

INDEPENDENT REVIEW BOARD
444 North Capitol St., NW, Suite 528
Washington, DC 20001
(202) 434-8080
Facsimile (202) 434-8084
Corruption Hotline (800) CALL IRB

ID-161 ID-399
ID-205 ID-414
ID-330 ID-427
ID-383 ID-458

Chief Investigator:

Charles M. Carberry, Esq.
17 Battery Place, Suite 331
New York, NY 10004

Administrator:

John J. Cronin, Jr.

Board Members:

Grant Crandall, Esq.
Crandall, Pyles & Haviland
1021 Quarrier Street
Charleston, WV 25301
Frederick B. Lacey, Esq.
LeBoeuf, Lamb, Greene & MacRae
One Riverfront Plaza
Newark, NJ 07102-5490
William H. Webster, Esq.
Milbank, Tweed, Hadley & McCloy
1825 Eye Street, NW, Suite 1100
Washington, DC 20006

January 2, 1997

General President Ron Carey
International Brotherhood of Teamsters
25 Louisiana Avenue, NW
Washington, D.C. 20001

Re: Charges against Local 807 Members

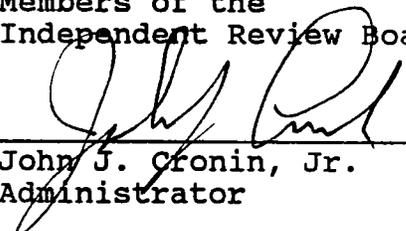
Dear Mr. Carey:

The IRB's December 4, 1996, letter to you regarding the above-captioned matter inadvertently contained a transposition of two names. The IRB found that the sanctions against Vincent Michaels are not inadequate. It also found that the sanctions against Donald Rozas are inadequate.

Very truly yours,

Members of the
Independent Review Board

By:


John J. Cronin, Jr.
Administrator

cc: IBT General Executive Board
Judith A. Scott, Esq.
Charged Members

INDEPENDENT REVIEW BOARD
444 North Capitol St., NW, Suite 528
Washington, DC 20001
(202) 434-8080
Facsimile (202) 434-8084
Corruption Hotline (800) CALL IRB

Chief Investigator:

Charles M. Carberry, Esq.
17 Battery Place, Suite 331
New York, NY 10004

Administrator:

John J. Cronin, Jr.

Board Members:

Grant Crandall, Esq.
Crandall, Pyles & Haviland
1021 Quarrier Street
Charleston, WV 25301
Frederick B. Lacey, Esq.
LeBoeuf, Lamb, Greene & MacRae
One Riverfront Plaza
Newark, NJ 07102-5490
William H. Webster, Esq.
Milbank, Tweed, Hadley & McCloy
1825 Eye Street, NW, Suite 1100
Washington, DC 20006

December 4, 1996

General President Ron Carey
International Brotherhood of Teamsters
25 Louisiana Avenue, NW
Washington, D.C. 20001

Re: Charges against Local 807 Members

Dear Mr. Carey:

This is in response to the General President's sanctions concerning Local 807 members Michael Rabbitt, John Hohmann, James Tansey, Donald Rozas, Brian Rittenhouse, James Perrone, Anthony Furino and Vincent Michaels. The IRB has considered all the issues raised by the members. It finds that the sanctions against Rabbitt, Tansey, Hohmann, Rozas and Rittenhouse are not inadequate, except for the failure to include the language noted below. It also finds that the sanctions against Perrone, Furino and Michaels are inadequate. All respondents should be prohibited during these periods of ban from "receiving any money or compensation from IBT-affiliated entities with the exception of vested benefits."

