



OXFORD JOURNALS
OXFORD UNIVERSITY PRESS

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Reviewed work(s):

Source: *Journal of Social History*, Vol. 36, No. 4 (Summer, 2003), pp. 917-940

Published by: [Oxford University Press](#)

Stable URL: <http://www.jstor.org/stable/3790357>

Accessed: 10/08/2012 15:34

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THE SCANDAL OF GEORGE SCALISE: A CASE STUDY IN THE RISE OF LABOR RACKETEERING IN THE 1930S

By David Witwer

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It started with a single column. In January 1940, the columnist, Westbrook Pegler exposed the criminal past and organized crime connections of George Scalise, the President of the Building Service Employees International Union (BSEIU). A previously obscure figure, now pushed into the spotlight by Pegler's columns, Scalise became the central player in a scandal that tarnished the newly reborn labor movement. At first, his claims of innocence and devotion to the union cause appeared to protect him from Pegler's revelations. But within a few months the situation changed drastically. In April 1940, newspaper headlines across the country announced Scalise's arrest by New York County District Attorney, Thomas E. Dewey, proclaiming the indictment of a rapacious union leader. The *Chicago Tribune's* headline, for instance, read, "Indict Scalise, Union Czar, in Extortion Case."¹ Dewey's prosecutors explained that Scalise had used his control over the union to shakedown employers, taking over \$100,000 in the last three years. Pilloried by the press, ousted from his union position, Scalise claimed that he had been "Peglerized."² By that October, Scalise had been convicted in a New York State court, and sentenced to serve 10 to 20 years in prison.³

Scalise's sudden fall from power caused an embarrassing scandal for the labor movement, one that in subsequent decades would be followed and then overshadowed by other corruption scandals, culminating in the case of Jimmy Hoffa and the Teamsters. Like Hoffa's, Scalise's notoriety stemmed partly from the allegations of corruption and partly from his connections with organized crime. Pegler used Scalise's case to call for new restrictions on labor unions, but also to highlight the growing problem of organized crime's influence in the union movement, a phenomenon seen at the time as a recent development.⁴ While Pegler did more to assert these connections than to explain them, Scalise's union career does provide a case study on how organized crime came to play an increasing role in organized labor during the 1930s. Not the stereotypical thug, but instead a smooth, well connected operator, Scalise's rise in the BSEIU failed to generate alarm within the American Federation of Labor (AFL). Yet, his career was solidly based on his ties to organized crime. Moreover, he came out of a segment of the union movement marked by collusive agreements that often exploited the membership. Scalise benefited from the growing power organized crime had gained over vulnerable union leaders in the late 1920s and early 1930s. And finally, once in power, he demonstrated the myriad of ways that corruption could be made a profitable enterprise by unscrupulous leaders willing to sacrifice the needs of their membership.

Such a case study fills a gap in the existing historical literature. While popular accounts of the rise of labor racketeering in the 1930s abound, much of this material amounts to sensational journalism, or it reflects the anti-union bias of particular authors.⁵ While these accounts all agree that organized crime came to

play a growing role in the affairs of certain unions in the 1930s, they have little to say about how or why that happened.⁶ The most comprehensive study on the subject of union corruption, John Hutchinson's, *The Imperfect Union* (1970), asserts that in the 1930s organized crime groups began a systematic effort to become involved in labor racketeering. "They succeeded," he wrote, "in the years following Repeal [of Prohibition] in achieving an unparalleled influence in labor-management relations."⁷ Hutchinson blames a number of factors for the growing role of organized crime, including government corruption, "the tolerant ethics of the time," and emphasizes the "quiescence" of union leaders.⁸ Yet, instead of pursuing the issue of causation, his book consists more of a series of quick vignettes of labor scandals in that era. He does not provide in-depth information on the kinds of relationships that emerged between individual union leaders and organized crime, nor does he explain the functions of the various corrupt arrangements.⁹ He has even less to say about the role of the employers or the complaints of the union membership. In the three decades since Hutchinson's work appeared, little more has been written on this subject. The most recent generation of labor historians have ignored the subject of union corruption.

The Scalise case provides an opportunity to fill in this missing piece of the story. His case offers a rich source of first hand information partly because of the investigative records left behind by the New York County District Attorney's Office. Those records are supplemented by the testimony of Scalise's co-conspirators, who became witnesses for the prosecution at his trial in 1940. Finally, the previously overlooked testimony of Roger Touhy, a gang leader in Chicago and a rival of Al Capone, provides another important piece of this history. The combination of these sources affords an in-depth history of how organized crime groups worked methodically to corrupt national union leaders in the 1930s, and in so doing undercut the only recently won gains of union members. This history also challenges the typical depiction of employers as simple victims of labor racketeering. In reality, businessmen's role in these schemes ranged across a spectrum, with some paying extortion out of fear for their vulnerable enterprises. Other employers, however, used arrangements with organized crime and corrupt union officials to serve their needs, controlling competition and hedging their bets against a rising wave of labor militancy in the 1930s. News accounts, like much of the scholarship that has followed, had little to say about the complicity of these employers. Instead the media emphasized the nefarious role of union leaders, whose misdeeds—in these accounts—justified objections to the growing role of organized labor.

The Exposé

In 1940, Pegler was one of the nation's most popular daily columnists. His column, entitled "Fair Enough," appeared six days a week in 132 newspapers across the country.¹⁰ Writing this column since 1933, he covered a wide range of subjects, often giving them a distinctive, wryly humorous twist. On January 3, 1938, for instance, his entire column consisted of the same sentence repeated 50 times, the hard lesson learned from a New Year's Day hangover, "I must not mix champagne, whisky and gin."¹¹ But he was perhaps best known for a vituperative style, which he wielded on occasion like a nasty weapon, delivering

vicious insults and making insinuations, but staying just within the margins of slander and libel laws. Profiling him in 1940, the *Saturday Evening Post*, explained that he appealed to readers, who "get a vicarious satisfaction out of his persistent swats at the objects of his displeasure. Thousands of others who find that they usually disagree with him, read his column as a kind of tonic for their adrenal glands. He infuriates them and they enjoy it."¹²

Over the course of the 1930s, his politics had drifted steadily to the right. Although he voted for Franklin Delano Roosevelt in 1932 and 1936, in the years that followed he became a strident critic of the New Deal. Similarly, his views on organized labor grew increasingly negative in these years and by 1939 he began to write on the problem of union corruption. In November that year, in his daily column, he broke the story that Willie Bioff, the West Coast Representative of the International Alliance of Theater and Stagehand Employees (IATSE), had been convicted years before on a pandering charge, but had never served out his sentence. Over the next few months, Pegler regularly returned to the story, mocking Bioff's attempts to excuse his actions, and chiding law enforcement officials to do their duty and force Bioff to finish serving his sentence.

From the start, Pegler's coverage of union corruption focused on what he viewed as the irresponsible power of union leaders and it formed part of a more general conservative counter-attack on the New Deal. The columnist charged that the Wagner Act (1935), which granted unions legal protections, gave too much power to union leaders. In August 1939, just a few months before breaking his story on Bioff, Pegler warned, "As it is organized labor is assuming the powers of government without the responsibility of government, and with business in shackles that is a lopsided arrangement which cannot continue indefinitely." Highlighting the criminal misdeeds of individual union leaders bolstered his argument about the dangers presented by a growing labor movement. Such stories fed, what Pegler declared was a growing public reaction "against extortion, mob violence, racketeering . . . and the establishment of an irresponsible invisible government in the hands of union leaders."¹³

Pegler and other conservatives had come to see attacks on union leaders as a way to undercut popular support for the New Deal. An important proponent of this tactic was Roy Howard, who ran the Scripps-Howard newspaper chain, where Pegler was based, and who played an influential role in Republican politics.¹⁴ Howard wrote one of his editors in early 1940 that the Wagner Act, and its effects, should constitute the central issue in the coming presidential campaign. "I think the Wagner Act furnishes as good a stage and as good a setting as we could expect to find for this fight." In another letter, Howard asserted, "a tidal wave of popular disgust with and opposition to the arrogance of union labor leadership is building up." Referring to his favorite Presidential candidate, Wendell Willkie, Howard claimed that, "If Willkie could be made to see it [the importance of this growing hostility], and could get his political surfboard up on the crest of that wave, it would I am certain carry him on a long and successful ride."¹⁵

Howard and Pegler's role in the media put them in a position to promote this issue. Their motives, in turn, influenced the nature of their news coverage. The public outrage, which they hoped to encourage, fed on a particular depiction of union corruption, one that emphasized the role of union leaders and as a matter

of course minimized the part played by employers. This pattern fit comfortably within a larger trend of negative news coverage of unions that reflected the consanguinity of interests and outlook between publishers and other employers. William J. Puette, referred to this norm in his book, *Through Jaundiced Eyes: How the Media View Organized Labor* (1992). Puette wrote, "The image of labor unions projected in the press, as in other media, is one of corruption, greed, self-interest, and power."¹⁶ Stories on corruption tend to emphasize the activities of union leaders and not their counterparts in business.

