

**WATERFRONT COMMISSION
OF NEW YORK HARBOR
ANNUAL REPORT**

2019-2020





To the Honorable Andrew M. Cuomo, Governor
and the Legislature of the State of New York



To the Honorable Phil Murphy, Governor
and the Legislature of the State of New Jersey

MESSAGE FROM THE EXECUTIVE DIRECTOR

“The outstanding investigative work by this Office’s prosecutors and our law enforcement partners uncovered a litany of crimes allegedly committed by members and associates of the Gambino organized crime family, who still don’t get it – handcuffs and a jail cell are waiting for criminals who threaten violence and commit fraud, money laundering and bribery in furtherance of their enterprise.”

- United States Attorney for the Eastern District of New York Richard P. Donoghue, December 5, 2019

I am pleased to present to you the 2019-2020 Annual Report of the Waterfront Commission of New York Harbor.

To say that this was a tumultuous year is an understatement. We are still reeling from the ongoing onslaught of the COVID-19 Pandemic, which has ravaged our nation and the world, and changed life as we know it. We mourn the tragic loss of lives, and remember with sadness the passing of our friend and colleague, Linda Smith, who was a dedicated member of this agency for over 23 years.

This year, we also witnessed one of the largest movements in this country’s history, with millions of people participating in mass demonstrations to protest systemic racism. While diversity and inclusion has long been an integral part of the Commission’s culture, we reaffirm our commitment to fairness and equality for all, regardless of race, color, ethnicity, gender, sexual orientation or religion. As a result of our unwavering commitment to that principle, the Commission’s workforce has, for many years now, reflected the rich diversity of the surrounding metropolitan region. We are immensely proud of our success, and have called upon the industry to work together with us to effectuate much needed change in the Port of New York-New Jersey.

As we previously reported, the absolute control of the International Longshoremen’s Association, AFL-CIO (ILA) over hiring in the Port for over 60 years has not only led to a lack of diversity and inclusion in waterfront employment, but also to the perpetuation of criminality and corruption. For far too long, well-deserving residents of the Port’s surrounding communities were systematically denied the opportunity to work on the waterfront. Meanwhile, those who are connected to union leadership or organized crime figures are rewarded with high paying, low-show or no-work special compensation packages. The economic impact of these special compensation packages on the Port and the region is staggering. **This year, over 590 individuals continue to receive over \$147 million in outsized salaries not required by the industry’s collective bargaining agreement and for hours they do not even have to be at the Port.**

Collaboration is key to driving transformative change. Over the years, we have stridently sought to work with the ILA and New York Shipping Association, Inc. (NYSA) to overcome the prevalent discriminatory hiring practices, so that a diverse group of men and women unencumbered by organized crime influence are given the once-denied opportunity to work in the Port. Yet our efforts have been met with virulent opposition. For years, the NYSA and ILA pursued meritless litigation challenging the Commission's authority to require fair hiring in the Port. In New York, they continue to vigorously lobby in favor of legislation to repeal a critical provision of the Waterfront Commission Compact, "Section 5-p," which empowers the Commission to safeguard fair and non-discriminatory hiring. And in New Jersey, they were the driving force behind legislation to abolish the agency all together.

We remain undeterred in our efforts. As we first reported in 2013, before opening the deep sea longshore register for almost 700 workers, the Commission required the industry to submit a fair hiring plan that would address the lack of diversity among the membership of registered longshore workers in the various ILA locals. We also required a hiring plan for mechanics and maintenance workers which would, for the first time, include employers in the recruitment and selection process. Our message was clear: Port jobs should no longer be earmarked primarily for those with ties to the industry or organized crime. And, leadership accountability matters – industry officials cannot condone the perpetuation of corrupt hiring practices in exchange for ill-gotten collective bargaining gains.

This marks the sixth year since the ILA and NYSA first implemented their hiring plan for deep sea longshore workers. Since then, almost 1,300 workers were brought into the industry. In heralding their plan as a success, the ILA and NYSA generally refer to the overall diversity of incoming workers. But the critical component in assessing the industry's hiring practices is the diversity among registered longshore workers in each of the ILA locals. **As this Report illustrates, six years and almost 1,300 additional workers later, very little progress has been made in diversifying the registered deep sea longshore workers in the respective ILA locals. Instead, the overwhelming majority of incoming Black/African American workers continue to be placed into one predominantly Black/African American local, ILA Local 1233 in Newark, New Jersey. In contrast, the highly-sought checker positions are primarily given to white males, who become members of the predominantly white checker local, ILA Local 1.** As a result, ILA Local 1 remains predominantly white (85%), with only 7% Black/African American and 7% Hispanic registered members. Conversely, almost 86% of ILA Local 1233's registered longshore members are Black/African American, only 8% are white.

And the numbers are even bleaker for registered maintenance workers/mechanics this year. In New Jersey, 86% of the 968 registered longshore maintenance workers/mechanics in ILA Local 1804-1 are white, only 1.9% are Black/African American, and 11.7% Hispanic. In New York, 71% of ILA Local 1814's registered longshore maintenance workers/mechanics are white, only 3.6% are Black/African American, and 25% Hispanic. **Disturbingly, only 1 out of the 1,024 registered longshore maintenance workers/mechanics in the Port is a woman.** If data powers progress, then these figures must be a catalyst for change. The Commission will continue to report these disturbing statistics, and will use every available statutory and regulatory means to foster a representative and inclusive workplace for all.

This was another eventful year on the hiring front, as the Commission continued to process incoming deep sea longshore workers pursuant to Determination 44. During the course of processing sponsored ILA referrals, however, it was evident that certain ILA locals failed to follow any hiring and recordkeeping protocols, and that sponsoring Port employers could not knowledgeably certify that union referrals were selected in a fair and nondiscriminatory manner, as required by the Compact. The Commission and industry representatives subsequently engaged in extended discussions in order to reach an amicable resolution regarding those issues. Early this year, ILA representatives agreed – for the first time in history – to establish basic transparent hiring procedures and recordkeeping protocols for the union. To date, however, the ILA still has not obtained the ratification of its members.

In the interim, the Commission continued to perform comprehensive background checks and to issue registrations on a rolling basis to prequalified ILA and NYSA applicants who have been referred to Port employers pursuant to established hiring procedures. This year, the Commission conducted 330 background checks for deep sea longshore candidates referred by the industry, and issued 234 registrations (171 longshore and 63 checkers). **Notably, over one-third of the ILA's referrals did not advance to the registration stage because their presence at the Port would have constituted a danger to the public peace or safety, or because they lack the requisite good character and integrity.**

In addition to ensuring fair hiring, continued screening of the longshore workforce in the Port is absolutely critical. One of the most effective methods of combatting corruption and mob related influence in the Port is to prevent individuals with prohibited mob ties from ever making it into the longshore workforce. In the past, background checks generally consisted of a review of applicant's criminal history records. Today, the Commission is now the central repository of intelligence pertaining to criminality and organized crime influence in the Port. In screening prospective workers, the Commission employs sophisticated intelligence techniques not only to detect prior criminality, but also to root out associations between prospective longshore candidates and organized crime figures and career criminals. When those associations undermine the purpose of the Waterfront Commission Act, we have barred those individuals from entering the Port workforce.

Year after year, we have reported on the failed attempts of notorious organized crime figures to flood the Port workforce with mob-connected referrals. **This year, 18% of the ILA's deep sea longshore referrals did not make it into the workforce because of their prohibited organized crime ties.** Without the Commission's specialized expertise and oversight, notorious organized figures would be free to directly control and operate at the critical points of interstate and international shipping. The Commission's presence has a strong deterrent effect, and substantially disincentives their placement directly in the Port, because attempts to do so expose those individuals, and their criminal source of employment, to law enforcement investigation. Removing this oversight has long been a goal of organized crime.

Not only are we tirelessly working to prevent individuals with organized crime ties from joining the Port workforce, but we are continuing to remove current longshore workers for their prohibited organized crime associations. In a particularly notable case this year, a longshoreman was removed for his ongoing association with a Colombo crime family soldier, whose son was previously removed from the waterfront after he was convicted of operating an illegal gambling ring on the piers on behalf of the Colombo family in our joint investigation, "Operation Shore Thing."

In addition to our association proceedings, we continued to build momentum in our efforts to combat corruption through our criminal investigations and prosecutions. This year, sentences were handed down in "Operation Fistful," our joint investigation into the Genovese family's criminality in the Port district. As we previously reported, eleven alleged members and associates of the Genovese crime family, including an alleged capo and four soldiers, were charged with racketeering for reaping millions of dollars in criminal profits through loansharking, illegal check cashing, gambling and money laundering in the Port district, including laundering of proceeds from narcotics trafficking. And, in addition to our long-term prosecutions, we continued to move expeditiously to suspend port workers arrested for serious felonies. This year, we suspended four individuals for illegal weapons possessions as well as other crimes, including aggravated assault and burglary.

As we first reported in 2009, the vestiges of the former Commission have long since been banished, and this agency has undergone a complete transformation. The Commission is no longer – as it once was in the previous decade – a regulatory body captured by the very same industry it was created to oversee. It has evolved from a virtually moribund organization into a vibrant, model regulatory and law enforcement agency committed to fulfilling its statutory mandate.

When the Commission's new leadership was appointed 12 years ago, we acknowledged that a change in culture will not come easily to an industry with a long and intractable history of corruption and racketeering. **As I look back this year, it is abundantly clear is that our mission is critical now more than ever.** Despite unprecedented legal and legislative challenges, the Commission remains unwavering in its commitment to the Port, and to the people of New York and New Jersey. I am proud of our achievements, and am profoundly grateful to the dedicated staff who, even in the midst of a global pandemic, tirelessly work to carry out this agency's critical mission, and without whom none of our accomplishments would have been possible.

This Report extensively documents the corruption and entrenched organized crime influence that continues to thrive in the Port. We are continuing to employ innovative techniques in carrying out our core mission to investigate, deter, combat and remedy criminal activity and influence in the Port. This year, the Commission has effectively performed its designated responsibilities under the Waterfront Commission Compact, with particular concern for the improvement of the overall economy and well-being of the Port district. This Report illustrates that public necessity continues to exist for the registration of longshore workers, the licensing of those occupations and types of employment statutorily required under the Compact, and the public operation of employment information centers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Arsenault', with a large, sweeping flourish at the end.

Walter M. Arsenault
Executive Director

ANNUAL REPORT

FISCAL YEAR 2019-2020



WATERFRONT COMMISSION OF NEW YORK HARBOR
AN INSTRUMENTALITY OF THE STATES OF NEW YORK AND NEW JERSEY

IN MEMORIAM



LINDA ANN SMITH
1956-2020

THIS YEAR, THE COMMISSION LOST OUR COLLEAGUE, FRIEND AND LONGTIME EMPLOYEE, LINDA ANN SMITH, DURING THE COVID-19 PANDEMIC. LINDA BEGAN HER EMPLOYMENT WITH THE COMMISSION IN 1997, AND WAS EMPLOYED AS SENIOR CLERK AT THE TELEPHONIC HIRING AND EMPLOYMENT INFORMATION CENTER IN EDISON, NEW JERSEY. FOR 15 YEARS, SHE SERVED HER FELLOW EMPLOYEES AS PRESIDENT OF THE CIVIL SERVICE EMPLOYEES ASSOCIATION, AFL-CIO LOCAL 66, WHERE SHE WAS KNOWN AS A TOUGH NEGOTIATOR.

LINDA IS SURVIVED BY HER HUSBAND AND THEIR TWO CHILDREN. SHE IS ALSO SURVIVED BY HER TWO BROTHERS AND PREDECEASED BY A SISTER. LINDA RECEIVED HER BACHELOR'S DEGREE IN CHEMISTRY FROM DREW UNIVERSITY. SHE SERVED ON HUDSON COUNTY'S JUVENILE CONFERENCE COMMITTEE AND WAS AN ACTIVE MEMBER OF HER CHURCH, THE MOUNT PISGAH AME CHURCH IN JERSEY CITY. LINDA WAS A LIVELY AND FRIENDLY PERSONALITY, AND WAS WELL LIKED AND RESPECTED BY HER COLLEAGUES AT THE COMMISSION AND BY MEMBERS OF THE INDUSTRY.

SHE IS MISSED BY ALL.

THE ENACTMENT OF THE BI-STATE WATERFRONT COMMISSION COMPACT

In 1949, Malcolm Johnson's twenty-four part series of articles for the New York Sun titled, "Crime on the Waterfront" won the Pulitzer Prize for Local Reporting. Those articles exposed the culture of corruption, extortion, racketeering and organized crime in the Port of New York-New Jersey and led directly to the creation of the Waterfront Commission of New York Harbor. The 1954 film, "On the Waterfront," based on these articles, depicted how a surplus of available labor provided the mobbed-up union leadership with the ability to control its membership. One of the movie's most memorable scenes portrays the morning "shape-up," in which hordes of dockworkers plead with the corrupt hiring boss for a job, and scramble to grab a token that would allow them to work. Only those members of the local who supported the corrupt union leaders and have agreed to "kick back" a portion of their wages are guaranteed a spot in one of the gangs.

Other conditions on the piers were just as bleak. With the blessing of organized crime, loansharks lurked on the docks, all too willing to "assist" the underpaid longshoreman in feeding his family or supporting his vices. The inability to repay these usurious loans resulted in a strengthening of the mob's grip on the piers and often in violent consequences for the longshoreman-borrower. Mob sanctioned bookmaking on the docks increased business for the loansharks. Cargo theft was rampant, and pier guards were unwilling or unable to contain it. Parasitic "public loaders" coerced truckers to hire them to load or unload trucks even though their services were not needed or desired. Stevedoring companies were forced to hire no-show workers and pay gratuities to union officials, or suffer wildcat strikes that could cripple their business.

This pervasive corruption on the waterfront in the Port was documented in the early 1950's in public hearings held by the New York State Crime Commission with the assistance of the New Jersey Law Enforcement Council. In testifying in favor of a bi-state Waterfront Commission Compact, New Jersey's Governor Alfred E. Driscoll described it as a "concerted drive against organized crime in the North Jersey-New York metropolitan area," and stated:

It was apparent that we were dealing with a single shipping industry operating in a single harbor bisected artificially by the accident of a historical boundary line between the two States. It was plain from the beginning that the only real solution would depend upon the creation of a single bistate agency to deal with this indivisible problem. . . . The present program which has been placed before the Congress for consent, under the compact clause of the Federal Constitution, is the product of the most cordial cooperation between the two States of New York and New Jersey. While roughly 70 percent of the longshoremen are employed along the waterfronts of the State of New York, the compact views the program as the equal responsibility of both States. It recognizes that organized crime does not respect State boundaries or economic statistics. . . .

