

www.thelaborers.net/operating\_engineers/default.htm

www.uniondemocracy.org

# Bosses accused of bribing Engineers' union officials

Five top executives of construction companies were indicted in federal court, December 15, on charges of paying bribes to business agents and managers of Operating Engineers Locals 14 and 15 in New York City. This might seem like a rare case where, after collusion with union officials, only employer-contractors are accused. But this is only one in a series of related federal actions.

Back in February 2003, over 40 defendants pled guilty to racketeering, extortion, and mail fraud. Among the earlier defendants were organized crime figures, employers, and operating engineer union officials. Locals 14 and 15, according to the indictments, were heavily infiltrated by organized crime members who held paid jobs with the union and no-show jobs in the industry.

Operating Engineers run heavy construction equipment like pile drivers, bulldozers, cranes, loaders, and motor graders.

In the latest case, the employers are accused of paying hundreds of thousand of dollars to union officials between 1991 and 2001 to allow them to violate contractual provisions for overtime pay and minimum manning requirements. According to the *New York Times*, some of the companies, in past years, had been charged with substandard work, illegal dumping, and tax evasion.

In the *Village Voice*, Tom Robbins reported that Thomas Maguire, head of Local 15, admitted in federal court in November that he had taken bribes from contractors. John Ruggiero, a former local business agent, Robbins wrote, told prosecutors that a fellow business agent told him that Maguire paid \$80,000 to become an international vice president. If so, it paid off, Robbins noted; Maguire got \$81,000 last year as VP in addition to \$264,000 from his local. Union cards were reportedly sold for \$12,000.

## Some background

In the early 1970s, Locals 14 and 15 were charged with violating the Civil Rights Act, Title VII. The nearly total lily-white membership reflected decades of discrimination against minorities. In 1982, after ten years of stonewalling, Local 15 negotiated a settlement with the Equal Employment Opportunity Commission. The consent decree required the local to accept 26% of its new members from minority journeypersons and, for the first time, to establish an apprenticeship program. Minority workers who had been retaliated against after testifying in federal court received a modest monetary settlement. James McNamara (now AUD research director) was appointed by the EEOC to monitor the local's performance.

**In the *Village Voice*, Tom Robbins reported that Thomas Maguire, head of Local 15 admitted in federal court in November that he had taken bribes from contractors.**

After McNamara and the EEOC reported that Local 15 failed to start the apprenticeship program, Judge Vincent Broderick, in 1985, ordered Tommy Maguire's local to comply.

Nepotism is a time-honored system for holding union office. Tommy Maguire (now convicted) had been appointed by his

father, who preceded his son as business manager. Business Agent (convicted) Tommy "the Mac" McNamara (no relation to our Jim) is the son-in-law of Maguire, the younger. BA Raymond Geraghty (convicted) is the son of retired BA Tom Geraghty. Local 14 manager, Joseph Rizzuto, Jr. (convicted) a mob family choice, succeeded his father, Joseph, Sr.

Only a small percentage of union members obtain jobs on the basis of a loosely maintained referral list. The union estimated that 80% of the hiring bypasses its list, haphazardly maintained, of unemployed members. A court-ordered job referral system, if scrupulously monitored, is the sine qua non for a birth of union democracy in the locals and a longterm antidote to corruption and mob control.

## Remembering Charlie Flynn, Operating Engineer

Charlie Flynn spent his entire career fighting for working men and women in the workplace, as a dedicated, successful international representative and organizer. He fought just as hard to reform the International Union of Operating Engineers. He was the "Last Samurai" in the American labor movement. His courage was legendary. He was respected by all his peers and loved by his wife Denise, son Sean, and brother Jack. Charlie lived by the words of Edmund Burke, "The only thing necessary for the triumph of evil is for good men to do nothing." Brother Flynn was never guilty of doing nothing.

*Jim Thomas, who wrote this tribute, is a 45-year member of the IUOE. Now retired from the trade, he is an arbitrator and mediator.*

## AUD's Brief: continued from page 6

current general practice, the flaws in that approach were explained by Professor Clyde W. Summers in an affidavit he submitted as an expert witness in a case under LMRDA section 105:

"Most union members do not read their unions' journals because they are generally uninteresting and devoted primarily to promoting the incumbent officers and their policies. At most, members may read the main stories. Even if they were to see the Summary of the LMRDA, they will not remember its contents unless they happen to have a problem at that very moment. When at some later point in time they do encounter a problem, most will not remember the summary, and if they do, they will be unable to retrieve it because the journal in which it was published was long ago discarded."

Because of these weaknesses in the approaches suggested by the proposed rule, the AUD's original petition for rulemaking specifically urged the DOL to adopt the additional requirement that the summary of members' rights and officers' responsibilities be included as an appendix in the back of the Constitutions of the covered labor organizations.