It was in that larger political context, that on January 19, 1940, Pegler's column took the form of an open letter to William Green, the President of the American Federation of Labor (AFL). Pegler wrote, "I am going to tell you today that the head of one of your big international unions was sentenced to Atlanta Penitentiary for four years and six months for white slavery . . . The man I mean is George Scalese [sic], a Brooklyn racketeer who has become president of the Building Service Employees International Union. Scalese is a criminal of the vilest type that it is possible to imagine and a member of an old mob in Brooklyn." Pegler asserted that Scalise had worked as a bodyguard for Frankie Uale, alias Yale, a notorious gangster murdered in 1928, allegedly on the orders of Al Capone. "Since the repeal of Prohibition," Pegler wrote, "he and other hoodlums of the same type in Brooklyn and New York have gone into the labor movement." The column went on to provide details of the crime for which Scalise had been convicted. Back in 1913, a federal court found that, "He [Scalise] and another hoodlum named Joe Alfano, alias Fox, transported a girl from Brooklyn to Boonton, N.J., to work her as a prostitute for their profit." Both men received stiff sentences because the crime was deemed "unusually vicious." According to Pegler, the federal judge in the case, "In his charge to the jury, spoke of the details of the case as 'nauseating' and told the jurymen that they were to disregard evidence that the girl was beaten, seduced and persuaded to live with your distinguished colleague in the labor movement on false promises of marriage. Scalese wasn't on trial for those amiable little acts of rudeness." Noting that he had heard that Scalise had applied for a presidential pardon, Pegler insinuated that Green might have signed on to support the application. "You wouldn't happen to know anything about that [application for a Presidential pardon], would you, Mr. Green. Of course it is ironic that a man who can't hold public office or even vote, who lost his citizenship for a rotten crime, should be eligible to and hold the presidency of a big union."¹⁷

It was a startling revelation, but at first Scalise seemed to hold his own against the onslaught. He called a meeting of the executive board of BSEIU, presenting them with both his written defense against Pegler's charges and the offer to resign should they find it necessary. While not denying the conviction, Scalise emphasized how long ago the crime had occurred and asserted that in the years since he been an upstanding citizen, and a devoted labor leader. He reviewed his career since 1917, when he had gotten out of prison. He had, he explained, worked at a variety of jobs "very often of the most menial kind." By 1929 he found work at a garage in Brooklyn, where, he wrote, "I washed, serviced and cleaned automobiles." There he became involved in the labor movement, "to try and improve my lot and that of my fellow workers." He helped to organize Teamsters Local 272, and then served as an officer of the local. It was from that position

that he was brought into BSEIU in 1933, and four years later he won election as President of the national union. Working to build BSEIU had brought him enemies and those enemies, he implied, were behind Pegler's exposé. Scalise made one theme central to his defense. "I have paid my debt to society for the act I committed as a youth. Is it the American way to brand a person forever, even though person has been punished and has learned a sufficient lesson to lead an honorable life?"¹⁸

For BSEIU's Executive Board, the answer to that question was a resounding, no. Claiming they had "been fairly deluged with resolutions, telegrams, and letters from the Local Unions affiliated with our International Union, affirming and reaffirming their faith and confidence in our General President, George Scalise," the Board refused to accept his resignation. Instead they issued a unanimous resolution stating their continued confidence in his leadership.¹⁹

Scalise had sent a similar written defense to key leaders in the AFL, and once again he followed up by making a personal appearance, this time before the AFL's executive board.²⁰ Like their counterparts in BSEIU, the AFL leaders found Scalise's defense convincing. Writing privately to Scalise, Joseph A. Padway, the AFL's General Counsel, reassured him that Pegler's exposé of his "boyish indiscretion" had done him little harm. "In the few comments I have heard around here, not a single derogatory statement was made about you, but everyone damns and curses a writer who will resurrect an act of a young lad, which has long since been forgotten."²¹ At a press conference in early February, the AFL's President Green responded to questions about Scalise by saying that he had had a long talk with the embattled BSEIU President. According to Green, Scalise "challenges any one to attack his record since he committed the crime for which he was convicted when he was 18 years of age." Green asserted that it was not fair to continue to punish a man for a crime committed so long ago. "I don't think a man should be hounded to the end of his life for a crime committed as a youth and for which he had paid the penalty." The AFL president even acknowledged that he supported Scalise's application for a Presidential pardon. "All I can say is that as far as I know, and I have known him only since 1937, Mr. Scalise has gone straight, that his conduct has been satisfactory, that he has been punished enough and that as a matter of simple justice, he having paid a penalty twenty-seven years ago, his civil rights should be restored."²²

This decision to support Scalise in the end damaged the reputation of Green and the AFL's entire leadership. They left themselves vulnerable to the charges of complicity that were made when the true nature of Scalise's union activities were revealed. Since Green and other AFL leaders were not political novices the question arises of why they took the risk and staked their reputations on Scalise's good character.

There were reasons for the AFL leaders to discount Pegler's attack. As Scalise claimed, his criminal record showed only that one arrest and that one conviction.²³ For "a criminal of the vilest type that it is possible to imagine," as Pegler had described him, Scalise did not have much of a rap sheet. On the other hand, the AFL leaders must have weighed Pegler's animus against organized labor, including the columnist's tendency to lump broad categories of union leadership under the label racketeer. He displayed that tendency once again, a couple of weeks after his exposure of Scalise, before the AFL's leadership had made a public

pronouncement on the BSEIU president. On February 1, 1940, Pegler explained in his column that he disagreed with those who argued that, while there might be a few bad apples, the AFL was generally an honest organization. "From that opinion," Pegler wrote, "I have to dissent to the extreme of saying that, in my opinion, the American Federation of Labor is rotten with extortion and racketeering."²⁴ Six days later he used the words "criminal scum" to refer to the AFL's top officials, deftly insinuating that the organization's entire leadership fit such a label.²⁵ If Pegler saw just another racketeer, union officials, on the other hand, would have noticed that the Building Service Union apparently had flourished under Scalise's leadership. It was while he was serving as the BSEIU's East Coast Representative that the union had made its big organizing breakthrough in New York City, and those gains continued once he became the national president. From 1934 to 1940, the union's membership in that city had risen from 1500 to 30,000.²⁶

Then too, apparently Scalise could be very convincing. By all accounts he was a pleasant, even a charming man, who did not fit the part of a menacing gangster. The press referred to him as a dapper dresser, and press photos show him invariably smiling, wearing tasteful formal attire.²⁷ In one photo he was proudly standing behind a seated Mayor Fiorello LaGuardia during a set of collective bargaining negotiations; not publicity shy, he offers the camera a friendly look.²⁸ He was married, with a teenaged daughter, and lived in a modest house in Brooklyn, near his parents whom he helped to support.²⁹ As his long term secretary, Anna Kimmel, put it, "Mr. Scalise always treated everyone nicely, including myself."³⁰ Internal union correspondence reveals a man comfortable committing his thoughts to writing, who also displayed a sure grasp of the bureaucratic intricacies of his organization.³¹ He cultivated his contacts in the AFL, presenting influential people, like the General Counsel Padway, with generous Christmas gifts.³² This was a man who sought respectability, so much so that he had worked to gather influential supporters for a presidential pardon that would restore the civil rights he lost because of his one criminal conviction, twenty-seven years earlier.

Scalise's Union Career

And yet, unfortunately for Green and the AFL, Scalise had not led a life of selfless devotion to the cause of labor since his earlier "boyish indiscretion." Instead, he was a professional fixer, and he had made his way in a part of the labor movement where arrangements and side deals, backed up with the threat of violence, offered businessmen stability and security for a price. This was a kind of marginal sphere in the world of organized labor, largely unwritten about by labor historians, but still a significant part of the union movement in New York and other cities in the 1920s and 1930s.³³ Here organized labor gained a firm foothold through collusive arrangements that benefited employers, but often sacrificed the interests of the workers. Thanks to his ties with organized crime, Scalise emerged out of this murky field to assume the presidency of BSEIU in 1937. He won election to that office in return for an agreement to share the union's revenue with the successor to Al Capone's gang in Chicago. Meanwhile, in New

York, he used his office to subvert the union's recent gains among Manhattan's building workers.

