

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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|---------------------------|---|------------------------------|
| UNITED STATES OF AMERICA | : | 88 Civ. 4486 |
| Plaintiff, | : | APPLICATION XI OF THE |
| v. | : | INDEPENDENT REVIEW BOARD |
| INTERNATIONAL BROTHERHOOD | : | -- OPINION OF THE |
| OF TEAMSTERS, et al., | : | INDEPENDENT REVIEW BOARD |
| Defendant. | : | IN THE MATTER OF THE HEARING |
| | : | OF ARMANDO REA |

Pursuant to Paragraph O. of the Rules and Procedures for Operation of the Independent Review Board ("IRB") for the International Brotherhood of Teamsters ("IRB Rules"), Application is made by the IRB for ruling by the Honorable David N. Edelstein, United States District Judge for the Southern District of New York, on the issues heard by the IRB on June 14, 1994, on the charges filed against Armando Rea ("Rea").

Rea was charged with bringing reproach upon the IBT by being a member of organized crime and associating with members of organized crime while he was a member of IBT Local 807.

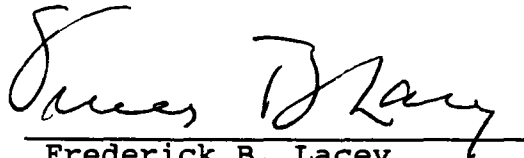
Following the hearing, having reviewed the evidence, the IRB found that Rea at all pertinent times has been a member of La Cosa Nostra and has associated with members of organized crime. As a penalty, Rea was permanently barred from the IBT.

The IRB elected not to stay the Opinion or the penalty imposed pending review by Your Honor as we found it in the best interest of the IBT that Rea immediately be barred from IBT membership.

Enclosed with the August 2, 1994, Opinion of the IRB are the following exhibits:

- A) May 12, 1994, IRB Investigative Report with exhibits;
and,
- B) June 14, 1994, hearing transcript with exhibits.

It is respectfully requested that an order be entered affirming the IRB's August 2, 1994, Opinion, if Your Honor finds it appropriate.

By: 
Frederick B. Lacey
Member of the
Independent Review Board

Dated: August 23, 1994

IN RE: ARMANDO REA

OPINION OF THE
INDEPENDENT REVIEW BOARD

On May 12, 1994, the Independent Review Board ("IRB") issued an Investigative Report (attached hereto as Exhibit A) and forwarded it to General President Ron Carey of the International Brotherhood of Teamsters ("IBT"), recommending charges against Armando Rea ("Rea") as follows:

While an IBT member, you brought reproach upon the IBT and violated your membership oath in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1), (2) and (9) to wit: while a member of IBT Local 807 you were a member of the Bonanno organized crime family, and associated with other members of the Bonanno organized crime family.

On May 16, 1994, Ms. Mary Joyce Carlson, counsel to the IBT Ethical Practices Committee, wrote to the IRB in response and referred this matter back to the IRB for a hearing and decision. The reason for this referral was due to the unavailability of Federal Bureau of Investigation ("FBI") agents to testify in internal IBT procedures.

During this period, on May 3, 1994, J. Warren Mangan, attorney for IBT Local 807, transmitted a letter to the IRB Administrator, John J. Cronin, Jr., from Local 807's Secretary-Treasurer John Hohmann bringing internal union charges against Rea similar to the IRB charges. After being contacted by Mr. Carberry, on May 9, 1994, Mr. Hohmann advised Mr. Carberry that any Local

Union proceedings would be deferred until the IRB completes its proceeding.

Thereafter, on May 26, 1994, the IRB sent a Notice of Hearing, to be held on June 14, 1994, to Rea at his residence. Enclosed with the Notice, Rea was provided with a copy of the IRB Investigative Report (with exhibits) and the IRB Operating and Hearing Rules. For his convenience, Rea was given the opportunity to have the hearing held in New York and, if he so chose, to notify the IRB by May 31, 1994. Copies of the notice and rules were also sent to IBT Local 807's attorney J. Warren Mangan.

On May 25, 1994, Mr. Mangan sent a letter to General President Carey objecting to a reference in the Investigative Report to Local 807, specifically the use of testimony of the Genovese family member, Vincent Cafaro, that the Bonanno family controlled the Union that organized the loading dock at the Javits Convention Center. Mr. Mangan contends that reference should have been to IBT Local 814 rather than IBT Local 807. Although this matter had no direct bearing on the charges against Rea, Mr. Mangan was invited to testify at the June 14 hearing, which he declined.

On June 14, 1994, Joseph R. Benfante, Rea's attorney, advised the IRB that Rea would not be appearing at the noticed hearing. He further stated that a relevant factor in Rea's decision was the IRB's assurances that his failure to attend the hearing would not result in any contempt proceeding. Mr. Benfante subsequently confirmed this in a letter to Mr. Cronin.

On June 14, 1994, the noticed hearing went forward before the IRB. A copy of the hearing transcript, with the hearing

exhibits, is attached hereto as Exhibit B. Among those present at the hearing were the IRB Chief Investigator Charles M. Carberry and Coordinating Supervisor/Special Agent Brian F. Taylor of the FBI with Assistant U. S. Attorney Christine Chung as his counsel.

At the hearing the following exhibits were placed into record:

- Exhibit 1: IRB Investigative Report with exhibits dated May 12, 1994;
- Exhibit 2: Ms. Mary Joyce Carlson's letter to the IRB dated May 16, 1994;
- Exhibit 3: Mr. Hohmann's letter to Rea concerning the internal union charges dated May 2, 1994;
- Exhibit 4: Mr. Hohmann's letter to Mr. Carberry dated May 9, 1994;
- Exhibit 5: Notice of Hearing sent to Rea dated May 26, 1994;
- Exhibit 6: Mr. Mangan's letter to General President Carey dated May 25, 1994;
- Exhibit 7: Mr. Cronin's letter to Mr. Mangan dated June 10, 1994;
- Exhibit 8: Mr. Mangan's letter to Mr. Cronin dated June 10, 1994;
- Exhibit 9: FBI Special Agent Brian F. Taylor's April 26, 1994, Declaration.

The IRB then addressed the Declaration of Special Agent Taylor executed on April 26, 1994, and his testimony was taken. The IRB is familiar with Mr. Taylor's experience with the FBI, and his background in organized crime investigations in and about New York City area are well established.

Mr. Taylor testified that based upon information from Sammy "Bull" Gravano, a cooperating witness with the FBI, and

information he has reviewed in the FBI files in New York from major top echelon informants of the FBI in organized crime matters, he concluded that Rea is a member of the Bonanno Family of La Cosa Nostra. In addition, FBI surveillance indicates that Rea associated with members of organized crime.

At the conclusion of Mr. Taylor's testimony, the IRB determined it would keep the record open for ten days to permit Rea to review a copy of the transcript of the proceeding and communicate with the IRB in the event he wished to submit any materials for consideration. The IRB thereafter sent the transcript to Rea's counsel by letter dated July 6, 1994, advising him that the record would be held open for ten days in the event Rea wished to "file a statement." No statement was ever received.

On the basis of the foregoing, we find Mr. Taylor's testimony and the averments in his Declaration to be credible and hold that there is just cause for determining that it has been established by a preponderance of the evidence that Rea at all pertinent times has been a member of the Bonanno Family of La Cosa Nostra and has associated with members of organized crime. Accordingly, we determine that the charges have been proved.


PENALTY TO BE IMPOSED

Rea's membership in organized crime is repugnant to the idea of a corruption-free Union. The IBT has committed itself to cleansing its ranks of organized crime's influence. Consistent with that commitment, the only just punishment for Rea is permanent debarment from the IBT.

Members of the
Independent Review Board

Dated: August 2, 1994

By:


John J. Cronin, Jr.
Administrator

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
UNITED STATES OF AMERICA,
Plaintiff,

-against-

INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN AND HELPERS OF
AMERICA, AFL-CIO, et al.,

Defendants.
-----X

MEMORANDUM & ORDER
88 Civ. 4486 (DNE)

-----X
IN RE: APPLICATION XI OF THE
INDEPENDENT REVIEW BOARD
-----X

EDELSTEIN, District Judge:

This opinion emanates from the voluntary settlement of an action commenced by plaintiff United States of America against, inter alia, defendants International Brotherhood of Teamsters ("IBT") and the IBT's General Executive Board embodied in the voluntary consent order entered March 14, 1989 ("Consent Decree"). Pursuant to the Rules and Procedures for Operation of the Independent Review Board for the International Brotherhood of Teamsters ("IRB Rules"), ¶ 0, the Independent Review Board ("IRB") has made an application to this Court seeking approval of its decision in this matter.

