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Tale of docks and mobsters gets new life

Crime figure's vivid testimony fuels U.S. case

BY TED SHERMAN STAR-LEDGER STAFF The meeting was a setup.

John Bowers, the aging president of the International Longshoremen's Association, had gone to meet a local union official at the Smith & Wollensky in Miami Beach. Inside, he was surprised to discover George Barone seated amid the polished brass and dark wood decor of the pricey waterfront steakhouse.

Barone was no stranger. A Genovese family member, he once controlled ILA locals in New Jersey and Miami. He also had coldly killed at least 10 people, by his own count, as a mob enforcer.

In a sworn deposition, Bowers recounted the conversation:

"You're doing a wonderful job," Barone told him. "We hope you stay forever. But if you ever leave, I would like to see Harold Daggett become president."

Later asked by investigators how he responded, Bowers did not mince words. "I am alone: one-on-one. I know of his reputation. I am not going to ask a lot of questions. I am figuring now how the hell to get out of the place."

More than a half-century after Marlon Brando starred in the film "On the Waterfront," law enforcement officials are still battling the mob's dark influence at New York Harbor, and the 1999 meeting between Bowers and Barone is at the heart of the federal government's latest assault.

In a series of indictments, a reputed Genovese mob captain from New Jersey and three top ILA officials are charged with conspiracy to commit extortion and fraud. Prosecutors say the scheme was aimed at taking control of the 35,000-member dockworkers union — which represents 4,000 workers in the metropolitan area alone — while steering lucrative union-benefits contracts to companies that paid kickbacks to the mob.

A U.S. District Court judge in Brooklyn will set a trial date later this month.

Those charged include Daggett, 58, of Sparta, the union's assistant general organizer and president of ILA Local 1804-1 in North Bergen; Albert Cernadas, 69, of Union, the ILA's executive vice president and head of Local 1235 in Newark; Arthur Coffey, the union's top official in Miami; and Lawrence Ricci, a little-known New Jersey mobster convicted two decades ago of extortion with one-time waterfront crime boss Tino Fiumara.

All have denied the charges.

Separately, New Jersey has its own criminal case pending against ILA Local 1588 in Bayonne. It involves allegations that union members, to get better-paying work assignments, were forced to kick back money to mob associates who controlled the local. Four of those indicted pleaded guilty to downgraded charges a week ago; among the four was Nicholas Furina, 73, a hiring agent described by the state as an associate of the Genovese crime family.

Taken together, the two cases have convinced many that the mob remains in firm control of a waterfront that stretches from the container ports in Newark and Elizabeth to the terminals in Brooklyn and Staten Island, with supporting maintenance facilities throughout the region.

"We have to get rid of the wiseguys and encourage the good people to stand up," said former New York Police Commissioner Robert McGuire, who for the past two years has served as the court-appointed monitor of the Bayonne local, a long-corrupt union once controlled by Joseph Lore, a Genovese member convicted of taking kickbacks.

Edwin H. Stier, former director of criminal justice in New Jersey, said there is little doubt the traditional crime families continue

to hold sway within the port.

“The ILA cases are very, very powerful evidence of the continuing role of organized crime in organized labor,” he said.

TOIL AND SILENCE

Port Newark is a busy place.

Convoys of trailer trucks rumble down pocked streets with names like Tripoli and Calcutta, Neptune and Starboard, while long strings of rail cars shunt past warehouses and terminals.

Ships call from Singapore, South America, Rotterdam and China. Long freighters with ruststained hulls and weathered paint hug their berths as they are loaded and unloaded in a synchronized ballet of hulking cranes and ungainly wheeled dockside carriers. Heavy steel shipping containers are stacked and unstacked like giant toy blocks, choreographed by dozens of longshoremen.

Last year, 4.5 million cargo containers moved through the international seaport that spans New York and New Jersey, aboard more than 5,280 ships. The region's marine terminals handled everything from perfume to new cars made in Japan — cargo valued at \$114.5 billion, a 14 percent increase over 2003. More than 9,000 people work there, according to the Port Authority of New York and New Jersey.

J. Kevin McGowan, acting police chief of the Waterfront Commission of New York Harbor, said the port has long been used to funnel money to the mob.

“It is a good place to nurture no-show jobs,” he said.

Crime on the waterfront once was primarily outright theft of cargo and loansharking, but now it more often involves outwardly legitimate businesses, he said.

“Snow removal, for example. Those contracts went out to organized crime associates,” McGowan said. “Trucking. There's big money there.”

The commission's old, downtown offices overlook Lower Manhattan. Inside, where framed lithographs of clipper ships line the walls, Executive Director Thomas De Maria says mob businesses exact a real economic toll. The shipping lines that operate the seaport terminals get hit with higher labor and maintenance costs, but they pay it to keep the cargo moving.

“The businesses don't absorb that. They pass it on,” he said. “Essentially it's a mob tax.”

The nature of crime there makes it extremely difficult to investigate, he said.

“The overwhelming majority of dockworkers are honest, law-abiding people, but they are in fear of saying anything because they are worrying about their lives, their health and the health of their families. They are deathly afraid of these guys.”

In the federal government's pending criminal case, Assistant U.S. Attorneys Paul Weinstein and Taryn A. Merkl say in court papers that organized crime tightly controls both the ILA locals and the companies that do business at the port.

Beginning in the 1960s — when shipping companies began handling cargo in trailer-size containers that could be loaded directly onto ships, reducing the labor needed at dockside — the Genovese crime family set up new ILA locals to control the workers needed to repair and move those cargo containers.

“In exchange for the limit on competition and general assistance of the Genovese family and the ILA locals that it controlled, these companies . . . were required to hire the friends and relatives of organized crime members and associates, and often pay them exorbitant wages,” the prosecutors wrote.

