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*James B. Jacobs and Ellen Peters*

# Labor Racketeering: The Mafia and the Unions

## ABSTRACT

The labor movement and its members have long suffered from extortion, thievery, and fraud. Corrupt labor officials have used union power to extort money from businesses. Labor racketeering has been a major source of the Cosa Nostra crime families' power and wealth since the 1930s. Nonetheless, combating labor racketeering did not become a federal law enforcement priority until Jimmy Hoffa's assassination in 1975. The U.S. Department of Justice, beginning in the early 1980s, brought or threatened civil racketeering lawsuits against numerous mobbed-up locals and four international unions. These lawsuits led to an unprecedented effort by court-appointed monitors and trustees to purge the corrupted unions of racketeers and racketeering and to reform the unions.

When John L. Lewis, former president of the United Mine Workers (1920–60), observed that “Labor, like Israel, has many sorrows” (*United States v. Local 560, IBT*, 581 F. Supp. 279 [1984], p. 279), he was referring to the long history (even then) of corruption and racketeering that has plagued the American labor movement. Likewise, the labor leader David Dubinsky called labor racketeering “a cancer that almost destroyed the American labor movement” (Dubinsky and Raskin 1977, p. 145). Robert F. Kennedy, who served as general counsel (1957–60) to the Senate Select Committee on Improper Activities in the Labor Management Field (McClellan Committee), warned that labor racketeering was a threat to society generally, and he made labor

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racketeering (especially Jimmy Hoffa) a top Justice Department priority when he became attorney general in 1961 (Kennedy 1960). No other country has a history of union-related criminality approaching what has been exposed in a century-long litany of scandals, articles by investigative journalists, governmental hearings, prosecutions, and lawsuits.<sup>1</sup>

“Labor corruption” refers to the misuse of union office and authority for unlawful personal gain. The immediate victim may be an employer or the union itself, but the ultimate victim is always the union rank and file. “Labor racketeering” refers to labor corruption committed by, in alliance with, or under the auspices of organized crime groups.<sup>2</sup> Labor racketeers include members or associates of organized crime groups, some of whom hold union offices, as well as union officials who work on behalf of organized crime. Common criminal offenses subsumed by the term “labor racketeering” include extortion of employers by threatening unlawful strikes, work stoppages, picketing, and workplace sabotage; soliciting and receiving bribes from employers in exchange for allowing the employer to ignore the terms of the collective bargaining agreement (“sweetheart deal”) or for a guarantee just to be left alone (“labor peace”); thefts and embezzlements from the union and its pension and welfare funds; violence against rank-and-file “dissidents”; and the maintenance of illegal employer cartels by threatening to strike or sabotage businesses that are not cartel members (New York State Organized Crime Task Force 1990, pp. 131–43).

There has been sporadic recognition of labor racketeering as a crime problem and a social problem since the beginning of the twentieth century. Congressional hearings gave the matter unprecedented publicity in the late 1950s, but there was no concerted political or law enforcement commitment to attacking the problem until the late 1970s and well into the 1980s. By then, the Federal Bureau of Investigation (FBI) and the U.S. Department of Justice (DOJ) had come to see the

<sup>1</sup> It need hardly be added that focusing on labor racketeering as a crime problem is no more an indictment of the vast majority of union officials and members than focusing on corporate crime is an indictment of the vast majority of businessmen.

<sup>2</sup> In his classic *Organized Crime in Chicago* (1968), first published in 1929 (by the Illinois Association for Criminal Justice), John Landesco provided a great deal of information and commentary on labor racketeering. One of the earliest studies of labor racketeering is Harold Seidman’s (1938) *Labor Czars: A History of Labor Racketeering*. Probably the most famous early study was Daniel Bell’s classic, “The Racket-Ridden Longshoremen,” originally published in *Fortune Magazine* (1951) and then reprinted in *The End of Ideology: On the Exhaustion of Political Ideas in the Fifties* (1962). See also Taft 1970; Hutchinson 1970.

eradication of labor racketeering as the centerpiece of a comprehensive organized crime control strategy. The FBI devoted massive resources to investigating Cosa Nostra's control over a score of local unions and a number of major national/international unions.<sup>3</sup> The federal organized crime strike forces and the U.S. attorneys began bringing civil racketeering lawsuits against labor racketeers with the goal of having federal courts issue injunctions requiring wide-ranging union reforms, including the purge of racketeers and the restoration of union democracy (Goldberg 1989).

The most successful of these civil Racketeer Influenced and Corrupt Organizations Act (RICO) lawsuits have demonstrated the capacity of federal courts, when supported by courageous and creative former prosecutors serving as court-appointed trustees, to effectuate impressive institutional reform in thoroughly racketeer-dominated unions. Hundreds of criminals have been purged from union positions, fair election procedures have been instituted, and fundamental changes in union governance and operations have been adopted. But the path to reform has not been easy, and it has not been unidirectional. Many civil racketeering suits have failed to root out racketeering and to achieve fundamental union reform. Each lawsuit, and especially each trusteeship, has approached its challenge afresh. There has yet to emerge any systematic body of knowledge about what works and what does not work for trustees and monitors, operating under court auspices, charged with the task of rehabilitating unions that have been corrupted and devastated by decades of mob dominance. Thus, there is a crying need to document and analyze the efforts that have so far taken place in order to refine and improve anti-labor-racketeering and union reform strategies for the future.

This article has three goals. First, it seeks to make a case for taking labor racketeering seriously, indeed as an important form of systematic criminality that festers in one of society's key sociopolitical institutions. Second, this article begins to document and analyze the federal government's remedial efforts to purge organized crime from the four most corrupted international unions. Third, it attempts to find a theoretical place for labor racketeering in academic criminology.

<sup>3</sup> An international union has affiliated locals in Canada as well as the United States. National and international unions differ with respect to how centralized they are. Some unions permit their local affiliates wide-ranging independence while others seek to monitor and manage their locals. Most national and international unions are members of the AFL-CIO, a labor federation that lobbies on behalf of the labor movement.

Section I of this essay sketches the history of labor racketeering up until the early 1980s, when the President's Commission on Organized Crime (PCOC) took stock of the problem. Sections II–V present PCOC's assessment of labor racketeering in the International Brotherhood of Teamsters (IBT), International Longshoremen's Association (ILA), Hotel Employees and Restaurant Employees International Union (HEREIU), and Laborers International Union of North America (LIUNA) as of the early 1980s and then, in each case, document the extraordinary steps taken by the U.S. Department of Justice's Organized Crime and Racketeering Section (OCRS) and the U.S. attorneys to purge those unions and their locals of organized crime racketeering. Section VI begins to sketch out a criminology of labor racketeering.

### I. History of Labor Racketeering

In the labor wars from the 1860s through the 1930s, both employers and unions reached out to gangsters to counteract the violence directed at them (Landesco 1968, pp. 132–47). Gangsters also served as a counterweight to communists and leftist elements in the labor movement (Kimeldorf 1988); the gangsters were simply less threatening than communists to some government officials, businessmen, and union leaders. In some cases, once the gangsters gained a foothold, they consolidated their power through intimidation and patronage.<sup>4</sup> Control over a union was immensely valuable to the organized crime bosses, who could steal from the union coffers and extort money from employers. In addition, they could barter union support to politicians in exchange for immunity from investigation and prosecution. Some labor racketeers wielded influence with local political party machines. With ties to the underworld and influence in legitimate society, the labor racketeers became major power brokers at the local level and even at the state and national levels.

In the 1920s and 1930s Arnold Rothstein, Louis Buchalter (aka Louis Lepke), and Jacob "Gurrah" Shapiro were the most powerful labor racketeers in New York City, where they dominated crucial union locals in the garment industry. Through his control of the Tailors and Cutters Union, Lepke extracted millions of dollars from the garment industry. Thomas Dewey, New York City's special prosecutor

<sup>4</sup> The best study of how organized crime achieved a foothold in a union is Howard Kimeldorf's (1988) *Reds or Rackets? The Making of Radical and Conservative Unions on the Waterfront*. See also Philip S. Foner's (1950) *The Fur and Leather Workers Union*.

for racketeering (and later Manhattan district attorney, New York governor, and twice Republican Party presidential candidate) referred to Lepke as “the foremost labor czar in the U.S.” (Sifakis 1987, p. 186). Dewey concentrated a great deal of his prosecutorial attention on labor racketeering, especially in the restaurant sector where an organized-crime dominated union systematically extorted the restaurateurs (Hughes 1940; Dewey 1974; Stolberg 1995, chap. 8). A similar situation existed in Chicago, where Al Capone was the leading labor racketeer of the 1930s (Vaira and Roller 1978).

The repeal of national alcohol prohibition (1933) ended organized crime’s monopoly over alcohol and thus made the labor unions more important as a source of revenue for organized crime groups. As early as 1933, the U.S. Senate (Copeland Committee) held hearings on “racketeering,” including the role of mobsters within international and local labor organizations (United States Congress 1933). The committee heard testimony about workers who were forced to pay kickbacks to corrupt union officials. The attorney for the American Federation of Labor (AFL) Building Trade Unions Anti-Racketeering Committee explained that the committee had been formed two years earlier by union members concerned “that most of the unions in New York were saturated with rackets” (United States Congress 1933, p. 798). Employers recounted extortion by labor racketeers.

In January 1940, journalist Westbrook Pegler exposed the connection of organized crime figures, especially Dutch Schultz, to George Scalise, president of the Building Services Employees International Union (Witwer 2001). According to historian David Witwer, Scalise

used his connections with Arthur Flegenheimer, better known as Dutch Schultz, to gain a charter for a Brooklyn branch of Teamsters Local 272, a union of parking garage workers. 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 real benefits. This kind of collusive arrangement between a union and an employers’

organization offered owners a way to manage competition. Employers' associations could set uniform rates and limit the entrance of new competitors. (Witwer 2001, p. 1)

Daniel Bell's article, "The Racket-Ridden Longshoremen" (first published in *Fortune Magazine* in 1951 and later as a chapter in *The End of Ideology*, 1962) provided a detailed picture and penetrating explanation of racketeering in the International Longshoremen's Association (ILA), where union bosses forced longshoremen to make payoffs in order to work, and shippers had to pay to have their cargo unloaded. This was brilliantly dramatized in Elia Kazan's classic 1954 film *On the Waterfront* (starring Marlon Brando, Eva Marie Saint, Karl Malden, Lee J. Cobb, and Rod Steiger), based on Budd Schulberg's screenplay and on Malcolm Johnson's 1949 Pulitzer Prize-winning *New York Sun* series, "Crime on the Labor Front" (Johnson 1950). In 1953, the AFL expelled the east coast ILA, citing organized crime domination, and formed a competing union, the International Brotherhood of Longshoremen. The effort failed. The AFL and the Congress of Industrial Organizations (CIO), which combined in 1955, admitted the ILA to membership in 1959. Also in 1953, Congress enacted an interstate compact that permitted New York and New Jersey to establish the Waterfront Commission of New York Harbor, which was authorized to regulate waterfront business activity and labor relations.<sup>5</sup> The Waterfront Commission replaced the infamous "shape up" (whereby the union bosses picked out who would work that day from the men assembled on the pier) with a hiring system that licensed longshoremen, assigned them to jobs, and guaranteed them an annual wage. It also ended the "public loading" racket, by which the ILA required truckers to make payoffs in order to have cargo loaded or unloaded from their vehicles at the piers, even if the service was not needed (Jensen 1974).

Since the 1940s, Italian-American Cosa Nostra organized crime families have dominated in labor racketeering and organized crime generally (Sifakis 1987; Fox 1989; Abadinsky 1990). Some Cosa Nostra labor racketeers achieved enormous local, regional, and even national prominence, including economic power and political clout—for example, Joseph "Socks" Lanza, Albert Anastasia, Anthony "Tony Pro"

<sup>5</sup> The Supreme Court upheld the constitutionality of the legislation creating the Waterfront Commission in *De Veau v. Braisted*, 363 U.S. 144 (1960).

Provenzano, Johnny (Dio) Dioguardi, Al Pilotto, Anthony Scotto, Ralph Scopo, and Vincent DiNapoli. The close links between some of the nation's most powerful labor leaders and the organized crime families are by now well documented through the prosecutions of labor officials like IBT's Bernard Adelstein, Frank Fitzsimmons, Roy Williams, and Jackie Presser; by prosecutions of mob figures who also held positions in labor unions like Vincent DiNapoli (United Brotherhood of Carpenters and Joiners), Ralph Scopo (LIUNA), and Thomas "Teddy" Gleason (ILA); and by prosecutions of organized crime bosses like Tony Salerno, Mathew Ianniello, and Carmine Romano of New York; Tony Accardo, Joseph Lombardo, Joseph Aiuppa, and Paul Ricca in Chicago; Nick Civella in Kansas City; Raymond Patriarcha in Boston; and Nicodemo Scarfo in Philadelphia.

Labor racketeering received national political attention in the U.S. Senate's 1950–51 Kefauver hearings. These nationally televised hearings introduced the citizenry to Frank Costello, Albert Anastasia, and other top mafia bosses (Kefauver 1951). Senator John McClellan, chairman of the Senate Select Committee on Improper Activities in the Labor or Management Field, held comprehensive hearings from 1957 to 1959 (Kennedy 1960; United States Congress 1960; McClellan 1962). (The creation of the committee was at least partly a result of the journalist Victor Reisel having been blinded with acid after publishing articles exposing labor racketeering; authorities believed Johnny Dio was behind the attack.) While the committee was frustrated by inadequate resources and the refusal of many witnesses to answer questions on Fifth Amendment grounds, its hearings illuminated and dramatized extensive labor corruption and racketeering and led directly to passage of the Labor Management Reporting and Disclosure (Landrum-Griffin) Act in 1959.

