (S.D.N.Y. 1993).

Any money Hahs had caused the BLET to spend had to be for a union purpose. Hahs caused the union to pay for basketball tickets, for his wife's travel expenses, and other expenditures as detailed above, none of which were for a union purpose. Indeed the amounts spent on his grandson, for hotel movies in violation of what he understood to be the union's in-room movie policy and for the unexplained trip to Las Vegas are telling evidence that he viewed the union as his piggy bank. See United States v. IBT ("Morris and McNeil"), 777 F. Supp. 1123 S.D.N.Y. 1991 As stated in United States v. Dibrizzi, 393 F.2d 642, 645 (2d. Cir. 1968):

" . . . even if [the officer] may have established that his expenses were, as he claims, authorized and adopted by the union, such does not absolve him of his crimes; the reach of § 501(c) is not limited to union officers who engaged in stealthy larcenies or devious embezzlements but extends to an officer who 'unlawfully and willfully abstracts or converts to his own use' the funds of a labor organization. When one sends the union a voucher known to be an improper one, and then receives payment of the voucher, the crime is completed."

See also United States v. Welch, 728 F.2d 1113, 1117 (8th Cir. 1984; see, e.g., United States v. Floyd, 882 F. 2d 235, 241 (7th Cir. 1989) ("a higher ranking union official's express approval of an appropriation is of little import to

§ 501 cases because the true owner of union property is the collective membership, not individual union officers.”)

Hahs' intent to embezzle can be inferred from the pattern of union expenditures he caused that had no union purpose or benefit. From 2004 to 2006, Hahs directed the purchase of Cleveland Cavaliers' season and playoff tickets. Hahs maintained complete control over the use and distribution of the tickets. These tickets were used by Hahs, his family, his friends and union employees. Hahs' claim, that the tickets were purchased to retain both current tenants and to attract new tenants, was a sham. Even after 2004, when he recognized that this was a completely ineffective tool for keeping and finding tenants, Hahs annually caused the BLET to pay for another three years of tickets. The building fund manager, who was responsible for dealing with tenants, did not learn of the basketball tickets until 2006. (Ex. 125 at 33-35)

His wife's travel expenses and their unexplained trip to Las Vegas served no union purpose. Indeed, the submission of expenses for his grandson and multiple movies on a single day for reimbursement removes any ambiguity concerning Hahs' intent to embezzle as does the Las Vegas trip in August of 2004.

The Union could only pay for such expenses if there was a union purpose. See e.g. United States v. Lore, 430 F.3d 190 (3d 2005); United States v. Butler, 954 F.2d 114 (2d Cir. 1992); United States v. Gibson, 675 F.2d 825 , 829-833 (6th Cir. 1982) These payments, without union benefit, were embezzlements. See e.g. United States v. Lore, 430 F.3d 190 (3d 2005); United States v. Briscoe, 65 F.3d 576 (7th Cir. 1995) (United States v. Butler, 954 F.2d 114 (2d Cir. 1992); United States v. Silverman, 430 F.2d 106, 114 (2d Cir. 1970) cert. denied, 402 U.S. 953 (1971); United States v. Capanegro, 576 F.2d 973, 979-980 (2d Cir.) cert. denied, 439 U.S. 928(1978) (even authorization by the Union will not absolve a Union official from liability where that individual lacks a good faith belief that the expenditure is for the benefit of the union)

VI. PROPOSED CHARGES

Based upon the foregoing, it is recommended that BLET President Don Hahs be charged as follows:

Don Hahs, while a member of and the President of BLET, violated his fiduciary duties to the BLET and its members, embezzled and converted BLET funds and property to his own use and the use of others, and brought reproach upon the IBT in violation of Article II, Section 2 (a) and Article

XIX, Section 7 (b) (1), (2) and (3) of the IBT Constitution, to wit:

Between approximately January 2004 and December 2006, while President of the BLET you embezzled over \$58,000 from the BLET, as described above. (Ex. 122)

EXHIBITS TO THE CHARGE REPORT INVOLVING DON HAHS

- Ex. 1 Sworn Examination of Don Hahs dated April 12, 2007
- Ex. 2 BLET Bylaws and attached section (Rituals pgs. 187-188)
- Ex. 3 BLET's website on the History of the Brotherhood of Locomotive Engineers and Trainmen
- Ex. 4 Form LM-2 of BLET for 2005
- Ex. 5 Sworn Examination of William Walpert dated April 11, 2007
- Ex. 6 2004-2005 Audited financial records of Building Association
- Ex. 7 Agenda of Cooperating Rail Labor Organizations Meetings (February 5- February 16, 2005)
- Ex. 8 2004- 2006 Schedule of Building Association checks issued for the Purchase of Cleveland Cavaliers Tickets
- Ex. 9 2004- 2006 Schedule of BLET checks issued for the Purchase of Cleveland Cavalier Tickets
- Ex. 10 3/30/04 Building Association check # 31223 in the amount of \$7,680, made payable to Cleveland Cavaliers
- Ex. 11 4/28/04 Building Association check # 31227 in the amount of \$5,440, made payable to Cleveland Cavaliers
- Ex. 12 3/23/05 Building Association check # 31621 in the amount of \$21,860, made payable to Cleveland Cavaliers
- Ex. 13 4/6/06 Building Association check #32399 in the amount of \$8,544 made payable to Cleveland Cavaliers

- Ex. 14 5/23/06 Building Association check #32416 in the amount of \$4,356 made payable to Cleveland Cavaliers
- Ex. 15 6/26/06 BLET check # 62573 in the amount of \$2,392 made payable to Cleveland Cavaliers
- Ex. 16 7/31/06 BLET check # 62752 in the amount of \$4,784 made payable to Cleveland Cavaliers
- Ex. 17 Letter from BLET Counsel George Faulkner dated May 17, 2007
- Ex. 18 Excerpt from the BLET's cash disbursement showing four loans to the Building Association on 3/30/04 (ck 53721), 3/23/05 (ck 31621), 4/6/06 (CK 58556) and 5/23/06 (ck 58816)
- Ex. 19 Excerpt from Building Association's Cash Disbursement journal showing five checks # issued for purchase of Cleveland Cavalier tickets: 3/30/04 (ck 31223), 4/28/04 (ck 31227), 3/23/05 (ck 31621), 4/6/06 (ck 32399), 5/23/06 (ck 58816)
- Ex. 20 Sworn Examination of Edward Rodzwick dated April 10, 2007
- Ex. 21 Sworn Examination of Patricia Smith dated April 10, 2007
- Ex. 22 Trial Balance Sheet Showing 25 Loans the BLET Made to the Building Association from 2004 to 2006
- Ex. 23 Sworn Examination of John Tolman dated April 11, 2007
- Ex. 24 Sworn Examination of Thomas Brennan dated June 4, 2007
- Ex. 25 Sworn Examination of Harold Volpe dated April 10, 2007
- Ex. 26 IRS guidelines for deducting travel, entertainment and gift expenses, (IRS FS-2007-10 Jan. 2007, updated 2/14/07)