The specific nature of Scalise's ties to organized crime—whether he was an associate or a member of the Mafia—remain unknown, but clearly he was connected. His most important relationship was with Anthony Carfano, also known as Little Augie Pisano, or sometimes just “the Kid.” Allegedly a *capo*, or captain, in what became known as Genovese Crime Family, Carfano ran a crew in Brooklyn. In the early days of Prohibition, Carfano had accompanied his fellow Brooklyn crime figure Al Capone to Chicago and spent some years there working in Capone's organization. Back in Brooklyn, he had a reputation for toughness, but he also maintained a much less flamboyant appearance than his old associate Capone. Carfano dressed conservatively, and as the *New York Times* put it, “in appearance, resembled a business executive.” He apparently cultivated that image, making his headquarters in a downtown Brooklyn office building. Politically connected, he was the son-in-law of John De Salvio, better known as Jimmy Kelly, the Democratic Party leader for Greenwich Village.³⁴

Describing his relationship with Carfano, Scalise once explained it this way, “We're partners.” Carfano got half of everything that Scalise received.³⁵ In return, Carfano provided Scalise with influential backing and a range of connections. With Carfano to vouch for him, Scalise maintained contacts with a number of other prominent criminal figures. He had close contacts with Louis “Lepke” Buchalter, whose Jewish gang was involved in a number of labor racketeering schemes and dominated the Garment District. He allegedly also had ties with Joey Amberg, a leading figure in the Brooklyn gang scene, who was later pushed aside by the Jewish-Italian organized crime group dubbed by the press, Murder Inc.³⁶ These were relationships that Scalise could draw upon to serve his needs. A police wiretap on Scalise's office in 1934, picked him up using Carfano's contacts to arrange for James Plumeri, a Lucchese Crime Family member, to damage some trucks in lower Manhattan, apparently as part of Scalise's efforts to organize Teamsters Local 272. According to the police report, Carfano told Scalise, “that job was made this morning on those trucks,” and now Scalise should get together some money “for the boys.”³⁷

These connections, and his personal style, apparently made him a skilled fixer. While this might not be an expertise commonly put on resumes, it was for that time and place a valuable asset. In the world of illegal arrangements—such as offering or accepting bribes, or making collusive agreements to limit competition—participants risk legal and financial repercussions if one party to the deal proves untrustworthy. Moreover, should the deal go sour, the individuals involved cannot seek legal remedies. It takes a particular type of person to instill trust, and also to offer the needed assurances that the agreed upon conditions of the deal will be met. A fixer does not necessarily have to be personally a tough guy, but he must have access to the kind of extra-legal force that all parties know can be called upon should circumstances warrant it. Scalise was both well connected and charming, and the police wiretap on his office in 1934 revealed a range of people calling on him to broker their illegal arrangements. For instance, in April 1934, Louis Block, later an official in the Butchers Union, called Scalise to ask him to use his contacts at the Brooklyn District Attorney's Office to fix

the case of his brother, Max Block, who was facing trial on a murder charge. What precise action Scalise took remains unclear, but a year later court records showed that a Brooklyn judge directed a verdict of not guilty in Max Block's case.³⁸ Scalise evidently was practiced at making such arrangements. Four days before Block's phone call, the wiretap recorded Scalise explaining to a Jimmy Sabella, that "it would cost five bills to get a case thrown out in the Coney Island Magistrate's Court."³⁹

Scalise's activities do not fit the standard, cinematic depiction of organized crime, but they exemplify a mainstay of what groups like the Italian American Mafia actually do. Crimes of violence, such as extortion and robbery, and vice activities, tend to garner a great deal of attention in most popular accounts of the Mafia. But in these endeavors organized criminal groups have little advantage over more temporary bands of criminals, who may have a greater willingness to engage in violence or better access to illegal goods and services. As brokers of illegal arrangements, however, organized criminal groups do enjoy real advantages. Their relative longevity, the geographic reach of their contacts, and their ability to adjudicate potential disputes, all enhance their ability to serve as a kind of dependable brokerage service in a wide array of settings.⁴⁰ Labor racketeering exemplified just such an opportunity, and in the 1930s organized crime figures like Scalise moved into this area.

It was as a broker, not as an aggrieved worker, that Scalise came to play a role in the labor movement. Louis Marcus, a labor lawyer who became a close associate of Scalise, testified that in 1929 Scalise asked his help in setting up a Brooklyn branch of Teamsters Local 272, a union of parking garage workers. This marked Scalise's first involvement in organized labor. According to Marcus, Scalise told him he would get the local's charter from "the Dutchman," a reference to the gangster Arthur Flegenheimer, also known as Dutch Schultz, who controlled Local 272's Manhattan office. Over the next couple of years Marcus did the legal work as Scalise built up the Brooklyn branch of Local 272, setting its offices up in the same downtown office building where Carfano made his headquarters.⁴¹

Unions of parking garage employees attracted gangsters, because organization could most quickly be achieved through selective acts of violence. Damage to cars parked in non-union garages—ice pick punctures to the tires or slashed upholstery—could quickly force an employer to sign his employees into the union. And union organization in turn provided a cover for corralling the businessmen into an employers' organization, whose dues could be tapped by organized crime. In spite of the use of force against employers in such an organizing campaign, this was not a case of out and out extortion; employers enjoyed some real benefits. This kind of collusive arrangement between a union and an employers' organization offered parking garage owners a way to manage competition. Employers' associations could set uniform rates and limit the entrance of new competitors. For the average union member, on the other hand, such a union often brought little change except the addition of regular dues deducted from their pay. Indeed the way the union was built made such conditions likely. As union organizers, Scalise, and others of his type, went into the labor movement to make money; they came from outside the ranks of the workers in the industry, with whom they did not really identify. Nor did they depend upon those workers to organize the union through mass picketing and long strikes. Instead they used

selective acts of violence committed by a few individuals, probably with links to organized crime. Free from having to depend on a mobilized, united membership, the union's leadership could safely ignore the members' needs, or sacrifice them to the interests of the employers. As a result, as unskilled workers scattered across a wide area and laboring in small shops, garage employees, and others caught in similar situations, had little knowledge of their union, and often no say in its affairs.⁴²

Police reports indicate that in the early 1930s, Scalise worked closely with Louis Levine, a parking garage owner, to build up the Kings County Garage Association, at the same time as Local 272 steadily enrolled the borough's garage employees. This two-fold organizing campaign was marked by occasional reports of violence and property destruction.⁴³ Levine's participation suggests the benefits that at least some employers saw in this type of collusive organization. Comments from the newly enrolled union membership, however, indicate that they failed to enjoy similar gains. When prosecutors spoke with William Davis, a rank and file member of the local, they noted, "Davis has indicated that the union rate of wages is considerably lower than that paid to a non-union man."⁴⁴ Another member, writing to the AFL and referring to Local 272, complained, "This is a racket all over." He described an organization where members were enrolled without their knowledge by employers, who simply began deducting the men's dues, and never informed them about what constituted the union scale. Members had no say in the affairs of their union; according to the letter, "this bunch of racketeers . . . run this Union, just as they please."⁴⁵

The organization of garage workers in Brooklyn stemmed not from any emerging worker militancy, but rather from an effort to control competition among employers. In this way, Scalise's history draws attention to another aspect of the important workplace changes of the Great Depression. The standard explanation of union growth in the 1930s highlights the workers' quest for stability in response to the sweeping economic uncertainties they faced.⁴⁶ A parallel quest on the part of many small employers, however, also played a role, as bosses were willing to help corral their workers into organizations they believed could bring market stability.⁴⁷ While genuine union organizers used this opportunity to achieve significant gains for workers, Scalise, and others like him, responded in a more straightforward, entrepreneurial fashion. The needs of employers and the more hospitable organizing environment of the 1930s offered a chance to make money.

Like a businessman seeking new opportunities for growth, Scalise pursued a range of ventures within organized labor. According to the labor lawyer, Marcus, in 1930, a year after he began working on Teamsters Local 272, Scalise hired him to set up a beauticians' local in Brooklyn, on the understanding that in this operation Scalise would be partners with the gangster Joey Amberg. A couple of years later, he told Marcus he was going to acquire the charter for a non-kosher butchers local union, explaining that this venture would be a shared undertaking with Carfano, who would help finance it.⁴⁸ The collusive nature of this enterprise became clear a couple of weeks later, when Scalise asked Marcus to form an association of Italian-American butchers, an employers' association to go along with the new union.⁴⁹ In 1931, Scalise helped set up another associate, Isidore "Izzy" Schwartz, in a bakery drivers' local. When that venture failed, Scalise

arranged for Schwartz to get a charter for a window cleaners local from the Building Service Employees International Union (BSEIU). Union pickets then worked to support a strong employers' association among Brooklyn's window cleaners. The association policed the industry, forbidding contractors from taking any members' customers and imposing a regular schedule of dues payments.⁵⁰

Scalise was a professional fixer, who had come to see the business possibilities of organizing unions in order to build collusive arrangements in certain industries. The potential for profit in such arrangements and his organized crime connections brought him into the labor movement. That same combination also led him into the Building Service Employees' union.