Landrum-Griffin sought to protect unions from organized crime penetration by banning persons with criminal records from union office, making embezzlement from a union a federal crime, prohibiting unions from issuing loans to their officers or paying their fines, strengthening the democratic rights of rank-and-file members (including fair elections), imposing reporting and disclosure requirements on unions and criminal penalties for false reporting, and providing union members access to federal courts to enforce their rights (29 USCA sec. 401, et seq.; Summers, Raub, and Benson 1986). Unfortunately, the law failed to achieve its aims because of weaknesses in the enforcement mechanisms, the hostility of the mainstream labor movement, and the

U.S. Department of Labor's (DOL) inability or unwillingness to enforce the law vigorously (Rauh 1971; Nelson 2000).

During the presidency of George Meany (1955–79), the AFL-CIO attempted to oppose racketeering in some of its affiliated unions. For example, the first AFL-CIO convention (1956) established a Committee for Ethical Practices to assist the executive council in keeping the federation free of corruption (Taft 1964, p. 696). The committee ultimately drafted six codes of ethical practices. The AFL-CIO was given the authority to investigate its affiliates' internal activities and to expel a union for failing to abide by the codes. In 1957, the federation expelled the Teamsters, and during the late 1950s it demanded reforms in several other unions, temporarily suspending their memberships until blatant corruption was addressed.<sup>6</sup> After the early 1960s, the ethical practices committee never met, and the AFL-CIO ceased playing any significant role in opposing corruption and racketeering in its affiliated unions.

When Robert F. Kennedy became U.S. attorney general in 1961, he made the prosecution of IBT president Jimmy Hoffa his number one priority (Kennedy 1960; Navasky 1971). He expanded the Department of Justice's Organized Crime and Racketeering Section and turned a spotlight on labor racketeering (Goldfarb 1995).

Hoffa was convicted of union pension fund fraud and jury tampering (1964) and was sent to prison in 1967, but he managed to obtain a pardon from President Richard Nixon in December 1971 (Brill 1978; Moldea 1978; Crowe 1993). Although the pardon banned him from union politics for fifteen years, Hoffa immediately began litigating and campaigning to reclaim the Teamsters' general presidency from his former protégé, Frank Fitzsimmons, whom Hoffa had selected as a caretaker. Cosa Nostra had become comfortable with Fitzsimmons and distrusted Hoffa, who now denounced Fitzsimmons as a mob puppet. On July 30, 1975, Hoffa disappeared. A mob "hit" was immediately presumed (and is now believed to have been orchestrated by Anthony Giacalone, a leader of the Detroit Cosa Nostra family, and Tony Provenzano, boss of the IBT Local 560 and a member of the Genovese crime family in New Jersey).

Hoffa's assassination mobilized government action against both organized crime and labor racketeering. Within three years, labor racket-

<sup>6</sup> The AFL-CIO took action against the Distillery Workers, United Textile Workers, Bakery and Confectionery Workers, the International Jewelry Workers, and the Laundry Workers International.

teering became the centerpiece of the FBI's organized crime control strategy (Jacobs, Panarella, and Worthington 1994). The most significant FBI investigations were "PENDORF," which focused on Cosa Nostra control over the IBT Central States Pension Fund and resulted in the conviction of IBT president Roy Williams (who succeeded Fitzsimmons), Joe Lombardo (member of the Chicago Outfit), and Allen Dorfman (the financial associate of the Chicago Outfit) for attempting to bribe U.S. Senator Howard Canon to vote against trucking deregulation; "STRAWMAN," which focused on a conspiracy by four Cosa Nostra families to use the IBT's Central States Pension Fund to secure interests in Las Vegas casinos and to skim profits from those businesses—and resulted in convictions of Joey Aiuppa and Jackie Cerone (boss and underboss of the Chicago Outfit), Angelo La Pietra and Joe Lombardo (Outfit capos), Frank Balistrieri (boss of the Milwaukee family), and Thomas and Milton Rockman (associates of the Cleveland family); "LILREX," which targeted racketeering in New York City's construction industry; and "LIUNA," which focused on Cosa Nostra racketeering in the Laborers International Union of North America. These FBI investigations led to a steady stream of prosecutions of labor racketeers, both organized crime figures and labor officials (Lynch 1987a, 1987b). Nevertheless, at a Senate hearing in 1978, Assistant U.S. Attorney General Benjamin Civiletti testified that more than 300 union locals remained controlled or heavily influenced by organized crime (United States Congress 1978, p. 77).

The Teamsters' Central States Pension Fund had been the target of allegations of mismanagement and organized crime influence since its establishment in 1955. In 1956 Senator Paul Douglas issued "The Douglas Report," which disclosed the results of congressional investigations that found numerous conflict-of-interest situations in which "insiders" had charged exorbitant fees and profited at the expense of benefit plans and their beneficiaries. Payments from individual union members were routinely skimmed off by plan administrators, and union employees secured positions as employees of the benefit plans while doing little work for high fees. Union officials also received kick-backs from persons or institutions to whom high-risk loans had been granted. In 1958 Congress passed the Welfare and Pension Plan Disclosure Act (WPPDA) in response to the abuses it uncovered. The WPPDA attempted to curb abuses of benefit plans by requiring publication of financial information by benefit plans. Congress believed that disclosure of benefit plan financial information would curb abuses and

that plan beneficiaries could police the plans themselves. But later investigations found that widespread abuses continued unabated. In 1962 Congress strengthened the WPPDA by adding criminal provisions to address kickbacks and conflicts of interest, and gave the Department of Labor investigatory powers (Coleman 1989).

The 1964 prosecution of Jimmy Hoffa partly involved his receipt of kickbacks in exchange for making benefit fund loans. Organized crime associate Allen Dorfman (an employee of and later a service provider to the fund) was convicted in 1972 of conspiring to receive a kickback for influencing a fund loan. In his 1972 book, *The Fall and Rise of Jimmy Hoffa*, former Kennedy assistant Walter Sheridan charged that “there has been no meaningful monitoring of the Pension Fund by the federal government since Hoffa’s conviction in Chicago. . . . Neither the Department of Justice nor the Labor Department followed up in an effective way to determine whether the plundering of the Fund continued” (p. 110).

Organized crime’s plundering of union benefit funds was one of the factors leading Congress to pass ERISA (Employee Retirement Income Security Act) in 1974; ERISA gave the Department of Labor authority to investigate pension and welfare funds. A joint Labor and Justice Department investigation of the IBT Central States Fund began in the fall of 1975. The fund, more than 70 percent invested in (mostly Las Vegas) real estate and casinos, was notorious for lending money to organized crime figures and their associates. The IRS sought to revoke the fund’s tax-exempt status, leading to a settlement in which twelve of the fund’s sixteen trustees resigned, and the fund agreed to hire an independent fiduciary (Equitable Life Insurance Society) to handle investments (United States Congress 1977). While this was an improvement, the corruption and racketeering did not end.

In 1978 Congress established a system of independent inspectors general in all major federal agencies. The inspector general’s mission was to combat fraud, waste, and abuse. The Office of Inspector General in the Department of Labor was charged with investigating labor racketeering; this office would play a key role in many of the most important investigations in the next two decades.

In 1980, the Senate Permanent Subcommittee on Investigations, now under the leadership of Senator Sam Nunn, held hearings on the Teamsters (IBT), Longshoremen (ILA), Laborers (LIUNA), and the Hotel and Restaurant Workers (HEREIU) (Nunn 1986). These hearings revealed widespread looting of pension and welfare funds by

labor racketeers connected to organized crime. The subcommittee criticized the Department of Labor for having failed to investigate vigorously and prosecute this wrongdoing. It also proposed "The Labor-Management Racketeering Act," which required that pension and welfare plan officials be removed immediately from office on conviction of certain felonies rather than remaining in office until the exhaustion of appeals; the bill, which finally passed in 1984, authorized DOL to investigate and refer evidence of criminal activity to DOJ.

Although investment decisions had been taken out of the hands of the trustees of the IBT Central States Pension Fund by the 1975 settlement agreement, the trustees were still permitted to purchase goods and services for the fund, to administer pension benefits, and to handle money from the time it was paid into the fund each month to the time (approximately thirty days later) it was deposited with the institutional fiduciary. In 1982, DOL filed a lawsuit against all current and former trustees of the IBT Central States Pension Fund, alleging violations of fiduciary obligations imposed by ERISA. This lawsuit resulted in a consent decree that provided for a court-appointed fiduciary to manage the IBT's Central States Pension Fund and the IBT's Health and Welfare Fund (*Donovan v. Fitzsimmons*, consent decree, 90 F.R.D. 583 [N.D. Ill. 1981]). The funds were prohibited from employing or doing business with any person who had been convicted of a felony or misdemeanor involving a breach of fiduciary responsibility. The consent decree also required the appointment of independent special counsel to monitor the fund's operations. The agreement provided that this oversight would sunset in ten years, but it was later amended, so that the oversight extended until September 22, 2002. Today (mid 2002), virtually every Teamster-related pension and welfare fund is managed by professional money managers.

The famous Racketeer Influenced and Corrupt Organizations Act (RICO) (18 U.S.C. sec. 1961 et seq.) was enacted in 1970 as part of the Organized Crime Control Act. Not only did RICO make it a serious federal offense to participate in the affairs of an enterprise (e.g., a labor union) through a pattern of racketeering activity (defined as at least two of a long list of federal and state criminal offenses), it also gave the Department of Justice authority to sue civilly to enjoin a person's or organization's future RICO violations. By the early 1980s, some federal prosecutors realized that they could use such civil suits to purge the racketeering influence from mobbed-up unions.

The groundbreaking case, *United States v. Local 560, IBT*, filed in

March 1982, charged that the largest Teamsters local in New Jersey had been run by Tony Provenzano, a captain in the Gambino crime family, and his henchmen for more than a quarter century (Jacobs, Panarella, and Worthington 1994). Even while serving time for murder, "Tony Pro" ran the union through his brothers and other members of his clique for the benefit of organized crime. The government's suit asked for the removal of all union officers and the appointment of a trustee to run the union and purge it of organized crime influence so that it could be returned to the control of its rank and file. After a long trial, Judge Harold Ackerman granted the requested relief. The trusteeship would last for thirteen years (Goldberg 1989; Summers 1991; Jacobs and Santore 2001). Ackerman observed:

This is not a pretty story. Beneath the relatively sterile language of a dry legal opinion is a harrowing tale of how evil men, sponsored by and part of organized criminal elements, infiltrated and ultimately captured Local 560 of the International Brotherhood of Teamsters, one of the largest local unions in the largest union in this country.

This group of gangsters, aided and abetted by their relatives and sycophants, engaged in a multifaceted orgy of criminal activity. For those that enthusiastically followed these arrogant mobsters in their morally debased activity there were material rewards. For those who accepted the side benefits of this perverted interpretation of business unionism, there was presumably the rationalization of "I've got mine, why shouldn't he get his." For those who attempted to fight, the message was clear. Murder and other forms of intimidation would be utilized to insure silence. To get along, one had to go along, or else. (*United States v. Local 560, IBT*, p. 279)

In March 1983, Donald Wheeler, a Department of Labor investigator, told the Senate Permanent Subcommittee on Investigations that "it is estimated that within the jurisdiction of the Chicago Strike Force there are approximately eighty-five labor organizations affiliated with twenty separate international, national, or independent parent unions that are suspected of being associated with, influenced or controlled by organized crime and racketeering elements" (United States Congress 1983, p. 212). In July 1983, President Ronald Reagan (by Executive Orders 12435 and 12507) appointed a President's Commission on Or-

ganized Crime (PCOC) and charged it with making “a full and complete national and region-by-region analysis of organized crime as well as emerging organized crime groups . . . and mak[ing] recommendations concerning appropriate administrative and legislative improvement and improvements in the administration of justice” (E.O. 12435, 1983). The commission produced a number of reports, including *The Edge: Organized Crime, Business and Labor Unions* (President’s Commission on Organized Crime 1986), which reviewed a half century of labor racketeering, highlighted governmental failures and missed opportunities, and recommended more effective countermeasures. *The Edge* provides a point of departure for assessing change in the state of labor racketeering since the early 1980s.

Sections II–V use the PCOC findings as a basis for assessing the state of labor racketeering circa the early 1980s in the four most notoriously racketeer-influenced international unions. The commission’s focus on the IBT, LIUNA, ILA, and HEREIU is not surprising. For decades, these unions have been the subject of congressional hearings, public scandals, and occasional prosecutions. The PCOC volume, *The Edge* (1986), brought together information and allegations that had been in the public domain for many years. Each of the next four sections summarizes the findings for each of these unions and then analyzes the government’s subsequent remedial efforts.

## II. The Teamsters

The PCOC charged that “corruption and the Teamsters [are] synonymous,” and that since the 1950s the Teamsters had been “firmly under the influence of organized crime” (PCOC 1986, pp. 89–90). John “Johnny Dio” Dioguardi, a capo in the Lucchese crime family, and a power broker with influence in many unions, was one of Jimmy Hoffa’s key supporters in his quest for the IBT presidency. Dioguardi gave Hoffa several New York City IBT “paper locals” (i.e., a local without rank-and-file members), which allowed Hoffa to control the important New York area IBT Joint Council and thereby secure the presidency of the international union.<sup>7</sup> According to the PCOC, “organized crime has continued to maintain a firm grip on the IBT long after Hoffa’s reign” (PCOC 1986, p. 92). Organized crime used threats

<sup>7</sup> The McClellan Committee focused on Johnny Dio, especially on his role in establishing the IBT local that had jurisdiction over trucking cargo into and out of JFK airport.

and occasional acts of violence “to quell all forms of dissent, criticism, and opposition” (PCOC 1986, p. 114).

