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ANNUAL REPORT 1999-2000



THE WATERFRONT COMMISSION OF NEW YORK HARBOR

AN INSTRUMENTALITY OF THE STATES OF NEW YORK AND NEW JERSEY

This Annual Report can be found on the Internet at www.wcnynj.org



*To the Honorable Donald T. DiFrancesco, Acting Governor,
and the Legislature of the State of New Jersey*



*To the Honorable George E. Pataki, Governor,
and the Legislature of the State of New York*

We are pleased to forward the Annual Report of the Waterfront Commission of New York Harbor for its fiscal year 1999-2000. Contained herein are representative activities of the Commission, together with pertinent observations concerning its administration and enforcement of the Waterfront Commission Compact between the states of New York and New Jersey. The Commission has continued to perform its designated responsibilities under the Compact, with particular concern for the improvement of the overall economy and well-being of the bi-state Port.

MISSION OF THE WATERFRONT COMMISSION

Under statutory mandate, the mission 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.

WHY THE COMMISSION WAS CREATED IN 1953

In the early 1950's, an aging freighter, its belly loaded with crates, cartons, barrels and drums, is docked alongside one of the many ancient finger piers jutting into the waters of the Port of New York-New Jersey. At the sound of a whistle blown by a hiring foreman, a semi-circle of apprehensive longshoremen gathers in the hope that they will be selected to unload the vessel.

The foreman, often an ex-felon with a long criminal record, chooses laborers who are willing to "kickback" a portion of their wages for the opportunity to unload the ship, piece by piece. Each hapless dock worker must subject himself to this notorious daily "shape-up" to attain even the possibility of employment. The union, dominated by racketeers and criminals, does little to ease the burden of the rank-and-file worker.

Elsewhere on the pier lurk the loansharks, all too willing to "assist" the underpaid longshoreman in feeding his family or in supporting his vices. The inability to repay these usurious loans results in violent consequences for the longshoreman-borrower. Bookmaking on the pier increases business for the loansharks.

Cargo theft and pilferage are rampant. Pier guards are unwilling or unable to contain thievery.

At the foot of the pier, a parasitic "public loader" coerces truckers to employ him to unload and load trucks, even though the "services" of these loaders are not needed or wanted.

In a downtown restaurant, an officer of a stevedoring firm pays a "gratuity" to a waterfront union official to insure "labor peace." "Quickie" strikes are commonplace. The stevedore company official gladly bribes an executive of a steamship company for a lucrative contract.

This pervasive corruption on the waterfront in the Port of New York-New Jersey was documented in the early 1950's by public hearings held by the New York State Crime Commission with the assistance of the New Jersey Law Enforcement Council. As a result, in August 1953, the States of New York and New Jersey, with the approval of the Congress and the President of the United States, enacted a compact creating the Waterfront Commission of New York Harbor.

THE PORT TODAY

Today, the contrast is startling in the 1500-square-mile port district that includes piers and waterfront terminals under the Commission's jurisdiction located within a 25-mile radius of the Statue of Liberty. A state-of-the-art container ship, over three-football-fields long and laden with several thousand containers, is made fast to the string-piece of a container terminal. Cranes, as tall as twelve-story buildings, promptly unload containers onto waiting flat-bed trucks. Giant machines shuttle the containers to the marine terminal yard for pick-up by over-the-road trucks or for placement on rail cars destined to all parts of the country. Similarly, export containers are received at the terminal and are loaded onto a waiting ship. Computer operators process the receipt and delivery of this cargo.

Now, dock workers are carefully screened and licensed by the Waterfront Commission. Under the watchful eye of the Commission's Division of Licensing and Employment Centers, workers are selected for employment by licensed hiring agents, using computers and telephones, in accordance with industry and Commission regulations. Longshorepersons obtain regular employment, earn substantial wages, and are no longer at the mercy of unscrupulous hiring bosses or criminals. The notorious "shape-up" and the "public-loading racket" have been eliminated.

Pier guards, now licensed by the Commission, are required to maintain strict physical and mental standards and must attend training courses administered by the Commission. Convicted criminals are banned from holding office in waterfront unions. Stevedore companies are also licensed by the Commission. Their books and records are audited by the Commission to guard against illegal payoffs and other violations of law. Management and labor are working together for the betterment of the Port and the region.

Cargo theft in the Port continues to be closely monitored and has declined. When theft has occurred, the Commission's Police Division has had solid success in apprehending thieves and in recovering valuable stolen shipments. Detectives continually review security measures in the Port. While the Commission takes great pride in the role it has played with other law enforcement agencies over the past 48 years in reducing crime and in eliminating certain past abuses, old challenges -- such as loansharking, extortion, illegal gambling and larceny -- and new challenges face all law enforcement units. Drug smuggling and cargo theft have become very sophisticated, requiring close coordination among all law enforcement agencies active in the Port of New York-New Jersey and adjacent areas.