BSEIU and Organized Crime

It was through Schwartz and the window cleaning business that Scalise began his rise in the Building Service Union. In his efforts to get Schwartz a charter for a window washers union from BSEIU, Scalise had turned to his Mafia sponsor, Carfano, asking him to use his influence. The national headquarters of BSEIU was located in Chicago, and it turned out that Carfano's old ties to the Capone gang proved useful in gaining the union charter. Schwartz later testified that Scalise explained, "he had to get ahold of Augie [Carfano] to get some connections out there [in Chicago], to get this through."⁵¹ In the years that followed, Scalise drew on those same ties, first to gain an official position in the Building Service Union, and then to quickly move up the ranks to president.

Carfano's influence with BSEIU stemmed from the role that the successor to the Capone organization, the Chicago Mafia, often referred to as the Outfit, had come to play in the affairs of the union. The Outfit had acquired its role through the vulnerability of BSEIU's top leadership in Chicago, who sought to lead a union in a hostile and insecure environment.

BSEIU had been originally organized in the 1910s in Chicago, first as a local of flat janitors (i.e. janitors working in residential buildings). Led by William F. Quesse, the union conducted a fiercely fought organizing campaign marked by violent incidents committed by both sides. In 1921, the union's top leadership, ten officers including Quesse, were indicted in Chicago on a range of charges including extortion and conspiracy to blow up buildings. Historian John B. Jentz has recently traced how employers' organizations, promoting an anti-union campaign, played a pivotal role in this prosecution. Convicted on the broadest of the conspiracy charges, the leadership of BSEIU was sentenced to one to five years in state prison. It was only the union's strong political ties to Chicago's Mayor William "Big Bill" Thompson that protected the organization from destruction at the hands of this employer offensive, and eventually, in 1924, won the union's leaders a pardon from the governor.⁵²

A few years later, the union faced attack from a different direction. This time Capone's gang, the Outfit, sought control of the organization, essentially seeking to tap into the national body's treasury. Given the links between Mayor Thompson's administration and this same gang, BSEIU leaders could expect little help from their political allies this time around.⁵³

The precise details of what occurred remain unknown, but conflicting, partial accounts do provide the broad outlines. In the late 1920s and early 1930s, Roger

Touhy was a bootlegger based in Chicago's northwest suburbs. According to him, one of Capone's associates, Marcus "Studdy" Looney, met with Touhy and his brother in 1929 to discuss a plan to strong arm a number of unions in the city. Looney brought with him a list of unions with the amounts held in their treasuries. As Touhy tells it, he and his brother chose not to participate, and in the months that followed a number of old-time leaders from the Teamsters, the Painters Union, and the Building Service Employees' Union came to him for protection from Capone's people. Touhy referred specifically to Jerry Horan, who was then the President of the BSEIU, as one of the leaders of this faction of unionists who moved up to the northwest suburbs seeking protection from Capone.⁵⁴

This account can be partially corroborated. In the Teamsters Union, one of the other organizations mentioned by Looney, the national president, Daniel Tobin began to receive death threats in early 1930 from individuals in Chicago.⁵⁵ Minutes of meetings from the Teamsters' executive board in that period referred to the situation. "One of the Vice-Presidents called attention of the Board to the situation in Chicago where certain undesirables were endeavoring to break into our local union."⁵⁶ Writing a letter in March 1932, Tobin described how many unions by that time had been taken over. "Conditions in the Labor Movement among unions in Chicago are not good and the strong arm element seems to be getting control of many unions, consequently the need for all of us being extremely careful."⁵⁷ Another source of corroboration comes from union leaders who faced similar threats a few years later. Matt Taylor, who led a Chicago local of elevator operators, described being given a stark choice in early 1936: put one of the Outfit's people on the union payroll and agree to cooperate, or be killed.⁵⁸ In the Chicago Bartenders Union, George B. McLane, testified before a grand jury that he was given a similar choice in 1935.⁵⁹ There is little reason to think that the technique had differed significantly six years earlier. Further corroboration comes from the fact that a number of prominent labor leaders were killed in Chicago in the early to mid-1930s.⁶⁰ Although none of the murderers was ever arrested, and officially the cases remained unsolved, the deaths were generally credited to the Chicago Outfit, which the victims were believed to have resisted. The ineffectiveness of law enforcement in these cases demonstrated the dilemma faced by those local union officials, who might have wanted to resist. They would receive no meaningful protection from the authorities. Indeed the authorities, such as they were, seemed to be working with the Outfit.

According to Touhy, the union officials, who had originally come to him for protection, eventually came to terms with Capone's organization. Touhy claimed that BSEIU President Horan had been deeply affected by the killing of his brother-in-law, William J. Rooney, who was gunned down in front of his home in March 1931. An influential figure in both Building Service Union and the Sheet Metal Workers, Rooney had helped make Horan president of BSEIU.⁶¹ After a couple of years of seeking shelter with Touhy up in the northwest suburbs, Horan had had enough of resistance and all that it implied. Touhy recalled, "He [Horan] was even afraid of the men who were supposed to be his bodyguards." In April 1933, according to Touhy, Horan and Art Wallace, a leader in the Painters Union, came to him and said they were going to give up the fight. Horan then went to a meeting that the Chief Investigator for the Cook County prosecutor's

office, Daniel Gilbert, had arranged with Ted Newberry, one of the leading figures in the Outfit. With Gilbert officiating, Horan agreed to turn over control of his union. After that, Touhy explained, the Building Service Union president took instructions from Murray Humphreys, the Outfit's specialist in union matters.⁶²

A bootlegger, a rival of Capone, and himself the target of allegations that he strong armed union officials, Touhy's account should be read with a healthy amount of skepticism.⁶³ But it generally squares with the commentaries provided by other sources and it helps explain how the Outfit came to wield influence over the Building Service Union.⁶⁴ By 1934, when Willie Bioff, then a low level official in the Chicago Stage Hands Union, met with Outfit leaders, they referred to Horan and the Building Service Employees as one of the leaders and one of unions that they controlled.⁶⁵

The process by which the Outfit gained control of BSEIU and other unions during this period challenges the standard explanation of union corruption. Hutchinson, in his comprehensive book on the subject, *The Imperfect Union* (1970), argued that although other factors played a role, corrupt unions became corrupt because of the weak morals of their leaders. Those leaders succumbed to temptation, in turn, because the philosophy of business unionism (the emphasis on simple bread and butter goals) provided little incentive to take the moral high road. As Hutchinson saw it, "in the presence of temptation or error the so-called business unionists could have used a stronger creed."⁶⁶ But in Chicago, and presumably elsewhere as well, temptation had little to do with how organized crime gained influence over unions in this period. Instead, vulnerable union officials succumbed to threats and terror. They did so while trying to operate in a hostile atmosphere, where the state, in the form of a corrupt local government, offered them no protection. The list of dead union officials in Chicago highlights the degree to which the Outfit, and other similar organized crime groups, could make good on their threats. In such an environment, the decision of a union leader like Horan appears as less an example of moral susceptibility and more the rational response of someone stuck in a bad spot.

Having spent time in Capone's organization in the early 1920s, Carfano, Scalise's Mafia sponsor, apparently still had strong ties to the Chicago Outfit and he used those connections to benefit Scalise. In 1932, Carfano helped Scalise get a charter for a local union of window washers. Scalise put his long term associate, Izzy Schwartz in charge of the local. Two years later, when the BSEIU's representative in New York City retired, Scalise asked Carfano to help him get the job. According to Schwartz, Scalise told him, "that he would get in touch with Augie [Carfano] and let Augie go to work out there [in Chicago] and see what he can do for him." A couple of months later, BSEIU's President Horan appointed Scalise to be the union's Eastern Representative. Scalise explained to Schwartz that a deal had been arranged with the Chicago mob for Carfano and Scalise to get fifty percent of the union's proceeds from any newly organized members in the East. They would be operating the BSEIU in the East on a commission basis.⁶⁷

In April 1937, Scalise got word that President Horan was ill, and thought to be on his deathbed. Schwartz later testified that talking with Scalise about it, he raised the possibility of Scalise becoming the next president. "Well, we laughed at it—he laughed at it for a moment and then he thought of the possibilities

about it there, he would try for it; so he called Augie then." For his part Carfano agreed to help, but he was not hopeful. After hanging up the phone, Scalise told Schwartz, "that Augie told him 'O.K.' he will see what he can do, but not to bank on it."⁶⁸