Among them were relatives of Vincent “the Chin” Gigante, the imprisoned former head of the Genovese crime family, court documents said. Until his arrest, Gigante's son, Andrew, who has a home in the affluent Bergen County town of Norwood, was getting \$350,000 a year working for Bay Container and Portwide Cargo Securing Companies in Port Newark. Company officials did not return repeated calls for comment.

The younger Gigante pleaded guilty in 2003 to extorting money from the company. Serving a two-year prison term, he has been barred for life from any activity on the New York, New Jersey or South Florida piers.

THE GRANDFATHERLY KILLER

The ongoing federal case, brought by the U.S. attorney for the Eastern District of New York in Brooklyn, is a complicated mob soap opera involving an internal struggle between factions for some of the most lucrative waterfront rackets.

The government's key witness will be Barone, 81, who apparently began cooperating with authorities after concluding he had been marked for death by Gigante following a dispute with Gigante's son, according to law enforcement sources. Now frail and ill, Barone is reportedly living somewhere in Florida under the federal witness protection program. His attorney said he is not talking to the media.

McGowan, who has met with Barone, said the elderly gangster with the long history of violence comes across as grandfatherly — soft-spoken with a deep voice, and unerringly polite.

While these days Barone is hard of hearing, there is nothing wrong with his memory, McGowan said.

Testifying two years ago during the waterfront racketeering trial of Peter Gotti, Barone acknowledged committing a multitude of murders. "I didn't keep a scorecard, but it was probably 10 or 12," he said.

In testimony, Barone has expressed bitterness over being "put on the shelf," his words for the forced retirement that kept him away from the Jersey docks after his imprisonment for shaking down port businesses in the 1980s.

Yet even in retirement, Barone held considerable influence on the waterfront and said he was delegated to tell Bowers that the Genovese family wanted to see Daggett become president of the ILA.

Barone said of the preference for Daggett: "He was with me and I'm with the Family. That means we are in control because we have our man as president."

The federal indictments in the pending case say Daggett, Cernadas and Coffey were all Genovese family associates who "did what they were told," including securing jobs for scores of organized crime relatives at the New Jersey piers.

Cernadas, it is charged, became president of his local as a result of his association with Ricci, Fiumeri and other Genovese crew members.

The indictment charges that Daggett and Coffey, an ILA international vice president and the highest-ranking union official in Miami, conspired in the scheme to make Daggett president.

Coffey is the nephew of Douglas Rado, identified by the Justice Department as another member of the Genovese family and a longtime associate of Barone.

The indictment says Cernadas and Daggett, at Barone's behest, steered the union's prescription drug contract to a company controlled by the Genovese family. The company, according to the indictment, was GPP/VIP, located on Lafayette Street in Newark's Ironbound section.

In prior testimony, Barone testified he had sent word to Daggett to support the company. Asked if Daggett had any choice in the matter, Barone said no.

Why not?

"Because I told him to do it," Barone responded. "I put him there, and I would have taken him out of there if he hadn't done what he was supposed to do from a request from me."

The government maintains both the Genovese and Gambino crime families expected kickbacks from the \$400,000 contract.

According to state records, the company's principals include Vincent Nasso and Joel Grodman. Nasso, who is from Long Island, has pleaded guilty to a single charge of wire fraud in connection with the ILA contract with GPP/ VIP and is in prison.

Grodman, who lives in Millburn, was never charged in the matter.

"It's not my company," Grodman said in a brief phone interview regarding GPP/VIP. "Basically I was acting as a

subcontractor.”

Lawyers for Cernadas and Daggett said the government is manufacturing a case based on innuendo and the public’s appetite for a mob tale. They would not permit their clients to talk with a reporter.

Attorney George Daggett, who represents his cousin Harold, said there is no evidence of a criminal conspiracy — even within the meeting between Bowers and Barone.

“There’s no guns. There’s no clubs. It’s not what the public usually thinks of as far as an extortion,” George Daggett, the former Sussex County prosecutor, said with a shrug. “Harold was 1,500 miles away at the time and John Bowers is still the president of the International Longshoremen’s Association. Where’s the crime?”

Harold Daggett, who is suspended from the union with pay, makes \$480,607 from his jobs as president of the local and general organizer.

Attorney Jack Arseneult, who represents Cernadas, said allegations that his client was able to influence the awarding of benefits contracts ignores the fact that no one individual approved those contracts, which were voted on by a group of trustees.

He said the government’s entire case is based on “the thirdhand recollections of a guy who has killed more than a dozen people.”

Cernadas is also suspended with pay. He receives \$508,755 as local president and executive vice president.

‘THINGS ARE CHANGING’

McGuire, the court-appointed monitor of the Bayonne local, believes the criminal cases are having an impact on the union.

“These guys were thought of as untouchable,” he said of those alleged to have ties to organized crime. “Now these guys are going to trial. They may be going to jail. That tells people things are changing.”

ILA officials would not comment on the criminal cases.

“There is no mob influence in the union,” said ILA spokesman James McNamara, noting that the union believes the Justice Department’s efforts are part of a wider government plan to take over the international union.

“There have been unfortunate instances in the past,” McNamara said. “The ILA is doing the best it can to make sure officers serve honestly and members’ rights are guaranteed.”



M. KATHLEEN KELLY/FOR THE STAR-LEDGER A longshoreman walks in Port Newark. “The overwhelming majority of dockworkers are honest, law-abiding people,” says the Waterfront Commission’s J. Kevin McGowan, “but they are in fear of saying anything because they are worrying about their lives, their health and the health of their families.”