

US government monitor clears Hoffa to seek union presidency

The shakeup in the Teamsters -- its significance for the working class

Jerry White
8 May 1998

Nearly six months after a US district judge disqualified Teamsters President Ron Carey from seeking reelection, a government-appointed election monitor has cleared the way for his chief rival, James P. Hoffa, the son of the late union president Jimmy Hoffa, to run for the post. The new election is expected to be held this September.

The younger Hoffa was narrowly defeated by Carey in a 1996 election, but the government overturned the results after it was revealed that Carey and his fund-raisers had illegally diverted close to \$1 million in union funds into Carey's reelection campaign, via an intricate network of middlemen. Subsequently, government overseers ordered a probe of Hoffa's campaign finances as well.

Like everything else in the Teamsters election scandal, the April 21 ruling by Election Officer Michael Cherkasky bears the imprint of behind-the-scenes intrigue. Cherkasky acknowledged that Hoffa was guilty of substantial campaign finance violations, seemingly sufficient to disqualify Carey's chief challenger. Instead Cherkasky declared there was no evidence of "large-scale cheating" or other improprieties serious enough to warrant such action.

The vast majority of American workers will barely take notice of the election monitor's decision. Few outside the unions have any illusion that these organizations exist to fight for their interests. As for the shrinking minority of workers who remain within the official unions, the shifts in personnel at the top evoke little passion, since long and bitter experience has demonstrated that no faction of the union bureaucracy has any perspective for defending their interests.

Within a narrow milieu of union bureaucrats and middle class ex-radicals, however, Cherkasky's decision will no doubt provoke cries of protest and indignation. They will claim that the election monitor's ruling is proof that Carey's ouster was the product of a government witch hunt against a supposedly militant union leader and his "progressive" cohorts in the leadership of the AFL-CIO.

Any objective review of the facts, however, discredits such claims.

Cherkasky's ruling is the latest act in the federal government's oversight of the Teamsters which dates back to 1989, when the Bush administration's Justice Department and the union signed a consent decree to resolve a civil racketeering suit. Under the pretext of clearing out mafia influence, the government intervened because it was concerned that the old guard leadership had become so discredited, it was losing its ability to control the rank-and-file. The government sought and obtained the collaboration of the Teamsters for a Democratic Union, an opposition caucus originally founded by radicals associated with the old International Socialists group.

The Labor Department utilized its oversight powers and the TDU's help to promote Ron Carey and smooth his way to becoming union president in a 1991 election. Carey, a career bureaucrat whose anti-socialist credentials

were well established, was promoted as an opponent of corruption and mob ties, an honest reformer, and a militant "man of the people."

Despite the best efforts of the government and the TDU, however, Carey never developed a mass base of support among union members. Rhetoric aside, his policies were hardly distinguishable from those of his predecessors. Teamster membership continued to decline and Carey signed a series of deals with the trucking companies and United Parcel Service that further eroded workers' living standards and working conditions.

By the time he came up for reelection in 1996, it was not at all clear that he would win. Many within the political and business establishment, from the Clinton administration to *BusinessWeek* magazine, supported Carey. But Hoffa rallied the support of the old guard bureaucrats and capitalized on worker dissatisfaction with Carey to mount a serious challenge. By the late summer of 1996 the Carey camp saw its power slipping away, and turned to its friends in the Democratic Party, the ranks of wealthy liberals and former 1960s radicals, and the AFL-CIO bureaucracy to help finance a propaganda blitz, relying for the most part on funds from the union treasury channeled illegally into Carey's campaign coffers. Even with this, Carey barely eked out a victory in December 1996, in an election where barely a third of the union members bothered to vote.

Eight months later the whole charade collapsed with the exposure of the money-laundering scheme, implicating top AFL-CIO officials like Secretary Treasurer Richard Trumka, liberal get-out-the-vote organizations, and officials of the Democratic National Committee and the Clinton-Gore reelection campaign.

Far from Carey being the target of a government witch hunt, however, the federal officials overseeing the union went to extraordinary lengths to shield the incumbent and keep him in office. Only with the greatest reluctance, when the evidence of gross malfeasance could no longer be ignored, did they decide to order a new election.

In August of 1997, four days after the end of the United Parcel Service strike, the then-federal election monitor Barbara Zack Quindel nullified the results of the 1996 Teamster election. Two aspects of this ruling were remarkable. The first was its timing.

Well before the expiration of the UPS contract it was obvious to Quindel and the Justice Department, as it was to both Carey and Hoffa, that a new election would have to be called. By that time two of Carey's top campaign aides had been arrested and indicted and one of them had pleaded guilty and agreed to cooperate with the FBI and the US Attorney's office. Carey himself had been brought before a New York grand jury and his political director had pled the Fifth Amendment and resigned his union post.

As both UPS and Hoffa pointed out, by waiting to invalidate the 1996 Teamster election until after the strike—generally portrayed in the media as

a union victory-Quindel gave Carey a huge boost, doing her part to make, for the incumbent, the best of a bad situation.

Second, and even more remarkable, was Quindel's finding that Carey had no knowledge and no involvement in the money-swapping scheme, and her decision to let him run in a new election.