According to the PCOC, the organized crime families converted their influence in the IBT into wealth, status, and power. Control over the IBT provided organized crime leverage over tens of thousands of businesses dependent upon truck deliveries; this leverage could be exercised through extortion, solicitation of bribes, and demands for no-show jobs (PCOC 1986, pp. 91–92). The mobsters enriched themselves by siphoning money directly from union coffers and by taking kickbacks for sweetheart service contracts and “loans” from IBT pension and benefit funds.

The PCOC traced organized crime’s control over the Teamsters’ international union to its control over key IBT locals. The commission found a documented relationship between Cosa Nostra families and thirty-six IBT locals, one joint council, and a conference (a regional association of joint councils) (PCOC 1986, p. 123).

According to the PCOC, general IBT presidents “[Jimmy] Hoffa and [Roy] Williams were indisputably direct instruments of organized crime,” and [Frank] Fitzsimmons held his office by “establish[ing] a measure of détente whereby he was allowed to head the union, while organized crime stole the workers’ benefit funds and used the union for numerous criminal ventures” (PCOC 1986, pp. 90–91). At the time of the commission’s work, Williams was a federal cooperating witness, having been convicted of attempting to bribe Senator Howard Cannon. He testified that “every big [Teamster] local union . . . had some connection with organized crime” (PCOC 1986, p. 89). Williams admitted that he himself had been controlled by Kansas City Cosa Nostra boss Nick Civella who had quarterbacked Williams’s campaign for the IBT presidency by obtaining necessary support from organized crime bosses around the country. The PCOC asserted that Jackie Presser (whose father, “Big Bill” Presser, was a major Cleveland organized crime figure and, until forced to resign in 1976, an IBT Central States Pension Fund Trustee), general president at the time of the PCOC report, depended upon organized crime support for his election to the IBT presidency (PCOC 1986, p. 90). This charge was later confirmed by government prosecutors (Neff 1989).

Mob-controlled locals elected mob-controlled officers, who chose mob-controlled convention delegates, who ratified the choice of mob-controlled international presidents, vice presidents, and general executive board (GEB) members. Because the rank and file did not vote di-

rectly for international officers, PCOC judged it “unlikely . . . that a reform-minded Teamster president can be elected in the near future” (PCOC 1986, p. 104).

The PCOC reviewed organized crime’s longtime influence over the Teamsters’ huge Central States Pension Fund. Organized crime associates like Allen Dorfman and Bill Presser managed the fund’s investments, loans, and operations. While a typical pension fund invested 5–10 percent of its assets in real estate, the Central States Pension Fund invested more than 70 percent in real estate, much of it mob-sponsored ventures (mostly casinos) in Las Vegas. Despite the 1976 agreement that put control over fund investments in the hands of an institutional fiduciary, organized crime continued to “plunder the Central States Pension Fund” (PCOC 1986, p. 99). Moreover, Dorfman continued to draw substantial fees for handling the fund’s insurance business (PCOC 1986, p. 100). (Dorfman was murdered in 1983 while awaiting trial on charges arising out of the STRAWMAN investigation.)

The PCOC report concluded pessimistically that “no single remedy is likely to restore even a measure of true union democracy and independent leadership to the IBT” (PCOC 1986, p. 138). It urged the Department of Justice to make a commitment to purge corruption and racketeering from the IBT through criminal prosecutions, civil actions, administrative proceedings, and trusteeships. Even then, PCOC foresaw only a “modest hope of success” in wresting the IBT from the grip of organized crime (PCOC 1986, p. 120).

#### *A. DOJ’s Civil RICO Suit and the IBT Trusteeship*

Almost immediately following the release of *The Edge* (PCOC 1986), rumors began to circulate that Rudy Giuliani, U.S. attorney for the Southern District of New York, was preparing a civil RICO complaint against the IBT general executive board. As a preemptive measure, IBT general president Jackie Presser launched an extensive lobbying and public relations campaign. More than two hundred senators and representatives were persuaded to petition the Justice Department not to file such a suit (Jacobs, Panarella, and Worthington 1994). Such an unprecedented intervention on behalf of a potential racketeering defendant illustrates the enormous political power of the nation’s largest union, which provides politicians with endorsements, financial support, and even campaign manpower. Members of the U.S. House of Representatives have to face reelection every two years; few of them can af-

ford to be indifferent to the support or opposition of a large Teamsters local in their district. Senatorial candidates, who seek to represent whole states, are less vulnerable to a particular union's opposition than House candidates. (It is not surprising that most congressional investigations into labor racketeering occurred in the Senate and that the chairmen of these investigating committees came from southern states where unions are not strong.)

On June 28, 1988, Giuliani filed a civil RICO complaint against the International Brotherhood of Teamsters, the Cosa Nostra "commission," twenty-six Cosa Nostra members and associates, the IBT's general executive board, and eighteen present and former members of IBT's general executive board (including president Jackie Presser and general secretary-treasurer Weldon Mathis) (*United States v. International Brotherhood of Teamsters*, complaint, 88 Civ. 4486 [S.D.N.Y. 1988]). The complaint charged that the organized crime defendants, aided and abetted by the union defendants, acquired and maintained control of the Teamsters through a pattern of racketeering activity; the defendants violated the members' rights to control over and information concerning the governance of their own union by creating a climate of intimidation and fear and by creating or tolerating pervasive corruption. Giuliani asked the court to remove the IBT general executive board members and to appoint a trustee to oversee the union's affairs and a monitor to supervise a fair election for international union officers (*United States v. International Brotherhood of Teamsters*, complaint, pp. 104–15).

On March 14, 1989, the IBT and the government settled the case with a consent decree (*United States v. International Brotherhood of Teamsters*, consent decree, 808 F. Supp. 279 [S.D.N.Y. 1988]). The union acknowledged "that there have been allegations, sworn testimony and judicial findings of past problems with La Cosa Nostra corruption of various elements of the IBT" and agreed that the IBT should be free of any criminal element and governed democratically "for the sole benefit of its membership without unlawful outside influence" (*United States v. International Brotherhood of Teamsters*, consent decree, p. 2; Lacey 1992, p. 1).

The consent decree provided for a permanent injunction barring the union defendants from any future involvement with the IBT, various changes to the IBT constitution, democratic elections for international officers, and, most important, the selection of three court-appointed officers—Independent administrator, investigations officer,

and elections officer—to oversee the union's reform. The independent administrator was given authority to remove or discipline any member or officer of the union and to impose trusteeships on locals. The consent decree empowered the independent administrator to veto any IBT decision that would further the interests of organized crime or labor racketeers.<sup>8</sup> The investigations officer was charged with investigating corruption at all levels of the Teamsters hierarchy and recommending disciplinary action to the independent administrator against individuals found to have violated the IBT constitution. The elections officer's role was to promote democracy in union locals and internationals, and to oversee direct rank-and-file secret-ballot elections for the union's top officers in 1991 and 1996. United States District Court (S.D.N.Y.) Judge David Edelstein appointed former federal judge Frederick Lacey as independent administrator, former Assistant United States Attorney Charles Carberry as investigations officer, and labor lawyer Michael Holland as elections officer.<sup>9</sup>

Initially, the consent decree was greeted by a great deal of IBT resistance. William McCarthy, who became general president following Jackie Presser's death in July 1988, encouraged IBT locals around the country to file lawsuits in order to paralyze the court-appointed officers (Lacey 1992, pp. 5–6). Judge Edelstein thwarted this strategy by combining all IBT/consent decree litigation in his court (*United States v. International Brotherhood of Teamsters*, 728 F. Supp. 1032, aff'd 907 F.2d 277 [2d Cir. 1990]).

The IBT refused, in violation of the consent decree, to reimburse many of the court-appointed officers' expenses. At its 1991 convention, the IBT refused to enact constitutional amendments to which it had committed itself by signing the consent decree. The IBT also resisted the court-appointed officers' efforts to inform the rank and file of the independent administrator's findings and sanctions against corrupt IBT officials. Ultimately, Judge Edelstein obtained compliance in all these matters.

Independent Administrator Lacey served as the trier of fact and sentencing authority on charges brought by the investigations officer

<sup>8</sup> Although the independent administrator had substantial authority over union management and discipline, he did not have the authority to make collective bargaining agreements—that power remained in the hands of the IBT general president and the general executive board.

<sup>9</sup> Over the following ten years, Judge Edelstein issued approximately 200 decisions and orders related to the remedial phase of the case.

against Teamsters members and officials. Typical charges included association with and membership in Cosa Nostra (*Investigations Officer v. Senese, et al.*, Decision of the Independent Administrator [July 12, 1990], aff'd *United States v. IBT*, 745 F. Supp. 908 [S.D.N.Y. 1990], aff'd 941 F.2d 1292 [2d Cir. 1991], cert. denied, *Senese v. United States*, 112 S.Ct. 1161 [1992]), failure to investigate corruption and refusal to testify at a disciplinary hearing (*Investigations Officer v. Cagliana, Sr., et al.*, Decision of the Independent Administrator [June 14, 1991], aff'd *United States v. IBT*, 1991 WL 161084 [S.D.N.Y. 1991]), embezzlement (*Investigations Officer v. Salvatore*, Decision of the Independent Administrator [October 2, 1990], aff'd *United States v. IBT*, 754 F. Supp. 333 [S.D.N.Y. 1990]), and assault (*Investigations Officer v. Wilson, et al.*, Decision of the Independent Administrator [December 23, 1991], aff'd *United States v. IBT*, 787 F. Supp. 345 [S.D.N.Y. 1992], aff'd in part, vacated in part, 978 F.2d 68 [2d Cir. 1992]). Sentences ranged from reprimand to expulsion from the union. Judge Edelstein consistently upheld Independent Administrator Lacey's decisions.

Investigations Officer Carberry exercised broad authority to investigate corruption and racketeering by union members and officers. Carberry and his staff audited locals and interviewed their officers and members. He reviewed old criminal cases against IBT members and officials for leads on current corruption and racketeering (*United States v. International Brotherhood of Teamsters*, 803 F. Supp. 767 [S.D.N.Y. 1992], aff'd in part, rev'd in part, 998 F.2d 1101 [2d Cir. 1993]). The FBI provided a constant flow of information. Carberry set up a toll-free telephone number for IBT members to report wrongdoing in their locals. When he found sufficient evidence, he filed disciplinary charges.

Elections Officer Holland created a three-step process for the election of the IBT general president, general secretary, and general executive board. First, the IBT locals would hold secret-ballot elections for delegates to the IBT convention. Second, the delegates would nominate candidates for office. Third, the rank and file would vote in a secret-ballot election supervised by independent monitors. The IBT opposed these election reforms, arguing that the consent decree gave Holland authority only to monitor the electoral process for fraud and not to create new election rules. Ultimately, the court supported Holland's interpretation (*United States v. International Brotherhood of Teamsters*, 803 F. Supp. 267 [1992], p. 770).

The first direct election of international IBT officers took place in 1991. The election by mail-in ballots resulted in victory for Ron Carey who, as a candidate independent of the clique that had dominated the IBT for decades, enjoyed the support of the reformist group Teamsters for a Democratic Union (see La Botz 1990; Crowe 1993). Carey promised to eradicate all remnants of mob influence in the Teamsters. Upon assuming office, he eliminated many multiple salaries, trimmed the IBT budget, sold some of the union's more extravagant possessions, created an Ethical Practices Committee, and imposed trusteeships on a number of mob-controlled locals.

Pursuant to the 1989 consent decree, following the 1991 election, the independent administrator and investigations officer were replaced by a three-member Independent Review Board (IRB) that was responsible for continuing to investigate and purge corrupt influences. The U.S. attorney general appointed Lacey to the IRB, and the IBT appointed E. Harold Burke. When Lacey and Burke were unable to agree on the third member, the court appointed former FBI director William Webster. Between 1992 and 1998, the IRB recommended charges against 229 individuals. As of fall 2001, more than 120 individuals had been expelled from the union; a large number of others were suspended or retired. The IRB placed twenty-one corrupt locals and one joint council under trusteeship.

The 1996 election was vigorously contested. Carey, though benefited by his incumbency, was hampered by the rank and file's perception that the Teamsters' bargaining power was declining. Carey's opponent was James P. Hoffa, son of the hugely popular Jimmy R. Hoffa who was IBT president from 1957 to 1971. (Despite having been sent to prison in 1967 [pardoned in 1971] for jury tampering and corruption, the senior Hoffa's reputation only grew larger over the years, perhaps in part because of his spectacular disappearance in 1975.)

James P. Hoffa, a lawyer, had to contend with his own set of troubles. Lacey had ruled him ineligible to run for general president in 1991 because he was not a Teamster. To qualify for the 1996 election, Hoffa signed on as an assistant to an IBT local president.

