

**An F.O.B. and the mob.(Laborer's International Union of North America
Pres. Arthur A. Coia)**

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With droopy eyes and an engaging, boyish smile, Arthur A. Coia presents himself as the new face of American labor. Coia is the general president of the Laborer's International Union of North America, the sprawling association of toxic waste handlers, oil riggers, and tunnel diggers. An unabashed supporter of free trade and "worker-management cooperation," Coia has successfully sold himself to journalists and politicians as an avatar of reform.

Also a staunch ally and financial supporter of President Clinton, Coia was an early backer of the new leadership at the once-listless AFL-CIO. His efforts to recruit low-paid, disenfranchised workers and to raise the profile of labor in the political arena are part of a trend that many say has reenergized organized labor. Meanwhile, Coia claims decisive victories in breaking labor's longstanding and notorious partnership with organized crime.

But the odd case of Arthur Coia illustrates a less sanguine picture of unions in 1996: one of lingering corruption, mob ties, and political influence--a volatile mix. On November 4, 1994, Coia was served with a 212-page draft racketeering complaint from the Justice Department's Organized Crime and Racketeering Section. The document accused Coia of extortion, pilfering union funds, and ruthlessly crushing dissent in his union. Charging that die Laborers' International was under the mob's thumb, the Justice Department served notice of its intent to take over and throw Coia out.

But then something strange happened. The racketeering complaint was never filed. Instead, Coia hired Brendan V. Sullivan Jr.--Oliver North's Iran--Contra lawyer--plus a veteran of the Organized Crime section to fend off prosecutors. Negotiations lasted three months and involved the Criminal Division chief at Justice. The settlement, when it came, was an enormous victory for Coia. Not only did he keep his position atop the union, he also beat back reforms that would have brought real democracy to the Laborers and handed power to the rank and file.

Coia's story is one of a great failure of law enforcement, set in a rarified atmosphere of multi-million dollar campaign contributions and intimate John E. Mulligan is the Providence Journal-Bulletin's Washington bureau chief. Dean Starkman is chief of the newspaper's investigative team.

White House dinners. Federal law enforcement officials involved in the case, who wanted Coia removed but were overruled, grumble about a link between the toothless settlement and Coia's political friendship with the President. The few union members willing to speak out say they don't understand how Coia slipped through

the Justice Department's net. "It's like everything [Coia] does is okay because he's a friend of Clinton," says Alex Corns, a hod carrier in Northern California.

Carl Stem, a spokesman for Attorney General Janet Reno, says any such suggestion is "moronic." But whatever the case, the membership is further from taking control of their union today than a year ago, and deep corruption persists. Bizarrely, Reno echoes Coia's boast that the agreement is a model for future racket-busting, part of a trend toward self-regulation. In reality, prosecutors have farmed out the task of mob-busting to a union boss they once charged as a racketeer.

Son of the Union

Arthur Coia's father, Arthur Ettore Coia, was die general secretary-treasurer of the Laborers' International, which represents 750,000 unskilled workers in dozens of fields. Almost single-handedly, he molded the union into a political force that still holds Providence city hall in its grip. The union doled out pensions to City Council members and hired Providence political figures and their relatives. The old man had the ear of Rhode Island governors and the late House Speaker Thomas P. "Tip" O'Neill Jr.

Coia's father also had other, sinister contacts. He had a relationship--casual, he insisted--with the legendary boss of New England organized crime, Raymond L.S. Patriarca, that dated to their youth in the 1930s. FBI wiretaps, planted in the early 1960s, crackled with the sound of Patriarca meddling in everything from Laborers elections to decisions on who got kickbacks on union coffee machines. "Hit them, break legs to get things your way," Patriarca was overheard saying.

According to Ronald M. Fino, a Laborers executive turned government informant, the elder Coia reported regularly to mobsters around the country: the Chicago Syndicate, the Todaro family of Buffalo, and the Gambino and Genovese families of New York. Fino says Coia's father also confided that he took kickbacks and bribes, and used training funds as open-ended expense accounts.