In the end, Scalise became the top candidate because of the political problems that beset the candidate originally sponsored by the Outfit, Thomas Burke. Burke had gained power in a Chicago local after the murder of its previous leader, Louis Alterie, apparently by the Outfit. Burke's ties to the Outfit were a matter of common knowledge within the union and so several of the BSEIU board members, who would be the one's voting to pick Horan's replacement, viewed him with distaste. Then too another candidate from Chicago, William McFetridge, had greater seniority within the union, and he threatened to divide the vote of the Chicago officers. Scalise became a compromise candidate. Since his ties to organized crime were not well known, he did not raise the same objections as had Burke. An outsider, he offered a face saving alternative to the Chicago officers, and in the end he won the presidency by a unanimous vote of the board.⁶⁹

The Outfit had come to see the value of someone like Scalise, who had strong ties to organized crime, but still maintained a respectable image within the labor movement. Such individuals became front men as the Outfit moved to gain control of national unions. George Browne played a similar role in the Outfit's successful effort in 1934 to gain control of the national office of the Stage Hands Union. Willie Bioff, a close associate of Browne, later testified that the Outfit's leaders told him in 1934, "They said they could use a man like him [Browne], he has a nice clean background, and they need a front man like him, it is very important to them."⁷⁰

As the front man for the Outfit, and the partner of Carfano, Scalise worked out arrangements to siphon money out of the BSEIU treasury. Scalise received an official salary of \$1,000 a month and he arranged to give half of that to the Outfit. At the same time, he worked with the union's secretary-treasurer to drain money out of the union through fake expense vouchers. Poring over these vouchers in 1940, Dewey's investigators charged that from 1937 to 1940, Scalise took \$60,087, an amount that came close to doubling his official salary for those years. At the same time, they found evidence that other fake expense vouchers were being used to send the Outfit about \$3,000 every month. All told, during the roughly two and a half years of his presidency, prosecutors estimated that Scalise helped the Outfit take about \$100,000 out of the BSEIU treasury. In this activity he seemed to play the part of the accomplice, not the instigator. Helping to loot the union had been part of the deal Scalise had made in order to become president of the union. His actual authority in the organization was limited to the East Coast, with occasional disputes emerging with the Outfit over what was included in that area.⁷¹

Scalise in New York: The Many Profitable Avenues of Labor Corruption

If for much of the country, he was the president of the union in name only, in New York City Scalise's power was far more real. There he benefited from a successful organizing campaign that had dramatically expanded the membership

of the BSEIU in the Manhattan's residential and office buildings, and in the city's hotels. He used the union's growth to enrich himself in a number of ways, essentially accepting money in return for subverting the newly won gains of the city's building employees. In return for payments from employers, he transformed elements of BSEIU into a kind of variation on the company union, which the Wagner Act recently had made illegal. Thus he offered employers a way to cope with the unfamiliar landscape of the New Deal.

With a skeletal organization in New York, the BSEIU had been attempting to organize in the city since the mid-1920s. Success finally came in the fall of 1934, when—with the support of unionized garment workers—local BSEIU organizers won a strike in the city's Garment District. Spurred on by that success, the union went on to enjoy gains in Manhattan's office buildings and apartment houses. In 1937, a breakthrough came in the hotel industry, where the newly formed New York Hotel Trades Council oversaw agreements between hotel owners and the BSEIU. Within a few years, the previously unorganized building workers of New York became one of the largest segments of the national union. From 1934 to 1940, the union's membership in New York City rose from 1200 to over 30,000, while the national union's membership that year stood at 60,000 total. During those same years, Local 32B, which stood at the center of this organizing campaign, mushroomed from 300 members to 14,000. By 1940, Local 32B was by far the largest BSEIU local in the country.⁷²

Scalise played no significant role in these organizing campaigns, except to profit from them. The various accounts of organizers all agree that in 1934 Horan imposed Scalise upon them and at first they saw very little of him. He did not attend pre-strike rallies or regular union meetings. Local union officials organized the members and won the strikes without his assistance.⁷³

But then, once these locals began to grow, Scalise asserted himself. In Local 32B, Scalise used his influence as a national union officer to gain control over the local and then to begin to drain money out of it. He pressured the local to appoint one of his friends, David Sullivan, to an official post in the local and then backed Sullivan's steady movement up the ranks. Sullivan became the head of the local in 1938, following an election in which another officer in the local later testified both he and Sullivan stuffed the ballot box to rig the vote. As Sullivan's power grew, other officers within the local were intimidated and compromised. James Bambrick had been one of the leading forces behind Local 32B's growth, and had viewed Scalise's influence in the organization with suspicion. One day in 1937, Scalise informed him that a professional killer from Chicago was in the city with orders to kill Bambrick. To save his life, Bambrick arranged to draw \$10,000 out of Local 32B's funds and hand it over to Scalise. Apparently having accomplished his goal, Scalise returned \$2500 of the money to Bambrick, explaining that that was the local leader's share. According to later testimony, Scalise used his influence over Local 32B to pull money out of the local in a variety of ways. As was the case with the national union, false expense vouchers covered embezzlement from the local's funds. Service providers doing business with the local, such as the union's accountant and a physician doing work for the local's health plan, paid kickbacks that went to Scalise. Local officials were pressured to accept payoffs from businessmen and then to share the proceeds with Sullivan, who in all likelihood passed some of the money along to Scalise.

In this way, Scalise corrupted a local whose growth initially had promised to bring real benefits to the city's building employees.⁷⁴

He corrupted a dynamic growing local, but Scalise also made money by setting up other locals, whose main purpose from the start would be to siphon off money from workers. In April 1938, Scalise set up a charter for Local 94, the Bowling and Billiard Academy Employees Union. The officers he installed to run the new union were operatives for a Tammany Hall political boss, Jimmy Hines, and their chief asset apparently was their experience in stuffing ballot boxes. Scalise arranged for the local to sign a contract with the Bowling Alley Proprietors Association, which granted the union a closed shop and mandated that members' dues be deducted automatically from their paychecks. New York's pin boys suddenly found themselves members of Local 94, and discovered that they now must pay a \$5 initiation fee and \$2 monthly dues. Since they made only 6 cents a game, these payments to the union constituted a significant financial obligation. Nor could they see any tangible benefits brought by this newly imposed union membership. As one wrote to the District Attorney's office, "The boys in general are opposed to such a union because it offers nothing in return for the \$2.00 *per month* and the academy owners are all inclined to pay the present scale of 6 cents [per] single and 3 cents [per] double [i.e. when two pin boys were working one lane] without such a union which is without a doubt a 'RACKET.'" Nor did the members have any real voice in their union. At the local's first election, Scalise's appointees marked 400 ballots for themselves, thus overwhelming the 300 votes cast by actual members of the local.⁷⁵ In effect, Local 94 was a sham local, never intended to better the lives of its members; it simply conspired with the employers to impose a new tax on workers laboring in the industry. This tax became yet another way for Scalise to profit from his position in the BSEIU.

For employers, these kinds of arrangements with Scalise offered a pre-emptive strike against the possibility of a more militant union entering their workplace.⁷⁶ The changed legal and political atmosphere of the New Deal had undercut previous methods of blocking union organization, including seeking injunctions and forming company unions. However, by allowing Scalise to set up operations—such as Local 94—employers dodged these newly erected legal protections. Scalise provided them with a new kind of company union, one for which the employer suffered no legal liability. Better yet, the workers, not the employer, paid for the cost of this service, in the form of membership dues payments that Scalise or his surrogates then siphoned out of the union funds.

These schemes received relatively little attention when Scalise's indictment was announced in April 1940. Instead the District Attorney's Office and the newspapers focused on allegations that Scalise had extorted vast sums of money from New York's employers. The front page headline in the *New York Times* read, "Scalise, Union Head, Seized in \$100,000 Extortion Plot."⁷⁷ Other reports referred to this amount as a "\$100,000 levy" that Scalise had exacted from employers over a period of three years. The story from the Associated Press included in its lead a reference to "Scalise's alleged tribute-fixing activities."⁷⁸ In this way, the press coverage painted these employers as victims, forced to pay money out of fear for the safety of their businesses, but the reality was a much less black and white.

Employers who pay money to union officials do so for a variety of reasons, but

for prosecutors those payments fall into one of two categories, either bribery or extortion. The difference lies in the motivation of the employer when he makes the payment. If the employer makes the payment in hopes of encouraging the union official to betray his responsibilities to his membership, then the money is deemed a bribe, and the employer is as culpable as the union official. But, if the employer pays because of threats made by the union official, then the employer is a victim of extortion. The gray area in all of this is what constitutes a threat on the part of the union official and what actually motivates the employer to make a payment. In describing the extortion charges against Scalise in 1940, Dewey's prosecutors explained that employers had paid after Scalise threatened to call strikes, made excessive wage demands, or threatened to unionize non-union operations.⁷⁹ But, even an honest union official, attempting to represent his membership and build the organization, must threaten employers with strikes and attempt to unionize non-union businesses. Similarly the difference between reasonable and excessive wage demands often depends on whether one is the employer or the employee, as anyone familiar with collective bargaining negotiations knows. The employer's motives in making a payment, on the other hand, may be a mix of fear and avarice. He pays money and thus keeps his labor force non-union or moderates the union's demands. He would not have made the payment without concern about the effect that unionization would have on his business, but given the benefit he derives from the payment it is hard to see him as purely a victim.