- Ex. 27 IRB Books and Records request dated February 8, 2007
- Ex. 28 Letter from BLET Counsel George Faulkner dated June 4, 2007
- Ex. 29 May 8, 2007 Memo from Dyann Davison ("Davison") regarding the four Cleveland Cavaliers playoff tickets to be given to Davison to entertain Ryan Marrie and his wife, from Ohio Real Title
- Ex. 30 Dyann Davison's May 16, 2007 e-mail regarding the May 16, 2007 Cleveland Cavaliers playoff tickets
- Ex. 31 2004 to 2006 Schedule of Meals Hahs had at the Cleveland Cavaliers' Arena in which he deducted as business expenses to offset his taxable income from his at home Allowance
- Ex. 32 Don Hahs' 2004-2006 Receipts for Meals he had at the Cleveland Cavaliers' arena
- Ex. 33 2003 and 2007 Schedules of the Teams the Cleveland Cavaliers were playing against
- Ex. 34 Interviews with National GIA 3rd Vice-President Delaine Morris dated April 24, 2007 and June 26, 2007
- Ex. 35 Interview with National GIA 1st Vice-President Kathie Bailey dated April 24, 2007
- Ex. 36 Advisory Board Meeting Minutes from 2004 to 2006
- Ex. 37 2004 SMA Conference Agenda with attached documents, Don Hahs' registration form and 5/6/04 BLET check # 53921 dated in the amount of \$660
- Ex. 38 2004 EUMA Conference Agenda with attached documents, Don Hahs' registration form, 6/29/04 BLET check #53702 in the amount of \$975, Conference Agenda and Don Hahs' registration form
- Ex. 39 2004 IWC Conference Agenda with attached documents, Don Hahs' registration form, and 6/23/04 BLET check #54223 in the amount of \$785

- Ex. 40 2004 SWCM Conference Agenda with attached documents, 8/23/04 BLET check #54694 in the amount of \$630.00 and 8/31/04 BLET check # 54856 in the amount of \$180
- Ex. 41 2005 SMA Conference Agenda with attached documents, Don Hahs' registration form and 4/11/05 BLET check # 55896 in the amount of \$580
- Ex. 42 2005 EUMA Conference - Don Hahs' registration form, 4/8/05 BLET check # 56232 in the amount of \$980
- Ex. 43 2005 IWC Conference - Don Hahs' registration form and 4/28/05 BLET check # 56393 in the amount of \$1,025
- Ex. 44 2005 SWCM Conference - Don Hahs' registration form and 8/29/05 BLET check # 57252 in the amount of \$800
- Ex. 45 2006 SMA Conference Agenda with attached documents, Don Hahs' registration form, 4/27/06 BLET check # 58642 in the amount of \$685
- Ex. 46 2006 IWC Conference Agenda with attached documents, Don Hahs' registration form and 5/25/06 BLET check # 58815 in the amount of \$1,359
- Ex. 47 2006 SWCM Conference Agenda with attached document, 8/2/06 BLET check # 62670 in the amount of \$880
- Ex. 48 Excerpt from Summer 2006 GIA newsletter announcing new officers from the June 2006 election
- Ex. 49 Interview with National GIA National Treasurer Helen Brand dated April 24, 2007
- Ex. 50 Interview with former National GIA Treasurer Betty Dollar dated April 26, 2007

- Ex. 51 Interviews with National GIA President Becky Schneider dated April 25, 2007 and May 18, 2007
- Ex. 52 Interview with former National GIA President Onita Wayland
- Ex. 53 Excerpt "What is GIA" from Locomotive Engines Journal Fall/Winter 2004 (Volume 111 - No 3 & 4)
- Ex. 54 BLET website on BLET-Auxiliary
- Ex. 55 BLET-Auxiliary (GIA's) Bylaws
- Ex. 56 9/17/04 BLET check # 54923 in the amount of \$1,135.67, made payable to Don Hahs
- Ex. 57 10/6/04 BLET check # 55007 in the amount of \$414.64, made payable to Don Hahs
- Ex. 58 7/20/05 BLET check # 57041 in the amount of \$1,546.23, made payable to Don Hahs
- Ex. 59 8/17/05 BLET check # 57223 in the amount of \$891.37, made payable to Don Hahs
- Ex. 60 10/13/05 BLET check # 57621 in the amount of \$533.79, made payable to Don Hahs
- Ex. 61 8/28/06 BLET check # 63019 in the amount of \$417.42, made payable to Don Hahs
- Ex. 62 9/14/06 BLET check # 63154 in the amount of \$835.91, made payable to Don Hahs
- Ex. 63 10/13/06 BLET check # 63316 in the amount of \$527.94, made payable to Don Hahs
- Ex. 64 Resolution submitted by Divisions 158, 192, 194, 510 (Funding from BLET to GIA)
- Ex. 65 Schedule of BLET-Reimbursement to GIA officers and attached documents regarding these reimbursements
- Ex. 66 Chart showing Regional Conferences Derrick, Hahs' Grandson Attended between 2004 and 2005

