

# Former US Teamsters President Ron Carey expelled from union

Shannon Jones  
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A three-member federal oversight panel has expelled former Teamsters President Ron Carey from the union for his role in the diversion of hundreds of thousands of dollars from the union treasury to finance his 1996 reelection campaign. The ruling, announced July 27, barred Carey for life from holding any union office. The panel also expelled William Hamilton, the former political director of the union.

The Independent Review Board, set up by the US Justice Department in 1989 to monitor the Teamsters union, concluded that Carey should be held accountable for an illegal scheme in which Teamsters money was funneled to various liberal groups in exchange for donations to his campaign. Federal law prohibits the use of union funds to support candidates for union office.

In its 35-page ruling the panel stopped just short of declaring that Carey approved the fund swap. The majority opinion written by former FBI director William Webster and Grant Crandell stated, 'A fair inference to be drawn from all the facts is that Carey closed his eyes because he knew or suspected that those contributions were to generate a personal benefit for him, i.e., benefits to his campaign.' A concurring opinion by former federal judge Frederick B. Lacy declared that Carey knew of the plan to recycle the contributions back into his campaign.

The IRB found that Hamilton, one of Carey's close associates, 'knowingly used his union position to cause union donations to be made in return for contributions.' The board held Hamilton accountable as the top Teamsters officer responsible for political contributions.

The IRB ruling confirmed the findings of the federal election monitor who threw out Carey's narrow election victory over James P. Hoffa last year on the grounds

that it had been tainted by the Carey campaign's illegal use of union funds. Carey was subsequently barred from running again. After the ruling Carey took an unpaid leave of absence from the union.

In the wake of the exposure of the financial irregularities, three Carey associates pled guilty to felony charges, including Jere Nash, his campaign manager. Top AFL-CIO officials have been implicated as well. AFL-CIO Secretary Richard Trumka exercised the Fifth Amendment and refused to testify before a federal election monitor and a Manhattan grand jury investigating Teamsters finances.

The Carey scandal has discredited those who claimed that his election as Teamsters president in 1991 represented a victory for union 'reform.' Carey, a long-time official who headed a large New York City Teamsters local, had been portrayed as a rank-and-file alternative to the mafia-infested old guard leadership.

Carey never had a mass base among rank-and-file workers. Faced with a tight race against James P. Hoffa, the son of former Teamsters President Jimmy Hoffa, Carey turned to the Clinton administration and the Democratic Party. His staff worked out a plan to donate money from the union treasury to groups tied to the Democratic Party in exchange for contributions to the Carey campaign from wealthy liberals and ex-radicals.

The most vociferous supporters of Carey included the Teamsters for a Democratic Union and a host of middle class 'left' groups such as Workers World, Socialist Action, the International Socialist Organization and others. In the wake of the revelations about the Carey camp's illegal diversion of union funds, they attempted to deny the truth of the charges, claiming they were the result of a government vendetta.

The Teamsters for a Democratic Union has made no

accounting for its own role in backing the Carey administration. In a comment quoted in the *Washington Post* in the wake of the IRB ruling expelling Carey, TDU organizer Ken Paff said that the seven years since Carey's election in 1991 had been 'a period of change in the Teamsters and, overall, it has been an enormously healthy change.' The TDU has thrown its support behind another Teamsters bureaucrat and Carey associate, Tom Leedham, head of the union's 400,000-member warehouse division, who is participating in the rerun election against Hoffa set for September.

Overshadowing the election campaign have been the maneuvers of Republican and Democratic politicians seeking to ensure the election of their man to the Teamsters presidency. Republican leaders in Congress, including such figures as Senate Chairman Trent Lott and House Speaker Newt Gingrich, are pressing for the release of federal money to oversee the election. These forces see the election of Hoffa, the frontrunner, as a boon for the Republicans. Hoffa has worked closely with the Republicans and has been praised by Senator Orin Hatch of Utah as 'the labor leader of the twenty-first century.'

However, the Republican chairman of the Senate Appropriations subcommittee, Judd Gregg of New Hampshire, has thus far blocked funding for the rerun election, which, under terms of the 1989 consent decree signed by the Teamsters, the federal government is obligated to finance. Judd and other right-wing Republicans are opposed to any government funding.

The Clinton administration has made no serious effort to press for the release of federal funds for the rerun election. It calculates that any delay of the vote will prolong the life of the current Teamsters leadership, which is dominated by holdovers from the Carey administration with close ties to the Democratic Party. The AFL-CIO leadership is also apparently seeking to hold up federal funding. According to one report, AFL-CIO lobbyists have been attempting to secure Democratic votes in Congress to block the funding bill.

See Also:

The middle class 'left' and the fall of Ron Carey

[29 December 1997]

The Teamsters election scandal

[22 September 1997]



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