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▲ Sean O'Brien at the Teamsters Local 25 union hall in Charlestown, Mass. PHOTOGRAPHER: TONY LUONG FOR BLOOMBERG BUSINESSWEEK

# First Task for the Teamsters' Next Boss: Take On UPS

The 1.4 million-member union is choosing a new president. The leading contender, Sean O'Brien, can't wait to slug it out with the shipping giant—and then Amazon.

By Devin Leonard and Thomas Black

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On an October afternoon sultry enough that it has locals complaining, Sean O'Brien takes up his position outside the employee entrance at a UPS processing facility in Palatine, Ill. A former high school linebacker with a shaved head, O'Brien has still a gridiron hero's physique, and he looks like someone who won't be moved without a scuffle. That's probably not a bad impression to make on the brown-uniformed UPS drivers and warehouse workers hustling in and out of the plant as shifts change.

O'Brien, 49, is running for general president of the International Brotherhood of Teamsters, which represents these UPS employees, and he has a message for them. The workers on their way in get the abbreviated version: Your ballot will soon be arriving in the mail; don't throw it away. He implores them to vote for his slate of candidates.

Those wrapping up a day's work receive the unabridged rendition. With a fist bump or a handshake that makes the muscles on his arm bulge, O'Brien, president of Teamsters Local 25 in Boston, tells them it's time for a change at what he refers to in his brogue as "the Teamstahs." The union has been led for 22 years by 80-year-old James Hoffa, son of the legendary Teamsters leader Jimmy Hoffa, whose

1975 disappearance remains a mystery. Hoffa is stepping down; O'Brien's primary opponent in the race is Steve Vairma, secretary-treasurer of Teamsters Local 455 in Denver, who has Hoffa's endorsement. But a lot of the time it feels like it's Hoffa that O'Brien is campaigning against.

O'Brien tells the UPS workers, those who aren't in a rush to get home, that unlike Hoffa, whom he describes as weak and accommodating, he will face down corporate greed, in particular at UPS and Amazon.com Inc. The Teamsters would very much like to organize Amazon. O'Brien chides the company's founder, Jeff Bezos, for embarking on what he describes as a scientifically pointless foray into space and then nonchalantly thanking his customers and employees for making it possible. "What kind of arrogant piece of shit does that?" he scoffs.

The Teamsters are one of the nation's largest private-sector unions, with almost 1.4 million active members in the U.S., Canada, and Puerto Rico. They include public defenders in Minneapolis, beermakers in St. Louis, newspaper employees in Seattle, and zookeepers in Chicago, Cleveland, and San Diego. But the majority drive trucks or toil in warehouses loading and unloading them. Almost 350,000 work at UPS, and O'Brien has interacted with thousands outside their workplaces. He's widely considered the front-runner in the race.

Like Sara Nelson, the charismatic president of the Association of Flight Attendants, O'Brien represents a younger breed of labor leaders determined to stake out a more confrontational position with employers. Workers in the U.S. seem discontented and more willing to strike than they have in years, as evidenced by recent walkouts at John Deere, Kellogg, and Nabisco. The Teamsters haven't had a national walkout since 1997, when contract negotiations fell apart at UPS. O'Brien sounds like he relishes the idea of changing that. "We're going to be a more dynamic, more

militant organization,” he promised in September during a debate with Vairma in Las Vegas. “We’re going to take on the fights.”

He says that means tackling Amazon, which may sound fanciful after the failure of the Retail, Wholesale and Department Store Union to organize workers earlier this year at a company warehouse in Bessemer, Ala. It may be less so if O’Brien can win a more favorable contract for his members at UPS. The current one doesn’t expire until 2023, but the maneuvering will start as soon as the union chooses a new leader. Ballots are due Nov. 15; the winner is expected to be announced by the end of the week. There’s displeasure among many UPS workers over their current agreement, which permitted the company to establish a new tier of drivers who work weekends at a lower starting wage. It also opened the door for the company to hire drivers who deliver packages using their own cars.

