PUBLIC COMMENT

Pension Benefit Guaranty Corporation

Proposed Submission of Information Collection for OMB Review; Comment Request; Special Financial Assistance Information (Federal Register Document 2026-21189; OMB Control No. 1212-0074)

Submitted by: Don Loos on behalf of The National Institute for Labor Relations Research

Date: November 5, 2026

Re: Support for Enhanced Oversight of Special Financial Assistance (SFA) Funds, with Particular Emphasis on Teamsters-Related Plans and the Central States Pension Fund

I. Introduction and Support for the Proposal

The Pension Benefit Guaranty Corporation's proposed expansion of the Annual Statement of Compliance (ASOC) under the Paperwork Reduction Act is a necessary step to improve oversight of taxpayer-funded Special Financial Assistance (SFA). The proposal would require SFA-recipient multiemployer plans to submit investment policy statements, guidelines, asset-allocation policies, committee charters, related governing documents, and data and procedures regarding missing participants. These requirements address the risk that large public transfers likely have inadequate transparency and participant protections.

We support the proposal and urge its immediate adoption. The scale of SFA payments already approved—approximately $78 billion across more than 200 plans as of late October 2026—creates a strong proprietary interest and an urgent need for the United States to manage these assets prudently through 2051. The historical record of the largest recipient, the Central States, Southeast and Southwest Areas Pension Plan (Central States), and the broader pattern among International Brotherhood of Teamsters (IBT)-related plans, shows that enhanced reporting on investment governance and missing participants is essential. However, this action alone is woefully insufficient to protect Teamsters retirees and taxpayers; the PBGC should dissolve and terminate any Teamsters International, National, Regional, or State control of these pensions.

II. Scale of SFA to Teamsters-Related Plans

PBGC data (SFA Applications status spreadsheet updated as of October 23, 2026) show that IBT- and GCC/IBT-related plans have received or been approved for approximately $52.23 billion in SFA across 57 plans, covering roughly 689,000 participants. An additional approximately $119 million is under review for five plans covering about 4,700 participants. The Central States pension fund, placed under federal court oversight in 1982 after a Department of Labor investigation into alleged fiduciary breaches and mismanagement of plan assets, alone accounts for $35.76 billion—nearly half of all SFA approved to date and the program's single largest grant.

Annual approval totals (final approved amounts) illustrate the concentration:

Year	Total Approved	Number of Plans	Notes
2021	$126 million	2	Initial approvals
2022	$45.48 billion	52	Includes Central States $35.76B
2023	$7.96 billion	46	
2024	$16.21 billion	36	Includes New England Teamsters $5.71B
2025	$4.91 billion	44	
2026 (to 10/23/26)	$3.53 billion	22	Includes large UFCW plan

In 2022, Central States was the top recipient ($35.76 billion, 357,056 participants), followed by other large Teamsters and UFCW plans. In 2024, the New England Teamsters Pension Plan received $5.71 billion. These figures show that a significant portion of SFA has gone to plans with longstanding governance challenges.

III. Historical Record of Central States and IBT Governance Failures

The Central States Pension Fund was established in 1955 under the exclusive control of the International Brotherhood of Teamsters. During the Jimmy Hoffa era, the fund's assets were systematically diverted into loans and investments tied to organized-crime figures, including real estate and casino ventures associated with the Mafia, a pattern so egregious that the Internal Revenue Service revoked the fund's tax-exempt status in the late 1970s. In addition, the U.S. Department of Labor later sued former trustees for breaches of fiduciary duty.[1] The funding ratio had collapsed below 50 percent of estimated liabilities by 1982. The resulting consent decree imposed independent asset management, an explicit judicial finding that ordinary joint trusteeship under IBT control had failed.[2] Subsequent GAO analysis (GAO-18-106, June 2018) confirmed that the plan never exceeded approximately 75 percent funding thereafter and deteriorated further after 2002 despite independent managers.[3]

In 1988, the Department of Justice filed a civil RICO action alleging a long-standing, pervasive pattern of racketeering that included murders, extortion, and entrenched organized-crime influence over the union and its benefit funds.[4] The case settled in the 1989 Consent Decree, which created the Independent Review Board (IRB) empowered to investigate corruption, remove officers, and recommend discipline. The IRB operated for more than two decades, repeatedly documenting ongoing misconduct that the union's internal controls failed to eradicate.[5] A phased transition began around 2015; a further joint motion to end remaining monitoring was filed in 2026, yet the underlying institutional design that necessitated federal intervention remains intact and uncorrected.

