

974.901  
219  
C.2



**WATERFRONT  
COMMISSION of  
NEW YORK  
HARBOR**

**1977-1978**

**ANNUAL  
REPORT**

APR 11 1978  
NEW YORK PUBLIC LIBRARY  
ASTOR LENOX TILDEN FOUNDATION  
500 5TH AVENUE  
NEW YORK, N.Y. 10011

## ORGANIZATION OF THE COMMISSION

The Commission is composed of two members, one representing each state. Its chief executive officer is the Executive Director. This past year it operated with a staff of 197 persons and expended \$5,026,468, or \$322,677 under its approved budget of \$5,349,145. The functions and responsibilities of the agency are divided among eight divisions, each under the supervision of a Director.

The administration of the Commission's policies, the formulation of the budget and the administration of finances are under the Executive Division. This Division also supervises the other divisions, prepares proposed legislation, regulations and orders, authorizes investigations and administrative hearings, conducts public relations, and is responsible for contracts and leases.

The Division of Law Enforcement conducts investigations of violations of the Waterfront Act and other statutes pertaining to criminality in the harbor, performs background screening of applicants for waterfront licenses and registrations, and operates patrols throughout the Port. Each of the special agents and officers attached to this Division has police powers in both New York and New Jersey.

The Division of Law, composed of experienced attorneys, in close cooperation with the Commission's staff of accountants and law enforcement personnel, participates in investigations of violations of law. In addition, those administrative hearings authorized to determine whether persons licensed and registered by the Commission should be revoked or suspended for wrongdoing are conducted by this Division.

The Commission operates six Employment Information Centers in the Port (one each in

Manhattan, Brooklyn, Staten Island, Port Newark—Port Elizabeth, Jersey City and Hoboken). These hiring halls are under the management of the Division of Employment Information Centers, which oversees the employment of longshoremen, checkers and port watchmen by waterfront company representatives to insure compliance with the Commission's Regulations.

The Licensing Division, composed of attorneys and license examiners, processes the applications submitted by companies and individuals for authorization to operate or work in the harbor. This year almost 2,000 applications and renewal applications were handled by the Division. Those administrative trials to determine whether applications should be granted or denied are under the supervision of the attorneys in the Division. Licensing also administers the "decasualization" procedure under the Act by which casual labor is removed from the Register of workers, thus assisting in the balancing of the supply of longshoremen with the needs of the Port.

All court reviews of Commission determinations, judicial enforcement of Commission orders and other litigation are under the charge of the Division of Litigation and Research.

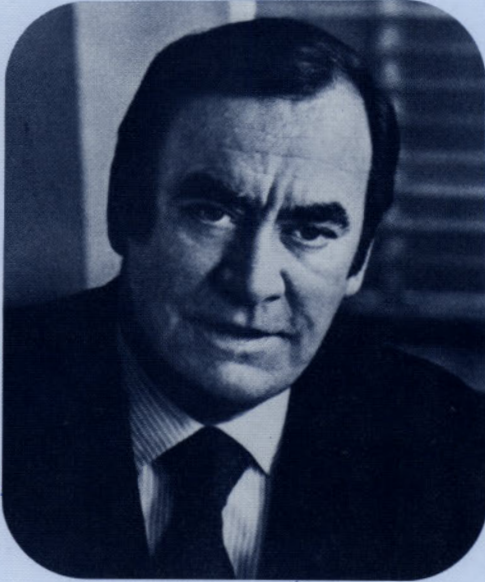
The Commission's investigative accountants, formerly under the Administrative Division, are now within the newly formed Division of Audit and Control. These accountants not only engage in investigations, but also audit the books and records of each company licensed to operate on the waterfront.

The Administration Division provides hearing reporter, clerical and stenographic services to the other divisions and maintains personnel and other records of the agency.