The younger Coia followed his father into the union and, by his mid twenties, was the chief of the Rhode Island Laborers. In 1981, Coia, his father, and Patriarca were indicted for racketeering and taking bribes from an insurance swindler who had been the younger Coia's law client. The case never went to a jury because a judge ruled that the statute of limitations had expired. In 1986, the Coias and their union received more unwanted attention when the President's Commission on Organized Crime weighed in with a 393-page report on labor rackets that called the Laborers one of the nation's "Bad Four," the worst of the worst corrupt unions, alongside the Teamsters, Hotel Workers, and Longshoremen. The commission, made up of federal judges and former U.S. attorneys, decried the looting of benefit plans, death threats, and murders of opposing candidates.

The mob's grip on the Laborers was particularly ironclad because the union has such broad authority over its workers. If you want work as a Laborer--say, cleaning toxic-waste--you don't go to an employer. You go to the union "hiring hall." Local officers there decide who works and who doesn't, so complaining about mob influence gets you blackballed. Real troublemakers might draw beatings, or worse. And workers never even see the complicated kickback schemes, real estate frauds, and other

misuse of their dues. Such investments are made by union leaders, beholden not to the rank and file but to bosses whose chain of command runs straight to the general president's office and, from there, to the mob.

In 1989, Coia sought to replace his ailing father as general secretary-treasurer. When he flew to Chicago to a lobby union a vice president, John Serpico, Coia says Serpico greeted him warmly at O'Hare, then steered him into an airport coffee shop to meet Vincent Solano, a capo regime in the Chicago Mafia. In a scene out of *The Godfather*, Solano bestowed on him the Mafia's blessing for the No. 2 job. But Coia was warned not to try for the general presidency, a job reserved for Serpico.

Coia described this scene in testimony before a closed union disciplinary hearing last May. Serpico's lawyer, Matthias A. Lydon of Chicago, hotly disputes Coia's account. True or not, the story belies Coia's public denials of mob influence in the Laborers.

As Coia leapfrogged through the ranks of the Laborers, he built an interlocking network of interests that blurred the line between his profit-making businesses and his union duties. He started a law firm that for years has billed Rhode Island Laborers' trust funds. He formed a real estate partnership with a top city official and a prominent local contractor, and became the landlord for some of his own union's offices and the contractor's headquarters. This has been illegal since 1947, when the Taft-Hartley Act barred union officials from accepting outside payments from anyone employing workers from the union. And just before the Justice Department came calling in the fall of 1994, a Laborers legal fund bought a souring real estate investment from Coia's partnership--for \$2.3 million.

The outside income has augmented Coia's union salary, \$218,959 in 1994. He owns homes on Rhode Island's Narragansett Bay and in Delray Beach, Florida. Last year, he pulled up to a Providence nightclub in a fire-engine red Ferrari, a make of automobile for which he confesses a particular weakness. Coia and his wife Joanne also have engaged in the costly hobby of championship dog breeding. At one point, Coia tried to mate his stud dog with a bitch owned by Raymond J. "Junior" Patriarca, then underboss of the New England mob. The coupling failed to produce puppies. In 1993, Coia completed his rise to the general presidency of the Laborers' International. He set right to work on a campaign for legitimacy. He revved up the union's pitiful public relations operation. He embraced progressive causes, including the Clintons' health-care reform effort. And he opened the Laborers' checkbook. The union ranked sixth in "soft money" donations to the Democratic Party in 1994 and political action committees under Coia's control have given more than two million dollars to congressional candidates--mostly Democrats--for 1994 and 1996. Coia has attended several affairs with the President and First Lady. With Robert Strauss, Vernon Jordan, Dwayne Andreas, and Ronald Perelman, Coia co-chaired a 1994 Democratic fundraiser that raised \$3.5 million.