Governor Driscoll warned that the failure of Congress to act would:

. . . compel the two States to try to do individually what they can best do collectively and to establish two separate agencies, but that will never be a complete answer to this interstate problem. Ships dock in New Jersey, take on part of cargo, and then proceed to New York to take on additional cargo. Men who may work in New York on one day conceivably may work in New Jersey the next day. It is that area; that area is in fact a great metropolitan area and the regulations for the area ought to be the same irrespective of the fact that a State boundary line happens to bisect the harbor.

In August 1953, the States of New York and New Jersey, with the approval of the United States Congress and the President of the United States, enacted the bi-state Compact creating the Waterfront Commission of New York Harbor.

The overriding purpose of the Compact was to ensure that employers broke free from the iron-clad grip of the ILA, and took back their right to select for themselves those individuals that they wanted to hire on the waterfront. It shows that the shape-up method of hiring was repeatedly denounced as a “sham,” and the root of the evil and corrupt hiring practices that pervaded the waterfront. Under that system, employers did not actually select individuals they hired and paid - - they understood that when they needed labor, they had to go to the ILA for it. The shape-up was specifically shown to facilitate both criminal activity and racial discrimination in the Port. It was unequivocally condemned by those who advocated for the Compact’s approval, and who believed it was “highly desirable” to attain the elimination of racial discrimination.

THE PORT TODAY

While the evils of the public loading racket have long since been eliminated, many of the other ills described above still exist, to some degree, on today’s waterfront. Over sixty years later, the ILA still exerts an inordinate degree of control over hiring in the Port. But now, instead of openly doing so through the antiquated shape-up system where an ILA-controlled dock boss selected men standing around him at the piers, the shape-up is memorialized in collectively bargained provisions that require employers to accept those that are sent to them by the ILA when they are in need of labor.

Individuals who lost their licenses or registrations through criminal convictions or misconduct still work on the waterfront in “non-covered” positions allowing them to continue receiving payment and exerting control. The Commission has been diligent in identifying and removing them. Organized crime still exacts a tax through overpriced or non-existent services in the cleaning, trash removal, snow removal or repair industries forced upon companies. The Commission has ongoing investigations in this area.

Loan sharks and bookmakers, with the approval of organized crime, continue to prey on the workforce. The Commission, along with its law enforcement partners, has made significant arrests in both areas and has a number of active investigations as well. Cargo theft, often more sophisticated than in the past, is still a real problem. Workers’ compensation fraud, narcotics importation, and the illegal use of drugs, especially prescription medications, have been added to the enforcement picture.

While individual prosecutions and administrative and regulatory actions are required and necessary, these alone are insufficient to change a historically and presently corrupt industry. The Waterfront Commission remains hopeful that the industry will be open to new, innovative approaches that will reduce the opportunities for criminal activity while strengthening the economic viability and competitiveness of the Port.

MISSION STATEMENT

The statutory mandate of the Waterfront Commission of New York Harbor is to investigate, deter, combat and remedy criminal activity and influence in the Port of New York-New Jersey, and to ensure fair hiring and employment practices, so that the Port and region can grow and prosper.

COMMISSIONERS

The Commission is headed by a New Jersey and a New York Commissioner, appointed by the Governors of their respective states. The Commissioners bring with them extensive experience in criminal investigations and prosecutions, and an expansive knowledge of organized crime and corruption.



New Jersey Commissioner Michael Murphy

Michael Murphy is the former Prosecutor of Morris County, where he began the Bias Crimes Unit and structured the county's first Human Relations Commission. In 1992, at the request of then U.S. Attorney Michael Chertoff, Mr. Murphy was deputized as a Special Assistant U.S. Attorney and successfully prosecuted Arthur and Irene Seale for the highly publicized kidnapping and murder of Exxon executive Sidney Reso. In 1994, working closely with the U.S. Department of State and the Jordanian government, he secured the conviction of Mohammed Abequa, a Morris County resident who murdered his wife, kidnapped his children, and fled to his native Jordan to escape justice. Mr. Murphy has served as President of the New Jersey Prosecutors Association, and has chaired the Association's Legislative

Committee. He is the past Chairman of the Garden State Preservation Trust, and was both the Chairman and a member of the Board of Trustees of the Public Policy Center of New Jersey. A graduate of Georgetown University and Seton Hall University School of Law with nearly forty years of practice, Mr. Murphy has served as a municipal attorney, municipal prosecutor, county prosecutor and public defender. In private practice, he specialized in the areas of land use, corporate litigation, products liability and white collar defense. He also served in the United States Merchant Marine, and through his service as a mariner, he developed a firsthand appreciation for the critical role the waterfront plays in the economy of the State of New Jersey, the State of New York, and beyond. Mr. Murphy has been involved in politics since the first gubernatorial campaign of his stepfather, two-term New Jersey Governor and Supreme Court Chief Justice Richard J. Hughes, and was candidate for Governor of New Jersey in 1997. Currently a Visiting Associate at the Eagleton Institute of Politics, Mr. Murphy has been called upon to appear as a guest commentator on Hardball with Chris Matthews, Lou Dobbs Tonight, CNBC, MSNBC, My 9, Fox, TruTV, NJN, New 12 NJ and other cable and radio outlets.



New York Commissioner Paul Weinstein

Paul Weinstein was an Assistant United States Attorney with the United States Attorney's Office for the Eastern District of New York between 1989 and 2007, serving in both the Criminal and Civil Divisions. During that time he prosecuted and commenced civil racketeering proceedings against numerous members of criminal enterprises and the enterprises themselves. The matters he led and supervised included the prosecution of leaders of New York/New Jersey-based organized crime families operating at critical points of international shipping and commerce in the United States, including in the Port of New York-New Jersey. Mr. Weinstein also served in a number of supervisory capacities in the Eastern District, including as the Deputy Chief of the Criminal Division, with the responsibility for the operation of the

over 100-Attorney Division, encompassing supervision of the Business and Securities Fraud, Money Laundering, Public Integrity and Organized Crime Sections of the Office. Mr. Weinstein currently is a partner with Emmet, Marvin & Martin LLP, a Manhattan law firm. His practice is focused on white collar criminal defense and investigations and complex civil matters, including commercial, corporate trust, securities, trusts and estates and real property disputes. Mr. Weinstein also has served as an Adjunct Professor of Law at Cardozo Law School for a number of years, teaching courses on white collar crime and legal writing and advocacy.

OFFICERS

Executive Director Walter M. Arsenault

Walter M. Arsenault was appointed Executive Director on September 10, 2008. He is the grandson of a longshoreman and the son of a U.S. Customs Inspector and Supervisor who spent his career on the piers of New Jersey. Mr. Arsenault is a graduate of the Johns Hopkins University and Rutgers School of Law. He served as an Assistant Prosecutor in Bergen County, New Jersey from 1978 to 1984, where he was Chief of the Trial and Grand Jury Sections. Mr. Arsenault joined the New York County District Attorney's Office in 1984, where he served until 2003. He was the Chief of the Homicide Investigation Unit for most of his career there, and specialized in the investigation and prosecution of violent drug gangs. Mr. Arsenault also served as a Senior Trial Counsel in Trial Bureau 70 and investigated and prosecuted international narcotics smuggling and trafficking as a Senior Investigative Counsel in the Office of the Special Narcotics Prosecutor. In 2003, Mr. Arsenault was appointed First Deputy Commissioner of the New York City Department of Investigation. He oversaw that office's daily operations as well as leading high profile political corruption and organized crime investigations. He retired from city service in February 2008.

General Counsel Phoebe S. Sorial

Phoebe S. Sorial was appointed General Counsel on May 10, 2010. Ms. Sorial is the chief legal advisor for the Commission. She is a graduate of Rutgers University and Rutgers School of Law, where she was the Managing Business Editor of the Computer and Technology Law Journal. In 2000, she served as a law clerk to the Honorable Rudy B. Coleman, retired Judge of the Appellate Division of the Superior Court of New Jersey, before joining a prominent New Jersey law firm. While in private practice, Ms. Sorial represented corporate clients, state agencies and public entities in complex litigation at local, national and international levels. She also counseled clients regarding internal matters, including securities compliance, employment practices and other corporate protocols. In 2008, Ms. Sorial joined a Florida government relations firm, where she advised of legal implications of firm strategies and focused on legislative advocacy, alliance building and crisis communications. Ms. Sorial is admitted to practice law in New York, New Jersey and Florida, as well as the U.S. District Court for the District of New Jersey, the Southern District of New York, the Middle and Southern Districts of Florida, and the U.S. Court of Appeals for the Second and Third Circuits.

Commission Secretary Meralis M. Lopez

Meralis M. Lopez was appointed as Commission Secretary and Paralegal on May 13, 2013. Mrs. Lopez is a graduate of John Jay College of Criminal Justice and holds a B.A. in Forensic Psychology, and a Master's Degree of Science in Criminal Justice Management from the University of Maryland. In 2009, she joined the Office of the U.S. Attorney for the Southern District of New York, where she served as a Legal Assistant in the Records Division. While with the U.S. Attorney's Office, Ms. Lopez worked with sensitive Anti-Terrorism cases and was responsible for confidential case management. Prior to her work with the federal government, she was an Assistant to the Director of Operations for a New York City nonprofit organization, and worked as a Legal Secretary for an immigration law firm. Mrs. Lopez is a New York State Bar Association Certified Paralegal.

THE COMMISSION'S DIVISIONS

Responsibility for the everyday operations of the Commission lies with the Executive Director, who supervises the Commission's seven divisions.

Executive

The Executive Division is comprised of the Executive Director, General Counsel, Commission Secretary, Comptroller, Director of Port Operations & Telephonic Hiring Information Centers (THEIC), and a Human Resources administrator. This Division's responsibilities include: assisting the Commissioners in the formulation and execution of policy; proposing legislation, regulations and resolutions; preparation of annual and special reports; providing legal advice to the Commissioners; conducting agency litigation and overseeing outside counsel when required; initiation of investigations; ordering hearings; media, public and government relations; conducting labor relations with agency unions; formulation of the annual budget; keeping of financial records and administration of group insurance plans; and maintaining the seal and official records of the Commission.

Port Operations & Telephonic Hiring Employment Information Centers

This Division, headed by Director Brian F. Hannan, supervises the Telephonic Hiring Employment Information Center in Edison, New Jersey which oversees the daily hiring of longshore workers, checkers and pier guards in the port to insure that all hiring is performed in accordance with the Rules and Regulations of the Waterfront Commission of New York Harbor and the seniority rules of both the NYSA-ILA Collective Bargaining Agreement and the NYSA-PPGU Collective Bargaining Agreement. The Division reviews and approves all requests for additions to the companies' regular hiring lists in accordance in accordance with the Rules and Regulations of the Commission and the relevant collective bargaining agreements. The Division also reviews all applications for stevedore, pier superintendent and hiring agent licensure to ensure the applicants possess the requisite good character and integrity required by the Act.

Law, Licensing and Employment Information Centers

This Division is headed by Director Thomas Kapp, along with John G. Casey, Deputy Director of Licensing and E.I.C/Prequalification Coordinator. The Division's five senior counsel and assistant counsel conduct investigations into waterfront practices throughout the Port of New York-New Jersey. In addition to investigating applicants for licensing and registration to determine if they meet the legal standards set forth in the Waterfront Commission Act, these attorneys also investigate currently licensed personal and companies to ascertain if they have engaged in criminal activity in the Port and/or violations of the Act. They liaison and work in tandem with outside law enforcement and prosecutorial agencies to assist in developing criminal cases against targets. Administrative hearings are conducted by counsel to determine whether applications should be granted or denied and whether registrations and licenses should be suspended or revoked. In addition, they assist in responding to Article 78 and other appellate proceedings.

Our administrative responsibility of licensing longshore workers and removing dangerous persons from working in the Port is critical. In addition to its law enforcement activities, the Commission continues to exercise its administrative and regulatory powers to increase the Port's safety, security, diversity and competitiveness. The Commission has, on an ongoing basis, aggressively identified and suspended or removed registered individuals who constitute a danger to the peace and safety of the Port, or who lack the requisite good character and integrity required for their license. The Commission is now also identifying those who are associating with organized crime individuals, and is revoking their registrants/licenses. Through administrative hearings conducted by our attorneys, the Commission is the only agency with the ability to do so. Though this requires an exhaustive collaborative effort by our attorneys and licensing clerks, it has already yielded a demonstrably beneficial impact on the Port.

The vitality of the Port is directly affected by organized crime influence, and we have exposed and highlighted the prevalence of no-show and no-work jobs at the Port, which rob the Port of its economic competitiveness and vitality. Our attorneys continue to conduct investigations into these matters, and to conduct administrative hearings relating thereto.

Licensing and Employment Information Centers in Elizabeth, New Jersey and New York, New York process applications filed by individuals and firms required to be licensed or registered. The Licensing Division also makes employment information available to these dockworkers and administers the “decasualization program” which, pursuant to statute, removes from the longshore register those dock employees who, without good cause, fail to work or apply for work on a regular basis.

Police

This Division is headed by Chief Constantine Miniotis and staffed by three captains, five sergeants, twenty-nine detectives, and three civilian employees. All Commission police officers possess full police powers in both New York and New Jersey. The Police Division maintains field offices in Manhattan, Brooklyn, and Elizabeth. Waterfront Commission police investigate criminal activity in the Port and violations of the Waterfront Compact; perform background checks of individuals and companies that have applied for registrations and licenses; review pier and waterfront terminal cargo protection and security procedures, and maintain the Commission’s investigative files. The Police Division participates in a number of federal and state task forces including: the Federal Bureau of Investigation organized crime unit (New York and New Jersey); the Border Enforcement Security Task Force led by the Department of Homeland Security Investigations (New York and New Jersey); HIDTA (High Intensity Drug Trafficking Areas/New York); and the HSI El Dorado team investigating narcotics and money laundering (New York). The Commission continues to work jointly with the NYPD and NYC Business Integrity Commission as well as having partnered with the New York State Attorney General’s Organized Crime Task Force on the investigation of a sophisticated narcotics scheme with strong ties to organized crime.

