

Corruption scandal engulfs New York union officials

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District Council 37, the parent union with jurisdiction over 120,000 New York City municipal workers, has been thrown into a deep crisis over revelations concerning corruption within the top levels of the union bureaucracy. Prosecutors have already launched official investigations into the affairs of 7 of the council's 56 locals, subpoenaing financial records and documents from both these locals and the council itself.

At the center of the growing scandal are union officials who have collaborated directly with New York City's Republican Mayor Rudolph Giuliani in carrying out drastic cuts in social services and attacks on the jobs, wages and benefits of their own members. While the New York City unions and their national federation, the American Federation of State County and Municipal Employees, had traditionally aligned themselves with the Democratic Party, many of the top DC 37 officials officially endorsed Giuliani's reelection bid last year.

One of Giuliani's closest labor supporters is Charles Hughes, the president of Local 372, representing public school cafeteria workers and crossing guards. Like other top DC 37 officials, Hughes receives a yearly salary amounting to approximately a quarter million dollars. He is paid 20 times the amount received by the part-time school workers whom he purports to represent. He and his counterparts in the municipal unions are part of an emerging social stratum that could be defined as labor millionaires.

Hughes is under investigation on charges that, on top of his huge salary, he and other local officials bilked the union of some \$800,000 in phony overtime and expense claims. Meanwhile, the local itself has been left with an \$8 million debt, a sum which union members will likely be forced to cover in the form of new dues increases.

Prosecutors began the investigations into DC 37 after they were approached by members of a local representing Parks Department truck drivers who charged their leadership with embezzling large amounts of money. The workers had first approached DC 37 leader Stanley Hill, but were rebuffed. Among the charges made against the local leaders was billing the union more than \$90,000 for a Christmas party, more than \$85,000 on lunches and meetings, and nearly \$60,000 for expenses spent at conventions and conferences.

Other union officials are under investigation for an alleged kickback scheme tied to the donation of "free" Thanksgiving turkeys to the membership. The locals were later billed as much as \$50 for each turkey.

The charges of kickbacks, bribes and outright theft in the DC 37 leadership are only one of the more grotesque manifestations of the corrupt and reactionary character of the union bureaucracy and the chasm which exists between it and rank-and-file workers.

This corruption is not merely a matter of the criminal acts of individual leaders, but is rooted in the essential role of the union apparatus as a whole. DC 37 has not led a strike or significant struggle in decades. Under Hill and his predecessor, Victor Gotbaum, it has presided over the decimation of city jobs and the steady erosion of wages and benefits.

In the last contract, the union accepted hundreds of millions of dollars in concessions on pensions, health benefits and work rules while agreeing to a freeze on workers' wages. During this same period, union officials awarded themselves pay increases amounting to as much as \$55,000.

The city and union officials have worked closely with the Giuliani administration in implementing a scheme to compel welfare recipients to perform forced labor in

jobs once done by union members. Tens of thousands of these workers have been forced to work for poverty wages in parks and hospitals and on street cleaning crews.

In the midst of the DC 37 scandal, another union, Service Employees International Union Local 32B-32J, announced the results of a referendum on cutting the salary of the union's president and allowing its members—janitors, doormen and elevator operators—to vote on contracts and elect their own business agents.

The local's president Gus Bevona succeeded in defeating the proposals after spending hundreds of thousands of dollars in a campaign to convince union members that a "yes" vote would cost them their jobs. In the end barely one-quarter of the membership even cast ballots.

Bevona will therefore keep his annual salary of \$412,000—again approximately 20 times the pay received by those he claims to represent—as well as his dictatorial control over the local's affairs. It should be noted that a previous president of 32B-32J was John Sweeney, who now heads the AFL-CIO. Until the end of 1995, Sweeney continued to serve as the local's "executive advisor," a no-show position which netted him a second six-figure salary.



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