Deregulation under the Motor Carrier Act of 1980 led to widespread carrier exits as non-union competition entered the market. Demographic shifts (an aging participant base with few active workers), market declines, overly optimistic actuarial assumptions, and UPS's withdrawal drove

the plan toward projected insolvency around 2025.[6] Funding ratios collapsed into the low double digits and low thirties. Governance shortcomings—persistent IBT influence over trustee selection and political strategy despite independent investment managers and the IRB—compounded these economic pressures. The American Rescue Plan Act of 2021 created the SFA program. Central States received approximately $35.8–36 billion to restore benefits and project solvency through at least 2051.[7] A later review identified roughly 3,479 deceased participants still listed as receiving benefits; Central States repaid approximately $126.5–127 million to the Treasury.[8] No structural change to trusteeship or IBT influence was required, leaving the same institutional arrangement that produced the crisis in control of the program's largest single taxpayer grant.

IV. Relevance to Investment Oversight and Missing Participants

The proposed ASOC requirements for investment policy statements, guidelines, asset-allocation policies, and committee charters directly address the residual risks that remained after the 1982 independent-management decree. Because independent investment management has been in place for Central States since 1982, the incremental burden of documenting current policies is modest, while the benefit to PBGC's ability to monitor compliance with SFA investment restrictions (including the limit on return-seeking assets) is substantial.

The missing participant requirements are equally warranted. Central States' $127 million repayment for payments attributable to deceased participants shows that census accuracy has remained a material problem even after large-scale federal assistance. Requiring plans to report data on participants who may have lost contact and to document location procedures will help ensure that SFA funds reach living participants and beneficiaries rather than remaining unclaimed or continuing payments in error.

V. Broader Statutory and Equitable Authority

ERISA Title I authorizes the Department of Labor to investigate, sue for fiduciary breaches, seek removal of trustees, and request appointment of independent fiduciaries. The 1982 decree applied this power. Title IV equips the PBGC to protect the insurance program. Once general revenue funds are transferred, the administering agencies possess regulatory and equitable authority to ensure prudent management. The Multiemployer Pension Reform Act of 2014 grants PBGC partition authority to assume defined portions of liabilities while the original plan continues its reduced burden. Partitioning assets, combined with the 1982 transfer of investment management and the SFA grant, shows that federal law already contemplates structural separation of liabilities.

Justifications for ending residual IBT control include repeated internal governance failures, the moral hazard inherent in exclusive representation and joint trusteeship, and the new federal equity interest arising from taxpayer funds. Converting to individual portable accounts is feasible under existing ERISA termination procedures, protecting current retirees through annuitization while freeing active participants from non-portable constraints. The Spending Clause authorizes appropriations for the general welfare, including PBGC insurance and the SFA grants; once general revenues are committed, the federal government acquires a proprietary interest. The Commerce Clause supports regulating multiemployer plans that affect interstate trucking. The Necessary and Proper Clause supports enforcement mechanisms: investigations, consent decrees, independent fiduciaries, and partitions.

VI. Recommendations

- Adopt the proposed ASOC expansions in full. The investment policy and missing-participant requirements are proportionate to SFA's scale and the documented history of the largest recipients.
- Apply heightened scrutiny to plans with prior consent decrees, RICO settlements, or large census-related repayments, including Central States. Consider requiring more frequent or detailed reporting for such plans.
- Use the data collected under the revised ASOC to evaluate whether additional structural remedies—appointment of independent fiduciaries, partition, or conversion of residual assets into portable individual accounts—are warranted under existing ERISA and PBGC authority. The historical record shows that external oversight has been required repeatedly; the SFA transfer creates a continuing federal interest in preventing recurrence.
- Ensure that the missing-participant procedures are robust enough to prevent recurrence of large-scale payments to deceased participants, as occurred with Central States.
- Recommend to the Department of Justice that it immediately and aggressively pursue the permanent breakup and dissolution of the International Brotherhood of Teamsters as a single national organization, allowing only fully autonomous local unions to remain in existence. Over more than six decades, the centralized IBT structure has proven an incorrigible and fundamentally defective vehicle for organized-crime influence, systematic fiduciary breaches, political extortion of public resources, and the repeated externalization of catastrophic losses onto taxpayers and participants. Temporary consent decrees, the multi-decade Independent Review Board, and independent investment managers have failed to cure the underlying institutional incentives. The roughly $52 billion in SFA already directed to Teamsters-related plans—dominated by the $35.8 billion Central States grant—represents a final, indefensible public subsidy that must not underwrite the continued existence of a national organization whose governance failures necessitated the bailout in the first place. Only structural dissolution can eliminate the international union's residual capacity to select trustees, coordinate political pressure for further rescues, or maintain any influence over the multiemployer plans that have consumed these funds.
- Support placing a court-appointed independent administrator to assume full control of the Central States Pension Fund and other Teamsters-related SFA recipient plans, ending any remaining IBT control or influence over trusteeship, investment decisions, or political advocacy.
- Protect participants, the true victims of the multiemployer structure and prior governance failures, by allowing them to retain their accrued benefits or transfer the value of those benefits to any legitimate single-employer or individual account plan of their choice, rather than remaining locked into a multiemployer arrangement that has repeatedly required external rescue.
- Urge a comprehensive investigation by the Department of Justice, Department of Labor, and PBGC of all trustees, officers, service providers, and others involved in the administration of Central States and other Teamsters-related plans that received SFA, to determine whether further fiduciary breaches, improper use of funds, or violations of the SFA conditions have occurred.