Captain Kristen Brylinski commands the New York office, Captain Margaret Baldinger commands the Brooklyn Field Office, and Captain Adolph Perez commands the Elizabeth Field Office.

Intelligence

This Division is led by Daniel Ramirez and staffed by four intelligence analysts. The Division collects, analyzes and disseminates intelligence related to organized crime and racketeering activity in the Port at the strategic and tactical levels. Intelligence collection, extensive research, link analyses, and record examination have been central to several ongoing civil proceedings and criminal investigations. These efforts include the background checks of hundreds of individuals requesting pre-qualification or who are applying to be licensed/registered as longshore workers and security officers in the Port. These background checks have identified numerous associations between prospective longshore workers and members of organized crime.

The Intelligence Division continues to grow its database of organized crime members and associates, identifying connections among those criminal figures and longshore workers. In the past year, the Division has created hundreds of dossiers of known or suspected members of violent street and outlaw motorcycle gangs (OMG), adding to the existing dossiers maintained on members of organized crime in New York, New Jersey and Philadelphia to include the Bonanno, Colombo, DeCavalcante, Gambino, Genovese, and Lucchese crime families.

The Division maintains active memberships with the International Association of Crime Analysts (IACA); the International Association of Law Enforcement Intelligence Analysts (IALEA); the Middle Atlantic Great Lakes Law Enforcement Network (MAGLOCLLEN); and the National White Collar Crime Center (NW3C) to promote professional development and stay abreast of emerging trends within the intelligence community. Members within the Division attend the *Intelligence Analyst Training Program*, and many other advanced professional development courses at the Federal Law Enforcement Training

Center (FLETC) in Glynco, GA. Additionally, one of our analysts has affiliated with the *Global Initiative*, a “network of over 500 independent global and regional experts working on human rights, democracy, governance, and development issues where organized crime has become increasingly pertinent.” She also serves as an Adjunct Lecturer at John Jay College of Criminal Justice, City University of New York. Another analyst serves as adjunct professor in the criminal justice department at Farmingdale State College. A third analyst has affiliated with the University of Essex, UK, as part of a research project entitled *Opportunities and Vulnerabilities for Organised Crime in Seaports*. He served as a panel member leading the discussion of the influence of organized crime within the Port of NY in May 2020. Finally, two other analysts completed the course on instruction to become *Certified Fraud Examiners* (CFE).

The Division also represents the Commission at weekly interagency intelligence meetings hosted by the U.S. Coast Guard Sector NY; and as a member of the Executive Steering Committee of the Area Maritime Security Committee (AMSC) for the Captain of the Port (COTP) of New York/New Jersey. The COTP relies on the Intelligence Division to provide an assessment of local organized crime as part of a larger Port threat assessment issued by Sector NY annually. In collaboration with the Coast Guard and other port partners, the Division reviews the Commission’s Continuity of Operations Plan (COOP) annually, which was most recently updated in March 2020 to ensure the Commission’s continuity of operations during the COVID-19 pandemic. The Division has routinely attended the Maritime Transportation System Recovery Unit (MTRSU) weekly teleconferences, which reported to port partners the effects of the pandemic on port operations.

The Intelligence Division continues its student internship program with multiple schools in the New York City metropolitan area, resulting in job placement in a variety of law enforcement public agencies and private investigation companies. Recent Intelligence Division interns have completed their work-study programs to begin successful careers with the Federal Bureau of Investigation and the Business Integrity Commission.

Administration and Audit

This Division, headed by Director Richard Carbonaro, along with Jared Filus, Deputy Director of Audit & Control, provides the agency with important clerical and administrative support functions. It is responsible for the delivery and collection of quarterly assessments, the analysis of payments made, and the imposition of penalties and interest for late fees payments. Administration, working in conjunction with the General Counsel, also assigns and monitors the work of the Commission’s auditors, who review assessment payments made and perform compliance audits. The Division also maintains the Commission’s timekeeping, personnel and attendance records, and handles the Commission’s mail, furniture and office supplies.

This year, the Audit Division completed 13 payroll audits, 11 compliance audits, and 1 pre-licensing audit.

Information Technology

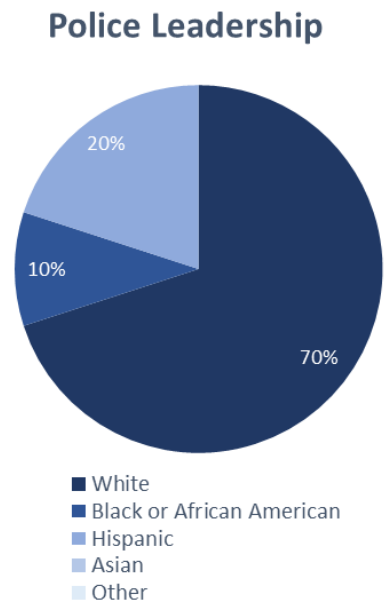
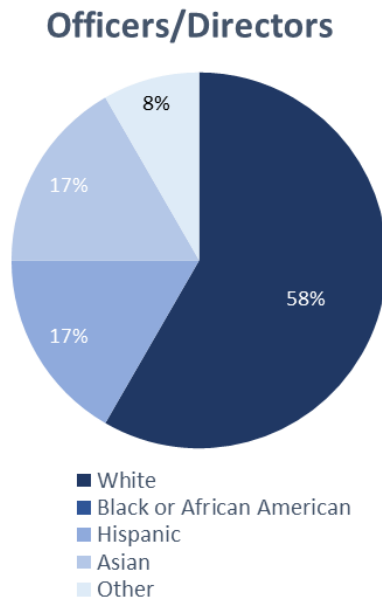
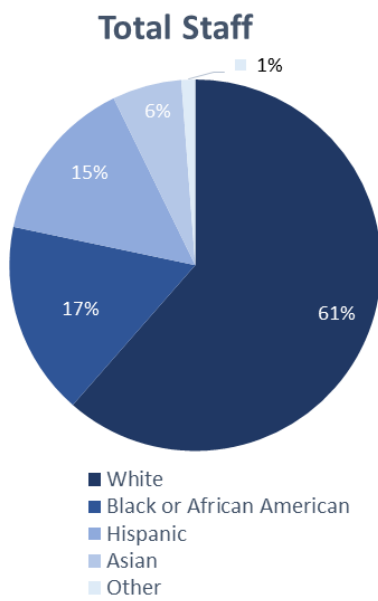
This Division, headed by David Murillo, is responsible for the development and implementation of the Commission’s technological systems, maintenance of its infrastructure, and the security and functionality of its systems overall. The Division also provides the Commission’s Police, Intelligence Divisions and Law Divisions with emerging technologies that support the agency’s investigative initiatives.

This year, the IT Division seamlessly facilitated the Commission’s crisis-driven pivot to remote teleworking due to the COVID-19 Pandemic, with only essential employees remaining onsite. The IT Division successfully ensured that the Commission continued to perform its essential functions with minimal interruption, and that the staff was able to reliably access critical applications and systems without compromising security. The Division also successfully effectuated the agency’s first remote fellowship/internship program.

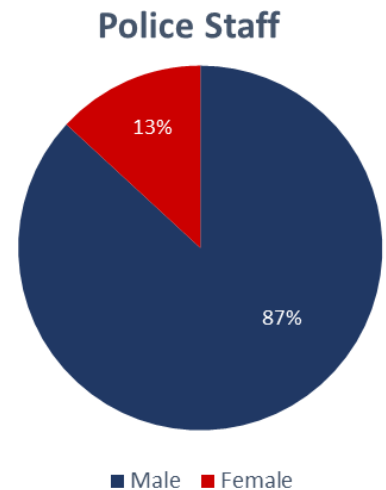
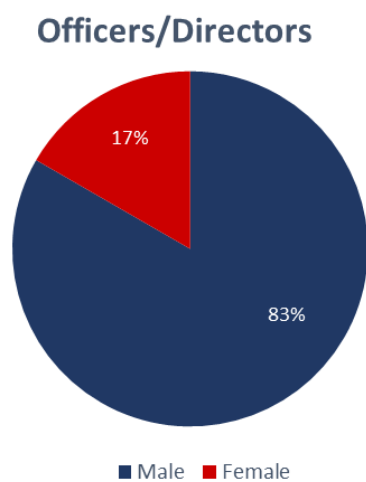
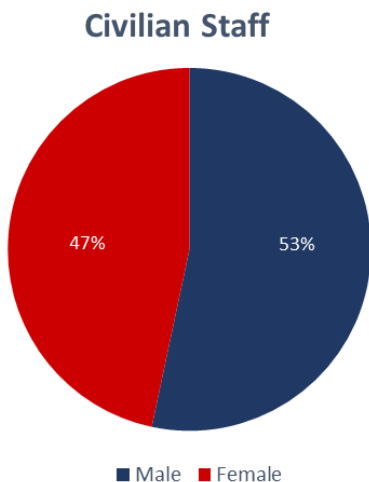
DIVERSITY AND INCLUSION IN THE COMMISSION'S WORKFORCE

The Commission is deeply committed to a culture of diversity and inclusion in its workforce. As we have previously reported, prior to the Commission's revitalization following the 2009 Report of the New York State Office of the Inspector General, all of the Commission's officers and directors were white, and its staff did not adequately reflect the rich diversity of the surrounding metropolitan region. Since then, we have taken extensive measures and made significant strides towards ensuring diversity and inclusion. This year, we are proud to report on our continued progress:

Race/Ethnicity



Gender



MEMBERSHIP IN ORGANIZATIONS

The Commission and its staff maintain memberships with various law enforcement organizations which routinely network to provide training and share information and resources, to assist the Commission in fulfilling its statutory mission. These include:

New York Prosecutors Training Institute

Middle-Atlantic Great Lakes Organized Crime Law Enforcement Network (MAGLOCLLEN)

International Association of Crime Analysts

International Association of Law Enforcement Analysts

U.S. Coast Guard – Field Intelligence Support Team (FIST)

National White Collar Crime Agency

Multi-jurisdictional Counter-drug Task Force

National Association of Attorneys General

International Association of Airport and Seaport Police

Police Executive Research Forum

New York State Association of Chiefs of Police

Association of Chiefs of Police, Essex County

Area Maritime Security Committee (AMSEC)

COMMISSION NOT FUNDED WITH TAX DOLLARS

The Commission is not funded with tax dollars. By statute, and in lieu of any charges for the issuance of licenses or registrations, or for the use of Employment Information Centers, the Commission's budgeted expenses come from assessments on waterfront employers of persons utilized in the handling of waterborne cargo. Employers pay a maximum two-percent assessment on the wages of such employees.

Since 2015, the Commission has steadily reduced its assessment rate from the maximum 2%. This year, the Commission again reduced its assessment rate, this time to 1.80%. This is the lowest assessment rate since 1988.

CASH MANAGEMENT AND THRIFT

The Commission takes seriously its responsibility to operate with thrift, accountability and efficiency. Even though the Waterfront Commission Act provides for appropriations from both states to balance the budget, the Commission has been successful in maintaining financial independence regardless of the unsteady stream of assessments and ever-increasing operating expenses outside of the Commission's control. Of particular note this year, the Commission was able handle the economic impact of the COVID-19 Pandemic through effective budget spending control, along with accumulated fund reserves currently in place for the stabilization of annual assessments. These reserves allow the Commission to continue to operate in emergency situations without seeking any funding from New York or New Jersey.

The Commission recorded a \$3.5 million surplus in FY 2019-2020, exceeding the budget plan by \$2.3 million, compared to a \$1.3 million budget surplus. After transferring \$2.7 million to the reserves, an \$847,000 surplus was carried forward to FY 2020-2021. The Commission closed the fiscal year ended June 30, 2020 with a fund balance of \$7.2 million.

FY 2019-2020 cash receipts were \$17.3 million, \$1.7 million (+11%) above budget and \$222,000 (+1%) above last year. The 214,000 increase in quarterly assessments (+1%) from last year reflected the growth (+2%) of the port activities between April 2019 and March 2020 but offset by reducing the assessment rate from 1.84% to 1.80% effective July 1, 2019.

FY 2019-2020 expenditures were \$13.7 million, \$539,000 under budget even after enduring a double-digit increase in liability insurance premiums. With its effective budget management, over \$600,000 savings were achieved from regular salaries (\$178,000), group health insurance (\$101,000), travel (\$89,000), and various line items (\$267,000). The average headcount rose to 86 but still 2% below budget.

After years of diligent budget management and funding to the post-retirement benefit reserve, the Other Postemployment Benefits (OPEB) liability was fully funded with \$14.5 million.

PORT STATISTICS

During calendar year 2019, the Port of New York-New Jersey, the Eastern seaboard's busiest port, handled 41,090 thousands of metric tons of waterborne cargo valued at \$ 183,653 million. The tonnage decreased by 0.4 % and the dollar value decreased by 2.2 % over 2018.

For 2019, 7,471,131 container units passed through the port, an increase of 4.1 % over 2018. For the same 2019 period, 570,023 vehicles were imported or exported, a decrease of 0.5% over the prior year.

The Port's leading waterborne general cargo exports for the year 2019 (as calculated in metric tons) were wood pulp, wood and articles of wood, and vehicles and parts. The leading general cargo imports (also in metric tons) were beverages, plastics, and furniture. The largest containerized cargo volumes for import were furniture, machinery and appliances, plastic, and beverages. The largest containerized cargo volumes for export were wood pulp, vehicle parts, plastic, wood and articles of wood.