O’Brien wants to say goodbye to all that. “They know the concession stand’s closed if we take over,” he declares. UPS declined to comment on the Teamsters election.

UPS and Amazon won’t be O’Brien’s only challenges. If he wins, he’ll take control of a union that emerged only this February from a 1989 consent decree that settled a federal civil racketeering suit. The government alleged that the union had been dominated by organized crime for decades. O’Brien will also have to take steps to stop the thinning of the IBT’s ranks. Even last year, when jobs in the parcel delivery industry rose 19%, according to the U.S. Bureau of Labor Statistics, the number of U.S. Teamsters fell 9%. One of the main challenges is that the union faces a generation of younger people who didn’t grow up in labor households. Diminishment begets further diminishment, a difficult cycle to break.

Most of all, O’Brien needs to prove that he is indeed a new kind of leader after spending much of his career

under the wing of the very person on whom he heaps much of the blame for the union's problems: James P. Hoffa. "The rank and file wants something different," says Joe Allen, author of *The Package King: A Rank and File History of United Parcel Service*. "The question is, will they get it?"

"I'm a fourth-generation Teamster," says O'Brien, over a plate of bone-in ham and eggs at the Des Plaines Pancake House in Des Plaines, Ill., on the morning after his appearance at the UPS plant in Palatine. He's been up for hours, campaigning just now in the parking lot of a freight-forwarding facility run by DHL International, which employs about 6,000 Teamsters in the U.S. So he's savoring his meal.

As he works his way through his breakfast, taking quick bites and occasionally jabbing the air with his fork, O'Brien talks about how his father, grandfather, and great-grandfather all drove trucks and belonged to Local 25 in Boston, now his domain. He recalls being surrounded as a child by brawny Teamsters who talked of union affairs at wakes, funerals, christenings, communions. He did a semester at the University of Massachusetts at Boston and then joined Local 25 in 1991 at the age of 18, becoming a rigger, meaning he often hauled cranes and other heavy equipment to construction sites on flat-bed trucks. "I loved it," he says. "Every once in a while I go back and work a day for free just so I don't forget where I come from."

There was something, however, that apparently thrilled O'Brien more: union politics. In 2003, George Cashman, Local 25's president at the time, pleaded guilty to a list of charges including stealing from an employee benefit program. He was sentenced to two years in prison. O'Brien was unimpressed by Cashman's successor. In 2006, he

lined up enough support that the incumbent got cold feet about seeking another term, leaving O'Brien to run for the presidency without opposition. He's run unopposed five times since, most recently in September, when he notched his sixth term as Local 25's standard-bearer.

In 15 years at Local 25's helm, O'Brien has expanded its membership by 30%, to 11,600. One of his biggest coups: organizing more than 1,000 local parking lot attendants, many of them East African immigrants. He's also forged close bonds with local political leaders such as Massachusetts Senator Elizabeth Warren. There's a framed picture of her in a tractor-trailer on the wall at Local 25's red brick headquarters, offering a thumbs-up.





▲ O'Brien at Local 25. PHOTOGRAPHER: TONY LUONG FOR BLOOMBERG BUSINESSWEEK

O'Brien's tenure hasn't been without blemishes. In 2013 he was suspended for 14 days without pay after being captured on video at a rally, threatening members of the Teamsters for a Democratic Union, a left-leaning reform group in the IBT, who were challenging the president of Teamsters Local 251 in Rhode Island, an O'Brien ally. "They've got a major problem," he said, gripping the microphone and jabbing his finger in the air. "They'll never be our friends. They need to be punished." He now says he regrets his words.

Matt Taibi, the TDU slate leader O'Brien targeted, won the election and is still principal officer of Local 251. He says O'Brien later visited the local and apologized to its members. "He had the gumption to stand there and talk to people and deal with the repercussions of his words and his actions," Taibi says. Taibi is now a member of the slate of candidates running with O'Brien in the general election.