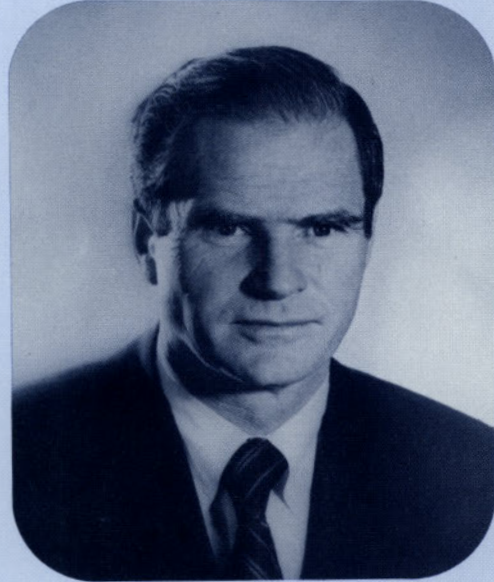
# ANNUAL REPORT 1977-1978



**THE WATERFRONT COMMISSION OF NEW YORK HARBOR**



*To the Honorable Hugh L. Carey, Governor, and the Legislature of the State of New York*



*To the Honorable Brendan T. Byrne, Governor, and the Legislature of the State of New Jersey*

We are pleased to forward the Annual Report of the Waterfront Commission of New York Harbor for its fiscal year 1977-1978, containing highlights of the Commission's activities and observations concerning its administration and enforcement of the Waterfront Compact between the States of New York and New Jersey.

Twenty-five years ago the then Governors of New York and New Jersey signed into law a comprehensive legislative program designed to combat and eradicate racketeering and evil conditions existing in the Port of New York-New Jersey. This Compact between the States was adopted after investigations and public hearings disclosed generations of abuses on the waterfront, which had resulted in criminal domination of the docks, degradation of waterfront labor, and a threat that the Port was "in danger of losing the position of supremacy to which its natural advantages entitled it."

The reforms instituted under the Compact, administered and enforced by the Waterfront Commission, have stemmed the tide of lawlessness and instilled a confidence in the Port's future, with large public and private investments being made for construction of new terminals and the rehabilitation of existing piers. Within the past quarter century the harbor has experienced growth unequaled in its long history and today is known as the world's cargo container capital.

\* \* \*

### LEGISLATIVE HISTORY

For decades, public agencies of both New York and New Jersey had investigated the criminal conditions on their waterfronts. However, it was not until late 1951 that a full scale inquiry was undertaken by the New York State Crime Commission with the close cooperation of the public authorities of New Jersey.

One year later, in November 1952, the Crime Commission held public hearings on its investigation, concluding that the Port was losing its competitive position because of these criminal conditions. Finding that there were unhealthy conditions in the steamship and stevedoring industry, dishonest leadership in the waterfront unions with a flagrant disregard by union officials for their members' welfare, an antiquated and evil longshore hiring system, a racketeer public loading procedure of moving cargo from the pier to trucks, and ineffective port watchmen, the Crime Commission urged legislative action "to eliminate evils too long endured."

The reports of the New York Crime Commission and the New Jersey Law Enforcement Council, together with a thorough plan to eliminate criminal control and improve labor conditions on the docks, were submitted to the Governors and Legislatures of both States. The Waterfront Commission Act was passed in

New York on June 25, 1953, on a message of necessity from the Governor, and enacted in New Jersey five days later. Since the major part of the Act encompassed a Compact between the States, a bill for approval of the Compact was introduced and passed by Congress on July 30, 1953. It was signed into law on August 12, 1953 by the President of the United States.

The Compact created a bi-state regulatory and law enforcement agency, the Waterfront Commission of New York Harbor. The legislation requires the licensing of stevedore companies, as well as their representatives at the terminals, the pier superintendents and hiring agents; mandates the registration of longshoremen and the licensing of port watchmen; abolished the public loading system; eliminated the shape-up method of longshore hiring through the establishment of government employment centers; and established a program to regularize longshore employment by removing excess casual labor from the piers. The Act also includes a prohibition against the collection of funds for waterfront unions who have officers and agents convicted of certain crimes.

Immediately upon the enactment of the Waterfront Commission Act, suits were instituted challenging the constitutional validity of a number of its provisions. Legal attacks were made upon those sections of the law requiring the registration of longshoremen and the licensing of pier superintendents and hiring agents, prohibiting public loading at the docks, mandating that longshoremen be hired through Commission operated employment centers, and prohibiting the collection of dues and other monies on behalf of waterfront unions with officers or agents convicted of felonies and other serious crimes. The provisions of the Act were uniformly found to be constitutional by the courts in a series of cases.