On June 30, 2020, the conclusion of the Commission's fiscal year, registered and licensed dock workers totaled 5,801 broken down into the following categories:

2020	#
"Deep Sea" Longshore Workers	2534
Special Craft	116
Checkers	732
Workers registered under authority of the 1969 amendatory legislation to perform services incidental to the movement of waterborne freight, such as warehousing and maintenance work.	2419
Port Watchmen	399
Hiring Agents	96
Pier Superintendents	405
Telecommunications System Controllers	8
Longshore workers were decasualized by the Commission for failure to meet minimum work requirements in FY 2019-2020	36
Companies licensed as stevedores, (including 15 with permanent licenses), who have contracts or arrangements to move waterborne freight or to perform services incidental to the movement of waterborne freight.	47

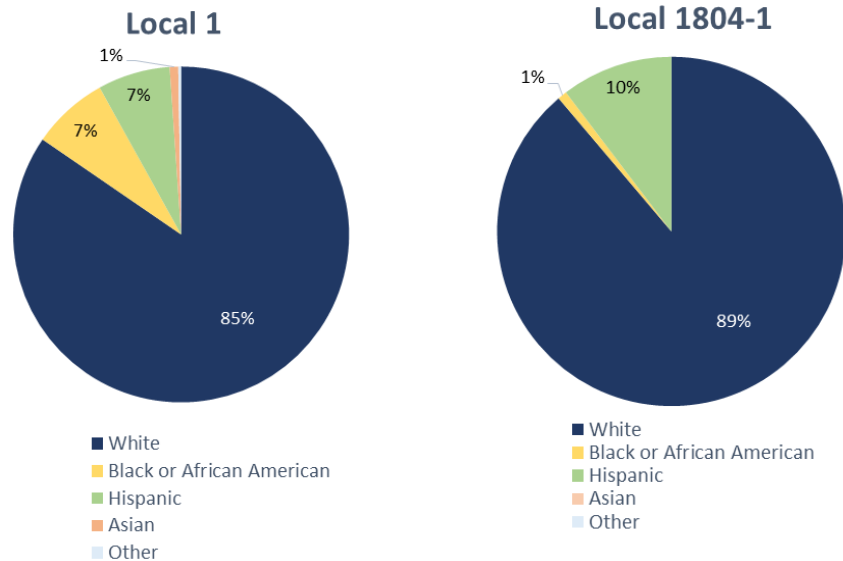
DIVERSITY AND INCLUSION IN THE PORT WORKFORCE

Since its revitalization in 2008, the Waterfront Commission has taken great measures to combat the prevalent discriminatory hiring practices in the Port and to foster diversity and inclusion in the longshore workforce. Despite this, as illustrated below, the industry has made little progress in diversifying the membership of registered longshore workers and maintenance workers/mechanics in the International Longshoremen’s Association locals.

The diversity of the ILA locals is a critical component in assessing the industry’s hiring practices. In support of their purported diversity and inclusion initiatives, the ILA and NYSA cite to the overall diversity of incoming workers. But, as illustrated below, an overwhelming majority of incoming Black/African American workers are then placed into one predominantly Black/African American local in New Jersey – ILA Local 1233. In contrast, the highly-sought checker positions are predominantly given to white males, who become members of ILA checker Local 1.

DEEP SEA LONGSHORE WORKERS – DIVERSITY

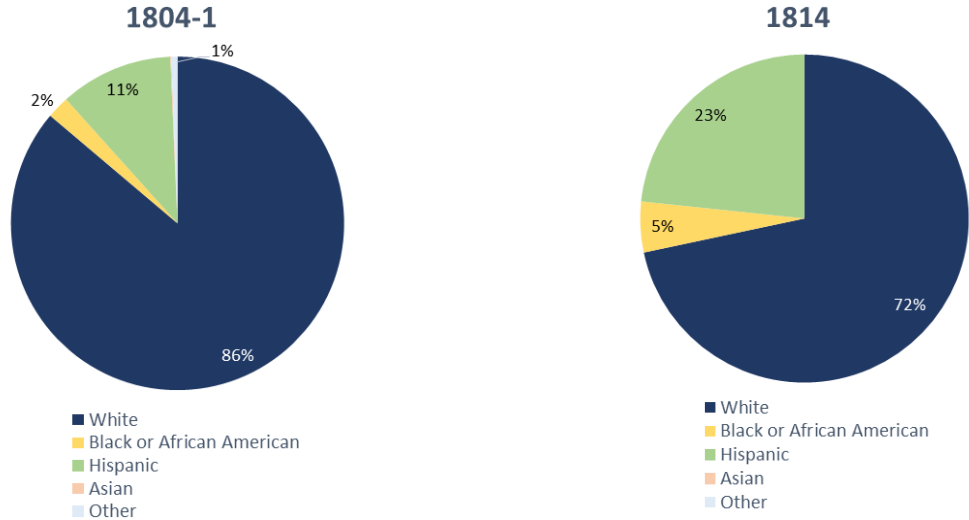
ILA Local	White		Black/African American		Hispanic		Asian		Other		Total
	#	%	#	%	#	%	#	%	#	%	
Local 1	619	84.6%	54	7.4%	51	7.0%	6	0.8%	2	0.3%	732
1233	67	8.0%	716	85.9%	42	5.0%	3	0.4%	6	0.7%	834
1235	640	72.4%	33	3.7%	195	22.1%	6	0.7%	10	1.1%	884
1814	94	66.7%	27	19.1%	16	11.3%	2	1.4%	2	1.4%	141
1588	239	65.1%	72	19.6%	47	12.8%	4	1.1%	5	1.4%	367
920	149	83.2%	16	8.9%	11	6.1%	3	1.7%	0	0.0%	179
824	82	76.6%	11	10.3%	7	6.5%	5	4.7%	2	1.9%	107
1804-1	103	88.8%	1	0.9%	12	10.3%	0	0.0%	0	0.0%	116
Total	1993	59.3%	930	27.7%	381	11.3%	29	0.9%	27	0.8%	3360



MAINTENANCE WORKERS/MECHANICS – DIVERSITY

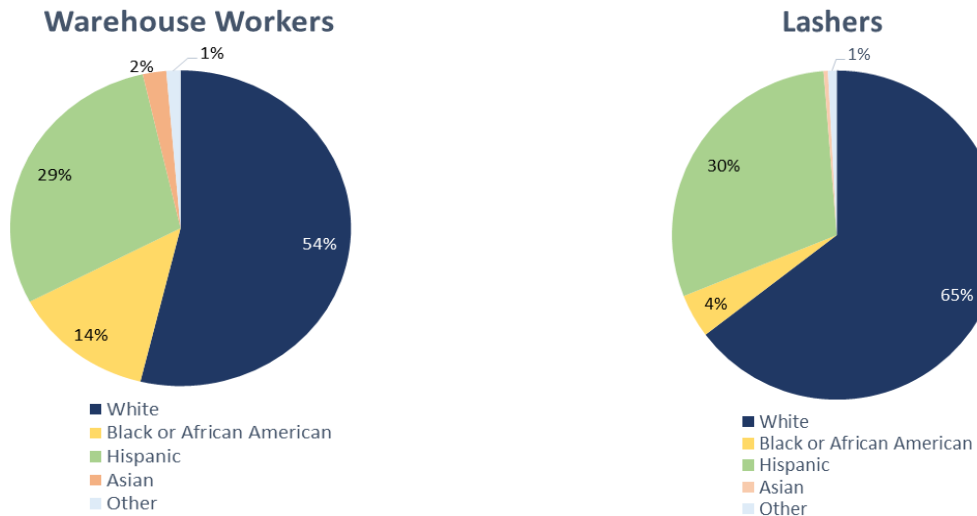
	White		Black/African American		Hispanic		Asian		Other		Total
	#	%	#	%	#	%	#	%	#	%	
ILA Local											
1804-1	872	86.2%	22	2.2%	111	11.0%	1	0.1%	6	0.6%	1012
1814	43	71.7%	3	5.0%	14	23.3%	0	0.0%	0	0.0%	60
Total	915	85.4%	25	2.3%	125	11.7%	1	0.1%	6	0.6%	1072

GENDER: 1 FEMALE OUT OF 1,072 MAINTENANCE WORKERS/MECHANICS



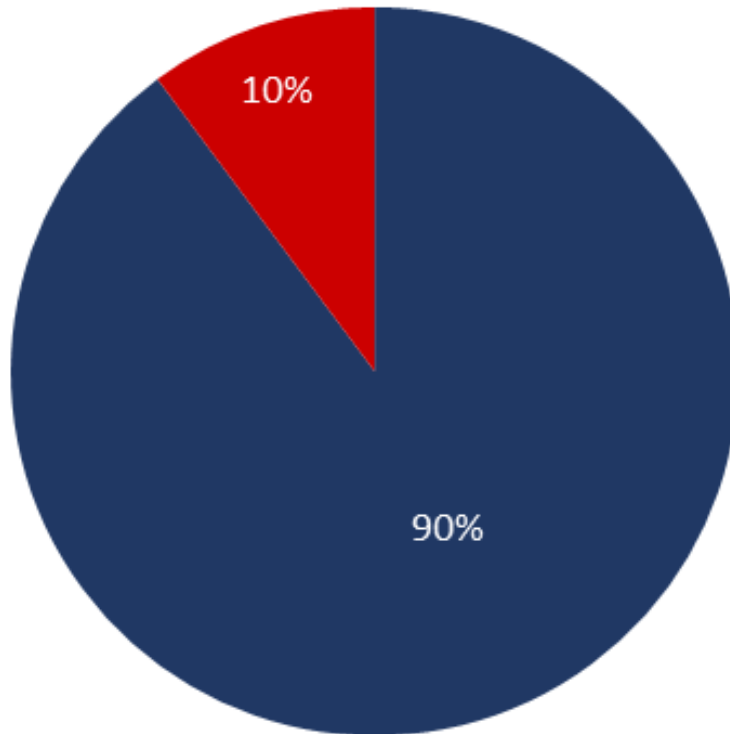
WAREHOUSE WORKERS/LASHERS – DIVERSITY

Category	White		Black/African American		Hispanic		Asian		Other		Total
	#	%	#	%	#	%	#	%	#	%	
Warehousemen	602	53.8%	151	13.5%	326	29.1%	25	2.2%	15	1.3%	1119
Lashers	150	64.7%	10	4.3%	69	29.7%	1	0.4%	2	0.9%	232
Total	752	55.7%	161	11.9%	395	29.2%	26	1.9%	17	1.3%	1351



DEEP SEA LONGSHORE WORKERS – GENDER

Union Local	Male		Female		Not Identified		Total
	#	%	#	%	#	%	
Local 1	617	84.3%	115	15.7%	0	0.0%	732
1233	720	86.3%	114	13.7%	0	0.0%	834
1235	832	94.1%	52	5.9%	0	0.0%	884
1814	135	95.7%	6	4.3%	0	0.0%	141
1588	329	89.6%	38	10.4%	0	0.0%	367
920	168	93.9%	11	6.1%	0	0.0%	179
824	101	94.4%	6	5.6%	0	0.0%	107
1804-1	116	100.0%	0	0.0%	0	0.0%	116
Total	3018	89.8%	342	10.2%	0	0.0%	3360



■ Male ■ Female

“MOVING THE GOALPOSTS”

THE WATERFRONT COMMISSION’S DIVERSITY AND INCLUSION INITIATIVES

The Commission is deeply committed to diversifying the workforce in the Port and to balancing the supply of labor with available work. As detailed in this Report, for decades Port employers collectively bargained away their ability to fairly recruit, hire and train their own employees. The industry’s discriminatory referral and hiring practices have not only led to a lack of diversity and inclusion in waterfront employment, but also to the perpetuation of criminality and corruption. This year, the Commission is continuing to utilize every available statutory and regulatory initiative to work to overcome the prevalent discriminatory hiring practices, so that a diverse group of men and women who are unencumbered by organized crime influence are given the once-denied opportunity to work in the Port.

Section 5–p of the Waterfront Commission Compact requires Port employers to certify that the selection of each incoming longshore worker was made in a fair and non-discriminatory manner, in accordance with the requirements of the laws of the United States and the states of New York and New Jersey dealing with equal employment opportunities. This statutory provision allows the Commission to take any preemptive or corrective action to combat discriminatory hiring. It is the Commission’s principal means of overcoming the prevalent discrimination that continues in the Port.

Prequalification Program

The Commission has continued to actively implement its pre-qualification program. As previously reported, we partnered with the Workforce 1 Career Centers run by the New York City Department of Small Business Services, as well as the New Jersey Department of Labor and Workforce Development, and assembled a racially diverse, prequalified group of men and women to work in the Port. Notably, those previously unemployed and underemployed individuals living in areas near the Port would not have historically had access to employment opportunities on the waterfront.

The Commission’s Requirement that the Industry Implement A Fair and Nondiscriminatory Hiring Plan for Incoming Deep Sea Longshore Workers And Transparent Recruitment and Referral Protocols for ILA Referrals

As we reported last year, in October 2018 the NYSA and ILA advised the Commission that future additions to the longshore workforce would be recruited, referred, selected and sponsored in accordance with the terms of a new collectively bargained NYSA-ILA Hiring Plan which was adopted on September 25, 2018. That plan no longer called for the recruitment and referral of 51% Military veterans, but instead reverted back to a hiring plan that was submitted by the NYSA-ILA Contract Board almost ten years ago, and which the Commission had rejected. That plan, which was described back in March 2011 as the “West Coast Model,” called for 50% of the new hires are union referrals, and 50% are employer referrals.

Given the NYSA/ILA’s demonstrated discriminatory referral and hiring practices, the Commission again rejected that plan last year, and instead proposed that half of the workforce be recruited from the Workforce 1 Career Centers run by the New York City Department of Small Business Services, as well as the New Jersey Department of Labor and Workforce Development. That proposal was rejected by the NYSA-ILA Contract Board. After extended discussions between the Commission and industry representative, the NYSA-ILA Contract Board agreed to modify its plan to increase diversity and to ensure employment opportunities to qualified individuals, and submitted an amended plan.

Under that plan:

- (1) 50% of the new hires will be selected from the ILA pool which shall be recruited from rank-and-file longshore workers, from the Executive Boards of ILA locals, from other labor unions, from vocational and technical schools, and from community based organizations; and
- (2) 20% of the new hires will consist of individuals from the NYSA pool who are members of U.S. military service organizations, including veterans and individuals who served in the U.S. Reserves or National Guard for a minimum of (3) years;
- (3) 20% of the new hires will consist of individuals recruited by NYSA from the employment offices of the New York and New Jersey Departments of Labor, in Essex County, Hudson County and Union County in the State of New Jersey, and New York County, Richmond County, Queens County and Kings County in the State of New York; and
- (4) 10% of the new hires will consist of individuals recruited by NYSA from job/career fairs, vocational and technical schools, colleges and community-based organizations, and from referrals made by managerial employees of NYSA and its members; and

During those discussions, Commission representatives questioned (1) whether the ILA employs objective criteria and standards when recruiting, selecting and referring individuals to the NYSA, and (2) whether the employers, in submitting their certifications, would be able to knowledgeably certify that individuals referred by the ILA were selected in a fair and nondiscriminatory manner. We specifically questioned, based on our prior experience, whether qualified candidates who went to the ILA locals would make it through the process if they had no union ties.

