

A Union, Suitcases Full Of Cash, And A Federal Investigation

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The [Los Angeles Times](#) is reporting that the United States Department of Labor (DOL) is investigating a series of payments totaling nearly \$1 million dollars made by the Los Angeles Memorial Coliseum Commission to an unnamed representative of the International Alliance of Theatrical Stage Employees. While the funds, some of which according to the Times were delivered in suitcases packed with \$100 bills, were supposed to be used to cover wages for union stagehands, the Commission did not impose controls over where the money ended up. This lack of control, combined with the Commission's apparent failure to make required contributions to employee retirement accounts (it is unclear if the required payments were made on wages paid in cash) has caused quite a stir in Los Angeles and may be the reason for the DOL's investigation.

Though it is unclear from the *Times* report what exactly the DOL is investigating, it is likely potential violations of Section 302 of the Labor Management Relations Act. Section 302 makes criminal the payment, lending, or delivery of "any money or other thing of value" to, among others, "any representative of his employees who are employed in an industry affecting commerce." Suitcases full of \$100 bills given to a union representative with an undisclosed or unspecified final destination would seem to be a thing of value. Even if ultimately determined not unlawful, the appearance of impropriety would create a black eye for the union and employer involved. Employers should be mindful not to give in to union demands for improper payments.

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