This blurry line between extortion and bribery may have led Dewey's office to pursue a different tack when they brought Scalise to trial. In press conferences at the time of Scalise's arrest, on April 22, Dewey and his aides referred to the grand jury testimony of employers who had been victims of extortion. But by late May, as investigators working their way through the union's financial records found growing evidence of Scalise's malfeasance, Dewey's office submitted a second indictment, charging larceny and forgery. In the end, the charges from the second indictment were the only ones that Dewey's office brought to trial.⁸⁰

Had the District Attorney gone forward with the extortion case, the result would have been a double standard of justice. A subsequent prosecution, involving Frank Gold, an official in BSEIU's Local 32B, demonstrated how charging a union official with extortion could give employers a free pass. At his trial in 1941, prosecutors charged that Gold had extorted money from various mid-town building management firms. As the *New York Times* explained, "The prosecution contended that Gold between 1937 and 1939 used his influence in the union as a club to enforce payments to him under threat of 'trouble' with Local 32B." On the stand, employers testified to making payments that ranged between \$400 and \$1500 to Gold and in return getting favorable union contracts. Taking the stand in his own defense, Gold at first described these payments as gifts pushed on him by the employers, and he claimed the money had not influenced him in his duties as a union official. During his cross-examination by the prosecution, however, Gold retreated a bit, and admitted he had been influenced. In gaining that admission, however, the prosecutor himself slipped into depicting these payments as bribes. In one exchange, the prosecutor asked, "Were you influenced to such an extent that, in 1938 and 1939, you were willing to 'sell' your workers in your council district?" Gold still claimed, "That was not my intention." To which

the prosecutor returned, "Did you sell them out?" And, Gold at last admitted, "The way you put it, I guess I did." A sales transaction requires a buyer, and by using this kind of language the prosecutor acknowledged the benefits that the employers sought to gain. In the end Gold was convicted of extortion, but the transactions he took part in look a lot more like bribery. None of the employers, who had received favorable union contracts, suffered any legal repercussions.⁸¹

Seen from the union membership's point of view, the employers were not the victims in these conspiracies, instead they were the real winners. Among the companies listed in the extortion indictment filed against Scalise by the District Attorney's Office was the Handiman Company, a janitorial contractor who testified to making a payment of \$11,750. Dewey's aides described this as one of the payments made out of fear. In this case, Scalise allegedly used his control of BSEIU Local 32J to pressure Handiman and other cleaning contractors into giving him money. However, an employee of the company, writing to the District Attorney's Office, put forward a different scenario. According to this employee, the company bought off the union in order to take shameless advantage of its workers. While the union's contract limited the cleaning women to six hours of work a night, they were routinely forced to stay much longer. "Some of them start at 7 PM and have so much to do they cannot finish until 4 in the morning." Although Handiman was supposed to pay for holidays, it did not. The company deducted money from the employees' wages for damages and other purposes without explanation or justification. The letter closed with the straightforward conclusion about the contractor's relationship with the union, "And also he is a partner to 32J union." Similarly, Dewey's indictment listed the National House Cleaning Company as another victim of Scalise's extortion. But, according to a letter from one of the company's employees, the business was doing quite well indeed. National had forced all of its workers to join Local 32J, deducted their dues every month, and yet continued to pay substandard wages. "Some people do not get 10 cents per hour if you checked the times they worked." If someone was being victimized, it was not the National House Cleaning Company. As this employee put it, "Now as far as the union goes it is nothing but a racket—and I also think that the contractor is in with the union."⁸²

Conclusion

Taken as an example of the problem of union corruption, Scalise's case offers a few useful lessons. His early career in organized labor highlights the problematic world of the collusive unions. Especially in fields where mass picketing was not necessary to achieve organization, and where unskilled workers labored in small numbers at widely scattered worksites, an exploitative union like Teamsters Local 272 could emerge. Scalise, and others like him, are better seen as union entrepreneurs, eager to profit on the most minimal level of organization, pitching the union as a tool to help the employers. Scalise's rise in the Building Service Union also demonstrates the growing role of organized crime in this period. Because of the vulnerability of union leaders, especially in locales such as Chicago, several national unions in this period were forced to make accommodations. According to court testimony, it was during this time that the Chicago Outfit gained control over the BSEIU, the International Alliance of Theater and Stage

Employees' Union, the Laborers', and the Laundry Workers Union. The Outfit sought to install front men, like Scalise, who had clean records, but who would work with the group to drain money from the union's treasury. A similar process of intimidation enmeshed many local leaders in relationships with organized crime. On a more individual level, the ever industrious Scalise demonstrated the myriad of ways that a corrupt official could milk money out of the union. Finally, the employers, who were usually depicted as the most prominent victims of these activities, often better fit the role of active co-conspirators.

The true victims were the union members, many of whom became deeply disillusioned with the organizations they were forced to join. One BSEIU member in New York wrote to Westbrook Pegler in 1942, explaining how five years earlier she and the other cleaning women at the hotel where she worked were forced to join the union. They paid \$2 a month in dues, which she considered a hefty amount. "We were getting only \$13—a week." And in return, she and the other members got nothing. "Well, anyway this Schwartz-Scalise gang didn't better our conditions [on the] contrary we were more slaved than before we had no increase in our wages, no vacations, but more work as they laid off people."⁸³ Pegler tapped into that disillusionment, drawing on the problem of union corruption to build a general condemnation of organized labor, and the New Deal in general. Stories on corrupt union leaders provided a rallying point around which to build public hostility. The early decision of the AFL to support Scalise would prove fateful, as his scandal helped to undercut the legitimacy of unions.

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ENDNOTES

The author would like to thank Richard Morris, Catherine Rios, James T. Patterson, and the two anonymous readers at the *Journal of Social History* all of whom provided useful criticism and helpful suggestions for revision. A professional development grant from Lycoming College helped support the research.

1. *Chicago Tribune*, April 27, 1940, in Thomas E. Dewey Scrapbooks [Microfilm Edition], v. 3–4, roll 2, University of Rochester, Rochester, New York, (hereafter Dewey Scrapbooks).
2. Quoted headline is from, *Chicago Tribune*, April 27, 1940, examples of the general newspaper coverage containing both the District Attorney's explanation of the charges and the term "Peglerized," see also: *Citizen-Cushing*, [Cushing, Oklahoma] April 22, 1940; *Philadelphia Record*, April 28, 1940; *Los Angeles News*, April 22, 1940; in Thomas E. Dewey Scrapbooks [Microfilm Edition], v. 3–4, roll 2, University of Rochester, Rochester, New York, (hereafter Dewey Scrapbooks). *Time Magazine*, May 6, 1940, pp. 20–21.
3. *New York Times*, October 8, 1940, p. 1.
4. Pegler for instance carefully linked Scalise to a well known Brooklyn racketeer, Frank Yale. "Since the repeal of Prohibition, he [Yale] and other hoodlums of the same type in Brooklyn and New York have gone into the labor movement." Westbrook Pegler, "Fair Enough," January 19, 1940, Box 120, (James) Westbrook Pegler Papers, Herbert Hoover Presidential Library, West Branch, Iowa.

5. Contemporary accounts of the growing problem of organized crime involvement in labor unions and the phenomenon of labor racketeering include: Fred D. Pasley, *Muscling In* (New York, 1931); Harold Seidman, *Labor Czars: A History of Labor Racketeering* (New York, 1938); Frank Dalton O'Sullivan, *Enemies of Industry* (Chicago, 1933); Gordon L. Hostetter and Thomas Quinn Beesley, *It's a Racket* (Chicago, 1929); Edward Dean Sullivan, *This Labor Union Racket* (New York, 1936); Walter Chambers, *Labor Unions and the Public* (New York, 1936); Malcolm Johnson, *Crime on the Labor Front* (New York, 1950).