Prior to accepting the proposed hiring plan, the Commission advised the NYSA-ILA Contract Board that since the employers would be submitting certifications, they would have to affirmatively conduct some measure of due diligence for each sponsored individual, and disclose the information that they received from the ILA regarding each individual's recruitment, selection and referral. Following those discussions, the Commission agreed to open deep sea register for the inclusion of 682 workers. On February 14, 2019, the Commission issued Determination 44 which opened the deep sea register for the acceptance of 658 applications. The Commission performed comprehensive background checks and prequalified NYSA and ILA referrals, who were subsequently sponsored for employment by Port employers.

This year, during the course of processing sponsored ILA referrals, it was evident that (1) certain ILA locals failed to follow any established hiring and recordkeeping protocols, and (2) sponsoring Port employers were unable to knowledgeably certify that the ILA's referrals were selected in a fair and nondiscriminatory manner, as is required by the Waterfront Commission Compact. Of particular concern to the Commission was the union locals' referral of a number of candidates to be hired, even though those candidates never met with, or spoke to, anyone at the local. While The Commission and the NYSA-ILA Contract Board subsequently engaged in extended discussions in order to reach an amicable resolution regarding those issues. In January 2020, the Commission and the various ILA locals reached an agreement that provides for the following transparent ILA hiring procedures and recordkeeping protocols:

- **ILA List Opening.** The hiring local(s) will open its/their list(s) no later than 5 days after the issuance by the Commission of a Determination opening the longshore workers' register. No later than 5 days after that opening, the hiring local(s) will announce/publicize the opening of the list(s) to all of the referral sources enumerated in amended NYSA-ILA Hiring Plan.
- **ILA Candidate Sign-Up Sheet.** Each local will maintain an accurate, contemporaneous list of every person who applies for a job as a longshore worker/checker. Each local's list will be on consecutively numbered pages in chronological order. No one will be referred by the local to the industry unless his/her name appears on the list.

- **Application/Screening.** Every local will have in place a process for candidates to complete an application/questionnaire, to provide their resume and/or other documentation, and to be screened by the local prior to being referred to the industry screening committee. While every person will be given the opportunity to complete the questionnaire/application, there is no requirement that every person who submits an application to the locals will be interviewed or referred.
- **Veteran Candidates.** Pursuant to previous agreement between the Commission and the ILA, even though the ILA Locals have no affirmative obligation to actively recruit veterans under the NYSA-ILA Hiring Plan for longshore workers and checkers, the locals will accept as union referrals veterans who come to the locals' offices seeking employment in the industry.
- **Thirty-Day Opening Period.** The locals' lists will remain open for 30 days after the opening of the lists, and once lists are closed, no additional names will be accepted by the locals until the next hiring round. The locals will forward the lists to the Commission no later than 5 days after the lists are closed.
- **Quarterly Reporting.** The NYSA will provide the Commission, on a quarterly basis, with a status report regarding the industry's needs for labor.

In consideration for the ILA's agreement to these hiring terms, the Commission has agreed that it will accept sponsorship letters for prequalified ILA candidates who did not meet or speak with the ILA Locals before they were referred to, and subsequently interviewed by, Port employers. The Commission's acceptance of sponsorship letters applies only to those ILA referrals that have been, or will be, submitted in this hiring round pursuant to Determination 44. This agreement was agreed to, in principle, in January 2020 by members of the NYSA-ILA Contract Board. **To date, the ILA still has not obtained the ratification of its members.**

In the interim, the Commission has continued to perform comprehensive background checks and to issue registrations on a rolling basis to prequalified ILA and NYSA applicants who have been referred to Port employers pursuant to established hiring procedures.

DEEP SEA LONGSHORE WORKERS – EARNINGS

During FY 2019-2020, deep-sea longshore workers (including checkers and special craft) were paid \$621,858,750.79, including regular overtime wages, vacation and holiday benefits. The chart below reflects the earnings ranges of those longshore workers who perform work involving the discharge or loading of general cargo vessels, and who comprise the “deep-sea register.” These earnings, which are reported by the New York Shipping Association, Inc., do not include additional container royalty payments.

EARNINGS RANGE	# OF WORKERS
Over \$450,000	18
\$400,000 to \$450,000	41
\$350,000 to \$400,000	82
\$300,000 to \$350,000	177
\$250,000 to \$300,000	347
\$200,000 to \$250,000	570
\$150,000 to \$200,000	851
\$100,000 to \$150,000	707
\$75,000 to \$100,000	267
\$50,000 to \$75,000	298
\$25,000 to \$50,000	184
Below \$25,000	184

SPECIAL COMPENSATION PACKAGES

Today, every terminal within the Port still has special compensation packages given to certain ILA longshore workers, the majority of whom are white males connected to organized crime figures or union leadership. Based on the industry's reported figures, the Commission has again identified over 590 individuals who collectively received over \$147.6 million dollars last year in outsized salaries, or for hours they never worked.

As previously reported, the Commission's March 2012 Special Report detailed its findings on the public hearings that were held concerning employment practices within the Port. The hearings revealed that the hiring, training and promotion practices of the industry led to low-show jobs, favoritism and nepotism, the abusive and illogical interpretation of collective bargaining agreements, and the impact of those practices both on the competitiveness of the Port and on the morale and career prospects of decent, hard-working Port employees. Connected individuals are awarded high paying, low-show or no-work special compensation packages, in some cases earning salaries in excess of \$500,000. Such positions were overwhelmingly given to white males connected to organized crime figures or union leadership.

Following the issuance of the Commission's Special Report, the then-President of the NYSA declared that, "[t]hese practices, many of which have been in place for more than fifty years, have made the port unnecessarily expensive and less competitive. Now is the time to address issues of excess staffing and hours of pay that are not commensurate with the work performed." He acknowledged that these special packages were unacceptable:

In the immediate case relating to the Port of New York and New Jersey, there are several legacy work practices in place which do not occur in other ports, creating inefficiencies and costs higher than the acceptable norm. Many of these work practices are decades old, so effecting an immediate change or reversal is extremely difficult. But if there is an acknowledgment that these practices do indeed need to be eliminated or changed, then we have already begun the process of change. These are but a few of the challenges we will face in the early part of the New Year.

[Source: New York Shipping Association 2012 Annual Report, President's Message at page 2]

When the Commission's Special Report was first issued, none of the special packages were memorialized in the applicable collective bargaining agreements. Rather than eliminate or cap them, the NYSA and ILA instead negotiated a 2013 Memorandum of Settlement of Local Conditions in the Port of New York-New Jersey, which guarantees special packages to certain people. Those individuals are paid for hours not worked or hours worked by others, as long as they are at the Port for forty (40) hours each week.

**FY 2019-2020 COMMISSION ACTION ON ADMINISTRATIVE PROCEEDINGS:
PETITIONS, APPLICATIONS AND REVOCATIONS/SUSPENSIONS**

Petitions

Petition Type	Denied	Granted
For Reconsideration	1	0
For Leave to Reapply	0	0
For Rehearing	0	0
To Withdraw	0	13
To Remove Ineligibility	0	1
For Restoration	6	1
To Vacate Temporary Suspension	0	2
For Retention of Reinstatement	0	1
For Stay	0	0
To Surrender Registration	0	1
To Amend Determination	0	0
Total	7	19

Applications for Licensure/Registration

Application Type	Denied	Granted
Longshoreperson	0	1
Checker	0	0
Hiring Agent	0	0
Security Officer	0	0
Pier Superintendent	1	0
Stevedore	0	0
A – Register LS	10	0
Dispatcher (T.S.C.)	0	0
Total	11	1

Suspension/Revocation Proceedings

Type of License or Registration	Revoked	Revoked w/ Leave to Reapply	Continue Temp. Prob. Registration	Suspended*
Longshoreperson (LS)	3	0	1	6
Checker	0	0	2	2
Hiring Agent	0	0	0	0
Security Officer	1	0	0	1
Pier Superintendent	0	0	0	0
Stevedore	0	0	0	0
A – Register LS	3	0	0	11
Dispatcher (T.S.C.)	0	0	0	0
Total	7	0	3	20

* Includes summary proceedings and informal hearings



THE YEAR IN REVIEW

This year, Commission investigations with our law enforcement partners resulted in arrests of 90 individuals on state and federal charges as well as the seizure of over 32 kilos of heroin, almost 158 kilos of cocaine, 729 pounds of marijuana, 2,500 fentanyl pills, and 5.5 kilos of crystal meth as well as the seizure of almost \$1.47 million in proceeds from drug trafficking, loan sharking and illegal gambling and the recovery of 11 firearms.

The Commission worked with the following law enforcement agencies on investigations and prosecutions:

- United States Attorneys' Offices for the Southern and Eastern Districts of New York, and the District of New Jersey
- U.S. Department of Justice – Organized Crime and Gangs
- U.S. Customs and Border Patrol
- U.S. Immigration and Customs Enforcement – Homeland Security Investigations
- U.S. Immigration and Customs Enforcement – El Dorado Task Force
- U. S Department of Labor – Office of the Inspector General
- U.S Drug Enforcement Administration
- Federal Bureau of Investigation
- Internal Revenue Service – Criminal Investigation Division
- New Jersey Attorney General's Office – Division of Criminal Justice
- New York Attorney General's Office
- New York County District Attorney's Office
- Queens County District Attorney's Office
- Union County Prosecutor's Office
- New York City Police Department
- New Jersey State Commission of Investigation
- Philadelphia Police Department



SIGNIFICANT CASES

July 8, 2019 – Application for Warehouse Worker Registration Denied for Prior Shoplifting.

The Commission denied the longshore application of Heidy Valencia Herrera of Elizabeth, NJ, to perform warehouse work in the Port. Following an administrative hearing, an Administrative Law Judge found that Valencia Herrera shoplifted from a grocery store despite having sufficient cash and valid credit cards to cover the cost of the stolen goods. Citing the ongoing problem of cargo theft at the piers, the ALJ found that under the circumstances, Valencia Herrera's presence at the piers or other waterfront terminals in the Port of New York district constitutes a danger to the public peace or safety. The Commission adopted the findings and recommendations of the ALJ.

July 8, 2019 – Checker's Registration Suspended after Indictment for Endangering the Welfare of a Child.

The Commission suspended the registration of checker Anthony Terracciano of Cliffwood, NJ, after a Monmouth County Grand Jury returned an indictment against Terracciano for Endangering the Welfare of a Child, which is a second degree offense. The charges arise from allegations that on March 13, 2019, Terracciano operated a motor vehicle under the influence of a narcotic and was involved in an accident, causing property damage, while a seven-year-old minor was a passenger in the vehicle. The indictment is pending in the Monmouth County Superior Court.



August 20, 2019 – Port Watchman's License Revoked for Fraud, Deceit or Misrepresentation, Lack of Good Character and Integrity, and Marijuana Use.

The Commission ordered the revocation of the port watchman license of Timothy Stuckey, of Hillside, NJ following a hearing before an Administrative Law Judge. The ALJ found that Stuckey had committed fraud, deceit or misrepresentation in connection with his sworn 2014 application when he falsely denied that he had ever used a controlled substance, and during his sworn Commission interview when he falsely testified that he had last used marijuana 5-6 years prior. Urine and hair drug tests were then administered to Stuckey which yielded positive results for marijuana. When questioned during a Commission interview concerning the positive drug test results, Stuckey refused to answer, in violation of the Waterfront Commission Act. Evidence at the hearing also established that on July 16, 2017, Stuckey was arrested in Belmar, NJ for Stuckey possession of marijuana. Ultimately, the ALJ found that Stuckey lacked the good character and integrity required of a port watchman. After considering the entire record, the Commission adopted the ALJ's findings and his recommendation that Stuckey's license be revoked.

September 10, 2019 - Longshoreman's Registration Revoked for Association with Colombo Crime Family Soldier, Repeated Shoplifting, Fraud, Deceit or Misrepresentation and for Constituting a Danger to the Public Peace or Safety on the Waterfront.

The Commission ordered the revocation of the registration of longshoreman Vincenzo Randazzo of Brooklyn, NY, a reefer mechanic since 2004, following a hearing before an Administrative Law Judge. The ALJ found that Randazzo's association with Emanuele Favuzza, who was a soldier in the Colombo crime family, a convicted racketeer and career offender, was under prohibited circumstances inimical to the policies of the Waterfront Commission Act. Randazzo admitted during both a sworn Commission interview and at his administrative hearing that he had known Favuzza for decades, lived in Favuzza's family home for four years, and considered Favuzza a trusted friend who he gave access to his credit card. Randazzo also admitted during the hearing that he engaged

in three separate acts of shoplifting at a Target store in Brooklyn, NY, although he had falsely denied doing so in two previous sworn Commission interviews. Randazzo's third shoplifting arrest was for merchandise valued at \$30.07, even he had \$3000.00 in his possession. Randazzo never reported his arrest to the Commission as required by the Waterfront Commission Act. The Kings County District Attorney's Office subsequently adjourned the criminal case in contemplation of dismissal and the matter was later dismissed. The ALJ found that Randazzo's position was highly sensitive and vulnerable to corruption, given his access to valuable merchandise and the opportunity for theft, which is a problem in the Port. The ALJ found that Randazzo committed fraud, deceit or misrepresentation and that under the circumstances, his presence at the piers or other waterfront terminals in the Port of New York District constitutes a danger to the public peace or safety. After considering the record, the Commission adopted the ALJ's findings and recommendations.



