



TEAMSTERS LOCAL 727

Representing more than 9,000
hardworking men and women
throughout the Chicagoland area

John T. Coli
Secretary-Treasurer

John T. Coli Jr.
President

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ARBITRATOR RULES PARKING EMPLOYER CREATED 'SHAM COMPANY' TO AVOID FINANCIAL OBLIGATIONS TO UNION

PAS, Formerly VPS, Ordered to Pay Local 727 More Than \$225,000

An arbitrator has ordered PAS, LLC to pay Teamsters Local 727 more than \$225,000 in back dues, penalties and late fees after the Chicago parking employer created a “sham” company to avoid its financial obligations to the union.

In July 2013, VPS of Illinois closed its business without paying thousands of dollars owed to the union. The same month, PAS took over 21 of the 47 parking locations previously operated by VPS, and this “new company” also did not pay its contractually obligated dues. The union contended that PAS was an “alter ego” for VPS and therefore must pay all of the dues, penalties and late fees incurred by both PAS and VPS.

PAS alleged it was not the same company and refused to pay.

“From Day One, this parking employer was deceptive and unreasonable,” said John Coli Jr., President of Local 727. “We could not let PAS get away with this scheme to dodge its substantial and ever-growing liability.”

The union filed grievances and attempted to settle the matter, but PAS remained uncooperative, so Local 727 took the case to arbitration.

During the arbitration hearing on April 1, 2015, the union presented evidence to show PAS was an alter ego to VPS because it had substantially identical management, business purpose, operation, equipment, customers and supervision as well as ownership. This was despite the fact that the company did not provide information and documents requested and subpoenaed by the union.

Arbitrator Edwin H. Benn, in a 47-page decision handed down Dec. 28, 2015, emphatically ruled in the union’s favor.



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“The evidence overwhelmingly shows that PAS was created as a fiction and a sham so that VPS could avoid its monetary contractual obligations to the Union,” Benn wrote. “... If a party could avoid its obligations by merely changing its name and the name of the individual who technically may appear on paper to be the owner, the collective bargaining agreements would not be worth the paper on which they are written.”

Arbitrator Benn ordered PAS to pay the union \$168,758.60 for dues and fees owed by VPS and \$60,126.60 for dues and fees owed by PAS as of July 31, 2015. Additionally, PAS shall pay any additional amounts owed by VPS and PAS due to late and unpaid payments beyond July 31, 2015. PAS also has been ordered to provide a complete employment history dating to Aug. 1, 2012, and access to records to fully audit employees to determine if additional amounts are owed to the union.

“Employers need to know they cannot simply dodge their obligations and try to cover up their misdeeds,” Coli said. “We have the law on our side and the union will fight against injustice wherever and whenever we see it.”

The total of \$228,885.20 owed is jumping off point, as that number continues to grow each day the amounts are not paid and may well be higher after PAS opens its books and records and provides information as directed in the arbitrator’s remedy.

Teamsters Local 727 represents nearly 10,000 hardworking men and women throughout the Chicago area, including more than 3,500 parking industry workers.