The 1996 election was even closer than the 1991 election. Carey won a slim majority of votes, but the elections officer refused to certify the election because of campaign finance violations. Carey's campaign was found to have illegally funneled \$885,000 to political action groups, which in turn arranged donations to the Carey campaign from wealthy individuals (*United States v. International Brotherhood of Team-*

sters, 988 F. Supp. 759 [S.D.N.Y. 1997]). In November 1997, the IRB barred Carey from the rerun election; it later expelled him from the union. Carey was then prosecuted for corruption but acquitted (October 12, 2001). Without a significant challenger, Hoffa won the 1998 rerun election by a wide margin, and, in 2001, he and the Hoffa Unity slate of candidates for the general executive board overwhelmingly won a five-year term. Also in 2001, former U.S. attorney Joseph Di Genova replaced Harold Burke as the IBT's representative on the IRB, and former U.S. Attorney General Benjamin Civiletti replaced Judge Lacey as the government's representative; William Webster continued to serve.

### *B. Project RISE*

Immediately following the election, Hoffa announced the formation of a new unit to cleanse the IBT of any remaining taint of corruption and to persuade the court that it was time to terminate the IRB. To head the initiative, named Project RISE (Respect, Integrity, Strength, Ethics), Hoffa appointed Ed Stier, the ex-prosecutor who served for thirteen years as the court-appointed trustee in the IBT Local 560 case (Goldberg 1989; Summers 1991; Jacobs and Santore 2001).<sup>10</sup>

Stier appointed a former justice of the New Mexico Supreme Court to lead an effort to draft an Ethical Practices Code. The code-drafting committee consisted of a diverse group of rank-and-file members and local officers from around the United States and Canada. The group met over a period of eighteen months and produced an impressive product that, if carried out, would be a model for the labor movement. The code includes rules and procedures, and establishes several new enforcement roles. It was endorsed at the 2001 IBT convention in Phoenix, Arizona, but its implementation depends upon the termination or at least modification of the IRB.

The second Project RISE component was an investigation of organized crime influence in the IBT. For this job, Stier chose Jim Kossler, the former organized crime coordinator in the New York City FBI office. Kossler, in turn, hired as consultants a number of former FBI colleagues from around the country. The Kossler team produced a comprehensive report on the current state of every IBT local that had ever been proved or alleged to have been organized crime infiltrated or in-

<sup>10</sup> Stier also appointed an advisory board to monitor Project RISE's progress and to make suggestions where appropriate. One of the authors of this article, Jacobs, served as a member of that board.

fluenced. It found no indication of organized crime influence in the vast majority of these previously tainted locals. In several locals, where questionable influences still existed, investigations and disciplinary proceedings were already under way.

Project RISE also carried out a comprehensive history of corruption in the IBT. The principal writer was Howard Anderson, one of Ed Stier's law partners and a former congressional staffer. This history, released in October 2002, provides the most comprehensive study to date of labor racketeering in the IBT.<sup>11</sup> Since this document is an authorized self-study it may well force many Teamsters who never encountered racketeers to confront the truth of the government's allegations about the mob's role in the union's affairs.

### *C. Conclusions*

For decades, the IBT, the nation's largest and most powerful union, was controlled by organized crime. Indeed, from the 1950s on, Cosa Nostra bosses chose the union's general president. Organized crime used its influence to loot the pension and welfare funds, extort employers, and place its own members and associates in high-paying jobs. Through their influence in the IBT, the organized crime families were able to exert political and economic influence at the local, state, and national levels. Whereas businessmen and politicians cannot justify meeting, working with, and befriending organized crime bosses, they can easily justify, indeed hardly refuse, meeting with the heads of international and local unions, even leaders reputedly connected to organized crime families. Likewise, positions as labor officials provide organized crime bosses with a legitimate public identity and a reason to function as political and economic power brokers.

In 1986, PCOC considered the situation nearly hopeless. But that prediction proved unduly pessimistic. The federal civil RICO suit against the IBT international and the court-imposed trusteeship that it produced, along with the government's relentless campaign against Cosa Nostra, has led to a major transformation of the IBT. None of the 1989 defendants are in positions of authority. The trusteeship and Independent Review Board have purged over 120 organized crime figures and associates from the union and produced three fair and com-

<sup>11</sup> See Stier, Anderson, and Malone (2002). Additional histories of Teamster corruption include Witwer (1994) and Crowe (1993).

petitive elections at the international level.<sup>12</sup> Separate court-appointed trusteeships in some of the most mobbed-up locals have also led to impressive results. The James P. Hoffa administration seems committed to routing out any vestiges of organized crime in order to persuade the government and the court to dissolve the trusteeship and return the union to its officials and members. Where they were once vilified, former FBI agents and federal prosecutors now have easy access to IBT headquarters, president Hoffa, and his top staff.

### III. Hotel Employees and Restaurant Employees International Union

At least since Prohibition (1920–33), according to the PCOC, the Hotel Employees and Restaurant Employees International Union had been plagued by criminal infiltration and exploitation. The murder of a union member at HEREIU's 1936 national convention precipitated an investigation by Thomas Dewey's Special Commission on Crime. The commission found "a flourishing restaurant racketeering business in New York City"; subsequent prosecutions resulted in the criminal conviction of three union officials, the suspension of a local union, and the expulsion of several union members on account of their ties to organized crime (PCOC 1986, p. 72). The McClellan Committee's hearings (1957–59) revealed pervasive organized crime influence in Chicago's restaurant industry through control of three HEREIU locals. The PCOC charged that HEREIU has "a documented relationship with the Chicago 'Outfit' of La Cosa Nostra at the international level and [is] subject to the influence of the Gambino, Colombo, and Philadelphia La Cosa Nostra families at the local level" (PCOC 1986, p. 71).

Shortly before PCOC's investigation, the Senate Permanent Subcommittee on Investigations held hearings (1981–84) on HEREIU. Its final report concluded that "many of the officers of HEREIU have consistently accorded a higher priority to their own personal and financial interests than to the interests of the rank and file membership" (United States Congress 1984a, p. 9).

The PCOC described HEREIU as corrupt to the core. It charged that Tony "Joe Batters" Accardo, boss of the Chicago Outfit, hand-picked Edward Hanley as HEREIU's international president (PCOC

<sup>12</sup> There are some critics of the independent review board's continuing role (see Dean 2000).

1986, p. 73). Control over Hanley assured Cosa Nostra control over union affairs because HEREIU's centralized governance empowered the international officers to dictate policy and personnel decisions to the locals. Under Hanley's regime, mob figures obtained union loans and jobs, and otherwise feasted on the union's assets. In short, "the union's assets have been used to enrich the top officers of HEREIU's hierarchy" through high salaries, expense accounts, allowances, and lifetime employment contracts (PCOC 1986, pp. 74–75). When asked by the Senate's Permanent Subcommittee on Investigations about HEREIU's ties to organized crime, Hanley asserted his Fifth Amendment right not to incriminate himself (PCOC 1986, p. 75).

The PCOC identified several HEREIU locals controlled or heavily influenced by the Chicago Outfit and other organized crime families. For example, since 1978, Local 54 (Atlantic City, New Jersey) had been dominated by different factions of Philadelphia's Bruno/Scarfo crime family.<sup>13</sup> Several of Local 54's officers had criminal records for murder, arson, extortion, drugs, bribes, kickbacks, and racketeering. The local's dental and welfare funds were controlled by organized crime (PCOC 1986, pp. 78–79). The local's corrupt influence infected both business and government in Atlantic City.<sup>14</sup> In 1982, the New Jersey Casino Control Commission prohibited Local 54 from collecting dues from casino employees because the influence of organized crime made the local unfit to represent the casino workers' interests (PCOC 1986, p. 80). Ultimately, this decision was upheld by the U.S. Supreme Court (*Brown v. HEREIU Local 54*, 468 U.S. 491 [1984]).

The PCOC found that HEREIU Locals 6 and 100 (New York City) had been chartered and governed in furtherance of the interests of the Colombo and Gambino families. What appeared to be a jurisdictional split between these two HEREIU locals in fact represented the division of New York's restaurant workers between the Colombo and Gambino crime families (PCOC 1986, p. 84). In an intercepted conversation, Paul Castellano, boss of the Gambino crime family, explained that the Chicago Outfit "own[ed] the international" and that

<sup>13</sup> The struggle for control of Local 54 led to a murder in 1980, when a leader of a rival union sought to take the bartenders away from Local 54 (PCOC 1986, pp. 76–77).

<sup>14</sup> The PCOC reported that Atlantic City mayor Michael Matthews solicited illegal campaign contributions from Local 54 officials. Matthews admitted that he approached Local 54 leaders in order to obtain money from Philadelphia's Bruno/Scarfo crime family. In return for the donation, Matthews agreed to assist the Scarfo family in its effort to obtain a piece of land owned by the city on which the Scarfo family wanted to build a casino.

the Colombo crime family controlled the other local (PCOC 1986, p. 83). The PCOC reported that “legitimate trade unionists are aware of the mob ties to HEREIU and await government action to oust the mob from the union” (PCOC 1986, p. 85).

#### *A. Civil RICO Suit against Local 54*

In December 1990, the United States filed a civil RICO suit against HEREIU Local 54 (Atlantic City) alleging a twenty-year pattern of racketeering orchestrated by the Philadelphia (Scarfo) organized crime family (*United States v. Hanley*, complaint, Civ. No. 90-5017 [D.N.J. 1990]). The complaint charged that Ralph Natale and other members of the Philadelphia Cosa Nostra crime family had prevented democratic elections within Local 54 by threatening to kill union members who challenged mob-backed candidates. In April 1991, Local 54 agreed to a consent decree in which eight officers and employees of the local were removed from office because of ties to organized crime (*United States v. Hanley*, 1992 U.S. Dist. LEXIS 22192 [D.N.J. 1992]). The U.S. District Court for the District of New Jersey in Trenton appointed James F. Flanagan (former deputy director of the New Jersey Division of Gaming Enforcement) to monitor the affairs of the local, and postponed Local 54’s election until Flanagan could establish democratic procedures for the nomination and election of non-organized-crime-influenced candidates (*United States v. Hanley*). Under Flanagan’s monitorship, Local 54 began holding quarterly membership meetings, providing education and training to union members, and revitalizing its handling of members’ grievances (Seal 1997).

Local 54’s 1993 election demonstrated increasing democracy and a decreasing organized crime influence; eight candidates were disqualified on account of their organized crime ties. In the 1996 election, 33 percent of Local 54’s membership voted. None of the ninety candidates investigated by the monitor was found to be associated with organized crime. The election produced wholly new leadership. In February 1997, the monitorship was dissolved (Seal 1997).

#### *B. Civil RICO Suit against HEREIU International*

On September 5, 1995, the Department of Justice filed a civil RICO complaint against the HEREIU international union, alleging that members of its executive board had conspired with organized crime figures since the 1970s to accept illegal payments from employers, embezzle union assets, and control the union membership through intim-

idation. Along with the complaint, HEREIU and DOJ filed a consensual settlement decree (*United States v. HEREIU*, Civ. No. 95-4569 [D.N.J. 1995]) whose object was to make “HEREIU and all its locals be free from the direct or indirect influence of organized crime, now and in the future” (Muellenberg 1998, p. 2). Toward that end, the defendants agreed to be enjoined from committing any crimes listed in Title 18 U.S.C. 1961 (1) (RICO), associating with organized crime members and associates, permitting a barred person from exercising any control or influence in HEREIU affairs, and obstructing efforts to implement the consent decree.

Judge Garrett E. Brown appointed Kurt Muellenberg (former head of DOJ’s Organized Crime and Racketeering Section) as monitor over HEREIU for a term of at least eighteen months. The monitorship was later extended until March 5, 1998. The consent decree gave Muellenberg authority to remove union officials at all levels for violating any provision of the settlement, committing any crime involving running a union or overseeing an employee benefit plan, or furthering the influence of any organized crime group. Muellenberg’s authority also extended to disapproving collective bargaining agreements and to appointing or discharging union employees and candidates for union office. Additionally, the court ordered that at its 1996 convention HEREIU adopt an Ethical Practices Code that would define and prohibit conflicts of interest by union officers. Muellenberg appointed Daniel F. Sullivan as chief investigator and former New York City Police Department commissioner Howard E. O’Leary as investigations officer. Rank-and-file HEREIU members were encouraged to use a toll-free telephone number to report corruption and racketeering in the union (Muellenberg 1998, pp. 2–5).

Muellenberg found that many HEREIU locals with a history of organized crime infiltration did not obey their own bylaws; gave inadequate notice of membership meetings; failed to document expenses, bonuses, and raises to the membership for approval; failed to train officers, business agents, and organizers; and failed to promulgate or maintain standards for personnel, pay scales, job descriptions, and performance (Muellenberg 1998, pp. 5–6). According to Muellenberg, the international union “suffered from a management deficit and did not subscribe to generally accepted business practices” (Muellenberg 1998, p. 14). He described HEREIU’s international union as an agglomeration of employees and officers without any clear rules or procedures. “There is no budget, no organizational chart, no job descriptions for

employees, and no manual" (Muellenberg 1998, p. 15). General President Hanley hired friends and family members to union positions and consultancies, remunerated them generously, and ran the union as his personal fiefdom. There was a pattern of highly questionable union donations to charitable organizations and events.<sup>15</sup> Officials' business expenses were reimbursed without submission of receipts and explanations and without prior approval.<sup>16</sup>

Muellenberg lifted trusteeships that had been imposed on eleven locals for no good reason or, worse, to provide jobs to organized crime friends and relatives. He placed five locals under trusteeship because federal prosecutors had charged those locals' leaders with organized crime associations, embezzlement, and filing false reports to the Department of Labor.<sup>17</sup>

During the course of his monitorship, Muellenberg permanently barred twenty-three individuals from participating in union affairs because of organized crime associations or failure to cooperate with the monitor, barred two individuals from participation in union affairs for thirteen years, and barred two individuals from holding a position of trust in the union for three years.<sup>18</sup>

Muellenberg devoted much time to investigating Edward T. Hanley, who served as general president from 1973 to 1998. Muellenberg charged Hanley with using HEREIU automobiles and an airplane for personal purposes, receiving unearned salary and pension contributions, associating with organized crime members, and setting up a paper local near his Wisconsin vacation home so that the local's presi-

<sup>15</sup> The HEREIU donated \$94,000 to the Catholic Church, \$25,000 to the All-American Collegiate Golf Foundation, and \$450,000 to the Irish American Sports Foundation. Each of these organizations, while having little if anything to do with the hotel and restaurant business, was valued by HEREIU's general president Edward Hanley (Muellenberg 1998, p. 31).

<sup>16</sup> In one particularly egregious example, a union official left an \$80 tip for a meal costing \$5.80. The same official commonly left tips in amounts substantially greater than the cost of the meal (Muellenberg 1998, p. 18).

<sup>17</sup> The five locals placed in trusteeship by Muellenberg were Local 122 in Milwaukee, Wisconsin; Local 69 in Secaucus, New Jersey; Local 4 in Buffalo, New York; Local 57 in Pittsburgh, Pennsylvania; and AFL-CIO Nursing Home Council in Buffalo, New York. Two (Local 122 and Local 69) held elections and were removed from trusteeship by the end of Muellenberg's term as monitor (Muellenberg 1998, pp. 52–53). These actions in tabular form can be found at [http://www.ipsn.org/HEREIU\\_Table.htm](http://www.ipsn.org/HEREIU_Table.htm).

<sup>18</sup> Daniel Rostenkowski, a consultant, and Robert L. Hickman, Sr., a consultant and business agent for Chicago Local 1, were barred for thirteen years. Nancy Ross (secretary-treasurer of Local 57 and international vice-president) and Vince Fera (executive board member) were prohibited from holding positions of trust for three years beginning April 23, 1998 (Muellenberg 1998, p. 58).

dent could do favors for Hanley and his friends. On February 19, 1998, the Office of the Monitor and Hanley entered into an agreement. Hanley agreed to retire, pay HEREIU \$13,944 relating to his purchase of HEREIU-leased automobiles, and assume payment of life insurance premiums on a policy purchased for him by the union (Muellenberg 1998, p. 59). In return, Muellenberg agreed to terminate his investigation of Hanley's actions during his tenure as HEREIU's general president; Hanley was permitted to retain a \$350,000 a year salary for life (Hanley's son, Thomas W., agreed to resign for one year and to reimburse HEREIU \$25,000 in order to end an investigation into his abuse of expense accounts) (Muellenberg 1998, p. 60).

Muellenberg released his final report on August 25, 1998. On September 1, 1998, HEREIU's general executive board voted to implement all of his many recommendations on structure, governance, and operations of the international and locals (United States Congress 1999).

When the monitorship expired, it was replaced by a public review board (PRB) responsible for overseeing implementation of the Ethical Practices Code. In addition, the PRB has authority to review member complaints and to conduct hearings to insure ethical standards in the union's operations. The PRB has power to suspend or expel members found to have violated the code. Muellenberg, Archbishop James P. Keleher of Kansas City, and former Illinois governor James R. Thompson were appointed to this board. Hanley was replaced as general president by John W. Wilhelm, a longtime union official (who graduated from and then represented workers at Yale University and who has never been alleged to be associated with or influenced by organized crime).

### *C. Conclusions*

General President Edward Hanley ran HEREIU in dictatorial fashion and in cooperation with organized crime, especially the Chicago Outfit. Many union locals were also controlled by organized crime. The 1995 civil RICO suit and settlement established a monitorship that expelled some of the most notorious members from the union and finally managed to secure Hanley's resignation. While the deal with Ed Hanley might seem to some like letting a labor racketeer off too easily, it is well to remember that it is one thing to allege organizational criminality and another thing to prove it. Corruption by high-level officials is almost always difficult to prove because powerful officials have the

resources and capacity to cover their tracks and give colorable legitimacy to their exploitative conduct. Furthermore, it might take the government years to prosecute successfully a corrupt labor official. Thus, on balance, prosecutors and court-appointed trustees have sometimes concluded that a settlement that allows union reform to proceed expeditiously justifies forgoing a possible prosecution. A further obstacle to punishing wrongdoing is posed by ERISA, which prevents pension forfeiture, even against an official who has stolen money from his union (see Jacobs, Friel, and O'Callaghan 1997).

The monitor's recommendations for improving the union's management were adopted by the new administration, untainted by the long history of organized crime influence in the union. The union adopted a progressive Ethical Practices Code to its constitution and a public review board to enforce it. Hanley's successor has not been tied to organized crime, but neither has he been a sharp Hanley critic. The extent and depth of HEREIU's commitment to reform remains to be seen.

Reform of an international union is a necessary, but not necessarily sufficient, condition for reform of its racketeer-influenced locals. The HEREIU monitor, whose office lasted only two-and-a-half years, expressed concern about locals operating without accountability. Some of these locals have had a long history of organized crime domination. In April 2002, for example, the New Jersey U.S. attorney's office brought a civil RICO suit against HEREIU Local 69 charging that associates of the Genovese crime family had used fear and extortion to control Local 69 for the previous fifteen years. The federal prosecutors alleged that the local, among other things, had made \$524,000 in "severance payments" to a former official who had been removed on account of organized crime ties. The district court appointed Kurt Muellenberg to serve as monitor over the local.

#### IV. Laborer's International Union of North America

The PCOC found that "organized crime has a documented relationship with at least twenty-six Laborer's International Union of North America (LIUNA) locals, three district councils, as well as the International Union" (PCOC 1986, p. 146). The mob profited from this relationship by defrauding the union's benefits funds, extracting no-show jobs from LIUNA employers, drawing reimbursement for fictitious and padded business expenses, manipulating the construction industry, and obtaining access to powerful government officials (PCOC 1986,

p. 153). The commission complained that the federal government had not seriously addressed this situation (PCOC 1986, p. 160).

According to the PCOC, “organized crime exerts its influence [in LIUNA] principally through top officers who are associates of organized crime” (PCOC 1986, p. 146). General President Angelo Fosco (whose father, Peter Fosco, was LIUNA general president from 1968 to 1975 and an associate of Al Capone) was closely associated with members of the Chicago Outfit. The PCOC charged that Fosco owed his presidency to his willingness to award jobs to organized crime members and associates, and to authorize whatever expenditures his organized crime associates requested (PCOC 1986, pp. 146–47). In 1982, he and Tony Accardo, boss of the Outfit, were tried (and acquitted) of labor racketeering charges.

The PCOC asserted that Vice President John Serpico was also controlled by organized crime. “Serpico admitted that he is a friend or personal acquaintance of virtually every important organized crime leader in Chicago” (PCOC 1986, p. 147). According to the PCOC, the Outfit used LIUNA’s international officers to gain access to important political figures like Chicago Mayors Daley and Byrne and Illinois Governors Walker and Thompson (PCOC 1986, pp. 148–49). For example, Vice President John Serpico received successive gubernatorial appointments to serve as chairman of the Illinois International Port District.

Questioned about John Fecarotta’s duties as a LIUNA business agent and organizer, Vice President Serpico could not specify a single contribution by Fecarotta to Local 8. For his part, Fecarotta could not remember having done anything for the union at any time, did not know any of the terms of the union’s collective bargaining agreements or of its pension plans, did not know what information was on union membership cards he supposedly distributed, and did not know the names of management employees or union officers with whom he supposedly worked. The PCOC branded Fecarotta a ghost employee who used his union position as a legitimate cover for his criminal career (PCOC 1986, p. 148).

The PCOC charged that organized crime thoroughly controlled LIUNA’s Chicago Locals 1, 5, and 8. Local 1’s president, Vincent Solano, territorial boss for the Outfit’s north side clique, used union headquarters as a “contact point for his criminal organization” (PCOC 1986, p. 150). Local 5’s president was also an Outfit boss (PCOC 1986, p. 151). The PCOC called Local 8, Vice President John Serpico’s

home local, “ground zero for an organized crime-led LIUNA benefit plan scam” (PCOC 1986, pp. 153–55). Organized crime members and their associates siphoned money from LIUNA’s Central States Joint Board Health and Welfare Trust Fund. The dental plan was egregiously corrupt; 68 percent of its budget went to “administrative costs” rather than to services (PCOC 1986, pp. 153–55).<sup>19</sup> The LIUNA’s treasury paid lawyers’ fees on behalf of officials charged with looting the union as well as fees to private investigators for monitoring the federal government’s investigation of LIUNA (PCOC 1986, pp. 156–57).

According to the PCOC, LIUNA’s organization and procedures reinforced its relationship with organized crime. It was nearly impossible for an opposition candidate to be elected to a union office because LIUNA’s executive board members were elected as a unified at-large slate (PCOC 1986, p. 157). The executive board filled union vacancies (PCOC 1986, p. 158).

The PCOC found that organized crime used violence and intimidation to keep union members from running for office in opposition to the ruling clique. It charged General President Angelo Fosco with personally threatening to kill a potential challenger for his office (PCOC 1986, p. 158). In an intercepted conversation, LIUNA’s International Secretary-Treasurer Arthur E. Coia told a colleague that LIUNA was controlled by the “Italians” (i.e., organized crime families) who would never relinquish their power (PCOC 1986, pp. 158–59). At the 1981 LIUNA convention, when a candidate opposing the incumbent regime tried to speak, he was beaten up on the spot (PCOC 1986, pp. 159–60). The PCOC pessimistically concluded that there was “little chance that the LIUNA membership will be able to eliminate organized crime’s influence, or control over their union, if the current leadership or governance structure remains intact. The commission believes that federal law enforcement agencies should give high priority to investigations of LIUNA and its locals” (PCOC 1986, pp. 162–63).

The decade after the PCOC report provided little reason to be optimistic about reform in LIUNA. For example, in 1989, Arthur A. Coia, son of longtime mob-affiliated LIUNA General Secretary-Treasurer Arthur E. Coia (who retired in 1987), reportedly made pilgrimages to

<sup>19</sup> These grossly inflated service fees were shocking even to the Teamsters Central States Pension Fund officials, who were embarrassed to admit that their administrative costs had in the past gone as high as 8 percent. George Lehr, executive director of the Teamsters Central States Pension Fund, described the 68 percent rate as “outrageous” and “a ripoff on its face” (United States Congress 1985, p. 600).

Chicago to request permission from the Chicago Outfit to run for LIUNA general secretary-treasurer (Mulligan and Starkman 1996). Having obtained the mob's approval, he served as secretary-treasurer until 1993, when Angelo Fosco died. With mob approval, Coia was elected general president. During this period, LIUNA made substantial political contributions to the Democratic Party and to President Clinton with whom Coia enjoyed a personal relationship. Critics charged that, on account of these political ties, the Clinton administration backed off in its investigation and reform efforts (Mulligan and Starkman 1996; United States Congress 1997; Isaac 1998; Mencimer 1998; Methvin 1998).

#### *A. DOJ Takes Action against LIUNA*

In late 1994, the DOJ presented LIUNA officials with a draft civil RICO complaint, alleging that organized crime dominated the international union and many locals.<sup>20</sup> The complaint named as defendants twenty-five individuals plus the individual members of the LIUNA general executive board, General President Arthur A. Coia, General Secretary-Treasurer Rollin P. "Bud" Vinall, all ten of the union's vice presidents, and the union's general counsel. The complaint alleged that the defendants violated the rights of union members through intimidation, violence, and economic coercion, and violated their fiduciary duty to the membership by corrupting the union and by refusing and failing to prevent or remedy the corruption.<sup>21</sup>

As a remedy, the government sought the expulsion of Coia and other union leaders. It requested the appointment of one or more court liaison officers to carry out the duties of the general president and general executive board and to prevent any GEB action that would violate union members' rights or perpetuate criminal influence. The draft complaint also demanded that the union's constitution be amended to reform discriminatory hiring-hall procedures and to pro-

<sup>20</sup> The draft complaint, although never filed, is available on-line at <http://www.laborers.org/complaint.html>.

<sup>21</sup> The 1990 New York State (NYS) Organized Crime Task Force's final report, "Corruption and Racketeering in the NYC Construction Industry," identified ten New York City LIUNA locals that were controlled or heavily influenced by organized crime. For example, the report charged that "Housewreckers Union Local 95 is controlled by Vincent 'Chin' Gigante, boss of the Genovese Crime Family" (New York State Organized Crime Task Force 1990, p. 81), and that Cement and Concrete Workers Local 6A "had for years been controlled by Ralph Scopo, a soldier in the Colombo Crime Family" (New York State Organized Crime Task Force 1990, p. 79).

vide for direct rank-and-file election of officers. The court was also asked to appoint an elections officer.

After three months of negotiations, LIUNA and the DOJ announced a unique settlement. The DOJ agreed to forgo filing the civil RICO complaint if LIUNA established its own internal anticorruption program and signed a consent decree stipulating to the requested relief. The settlement provided that the consent decree could be filed at DOJ's option until February 1, 1998, if the DOJ found that LIUNA failed to clean up the union. The agreement was later extended to 2001 and then, with certain election reforms added, to 2006.

