

Laborers for JUSTICE

Laborers local 210 RICO

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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

v.

99-CV-915-A

LABORERS' LOCAL 210, et al.,

Defendants.

REPORT OF THE COURT APPOINTED LIAISON OFFICER
FOR LABORERS' LOCAL 210

JOHN J. McDONNELL
Court Liaison Officer

**Report of the Court Appointed Liaison Officer
For Laborers' Local 210
December 31, 2003**

This will serve as the report of the Court Liaison Officer appointed to oversee the operation of Laborers' International Union of North America, AFL-CIO, Local 210 ("Local 210") to the United States District Court for the Western District of New York for the period ending December 31, 2003. I have acted for approximately forty-seven months as the Court Liaison Officer for Local 210 and have seen Local 210 make significant progress towards eradicating corruption and restoring democratic operations. The following is a summary of the status of Local 210.

Background

Local 210 has a thirty-year history of influence and control by the Buffalo Organized Crime Family. Although the Laborers' International Union of North America and the United States Attorney for the Western District of New York made significant progress in instituting reforms at Local 210, through Supervision and Trusteeship, the unique historical circumstances at Local 210 required exceptional remedies. On November 1, 1999, the United States of America filed, in the United States District Court for the Western District of New York, a complaint seeking civil remedies under the provisions of the Racketeer Influenced & Corrupt Organizations Act, Title 18 U.S.C. Section 1964, which included the appointment of a Court Liaison Officer to oversee Local 210. On December 8, 1999, the parties, (Local 210, United States Attorney for the Western District of New York, Legal representatives of Local 210, and the Department of Justice) agreed to the Consent Decree and the appointment of a Court Appointed Liaison Officer. On January 24, 2000, the Court so Ordered the Consent Decree and approved the appointment of a Court Liaison Officer in settlement of the Complaint filed by the United States of America. The parties agreed that the "unusual and historical conditions at Local 210 require extraordinary measures, including the assistance of a Court Liaison Officer with powers and resources not available to the Trustee, to work with the United States and Local 210 to ensure compliance with the purposes of the Consent Decree".

Progress Report

The Local is operating in a fair, honest and democratic method for the benefit of the membership. Improvements are progressing steadily. The office staff has continued to improve the service available to members. The day-to-day operations have greatly improved. The comments from the membership continue to be positive. The Business Manager conducts weekly staff meetings to address the concerns of the membership, deal with pending issues, and training for staff members. Membership committees have met and are dealing with political, financial, organizing, and community issues. Membership attendance at monthly meetings continues to grow. The Business Manager reports to the membership at the monthly meetings. The Secretary Treasurer provides a detailed financial report to the membership on a monthly basis. The Executive Board meets on a monthly basis and reports to the membership at the monthly meetings. The monthly membership meetings are well attended and are conducted in a fair, open and business like manner. Issues, complaints and opinions are openly discussed. The monthly meetings are conducted in accordance with the provisions and mandates of the union constitution. The hiring hall procedures and policies are functional and operating in a fair and unbiased manner. The training center continues to expand and improve the hours of training available to members. The Shop Steward Program is operating at an acceptable level. The Local remains financially solid with sufficient cash reserves. The health care and pension benefits plans are both well funded and operated effectively.

Election Process

The Officers and Executive Board members elected by the membership remain intact with one exception resulting from the untimely death of Robert Kelsey. The Executive Board named a replacement who is now completing Mr. Kelsey's term. The Executive Board under the direction of the President and the Business Manager conduct the business affairs of the Local in a fair and honest manner. In compliance with the Laborers' International Union of North America Local Constitution, the next general election will be scheduled in June of 2004. The same procedures as the 2000 election will be followed.

2003 National Convention Delegate Election

Local 210 conducted an election of delegates to attend the Laborers' International Union of North America National Convention. Five delegates were elected and attended the convention. Each delegate reported their convention activities to the general membership.

Office and Staff

Staff Changes

Business Agent Robert Kelsey passed away and has been replaced by member Richard Bugman. Joseph Biondo has been added to the staff as a Business Agent. The other staff members remain the same.