Vincenzo Randazzo

Emanuele Favuzza
Colombo Soldier

September 20, 2019 – Genovese Soldier and Five Genovese Associates Sentenced for Their Role in Genovese Crime Family's Illegal Loansharking, Check Cashing, Gambling and Money Laundering Operation in the Port District. Six men were sentenced for their roles in criminal schemes that generated millions of dollars through illegal loansharking, unlicensed check cashing, gambling, and money laundering on behalf of the Genovese crime family. As previously reported, the defendants were indicted in "Operation Fistful," a joint investigation by the New Jersey Attorney General's Office - Division of Criminal Justice and the Waterfront Commission of New York Harbor, conducted with assistance from the New York and Queens County District Attorneys' Offices and other law enforcement agencies. Much of the illicit revenue was collected and laundered through licensed and unlicensed check-cashing businesses in Newark, NJ, run by Genovese associate Domenick Pucillo. Pucillo and the other associates allegedly are part of a New Jersey crew that was operating under the supervision and control of two "made" members of the Genovese crime family - Vito Alberti, a Genovese "soldier" and Charles "Chuckie" Tuzzo, a Genovese capo – who answer to the Genovese hierarchy in New York. The following six defendants were sentenced by Superior Court Judge Donald G. Collester Jr. in Morris County:

1. Domenick Pucillo, 61, of Florham Park, NJ, was sentenced to 10 years in prison. He pleaded guilty to first-degree conspiracy to commit money laundering.
2. Robert "Bobby Spags" Spagnola, 72, of Morganville, NJ, a former Newark Police Officer, was sentenced to five years in prison. He pleaded guilty to second-degree criminal usury.
3. Vito Alberti, 60, of Morristown, NJ, a Genovese Soldier, was sentenced to five years in prison. He pleaded guilty to second-degree criminal usury.
4. Manuel "Manny Rod" Rodriguez, 54, of Chatham, NJ, a former longshoreman, was sentenced to four years in prison. He pleaded guilty to second-degree conspiracy to commit money laundering.
5. Vincent "Sonny" Coppola, 42, of Union City, NJ, son of imprisoned Genovese Capo Michael "Mikey Cigars" Coppola, who previously served 103 days in jail, was sentenced to time served and two years of probation. He pleaded guilty to third-degree promoting gambling.
6. Jerry Albanese, 52, of Scotch Plains, N.J., a former longshoreman, was sentenced to two years of probation. He pleaded guilty to third-degree promoting gambling.

The final defendant in the case, Genovese Capo Charles “Chuckie” Tuzzo died before trial.



Vito Alberti
Genovese Soldier

Domenick Pucillo

Robert Spagnola

Manuel Rodriguez

Vincent Coppola

Jerry Albanese

October 8, 2019 – Application for Longshoreman’s Registration Denied for Fraud, Deceit or Misrepresentation and for Constituting a Danger to the Public Peace or Safety on the Waterfront, for Failure to Disclose Arrest and for Driving for Over 20 Years with a Suspended Driver’s License The Commission denied the Application for Longshoreman Registration of Raymond O’Shea Boone, 48, of Union, New Jersey, for inclusion on the Waterfront Commission Register as a warehouseman. Following an administrative hearing before an Administrative Law Judge (ALJ), the ALJ found that Boone had committed fraud, deceit or misrepresentation on his application by failing to list all of his previous arrests, especially one in 1998, where Boone had received a 1992 Acura vehicle which had been stolen from U.S. Auto Exchange. The ALJ further found that between 1991 and 2012, Boone had knowingly driven a motor vehicle on a consistent and continual basis while his driver license was suspended. Based on “the undisputed evidence,” the ALJ found that Boone’s presence on the ports would constitute a danger to the public peace of safety, the ALJ recommended that Boone’s application be denied. The Commission adopted the ALJ’s recommendation.

October 17, 2019 – Defendants Charged in Alleged Drug Trafficking in Investigation Sparked by Overdoses: Over Thirty Pounds of Heroin and Fentanyl, Five Handguns, an Assault Rifle and \$170,000 in Cash Recovered. Victor “Tito” Munett, Charles Underwood, Gabriel “Green Eyes” Velasquez, Frank “Ponce” Laboy, Joshua “Flaco” Vega, and Hermelinda Anglada were arrested for their alleged involvement in a drug trafficking organization. Following the arrests, four semi-automatic handguns, a revolver, ammunition and over 17,000 filled glassine envelopes of suspected heroin were found concealed inside a dresser outfitted with a hidden compartment. Two closets in the apartment contained an AR-15 semi-automatic assault rifle, ammunition, two kilograms of suspected heroin, a pair of mechanical kilo presses used for compressing narcotics into brick form and approximately four pounds of marijuana. The apartment also contained paraphernalia and equipment used in the packaging of narcotics, such as grinders, sifters, face masks, gloves and goggles, as well as more than a dozen empty kilo wrappers. Agents and officers subsequently conducted a court authorized search of Lugo’s residence at 27203 Town Green Drive in Elmsford, N.Y. and recovered approximately \$10,000 cash and five kilograms of suspected heroin and fentanyl. The narcotics were packaged in a similar manner as the kilograms seized at 2187 Holland Avenue. Three cars with hidden “trap” compartments contained approximately 250 grams of fentanyl and over \$35,000 cash. Officers also recovered approximately \$10,000 from Munett’s residence at 1042 Evergreen Avenue in Soundview.

Ismael Lugo and Ricardo Gonzales, two alleged top narcotics suppliers for the organization, were arrested on October 9, 2019 in a stash location they maintained at 2187 Holland Avenue, Apt. 5M in the Pelham section of the Bronx. The men were seated in a rear room with loose powder on a table in front of them when agents and officers arrived. Approximately 10 kilograms of suspected heroin, six guns and over \$100,000 cash were recovered, with the majority of the narcotics found in the same room. A series of court authorized searches resulted in the seizure of approximately 14 kilograms of heroin and fentanyl (over 30 pounds), six guns, including an assault rifle, approximately \$170,000 cash and three cars in the Bronx and Westchester.

The investigation followed four overdoses in 2017. Two fatal overdoses occurred a month apart in the same apartment building in Soundview, NY, one nonfatal overdose in Soundview, NY and one fatal overdose in Westchester, NY. An additional nonfatal overdose occurred during the investigation in Westchester in November of 2018. At the outset of the investigation, agents and officers identified Vasquez as an alleged street level manager for the narcotics trafficking operation. As the investigation progressed, agents and officers identified several street level dealers within the organization who were allegedly supplied by Vasquez and Munett. In June of 2019, managerial responsibilities for the street level organization transferred from Vasquez to Munett. Between May of 2018 and August of 2019, the defendants sold narcotics to undercover officers on more than a dozen occasions for a total of more than \$15,000. During surveillance operations, agents and officers repeatedly observed the defendants gathered on the corner of Evergreen and Westchester Avenues in Soundview. Drug sales occurred in this area and in the Upper West Side of Manhattan. In 2018, undercover officers purchased heroin from Vasquez, Munett, Underwood and Velasquez. Throughout 2019, Laboy made a series of narcotics sales to undercover officers, with the majority involving fentanyl laced heroin.

Underwood and Vega reside at 1141 Elder Avenue, Bronx, the apartment building where two fatal overdoses that precipitated the investigation occurred. NYPD laboratory analysis determined the substances sold to undercover officers included heroin and heroin laced with synthetic drugs, such as fentanyl, tramadol and alprazolam. Preliminary testing of the substances seized yielded positive results for heroin, fentanyl and marijuana. The synthetic opioid fentanyl is approximately 50 times more potent than heroin and is involved in 60% of all fatal drug overdoses in New York City. The Waterfront Commission was part of the task force which investigated this matter.

November 12, 2019 – Longshoreman Suspended After Arrest for Illegal Possession of Handgun. The Commission temporarily suspended the registration of longshoreman Kenneth M. Brown of Matawan, NJ pending the outcome of an administrative hearing, based on his arrest in Colts Neck, NJ, for illegal possession of a loaded firearm, a crime of the second degree. According to the Colts Neck Police Department, Brown was arrested after a Ruger LCP .380 pistol loaded with six (6) rounds was recovered from a vehicle Brown was operating. The Monmouth County Prosecutor’s Office is handling the criminal matter.



November 12, 2019 – Former Longshoreman Barred from Returning to Waterfront After Testing Positive for Cocaine Use: Presence at the Port Presents a Danger to the Public Peace or Safety. The Commission denied the petition of former longshoreman Frankie Fawcett of Brick, NJ who had sought restoration of his registration to perform maintenance work at Port Newark, NJ.

The Commission had previously removed Fawcett from the waterfront as a result of the following incidents:

- In 2007, Fawcett was removed from the waterfront because of marijuana use and related fraud, deceit, or misrepresentation;
- In 2013-2014, Fawcett was removed from the waterfront because, among other reasons, he used marijuana, provided diluted urine samples for drug testing on two occasions, and falsely denied using marijuana during a sworn interview; and
- In February 2019, during an administrative hearing, Fawcett admitted that he recklessly caused bodily injury to his wife in 2018. The Commission subsequently revoked Fawcett's registration and ordered that he submit to and pass drug tests prior to any restoration of his registration.

On July 8, 2019, Fawcett submitted a petition for restoration of his registration with sponsorship from Port Newark Maintenance & Repair, LLC. He submitted to and failed his required drug test by testing positive for cocaine. The Commission found that Fawcett's presence at the piers or other waterfront terminals in the Port continues to pose a danger to the public peace or safety, and denied Fawcett's petition for restoration of his registration as a longshoreman.

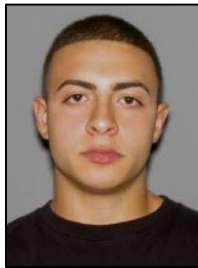
November 15, 2019 – Leaders and Members of Lucchese Crime Family Convicted Of Murder, Racketeering, and Other Crimes. After a six-week jury trial, Matthew Madonna, Steven Crea, Christopher Londonio and Terrence Caldwell were convicted of murder, conspiracy to commit racketeering, and other felonies. Fifteen other defendants have previously pled guilty to related charges. According to the evidence presented at trial, and other court documents: until his arrest in this case, Madonna was the Acting Boss of the Lucchese family of La Cosa Nostra, one of the "Five Families" that constitute the Mafia in the New York City area. In 2013, Madonna became displeased with Michael Meldish, a longtime organized crime associate who had refused to collect debts owed to Madonna. Madonna ordered Meldish killed, leading to Meldish's murder six years ago. As the Acting Boss of the Family, Madonna also received payments from a host of other illegal activities, including the extortion of labor union members, loansharking, illegal gambling operations, and drug-trafficking.

Crea is the official Underboss, or second-in-command, of the Lucchese family. As the Underboss, he participated in Madonna's decision to kill Meldish, and relayed the order to lower-ranking members of the Family. As a member of the family's leadership, or "administration," Crea also profited from the same illegal activities as Madonna. Crea was personally involved in several criminal schemes, including fraud and extortion in a large construction project at a public hospital, the extortion of one of his subordinates, and ordering the assault of a relative. Londonio is a made member of the Lucchese Family. Acting under the orders of Madonna and Crea, Londonio helped setup Meldish—a personal friend of Londonio's—to be killed, and acted as the getaway driver for the murder. Londonio also carried firearms and other weapons, beat an associate of a rival crime family with a baseball bat, and personally participated in extortion, operating illegal gambling businesses, and drug-trafficking, among other crimes. Caldwell is an associate of the Lucchese Family, who participated in its crimes but was not formally inducted as a member. On May 29, 2013, Caldwell ambushed a member of the rival Bonanno Family in Manhattan. Caldwell fired several shots into the victim's car at close range and struck him once in the chest, but the victim survived. On November 15, 2013, Caldwell carried out Madonna's and Crea's orders to kill Michel Meldish. Caldwell met Meldish and drove with him to a Bronx neighborhood to meet Londonio. As Meldish got out of his car, Caldwell shot him once in the head, killing him instantly. Caldwell then drove off with Londonio.

Madonna, 84, of the Bronx, NY; Crea, 72, of Crestwood, NY; Londonio, 45, of Hartsdale, NY; and Caldwell, 61, of Manhattan, NY, were each found guilty of one count of racketeering conspiracy, which carries a maximum sentence of life in prison; conspiracy to commit murder in aid of racketeering, which carries a maximum sentence of ten years in prison; murder in aid of racketeering, which carries a mandatory minimum sentence of life in prison; and use of a firearm in furtherance of murder in aid of racketeering, which carries a mandatory minimum sentence of five years in prison and a maximum sentence of life in prison. Londonio was also found guilty of one count of conspiracy to distribute narcotics, which carries a maximum sentence of twenty years in prison. Caldwell was also found guilty of one count of attempted murder in aid of racketeering, which carries a maximum sentence of twenty years in prison, and one count of discharging a firearm in furtherance of attempted murder in aid of racketeering, which carries a mandatory minimum sentence of ten years in prison and a maximum sentence of life in prison. The Waterfront Commission worked in conjunction with the Federal Bureau of Investigation on this case.



Matthew Madonna Steven Crea Christopher Londonio Terrence Caldwell
 Lucchese Underboss Lucchese Capo & Lucchese Soldier
 Administration Member



November 25, 2019 – Lasher Barred from Working on the Waterfront for Drug Use, Fraud, Deceit or Misrepresentation, and Because Presence at the Port Presents a Danger to the Public Peace or Safety. Following an administrative hearing before an Administrative Law Judge, the Commission revoked the temporary registration of Lasher Philip Barbella of Staten Island, NY, and denied his application for permanent inclusion in the longshore workers’ register. The ALJ found that Barbella had used illegal drugs while temporarily registered to work on the waterfront, which yielded a positive drug test following a work-related accident, and that he committed fraud, deceit or misrepresentation in two sworn documents which he filed with the Commission, in which he falsely denied prior drug use. The ALJ found that given these acts, Barbella’s presence at the piers or other waterfront terminals in the Port of New York District constitutes a danger to the public peace or safety. After considering the record, the Commission adopted the ALJ’s findings and recommendations.

December 5, 2019 - 10 Bronx and Westchester-Based Members and Associates of the Gambino Crime Family Indicted in Brooklyn Federal Court for Racketeering Conspiracy, Loansharking, Obstruction of Justice and Bribery. Two Additional Defendants Charged with Money Laundering and Fraudulently Obtaining OSHA Certification Cards. Twelve defendants were charged with racketeering conspiracy, bribery, loansharking, fraud, obstruction of justice and related offenses. Those charged with racketeering conspiracy were Andrew Campos, an alleged captain in the Gambino organized crime family of La Cosa Nostra; James Ciaccia, George Campos, Vincent Fiore and Richard Martino, alleged Gambino family soldiers; and Renato Barca, Jr., Benito DiZenzo, Mark Kocaj, Frank Tarul and Michael Tarul, alleged Gambino family associates. The charges relate to the defendants’ criminal activities throughout the New York metropolitan area since February 2013. The indictment alleges that Andrew Campos and members

of his crew used bribery, fraud and extortion schemes to infiltrate the construction industry and earn millions of dollars in criminal proceeds. The Waterfront Commission participated in the investigation of this case.