THE COMMISSION

A New York and a New Jersey Commissioner head the Commission. Each is appointed by the Governor of the Commissioner's respective State, with the advice and consent of their State Senate.

James H. Wallwork, the Commissioner for New Jersey, is a graduate of West Point and of the Command and General Staff College, Ft. Leavenworth, Kansas. A former military officer, former State Senator and a former businessman, he writes for a chain of weekly newspapers and is active in charitable and civic organizations.

Michael C. Axelrod, the New York Commissioner, holds a Juris Doctor from the New England School of Law and an LLM in Labor Law from New York University Law School. A member of the New York and Florida bars, he represents public-safety labor unions in the New York Metropolitan area and arbitrates disputes for the New York State Employment Relations Board.

Responsibility for the everyday operations of the Commission lies with the Executive Director who supervises its six divisions:

- **Executive.** The Executive Division is comprised of the Executive Director, the Commission Secretary and the Director of Litigation and Legal Review, the Comptroller and their staff. This Division's responsibilities include: assisting the Commissioners in the making and execution of agency policy; proposing legislation, regulations and resolutions; preparation of annual and special reports; public relations; conducting labor relations with agency unions; formulation of the annual budget, keeping of financial records and administration of group insurance plans; providing legal advice to the Commissioners and conducting agency litigation; initiation of investigations; ordering hearings and maintaining the seal and official records of the Commission.
- **Law.** Under the supervision of its Director, Assistant Counsel in this Division conduct investigations of applicants for licensing and registration to determine if they meet legal standards set forth in the Compact. These attorneys also investigate persons and companies already licensed to ascertain if they have engaged in any violations of law. Hearings are conducted by the Assistant Counsel to determine whether applications should be granted or denied and whether registrations or licenses should be revoked or suspended. Counsel also conduct investigations into waterfront practices in the Port.
- **Police.** This Division is staffed by a Chief, superior officers, detectives and detective-investigators, all of whom possess full police powers in both states. These officers investigate criminal activity in the Port and violations of the Compact; analyze organized crime data; 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 licensing and investigative files. The Division is also an important participant in joint investigations with federal, state and local agencies.
- **Licensing and Employment Information Centers.** This Division, headed by a Director, processes applications filed by individuals and firms required to be registered or licensed; supervises the hiring of longshorepersons, checkers and pier guards in the Port; makes employment information available to these dock workers; and administers the

"decasualization program" which, according to law, removes from the longshore register those dock employees who, without good cause, fail to work or apply for work on a regular basis.

- **Audit and Control.** Investigative accountants, under the supervision of a Director, routinely audit the books and records of licensed firms to guard against violations of federal or state laws; and to insure that the Commission's regulatory requirements are followed and that assessment reports are correct. The books and records of potential licensees and other individuals and firms under Commission investigation are also examined by these accountants.
- **Management Information Systems and Administration.** This Division, headed by a Director, provides the agency with important computer, clerical, stenographic, court reporting and other support services and maintains personnel and attendance records. The proper functioning of the Commission's wide and local area computer networks and data bases is entrusted to this Division.

COMMISSION NOT FUNDED WITH TAX DOLLARS

The Commission is not funded with tax dollars. By law, and in lieu of any charges for the issuance of licenses or registrations or for the use of the Employment Information Centers, the Commission's budgeted expenses come from assessments on waterfront employers of persons registered or licensed by the agency. Employers pay a maximum 2% assessment on their gross payrolls for longshorepersons, checkers, pier superintendents, hiring agents and port watchmen.

During fiscal 1999-2000, the 91-employee Commission operated with a \$6,559,000 budget, which was approved by the Governors of New Jersey and New York.

CASH MANAGEMENT AND THRIFT

The Waterfront Commission takes seriously its responsibility to operate with thrift, accountability and efficiency. To safeguard and better manage the Commission's cash and investments, both short and long-term, the Commission maintains most of its accounts in the State of New Jersey's Cash Management Fund and has made other secure investments in order to maximize interest paid for funds on deposit.

MEMBERSHIP IN ORGANIZATIONS

The Commission maintains membership in several law enforcement organizations which routinely network to share information and resources to combat crime. These include the Middle-Atlantic-Great Lakes Organized Crime Law Enforcement Network (MAGLOCLLEN), which is part of the Law Enforcement Intelligence Unit (L.E.I.U.), and the International Association of Airport and Seaport Police. Membership in the latter enables the Commission to

coordinate on an international level with crime fighters throughout the world. This is especially important in drug smuggling cases. The Commission also maintains a liaison with the National Cargo Security Council.