6. In his popular history of the Teamsters Union, journalist Steven Brill focused on the 1930s as the pivotal decade, when organized crime gained a hold on that union. "It was during these hard, violent times that many of the big-city Teamsters locals and joint councils made their first alliances with local gangsters." Using more dramatic language, but offering no further specifics the President's Commission on Organized Crime similarly described the 1930s as the crucial decade. Stephen Fox, on the other hand, does offer an explanation. He cites the role of the depression and the end of prohibition. The depression, he argues, made businesses and employees more pliant and prohibition's repeal motivated gangsters to find a new source of income. Drawing on secondary sources, however, Fox supplies little in the way direct evidence, nor does he provide a description of how organized crime groups expanded their influence. Steven Brill, *The Teamsters* (New York, 1978), p. 360; President's Commission on Organized Crime, *The Edge: Organized Crime, Business, and Labor Unions* (Washington, D.C., 1986), p. 4; Stephen Fox, *Blood and Power: Organized Crime in Twentieth Century America* (New York, 1989), pp. 174-79.

7. John Hutchinson, *The Imperfect Union: A History of Corruption in American Trade Unions* (New York, 1970), p. 68.

8. *Ibid.*, p. 117.

9. Two more theoretical studies of union corruption do address the nature of the corrupt arrangements that emerged, but these authors base their functional explanations of corruption on broad overviews and do little to trace the process the historical change in particular unions that resulted in a growing role for organized crime. See: Philip Taft, *Corruption and Racketeering in the Labor Movement* (Ithaca, New York, 1958); and Daniel Bell, *The End of Ideology: On the Exhaustion of Political Ideas in the Fifties* (Glencoe, Illinois, 1960).

10. Jack Alexander, "He's Against," *The Saturday Evening Post*, v. 213, (September 14, 1940), p. 10.

11. "Fair Enough," January 3, 1939, Box 119, Pegler Papers.

12. Jack Alexander, "He's Against," *The Saturday Evening Post*, v. 213, (September 14, 1940), p. 10.

13. Westbrook Pegler, "Fair Enough," August 15, 1939, Box 119, Pegler Papers.

14. *New York Times*, November 21, 1964, p. 29.

15. Roy W. Howard to G.B. Parker, April 12, 1940, Executive Correspondence, City File Washington, D.C., George B. Parker Folder, Box 169; Roy W. Howard to G.B. Parker, October 26, 1941, Executive Correspondence, City File Washington, D.C., George B. Parker Folder, Box 180, Roy W. Howard Papers, Library of Congress, Washington, D.C.

16. William J. Puette, *Through Jaundiced Eyes: How the Media View Organized Labor* (Ithaca, New York, 1992), p. 59.

17. Westbrook Pegler, "Fair Enough," January 19, 1940, Box 120 Pegler Papers.

18. *New York Times*, January 28, 1940, p. 29; "A Frank Statement from George Scalise," *The Building Service Employee*, v. 1, no. 4 (May 1940), pp. 6–7.
19. *New York Times*, January 28, 1940, p. 29; "A Frank Statement from George Scalise."
20. Minutes of the Meeting of the Executive Council, American Federation of Labor, Hotel Everglades, Miami, Florida, January 29–February 9, 1940, pp. 67–73, George Meany Memorial Archives, AFL–CIO, Silver Spring, Maryland.
21. Joseph A. Padway to George Scalise, January 21, 1940, enclosed with Beth Pitt to Westbrook Pegler, June 18, 1944, Box 82, Folder: Building Service Employees International Union, 1944, Box 82, Pegler Papers.
22. *New York Times*, February 10, 1940, p. 16.
23. Criminal Record, Police Department, City of New York, George Scalise, May 24, 1940, Box 2566, Papers of the New York County District Attorney's Office, New York City Municipal Archives, New York, New York, (hereafter NYDA Papers).
24. Westbrook Pegler, "Fair Enough," February 1, 1940, Box 120, Pegler Papers.
25. Westbrook Pegler, "Fair Enough," February 6, 1940, Box 120, Pegler Papers.
26. Record on Appeal, People of the State of New York Against George Scalise, (1940) Appellant Division, First Department, v. 7991, pp. 232–33.
27. "Racketeer Scalise," *Time*, v. 35, (May 6, 1940), pp. 20–21; *Chicago Tribune*, April 27, 1940, Dewey Scrapbook, v. 3–4, roll 2.
28. "Columnist Pegler Puts the Finger of the Law on a New York Union Leader," *Life*, v. 8, (May 6, 1940), p. 35.
29. Memorandum to Chief Investigator, from Thomas M. Fay, Jr., May 3, 1940, Box 2566, Papers of the New York County District Attorney's Office, New York City Municipal Archives, New York, New York, (hereafter NYDA Papers); "A Frank Statement from George Scalise."
30. Record on Appeal, People of the State of New York Against George Scalise, (1940) Appellant Division, First Department, v. 7991, p. 310
31. George Scalise to Jerry Horan, July 29, 1935; George Scalise to Charles Hardy, August 19, 1938; Paul B. David to George Scalise, August 22, 1938; George Scalise to Charles Hardy, August 29, 1938, all in Box 2567, NYDA Papers.
32. George Scalise to Paul David, December 27, 1938, Box 2567, NYDA Papers.
33. Exceptions include: Andrew Wender Cohen, "The Struggle for Order: Law, Labor, and Resistance to the Corporate Ideal in Chicago, 1900–1940 (Dissertation, University of Chicago, 1999); John B. Jentz, "Unions, Cartels, and the Political Economy of the American Cities: the Chicago Flat Janitors' Union in the Progressive Era and 1920s," *Studies in American Political Development*, v. 14 (Spring 2000), pp. 51–71; Colin Gordon, "The Lost City of Solidarity: Metropolitan Unionism in Historical Perspective," *Politics and Society*, v. 27 (1999), pp. 564–68, 573; Barbara Wayne Newell, *Chicago and the Labor Movement: Metropolitan Unionism in the 1930s* (Urbana, Illinois, 1961), pp. 209–25.
34. People v. Scalise, p. 1005; *New York Times*, October 8, 1940, p. 1; September 26, 1959, p. 1; September 27, 1959, p. 1; October 7, 1959, p. 37; Peter Maas, *The Valachi Papers*, (New York, 1986; reprint, New York, 1968), p. 124 & 203.

35. *People v. Scalise*, p. 1005, 1030.

36. *New York Times*, October 8, 1940, p.1; Memo to Mr. Dreiband from A. Robertson, June 14, 1940, Box 2566, NYDA Papers; Alan Block, *East Side-West Side: Organizing Crime in New York, 1930–1950* (New Brunswick, New Jersey, 1983), pp. 225–6; James J. Bambrick, *The Building Service Story* (New York, 1948), pp. 20–21.

37. John F. O'Connell to Mr. Dreiband, June 14, 1940, Box 2566, NYDA Papers.

38. Memo to Alex Dreiband from J. Barst, June 18, 1940, Box 2566, NYDA Papers.

39. Memo to Alex Dreiband from J. Barst, June 19, 1940, Box 2566, NYDA Papers.

40. Peter Reuter, Jonathan Rubinstein, and Simon Wynn, *Racketeering in Legitimate Industries: Two Case Studies* (Washington, D.C., 1983), pp. 12–14; Peter Reuter, *Disorganized Crime: The Economics of the Visible Hand* (Cambridge, Massachusetts, 1983), pp. 150–73; Howard Abadinsky, *Organized Crime* (Chicago, 1994), pp. 294–99; New York State Organized Crime Task Force, *Corruption and Racketeering in the New York City Construction Industry* (New York, 1990), pp. 75–79.

41. Statement of Louis Marcus to Alfred J. Scotti, June 6, 1940, Box 2566, NYDA Papers.

42. Thomas Hughes to J.L. Devring, November 10, 1919, and J.L. Devring to Thomas L. Hughes, November 14, 1919, both in Box 24, Series I, International Brotherhood of Teamsters, Chauffeurs, and Warehousemen Papers, State Historical Society of Wisconsin, Madison, Wisconsin, (hereafter IBT Papers); Fred D. Pasley, *Muscling In* (New York, 1931), pp. 19–23; writing about such organizations, Pegler notes that they were “known as an ice-pick or razor blade union because it was noticed that the tires of cars which were parked in non-union garages came down of ice pick punctures in their tires and of razor slashes in their upholstery.” Westbrook Pegler, “Fair Enough,” April 29, 1940, Box 120, Pegler Papers.

43. In 1940, Dewey's staff gathered together police and prosecutor's reports made in 1932–33 on Local 272 and its activities. These reports are gathered together and annotated, in the following investigative memorandum: Memo to Mr. Gurfein from Mr. Mertens, April 30, 1940, Box 2566, NYDA Papers.

44. *Ibid.*

45. Signed, “8,000 Member's” to President Green, A.F. of L., July 22, 1935, Reel 37, American Federation of Labor Records: The William Green Era, Microfilm Edition, Reel 37.

