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INVESTIGATIONS OFFICER,      :
                               :
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      Claimant,                :
                               :
      against -                :
                               :
JOHN S. MAHONEY, JR.         :
                               :
      Respondent.              :
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AFFIDAVIT AND AGREEMENT

STATE OF NEW YORK )  
                   ) SS.:  
 COUNTY OF NEW YORK )

JOHN S. MAHONEY, JR., being duly sworn, deposes, says and agrees as follows:

1. The Investigations Officer, Charles M. Carberry, appointed pursuant to the Consent Order entered March 14, 1989 in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (DNE) (SDNY) ("the Consent Order") has filed charges against me pursuant to the Consent Order ("the charges"). A copy of the charges is attached as Exhibit "A" and made a part of this affidavit and agreement.

2. I make this affidavit and agreement ("the agreement") to resolve the charges. The agreement is neither an admission or denial of the charges.

3. I represent and agree to the following:

(a) I was a member of the International Brotherhood of Teamsters ("IBT") and a member of Local 808;

(b) I was formerly secretary-treasurer of Local 808;

(c) I was a trustee of the Local 808 Pension Fund and the Local 808 Health and Welfare Fund;

(d) I currently hold no elected or appointed office or position of any kind, paid or unpaid, in the IBT or any of its affiliated entities including any locals, superior bodies, conferences, councils, pension, health and welfare plans or other such entities (collectively "IBT Entities").

4. I resigned all my positions with all IBT Entities on April 13, 1989. Upon the date this agreement is approved by the Independent Administrator ("the effective date"), I agree never to hold any position with Local 808, any positions mentioned in paragraphs 3(a)-(c) above, and any other employment, office, position or consulting or similar relationship, including the position of shop steward or its equivalent, whether paid or unpaid, with any IBT Entities, except, subject to the provisions of paragraph 5 below, I may hold IBT membership.

5. Upon the effective date of this agreement, I agree that I will never hold membership in IBT Local 808 and further agree that I shall never participate in any manner in any of the activities or affairs of Local 808, including, but not limited to, meetings, discussions, consultations, negotiations, votes or any other business or activity of Local 808.

6. From the effective date of this agreement forward, Local 808 and any other IBT Entities shall not pay to me, nor shall I accept, any salary, allowance, fee or compensation of any kind,

except that I may receive my fully vested pension and health and welfare benefits.

7. From the effective date of this agreement forward, Local 808 and any other IBT Entities shall not make, nor shall I accept, any contributions on my behalf to any pension, health and welfare, severance or other benefit fund paid by Local 808 and any other IBT Entities, except those contributions made pursuant to a fully vested health and welfare plan. If it is determined that Local 808 owes any contributions on my behalf to the Social Security Administration for the period from 1981 through April 13, 1989, this agreement does not prohibit such payments by Local 808 to the Social Security Administration. I will receive no benefits, gratuities or gifts of any kind whatsoever from Local 808 or IBT Entities, except that I may receive my fully vested pension and health and welfare benefits and any pension and health and welfare benefits that may be due as part of any future employment with an employer having a collective bargaining agreement with an IBT Local.

8. This agreement is permanent.

9. I have entered this agreement on the understanding that the Investigations Officer agrees he will not pursue the charges.

10. I understand the Investigations Officer's agreement is limited to the charges described above and attached as Exhibit A, and he expressly reserves the right to pursue charges against any other officer, member, employee or entity of the IBT and Local

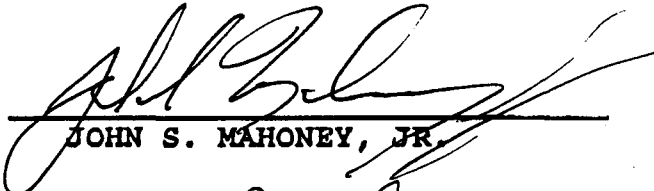
808 arising out of the allegations contained in the charges or any other investigations.

11. I agree that this agreement will be submitted to the Independent Administrator for his review and approval. If approved by the Independent Administrator, I understand he will submit it to the United States District Court for the Southern District of New York for that court to enter as a court order.


12. I understand that the Investigations Officer makes no representation as to the determination of the Independent Administrator or court with respect to this agreement.

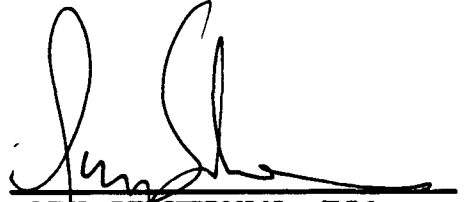
13. I make this agreement freely, under no duress or coercion of any kind and after consultation with my attorney.

14. I have authorized my attorney to transmit this agreement, signed by me, to the Investigations Officer. When it is signed by the Investigations Officer, he will submit it to the Independent Administrator for approval.

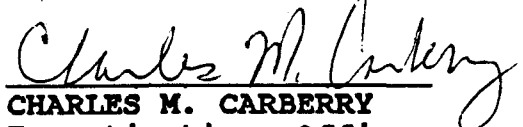
  
JOHN S. MAHONEY, JR.