Very truly yours,

Members of the
Independent Review Board

By:


John J. Cronin, Jr.
Administrator

cc: IBT General Executive Board
Judith A. Scott, Esq.
Charged Members

INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
AFL-CIO



OFFICE OF
RON CAREY
GENERAL PRESIDENT

August 1, 1996

Mr. Michael Rabbitt
5 Park Place
Chester, NY 10918

Mr. John Hohmann
7 Duck Lane
West Islip, NY 11751

Mr. Brian Rittenhouse
6 Serpi Road
Highland Mills, NY 10930-9629

Mr. Vincent Michaels
2684 West 36th Street
Brooklyn, NY 11224

James Perrone
5 Bromleight Rd. North
Stewart Manor, NY 11530

Mr. Anthony Furino
489 Travis Avenue
Staten Island, NY 19314

Mr. Donald Rozas
734 E. 3rd Street
Brooklyn, NY 11218

Mr. James Tansey
P.O. Box 221
1111 Bedford Road
Pleasantville, NY 10570

Re: Internal Union Charges Filed By Local
Union 807 Temporary Trustee Johnnie Brown
Against Anthony Furino, et al.

Dear Sirs and Brothers:

Enclosed is my decision on the charges against you filed by
Local 807 temporary Trustee Johnnie Brown. Also enclosed is a copy
of the findings and recommendations of the hearing panel in this
case.

Sincerely,

Ron Carey
General President

RC/lmb

Enclosures

cc: Gene Moriarty, Panel Chair
James Currie, Panel Member
Peter McGourty, Panel Member
Johnnie Brown, Trustee
Independent Review Board ✓

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

In the Matter of:)
)
 Article XIX Charges Brought)
 By Local 807 Temporary)
 Trustee Johnnie Brown)
)
 Against) DECISION
)
 Anthony Furino; John Hohmann;)
 Vincent Michaels (aka Michael)
 Vincent); James Perrone;)
 Michael Rabbitt; Brian)
 Rittenhouse; Donald Rozas;)
 and James Tansey)

Having reviewed the record evidence and the findings and recommendations of the Article XIX hearing panel in the above-referenced matter, I hereby issue the following decision on the charges against Anthony Furino, John Hohmann, Vincent Michaels, James Perrone, Michael Rabbitt, Brian Rittenhouse, Donald Rozas, and James Tansey brought by Local 807 Temporary Trustee Johnnie Brown. Brown charged Furino, Hohmann, Michaels, Perrone, Rabbitt, Rittenhouse, Rozas, and Tansey (the "charged parties") with knowingly placing the interests of the Rabbitt family, themselves and other Local 807 officials above the interests of the Local 807 membership during the negotiation of the 1994-1998 Trade Show Division Contract. Brown charged that they did so by proposing or agreeing to give up Local 807's right to have the general foreman at the Jacob Javits Convention Center ("Javits Center") be part of the bargaining unit in exchange for the employer's agreement to hire a member of the negotiating committee, Michael Rabbitt, for

the non-union general foreman position and negotiating a severance package for that position.¹

The charged parties were also charged with agreeing to give up the general foreman position to allow the general foreman to be beyond the scope of IBT discipline and escape investigation by the IRB. Brown also alleged that the charged parties engaged in nepotism and/or the failure to rectify the appearance that officials of Local 807 engaged in nepotism and knowingly associated with individuals with ties to organized crime.

Additionally, Hohmann was charged with breaching his fiduciary obligations by improperly waiving the initiation fees for an individual who is a relative of a Local 807 Executive Board member and causing the Local to pay the phone bills for the management general foreman at the Javits Center. Michaels and Rittenhouse were also charged with falsifying tax forms and utilizing false social security numbers in connection with their employment at the Javits Center.

Hearings were held on these charges on September 6 and 7, October 16, 17, 26 and 27, November 29, and December 14, 1995 in Long Island City, New York before a hearing panel appointed by the General President pursuant to Article XIX of the IBT Constitution. The hearing panel consisted of Gene Moriarty (Chair), Peter McGourty and James Currie. At the hearing all parties had an opportunity to present evidence and to cross-examine witnesses. After review and consideration of the evidence submitted by the parties, the hearing panel issued a report of its findings and

¹ This particular charge was referred to Trustee Brown by the Independent Review Board ("IRB").

recommendations. A copy of the hearing panel's report is appended to this decision.