Application XI presents for this Court's review the decision of the IRB regarding disciplinary charges brought against Armando Rea ("Rea"), a former member of IBT Local 807. These charges are contained in an investigative report issued by the IRB on May 12,

1994.¹ Rea was charged as follows:

While an IBT member, you brought reproach upon the IBT and violated your membership oath in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1), and (2), to wit:

While a member of IBT Local 807, you were a member of the Bonanno Organized Crime Family, and associated with other members of the Bonanno Organized Crime Family.

(Opinion of the Independent Review Board In re: Armando Rea (August 2, 1994), Ex. A. at 7.)

A hearing on the above-quoted charges was scheduled for June 14, 1994 ("the hearing"). On June 14, 1994, Rea's attorney advised the IRB that Rea would not be appearing at the noticed hearing.

At the hearing, the IRB heard testimony from Special Agent Brian Taylor of the Federal Bureau of Investigation ("FBI"). The IRB also reviewed Mr. Taylor's sworn declaration, which was submitted as an exhibit. Based on Mr. Taylor's testimony regarding his experience with the FBI, the IRB found that Mr. Taylor had extensive experience investigating matters involving organized crime in the New York area. Mr. Taylor testified that Rea was a member of the Bonanno family of La Cosa Nostra, and that Rea

¹ The IRB is vested with broad investigatory and disciplinary powers. The IRB's investigatory authority is coextensive with that of the General President and the General Secretary-Treasurer under the IBT Constitution and applicable law. See February 2, 1994 Memorandum & Order, 842 F. Supp. 1550, 1551-52 (S.D.N.Y. 1994); see also August 19, 1991 Opinion & Order, 803 F. Supp. 761, 768 (S.D.N.Y. 1992), aff'd in relevant part, 998 F.2d 1101 (2d Cir. 1993). Under the Consent Decree, the IRB must use this authority, among other things, to investigate allegations of corruption within the IBT, allegations of influence by La Cosa Nostra or other organized crime groups upon IBT members or activities, and any failure of IBT members or leadership to cooperate fully with the IRB. Id.; see Consent Decree § G(a).

associated with members of organized crime. Mr. Taylor testified that his conclusion was based on information provided by Sammy "Bull" Gravano, a cooperating witnesses with the FBI; information he has reviewed in the FBI files in New York provided by major top echelon informants of the FBI in organized crime matters; and FBI surveillance reports. The IRB found Mr. Taylor's testimony and sworn declaration to be credible.

Based on the evidence produced at the hearing, the IRB held that it had been established by a preponderance of the evidence, see IRB Rules, ¶ J.6, that Rea at all pertinent times had been a member of the Bonanno family of La Cosa Nostra and had associated with members of organized crime. Having held that the charge against Rea had been proved, and having considered the seriousness of this charge, the IRB permanently debarred Rea from the IBT.

The IRB's findings and rulings are contained in a five page opinion, and are based on evidence presented at a hearing at which Rea was given the opportunity to present evidence and testimony on his behalf. Rea's attorney has advised this Court by letter that "the undersigned attorney on behalf of Armando Rea, does not object to the opinion of the Independent Review Board."

Having carefully reviewed the IRB's opinion, as well as the exhibits attached thereto, I find that the IRB's decision is not arbitrary or capricious. See IRB Rules, ¶ O ("In reviewing actions of the IRB, this Court shall apply the same standard of review applicable to review of final federal agency action under the Administrative Procedure Act."); see also September 22, 1994

Memorandum & Order, 1994 U.S. Dist. LEXIS 13407, at *4-*5 (S.D.N.Y. 1994); June 2, 1994 Memorandum & Order, 853 F. Supp. 757, 1994 U.S. Dist. LEXIS 7425, at *6 (S.D.N.Y. 1994); May 6, 1994 Memorandum & Order, 1994 U.S. Dist. LEXIS 6513, at *5 (S.D.N.Y. 1994). Accordingly, the decision of the IRB is affirmed in its entirety.

SO ORDERED.

DATED: New York, New York
October 19, 1994



U.S.D.J.