One month later Quindel resigned after it was revealed that she and her husband were members of the New Party, an organization comprised largely of lower-level union officials and left Democrats, and that Carey had personally approved a \$5,000 Teamster donation to the party. Moreover, it turned out, Quindel's husband was on the board of the Wisconsin affiliate of Citizen Action, an organization accused of participating in Carey's money-laundering operating to the tune of \$475,000.

In November 1997 another government-appointed monitor, former US District Judge Kenneth Conboy, overturned Quindel's earlier decision and disqualified Carey from running in the new election. In his report Conboy amply documented the Teamster president's direct involvement in the illegal scheme. At the same time, Conboy ordered an investigation into Hoffa's campaign financing.

Enter Michael Cherkasky

In December 1997 Michael Cherkasky was named the new Teamsters Election Officer. Unlike Quindel, Cherkasky was not a product of "left" Democratic Party and labor circles. He retired as chief of investigations for New York District Attorney Robert Morgenthau in 1994, after spending 11 years prosecuting high-profile cases, from mobster John Gotti to the Bank of Credit and Commerce International (BCCI), to the World Trade Center bombing.

Cherkasky is currently the managing director of the North American operations of Kroll Associates, an international business intelligence and security firm which provides services to Fortune 500 companies and has close ties to the US military.

Why the decision to allow Hoffa to run? No doubt there were many considerations, and it is impossible to draw ironclad conclusions. But it is both possible and necessary to place the decision within its broader political context.

On the same day as Cherkasky's decision, the federal grand jury in New York indicted William Hamilton, the Teamsters former top political lobbyist, on six counts of fraud, perjury, embezzlement and conspiracy stemming from his involvement in the Carey reelection scheme. The indictment also cited top AFL-CIO leaders and officers from the Democratic National Committee and the Clinton-Gore campaign.

According to the indictment, upon the request of AFL-CIO Secretary Treasurer Richard Trumka, Hamilton sent a Teamsters check for \$150,000 to the labor federation. Trumka had the AFL-CIO donate the \$150,000 to Citizen Action, which in turn gave \$100,000 to a firm doing mass mailings for the Carey campaign.

Three days after the indictment, AFL-CIO President John Sweeney was brought before House Republican Peter Hoekstra's committee to explain why his second-in-command, Trumka, was taking the Fifth Amendment and refusing to testify before either Congress or the federal grand jury in New York. Other AFL-CIO leaders implicated in the Teamster campaign scandal include American Federation of State, County and Municipal Employees President Gerald McEntee, another high-ranking AFSCME officer, Paul Booth, and the president of the Service Employees International Union (Sweeney's old bailiwick), Andrew Stern.

The Hoffa ruling could well be bound up with concerns over the potential fall-out from the Teamsters scandal. The entire leadership group

in the AFL-CIO, which was ushered in with considerable media fanfare just three years ago, could be decimated. Trumka, the heir-apparent to Sweeney, could very well be forced to resign, whether or not he is indicted. McEntee could also go, and Sweeney himself could face serious legal problems.

Under these conditions, might it not be prudent to groom a new crop of labor underlings, so as to hold the old union apparatus together? After all, the Teamsters and the AFL-CIO as a whole have provided a useful service in suppressing the working class and promoting the interests and ideology of American capitalism. Hoffa may be "damaged goods," but he may also be the only goods available.

Cherkasky's ruling should also be considered within the context of the ongoing struggle against the Clinton White House, particularly the Republican investigation into alleged campaign finance abuses in Clinton's 1996 reelection. The US Attorney's office in New York has already indicated it will pursue the connection between the Teamsters and the Clinton-Gore campaign, and the House Republicans are pursuing the same charges. Hoffa has made no secret of his readiness to ally himself with the GOP.

Political lessons for the working class

It may not be possible to determine with pinpoint accuracy the aims underlying the machinations of the federal authorities and the courts. However, one thing can be said for certain: the maneuvers within the ruling class over who is to run the Teamsters take place behind the backs of the working class.

Three conclusions can be drawn from these events:

First, the government's intervention into the Teamsters has been thoroughly exposed. The pretense that it was driven by a desire to clean up the union and return it to the rank-and-file is well-and-truly ended with the turn to James P. Hoffa, a man who was made his career by fronting for the old guard faction of the Teamsters bureaucracy.

Second, the various maneuvers underscore the fact that workers have no genuine control over the Teamsters, the AFL-CIO, or any of its affiliated unions.

Finally, there are no significant differences between any factions within the union bureaucracy. Neither Hoffa nor Ken Hall, the West Virginia bureaucrat whom the pro-Carey forces have chosen to back, has any perspective to defend the interests of Teamster members or the working class as a whole. Both are loyal to the capitalist two-party system, hostile to socialism and opposed to any struggle that calls the profit system into question.

Organizations which are tied to the capitalist state and defend the economic imperatives of big business cannot and will not defend the interests of the working class. In the end, the rise and fall of Ron Carey and its sordid aftermath underscore the degenerate character of the old unions, and the need for workers to build a new movement, based on radically different, that is, socialist and internationalist, foundations.

Also in German



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact