

Teamsters union boss with close ties to Chicago Democrats pleads guilty to extortion

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On July 30, former Teamsters Chicago area union boss John Coli Sr. pleaded guilty to charges of corruption for extorting \$325,000 from Alex Pissios, president of Cinespace Chicago Film Studios, known for lucrative television shows such as *Empire*, *Shameless*, *Chicago Fire* and *Chicago PD*.

Coli extorted the payments from 2013 to 2017 while he was president of 12,500-member Local 727, which includes Cinespace studio workers. Pissios paid the bribes out in a series of \$25,000 payments, which Coli concealed from the Internal Revenue Service. When Pissios raised concerns that other Cinespace executives were eyeing the payments with suspicion and threatened to have him fired, Coli responded by declaring that the Teamsters would strike the film studio if the payments stopped.

Coli was caught by the FBI through hidden wires worn by company executives, threatening not only to strike the studio for his own financial ends but to suggest that an executive be fired for raising the alarm about the payments. “You can’t have a f---- rat in the woodpile... You can’t have a whistleblower here,” the *Chicago Tribune* reported Coli as saying in one secret meeting.

The former top union bureaucrat is now cooperating with federal investigators to reduce his sentence from up to three years in prison to less than two years. His sentence is widely seen as a slap on the wrist.

Coli was an International Teamsters vice president and close ally of union president James P. Hoffa until his election defeat in 2016. In addition to his Local 727 position he also headed Teamsters Joint Council 25 until his indictment on federal charges on July 12, 2017. Coli resigned the same day. His last salary statement from the Teamsters in 2018 totaled \$332,024.

Local 727 is a Coli family business, rife with nepotism. Coli Sr. inherited his position as Secretary-Treasurer of Local 727 in 1982 after the death of his father, former Secretary-Treasurer Eco James Coli. After Coli Sr. resigned, the position was inherited by his son John Coli Jr., who remains in the position today.

Coli was made notorious by his uncooperative and belligerent court appearance in 2011 for another extortion case involving SCI Illinois Services, Inc., a Chicagoland provider of funeral services whose employees are under a Teamsters contract. In

the lawsuit, local union officials were accused of fleecing employees’ health, pension and education plans, and through the case it was revealed that three of the four trustees of those plans were Coli’s family members. The Teamsters union has a long history of looting workers’ pensions for the benefit of top officials.

Coli’s agreement to work with federal investigators could have serious implications for the Democratic Party machine in Illinois and Chicago. Coli was well-connected politically, enjoying close ties to former Chicago Mayor Rahm Emanuel, former Illinois governor Pat Quinn, House Speaker Michael Madigan and Illinois Senator Tom Cullerton—all Democrats—along with the former Republican governor and billionaire Bruce Rauner.

In 2009, Illinois Democratic Governor Rod Blagojevich was impeached and sent to prison for trying to sell the US Senate seat vacated by then President-elect Barack Obama in a scheme that involved Blagojevich getting a \$300,000-a-year job at a group affiliated with the Service Employees International Union (SEIU), in return for promising to appoint a pro-SEIU official to the seat.

The same federal grand jury that indicted Coli had subpoenaed documents from the Illinois State Senate in April for Democratic Senator Tom Cullerton’s reimbursements “for ‘travel, lodging, meals, cellular phone and vehicle allowances’ from Feb. 1, 2013, through March 3, 2016,” according to the *Chicago Tribune*.

The documents revealed that Cullerton received income as Teamsters “organizer” for Joint Council 25 for the three years scrutinized by federal investigators. Cullerton is currently the chairman of the Senate Labor Committee. The Teamsters paid the senator a total of \$182,000 over the three-year period, which, according to press reports, nearly doubled his state senator salary during the same stretch.

Teamsters Joint Council 25 endorsed former Democratic Governor of Illinois Pat Quinn for reelection in 2014. When Quinn lost to Rauner, Coli was quick to enter into a political relationship with the Republican governor. Rauner appointed Coli on the Illinois Labor Advisory Board. While an officially unpaid position, Coli reaped political and business benefits as a member of the board, which worked with the state Department

of Labor on employment policies, laws and regulations.

Coli diverted union assets, much of it derived from dues money paid by workers, to pay the salaries of his family members. Illinois Advocates, a law firm owned by Coli's son Joseph Coli, was retained by Teamsters Local 727 in 2012 as the union's "exclusive provider of legal services." The firm netted \$1.86 million in payments from the local between March 2013 and February 2014. Joseph Coli Jr. may also face charges.

There has also been speculation that then US President Barack Obama's January 2015 decision to phase out direct federal oversight over the Teamsters international union as mandated by the 1989 RICO consent decree came in part as a result of a May 2008 meeting between the then presidential candidate and Coli over a campaign endorsement.

The RICO Act (Racketeer Influenced and Corrupt Organizations Act) was embraced in 1988 by the reform faction Teamsters for a Democratic Union (TDU), which worked with the Reagan-Bush administration after hundreds of Teamsters officials were dismissed from their posts. The TDU encouraged workers to believe that federal intervention and the election of TDU-backed candidates would clean out corruption and lead to rank-and-file control over the union. In the end, however, TDU-backed candidates such as Ron Carey, who defended the profit system and the political domination of the two corporate-controlled political parties just like the Mafia-backed union officials did, betrayed the aspirations of workers and also imposed management's dictates. Carey was forced out after a corruption scandal involving the union donating money to Democratic Party-aligned organizations, which in turn donated to Carey's reelection campaign.

In a perfunctory statement on Coli's crimes, the TDU lamented that this would undermine efforts to swindle more workers into paying union dues to the Teamsters. "Coli's actions have damaged our union's reputation, and the reputation of every honest Teamster officer working daily for members. Corruption undermines our union's ability to organize and to involve our members in the union."

In October 2018, the TDU played a critical role in allowing the Hoffa leadership to impose a sellout contract on a quarter of a million UPS workers, which included wages as low as \$13 per hour for new hires and the creation of the new "hybrid" driver/employee position, which greatly expands contract and temporary labor. Hoffa and the Teamsters even defied a majority "no" vote by UPS workers—using an undemocratic clause that required a two-thirds rejection, if less than half of eligible workers voted—while TDU officials insisted that workers had no right to strike or take any other industrial action if it was not sanctioned by the Hoffa bureaucracy.

The Teamsters corruption scandal coincides with the conviction of top United Auto Workers officials for taking more than a million dollars in bribes from Fiat Chrysler executives in exchange for signing and enforcing sweetheart contracts, which cut workers' wages and expanded the number

of temporary and contract jobs.

The grotesque corruption that is rampant throughout unions in the United States and internationally is not simply a matter of the personal traits of this or that individual bureaucrat. Instead, the rotten character of the personnel who head what was once called the "American labor movement" is the subjective expression of the bankruptcy and failure of all the nationalist and pro-capitalist trade unions.

With the globalization of production and sharp economic decline of American capitalism in the late 1970s and the 1980s, the unions, which are rooted in the nation-state system, abandoned any resistance to the class-war policies of the ruling class. From organizations that once pressured the employers for concessions, the unions were transformed into organizations that partnered with the corporations to pressure workers for concessions in order to boost profits and attract investments.

In 2018, the Bureau of Labor Statistics reported that 14.7 million workers in the US belonged to unions, compared to 22.2 million in 1975 at the beginning of the period of globalization of capital, when the number of workers in the US was much smaller. As union membership dwindled, so did union dues paid by workers, and the union bureaucracy found ways to finance its salaries through corporate board positions, kickbacks, stock ownership and other lucrative deals. In exchange, the unions have functioned as the police force for management.

Workers can only break the grip of the corrupt unions by building new organizations of struggle, which are democratically controlled by workers, based on the methods of the class struggle, and committed to fight for what workers need, not what the corporations, unions and big-business politicians claim is affordable.

But these rank-and-file factory and workplace committees must be based on an entirely different outlook and program. The only way workers can fight the global strategy of the transnational corporations is through the international unification and coordination of the resistance of the workers of all countries. This must be combined with the development of a political counteroffensive of the working class in opposition to both corporate-controlled parties and the fight for a socialist alternative to the capitalist profit system.



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