O'Brien is sick of talking about the affair, and there's another topic he doesn't care to discuss in detail. In 2015, five of his members were indicted by a federal grand jury for allegedly attempting to extort jobs from a non-union TV production crew filming the Bravo network series *Top Chef* in the Boston area. The indictment accused the five Teamsters of yelling racial and homophobic slurs at crew members, some of whom later returned to their cars to find the tires slashed. Four of the Local 25 members were later acquitted; Mark Harrington, the local's general secretary-treasurer, pleaded guilty to one count of attempted extortion and was sentenced to two years'

probation. O'Brien characterizes the charges against his members as "fiction."

O'Brien was a loyal Hoffa supporter until suddenly he wasn't. He was one of the top fund-raisers for the IBT president's most recent reelection bid, in 2016. The extra funds came in handy: Hoffa was almost defeated by Fred Zuckerman, president of Local 89 in Louisville. Hoffa rewarded O'Brien the following year by putting him in a charge of negotiating of a new five-year contract with UPS. O'Brien, thinking it didn't make sense to go into the talks with Teamsters divided over the recent election, made peace with Zuckerman and brought him into the process. Hoffa was displeased. He kicked O'Brien off the negotiating team via email, and O'Brien says they've barely spoken since. (Through a spokesman, Hoffa rejected O'Brien's criticism and said he is proud of his record.)

In August 2018, Hoffa announced that the Teamsters had finalized what he described as "the richest UPS contract in history." It included a wage increase of \$4.50 an hour and a commitment by UPS to create 5,000 new full-time jobs. It also included the aspects that O'Brien now rails against, saying they're fundamentally unfair to newer hires. "They basically buried the unborn," he says.

The contract had to be ratified by UPS Teamsters; O'Brien mounted a campaign with Zuckerman to persuade them to reject it. In the end, 54% of the voters repudiated the pact. But fewer than 50% of eligible members had cast ballots, meaning the Vote No camp lacked the two-thirds majority required under IBT's constitution to jettison it. That allowed Hoffa to impose the agreement on the rank and file in October 2018.

The same year, O'Brien announced that he would run for general president, with Zuckerman as his running mate. They lined up other local Teamsters leaders around the country. In 2020, Hoffa announced he wouldn't seek



another term and instead endorsed Vairma. As any candidate for the job has to, Vairma positions himself as a fighter. “I’ve been in the trenches,” he says. “I certainly know the challenges we face.” Like O’Brien, he vows to lead an aggressive campaign to organize Amazon. But he’s more conciliatory when it comes to UPS and defends the 2018 contract. “UPS pays a lot of money to our members,” he says. “We have great benefits. We have good working conditions. We can always do better, and we intend to do better in our upcoming contract negotiations.”

O’Brien has tried to paint Vairma as a Hoffa stooge. Vairma has attempted to deflect these attacks by noting that his opponent until quite recently was himself a team Hoffa member. He’s also hammered O’Brien for his 2013 suspension and the *Top Chef* scandal. “I have never had a bad record, never been under suspension, and certainly, certainly have never been disciplined for any reason whatsoever,” he said, shaking his head with disapproval in a September debate at the National Press Club in Washington.





▲ Steve Vairma has the endorsement of outgoing president James Hoffa. INTERNATIONAL BROTHERHOOD OF TEAMSTERS

If that was intended to be a body blow, it didn't shake O'Brien. "He made a statement earlier that said he's never been investigated, never been in trouble," he responded with dismissive shrug. "That's easy when you're not doing anything. But when you're out there, being aggressive and taking calculated risks for the betterment of your many members, of course there's going to be controversy."

Will cardholders see it that way? Perhaps. "We're talking about the Teamsters," says John Logan, director of labor and employment studies at San Francisco State University. "Not the Rotary Club."

If he defeats Vairma, O'Brien may have to move forward with more finesse. Organizing Amazon will be a war fought on many fronts. He says locals around the country will need to continue working with community activists and elected officials to pressure Amazon, while the union presses Congress to pass the Protecting the Right to Organize Act of 2021, which will make it easier for unions to organize at union-resistant employers such as Amazon.