Commission members give presentations at meetings of these organizations as well as at meetings of bar associations, investigators' societies and other professional and civic groups.

THE PORT'S STATISTICS

During calendar year 1999, the Port of New York-New Jersey, the Eastern seaboard's busiest port, handled 58.1 million long tons (2,240 pounds) of waterborne cargo valued at \$72.1 billion. The tonnage increased by 3.8% and dollar value increased by 5.4% over 1998.

For 1999, 1,685,368 container units passed through the Port, an increase of 209,455 or 14.2% over 1998. For the same 1999 period, 519,214 vehicles were imported or exported, an increase of 15.7% or 70,314 over the prior year. Ship arrivals totaled 4,777 during the year, a decrease of 790 or 14.2% over 1998. In 1999, there was an increase of 28,659 or 6.6% in the number of cruise passengers.

The Port's five leading waterborne general cargo exports for the year 1999 (as calculated in millions of dollars) were machinery, motor vehicles and parts, plastic materials, electrical machinery and optical/medical instruments. The five primary imports (also in millions of dollars) were motor vehicles, machinery, mineral fuel, oil, woven apparel and electrical machinery.

During the waterfront industry's fiscal year (October 1, 1998 to September 30, 1999), registered "deep-sea"¹ longshorepersons and checkers (excluding those pier workers registered under 1969 amendatory legislation to perform services incidental to the movement of waterborne freight) were paid \$219,548,692 comprising regular and overtime wages, vacation and holiday benefits and guaranteed annual income payments. An average annual salary of \$74,373 was paid to the 2,952 "deep-sea" workers. For the industry's prior fiscal year, the 2,920 workers were paid \$214,397,972 or an average annual salary of \$ 73,424.

On June 30, 2000, the conclusion of the Commission's fiscal year, registered and licensed dock workers totaled:

- 1994 "deep-sea" longshorepersons including 381 emergency temporary personnel;
- 748 checkers, including 105 emergency temporaries;

¹ "Deep-sea" longshorepersons are dock workers who move waterborne freight; "deep-sea" checkers are employed to account for or check cargo and to perform other clerical functions.

- 1958 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;
- 381 pier guards;
- 188 hiring agents (persons who, on behalf of stevedores or steamship companies, select registrants for employment);
- 397 pier superintendents (management personnel of steamship companies or stevedores who directly or indirectly supervise registrants' work);
- 9 telecommunications system controllers (employees of a joint labor-management board that operates the computer and telephone system of hiring "deep-sea" labor).

The preceding 5,675 registered or licensed workers have all been screened and evaluated by the Commission.

There were also 73 companies licensed as stevedores which have contracts or arrangements to move waterborne freight or to perform services incidental to the movement of waterborne freight.

THE YEAR

(July 1, 1999 to June 30, 2000)

The following represents some of the Commission's activities during the fiscal year:

The First Staffing Request Under New Legislation which provides for the Port's Future Labor Needs

As noted in last year's Annual Report, as an aftermath of public hearings held in the Spring of 1998, the Commission, with the concurrence of management and labor, drafted amendatory legislation designed to streamline and improve the process for adding individuals to the "deep-sea" dock labor force. This legislation, which was enacted by the States of New York and New Jersey in 1999, allows the Commission to "open" the Register upon a showing of need in accordance with established standards. Employer sponsorship of prospective waterfront employees enables the staffing needs of the waterfront industry to be met in a more efficient and expeditious manner. The new law also permits independent stevedores or other employers of longshorepersons to file petitions to initiate the process, and upon meeting the same established standards, to sponsor longshore applicants for registration. The enactment also granted the Commission authority to "grandfather" into the Longshoremen's Register certain dock workers who were issued temporary registrations by the Commission under its emergency powers.

In May 2000, the Commission conducted a public hearing to consider the joint request of the New York Shipping Association-International Longshoremen's Association Contract Board to accept applications from 481 persons for inclusion in the Longshoremen's Register for such categories as baggage handler/equipment operators, special commodity workers/equipment operators and equipment operator. Subsequently, this joint request was conditionally granted by the Commission.

Perfume Thieves Caught in a Big Stink

During the late evening hours of July 9, 1995 and the early morning hours of June 10, 1995, two forty foot containers, which had just arrived by ship and which were laden with 3,379 cartons of perfume with a value of \$1 million, were stolen from a Jersey City marine terminal. The thieves cut the lock on the terminal's back gate, hauled the containers off the pier and replaced the lock. The loss was not discovered until four days later. The following day the two containers were found abandoned and empty on a street in South Kearny, New Jersey.

During the early stages of the Commission's investigation it became apparent that the thieves received information from someone who had access to the ship's manifest. With this information, the thieves were able to locate the two containers and quickly remove them.

