

As corruption scandals mount, US trade union leaders meet in Miami Beach

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The 54 members of the AFL-CIO Executive Council gathered at the Hotel Fontainebleau in Miami Beach, Florida last week for their annual winter retreat. The executive council is made up of the US labor federation's top three officers--President John Sweeney, Secretary-Treasurer Richard Trumka, Executive Vice President Linda Chavez-Thompson--and the presidents of 51 affiliated unions.

At the top of their public agenda was the decision to spend some \$40 million to elect a Democratic president and Democratic-controlled Congress in 2000. They had nothing to say about the union-busting attack on American Airlines pilots that occurred on the eve of their meeting. The AFL-CIO tacitly supported a federal judge's decision to levy a multi-million-dollar fine against the Allied Pilots Association because the APA is not part of the labor federation. Among the union chiefs assembled in Miami Beach there was the hope that a defeat for the American pilots might create an opening for the Airline Pilots Association, an AFL-CIO affiliate, to challenge the APA for the union franchise at the second largest airline in the US.

The Executive Council passed a series of resolutions highlighting the reactionary outlook of the AFL-CIO bureaucracy. These included calls for the Clinton administration to impose more draconian protectionist measures against steel imports and extend a moratorium against Mexican truck drivers operating in the US.

No doubt in the hallways and bars of the Fontainebleau Hotel a major topic of discussion was the mounting legal problems facing the union officials. While corruption scandals are no stranger to the American trade union movement, what was extraordinary about this year's gathering was the number of Executive Council members who are facing

possible indictments and the number of unions that are embroiled in scandal. Any consultant worth his weight would have advised the AFL-CIO leaders to spend their \$40 million on top-notch attorneys, rather than once again shoveling cash into the coffers of the Democratic Party.

A large portion of the New York City labor movement has been implicated in one scandal or another. Over the last two years, union locals representing 300,000 workers, nearly one-quarter of the city's unionized work force, have been placed under trusteeship by their parent union or a court of law.

New York's District Council 37, the largest single affiliate of the American Federation of State, County and Municipal Employees (AFSCME), is under investigation by the Manhattan district attorney's office for fraud, corruption and gangsterism. Last week Stanley Hill, the longtime executive director of DC 37, officially resigned from his \$262,000-a-year post. A fellow bureaucrat, who entered a plea bargain for stealing more than \$50,000, testified that AFSCME officials were involved in stuffing ballot boxes during the 1996 city workers' contract vote in order to obtain ratification for a wage freeze sought by Republican Mayor Rudolph Giuliani.

Gerald McEntee, chairman of the AFL-CIO's political committee and president of AFSCME, has dispatched Lee Saunders, a functionary from the national office, to carry out damage control in DC 37. Saunders expressed indignation that union officials had treated DC 37 as their own private "candy store" and attributed the loss of more than \$10 million in union funds to "irresponsible spending" by top bureaucrats. The investigation has thus far revealed that the pilfering of union members' dues money and the stuffing of ballots is a long-standing and time-honored practice in DC 37.

Trouble is also brewing in AFL-CIO President John Sweeney's Service Employees International Union (SEIU) in New York. Gus Bevona, the president of SEIU's Local 32B-32J for nearly two decades, left office at the beginning of the month amid scandal over his \$530,000-a-year salary and his private penthouse on the top floor of the union headquarters building. The local represents 55,000 New York City janitors, doormen, elevator operators and other building maintenance workers, many of them immigrants, who average \$30,000 a year.

Bevona's 3,000-foot spread included a walk-in vault, two marble-walled bathrooms, two dressing rooms, seven stainless steel refrigerators, and an electronic climate-control and lighting system.

The SEIU leadership pressured Bevona to leave, but not before he collected another \$850,000 in severance pay and \$650,000 for unused vacation time. A union trustee recently revealed that roughly 45 of the local top officials received a total of \$1 million for unused vacation time and were owed \$5.3 million under the local's severance plan. John Sweeney is still collecting his six-figure salary from his SEIU local in New York.

Another topic of discussion was the fallout from the scandal involving ex-Teamsters President Ron Carey, who was forced out of office for embezzling nearly \$1 million from the union's treasury to finance his 1996 reelection bid. In July 1998 a three-member federal oversight panel expelled Carey from the union and barred him for life from holding any union office. (Carey's name still appears on the AFL-CIO Executive Council's letterhead as head of the Teamsters union.)

In April 1998 a federal grand jury in New York indicted William Hamilton, Carey's top political lobbyist, on six counts of fraud, perjury, embezzlement and conspiracy. The indictment also cited top AFL-CIO leaders--including Secretary-Treasurer Richard Trumka, McEntee, another high-ranking AFSCME officer, Paul Booth, and SEIU President Andrew Stern--for their involvement in Carey's money-swapping scheme.

One of the supposed highpoints of the executive council meeting was a press conference where John Sweeney and newly elected Teamsters President James P. Hoffa stood side by side. Hoffa is a fitting addition to the Executive Council. He has long been associated with "old guard" Teamsters officials who are notorious

for their ties to the Mafia and their violent attacks on critics and opponents within the union.

Much of the week was consumed with intramural warfare over which unions are to have jurisdiction in fast-growing areas such as healthcare, public employment and hotels. As the percentage of the work force enrolled in the AFL-CIO continues to shrink--falling to the level of union representation in private industry of the old craft-based American Federation of Labor, going back some 70 years--turf wars among rival gangs of union bureaucrats inevitably grow more heated.

In every sense the assembly at the Fontainebleau underscored the unbridgeable chasm that separates the putrescent labor bureaucracy from the interests of the working class.



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