

Memorandum



Subject

Central States Pension Fund Litigation

Date

June 30, 1982

To The Attorney General

From John Roberts *JR*

As you know, the Department of Labor is pursuing civil actions against the former trustees of the Teamsters Central States Pension Fund (CSPF), and the Department of Justice is investigating possible criminal violations. There have over the past 18 months been numerous meetings between representatives of Labor, Justice, and IRS to keep everyone informed of activities on the many different fronts involving CSPF, to the extent this is consistent with the different institutional concerns. You attended one such meeting.

Tim Ryan, Solicitor of Labor, called another meeting which was held yesterday, June 29. He is due to meet today, June 30, with representatives of CSPF and the former trustees to discuss possible settlement of Labor's civil suit, and the purpose of the June 29 meeting was to consider Labor's settlement position. It was agreed by all concerned that there must be individual contributions from the trustees beyond insurance coverage. Ryan met later with Paul McGrath in an effort to obtain his approval of a dollar figure to propose for settlement. Paul indicated he could not approve any figure without written supporting analysis from Labor.

The litigation is of course politically sensitive and has already drawn the attention of various Congressional committees. Labor wants to obtain Department of Justice approval of any settlement posture to solidify its position in the event of a later inquiry into any possible settlement. Since there is the very real danger that the Department of Justice will be used as a shield in this area, Paul is insisting on detailed, written justifications from Labor before signing off on any settlement figure. Ryan seemed to understand this position.

The question may well be moot since several people involved regard it as unlikely that CSPF will accept the principle of individual liability beyond insurance coverage, which all on the government side agree is essential if there is to be any settlement. If CSPF does not accept individual liability for the former trustees, settlement talks will be off and Labor will return to a litigation posture.