

Teamster trustees fire 2 aides of pension chief

By James Strong

Labor editor

TRUSTEES OF the embattled Teamsters pension fund have fired two top press aides to the fund's executive director Daniel J. Shannon whose on \$135,000 a year job now is in jeopardy, Tribune sources confided Sunday.

The move is considered a major blow to Shannon's once unchallenged authority in running the giant Central States, Southeast, and Southwest Areas health-welfare and pension funds and his efforts to reform practices of the \$1.65 billion fund that resulted in charges of widespread corruption and in federal investigations.

Fired in the battle between Shannon and the trustees were Robert Billings, one-time head of Mayor Daley's office of information, and Robert Glass, special investigator and executive assistant to former Illinois Secretary of State Michael Howlett. Both are former Chicago newspaper reporters.

IT ALSO WAS learned that the new 16-member board that oversees the giant health and retirement funds have become increasingly critical of Shannon's administration of funds and are set to dump other key aides in a prelude to Shannon's resignation or firing.

The pension fund, established by the Teamsters and truckers in 1960, provides retirement coverage for some 200,000 teamsters in 100 locals spanning 23 states.

Shannon, Teamsters President Frank E. Fitzsimmons, and 17 others connected with the Teamsters pension fund in the past are defendants in a federal suit filed by the U.S. Labor Department to recover millions of dollars in funds allegedly squandered in bad risk loans.

Shannon, former president of the Chicago Park District board and a University of Notre Dame All-American football player, was named to the pension fund post in 1973 in an effort by the Teamsters to end questionable loan practices and to rid itself of its corrupt image.

Among Shannon's moves was the hiring of Billings and Glass to improve relations with the news media. As a result, candid and accurate information surrounding the pension fund's activities was available for the first time.

SHANNON'S INNOVATION met with hostility from

most of the 18 former trustees who later were forced to resign by the U.S. Labor Department during an intensive investigation following the disappearance and presumed murder of former Teamsters chief James R. Hoffa in 1975.

At a meeting in 1976 at the plush Rancho La Costa near San Diego Shannon reportedly was assailed as the source of information being leaked to the press to the embarrassment of the trustees.

In recent months, the 18 new members of the health-welfare and pension funds, composed of five from the Teamsters union and five from trucking employers, have become highly critical of Shannon, sources close to the board said.

The firings of Billings who was paid \$46,500 a year and Glass who earned \$24,000 a year are the first of several expected, a source said.

ASKED WHY THE two press aides were fired, one trustee responded, "Because we were unhappy about the work they were doing and it was impossible to justify the expense."

Several board members complained that Billings and Glass devoted their time to boosting Shannon's reputation rather than promoting fund activities.

Shannon did not make a fight over the firings but was angered by the challenge to his authority to hire and fire his staff, the source said.

"Sure it was a slap in the face to Shannon but the board is a little dissatisfied with the way he is running the fund," a Teamster source confided. "Morale is terrible, there is an overabundant staff of less than the caliber we expect for our money and we have told Shannon we're unhappy."

Shannon may soon be forced to choose between resigning or being fired, close associates said.

"THE BOARD holds fiduciary responsibility for what happens to these pension funds and if something goes wrong we go to jail," a board member said. "If Shannon doesn't begin taking orders on what we feel is in the best interest of the fund he better take a walk down the street."

Shannon repeatedly has stated that prior to joining the fund those in charge of ruling on loans were guilty of poor judgment and that funds were used to bankroll questionable investments.