Honest Services Wire Fraud Bribery Schemes

Andrew Campos, Fiore, Kocaj and DiZenzo operated a carpentry company, CWC Contracting Corp. (“CWC”), and are charged with paying bribes and kickbacks to employees of numerous construction companies and real estate developers. In exchange, these employees took steps to benefit CWC, including awarding contracts and approving change orders to add or delete from the original scope of a contract. Specifically, between approximately June 2018 and June 2019, CWC paid hundreds of thousands of dollars in bribes and kickbacks to multiple employees of a real estate development company (described in the indictment as “Construction Company #1”), including John Simonlacaj, the company’s current Managing Director of Development. CWC paid the bribes in the form of hundreds of thousands of dollars’ worth of free labor and materials used for renovations on Simonlacaj’s residence that was paid for by a fraudulently approved change order. As Kocaj stated, although the work was paid for by a change order, “it should have been pro bono” because Construction Company #1 “do[es] 50 million a year in business,” and it was “worth it to do some of the paperwork.” In another intercepted conversation, Fiore described the benefits provided by Simonlacaj, “This director, John. There’s a beautiful in there. There’s things we can do with [Kocaj] there, he whispers what he needs to whisper and we get things done.”

Obstruction of Justice – Martino’s Concealment of Financial Assets

In 2005, Andrew Campos and Martino were convicted in the United States District Court for the Eastern District of New York for their role in a massive scheme to defraud users of adult entertainment services. Martino was ultimately sentenced to 108 months’ imprisonment and ordered by the court to pay \$9.1 million in forfeiture. After his release from prison, Martino, together with Frank Tarul and others, concealed Martino’s substantial wealth and income, falsely reporting that Martino had limited assets and worked for Tarul’s flooring company. In reality, as revealed by court-authorized wiretaps, Martino operated multiple companies that earned millions of dollars, including construction work, investments in pizzerias and other business ventures.

Loansharking and Extortion

As detailed in the government’s court filings, various defendants used extortionate means to collect money. For example, Andrew Campos and Fiore used threats of violence to collect at least \$100,000 from one victim. In a lawfully wiretapped phone conversation on March 13, 2019, Fiore warned the victim, “When you get punched in the face and your teeth get knocked out . . . you’re not going to laugh no more, okay? . . . At the end of the day, when you’re upside down [i.e., unable to make certain payments], you deal with him,” referring to Campos. Kocaj and Lopez, a former professional boxer, are charged with loansharking, including Kocaj’s recovery of tens of thousands of dollars of a gambling debt on behalf of an Albanian organized crime figure. Kocaj bragged about his ability to violently collect money, stating that he could send “a couple of my Albanian guys” and have somebody “grab [a potential victim] by the f----g neck.” Kocaj helped collect over \$30,000, threatening that if the victim did not pay, “[h]e’s going to get his head split open. . . . These are not the guys to f--- around with. . . . These Albanians, you know what they’ll do.” Earlier this morning, law enforcement officers executed a search warrant at Lopez’s home and seized \$25,000 in cash, brass knuckles and several large knives.

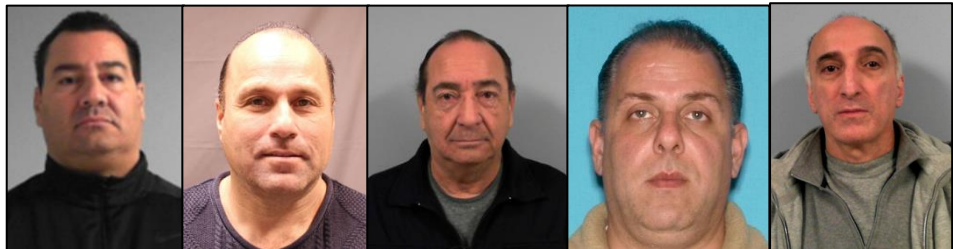
Retaliation Against Grand Jury Witness – Obstruction of Justice

Andrew Campos allegedly directed that a CWC worker believed to have testified before the grand jury be fired. Subsequently, during a lawfully recorded conversation on November 22, 2019, Fiore directed that the CWC worker be fired as “a personal favor to Andrew,” because the worker “could’ve pled the Fifth.”

Additional Charged Schemes

The indictments and complaint include additional alleged criminal schemes, including (1) laundering money by cashing checks made out to others, purportedly for work performed in connection with CWC construction projects; (2) fraudulently procuring cards from the United States Department of Labor indicating completion of certain Occupational Safety and Health Administration training courses when, in fact, the courses were never completed; (3) defrauding the U.S. government by paying CWC employees millions of dollars in cash without making the required payroll tax withholdings and payments; (4) overbilling CWC clients by causing them to pay for fraudulent or inflated work orders; and (5) evading taxes and money laundering, including by having CWC construct Andrew Campos’s residence.

(L-R) Gambino Capo Andrew Campos, Gambino Soldier James Ciaccia, Gambino Soldier George Campos, Gambino Soldier Vincent Fiore, Gambino Soldier Richard Martino



January 21, 2020 – Longshoreman Suspended After Arrest for Criminal Mischief After Causing a Motor Vehicle Crash. The Commission temporarily suspended the registration of longshoreman Mark Quitete of Kenilworth, NJ, pending an administrative hearing, following his arrest for criminal mischief (a crime of the third degree) involving the crash of a motor vehicle belonging to an Uber driver. From the back seat, Quitete allegedly grabbed the steering wheel from the Uber driver while on the Garden State Parkway, causing the car to drive up an embankment and to collide into a concrete barrier. The crash allegedly caused \$13,000 in damages and injured the vehicle’s three occupants. The Commission has charged that Quitete’s act of criminal mischief renders his presence at the piers or other waterfront terminals in the Port of New York district a danger to the public peace or safety. The notice of hearing further alleges that this was not the first time when Quitete was reckless in a vehicle; on August 13, 2017, in North Arlington, NJ, he operated a motor vehicle while under the influence of alcohol and drove recklessly, resulting in the suspension of his driver’s license. The administrative hearing is to determine whether to revoke, cancel, or further suspend his registration as a longshoreman.

January 21, 2020 – Longshoreman Suspended After Arrest for Burglary. The Commission temporarily suspended the registration of longshoreman Dariusz M. Korwin, of Wayne, New Jersey, who is employed by East Coast Warehouse & Distribution Corp. It is alleged that Korwin broke into a car parked at a liquor store parking lot in Totowa, NJ and removed a PBA shield from the car without permission or authority. The entire incident was reportedly captured on video surveillance. Korwin was subsequently arrested and charged by the Totowa Police Department with, among other things, Burglary (a third degree offense). The Commission has charged that

Korwin's acts of burglary and theft renders his presence at the piers or other waterfront terminals in the Port of New York district a danger to the public peace or safety. The administrative hearing is to determine whether to revoke, cancel, or further suspend his registration as a longshoreman.

February 18, 2020 – Longshoreman Suspended After Arrest for Aggravated Assault and Possession of a Weapon.

The Commission temporarily suspended the registration of longshoreman James Gunshefski Jr., of Bayonne, NJ, pending an administrative hearing. Gunshefski had worked at Global Container Terminals in Bayonne as a maintenance worker. The temporary suspension was the result of his arrest on February 3, 2020, in Jersey City, NJ, for Aggravated Assault Causing Serious Bodily Injury (a crime of the second degree), Possession of a Weapon for an Unlawful Purpose (a crime of the third degree), and Possession of a Weapon (a crime of the fourth degree). Gunshefski allegedly assaulted the victim with a frying pan, punched and kicked her, causing a broken rib, metatarsal fracture, lumbar spine fracture, and contusions. The Commission's notice of hearing charges that Gunshefski's presence at the piers or other waterfront terminals in the Port of New York district constitutes a danger to the public peace or safety, and the administrative hearing is to determine whether to revoke, cancel, or further suspend Gunshefski's registration as a longshoreman.



March 12, 2020 – Longshoreman Suspended After Arrest for Unlawful Possession of a Handgun, Defacement of a Handgun and Receiving Stolen Property.

The Commission temporarily suspended the registration of longshoreman Robert Florio, of Staten Island, NY, pending an administrative hearing. The temporary suspension was the result of his arrest on February 29, 2020, in Hazlet, New Jersey, for Unlawful Possession of a Handgun (a crime of the second degree), Defacement of a Firearm (a crime of the third degree), and Receiving Stolen Property (a crime of the third degree) in which Hazlet police recovered a loaded and defaced .22 caliber handgun from a Best Western Hotel room paid for by Florio in cash and which also contained his other personal belongings. The handgun had been reported stolen from Jacksonville, Florida. The Commission's notice of hearing charges that Florio's presence at the piers or other waterfront terminals in the Port of New York district constitutes a danger to the public peace or safety, and the administrative hearing is to determine whether to revoke, cancel, or further suspend his registration as a longshoreman.

March 12, 2020 – Checker Suspended After Arrest for Possession of a Firearm for an Unlawful Purpose, Aggravated Assault and Multiple Counts of Possession of a Large Capacity Magazine.

The Commission temporarily suspended the registration of checker Anthony Gomez, of Sayreville, NJ, pending an administrative hearing. Gomez was arrested on February 19, 2020, for Possession of a Weapon for an Unlawful Purpose during a Domestic Dispute (a crime of the second degree), Aggravated Assault (a crime of the fourth degree), and four (4) counts of Possession of a Large Capacity Ammunition Magazine (a crime of the fourth degree). Gomez allegedly pointed a firearm at the victim during a domestic dispute, and was in possession of two 30-round capacity .223 caliber magazines for a rifle and two 15-round capacity 9mm caliber magazines for a handgun. The Commission's notice of hearing charges that Gomez's presence at the piers or other waterfront terminals in the Port of New York district constitutes a danger to the public peace or safety, and the administrative hearing is to determine whether to revoke, cancel, or further suspend his registration as a longshoreman.



April 17, 2020 – United States Court of Appeals for the Third Circuit Affirms the Convictions of Special Deal General Foreman Paul Moe, Sr.

The Third Circuit Court of Appeals dismissed the appeal of former “special package” foreman, Paul Moe, Sr. of Atlantic Highlands, NJ and affirmed his convictions. As previously reported, Moe was convicted on October 31, 2017 on all 14 counts of an indictment charging him with one count of wire fraud conspiracy and 13 substantive counts of wire fraud. He was convicted following a 10-day trial before U.S. District Court Judge Katharine S. Hayden in Newark federal court. Moe was found to have fraudulently collected a compensation package that paid him almost \$500,000 annually while showing up at his job site for as little as eight hours per week. In order for Moe to collect his \$9,300 weekly paycheck, other conspirators submitted false timesheets each day on his behalf and even credited him for up to 16 hours of overtime a day. Moe was sentenced in March 2018 to two years in federal prison, but was allowed to remain free on bail pending appeal. Given the COVID-19 Pandemic, the district court has allowed Moe to postpone surrender for his sentence.

SIGNIFICANT LITIGATION

United States Court of Appeals for the Third Circuit Vacates Order of the United States District Court in Favor of the Commission And Reverses Order Denying Governor's Motion to Dismiss

On June 5, 2020, the United States Court of Appeals for the Third Circuit vacated the district court's order granting summary judgment in favor of the Commission, and reversed the district court's order denying Governor Murphy's motion to dismiss the Commission's complaint. As previously reported, in January 2018, former New Jersey Governor Chris Christie, on his last day in office, signed legislation which purports to unilaterally abolish the Commission and transfer its operations in New Jersey to the New Jersey State Police. Governor Christie had previously vetoed a virtually identical bill, and acknowledged in his veto statement that it was unconstitutional because federal law does not permit one state to unilaterally withdraw from a bi-state compact approved by Congress. The Commission commenced an action the following day in the United States District Court for the District of New Jersey, naming newly elected Governor Murphy in his official capacity as the sole defendant. The Commission's complaint sought, among other things, an injunction to prevent the Governor from implementing the bill. Shortly thereafter, the State Senate and Assembly and their respective leaders intervened in the lawsuit.

After successfully obtaining a preliminary injunction, the Commission was subsequently granted summary judgment in May 2019, permanently enjoining the dissolution and damage to the agency. The district court held, that, "[a]llowing one state to dictate the manner and terms of the Commission's dissolution, and the subsequent distribution of the agency's assets, runs counter to the requirement that any change to the Compact occur through concurring legislation." The court found, in short, that ". . . the Act's unilateral directives unambiguously conflict with the Compact's concurrency requirement." The court also rejected New Jersey's contention that the Commission lacked the power and authority to bring the litigation.

On appeal, the panel's decision was based on the conclusion that the Commission's claim was barred by sovereign immunity, and did not fall within any of the articulated exceptions. In so holding, the court disclaimed any conclusion with respect to "the merits of New Jersey's anticipated withdrawal from the Compact." On June 19, 2020, the Commission filed a petition for rehearing *en banc*. As of the closing of this fiscal year, the parties were still awaiting a decision.

MATTERS OF SPECIAL INTEREST

Determination 44: The Commission Continues to Register Deep Sea Longshore Worker's Register for the Inclusion of 658 Longshore Workers (538 Longshore and 120 Checkers)

As reported last year, the Commission issued Determination 44, which opened the deep sea register for the addition of 538 new longshore workers and 120 checkers to the workforce. This year, the Commission continued to perform comprehensive background checks and to issue registrations on a rolling basis to prequalified ILA and NYSA applicants who have been referred to Port employers pursuant to established hiring procedures. The Commission conducted 330 background checks and issued 234 registrations (171 longshore and 63 checkers). Notably:

- **33% of the ILA's referrals did not advance to the registration stage because their presence at the Port would have constituted a danger to the public peace or safety, or because they lack the requisite good character and integrity.**
- **18% of the ILA's referrals were not approved because of their prohibited ties to organized crime figures.**

May 12, 2020 - Issues Resolution Suspending Required Work Hours for Longshore workers in the Port Due to the COVID-19 Pandemic:

Pursuant to the Waterfront Commission Compact and the Commission's Rules and Regulations, longshore workers and checkers are required to work, or make themselves available to work, a minimum of ninety (90) days in each half-calendar year, distributed at least fifteen (15) days to each month during at least five (5) of the six (6) months in each half-calendar year. This year, to the COVID-19 Pandemic, there was a significant decrease in imports and exports of container traffic in the Port, as well as a reduction in car-ship operations and a halt in the Port's cruise-ship operations. In April 23, 2020, the NYSA-ILA Contract Board requested that the Commission's work requirements be temporarily modified in light of the dramatic decline of work opportunities in the Port. Industry representative assured that they were committed to maintaining a sufficient workforce in the Port in the interim, until the Port resumed standard operations.