Findings of Facts

The facts surrounding the charge relating to the 1994 Trade Show Contract negotiations are set forth in great detail at pages 18-27 of the hearing panel's report and recommendations. Therefore, I will only briefly summarize them here.

Since it opened in approximately 1985, the Javits Center has been rife with corruption and mob influence. The IRB investigation and the hearing panel found that a significant part of the corruption at the Javits Center was the "shape up system" under which members of Local 807 obtained work at the Javits Center. This shape up system was controlled by Local 807 and used by the Rabbitt family and the officers of Local 807 to award jobs and seniority list positions to their family members, friends, and criminal associates.

The person who ran this shape up system from its inception at the Javits Center to the time he went to prison in July of 1994 was Robert Rabbitt, Sr., a former member of Local 807.² Rabbitt, Sr. was convicted of crimes associated with his employment at the Javits Center and sent to prison shortly before the Trade Show negotiations began in September of 1994. From 1985 until his incarceration, Rabbitt, Sr., was the general foreman at the Javits Center, an extremely powerful position that permitted him to

²Robert Rabbitt, Sr. was charged by the IRB with among other things, taking a payoff from an employer. Robert Rabbitt, Sr. eventually entered into an agreement with the IRB whereby he was suspended from IBT membership for a period of five years beginning in June 1994.

control who worked the various trade shows that came to the Javits Center. From the time of its inception in 1985 to the Trade Show Contract negotiations in 1994, the position of general foreman was a union member and the position was included in the bargaining unit and covered by the Trade Show Contract.

The eight individuals charged by the Trustee were members of the negotiating committee for the 1994-1998 Trade Show Division Contract. As such, they were obligated to negotiate a contract which was in the best interests of the membership of Local 807 as a whole and not the negotiating committee or any one individual member of the negotiating committee or Local.

The hearing panel found that shortly after his father was incarcerated in July of 1994, Michael Rabbitt expressed his desire to be the general foreman. Michael Rabbitt and John Hohmann met with company officials prior to negotiations and discussed the position of general foreman. The hearing panel found that when negotiations began in late August 1994, the negotiating committee made certain proposals that company officials characterized as excessive and refused to respond to. One of those proposals was that the general foreman receive a \$15 an hour wage increase over the existing rate, a more than fifty percent increase in the hourly rate. The hearing panel found that these proposals and the negotiations by the committee over the general foreman's position were a charade by the committee undertaken to form a cover to allow Michael Rabbitt to become the general foreman and to allow the Rabbitt family to continue to control the corrupt shape up system.

The hearing panel found that the negotiating committee engaged in these fraudulent negotiations in order to allow Michael Rabbitt

to become the general foreman in a position that would be maintained outside the bargaining unit. The hearing panel also found that while Rabbitt withdrew from the negotiations early on (approximately September 12, 1994), the negotiating committee had already agreed that Rabbitt would be the new, non-union general foreman.

The hearing panel also found that as early as September 12, the negotiating committee was proposing and negotiating a severance agreement for the non-union general foreman, who was to be Michael Rabbitt. In reaching this conclusion, the hearing panel relied on the charged parties' own deposition testimony before the IRB and John Hohmann's negotiating notes. The notes show that the proposal for severance pay for the non-union general foreman was made as early as September 12, 1994. The charged parties admitted that if the general foreman position was to be maintained as a bargaining unit position, there would have been no need to negotiate a severance package for the general foreman. The hearing panel found these actions and admissions by the charged parties showed that the negotiating committee was really negotiating on Michael Rabbitt's and his family's behalf as it concerned the general foreman position.

The hearing panel also found that the Local's actions after the negotiation of the 1994 agreement in requiring prospective employers to sign not only the collective bargaining agreement, but also the reimbursement agreement which was to fund Michael Rabbitt's severance pay, to be evidence that the committee was acting in the interest of Michael Rabbitt and his family and not in the best interests of the Local 807 membership. The hearing panel

found that the charged parties sought to protect the corrupt work practice of the shape up system by trying to put the shape up system beyond the reach of the IRB and keeping it in the hands of the Rabbitt family.

