

# New York City municipal unions rigged contract vote

**Bill Vann****25 November 1998**

Top officials within District Council 37 of the American Federation of State, County and Municipal Employees (AFSCME), representing 120,000 New York City municipal workers, are facing multiple criminal convictions.

A widening corruption scandal has brought forth revelations that the union leadership rigged a 1996 contract vote that paved the way for cuts in workers' real wages. Reports have also exposed the intimate collaboration of the union bureaucracy with the administration of Republican Mayor Rudolph Giuliani.

DC 37 Executive Director Stanley Hill announced November 23 that two senior union officials, Martin Lubin, often described as Hill's 'right-hand man,' and Mark Shaplo, Lubin's assistant, resigned from the union after admitting they stuffed ballot boxes to ensure the ratification of the contract.

Hill announced the resignations at a press conference in midtown Manhattan, presenting the departure of his two top assistants as the product of an internal investigation conducted by DC 37. In reality, the revelations followed a guilty plea by the president of one of DC 37's locals, who admitted to a kickback scheme involving Thanksgiving turkey give-aways to union members.

The plea was part of a deal with the Manhattan District Attorney. Joseph DeCanio, who headed Laborers Local 376, was promised a lenient sentence in return for information on the misdeeds of other top union bureaucrats. DeCanio admitted to stealing more than \$50,000 as part of a scheme in which he bought turkeys for other union locals to give to their members on Thanksgiving. Turkeys bought at 20 cents a pound were sold to the locals for 40 cents a pound, yielding a handsome profit that, at least in some cases, was split with the presidents of the other locals.

The kickback scheme was not entirely unknown to the membership. At one local meeting, DeCanio was asked

about his \$40 turkeys. 'Where the hell did you get them Joe, Peru?' a worker demanded. In admitting to his part in the turkey racket, DeCanio also became the first union insider to confirm long-standing suspicions that the 1996 contract vote was fixed.

DeCanio is only the first of a number of local presidents who are expected to be indicted on corruption charges. Charles Hughes, president of Board of Education Local 372, representing low-paid school cafeteria workers and teachers' aides, is accused of receiving more than \$1.6 million in questionable overtime and union expense account payments during a period when he drove his local \$10 million into debt. Hughes managed to siphon off more than \$100,000 in union funds to pay residents of Georgia and South Carolina, whom he placed on his local's payroll in an unspecified capacity. He was expelled by AFSCME in June after his shady financial dealings, all of which were approved by DC 37's leadership, came to light.

Such instances of fraud, embezzlement and theft from the workers they purport to represent are only some of the more grotesque expressions of the pervasive corruption that defines the character and role of the DC 37 bureaucracy. These officials earn 10 times the salary of many of the workers they claim to represent. Executive Director Stanley Hill was paid \$262,192 last year. Albert Diop, whose Local 1549 represents poorly paid clerical workers, took home \$192,213 in 1997. It has been reported that his local's funds were used to rent out a penthouse apartment for Diop in DC 37's downtown headquarters. Diop is one of Hill's closest allies. The ballot stuffing that provided the margin to pass the 1996 contract took place in his local.

The contract that DC 37 fraudulently imposed upon New York City workers was a five-year concessions package. It included a wage freeze during the first two years of the agreement, and introduced two-tier wage

arrangements that imposed sub-standard conditions on newly hired workers.

The bureaucracy tried to sell the agreement by claiming it included a three-year no-layoff guarantee. In fact, the section of the workforce that was principally targeted for layoffs, the city hospital workers, were deliberately left out of any such promise and job cuts have followed.

There was widespread opposition to the deal throughout the city workforce and it would have been defeated without the thousands of fraudulent ballots recorded in Local 1549. The deal sealed a partnership between the labor bureaucracy and the Giuliani administration, which was further solidified the following year, when DC 37 endorsed the right-wing Mayor's reelection. The rigged contract guaranteed peace on the labor front at a time when Giuliani was pushing through the most sweeping budget cuts and attacks on social programs that the city had seen since the Great Depression.

The turkey middleman, DeCanio, was the first DC 37 union president to endorse Giuliani for reelection. Local 372 President Charles Hughes also played a prominent role in the mayor's campaign, appearing in a frequently broadcast commercial showing the Republican ex-prosecutor and the black union official embracing.

Giuliani secured the DC 37 bureaucracy's collaboration in the implementation of his Work Experience Program. WEP has been employed to dragoon tens of thousands of welfare recipients into a forced-work scheme that pushes people off the welfare rolls and uses them as a cheap substitute for unionized employees in the city's hospitals, parks and offices.

The spiraling DC 37 scandal will likely bring Hill and many of his cohorts down as well. Nobody will be fooled by the DC 37 leader's expressions of shock over his closest associates carrying out vote fraud to push through the contract he negotiated.

Union officials who enjoyed six-figure salaries will be tried and convicted of felonies and sent to jail. At least one of the top bureaucrats now facing indictment is reported to have told his colleagues that he 'can do two years,' as long as he can keep the money he embezzled.

Whatever the fate of these individual officials--none of whom have ever exhibited any talents beyond the conniving that led to padded expense accounts, turkey kickbacks and ballot-stuffing--the crisis in DC 37 raises fundamental questions about the nature of the organization itself. It has not led a single struggle by city workers in nearly a quarter of a century. When the fiscal crisis of 1975-76 brought the city to the brink of

bankruptcy, the DC 37 leadership rushed to the aid of the banks and big business, turning workers' pension funds into a cash cow for the financial bailout of the city's creditors.

DC 37 has collaborated since then in a wave of layoffs and give-backs that has continued from the recessions of the 1970s and 80s through Wall Street's meteoric upsurge in the 1990s, reducing the city labor movement to a shadow of its former self.

All the while, union officials like Hill have grown wealthier, pulling down salaries that put those of the mayor and all his commissioners to shame. They have been invited onto innumerable government boards and are significant players in both the Democratic and Republican parties. In short, the union apparatus has been turned into a very privileged upper-middle-class layer, whose positions and wealth are directly dependent upon the ever-worsening conditions of the workers they supposedly represent.

In their internal life, these unions, like their counterparts throughout the AFL-CIO, are among the least democratic and most corrupt institutions that exist in America today. They combine the kind of criminal activities that are associated with the Mafia with the political disenfranchisement of their members, by means of vote-rigging, intimidation and outright violence.

The New York union scandal is exposing not merely the corruption of a few individuals, but rather the internal rot of an institution that has been transformed into an instrument of the government and big business. The sharpening social polarization in New York City and throughout American society has made it increasingly difficult to mask the diametrically opposed interests of the union bureaucracy and the working class. The exposure of New York's municipal unions makes clear that a struggle against worsening social conditions must take the form of a collision between the workers and so-called labor organizations that long ago ceased to represent their interests.

See Also:

Marxism and the Trade Unions

[A lecture by David North, 10 January 1998]



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