### *B. The LIUNA's Internal Reform Program*

The LIUNA instituted radical changes in its governing structure and constitution and adopted an Ethical Practices Code. To enforce the provisions of the Ethical Practices Code, LIUNA adopted a set of Ethics and Disciplinary Procedures and established four new positions: GEB attorney, filled by Robert Luskin, formerly a member of DOJ's Organized Crime and Racketeering Section, to investigate and prosecute violations of the Ethical Practices Code; inspector general, filled by Douglas Gow, retired FBI agent, to investigate violations of the Ethical Practices Code; independent hearing officer, Peter Vaira, former chief of the Chicago Organized Crime Strike Force and former U.S. attorney in Philadelphia, to serve as judge and arbitrator in all disciplinary actions; and appellate officer, Neil Eggleston, former federal prosecutor, to hear appeals of disciplinary cases.

These newly appointed officers initiated an aggressive program of corruption control. They established a confidential toll-free telephone number and a confidential post office box to solicit complaints from the LIUNA membership. By mid-1996, the reform officers had begun over 345 investigations, removed twenty-five union officers and members for violations of the Ethical Practices Code, removed all of Buffalo Local 210's officers on account of corruption, placed Chicago Local 8 under emergency trusteeship, actively assisted the United States government with its efforts to clean up the New York City Mason Tenders by hiring the former chief of the organized crime unit in the Southern District of New York to investigate the Mason Tenders, and announced an investigation of Arthur A. Coia (United States Congress 1996).

The LIUNA's election procedures were also reformed. Direct rank-and-file secret-ballot election of general president and general secretary-treasurer was added to the constitution. Additionally, LIUNA expanded its general executive board from ten to thirteen members and

required that nine of the thirteen be elected by nine regions, making the GEB less accountable to the general president and more accountable to the membership. The LIUNA modified its procedures for the selection of delegates to union conventions and merged several locals that appeared to exist only to provide convention votes to organized crime. The LIUNA also hired an independent elections officer and two deputy election officers—jointly selected by the government and union—to monitor union elections. The union adopted a uniform set of job referral rules to prevent discriminatory hiring-hall practices. An independent accounting firm was hired to audit LIUNA's finances (United States Congress 1996).

In November 1997, GEB attorney Robert Luskin filed disciplinary charges against Arthur A. Coia, alleging that Coia associated with organized crime, permitted organized crime to influence union affairs from 1986 to 1993, and accepted illegal payoffs from a LIUNA service provider. The hearing, which lasted from April 14, 1998, until June 23, 1998, included over 500 exhibits and testimony that filled thousands of transcript pages. Independent Hearing Officer Vaira found that GEB attorney Luskin failed to prove the allegations of organized crime association and influence but did prove that Coia had violated the Ethical Practices Code by accepting illegal benefits from a LIUNA service provider. Vaira fined Coia \$100,000 but permitted him to retain his office (Office of the Independent Hearing Officer 1999).

In December 1999, Coia retired as general president, acceding to the position of general president emeritus for life at an annual salary of \$335,516 (Mulligan 1999). The GEB appointed Terrence O'Sullivan, Coia's chief of staff, to succeed Coia. The union agreed to continue to support the internal reform program and, until the completion of its 2006 general election, not to make any material changes to its governing structure without the government's prior approval. The DOJ officially ended its oversight. In January 2000, Arthur A. Coia pled guilty to defrauding the State of Rhode Island and the Town of Barrington, Rhode Island, of approximately \$100,000 in taxes. In addition to restitution and a \$10,000 fine, he agreed to be barred from any future role in LIUNA or its subordinate entities.

### *C. Conclusions*

Historically, LIUNA, at the international and local levels, especially in Chicago and New York City, has been closely tied to Cosa Nostra crime families. Tony Accardo, one of the leading organized crime figures of this half century, exercised a great deal of influence in the union

for many years. Accardo, his henchmen, and their successors controlled LIUNA's general president and the officers of many locals.

In 1994 the DOJ prepared the first major attack on LIUNA labor racketeering at the national level. The looming RICO suit led to a creative settlement between the government and the union. The monitors whom LIUNA hired to enforce its new code of ethics, all former federal law enforcement figures, appear to have made headway in cleaning up the international union. Nevertheless, the extent of the international union's commitment to reform remains to be seen. Clearly, a great deal of labor racketeering remains in the locals. Indeed, a number of the most notorious locals have themselves been put under court-ordered trusteeship (United States Department of Justice 2000).

The international union suspended John Serpico, labor racketeer and political power broker, from his union positions in 1995. Serpico then became a consultant for another union, a local of the International Union of Allied Novelty and Production Workers. He also served as president emeritus of the Central States Joint Board, which provides administrative services to Chicago-area locals. In the summer of 2001, Serpico and two associates were convicted of fraud and taking kickbacks in connection with steering union business to certain companies.

## V. The International Longshoremen's Association

Drawing on labor leaders' statements, FBI investigations, prosecutions, and legislative hearings, PCOC called the International Longshoremen's Association "virtually a synonym for organized crime in the labor movement" (PCOC 1986, p. 33).<sup>22</sup> Ships entering harbors, day or night, need to be unloaded and reloaded quickly. Delay is expensive, even ruinous. This gave the longshoremen enormous leverage over shippers who were extorted for labor peace payoffs. (Admittedly, the containerization of seaborne cargo since the late 1950s undermined this leverage.) Labor racketeers also corrupted port employees to facilitate cargo theft, solicited illegal labor payoffs, and extorted stevedores (companies that load and unload seaborne cargo) (PCOC 1986, p. 35). "Throughout its history, the international has done little, if anything, to disturb *La Cosa Nostra* influence in its locals" (PCOC 1986, p. 37).

According to the PCOC, *Cosa Nostra* became the primary power

<sup>22</sup> David Dubinsky, president of the International Ladies Garment Workers Union, and a well-respected labor leader and reformer, proclaimed that the ILA was "a nest for waterfront pirates—a racket, not a union" (Dubinsky and Raskin 1977, p. 164).

on the New York Harbor waterfront in 1937, when Anthony “Tough Tony” Anastasio (aka Anastasia) took control of the six New York harbor locals. (His brother Albert Anastasia was head of the infamous Murder Incorporated and boss of the crime group that later came to be known as the Gambino crime family.) “Under Anastasio, organized pilferage, strike insurance, kickbacks, and loansharking on the piers reached unprecedented levels” (PCOC 1986, p. 36). Anastasio delegated control of these locals to various organized crime members.

In 1953, the New York State Crime Commission issued a blistering report on labor racketeering in New York harbor. By the 1960s, organized crime exerted power and influence in ports all along the eastern and gulf coasts (PCOC 1986, pp. 39–40). The PCOC charged that Cosa Nostra completely controlled Thomas (Teddy) Gleason, who had succeeded the infamous Joseph Ryan as ILA international president (PCOC 1986, p. 39). The Gambino crime family controlled the ILA international union.<sup>23</sup> The Gambinos mostly controlled the New York side and the Genovese the New Jersey side of the New York/New Jersey harbor. After Anastasio died in 1963, control of ILA Local 1814 passed to Anthony Scotto, a son-in-law, who (from 1963 to 1979) flourished in the union, in organized crime as a capo in the Gambino crime family, and in New York City political circles.

In 1972, a Florida investigator told the Senate Permanent Subcommittee on Government Operations that “our information established that virtually every commodity affecting the transportation industry on the Dodge Island Seaport was under the control and domination of a small group of highly sophisticated and organized criminals” (United States Congress 1984b). In 1975, the FBI launched UNIRAC, an investigation of ILA racketeering in the ports of New York City, Miami, Wilmington, Charleston, and Mobile. Using undercover agents, electronic intercepts, and consensual recordings, UNIRAC uncovered systematic criminality and labor racketeering in every port. Ultimately, UNIRAC led to the conviction of over 100 persons, including twenty ILA leaders, among them Michael Clemente and Anthony Scotto, who held positions in both the ILA and Cosa Nostra. In 1979, Scotto was convicted of taking more than \$200,000 in cash payoffs from employers (*United States v. Clemente et al.*, 494 F. Supp. 1310 [1980 U.S. Dist.]). New York’s governor Hugh Carey, and two former New York

<sup>23</sup> The PCOC report found that the Genovese crime family controlled the Manhattan locals and the union’s international. This is likely a typographical error. The Gambino family was known to control these locals and the international.

City mayors, John Lindsay and Robert Wagner, testified in his behalf at the sentencing hearing. (Scotto, a prominent Democratic Party fund-raiser, raised \$1 million for Governor Hugh Carey's 1974 campaign and \$50,000 for Mario Cuomo.)

The PCOC complained that, while UNIRAC was "a very successful operation demonstrating law enforcement skill and tenacity," there had been only sporadic subsequent investigations and prosecutions, leaving organized crime's influence intact all along the eastern seaboard (PCOC 1986, p. 43). In February 1981, the Senate Permanent Subcommittee on Investigations held hearings on waterfront corruption. The subcommittee's report summarized its findings:

Witnesses testified that payoffs were a part of virtually every aspect of the commercial life of a port. Payoffs insured the award of work contracts and continued contracts already awarded. Payoffs were made to insure labor peace and allow management to avoid future strikes. Payoffs were made to control a racket in workmen's compensation claims. Payoffs were made to expand business activity into new ports and to enable companies to circumvent ILA work requirements.

Organized crime was found to have great influence in the operation of the ILA and many shipping companies. Some shipping firms, because of fear or a willingness to participate in highly profitable schemes, have learned how to prosper in the corrupt waterfront environment. They treat payoffs as a cost of doing business.

The free enterprise system has been thrown off balance. Contracts were not awarded on the basis of merit. The low bid did not beat the competition. Profitability was not based on efficiency and hard work but rather on bribery, extortion and questionable connections. The combination of these corrupt practices was a recipe for inflationary costs and economic decline.

Much of the corruption on the waterfront stemmed from the control organized crime exercises over the ILA, a condition that has existed for at least 30 years. (United States Congress 1984b)

Quoting the 1984 Senate Permanent Subcommittee on Investigations' findings, PCOC concluded that, despite its successes, UNIRAC had not purged organized crime from the ports. "Corrupt practices . . . already have begun to return to the Atlantic and Gulf Coast docks. What is needed, then, is continued scrutiny of the maritime industry by government agencies" (PCOC 1986, p. 65). In 1987, Teddy Glea-

son retired as general president of the international union and was succeeded by his vice president, John Bowers, who has held the presidency ever since (Gleason died in 1992).

#### *A. Civil RICO Suit against Six ILA Locals*

On February 14, 1990, the U.S. Department of Justice filed a civil RICO suit (*United States v. Local 1804-1 et al., International Longshoremen's Association*, complaint, No. 90 Civ. 0963 [LBS] [S.D.N.Y. 1990]) against six New York harbor ILA locals, their executive boards and officers, the Genovese and Gambino crime families, the Westies, an Irish organized crime group allied with the Gambino family, and five waterfront employers.<sup>24</sup> The 125-page complaint charged that the waterfront had "been the setting for corruption, violence, and abuse of waterfront labor and business by New York La Cosa Nostra Families" for more than fifty years (*United States v. Local 1804-1 et al.*, complaint, p. 4). It further alleged that Cosa Nostra controlled the waterfront labor unions, that is, that the Genovese and Gambino crime families had exploited the locals, the shipping industry, and the longshoremen (*United States v. Local 1804-1 et al.*, complaint, p. 38). According to the government, despite the UNIRAC investigation and convictions, the Genovese and Gambino crime families, by means of their control of the ILA, continued to dominate many ports (*United States v. Local 1804-1 et al.*, complaint, p. 44). The complaint quoted the Senate Permanent Subcommittee on Investigations' 1988 report: "Organized crime continues to exercise control over the International and New York-New Jersey ILA locals" (*United States v. Local 1804-1 et al.*, complaint, p. 45). The civil RICO complaint compiled allegations of embezzlement, solicitation of bribes, benefit fund fraud, extortion of employers, and violation of the rank and file's rights through force and violence.

The U.S. Department of Justice asked the court to enjoin the organized crime defendants from participating in ILA affairs, from having any dealings with union officers and employees (*United States v. Local 1804-1 et al.*, complaint, p. 118), and from committing any acts of racketeering; DOJ sought to enjoin the defendant labor officials from associating with Cosa Nostra members or associates (pp. 118–19). The complaint sought a court-appointed liaison officer for each of the ILA

<sup>24</sup> The complaint did not include the ILA's international organization. However, International President John Bowers was named individually, as president of three of the six locals.

locals to “discharge those duties of the Executive Board[s]” and to “review the proposed actions of the Executive Board[s]” (*United States v. Local 1804-1 et al.*, complaint, p. 119), general elections to be run by a court-appointed trustee (*United States v. Local 1804-1 et al.*, complaint, p. 122), appointment of administrators to oversee the clean-up of the unions (*United States v. Local 1804-1 et al.*, complaint, p. 123), and the defendants’ disgorgement of the proceeds of their labor racketeering (*United States v. Local 1804-1 et al.*, complaint, pp. 123–24). Rather than go to trial, the defendants entered into consent agreements.

#### *B. Local 1804-1 (Bergen, N.J.)*

On March 25, 1991, ILA Local 1804-1, and its executive board and officers entered into a consent judgment with the DOJ. Local 1804-1’s current and future executive board and officers agreed to be enjoined from committing any acts of racketeering activity and from knowingly associating with members or associates of organized crime (*United States v. Local 1804-1 et al.*, consent judgment for Local 1804-1, p. 3). The consent judgment provided for the appointment of a monitor to oversee the local’s operations until the 1997 election. The monitor would have blanket access to all union documents or information, authority to discipline union officers, agents, employees, and members, power to investigate corruption or abuse of union funds, and supervisory authority over the union’s 1994 and 1997 elections (*United States v. Local 1804-1 et al.*, consent judgment for Local 1804-1, pp. 4–5). In addition, the monitor would have authority to review and veto union expenditures, union contracts, personnel decisions, and changes to the union’s constitution and bylaws (*United States v. Local 1804-1 et al.*, consent judgment for Local 1804-1, pp. 5–6).