Subsequently, the Commission and the United States Customs Service, working together, developed information which implicated two registered longshoremen, who worked at the terminal, as the persons who identified and "fingered" the shipment. As a result, both longshoremen pled guilty in the United States District Court for the District of New Jersey to the charge of conspiracy to commit theft from an interstate or foreign shipment, a felony. The registrations of both individuals were suspended by the Commission pending a hearing on administrative charges and these registrations were revoked after the hearing.

As a result of his federal conviction, one of the two individuals was removed from his positions as a union shop steward and secretary treasurer in a local waterfront union pursuant to Section 8 of the Waterfront Commission Act.

To put an end to criminal domination of waterfront unions, the Commission is vested with authority by Section 8 of the Act to remove any officer, agent, or employee of a waterfront labor organization or of a welfare fund or trust administered partially or entirely by such labor organization if that person has been convicted of any felony, high misdemeanor or misdemeanor involving moral turpitude, or of certain crimes or offenses enumerated in the Act.

No Fueling Around

Commencing in the spring of 1999, Commission detectives received information that pier employees at a Port Elizabeth terminal were stealing gasoline from their employer. A month long video surveillance established by the detectives, with the assistance of U.S. Customs, revealed that a number of employees fueled their personal vehicles with gasoline from a tank located on the back of a company truck. The company did not give the employees permission to take the gasoline.

Seven longshore-registrants and three licensed pier guards were interviewed by Commission detectives. The three guards and six registrants admitted the thefts; a foreman-registrant maintained that he was allowed to take gas as a "perk".

As a result of administrative proceedings, the licenses of two pier guards were revoked for fifteen months; the third pier guard retired and his license was withdrawn. Six longshoremen lost their registrations for varying periods of time and the hearing process has not yet been completed in the case of the foreman.

Rice-A-Wrongy

Commission detectives received a telephone call in March 2000 from a pier guard supervisor informing them that a personal computer was taken from a Port Elizabeth warehouse. The supervisor identified a guard who worked in the warehouse alone during the time that the

computer was alleged to have disappeared. When questioned by the detectives, the guard denied taking the computer and consented to a search of his private vehicle. Located in the trunk were six, ten pound bags of rice which the guard claimed that he purchased in Brooklyn, New York. Upon further questioning, however, the guard admitted taking the rice from the warehouse.

The company filed a criminal complaint against the guard in the Elizabeth, New Jersey Municipal Court. Since a pier guard's primary responsibility is to prevent thefts from occurring at the piers and waterfront terminals and since the guard clearly breached that duty, the Commission suspended his license pending a hearing upon the administrative charges. At the conclusion of the hearing on the charges where a letter was received from the guard indicating that he "resigned from the Waterfront", the Commission revoked his license. The company decided not to pursue criminal charges because the guard would no longer be working on the waterfront.

Out to Lunch

A Commission detective received information that the owners of a lunch truck operating outside of a Port Jersey Terminal were selling cocaine from the truck. Cooperation between Commission detectives and the Hudson County Narcotics Task Force led to an undercover drug buy of three packets of cocaine by a Task Force investigator from the truck. A New Jersey State corrections officer, who was also a former Commission registrant, was identified as the supplier of the cocaine.

A search of the lunch truck owner's Newark apartment resulted in the seizure of five grams of cocaine and \$31,000 in cash. The truck was also seized pending civil forfeiture proceedings. All three individuals were charged with the illegal distribution of a controlled dangerous substance; the corrections officer was also charged with official misconduct.

The owners of the lunch truck are wanted on fugitive warrants-it is believed that they have fled the jurisdiction. The criminal case against the corrections officer is still pending as is the forfeiture action against the seized funds and the lunch truck.

The Benefits of Inter-Agency Cooperation

Commission detectives continue to be an integral part of an effective trend in law enforcement-the Task Force. These multi-agency operations pool the talent, experience and resources of various federal, state, county and municipal law enforcement agencies to attack specific criminal activities or enterprises. Commission detectives have successfully participated in the following:

- A joint investigation consisting of Commission detectives, the New York City Police Department and the Kings County District Attorney's Office uncovered a loan-sharking operation in Brooklyn. Over fifty individuals, including an active Commission registrant, were identified as loan-shark victims who borrowed money at a 156 per cent interest rate. A nine month investigation resulted in the arrest of ten individuals, including an organized crime Capo on criminal usury and conspiracy charges. Approximately \$320,000 and seven guns were seized. District Attorney Hynes commended the Commission for its participation in the investigation.
- Commission detectives assisted the Kings County District Attorney's Office with the "Operation Kings Flush 2000" investigation which targeted an illegal sports betting operation involving the Super Bowl. Search warrants were executed at seven locations throughout Brooklyn and Queens resulting in the arrest of ten individuals. In addition \$108,000 in betting slips and more than \$15,500 in cash and equipment including computers, shredders, television sets, calculators, recording machines and telephones were seized. "Gambling is not a victimless crime as some would believe", Kings County District Attorney Hynes said. He added that, "[t]he individuals taking the bets use the profits to finance other crimes like drug distribution and loan-sharking. Many of those who are placing bets cannot afford to and some have serious gambling problems. It is their wives and children who suffer most."
- A joint Commission-NYPD Auto Crime Division Task Force conducted an investigation involving the illegal exportation of stolen vehicles and parts from the Port of New York and insurance fraud perpetrated by organized crime associates. Commission detectives and members of the NYPD Auto Crime Unit recovered stolen vehicles valued at over \$500,000 awaiting shipment to Russia, the Dominican Republic and Haiti from active waterfront terminals. Commission detectives participated in the execution of search and arrest warrants which resulted in the arrest of 48 persons on charges including criminal possession of stolen property and insurance fraud. One of those arrested was the son-in-law of the former Gambino crime boss John Gotti.
- Commission detectives are active participants in the "El Dorado" Task Force spearheaded by U. S. Customs. "El Dorado" targets illegal cash generated from, among other things, the importation and distribution of narcotics in the Port area. Using potent asset forfeiture laws, Commission detectives have participated in the seizure of well over \$5 million in cash and almost 2,700 pounds of illegal drugs.

LICENSING PROCEEDINGS

Longshore, checker and telecommunication system controller registrations are issued without termination dates, but may be terminated for failing to work or to seek work or for loss of employment. Pier superintendent and hiring agent licenses remain in effect for as long as the licensee is employed by the steamship company or stevedore. A pier guard license is of

indefinite duration provided the licensee periodically submits updated personal history information, meets physical and mental requirements and takes refresher training courses in accordance with agency regulations. A stevedore's license must be renewed every five years. All registrations and licenses are subject to revocation or suspension for cause.

This year, employees of the Division of Licensing and Employment Information Centers reviewed and processed 895 applications and reapplications for licensing or registration. Included were 759 applications for the registration of longshorepersons, checkers and for the registration of persons performing ancillary warehouse and maintenance work; 99 for pier guard licenses; 27 and 9, respectively, for licensing as pier superintendents and hiring agents and one for a stevedore's license. Since the inception of the agency in 1953, approximately 157,645 applications and reapplications have been processed.

The Compact enjoins the Commission from denying an application for registration or a license without affording the applicant prior notice and an opportunity to be heard at an administrative hearing. Likewise, no existing license or registration may be revoked, suspended or canceled without such a hearing. Revocation hearings may be ordered by the Commission on its own initiative or upon the complaint of any person, agency or public official. If a registrant or licensee is charged with a crime equivalent to a felony, the agency may suspend that person's registration or license, pending the outcome of a hearing.

Hearings are presided over by Administrative Law Judges chosen from a rotating panel of New Jersey and New York attorneys. In accordance with due process, applicants and respondents may be represented by counsel, may adduce testimony and present evidence on their behalf, may cross-examine opposing witnesses and may request the Administrative Law Judge to issue subpoenas for the appearance and testimony of witnesses.

At the conclusion of the hearing, the Administrative Law Judge submits a report containing findings of fact and a recommendation for presentation to the Commissioners. Each party in interest is supplied with a copy of this written report and each is granted the opportunity to submit written exceptions.

After the complete record is reviewed by the Commissioners, a final determination is made and embodied in an order. In accordance with each State's rules of procedure for reviewing final agency determinations, the courts of New Jersey and New York are granted authority by the Compact to review Commission orders.

The Commission reached determinations in 31 application-revocation proceedings during fiscal 2000. Included in this tally were 11 denied applications for inclusion in the Register. One of these applications was for longshore registration, one was for checker registration and nine were for maintenance/warehouse registration.

Eight registrations were revoked, four unconditionally and four with leave to reapply after a set period of time. The registrations of four longshorepersons and three maintenance/warehouse workers were suspended for varying periods of time, as was the license of one pier guard. These suspensions arose from summary proceedings during which the respondents chose to forego formal hearings and admitted the charges. One longshore registration, one pier guard's license and two maintenance/warehouse registrations were suspended pending hearings.

There were 22 petitions considered by the Commission, which denied 9 and granted 13. The Commission also rendered determinations in 19 other miscellaneous proceedings.

Since 1953, the Commission estimates that it has revoked, revoked with leave to reapply, or suspended for set periods of time the registrations and licenses of approximately 6,130 persons.