Sworn to me this 22nd day  
of April 1992

  
Notary Public  
Notary Public, State of New York  
No. 24-475578  
Qualified in Kings County  
Commission Expires May 31, 1993

Witnessed:   
GARY SILVERMAN, ESQ.  
Attorney for Respondent

Agreed:

  
CHARLES M. CARBERRY  
Investigations Officer

Dated: 4/24/92

Approved:

*Frederick B. Lacey*

FREDERICK B. LACEY  
Independent Administrator

Dated: *April 29, 1992*

So Ordered:

Hon. David N. Edelstein

*David N. Edelstein*  
U.S.D.J.

Dated: *May 1, 1992*

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INVESTIGATIONS OFFICER,	:
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Claimant,	:
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- v -	:
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JOHN S. MAHONEY, JR.	:
	:
Respondent.	:
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SIR:

You are hereby advised that the Investigations Officer has charged you with the violations listed below in accordance with the powers granted him pursuant to Section F. (COURT APPOINTED OFFICERS), Paragraph 12(A) of the order entered in United States v. International Brotherhood of Teamsters, et al., 88 Civ. 4486 (DNE) (SDNY) on March 14, 1989 ("the Consent Order"). A copy of the consent order is enclosed.

The time and place of the hearing of this matter will be set by the Independent Administrator, Frederick B. Lacey, and he will notify you accordingly.

CHARGE ONE

While an officer of Local 808, you acted unlawfully, brought reproach upon the IBT, violated your oath of office and breached your fiduciary duties to the members by taking money in return for influencing the financial investments of Local 808's Pension Fund in violation of Article II, Section 2(a) and Article XIX, Section 6(b) of the IBT Constitution, to wit:

In 1981, while Secretary-Treasurer of Local 808 and Union Trustee of Local 808's Pension Fund, you agreed with Jesse David Hyman ("Hyman") that you would unlawfully influence Local 808's Pension Fund to invest Local 808's pension funds through Penvest, Inc. ("Penvest"). It was agreed that, in return, you would receive money for investing Local 808's pension funds through Penvest. In or about March 1982, you unlawfully influenced Local 808's Pension Fund to invest approximately \$751,555 of Local 808's pension funds through Penvest. In or about May 1982, you influenced Local 808's Pension Fund to invest approximately \$200,000 of Local 808's pension funds through Penvest and in or about July 1982 you arranged for Local 808's Pension Fund to transfer approximately \$134,000 to Penvest. This was in violation of 18 U.S.C. § 1954.

In or about March 1982 you received approximately \$10,000 from Hyman in return for influencing Local 808's pension funds to be invested through Penvest. In return, Hyman also arranged for you to receive a \$20,000 loan from Sterling National Bank. From in or about the summer of 1982 through February 1983, Hyman gave you approximately \$700 a month to cover the monthly payments on this loan. This was also in violation of 18 U.S.C. 1954.

#### CHARGE TWO

While an officer of Local 808, you acted unlawfully, brought reproach upon the IBT, violated your oath of office and breached your fiduciary duties to the members by unlawfully

taking money in return for influencing the financial investments of Local 808's Pension Fund in violation of Article II, Section 2(a) and Article XIX, Section 6(b) of the IBT Constitution, to wit:

In 1982, while Secretary Treasurer of Local 808 and Union Trustee of Local 808's Pension Fund, you made a demand to Penvest to have all of Local 808's pension funds returned to the Pension Fund. After this demand, you agreed with Hyman to influence Local 808's Pension Fund to keep the pension funds invested through Penvest. It was agreed that, in return, you would receive money for influencing the financial investments of Local 808's Pension Fund. In 1982, you influenced Local 808's Pension Fund to keep the pension funds invested through Penvest. In approximately December 1982 you took approximately \$5,000 from Hyman in return for influencing Local 808's Pension Fund to keep the pension funds invested through Penvest. In or about February 1983, you caused an additional \$100,000 of Local 808's pension funds to be invested through Penvest. This conduct violated 18 U.S.C. §1954.

#### CHARGE THREE

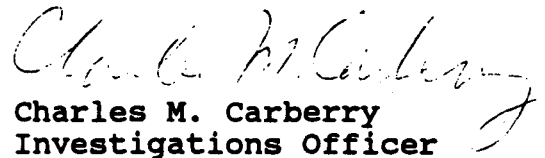
While an officer of Local 808 you attempted to embezzle and convert to your own use over \$45,000 in Local 808's funds thereby violating Article XIX, Section 6(b)(3) of the IBT Constitution and violated your oath of office in Article II, Section 2(a) of the IBT Constitution and your fiduciary duties to the members, to wit:



In or about March 1989 you submitted to Local 808 a fraudulent claim for severance pay, unused vacation pay, unused sick days and unused personal days. You fraudulently claimed twenty two years of service with Local 808 based upon the assertion that you began working for Local 808 in April 1966. However, in fact, you were employed by the New York City Transit Police Department from January of 1966 through September 1966 and were employed as a New York City Police Officer from September 1966 through January 1977. From January 1966 through January 1977, you were not an employee of Local 808 and only received expenses for occasional organizing work you performed for Local 808. Accordingly, you were not entitled to severance or other benefits from the Local for this time period. Nevertheless, you fraudulently claimed approximately \$49,714 in severance pay for the 11 years that you were a police officer and were not employed by Local 808.

Dated: New York, New York  
February 28, 1992

Very truly yours,

  
Charles M. Carberry  
Investigations Officer

cc: Frederick B. Lacey, Esq.  
Richard Gilberg, Esq.  
Steven Bennett, Esq.