The hearing panel discredited the charged parties' excuses for their actions which they claimed was based on their attorney's advice that the general foreman position could not be maintained in the unit once the employer association purportedly made a demand that it be a supervisory position. The hearing panel found the charged parties post-hoc explanations to lack credibility and consistency. The hearing panel found that the employer association's proposals as late as September 22, 1994 were to maintain the status quo with the general foreman position, ten days after Michael Rabbitt was chosen to be the non-union general foreman and at least ten days after the negotiating committee was negotiating a severance pay agreement for Rabbitt. The hearing panel found that the employer association's status quo proposals would not have accomplished the committee's objective of removing the general foreman position, the shape up system and Michael Rabbitt from the reach of the IRB.

The hearing panel found that despite the employer association's proposal to maintain the status quo with respect to the general foreman position, the negotiating committee gave up the position because it would benefit Michael Rabbitt and maintain the corrupt shape up system. According to John Hohmann, as soon as management "came back and said Michael Rabbitt was [the general foreman] we took the whole thing with the [the] general foreman off the table." (Tr. 627). The hearing panel found it clear that

these experienced negotiators did not attempt to maintain the general foreman position but that they relinquished their right to the position as soon as it was apparent that Michael Rabbitt would be the non-union general foreman. The hearing panel found that these actions by the negotiating committee violated Article II, Section 2(a) and Article XIX, Section 7(b)(1) and (2) of the IBT Constitution.

With respect to charge two concerning interference with the disciplinary processes of the IBT and the IRB, the panel recommended that the charges be dismissed as moot since Michael Rabbitt was not able to avoid union discipline and escape investigation by the IRB.

The hearing panel found that based on the IRB's exhaustive investigation, it was well-established that nepotism and the appearance of nepotism existed in the job referral system at the Javits Center. The hearing panel recommended that while Rozas, Furino, Perrone, Rittenhouse, Michaels and Tansey benefitted from the practice of nepotism or the appearance of the practice of nepotism at the Javits Center, they had not been personally engaged in it. Therefore, the hearing panel recommended that the charge against these individuals be dismissed. However, the hearing panel found that Rabbitt, a Chief Shop Steward and Local 807 Trustee, and Hohmann, a Local 807 Business Agent and Secretary-Treasurer, as officials of Local 807 and in positions of authority at the Javits Center, had a duty to ensure that the selection for jobs and places on seniority lists at the Javits Center were made fairly and equitably. The hearing panel found that Rabbitt and Hohmann not only failed to correct these nepotistic practices or rectify the

appearance of nepotism, but instead perpetuated and created the appearance of a system of nepotism and favoritism imposed by the Rabbitt family in the awarding of jobs and seniority list positions.

The hearing panel found that the charges against Hohmann and Rabbitt were not proven as to the charge of knowingly associating with individuals with organized crime connections and/or membership. Trustee Brown withdrew this charge against the other charged parties.

The hearing panel found that Hohmann violated his fiduciary obligations by improperly waiving initiation fees of James Malpeso, a relative of Ernie Veneziano who was then a member of the Local 807 Executive Board and causing the Local to pay, from October of 1994 to March of 1995, phone bills for a management employee (Michael Rabbitt) who was employed as the non-union general foreman at the Javits Center. The hearing panel found that the documents produced by Trustee Brown clearly showed that Hohmann had approved the waiver of the initiation fees of James Malpeso. Hohmann contended that he did not do so, but could not explain why his initials were on the Titan record approving the waiver. Section 17 of the Local 807 Bylaws provides that initiation fees may only be waived by the Local Union Executive Board. In this case, the hearing panel found that Hohmann acted without the full authorization of the Executive Board to waive Malpeso's initiation fees.

The hearing panel also found that Hohmann, the Local 807 Secretary-Treasurer, authorized the payment of phone bills for the non-union general foreman (Michael Rabbitt) at the Javits Center

from October 1994 to March 1995. There is no dispute about this since the records clearly establish that the Local paid for the non-union general foreman's phone at the Javits Center during these months.