By the end of that year, Coia could secure an audience with the President in the Oval Office. "We aren't being paid attention to," Coia says he told Clinton, complaining that his union had been bypassed for federal grants and contracts. According to Coia, the President told him to take such problems to Deputy Chief of Staff Harold Ickes, who sat nearby. Clinton also produced a Calloway "Divine Nine" golf club and presented it to the union boss as a gesture of friendship. Coia soon returned the favor with a custom-made driver crafted by a Rhode Island artisan and decorated

with the presidential seal and Bill Clinton's signature. "Thanks for the gorgeous driver," read Clinton's thank-you note. "It's a work of art! "

Coia, who lives a life beyond the fantasies of the union's chicken-pluckers and auto part assemblers, nevertheless presents himself as a champion of the ordinary worker. He took out an ad on the op-ed page of The New York Times to denounce Pat Buchanan and tout "a vision to restore the American standard of living." In a campaign that echoes John J. Sweeney's plan for the AFL-CIO, Coia launched a widely publicized, \$5 million organizing drive to rally low-wage workers such as poor schoolbus drivers and catfish farm workers.

The labor community applauded. "He's trying to turn his union around," says Barbara Easterling of the Communications Workers of America. Now the talk is of a different face of the Laborers." Coia has also drawn praise for his work to rid his union of mob corruption. He has "done a hell of a job trying to clean up his own union," says Gerald W. McEntee, president of the 1.3 million member American Federation of State, County, and Municipal Employees.

But some things at the Laborers haven't changed. In 1994, according to the government's draft racketeering complaint, Coia conspired with organized crime elements to drain pension funds from locals in upstate New York. As part of the scheme, he tried to force Local Union 435 in Rochester, New York, into a new regional organization whose top two officers were mob associates, according to the government. Coia denies the allegation and says he was only trying to streamline the bureaucracy. A federal judge voided Coia's takeover. But around the country, would-be dissidents got the message.

Just as Coia was reaching the pinnacle of his power, the Laborers was hitting bottom. Locals in Chicago, Cleveland, and Buffalo were all under Mafia rule. Strong-armed union bosses ruled out West, as well. But nowhere was it worse than at the Greater New York Mason Tenders District Council, a Laborers affiliate representing about 6,000 asbestos workers, brickhauers, and common laborers in a dozen locals. There, the mob ruled openly, brutally, and brazenly. The president of one Laborers local was a Genovese capo. The president of another was a Luchese soldier. A DeCavalcante acting boss was the business manager of a third. Union officers took kickbacks with their morning coffee. Builders who wanted to use cheap, non-union labor could be guaranteed that union leaders--elected to protect the interests of workers--would look the other way in return for a payoff. Professional groups--often with links to the mob--have to have would grossly overcharge union medical, pension, says a federal and legal funds. This all don9 have t happened on Coia's watch. He and the rest of the international's general executive board, who have a fiduciary duty to protect members from such abuses, kept themselves transcendently ignorant about the open looting of the New York Laborers. In 1989, after an official of Queens Local 46 was convicted of racketeering, Coia and two other top international executives assured the Labor Department in writing that "honest and effective representation is finally being provided." While there is no evidence that Coia knew the mob was still in control, sworn statements and government wiretaps later showed that the new local president was hand-picked by the Luchese family.

The open corruption at the Mason Tenders drew the attention of federal prosecutors.

In 1989 and 1990, the Justice Department won a string of very public cases that smashed the mob's grip on the Laborers' unit. Trial evidence showed the direct involvement of mobsters such as Gambino family don John Gotti. In 1993, the president of the New York Laborers pleaded guilty to one of the largest cases of real estate fraud in U.S. labor history. Corrupt union leaders had used union funds to buy run-down property for far more than its value, a good way to funnel cash to mobsters but devastating to the pension funds of the rank and file.

Eventually, prosecutors announced plans to take over the entire New York affiliate. The lead prosecutor, Alan N. Taffet, repeatedly demanded to know "whether and when" Coia would move to end the "systematic corruption" in New York, according to court documents. Even in the face of overwhelming evidence of the union's subjugation to the mob, a judge ruled, Coia failed to act.