PERSONNEL

The Commissioners, the Executive Director and staff personnel note with sorrow the deaths of the following former employees:

Dr. Francis A. Byrne, Jr. served the Commission as its Secretary prior to his resignation in June 1984. A well-respected medical doctor, he graduated from the Long Island College of Medicine and was the brother of former New Jersey Governor Brendan Byrne.

Earl DeBarros honorably served the Commission for 46 years prior to his retirement as Manager of the Commission's World Trade Employment Information Center in December 1999. Commencing service as a messenger at the inception of the Commission in December 1953, Mr. DeBarros rose through the ranks as a Clerk, Senior License Examiner, Senior Clerk and Assistant Manager before becoming a Manager in 1975.

George Marion served the Commission for 35 years prior to his retirement in January 1989 as Assistant Manager in the Division of Employment Information Centers. Beginning service in 1954 as a Validating Clerk, Mr. Marion moved up to the positions of Senior Clerk and, subsequently, Assistant Manager.

Albert Masetti served the Commission for 11 years as an accountant in the Division of Audit and Control prior to his retirement in March 1981.

Richard J. Vander Platt was appointed New Jersey Commissioner by Governor William T. Cahill and served the agency in that capacity from July 1971 until July 1974. He was a former State Assemblyman from Bergen County and was the former mayor of Fair Lawn, New Jersey. He was also the owner of a funeral home in Fair Lawn and the president of the Fair Lawn State Bank.

A number of longtime and dedicated Commission employees retired during the year. The Commissioners, the Executive Director, and all staff members wish these former employees congratulations and a happy retirement.

Carmelo Parisi served the Commission for 32 years prior to his retirement in November 1999. Beginning his employment as a Validating Clerk in 1967, Mr. Parisi was promoted to the positions of Senior Clerk and Supervising Clerk.

Norha Wills served the Commission for 29 years before her retirement in April 2000. A native of Bogota, Columbia, Ms. Wills began her tenure as a Clerk-Typist and later became a secretary in the Division of Audit and Control and in the Division of MIS and Administration.

Howard M. Zuckerman served the Commission with tireless dedication for 31 years prior to his retirement in February 2000. A graduate of City College and St. John's School of Law and a member of the New York Bar, Mr. Zuckerman began his career with the agency in 1969 before being promoted to the positions of Assistant Director of the Division of Licensing and subsequently, as Director of the Division of Licensing and EIC.

CONCLUSION

In order to continue and preserve the accomplishments of the Commission and the gains realized in the Port of New York-New Jersey under the enforcement of the Waterfront Commission Act, the Waterfront Commission finds and determines that public necessity still exists for the continued registration of longshorepersons, the continued licensing of those occupations and types of employment required to be licensed under the Waterfront Commission Act and the amendments thereto, and the continued public operation of the employment information centers provided in Article XII of the Compact.

Respectfully submitted,

JAMES H. WALLWORK
Commissioner for New Jersey

MICHAEL C. AXELROD
Commissioner for New York

Report of Audit

on the

*Statement of Cash Receipts
and Disbursements*

of the

*Waterfront Commission of
New York Harbor*

for the

*Year Ended
June 30, 2000*



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

April 30, 2001

The Commissioners
Waterfront Commission of New York Harbor

We have audited the Statement of Cash Receipts and Disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 2000. This financial statement is the responsibility of the Commission's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the Statement of Cash Receipts and Disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 2000 on the basis of accounting described in Note 1.

Supplee, Clooney & Company (handwritten signature)

WATERFRONT COMMISSION OF NEW YORK HARBOR

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2000

Table with columns for description, dollar amounts, and totals. Rows include: Balance of Funds at Beginning of Year, Less Taxes and Other Withholdings From Employees, Receipts (Assessments, Penalties, Interest), Disbursements (Salaries, Retirement, Rentals, etc.), Excess of Receipts and Balance of Funds at End of Year, and Less Taxes and Other Withholdings From Employees.

WATERFRONT COMMISSION OF NEW YORK HARBOR

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

JUNE 30, 2000

NOTE #1 DESCRIPTION OF BUSINESS AND ACCOUNTING POLICY

(a) Description of Business

The Waterfront Commission of New York Harbor (the Commission), a bistrate instrumentality, was created in 1953 by joint legislative action of the States of New York and New Jersey. It is vested with broad investigative, licensing and regulatory jurisdiction over the piers and terminals in the Port of New York District. It is not subject to income taxes.

(b) Accounting Policy

It is the policy of the Commission to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenue and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

NOTE #2 RETIREMENT BENEFITS

The Commission has established an Investment Reserve Account to fund its liability for eligible retired employees' medical, dental and life insurance benefits.

As of June 30, 2000 this reserve consisted of the following:

	<u>FAIR MARKET VALUE</u>
New Jersey Cash Management Fund	\$297,647
Certificates of Deposit	<u>500,000</u>
	<u>\$797,647</u>

This reserve is not reflected in the Statement of Cash Receipts and Disbursements.