- Ex. 67 Chart showing Regional Conferences Mrs. Hahs Attended between 2004 and 2006
- Ex. 68 Chart showing Mrs. Hahs' Trips to Non-Regional Conferences between 2004 and 2006
- Ex. 69 Letter from Michael Young inviting Don Hahs to Western General Chairmen's Association Meeting ("WGCA") from April 13-April 15, 2004 and attached documents
- Ex. 70 5/12/04 BLET check # 53974 in the amount of \$634.34, made payable to Don Hahs
- Ex. 71 Letter from Dennis Pierce, General Chairman regarding Burlington Northern Santa Fe General Committee Meeting, dated April 8, 2004 and attached agenda
- Ex. 72 7/16/04 BLET check # 54343 in the amount of \$1,009.97, made payable to Don Hahs
- Ex. 73 Agenda for the Democratic National Convention in Boston from July 23 - July 30, 2004
- Ex. 74 8/17/04 BLET check # 54822 in the amount of \$478.04, made payable to Don Hahs
- Ex. 75 File folder Heading - Division 255 Annual Family Picnic August 27-28, 2004 Wheeling, West Virginia
- Ex. 76 Invitation to Jerry Schlicter's Christmas Party on December 5, 2004
- Ex. 77 1/18/05 BLET check # 55713 in the amount of \$609.78, made payable to Don Hahs
- Ex. 78 3/24/05 BLET check # 56011 in the amount of \$605.39, made payable to Don Hahs
- Ex. 79 Letter from WGCA Chairman Dennis Pierce inviting Hoffa to 2005 Western general Chairman's Association Meeting and attached agenda April 4-April 7, 2005
- Ex. 80 6/3/05 BLET check # 56669 in the amount of \$312.14, made payable to Don Hahs

- Ex. 81 Letter from Gregory Ames, Curator of the John Barringer III National Railroad Library inviting Don Hahs, a Barringer Board Member to April 23, 2004 Board Meeting and attached agenda
- Ex. 82 A copy of Walpert's registration form for the Midwest Rail Craft Scholarship Golf Tournament on July 11, 2005
- Ex. 83 Don Hahs' 2005 AFL-CIO Registration Form and attached documents containing letter from General President Hoffa inviting him to serve as a delegate dated June 29, 2005
- Ex. 84 Letter from Executive Director Tylan Schrock inviting Hahs to participate in a fundraiser for Congressman Don Young in Seward, Alaska from August 4-August 6, 2005
- Ex. 85 9/16/05 BLET check # 57401 in the amount of \$532.51, made payable to Don Hahs
- Ex. 86 Reservations for Hahs for JW Mariott from March 2-5, 2006 in Phoenix, Arizona for Designated Legal Counsel Meeting
- Ex. 87 3/1/06 BLET check # 58346 in the amount of \$407.35, made payable to Don Hahs
- Ex. 88 E-Mail from Don Hahs to Justine Charvat dated February 27, 2006 concerning Western General Chairman's Association meeting for the week of April 10, 2006 and attached activity sheet
- Ex. 89 5/18/06 BLET check # 58806 in the amount of \$552.83, made payable to Don Hahs
- Ex. 90 6/2/06 BLET check # 59087 in the amount of \$439.91, made payable to Don Hahs
- Ex. 91 1/8/07 BLET check # 63771 in the amount of \$409.78, made payable to Don Hahs
- Ex. 92 1/19/05 BLET check # 55723 in the amount of \$192.69 made payable to William Walpert