By this point, a separate investigation was lining up a new target: Coia himself. On November 4, 1994--the same day President Clinton dashed off a note thanking Coia for his golf club--the Justice Department delivered the 212-page draft racketeering complaint to the union with allegations, among other charges, of Coia's longstanding collusion with the Mafia.

The document also contained a new charge: that Coia's takeover of the Rochester local had been part of a conspiracy with the Todaro organized crime family of Buffalo to drain benefit funds. The government was planning to ask the court for its silver bullet: a full-scale takeover by a federal judge.

That's what happened in 1989, when the government kicked in the doors of the notoriously corrupt International Brotherhood of Teamsters. In that case, prosecutors won a sweeping mandate and imposed a trusteeship answerable to a federal judge. The takeover caused nothing less than a revolution. It spurred the first free elections in Teamsters' history, sweeping into power Ron Carey, a reformer who promptly sold off the union's Lear Jets and limousines, cut staff salaries, including his own, and slashed bureaucracy. Carey may be no angel, but he represents a genuine grassroots insurgency made possible by the United States government. Local elections are free and fair. Members have real power to throw Carey out.

Prosecutors wanted to effect the same sweeping changes at the Laborers. But Coia had something else in mind. He fought back, hiring the powerhouse law firm of Williams & Connelly and, as his personal lawyer, Brendan Sullivan, famous for his performance at the Iran-Contra hearings. Coia also hired Robert D. Luskin, formerly of the Justice Department's Organized Crime Section, to negotiate with Justice. The lawyers staunchly refused even to consider Coia's resignation and promised a scorched-earth fight if the government tried to take over.

Word of the investigation reached the White House, which canceled the speech that Hillary Clinton had planned to give at a union conference in Florida on Feb. 6, 1995. But Coia argued strenuously to have the speech put back on the schedule, reminding the White House of his past political help, according to the union. Mrs. Clinton kept the engagement. Deputy Chief of Staff Ickes advised the First Lady to avoid private meetings or conversations with Coia because the White House considered Coia "currently under investigation." Meanwhile, negotiations between the Laborers and Justice continued. A week after Mrs. Clinton's appearance there was a deal. The two

sides signed a document about a page-and-a-half in length that essentially asked Coia to clean up the Laborers' act--on his own terms. Coia responded by hiring his own "reform team," a group to work inside the Laborers to root out corruption.

Whatever the government's intentions, the agreement has actually consolidated Coia's position within the union and deflected open scrutiny of his past. But this should come as no surprise. The agreement put Coia and his old board in firm control of the reform campaign, including the power to hire and fire the reform team's members. There is no judicial oversight. "To make an agreement like this work you have to have the muscle," says a federal law enforcement official. "We don't have the muscle." And "muscle," this source explains, is a federal judge enforcing the terms of the cleanup.

Some law enforcement officials suspect the worst: that somehow Coia's political influence was brought to bear at Justice. "I'm sure it happened," says one such official. "I just don't think we'll ever find out who made the call." The agreement of Feb. 13, 1995, opened a split between federal agents and prosecutors in the field and their Justice Department overseers in Washington. The rift has widened in the year since. "I don't think anybody is happy with the way things have progressed," says the official. "It hasn't been a pretty picture."

Coia and his PR shop have loudly trumpeted the reform program and the glittering array of former federal prosecutors and FBI agents now on the Laborers' payroll. Coia designated Luskin to head up the campaign. In other words, the same man who had won the sweetheart deal for the Laborers in the first place would be in charge of rooting out corruption.

Prosecutors' only leverage is the threat of a government takeover, but since this move was rejected in the recent negotiations, the threat doesn't carry much weight. Luskin is defensive about being perceived as Coia's ally. "I'm not Arthur Coia's attorney," he snapped to the Buffalo News in February. But he is being rewarded handsomely. He confirms that he's billed the union at least \$500,000 so far. Asked if his billings have topped \$1 million, he says, "I don't know." Coia and the union also hired W. Douglas Gow, a former FBI agent, as the union's new inspector general. Gow declines to say how much he is paid and referred questions about the cost of the cleanup to the union's PR operation, which did not return telephone calls. So far, the disciplinary team has forced the resignations of 27 mob-linked union members; six trusteeships have been imposed on wayward locals and four tainted local elections were overturned.