WATERFRONT COMMISSION OF NEW YORK HARBOR

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

JUNE 30, 2000

NOTE #3 FORFEITURE FUNDS

The Commission has also established an Investment Reserve Account for its share of forfeiture proceeds received from Federal and State Law Enforcement Agencies.

As of June 30, 2000, these reserves consisted of:

New Jersey Cash Management Fund	<u>\$261,487</u>
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This reserve is not reflected in the Statement of Cash Receipts and Disbursements.

NOTE #4 UNEMPLOYMENT RESERVE

The Commission has established an Investment Reserve Account to fund its liability for unemployment benefits.

As of June 30, 2000, this reserve consisted of the following:

New Jersey Cash Management Fund	<u>\$137,265</u>
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This reserve is not reflected in the Statement of Cash Receipts and Disbursements.

NOTE #5 LEASE COMMITMENTS

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) for the next five years as of June 30, 2000 are as follows:

Year Ending June 30:	
2001	\$ 406,838
2002	417,009
2003	427,434
2004	438,120
2005	<u>466,385</u>
<u>Total Minimum Lease Payments</u>	<u>\$2,155,786</u>

COMMISSION DETERMINATIONS

Year Ended June 30, 2000

APPLICATIONS AND REVOCATIONS

	Revoked			Suspended			Totals
	Denied	Granted	L/R	Suspended	Reprimanded	P/H	
Longshorepersons	1	0	2	4	0	1	10
Checkers	1	0	0	0	0	0	2
Hiring Agents	0	0	0	0	0	0	0
Pier Guards	0	0	0	1	0	1	2
Pier Superintendents	0	0	0	0	0	0	0
Stevedores	0	0	0	0	0	0	0
Maintenance/Warehouse	9	0	2	3	0	2	17
Telecommunications System	0	0	0	0	0	0	0
Controllers							
Totals	11	0	4	8*	0	4	31

* Includes 8 summary proceedings

PETITIONS

	Denied	Granted	Totals
Petitions for Reconsideration	3	0	3
Petitions for Leave to Reapply	0	2	2
Petitions for Rehearing	0	0	0
Petitions to Withdraw	0	3	3
Petitions to Remove Ineligibility	0	0	0
Petitions for Restoration of Registration/License	4*	2*	6
Petitions to Vacate Temporary Suspension	0	3	3
Petitions for Retention or Reinstatement	2	2	4
Petitions for Stay	0	0	0
Petitions to Surrender Registration	0	1	1
Petitions to Amend Determination	0	0	0
Totals	9	13	22

*Two petitions for restoration of checker registration denied but granted for restoration of longshoremen's registration.

ADDITIONAL COMMISSION DETERMINATIONS

Recommendations for Permanent Registration/License	5
Recommendations to Continue Temporary Permits/Registrations	5
Recommendations to Issue Notice of Hearing	3
Recommendations to Amend Notice of Hearing	2
Recommendations to Rescind Notice of Hearing	4
Recommendations to Issue Temporary Permit	0
Totals	19

DECASUALIZATION OF LONGSHOREPERSONS AND CHECKERS

	Number Decasualized	Remaining Registrants
1 st decasualization June 3, 1955	7,141	31,574a
30 th decasualization October 3, 1969	1,022	20,627b
40 th decasualization September 26, 1974	271	14,143b
50 th decasualization September 28, 1979	124	10,956b,c
60 th decasualization October 4, 1984	88	8,026b,c
70 th decasualization October 5, 1989	126	5,846b
75 th decasualization April 3, 1992	33	3,941b
80 th decasualization October 6, 1994	79	3,518b
85 th decasualization May 9, 1997	36	2,848b,c
86 th decasualization November 13, 1997	30	2,767b,c
87 th decasualization May 27, 1998	37	2,762b,c
88 th decasualization December 28, 1998	42	2,722b,c
89 th decasualization April 30, 1999	44	2,585b,c
90 th decasualization November 30, 1999	51	2,785b,c
91 st decasualization May 19, 2000	77	2,649b,c

(a) Does not include craftsmen whose registrations were required on or after May 27, 1957.

(b) Does not include warehousemen, container repairmen, and other persons required to be registered on or after September 1, 1969.

(c) Includes persons registered on a temporary basis to meet special and emergency needs.