- Ex. 93 2/22/05 BLET check # 55826 in the amount of \$447.92, made payable to Don Hahs
- Ex. 94 IRS Form 990 for BLET Association (2004-2005)
- Ex. 95 11/15/06 BLET check # 63511 in the amount of \$590.98, made payable to Don Hahs
- Ex. 96 IBT responses to IRB requests dated May 17, 2007 and May 21, 2007
- Ex. 97 7/25/06 BLET check # 62651 in the amount of \$2,188.15, made payable to Don Hahs
- Ex. 98 Letter from BLET Counsel George Faulkner to Michael Ostrowski, Senior Director of Ticket Sales, canceling the agreement for the purchase of Cleveland Cavaliers tickets, dated April 20, 2007
- Ex. 99 Cleveland Cavaliers invoices dated March 1, 2007
- Ex. 100 BLET Counsel's letter dated June 19, 2007
- Ex. 101 E-mail from Don Hahs dated August 14, 2006 regarding Rockin Y Reunion for October 20-21, 2006
- Ex. 102 3/30/04 BLET check # 53721 in the amount of \$7,680, made payable to Building Association
- Ex. 103 3/23/05 BLET check # 56090 in the amount of \$21,860, made payable to Building Association
- Ex. 104 4/6/06 BLET check # 58556 in the amount of \$8,544, made payable to Building Association
- Ex. 105 5/23/06 BLET check # 58816 in the amount of \$4,356, made payable to Building Association
- Ex. 106 Excerpt from the IBT's Local Union Financial and Administrative Policies, dated October 2000
- Ex. 107 BLET's Travel Policy
- Ex. 108 Schedule of Movie Charges for Don Hahs

- Ex. 109 10/15/04 BLET check # 55117 in the amount of \$2,415, made payable to Cleveland Cavaliers
- Ex. 110 3/1/06 BLET check # 58337 in the amount of \$2,600, made payable to Cleveland Cavaliers
- Ex. 111 4/19/06 BLET check # 58620 in the amount of \$569.25, made payable to Cleveland Indians
- Ex. 112 6/27/06 BLET check # 62588 in the amount of \$569.25, made payable to Cleveland Indians
- Ex. 113 BLET Lottery for Cleveland Indians Baseball Tickets in 2004
- Ex. 114 1/6/05 BLET check #55491 in the amount of \$252.22 made payable to Ed Rodzwick
- Ex. 115 8/5/05 BLET check #57160 in the amount of \$356.54 made payable to Ed Rodzwick
- Ex. 116 2/12/04 BLET check # 53434 in the amount of \$465.97, made payable to Don Hahs
- Ex. 117 4/26/05 BLET check # 56322 in the amount of \$1,027.70, made payable to Don Hahs
- Ex. 118 4/19/06 BLET check # 58525 in the amount of \$435.91, made payable to Hahs
- Ex. 119 Schedule of Hahs and Mrs. Hahs' Trip to Las Vegas between July 31, 2004 and August 6, 2004
- Ex. 120 Letter from Don Hahs to I. Perry Renfro dated April 26, 2004 re: National Association of State Legislative Board Chairmen's Annual Meeting in Kalispell, Montana and attached agenda
- Ex. 121 IRB Books and Records Request dated April 30, 2007
- Ex. 122 Schedule of Calculations Derived for Hahs' Charge Report
- Ex. 123 Don Hahs' Activity Reports July and August 2004

- Ex. 124 Interview of Former BLET President Clarence Monin
dated July 19, 2007
- Ex. 125 Sworn Examination of Michael Loomis dated July
26, 2007
- Ex. 126 Interview of Former BLET President Larry McFather
dated July 31, 2007
- Ex. 127 IRB Books and Records Request dated May 17, 2007