Employee Policy

Employees have received an employee policy manual and received training in numerous office administrative matters including sexual harassment. The employee expense voucher system is working adequately.

Collective Bargaining

The Business Manager with the assistance of Legal Counsel engaged in collective bargaining activities which resulted in one of the highest wage increases in union history. This new contract was a stepping-stone based on the 2000 contract which drastically changed the direction of the Local.

In preparation for the 2003 collective bargaining negotiations, legal counsel and a committee of elected officers met on a weekly basis to plan and discuss necessary contract modifications and changes for the 2003 agreement.

Financial Status

The financial condition of the Local remains strong. The Executive Board reviews the financial data and establishes projected budgets for Fiscal Years. The Board approves and reviews all expenditures on a monthly basis. A financial report is presented to the membership at the monthly meetings. As of November 30, 2003 the Local has assets of \$1,008,259.00 as compared to \$969,611.00 for 2002. Due to sound financial management, the Local, once again, showed an increase in net assets for fiscal year 2003.

Training

Membership Training: Training is the major priority of this union. The skills and safety record of the membership are critical selling points in developing a greater market share. The training center has been completely renovated and expanded at a cost in excess of \$500,000. Class schedules have significantly increased, along with member participation. In 1996, 112 member trainees received 2000 hours of training costing the local \$342,000. In 2002, 789 member trainees received 12,200 hours of training, costing the local \$295,000. The apprentice program continues to be very successful. It is a diversified program with participants from all areas of western New York. Each year trainees graduate to full journeyman status.

Officer Training: The training program has continued and includes the two newly hired Business Agents, Bugman and Biondo. The officers have received continuous training involving the administration of the union, fundamental business operations, and problem solving. The officers have participated in conferences, national conventions, and political functions.

Buffalo Laborers' Benefit Fund

I have reviewed the minutes of the Buffalo Laborers' Benefit Funds for fiscal year 2002 and 2003. Additionally, I attended quarterly meetings. Due to sound investing, the stock market the fund remains financially strong. The well-managed funds and investments have benefited this membership.

The Fund Trustee meetings are chaired by Mr. James Logan, a well-respected labor/management leader. The meetings are held quarterly. Each side, that is Contractor Trustees and Union Trustees, have legal representation. The meetings are well organized and efficient. Complete and accurate minutes are recorded and maintained.

The responsibilities of the trustees are enormous. They include fund administration, pension fund policies and investments, health and welfare benefit policies and investments, training funds, fiscal planning, and compliance with various regulatory requirements.

The Trustees have made significant progress in cutting the administrative costs of the benefit programs. In 1996 the administrative expenses of the local's health and welfare benefits totaled \$601,000.00. The Trustees have steadily reduced the expenses and the result was total administrative expenditures of only \$318,000.00 in fiscal year 2002.

The Trustees are obligated to protect the benefits of the union members. In that capacity the trustees have focused their efforts to collect delinquent benefit funds payments from contractors and have hired Attorney Andrew Gorlick to handle the necessary legal actions. This new project is showing remarkable success.

Disciplinary Matters

Two members have been suspended from any picket line activities for violations of Local 210 written picket line policy.

Outlook for the Future

The membership of Local 210 now supports the elected officers and the oversight by the courts. The membership has supported the fair election process and policies instituted and developed since the elections. The elected officers have continued their collective and individual training programs to better serve the membership. They are

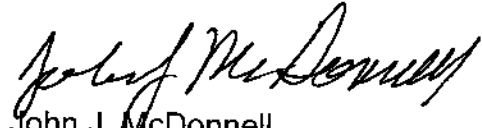
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performing their responsibilities in a competent manner. Additional training is continuing. The office staff is now fully functional. The number of "dissident" or "old regime" members has diminished. However, there still remains a threat of infiltration and influence by organized crime. The stability and future direction of this Local, as well as the need for continued oversight, will be determined by the conduct of the membership and the results of the upcoming elections. The next report, along with recommendations, will be filed following the 2004 elections.

Respectfully submitted,



John J. McDonnell

Court Liaison Officer