WATERFRONT COMMISSION DIVISION OF LICENSING/EMPLOYMENT INFORMATION CENTERS

Showing Comparison of Hirings for the years ending June 30th, 1999 and 2000

Piers and Areas	HIRINGS		Increase or Decrease	% Change	% Share in Port Employment	
	1999-2000	1998-1999			1999-2000	1998-1999
Manhattan	20,145	17,732	+2,413	+11.98%	3.15%	2.88%
Brooklyn & Staten Island	138,917	131,077	+7,840	+5.64%	21.70%	21.31%
Port Newark & Elizabeth	428,481	417,523	+10,958	+2.56%	66.95%	67.89%
Jersey City & Bayonne	52,504	48,658	+3,846	+7.33%	8.20%	7.91%
TOTAL-NEW JERSEY	480,985	466,181	+14,804	+3.08%	75.15%	75.80%
TOTAL-NEW YORK	159,062	148,809	+10,253	+6.45%	24.85%	24.20%
PORT WIDE TOTALS	640,047	614,990	+25,057	+3.91%	100.00%	100.00%

COMPARISON OF AVERAGE EARNINGS OF LONGSHOREPERSONS & CHECKERS

	1954(*)	1997	1998	1999
Over \$100,000	(*)	555	600	673
\$75,000 to \$100,000	(*)	467	450	460
\$50,000 to \$75,000	(*)	779	792	739
\$25,000 to \$50,000	(*)	656	563	496
\$20,000 to \$25,000	(*)	124	92	114
\$15,000 to \$20,000	(*)	99	102	71
\$10,000 to \$15,000	(*)	176	72	45
\$5,000 to \$10,000		192	93	102
Under \$5,000		297	156	252
TOTAL REPORTED	41,333	3,345	2,920	2,952
Total Earnings	\$102,061,108	\$192,745,537	\$189,724,820	\$197,759,874
Total Hours Worked	37,813,991	6,674,877	6,578,955	6,563,551
% Hours Overtime	24.3%	42.0%	42.6%	42.6%
AVERAGE ANNUAL WAGES **	\$2,469	\$57,625	\$64,974	\$66,992

* Records Incomplete for 1954.

** Does Not Include Fringe Benefits.

NOTE: This table includes craftsmen such as carpenters, coopers, maintenance personnel and miscellaneous personnel required to be registered as longshoremen effective May 27, 1957, but does not include most persons required to be registered as waterfront warehousemen and in other capacities effective September 1, 1969. Similar tables in annual reports prior to 1957-1958 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association. Guaranteed Annual Wage payments to qualifying persons are not included in the above figures.

SOURCE: New York Shipping Association for its fiscal year ending September 30th.

WATERFRONT COMMISSION OF NEW YORK HARBOR

James H. Wallwork,
Michael C. Axelrod,
Carmine A. Cardone,
David B. Greenfield,
Thomas De Maria
Lawrence H. Lezak,
Philip C. Spinelli,
Jon S. Deutsch,
Frank J. Nastasi,
Marlene Pavlow,
Marilyn A. Provino,

Commissioner for New Jersey
Commissioner for New York
Executive Director*
Secretary and Director of Litigation and Legal Review
Administrative Director and Counsel
Director, Division of Law
Chief of Police
Director, Division of Licensing and Employment Information Centers
Director, Division of Audit and Control
Director, M.I.S. and Administration
Comptroller**

* Thomas De Maria was appointed as Executive Director after the retirement of Carmine A. Cardone
** Irving H. Wolf replaced Marilyn A. Provino as Comptroller

REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS

As of June 30th

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Longshore-Persons	7,955 a	7810 a	6,999 a	6,520 a	6,511 a	5,371 a	5,129 a	5,095 a&b	4,822 a&b	4,642 a&b	4,688a &b	4,479 a&b	4,076 a&b	3,986 a&b	3,868 a&b	3,952 a&b
Checkers	2,065	1,894 b	1,686 b	1,578 b	1,510	1,175	1,200 b	1,107 b	1,053 b	975 b	979 b	946 b	817 b	810 b	766 b	748 b
Hiring Agents	242	242	229	233	185	179	173	182	174	170	184	187	186	190	186	188
Pier Superintendents	298	317	304	302	268	279	278	303	309	329	359	353	394	400	406	397
Pier Guards	491	455	404	387	343	356	391	392	394	406	429	412	403	412	419	381
Stevedore Companies	87	83	80	73	71	69	68	71	68	72	75	74	75	75	72	73
Telecommunications System Controllers							14 c	14 c	14 c	12 c	12 c	12 c	9 c	10 c	9 c	9 c
Totals	11,138	10,801	9,702	9,093	8,888	7,429	7,253	7,164	6,834	6,606	6,726	6,463	5,960	5,883	5,726	5,748

(a) Includes warehousemen, container repairmen, and other persons required to register under amendments to Waterfront Commission Act, effective September 1, 1969.

(b) Includes persons registered on a temporary basis to meet special and emergency needs.

(c) Includes persons required to be registered under amendment to Waterfront Commission Act, effective July 9, 1990.

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