The awkwardness of the arrangement, though, was illustrated in the case of Cruz Gutierrez, a 52-year-old foreman in Local 261 in San Francisco and an outspoken critic of local bosses. He took a blackballing complaint to Gow last year, and soon received a menacing phone call from a local boss. "I want to thank you for jeopardizing the lives of my family and myself," Gutierrez wrote to Gow. For his part, Gow says he made a mistake and has not repeated it. He also says he has "100 percent autonomy" in pursuing corruption, and that he has been effective.

But the old guard still rules. Gene Johnson, a Laborers officer from central Illinois for 35 years, says that since the February 1995 agreement, the international has tried to force the merger of his district organization into another controlled by a Coia ally.

Johnson says he has resisted--and been threatened and harassed for his trouble. He also says that during a May 1995 meeting, Coia promised to "take care of" two of Johnson's sons on the union payroll and enhance Johnson's union pension in return for his cooperation. Johnson refused.

Johnson says that at that same meeting, Coia learned that Gow and his agents had cleared John son of a misconduct complaint brought by a rival. Coia got angry at Gow and his agents, according to Johnson. "These sons of bitches are supposed to do as I tell them," Coia said, according to Johnson. Says Johnson: "I think the mob has better control of this union than it has in die 35 years I've been here." By presstime, Coia and the union had not responded to repeated telephone calls and a letter detailing Johnson's charges.

Some law enforcement officials, who ask for anonymity, describe the Laborers' cleanup effort as an elaborate and artfully crafted charade. They say its main result has been to strengthen Coia's hand and purge his rivals, noting that cases that have veered toward Coia have all folded like \$3 suitcases. When Samuel J. Caivano was bounced from the union's executive board, he sued and charged that Coia was the true mob associate and should be the target of any reform effort. A federal judge in Washington, Emmet G. Sullivan, was puzzled too. During a hearing in April, 1995 he remarked: "A deal was cut; obviously something happened with regard to Coia. A deal was cut. Why wasn't Coia removed?" The case was settled--on financial terms favorable to Caivano--before the question could be answered. And last May in Chicago, minutes before a lawyer for Serpico, another suspended vice-president, was to cross-examine Coia under oath, Luskin asked for a recess and settled that case.

The bottom line is that the government is on the outside looking in. "We're always on them to do more, and they're always resisting our attempt to tell them what to do," says Craig Oswald, an assistant U.S. attorney in Chicago and a key player in negotiations with the Laborers. For instance, prosecutors had hoped for real election reform. But Coia failed to produce. Prosecutors were so unhappy that, months after the original recommended to Washington that the government take over the Laborers after all. But instructions came back to compromise again. So Coia got another nice deal: watered-down democracy that all but guarantees his reign into the next century. That's because only the union's top two officers are subject to direct elections. The rest of the executive board will continue to be selected under the old rules that allowed a half-century of mob dominance. "Token democracy," Chris White, a bus driver from Fairbanks, Alabama, called the plan. White plans a symbolic "Dump Coia" campaign this year. But he doesn't stand a chance. Coia will have a hefty war chest to finance a national campaign. More importantly, he commands the loyalty of hundreds of local and regional officials. Dissidents say their only chance to gain any power is to pick off regions one at a time through direct elections of the executive board. But that won't happen for at least five years.

In an interview in his eighth-floor executive suite, Coia is a paradox. Dressed in a dark chalkstriped shirt with French cuffs and sipping Evian water, he slips regularly into Providence streettalk. His position on reform at Laborers is also a paradox. First, he denies that there's much of a problem--only negligible "pockets of corruption," he says. Then he insists on getting die credit for the cleanup. "This is my process, my suggestion, my development, and my implementation of it," he says, growing animated. "Mine."