Finally, the hearing panel found that Michaels and Rittenhouse brought reproach upon the IBT by pleading guilty to falsifying tax forms and utilizing false social security numbers in connection with their employment at the Javits Center. The hearing panel rejected Rittenhouse's defense that he was not a member of the IBT at the time he committed these criminal acts. The hearing panel found that such criminal conduct and conviction for such conduct, brings reproach upon the IBT in any case. Michaels presented no defense to this charge.

Conclusions

I concur with the well-reasoned findings and recommendations set forth in the hearing panel's report, and I adopt them in their entirety. Based on these findings, I conclude that Brothers Furino, Hohmann, Michaels, Perrone, Rabbitt, Rittenhouse, Rozas and Tansey violated the IBT Constitution and the Local 807 Bylaws as set forth in the hearing panel's report and recommendations. Accordingly, I impose the following penalties:

- 1) Michael Rabbitt is permanently barred from holding membership in the IBT or any of its affiliates and is permanently barred from seeking or holding office either elected or appointed, or employment or contracting with the IBT or any of its affiliates and he is permanently barred from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliated or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

2) John Hohmann is permanently barred from holding membership in the IBT or any of its affiliates and is permanently barred from seeking or holding office either elected or appointed, or employment or contracting with the IBT or any of its affiliates and he is permanently barred from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliated or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

3) Brian Rittenhouse is suspended from membership and holding either elected or appointed office for a period of five years and he is barred during this time from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliate or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

4) Vincent Michaels is suspended from membership and holding either elected or appointed office for a period of five years and he is barred during this time from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliate or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

5) James Tansey is suspended from membership and holding either elected or appointed office for a period of five years and he is barred during this time from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliate or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

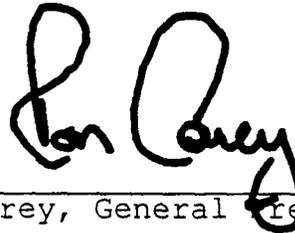
6) James Perrone is suspended from membership and holding either elected or appointed office in Local 807, the IBT or any IBT affiliate for a period of one year and that during this period of suspension Perrone be and is barred from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliated or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

7) Anthony Furino is suspended from membership and holding either elected or appointed office in Local 807, the

IBT or any IBT affiliate for a period of one year and that during this period of suspension Furino be and is barred from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliated or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

8) Donald Rozas is suspended from membership and holding either elected or appointed office in Local 807, the IBT or any IBT affiliate for a period of one year and that during this period of suspension Rozas be and is barred from seeking or accepting money or other compensation for any goods and services from Local 807, the IBT or any other IBT-affiliated or IBT-sponsored benefit plan other than receipt of vested benefits to which he may otherwise lawfully be entitled to by reason of prior participation in the IBT-sponsored benefit plan or plans.

This decision is effective on the date it is transmitted to the charged parties.



Ron Carey, General President

August 1, 1996.

INDEPENDENT REVIEW BOARD
444 North Capitol St., NW, Suite 528
Washington, DC 20001
(202) 434-8080
Facsimile (202) 434-8084
Corruption Hotline (800) CALL IRB

ID-427
ID-161
ID-383

Chief Investigator:

Charles M. Carberry, Esq.
17 Battery Place, Suite 331
New York, NY 10004

Administrator:

John J. Cronin, Jr.

Board Members:

Grant Crandall, Esq.
Crandall, Pyles & Haviland
1021 Quarrier Street
Charleston, WV 25301

Frederick B. Lacey, Esq.
LeBoeuf, Lamb, Greene & MacRae
One Riverfront Plaza
Newark, NJ 07102-5490

William H. Webster, Esq.
Milbank, Tweed, Hadley & McCloy
1825 Eye Street, NW, Suite 1100
Washington, DC 20006

January 29, 1997

General President Ron Carey
International Brotherhood of Teamsters
25 Louisiana Avenue, NW
Washington, D.C. 20001

Re: Charges against Local 807 Members

Dear Mr. Carey:

The Independent Review Board has reviewed your decision of January 23, 1997, relating to the sanctions imposed against Donald Rozas, Anthony Furino and James Perrone, and finds the decision to be not inadequate.