O'Brien looks forward to some White House assistance. His Boston connections will come in handy here. President Joe Biden's labor secretary is O'Brien's friend Marty Walsh, formerly Boston's mayor. "He's always been a champion of working people, and I don't expect anything less," O'Brien says. "Am I going to ask the impossible of him? No, absolutely not. But you know, obviously, there are certain things he can be helpful with." The Department of Labor declined to comment on the IBT election.

O'Brien also hopes for more favorable rulings from the

National Labor Relations Board after what he describes as “a four-year reign of terror” under former President Donald Trump. The union wants the NLRB to take a stronger stand against what labor advocates describe as misclassification of workers as independent contractors. “It’s something that’s been going on for years but it is now so widespread,” says Logan, the labor professor. “It particularly affects the kind of workers that the Teamsters are trying to organize.”

O’Brien always returns, however, to the idea that the key to organizing Amazon is extracting a much tougher contract from UPS, one that lures more nonunion employees into the fold. Vairma disagrees—he says O’Brien’s “demonizing” of the current deal could hinder the Teamsters’ efforts at Amazon. Whatever deficiencies the current contract may have, the Teamsters have done well by UPS. The company has traditionally paid the highest salaries in the delivery business, with drivers earning as much as \$90,000 a year. And the number of Teamsters at UPS has more than doubled in the last 14 years.

UPS hasn’t exactly suffered from the relationship, either. It’s had a higher operating margin than rival FedEx Corp., which uses non-union drivers, in nine of the past 10 years. Even so, UPS is under pressure from Amazon, both its largest customer and a delivery competitor, along with a wave of startups, many of which use gig workers compensated by the number of boxes they deliver rather than an hourly wage.

Carol Tomé, the chief executive officer of UPS, is clearly paying attention. In September the company purchased Roadie, a same-day delivery startup with a network of 200,000 gig drivers serving much of the country. At the time, UPS said Roadie would operate separately from the rest of the company and its drivers wouldn’t siphon away

package volume from the regular workforce.

O'Brien is naturally skeptical. He sees UPS's recent move as a scheme to reduce the number of Teamsters on its payroll and says it's time for the union to draw the line. He promises that this round of negotiations with UPS will be different from the last. At the union's convention in June, he championed a successful effort to remove the two-thirds majority requirement from the IBT's constitution. He also notes that there's \$300 million in the IBT's strike fund waiting to be spent. "UPS will be the example," he promises.

But first O'Brien has to win the election. He spent much of September and October on the road, squeezing hands outside UPS facilities, supermarket warehouses that are also Teamster strongholds, and probably a few zoos. "You've just got to get out there and talk to people," he says. "They want to see you."

On a Sunday morning in mid-October, he's back in Boston for Local 25's monthly meeting. Since the pandemic started, the meetings have been held in the parking lot outside the union hall. It's surrounded by former factories, many of which probably once employed union members. They're now being turned into upscale apartment buildings. Coffee urns have been set up, doughnuts put out. Members start arriving at 8 a.m., trustees and business agents in their suits, the rank and file in T-shirts and hoodies. Others rumble up loudly on motorcycles, wearing leather.

At 10, O'Brien, in a dark suit and brown sneaker-like wingtips, takes his place with his officers on the back of a flatbed truck. Much of the meeting consists of routine business—the recitation of retiree names, an update on the local's finances, the latest on negotiations. Then he steps

up to the podium for a closing, and the event takes on the quality of a revival meeting. He talks about how union members worked through the pandemic, but did their bosses appreciate it? He doesn't think so, and he says it's time to change their minds. "We're going to take this fight to the employers," O'Brien says, pumping his fist. "We are the most valuable resource in this entire nation." The audience of about 300 gives him a standing ovation.

O'Brien concludes with a football metaphor, one he's employed during the campaign to differentiate himself from his more measured opponent. "When you screw with the Teamsters Union, it's a full-contact sport," he tells his cheering listeners. "Put your helmets on, buckle your chinstraps. The game is on!"

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