VII. Conclusion

Cumulative evidence supports permanently ending the International Brotherhood of Teamsters' control over and continued institutional relationship with the Central States Pension Fund, and applying rigorous oversight to other SFA recipients. DOL, PBGC, and DOJ have authority under ERISA, MPPAA, RICO precedents, PBGC partition and assistance powers, and the Constitution to appoint independent fiduciaries, freeze the defined-benefit promise at its protected level, annuitize current retirees, and move residual assets and future contributions into individual portable accounts.

Given the scale of taxpayer funds involved and the unbroken pattern of governance failures dating to the 1950s, PBGC should formally and emphatically recommend that the Department of Justice permanently break up and dissolve the centralized International Brotherhood of Teamsters as a national organization, leaving, if anything, only fully autonomous local unions.

America's history of temporary monitoring and independent managers has repeatedly proven insufficient; the $35.8 billion Central States SFA grant and the broader $52 billion directed to Teamsters-related plans constitute an intolerable subsidy of a structure that has required successive federal interventions since the Hoffa era. Taxpayers had no justification for funding a $35.8–36 billion bailout of a Teamsters union pension scheme. A court-appointed, independent, legally responsible administrator must assume full control of the Central States plan (and similarly situated Teamsters-related plans) to eliminate residual union influence over trusteeship, investments, and political advocacy.

Participants who are victims of this structure should be permitted to retain or transfer the value of their accrued benefits to any legitimate non-multiemployer plan.

A full investigation of all parties involved in administering these SFA funds is warranted. The proposed ASOC enhancements are a practical, necessary first step toward ensuring that the roughly $78 billion in taxpayer-funded SFA—more than two-thirds of which has gone to Teamsters-related plans—is administered solely for participants' benefit, not as another financial scheme resulting in fund disappearances and losses.

Many pensioners and vested workers remain obligated to pay union dues or risk termination under current union rules. It is time to allow these individuals the freedom to choose their pension arrangements, unshackling them from these failed retirement arrangements. Funds should be transferred away from the Teamsters, and all union pensions should be made portable in the future.

Obviously, continuing the same approach and expecting different results is ineffective. We recommend removing the Teamsters from the pension business and any other substantive fiduciary roles they currently have.

In addition to implementing our recommendations, we urge PBGC to finalize the proposed information collection and use the resulting data to guide any further actions needed to truly protect plan participants and the public interest.

Respectfully submitted,

Don Loos
On behalf of the
National Institute for Labor Relations Research, Inc. (NILRR.org)

5211 Port Royal Road, Suite 510, Springfield, VA 22151

Sources: [1] Department of Labor action and 1982 Central States consent decree; summarized in contemporaneous and later reporting, including Forbes, "Taxpayers' $36 Billion Pension-Fund Bailout," Dec. 21, 2022. [2] 1982 Central States consent decree. [3] U.S. Government Accountability Office, GAO-18-106 (June 2018). [4] 1989 Consent Decree and Independent Review Board structure. [5] IRB operational record and 2015 Final Order; 2026 joint motion reporting. [6] Plan filings and analyses, including Forbes, "Understanding The Central States Pension Plan's Tale Of Woe," Dec. 3, 2018. [7] PBGC SFA announcements and contemporaneous coverage, December 2022. [8] Repayment settlement, New York Post, Apr. 10, 2024. Additional sources: PBGC SFA Applications status spreadsheet (updated October 23, 2026); PBGC Press Release PR26-011 (October 16, 2026); Federal Register Document 2026-21189; ERISA §§ 404, 409, 502; MPPAA; MPRA partition provisions (2014); U.S. Const. art. I, § 8, cls. 1, 3, 18.