Very truly yours,

Members of the
Independent Review Board

By:


John J. Cronin, Jr.
Administrator

cc: IBT General Executive Board
Judith A. Scott, Esq.
David Neigus, Esq.

INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
AFL-CIO



OFFICE OF
RON CAREY
GENERAL PRESIDENT

January 23, 1997

Mr. John J. Cronin, Jr., Administrator
Independent Review Board
444 North Capitol Street, N.W.
Suite 528
Washington, DC 20001

Re: Charges Against Local 807 Members

Dear Mr. Cronin:

This is in response to your letters dated December 4, 1996 and January 2, 1997 regarding the sanctions imposed against Local 807 members Donald Rozas, Anthony Furino and James Perrone. For the reasons set forth below, I have determined to modify the original one year suspensions from Teamster membership of Rozas, Furino and Perrone and now impose a three year suspension for each individual.

After further reviewing the record I have decided to increase the suspension sanctions against Rozas, Furino and Perrone for the following reasons. As I found in my August 1, 1996 decision affirming the findings of the Hearing Panel, the record shows that Rozas, Furino and Perrone breached their duty to the members of Local 807 and brought reproach upon the IBT. They did so by taking part in a set of fraudulent negotiations undertaken to promote and protect the interests of Michael Rabbitt and his family and further the corrupt work practices at the Javits Center to the detriment of the Local 807 membership. Rozas, Furino and Perrone were complicit in the scheme to give up the general foreman's position and failed to take any action to prevent it from happening.

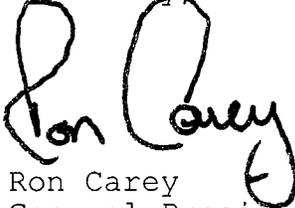
At the hearing, Rozas, Furino and Perrone argued that they did not hold positions with the Local but were merely workers chosen by the Local 807 officials to round out the negotiating team. Their failure, however, to object to the scheme or remove themselves from the negotiations requires that their sanctions be increased.

However, it appears that Rozas, Furino, and Perrone were less involved in the negotiation scheme than were the other charged parties. Rozas, Furino and Perrone testified that they did not attend many of the negotiation sessions, did not submit any proposals or play any role other than being members of the

negotiation team. Furino testified that he attended 3 out of 6 negotiation sessions, Rozas testified that he attended 2 out of 6 and Perrone testified that he could not remember how many he attended but he attended only a few. Other charged parties, such as Tansey, Rittenhouse and Michaels also raised this as a defense. The record revealed, however, that Tansey and Rittenhouse played central roles in the negotiations.¹ Rittenhouse and Michaels were both found guilty of additional charges concerning use of false social security numbers at the Javits Center. These findings warrant stiffer sanctions against Rittenhouse, Michaels and Tansey, all of whom received five year suspensions, than those given to Rozas, Furino and Perrone.

Therefore, I am increasing the membership suspension sanctions for Rozas, Furino and Perrone from one year to three years. Also, it should be clear from my August 1, 1996 decision that all of the charged parties are prohibited during their periods of ban or suspension from receiving any money or compensation from IBT-affiliated entities with the exception of vested benefits.

Sincerely,

A handwritten signature in black ink that reads "Ron Carey". The signature is written in a cursive, somewhat stylized font. The "R" is large and loops around the "o", and the "y" has a long, sweeping tail.

Ron Carey
General President

RC/dnw

cc: Donald Rozas
Anthony Furino
James Perrone

¹ A review of the testimony and evidence shows that Tansey was deeply involved in the negotiation scheme from the beginning. Further evidence of his central role is shown by the fact that he was chosen by John Hohmann to replace Michael Rabbitt as the Javits Center's general shop steward at the conclusion of the 1994 negotiations. Rittenhouse was at every negotiation session and from the record it appears that he participated more significantly in the negotiations than did Rozas, Furino and Perrone.