Local 1804-1 agreed to pay the monitor’s salary and operating expenses, and not to oppose or interfere with the monitor’s duties in any way (*United States v. Local 1804-1 et al.*, consent judgment for Local 1804-1, pp. 3–6). The consent judgment also provided for amendments of Local 1804-1’s constitution, including salary limits for union officers, election of shop stewards, and discontinuation of union loans to union officers and members (*United States v. Local 1804-1 et al.*, consent judgment for Local 1804-1, pp. 7–8). The consent judgment permitted Local 1804-1’s executive board to remain in office but required several board members to pay \$100,000 to Local 1804-1’s treasury (*United States v. Local 1804-1 et al.*, consent judgment for Local 1804-1, p. 11).

James Gill was appointed as 1804-1's monitor. The union's strategy was to strike a deal: if it expelled certain people, the union would be permitted to reform itself. This appears to have been exactly what happened; ten years after the settlement, very little appears to have changed.

### C. Local 824, Local 1809, and Local 1909 (*West Side Locals*)

On March 26, 1991, Locals 824, 1809, and 1909 (collectively known as the West Side Locals), and their executive boards and officers entered into a consent judgment. The defendant union officials, without admitting wrongdoing or violation of law, agreed that persons holding office in the West Side Locals would be enjoined from knowingly associating with any member or associate of organized crime (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, p. 8). The consent judgment provided for the resignation of executive board members John Potter and Thomas Ryan, and enjoined both men from holding ILA office in the future (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, p. 2). ILA international president John Bowers (also president of the three West Side Locals) and executive board member Robert Gleason agreed to resign their memberships in an employer association, the NYSA (New York Shipping Association)-ILA Contract Board (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, p. 4). The consent judgment stipulated Department of Labor supervision over the 1991 and 1994 elections in the three locals and gave the DOL full access to union records and information necessary to carry this out (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, pp. 3-4).

Local 1909 agreed to a court-appointed employment practices officer to develop and implement rules and procedures to assure fair hiring, to discontinue no-show jobs, and to discipline those who violate hiring or employment procedures (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, pp. 4-6). The employment practices officer was granted full access to union records necessary to fulfill his duties, was to report at least every six months to the court, was to be paid by the union, and was to continue in office until the certification of the 1994 union election (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, pp. 6-7). The West Side Locals agreed not to obstruct, oppose, or otherwise interfere with the work of the DOL or the employment practices offi-

cer (*United States v. Local 1804-1 et al.*, consent judgment for the West Side Locals, p. 9). John Bowers and the ILA proclaimed the consent judgment a complete victory, saying it was just short of the judge throwing the case out, and claiming that nothing exceptional had been granted to the government in exchange for the settlement.

#### *D. The Civil RICO Suit's Individual Defendants*

The remaining defendants went to trial in spring 1991, but only four defendants persisted to judgment; the rest settled. On June 1, 1991, Anthony Scotto, one of the most powerful labor racketeers in U.S. history because of his high rank in both the Cosa Nostra and the union, settled with the government attorneys, agreeing to pay \$50,000 and to be permanently banned from union office or any activity that would associate him with the union or any of the union's employers. On account of ERISA's antiforfeiture provision, Scotto would still receive his pension.

#### *E. Local 1814 Consent Decree*

On December 17, 1991, ILA Local 1814, its executive board and officers entered into a consent decree with the DOJ. The individual defendants and officers, without admitting wrongdoing, acknowledged past allegations, testimony, public findings, and criminal prosecutions. They agreed to be enjoined from knowingly associating with any member of organized crime (*United States v. Local 1804-1 et al.*, consent decree for Local 1814, pp. 2–3).

The consent decree provided for a court-appointed monitor with full access to the union's books, records, and other information, disciplinary authority, and supervisory authority over the 1993 and 1996 elections (*United States v. Local 1804-1 et al.*, consent decree for Local 1814, pp. 3–7). The monitor, who would be paid by the union, was authorized to review and veto union expenditures, contracts, appointments, and proposed amendments to the constitution and bylaws (*United States v. Local 1804-1 et al.*, consent decree for Local 1814, pp. 8–9). The monitor had authority to hire legal counsel, accountants, consultants, investigators, and any other personnel necessary to assist in his duties (*United States v. Local 1804-1 et al.*, consent decree for Local 1814, p. 10).

The consent decree included amendments to Local 1814's constitution providing for secret-ballot rank-and-file elections of shop stewards, and limitations on officers' compensation (*United States v. Local*

*1804-1 et al.*, consent decree for Local 1814, p. 14). Moreover, executive board members Anthony Pimpinella and Joseph Colozza had to resign from their Local 1814 positions and agree never to hold ILA employment again (*United States v. Local 1804-1 et al.*, consent decree for Local 1814, p. 16). Anthony Ciccone had to resign but was permitted to remain a union member and continued to receive union benefits (*United States v. Local 1804-1 et al.*, consent decree for Local 1814, p. 16). The other members of the executive board were permitted to keep their positions. Local 1814 is no longer the influential local it once was because there are few functioning docks left in Brooklyn, but the Gambino crime family's influence remains strong.

#### *F. Local 1588 (Bayonne, N.J.)*

On January 3, 1992, the last of the six locals named in the 1990 civil RICO suit, Local 1588 and its executive board, entered into a consent agreement with the government.<sup>25</sup> The consent agreement created the office of ombudsman, which would exist until the 1993 election, and extend beyond at the option of the union's executive board or membership (*United States v. Local 1804-1 et al.*, consent order for Local 1588, p. 7). This ombudsman's office was to be staffed by two individuals, one appointed by the court and one by the union (*United States v. Local 1804-1 et al.*, consent order for Local 1588, pp. 3–4). The ombudsman was charged with enforcing the union's constitution and by-laws (*United States v. Local 1804-1 et al.*, consent order for Local 1588, p. 3). The ombudsman's office had power to file disciplinary charges, but only after consulting with the union's executive board (*United States v. Local 1804-1 et al.*, consent order for Local 1588, p. 4). Rank-and-file union members were encouraged to file confidential complaints with the ombudsman's office.

The consent agreement provided for election of stewards and constitutional changes to disciplinary procedures (*United States v. Local 1804-1 et al.*, consent order for Local 1588, pp. 10–11), Department of Labor supervision of the local's 1993 election (p. 8), and an injunction

<sup>25</sup> Local 1588's secretary-treasurer, Donald Carson, was convicted in 1988 of RICO conspiracy and extortion involving Local 1588 (*United States v. DiGilio*, 86 Cr. 340 [D.N.J.][DRD], aff'd mem., 870 F.2d 652 [3d Cir. 1989], vacated and remanded, 110 S. Ct. 2162 [1990]). Following his conviction and incarceration, Local 1588's president and secretary-treasurer declined to run for office in 1990. The consent order acknowledged that "the new executive board already has taken steps to return Local 1588 to fiscal soundness and to remove the taint of organized crime corruption" (*United States v. Local 1804-1 et al.*, consent order for Local 1588, p. 2).

preventing George Weingartner and Robert Lake from serving as shop stewards or in any other ILA office or position (pp. 9–10). Robert Gaffey was appointed as Local 1588's ombudsman. (He had formerly served as an assistant U.S. attorney and as chief counsel to the investigations officer in the IBT International case.) During his time in office, Gaffey's main contribution to the cleanup of Local 1588 was to assist in the creation of a slate of reform candidates to oppose Donald Carson's Genovese-controlled slate. The leader of the "reform" slate was convicted of stealing union funds and was removed from office. Allegedly, the Genovese crime family continues to exercise substantial influence in Local 1588.

#### G. Conclusions

Recent legal developments demonstrate that the government's efforts to reform the ILA since the PCOC report have not fundamentally changed the structure and personnel of the ILA international union. In January 2002, the U.S. attorney's office (Brooklyn) announced an indictment against eight leaders and members of the Genovese crime family, alleging extortion from waterfront employers and businesses in the New York metropolitan area, northern New Jersey, and Miami (*United States v. Liborio "Barney" Bellomo et al.*, Cr. No. 01-416 (S-8) ILG [2002]). The indictment accuses the mob defendants of violating ILA members' Landrum-Griffin rights and of defrauding the ILA's pension and welfare fund.

In May 2002, a major investigation by the New York–New Jersey Waterfront Commission resulted in the indictment of eight persons connected to the Genovese crime family or ILA Local 1588, including the local's president, John Timpanaro. The indictment charges that through extortion and the withholding of premium job assignments, the defendants demanded kickbacks and cash payments from dozens of Local 1588 members. Some defendants were also charged with participating in a scheme to bill the marine terminal for truck chassis parts that were never delivered. On June 3, 2002, the U.S. attorney (E.D.N.Y.), the New York state attorney general, and the FBI announced the arrests and indictments of seventeen members and associates of the Gambino crime family or officials of ILA Local 1814 and Local 1 involved with waterfront racketeering. The defendants, including Local 1814 president and ILA vice president, Frank Scollo, are charged with extortion, wire fraud, loan sharking, operating illegal gambling businesses, money laundering, witness tampering, and other

related crimes. Among other things, the indictment charges the defendants with placing mob members and associates in top union jobs, carrying out day-to-day extortion, loan sharking, and a scheme to defraud the ILA health fund. In late June 2002, the *New York Times* reported that the government is considering a RICO suit against the ILA international union.

## VI. Perspectives on Labor Racketeering

Labor racketeering has been a major form of crime throughout the twentieth century. It has involved tens of thousands of individual crimes, some of which have been perpetrated by some of the nation's most powerful criminals and crime families. It has victimized tens of thousands of workers who have had their rights trampled on, their contracts sold out, and their pension funds looted. It has undermined the labor movement, one of the most powerful and important socio-political institutions in American society. While the problem has attracted enormous law enforcement, political, and media attention, especially in the last two decades, it has attracted practically no criminological attention.<sup>26</sup>

### A. Criminology and Labor Racketeering

Labor racketeering could be studied as a form of organizational crime; from this perspective a comparative analysis of corporate crime and union crime would be especially fruitful. What kinds of criminal opportunities do both types of organizations generate? What potential and limits do corporate stakeholders and rank-and-file union members, respectively, have for preventing and remediating racketeering? Do other stakeholders in either type of organization play a role in preventing or facilitating corruption?

Labor racketeering could also be approached from the standpoint of the criminal offenses that it spawns: extortion, embezzlement, fraud, violence, hijacking, restraint of trade (enforcing cartels), and denial of intangible rights of union members to a democratically run union. Yet another option is to approach labor racketeering from the standpoint of the offender, either as a subcategory of white-collar crime or as a subcategory of organized crime. This essay approaches the topic from the latter perspective. Our thesis is that the twentieth-century history

<sup>26</sup> Likewise, it has attracted practically no interest among labor law scholars. But see Goldberg 1989; Summers 1991.

of American organized (some say “syndicate”) crime could not be properly written without paying a great deal of attention to the influence, power, and wealth that the Cosa Nostra crime families derived from their association with international and local unions.

The Italian-American organized crime families obtained their foothold in the unions in the 1920s and 1930s when management and labor both called on gangsters for protection and as a counterforce to communist and socialist elements. During this period, the crime groups were able to take advantage of an immigrant culture of which they were a part. With the repeal of national alcohol prohibition in 1933, labor racketeering became an even more important source of revenue and power for organized crime. After a brief effort in the mid-1950s to oppose organized crime infiltration, the AFL-CIO apparently concluded that the labor movement would suffer more from opposing organized crime than from accommodating it (Hutchinson 1970).<sup>27</sup>

Unions have proved highly vulnerable to corruption and racketeering. Once the dues checkoff privilege was recognized, unions became the recipients of a steady stream of money deducted from workers’ paychecks. Corrupt union officers easily diverted funds into their own pockets, sometimes by theft but sometimes via extravagant salaries and perks. The emergence of huge union pension and welfare funds in the 1950s made unions even more attractive to organized crime. As Lipset, Trow, and Coleman (1956) recognized nearly a half century ago, most union members are apathetic. They have certainly not been able to successfully oppose organized crime groups.

The sociopolitical status and economic strength of the Cosa Nostra organized crime families throughout the twentieth century have been significantly augmented by their influence in local and international

<sup>27</sup> An excellent example of the AFL-CIO attitude toward corruption and racketeering in unions is David Elbaor and Larry Gold’s (1985) monograph, *The Criminalization of Labor Activity: Federal Criminal Enforcement against Unions, Union Officials and Employees*. This short monograph (by the chief counsel of the AFL-CIO) denies the existence of any significant organized crime problem in the labor movement and attributes investigations and prosecutions to a sinister plan by big business and big government to undermine the labor movement. The following excerpt provides a flavor: “The government continues to seek a substantial increase in money and personnel to carry out its prosecutorial campaign against organized labor, peddling sensational recitations of union crime and preying on public willingness to equate labor with corruption. Ironically, the motley assortment of prosecutions in recent years suggests not that the government’s substantial investigatory resources have produced great results, or proven organized crime’s permeation of the labor movement, but that most union crime is isolated, unconnected with larger criminal networks, involves relatively small sums of money, and is of a technical nature” (p. 66).

unions. Unions have provided organized crime with jobs, patronage, money, and power. Businesses and government agencies have to deal with organized crime figures who hold union office. Corrupt businessmen have allied themselves with corrupt union bosses, bribing them for sweetheart contracts and for ignoring or circumventing terms of collective bargaining agreements. The status that the labor racketeers derived from their positions or associations with unions translated into political power, especially in the heyday of the urban political machines. Unions provided endorsements, workers, and campaign contributions to political candidates. In return, the politicians looked the other way when the union bosses lined their own pockets.

