

Former Teamsters President Ron Carey indicted for perjury

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Carey is charged with lying to federal officials in 1997 when they were investigating the transfer of nearly \$1,000,000 in union money to a number of pro-Democratic Party liberal organizations as part of a scheme in which these organizations were to kick the money back to the Carey campaign. He could face a maximum term of five years in prison on each of seven perjury counts if convicted.

Carey pleaded not guilty to the charges in district court in Manhattan on February 2 and was released on his own recognizance after surrendering his passport and all travel documents.

In 1996 Carey narrowly won reelection over challenger James P. Hoffa. A federal oversight panel later overturned his victory and disqualified him from serving as union president. Carey was subsequently expelled from the union.

Federal supervision of the Teamsters dates back to 1989 when the US government filed a racketeering lawsuit alleging that organized crime controlled the union. Teamsters officials agreed to the arrangement in exchange for the federal government dropping the court action.

In November 1999 a federal jury convicted former Teamsters political director William Hamilton on six counts of corrupt practices related to the illegal diversion of union funds. The trial pointed to the involvement of top AFL-CIO officials in organizing illegal contributions to the Carey campaign, including AFL-CIO Secretary-Treasurer Richard Trumka and American Federation of State County and Municipal Employees President Gerald McEntee.

Carey is charged with making dozens of false statements to federal investigators relating to a plan to donate \$885,000 in Teamster funds to four political groups—including \$475,000 to Citizen Action—which in

turn were to line up matching donations to the Carey campaign through third-party contributors. The operation allegedly involved top Democratic fundraisers, including former Democratic National Committee Treasurer Richard Sullivan, who reportedly saw the scheme as a way to raise money for the Clinton campaign and bail out a political ally.

Carey said he had no knowledge of the illegal fundraising plan, even though the union was financially hard pressed and the pay-out to Citizen Action was one the largest single donations ever made by the Teamsters.

In a statement issued following Carey's indictment, his attorney Reid Weingarten denied the charges. Weingarten claimed that Carey should be regarded as a “hero of the labor movement” and implied he was the target of unfair and harsh treatment by the government.

In reality the Clinton administration's justice department handled Carey with kid gloves, refusing to order a new union election until pressure became overwhelming. It stalled for years before indicting the ex-Teamsters official. The current indictment does not charge Carey with embezzlement, fraud or conspiracy, which carry much more potential jail time.

With the installation of the Republican Bush administration there are fears within the union hierarchy that the Justice Department, headed by John Ashcroft, will pursue the case with more energy. Among the potential targets are not only Trumka and McEntee, but AFL-CIO President John Sweeney, as well as Democratic National Committee head Terry McAuliffe.

The indictment handed down against Carey indirectly implicates Trumka. It charges Carey with lying when he denied having conversations with his campaign manager, Jere Nash, about enlisting the aid of Trumka

in raising money. Nash and Martin Davis, a consultant to Carey, pleaded guilty in 1997 to charges stemming from the illegal fund-raising scheme. They have not yet been sentenced and could be called to testify against Carey.

Davis, the indictment states, asked Trumka if the AFL-CIO would give \$150,000 to Citizen Action in return for that organization making an equal donation to the Carey campaign. Nash said that Trumka, McEntee and Andrew Stern, president of the Service Employees International Union, Sweeny's former bailiwick, were all participants in the plan.

The fund-swapping scandal has served to discredit those who claimed that Carey's election as Teamsters president in 1991 represented union "reform" and a victory for rank-and-file members. Carey's biggest supporters included the Teamsters for a Democratic Union (TDU), as well as middle-class "left" groups such as Workers World, Socialist Action, the International Socialist Organization and others. These groups, as well as the liberal media, initially sought to portray the charges against Carey as government persecution of a union reformer.

But in reality Carey never represented an alternative to the old guard Teamsters leadership. He spent decades in the union bureaucracy, for many years heading the largest UPS local, based in New York City. Lacking any mass base among the rank and file, in the end he turned to the same methods utilized by his opponents and proved to be no less corrupt.



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