Given the apparent need for a temporary relaxation in the Commission's standard work requirements under the circumstances, the Commission approved a temporary modification (1) the six-month period from January 1, 2020 through June 30, 2020 (Decasualization Round 5-W), and (2) the six-month period from July 1, 2020 through December 31, 2020 (Decasualization Round 5-X). From the time period of January 1, 2020 through December 31, 2020, in order to qualify for retention in the deep-sea longshore worker's register, individuals are only required to work/make themselves available for work a minimum of forty-eight (48) days during each six-month period, distributed at least eight (8) days in each month during at least five (5) of the six (6) months.

INTERNSHIP/FELLOWSHIP PROGRAMS

The Law and Intelligence Divisions run year-round internship and fellowship programs for college and law school students, and fellowship programs for post-graduates. In 2019-2020, the Law Division hosted law students attending Brooklyn, Cardozo, CUNY, Fordham, Mitchell Hamline, New York, NYU, Roger Williams, Rutgers (Newark campus), Seton Hall, St. John's, and Washington University in St. Louis Law Schools. In addition, the Commission hosted undergraduate college students from American University, Binghamton University, Cornell University (School of Industrial and Labor Relations), and Farmingdale State College. In the summer, the Waterfront Commission also hosted students selected through the Thurgood Marshall Internship Program of the New York City Bar Association, which places diverse New York City public high school students with legal employers. Supervised by mentoring attorneys and analysts, the interns drafted reports, conducted research, observed or participated in depositions, attended educational lectures, and supported administrative hearings of port workers.



Summer 2019 Law Interns:

Back (L to R): Bryan Cheah, Brandon Galperin, Courtney Woodards, Graig Sammis, Michael Gorodetsky, Jose Gerez
Front (L to R): Nicholas Gonsalves, Lorraine Ricco, Shadman Sakib, Shaniece Ellison-Young, Taylor Gorman, Tal Edri



NYC Bar Association Thurgood Marshall Summer Law Internship Program Closing Ceremony, August 6, 2019

Left photo (L to R): Courtney Woodards, Shaniece Ellison-Young, Sr. Counsel and Internship Coordinator Paul E. Babchik
Right photo: Shadman Sakib speaking about his experience at the Waterfront Commission.

“Every day was something new and exciting. Every day was laughs and smiles. I will remember ... this place wherever I go.” – Shadman Sakib (Brooklyn Tech '20)

INTERNSHIP/FELLOWSHIP PROGRAMS, CONT.



Fall 2019 Law Interns:

Back (L to R): Xuanyu (Darren) Zhuang, Amanda Schaefer, Ryan Vassar, Daniel Garcia
Front (L to R): Izamar Plaza, Kaitlin Grossbauer, James Koblenzer, Ashley Sun, Ralph DeLuca

“[The] insight, advice, life-lessons, and humor were a true highlight of the internship experience. Your level of attention and care about the professional and personal growth of each intern made this internship unlike any I ever had.” – Daniel Garcia (Rutgers Law '21)



Winter 2019-2020 Law/Post-Graduate Law Fellows:

Back (L to R): Richard Gan, Matthew Gavieta, Steven Yeung, Benjamin Lintz; Front (L to R): Ilana Kruchenetskaya, Jonathan Ellison, Polina Solovyeva



Spring 2020 Law Interns:

(L to R): Ian Krause, Alexander Wizna, Nicoletta Pennacchia



Spring 2020 Law/Intelligence Interns:

(L to R): Jillian Burke, Jackie Bauer, Kathryn Gutt, Joanna Karpen

“I felt like I always had substantial work and that I gained real experience, whether that be through writing, research, or observing/participating in interviews . . . I loved working at the Waterfront Commission and hope many other students have the same opportunity I did in the future!”
– Jillian Burke (St. John’s Law ’21)

INTERNSHIP/FELLOWSHIP PROGRAMS, CONT.



Spring 2020 Law Interns:

Top (L to R): Joanna Karpen, Alexander Wizna; Bottom (L to R): Jillian Burke, Algashiyah (Shay) Ward-Reid, Kathryn Gutt
Not pictured: Elizabeth Claire Toal

“I have enjoyed working at the Waterfront Commission very much. I loved that from the very first day I was doing work worthy of my legal training to assist with current cases.”

– Kathryn Gutt (Brooklyn Law '21)



Summer 2020 Law Interns:

Top (L to R): Alexandria Becker, Bennett Owens, David Lang; Middle (L to R): Hanna Hyppolite, Jennifer Endick, Jyoti Chankarsingh, Karen Yip
Bottom (L to R): Milos Marisavljevic, Rachel Weir, Sotirios Doolen, Shari Bieber, Daniel Mori

“The program confirmed my interest in law. Your support has given me the confidence to continue on the track of becoming a lawyer. I hope you know how grateful I and the other interns are for your making this program as special and meaningful as possible. I know this experience will stick with me for the rest of my life and have a positive impact on my academics and career.”

– Bennett Owens (Binghamton '21)

ANNUAL FINANCIAL REPORT

WATERFRONT COMMISSION OF NEW YORK HARBOR

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Waterfront Commission of New York Harbor
Statement of Receipts and Disbursements and Changes in Fund Balance - Modified Cash Basis
Actual and Budget
For the Fiscal Year Ended June 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Favorable / (Unfavorable) Variance</u>
RECEIPTS			
Assessments	17,044,356	\$ 15,426,000	\$ 1,618,356
Dividend and interest income	122,797	80,000	42,797
Overtime reimbursements	48,111	-	48,111
Insurance recovery	24,710	-	24,710
Other	14,833	-	14,833
Total receipts	<u>17,254,807</u>	<u>15,506,000</u>	<u>1,748,807</u>
DISBURSEMENTS			
<u>Personal Services</u>			
Regular payroll	7,612,659	7,724,120	111,461
Overtime payroll	118,728	185,700	66,972
Group health insurance	1,427,820	1,528,870	101,050
Workers' compensation insurance	211,004	242,000	30,996
Employer taxes	648,883	655,000	6,117
Pension costs	844,789	872,200	27,411
Subtotal - salaries and benefits	<u>10,863,883</u>	<u>11,207,890</u>	<u>344,007</u>
Outside auditors, consultants and counsels	36,867	102,000	65,133
Administrative judges, transcript and other	66,730	124,000	57,270
Subtotal - professional services	<u>103,597</u>	<u>226,000</u>	<u>122,403</u>
Total personal services	<u>10,967,480</u>	<u>11,433,890</u>	<u>466,410</u>
<u>Other Than Personal Services</u>			
Office rentals	1,099,426	1,097,500	(1,926)
Utilities	83,585	113,500	29,915
General insurance	776,767	679,100	(97,667)
Travel and automobile	212,905	302,270	89,365
General office	65,358	89,260	23,902
Communications	155,846	181,380	25,534
Special supplies	132,181	161,800	29,619
Information system	125,052	113,000	(12,052)
Repairs and maintenance	45,560	38,300	(7,260)
Printing	1,442	8,600	7,158
Furniture and equipment	36,306	10,600	(25,706)
Continuing education	5,715	17,000	11,285
Total other than personal services	<u>2,740,143</u>	<u>2,812,310</u>	<u>72,167</u>
Total disbursements	<u>13,707,623</u>	<u>14,246,200</u>	<u>538,577</u>
Excess of Receipts over Expenditures	<u>3,547,184</u>	<u>1,259,800</u>	<u>2,287,384</u>
Transfer to Reserves	(2,700,000)	-	2,700,000
NET CHANGE IN FUND BALANCE	<u>847,184</u>	<u>1,259,800</u>	<u>(412,616)</u>
FUND BALANCE, July 1, 2019	<u>6,329,906</u>	<u>6,329,906</u>	<u>-</u>
FUND BALANCE, June 30, 2020	<u>\$ 7,177,090</u>	<u>\$ 7,589,706</u>	<u>\$ (412,616)</u>

See accompanying Notes to Statement of Cash Receipts and Disbursements and Changes in Fund Balance - Modified Cash Basis

Waterfront Commission of New York Harbor
Notes to Statement of Cash Receipts and Disbursements and
Changes in Fund Balance – Modified Cash Basis
June 30, 2020

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Waterfront Commission of New York Harbor (Commission) was created as a bi-state instrumentality in 1953 by joint legislative action of the States of New York and New Jersey in accordance with the Waterfront Commission Act (Act). The Commission is vested with broad investigative, licensing, and regulatory jurisdiction over the piers and terminals in the Port of New York District. The Commission is exempt from income taxes in accordance with being an instrumentality of the States of New York and New Jersey.

The mission of the Commission is to investigate, deter, combat, and remedy criminal activity and influence in the Port of New York-New Jersey and to ensure fair hiring and employment practices.

(b) Basis of Accounting

The Commission prepared the statement on the cash basis, modified, as noted herein, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under this basis, transactions are recognized as either cash receipts or disbursements, and noncash transactions, if any, are not recognized. Revenues are recorded when received and expenditures are recorded when paid.

This basis of accounting differs from GAAP in that in accordance with GAAP, revenues are recorded when “measurable” and “available,” and expenditures are recognized when incurred.

(c) Assessment Revenue

The Act permits the Commission to assess employers of persons registered or licensed under the Act, at a rate, not in excess of two percent, computed upon the gross payroll of each employer for the following professions: longshore workers, pier superintendents, hiring agents, and port watchmen.

Waterfront Commission of New York Harbor
Notes to Statement of Cash Receipts and Disbursements and
Changes in Fund Balance – Modified Cash Basis
June 30, 2020

(2) New Jersey Pension Plan

The Commission employees who are eligible for pension coverage are enrolled in one of two State Pension Plans. The State Pension systems were established by the act of the State Legislature. Benefits, contributions, means of funding, and the manner of administration are determined by the State Legislature. The two State administered pension funds are: the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). The Division of Pensions and Benefits within the Treasury Department of the State of New Jersey is the administrator of the funds and charges participating employers annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each participating employer in the state and, therefore, the actuarial data for the Commission is not available.

The Division of Pensions and Benefits issues publicly available financial reports for each of the plans that include financial statements and required supplemental information. The reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS and PFRS provide for employee contributions based on percentages 7.50% and 10% respectively through June 30, 2020, of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in the PERS and the PFRS. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

The Commission's contribution for pension expense for PERS and PFRS combined, for the years ended June 30, 2020, 2019, and 2018, amounted to \$106,902, 101,198, and \$97,269, respectively.

Waterfront Commission of New York Harbor
Notes to Statement of Cash Receipts and Disbursements and
Changes in Fund Balance – Modified Cash Basis
June 30, 2020

(3) New York Retirement Plans

Plan Description

The Commission participates in the New York State Employees' Retirement System (ERS) and the New York State Policemen's and Firemen's Retirement System (PFRS) (jointly the Systems). These are cost sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Funding Policy

The Systems are non-contributory except for (1) employees who joined the New York State and Local Employees' Retirement System on or after July 27, 1976, who contribute 3% of their salary for the first 10 years of membership and (2) employees who join on or after January 1, 2010, and police and fire personnel who join after January 8, 2010, will contribute at a rate from 3% to 6%, depending on the date they join and their annual wage, of their salary for their entire career. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Commission is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2020	\$ 736,309
2019	803,157
2018	823,647

The Commission's contributions made to the Systems were equal to 100% of the contributions required for each year.

Waterfront Commission of New York Harbor
Notes to Statement of Cash Receipts and Disbursements and
Changes in Fund Balance – Modified Cash Basis
June 30, 2020

(4) Lease Commitments

The Commission leases building, office facilities and equipment under non-cancelable leases. Total costs for such leases were \$1,116,166 for the year ended June 30, 2020.

The future minimum lease payments are as follows:

<u>Fiscal Year</u>	
2021	\$ 1,151,181
2022	990,523
2023	1,048,923
2024	1,047,208
2025 and thereafter	<u>2,254,621</u>
	<u>\$ 6,492,456</u>

MEMBERS, OFFICERS AND DIRECTORS



MEMBERS

Ronald Goldstock/Paul Weinstein
Commissioner for New York

Michael Murphy
Commissioner for New Jersey

OFFICERS

Walter M. Arsenault
Executive Director

Phoebe S. Sorial
General Counsel

Meralis Lopez
Commission Secretary/Paralegal

DIVISION DIRECTORS

Constantine Miniotis
Chief of Police

Adam Cheung
Comptroller

Brian Hannan
Director of Port Operations
& THEIC

Thomas Kapp
Director of Law, Licensing
& Employment
Information Centers

Richard Carbonaro
Director of Administration
and Audit

David Murillo
Director of Information
Technology

John G. Casey
Deputy Director of
Licensing/Prequalification
Coordinator

Jared Filus
Deputy Director of Audit
and Control

Daniel Ramirez
Director of Intelligence,
Security and Operational
Continuity

OFFICES



PRINCIPAL OFFICE

39 Broadway - 4th Floor
New York, New York 10006
Telephone: (212) 742- 9280

LICENSING & EMPLOYMENT INFORMATION CENTERS

New York:

39 Broadway- 4th Floor
New York, New York 10006
Telephone: (212) 742-9280
Fax: (212) 905-9249

New Jersey:

1201 Corbin Street
Elizabeth, New Jersey 07201
Telephone: (973) 344-1803
Fax: (973) 532-6891

TELECOMMUNICATIONS HIRING EMPLOYMENT INFORMATION CENTER:

333 Thornall Street, 3rd Floor, Suite 303
Edison, New Jersey 08837
Telephone: (732) 321-9293
Fax: (732) 321-0301

POLICE FIELD OFFICES

Headquarters:

39 Broadway – 4th Floor
New York, New York 10006
Telephone: (212) 742- 9280

New York:

100 Columbia Street
Brooklyn, New York 11201
Telephone: (718) 852-2434
Fax: (718) 596-5306

New Jersey:

1201 Corbin Street
Port Elizabeth, NJ 07201
Telephone: (973) 817-7798
Fax: (973) 532-6892

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