There are many reasons why the American labor movement has declined over the twentieth century, but one factor worth considering is the negative impact of racketeering. To an extent, perhaps, some unions at some time, under some leaders, benefited from being allied with organized criminals; such alliances may have increased their leverage at the bargaining table. But labor racketeers are out for themselves and their organized crime cronies, not for the rank and file. They promote themselves and their cronies to leadership positions within the unions, draw excessive salaries, sell out the members' contractual rights, and loot the pension and welfare funds. They show no interest in organizing and no interest, of course, in union democracy. Labor idealists who wish to democratize and strengthen their unions cannot succeed in unions penetrated by organized crime. Indeed, the taint of organized crime may partly explain the failure of the labor movement in the second half of the twentieth century to attract the energy and idealism of the younger generations.

#### *B. Criminal Justice and Labor Racketeering*

As late as the 1980s members of Congress, labor officials, businessmen, politicians, and scholars considered the Italian-American Cosa Nostra crime families invincible. The 1986 President's Commission on Organized Crime was highly pessimistic about the prospects for purging the labor movement of Cosa Nostra racketeers.

Less than two decades later, the prospects for change look much brighter. The Cosa Nostra crime families, under constant legal attack for almost two decades, have been significantly weakened, in some cities practically eliminated (Jacobs and Gouldin 1999). The boss of every Cosa Nostra crime family has been imprisoned; in many cases their successors and their successors' successors have followed them to

jail. Dozens of high-level Cosa Nostra members have become cooperating witnesses, assisting in the investigation and prosecution of their former colleagues, their rackets, and corrupted unions and businesses. This unprecedented attack on “traditional organized crime” has had repercussions for labor racketeering. For one thing, the organized crime families are much weaker than they were a generation ago; they have fewer and weaker resources to bring to bear in support of labor racketeering activities. For another thing, the federal government has attacked Cosa Nostra by powerfully attacking its base in labor unions.

Civil RICO has been the great engine of the government’s onslaught. Beginning with the 1982 suit against IBT Local 560, government lawyers have brought one major labor racketeering case after another against local unions and international unions, including the IBT, HEREIU, ILA, and LIUNA (complaint prepared but not filed). Civil RICO allows the government to address an entire crime problem, like a mobbed-up union. There have been approximately twenty trusteeships resulting from DOJ civil RICO suits brought against unions (see app. table A1); unfortunately, there has never been a comprehensive accounting.

The civil RICO suits have been advantageous for the government because they have led to court-appointed trustees, almost always former prosecutors with major experience investigating and prosecuting organized crime cases. There is no uniform role or set of powers for these court-appointed trustees. Each judge or each consent agreement provides the trustee or trustees with case-specific authority. Moreover, each court or consent decree provides for how the trusteeship will be funded and for how long; funding has varied from generous to inadequate.

The continued interest and support of the presiding judge is critical to the court-appointed trustee’s success. If the judge makes it clear that reform of the union is a nonnegotiable goal that the court will see through until victory, rank-and-file members will be more willing to step forward to work with the trustee and to challenge the racketeers for union office. But as long as a feeling persists in the union that the judge will lose interest, the trusteeship run out of funds, and the trustee become distracted with other work, the rank and file will remain intimidated, demoralized, and disorganized, anticipating the return of mob dominance.

The FBI, DOL, OCRS, and the U.S. attorney’s office also play key roles in determining the success of the trusteeship. If they stay involved, they can help the trustee identify union members who continue

to associate with organized crime, and they can assist in putting together disciplinary cases seeking a corrupt member's expulsion from the union. Continued investigations can also lead to a new round of criminal charges and civil RICOs. The FBI, DOL, and U.S. attorney can also keep the pressure on the trustee to be aggressive and creative in his reform efforts. The trustee's success depends upon his authority and resources, whether he can appoint paid assistants, and whether the union members are persuaded that he will be on the job until the racketeers are purged and union democracy restored. Perhaps even more important are the skills, creativity, determination, and competency of the trustee. Most of the trustees are former prosecutors. This facilitates coordination with the Department of Justice and equips the trustee to investigate racketeering and other wrongdoing. But it does not facilitate the fostering of union democracy and the energizing of a plundered and demoralized union. Those tasks can best be carried out by knowledgeable, skilled, and charismatic trade unionists. Some trusteeships have been fortunate to have had both types of trustees, but many have not.

A court-appointed trusteeship is not a panacea. Many trustees have not been successful. While there has never been a study of the successes and failures of RICO suits against mobbed-up international and local unions, our impression is that less than half could be called successful and only a few, at least to this point, could be called completely successful. If the court-appointed trusteeships are to fulfill their potential as an organized crime control strategy, much research needs to be done on how to achieve success. To date, only the IBT Local 560 trusteeship has attracted scholarly attention (Goldberg 1989; Summers 1991; Jacobs and Santore 2001).

The dozens of trustees who have been appointed to clean up corrupt unions have never been brought together for a conference.<sup>28</sup> Their numerous reports to their respective judges have not been assembled and therefore are not available to new trustees. After almost twenty years of such initiatives, there are neither "how to" manuals nor any materials whatsoever on how a trustee can maximize the chances of success. Here there are surely roles for the National Institute of Justice, private foundations, and university-based criminologists, among others.

It is hard for someone interested in labor racketeering to understand

<sup>28</sup> In 1989, some of the court-appointed trustees testified regarding the successes and failures of their trusteeship (see United States Congress 1989).

why the National Institute of Justice has shown no interest in sponsoring research on labor racketeering or its remediation; such research would undoubtedly be valuable to scholars and law enforcement officials in other countries that face serious organized crime problems. Perhaps the “blame” lies with the academic research community that, for one reason or another, has not focused much attention on organized crime, much less on labor racketeering. The subject, of course, is somewhat politically sensitive. But if political sensitivity has not prevented DOJ’s prosecutorial wing from exposing and attacking labor racketeering, it makes no sense for DOJ’s research wing to avoid studying the subject in aid of the department’s future remedial efforts.

This is not the place to present a full-scale research agenda on the subject of labor racketeering. Suffice it to say that we need case studies on each of the major initiatives against labor racketeering. We need to carefully document and analyze the strategies used to purge corrupt elements from the unions and to rebuild the unions’ democratic structures and processes. Such case studies, carefully coordinated and analyzed, and supplemented by joint meetings with the individuals who carried out these remedial efforts, would yield policy recommendations of great assistance to future initiatives in the United States and in other countries facing similar or analogous organized crime problems.

A final note. While organized crime controlled labor racketeering may be fading, that does not mean that labor corruption will die out as well. Dishonest officials, unconnected to organized crime, will always be in a position to embezzle money, defraud their unions, and extract excessive fees and reimbursements. The government cannot (and should not) try to monitor and regulate all the union locals and internationals in the country. In the final analysis, only an energized and watchful rank and file can assure that dishonest union officials will be swiftly exposed and deposed.

## APPENDIX

TABLE A1  
Civil RICO Suits against "Mobbed-Up" Unions

Case Name	Date Filed	Published Opinions Discussing Various Aspects of the Case
1. U.S. v. IBT Local 560, No. Civ. 82-689	March 9, 1982, D.N.J.	<i>U.S. v. Local 560</i> , 581 F. Supp. 279 (D.N.J. 1984), <i>aff'd</i> 780 F.2d 267 (3d Cir. 1985)
2. U.S. v. Local 6A, Cement and Concrete Workers, LIUNA, No. 86 Civ. 4819	June 19, 1986, S.D.N.Y.	<i>U.S. v. Local 6A</i> , 663 F. Supp. 192 (S.D.N.Y. 1986)
3. U.S. v. The Bonanno Organized Crime Family of La Cosa Nostra, Philip Rastelli, et al., No. Civ. 87-2974 (IBT Local 814)	August 25, 1987, E.D.N.Y.	<i>U.S. v. Bonanno</i> , 683 F. Supp. 1411 (E.D.N.Y. 1988); 695 F. Supp. 1426 (E.D.N.Y. 1988); 879 F.2d 20 (2d Cir. 1989)
4. U.S. v. Local 30, United Slate Tile and Composition Roofers, et al., Civil Action No. 87-7718	December 2, 1987, E.D. Pa.	<i>U.S. v. Local 30</i> , 686 F. Supp. 1139 (E.D. Pa. 1988), <i>aff'd</i> , 871 F.2d 401 (3d Cir. 1989)
5. U.S. v. John F. Long, John S. Mahoney, et al., No. 88 Civ. 3289 (IBT Locals 804 and 808)	May 1988, S.D.N.Y.	<i>U.S. v. Long</i> , 697 F. Supp. 651 (S.D.N.Y. 1988); 917 F.2d 691 (2d Cir. 1990)
6. U.S. v. International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, et al., No. 88 Civ. 4486 ("IBT International Case")	June 28, 1988, S.D.N.Y.	<i>U.S. v. IBT</i> , 708 F. Supp. 1388 (S.D.N.Y. 1989); 723 F. Supp. 203 (S.D.N.Y. 1989); 725 F. Supp. 162 (S.D.N.Y. 1989); 728 F. Supp. 1032 (S.D.N.Y. 1990); 899 F.2d 143 (2d Cir. 1990); 905 F.2d 610 (2d Cir. 1990); 907 F.2d 277 (2d Cir. 1990); 931 F.2d 117 (2d Cir. 1991); 941 F.2d 1292 (2d Cir. 1991); 964 F.2d 180 (2d Cir. 1992)
7. U.S. v. Locals 1804-1, 824, 1809, 1909, 1588, and 1814, International Longshoremen's Ass'n, et al., No. 90 Civ. 0963*	February 14, 1990, S.D.N.Y.	<i>U.S. v. Local 1804-1</i> , 745 F. Supp. 184 (S.D.N.Y. 1990); 812 F. Supp. 1303 (S.D.N.Y. 1993); 44 F.3d 1091 (2d Cir. 1995); <i>U.S. v. Carson</i> , 52 F.3d 1173 (2d Cir. 1995)
8. U.S. v. IBT Local 295, No. Civ. 90-0970	March 20, 1990, E.D.N.Y.	<i>U.S. v. Local 295</i> , 1991 WL 35497 (E.D.N.Y. 1991); 1991 WL 340575 (E.D.N.Y. 1991); 784 F. Supp. 15 (E.D.N.Y. 1992)

TABLE A1 (*Continued*)

Case Name	Date Filed	Published Opinions Discussing Various Aspects of the Case
9. U.S. v. District Council of NYC and Vicinity of the United Brotherhood of Carpenters and Joiners of America, et al., No. 90 Civ. 5722	September 6, 1990, S.D.N.Y.	<i>U.S. v. District Council</i> , 778 F. Supp. 738 (S.D.N.Y. 1991); 941 F. Supp. 349 (S.D.N.Y. 1996)
10. U.S. v. Edward T. Hanley, et al., Civil Action No. 90-5017 (HEREIU Local 54)	December 19, 1990, D.N.J.	<i>U.S. v. Hanley</i> , 1992 WL 684356 (D.N.J. 1992)
11. U.S. v. Anthony R. Amodeo, Sr., et al., No. 92 Civ. 7744 (HEREIU Local 100)	October 23, 1992, S.D.N.Y.	<i>U.S. v. Amodeo</i> , 44 F.3d 141 (2d Cir. 1995)
12. U.S. v. IBT Local 282, No. Civ. 94-2919	June 21, 1994, E.D.N.Y.	<i>U.S. v. Local 282</i> , 13 F. Supp.2d 401 (E.D.N.Y. 1998)
13. U.S. v. Mason Tenders District Council of New York and Vicinity of LIUNA, No. 94 Civ. 6487	September 7, 1994, S.D.N.Y.	<i>U.S. v. Mason Tenders</i> , 1994 WL 742637 (S.D.N.Y. 1995); 909 F. Supp. 882 and 891 (S.D.N.Y. 1995)
14. U.S. v. LIUNA (International Union "voluntarily" instituted reforms in exchange for government not filing complaint)	Never filed	<i>Serpico v. LIUNA</i> , 97 F.3d 995 (7th Cir. 1996)
15. U.S. v. Edward T. Hanley, HEREIU, and HEREIU's General Executive Board, Civ. No. 95-4596	September 5, 1995, D.N.J.	<i>U.S. v. HEREIU</i> , 974 F. Supp. 411 (D.N.J. 1997); <i>Agathos v. Muellenberg</i> , 932 F. Supp. 636 (D.N.J. 1996)
16. U.S. and LIUNA v. Construction and General Laborers' District Council of Chicago and Vicinity, Civil No. 99C 5229	August 8, 1999, N.D. Ill.	<i>LIUNA v. Caruso</i> , 1999 WL 14496 (N.D.Ill. 1999), <i>aff'd</i> , 197 F.3d 1195 (7th Cir. 1999)
17. U.S. v. LIUNA Local 210, Civil No. 99 CV-0915A	November 18, 1999, W.D.N.Y.	<i>Panczykowski v. LIUNA</i> , 2000 WL 387602 (W.D.N.Y. 2000); <i>Caci v. LIUNA</i> , 2000 WL 387599 (W.D.N.Y. 2000)
18. U.S. v. HEREIU Local 69	April 17, 2002	

\* The civil RICO suit in this case resulted in four separate trusteeships.

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