

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA            )  
  )  
  )       No. 10 CR 186  
  )       Judge Michael T. Mason  
  )  
vs.    )  
  )  
WILLIAM E. DUGAN                    )

**GOVERNMENT’S RESPONSE TO DEFENDANT’S  
MOTION FOR LEAVE FROM A SPECIAL CONDITION**

Now comes the United States of America by and through its attorney PATRICK FITZGERALD, United States Attorney for the Northern District of Illinois, and responds to defendant’s Motion for Leave From A Special Condition of his Supervision as follows:

1.       Defendant has requested leave of Court for attend a dedication and accept a commemorative gift. Defendant is barred from receiving any gifts, funds or benefits from a labor union or member. Although the government does not seek to prevent defendant’s acceptance of a “commemorative gift of nominal monetary value” as described in the motion, the government objects to the expenditure of any union funds to defendant and his family members.

2.       On March 22, 2010, defendant entered a plea of guilty to violation of the Taft Hartley Act. As a part his plea agreement, defendant admitted additional crimes, namely, that he committed multiple conversions of union and pension fund assets-including those of the Apprenticeship Skills Training Program (the current trustees of which now seek to honor him), as well as seeking and obtaining illegal benefits from employers and signatories

to union contracts, and making false statements under oath, all during his tenure as the union president.

3. On November 8, 2010 defendant was sentenced to serve three years probation. The terms and conditions of his probation prohibited him from obtaining “any gifts, payments, gratuities or funds directly or indirectly from any union organization, union member or union signatories.

4. Whereas current leadership of the Apprenticeship Skills Training Program and Local 150 may choose to honor the defendant, the payment of honoraria or expenses is prohibited. Not only is the expenditure of such funds impermissible, it is unnecessary and ill-advised particularly given the currently reported financial difficulties facing both the union and its membership and the substantial financial wherewithal of the defendant.

5. In April 2009, Local 150 told WBBM that 40% of its membership was unemployed and started a food pantry to help members feed their families.

6. IUOE President-Business Manager James Sweeney’s May 16, 2011 “President’s Corner” report to membership on the union website stated “... the construction industry continues to flounder with almost 22 percent of construction workers nationwide unemployed. Housing starts and building permits continue to decline, and union members like us suffer. Hours worked by Local 150 Operating Engineers have fallen again in January and February from what they were in 2010. And of course, so do the Union’s revenues. We continue to look for ways to cut our own spending, and have continued to lay off and or not replace staff. This past month, we furloughed two more dedicated assets . . . These two

gentlemen were extremely effective in representing Local 150 members and their talents will be sorely missed.”

7. President Sweeny’s “President’s Corner” article for April 2011 as posted on the union *Facebook* page includes: “. . . To date, we have paid out \$1,083,491.89 to help keep our out-of-work members and their families covered. We have decided to tap the Union’s reserves to pay for another quarter’s worth of coverage for our out-of-work members in the hope that as work picks up, fewer members will need this help, and we are finally beginning to see this happen. While it has been a struggle to divert more than \$1 million in union treasury funds during a time when we are slashing the budget everywhere possible, the importance of keeping members insured during this time cannot be ignored.”

8. Defendant reported that he receives \$17,000 per month in pension from IUOE Local 150 in addition to other sources of income. Defendant is well able to afford any costs associated with his travel from Maryland to receive an award from union leadership. Expenditures of scarce union or apprenticeship program funds in these circumstances is not an appropriate expenditure of member funds nor should they be given the imprimatur of this Court.

WHEREFORE, for the foregoing reasons, the government respectfully requests this Court grant in part - leave to attend the dedication ceremony and deny in part - Dugan's request to have his personal and family member's travel expenses paid by the Apprenticeship Fund or Local 150.

Respectfully, submitted,

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