46. Robert Zieger, *American Workers, American Unions* (Baltimore, 1994, 2nd edition), pp. 27–29; Melvyn Dubofsky, “Not so ‘Turbulent Years’: A New Look at the 1930s,” Charles Stephenson, ed. *Life and Labor: Dimensions of American Working Class History* (Albany, New York, 1986), pp. 205–223; David Brody, *Workers in Industrial America: Essays on the Twentieth Century Struggle* (New York, 1980), pp. 102–103.

47. Colin Gordon, *New Deals: Business, Labor and Politics in America, 1920–1935* (New York, 1994), pp. 87–127; Barbara Wayne Newell, *Chicago and the Labor Movement: Metropolitan Unionism in the 1930s* (Urbana, Illinois, 1961), pp. 209–25; Donald Garnel, *The Rise of Teamster Power in the West* (Los Angeles, 1972), pp. 68–73; Irving Bernstein, *Turbulent Years: A History of the American Worker, 1933–1941* (Boston, 1970), pp. 84–89.

48. Statement of Louis Marcus to Alfred J. Scotti.

49. *People v. Scalise*, p. 448.

50. *People v. Scalise*, pp. 992–1001; Statement by Sol Berkowitz, September 20, 1935, Box 2569, NYDA Papers.

51. *People v. Scalise*, p. 996.

52. John B. Jentz, "Unions, Cartels, and the Political Economy of American Cities: The Chicago Flat Janitors' Union in the Progressive Era and the 1920s," *Studies in American Political Development*, v. 14 (Spring 2000), pp. 51–71. See also, John B. Jentz, "Citizenship, Self-Respect, and Political Power: Chicago's Flat Janitors Trailblaze the Service Employees International Union, 1912–1921," *Labor's Heritage*, v. 9, no. 1 (Summer 1997), pp. 4–23.

53. Douglas Bukowski, *Big Bill Thompson, Chicago, and the Politics of Image* (Chicago, 1998), pp. 186–87, 222–23; Roger Biles, *Big City Boss in Depression and War: Mayor Edward J. Kelly of Chicago* (DeKalb, Illinois, 1984), p. 103.

54. Roger Touhy with Ray Brennan, *The Stolen Years* (Cleveland, 1959), pp. 83–86,

55. Daniel Tobin to Michael Casey, February 20, 1930; Daniel Tobin to Michael Casey, February 21, 1930; Daniel Tobin to Michael Casey, February 28, 1930, all in Box 16, Series I, Teamster Papers.

56. Minutes of General Executive Board Meeting, January 15, 1930, in *Twelfth Convention, International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers of America, Held in the City of Cincinnati, Ohio, Commencing September 8, 1930, Reports of Officers*, p. 149.

57. Daniel Tobin to Michael Casey, March 29, 1932, Box 16, Series I, Teamster Papers.

58. *Chicago Tribune*, March 23, 1943, p. 2.

59. *Chicago Tribune*, March 24, 1943, p. 2.

60. Among the Teamsters this list would include: Ely H. Orr, Secretary-Treasurer of Local 706, Chicago Newspaper Drivers, shot to death by men firing from a passing automobile, July 25, 1931; Timothy Lynch, head of a suburban Chicago Teamsters local, murdered by men waiting in the bushes outside his house, on November 9, 1931; Patrick Berrell, a Vice President of the International Brotherhood of Teamsters, the union's top representative in Chicago, gunned down, July 21, 1932 in the parking lot of a Wisconsin roadhouse; Michael J. Galvin, leader of an independent Teamster union in Chicago, killed by shots fired from a passing automobile, November 23, 1936; *Chicago Tribune*, July 26, 1931, p. 1; November 10, 1931, p. 1; July 22, 1932, p. 1; November 24, 1936.

The list in other unions would include: William Rooney, a leader in the Sheetmetal Workers union and also in the Chicago Flat Janitors, killed March 19, 1931; Louis Alterie, leader of the Chicago Office, Theater, and Amusement Janitors' Union, shot to death as he left his home in the morning, July 18, 1935; Thomas Maloy, killed by shots fired from a passing automobile, February 4, 1935; Dennis Zeigler, leader of a local of Operating Engineers, shot while walking to his home, February 24, 1933; *Chicago Tribune*, March 20, 1931, p. 5; February 5, 1935, p. 1, July 19, 1935, p. 1; March 26, 1943.

61. *Chicago Tribune*, March 20, 1931, p. 5; March 21, 1931, p. 2; *Chicago American*, March 8, 1950, p. 1; March 11, 1950, p. 1.

62. Testimony of Roger Touhy, Transcript of Proceedings, pp. 271–2, in *United States of America, ex rel, Roger Touhy vs. Joseph E. Ragen*, U.S. District Court, Northern District of Illinois, 48 C 448, Box No. 1500, National Archives, Chicago, Illinois.

63. Memorandum for Mr. Clegg, March 22, 1934; M.H. Purvis to Director, Division of Investigation, March 23, 1934, Section 1, FBI Files, 7-HQ-759, Box 92, RG 65, National Archives, College Park, Maryland.

64. News reports of Scalise's sentencing hearing refer to a probation report that reviewed the history of how Jerry Horan was forced by the Chicago "Syndicate" to take orders from them sometime in 1931 or 1932, and in this way the group acquired control over the BSEIU. This report was not included in the official trial transcript. *New York Times*, October 8, 1940, p. 1.

65. Trial Transcript, U.S. v. Louis Campagna, et. al., U.S. Court of Appeals for the Second Circuit, Case No. 19456, p. 141, Box 5808, Record Group 276, National Archives, New York, New York.

66. Hutchinson, *Imperfect Union*, p. 372.

67. *People v. Scalise*, pp. 994-1005.

68. *People v. Scalise*, pp. 1010-12.

69. *People v. Scalise*, pp. 1013-1022; *Chicago Tribune*, April 28, 1940, clipping in Dewey Scrapbook, v. 3-4, Roll 2, Dewey Papers; "Nelson Named in Inquiry on Scalise Union," *Chicago Tribune*, n.d., Folder: BSEIU 1935-1940, Box 82, Pegler Papers.

70. *U.S. v. Campagna*, p. 141.

71. *People v. Scalise*, pp. 177-80, 1027-9, 1031-4, 1162-4, 2373-8, 2590-1; *New York Journal-American*, September 27, 1945, clipping in Folder: BSEIU 1945-47, Box 82, Pegler Papers; *Chicago American*, May 5, 1940; *Chicago Tribune*, May 4, 1940, both in Dewey Scrapbook, v. 3-4, Roll 2, Dewey Papers.

72. *People v. Scalise*, pp. 232-3, 1308, 1352-3; Bambrick, *Building Service Story*, pp. 2-4, 7-19, 22-28, 37-40, Edward B. Bell to Westbrook Pegler, March 6, 1942, Folder: BSEIU, 1941-43, Box 82, Pegler Papers.

73. *New York Times*, October 8, 1940, p.1; Memorandum, A. Robertson to Mr. Gurfein, May 22, 1940, Box 2566, NYDA Papers; Bambrick, *Building Service Story*, p. 13.

74. Bambrick, *Building Service Story*, pp. 29 & 42; *New York Times*, April 14, 1944, p. 21; August 23, 1944, p. 20; August 29, 1944, p. 19; *Chicago Tribune*, April 27, 1940, Dewey Scrapbook, v.3-4, Roll 2; *New York Journal American*, September 27, 1945, news clipping, Folder: BSEIU, 1945-47, Box 82, Pegler Papers; Memo on Local 32B and David Sullivan, undated, unsigned, Folder BSEIU, undated, Box 82, Pegler Papers.

75. Memorandum entitled, "Bowling and Billiard Academy Employees Union Local 94, B.S.E.I.U.," no date, no author, Box 2566, NYDA Papers.

76. An example of the way of some employers in New York's hotel industry turned to Scalise to avoid the possibility of a more militant form of labor union is described in Edward B. Bell to Westbrook Pegler, March 6, 1942, Folder Building Service Employees International Union, 1941-43, Box 82, Pegler Papers.

77. *New York Times*, April 22, 1940, p. 1.

78. *Chicago Tribune*, April 22, 1940; *Chicago American*, April 22, 1940, both in Dewey Scrapbook, v. 3-4, Roll 2.

79. *New York Times*, April 22, 1940, p. 1.

80. *New York Times*, May 30, 1940, p. 19; October 8, 1940, p. 1.
81. *New York Times*, February 19, 1941, p. 22; February 22, 1941, p. 32; February 26, 1941, p. 23.
82. *New York Times*, April 27, 1940, p. 1; Anonymous to Mr. Dewey, March 17, 1940; One of the National Help to District Attorney, March 5, 1940, both in Box 2566, NYDA Papers.
83. Marie H. to Westbrook Pegler, January 29, 1942, Folder: BSEIU 1935–1940, Box 82, Pegler Papers.