In 1957, to strengthen the enforcement powers of the Commission, the Legislatures of both States granted peace officer powers to the agency's investigators and permitted the Commission to confer immunity from prosecution upon certain witnesses in investigations. In addition, based on a Commission survey which revealed that a number of persons denied registration as longshoremen because of substantial criminal records were found working on the piers in uncovered categories, the Legislatures required the registration of waterfront coopers, carpenters and maintenance personnel. Further, the registra-

tion standard was raised for checkers, those specialized longshoremen responsible for the counting of waterborne freight and without whom large-scale thefts can usually not be accomplished.

Several years later, in 1960, the Commission held extensive hearings which disclosed attempts by waterfront criminal elements to evade the scope of the Act. A Special Report by the Commission to the Governors and Legislatures on this investigation led to bills enacted the following year which required the registration of "chenangoes," persons who moved freight from barges and lighters to or from vessels and who worked side by side with registered longshoremen and handled the same cargo. After the passage of this legislation, a number of leaders of the chenango union who had criminal records left the New York-New Jersey Port.

As mentioned, the original Act contained provisions formulated to eliminate excess casual labor from the docks and accordingly regularize longshore employment. In 1966, after new work rules, a reduction in the size of the longshore cargo gang because of automation, and a guaranteed annual income for longshoremen were made part of a collective bargaining agreement between management and labor, it became apparent that the means to control the size of the work force needed change. Accordingly, a "Closed Register" statute was passed by both States. This bill suspended the addition of new workers to the Port's labor supply and established a procedure for the bi-state agency to "open" the Register from time to time upon findings that additional employees would be needed.

The automation which started making inroads on the waterfront in the mid-1960's primarily manifested itself in the change from the break-bulk method of handling freight to the use of pre-loaded cargo containers. By the late 1960's new industries to repair containers and provide cargo maintenance services had come into existence. These companies and their employees, while having a direct influence on waterfront conditions, were not under the jurisdiction of the Waterfront Commission. Some of these firms were suspected of having organized crime connections. In addition, a Commission study revealed that much of the cargo handling and other work incidental to the movement of waterborne freight was now being performed by other than registered and screened longshoremen. Waterfront warehouse personnel and cargo weighers and scalers, who had access to the same freight as longshoremen,

were uncovered by the Act, despite the fact that a number of them were former longshoremen whose registration had been revoked for misconduct. In 1969, the States took cognizance of the technological advances on the waterfront by expanding the definitions of "stevedore" and "longshoreman" to cover these companies and their workers. In the same year, the Legislatures conferred police officer status upon the Commission's special agents.

## THE PORT

The nation's primary harbor, the Port of New York-New Jersey, is continuing to prosper, despite various foreign and domestic economic problems.

In 1977, over 120 million long tons of foreign and domestic oceanborne cargo were handled in the Port, an increase of some 3 million over the previous year. Total oceanborne foreign trade expanded approximately 10.5% to 64.3 million long tons. Bulk shipments increased to 50 million tons, a rise of 16.7%, mostly in petroleum imports. Foreign general cargo declined 6.8% to 14.3 million tons, reflecting the 59 day longshore strike against automated carriers in late 1977. The total value of all imports and exports, including bulk cargo, rose 3.6% to over \$31 billion.

In the period between July 1, 1977 and June 30, 1978, there were 14,552 ship arrivals and departures.

Between October 1, 1976 and September 30, 1977, the waterfront industry's contract year, 11,587 longshoremen and checkers included in the Commission's Register (but excluding those dock workers registered to perform services incidental to the movement of waterborne freight) earned \$244,452,462 in wages, guaranteed annual income benefits and vacation and holiday pay, representing average annual earnings of \$21,098. During the same period for the previous year, 12,264 such registrants earned \$225,500,196 or an annual average of approximately \$18,400. Thus, average annual earnings increased some 14.6%.

The Port's licensed work force, as of June 30, 1978, included 8,907 longshoremen, 2,408 cargo checkers, 2,513 warehousemen, container repairmen, weighers and scalers, and 789 pier guards. In addition, 361 hiring agents and 340 pier superintendents were licensed as management representatives on the docks. Over 100 stevedore firms were licensed to perform the movement of waterborne cargo and ancillary services.



**Illegal Payments to Union Officials**

Collusive conduct between stevedore firms and longshore union officials and improper cash payments by waterfront companies to union leaders for "services rendered" or "goodwill" were among the evil conditions existing in the shipping industry which led to the enactment of the Compact. Accordingly, stevedore companies, required to be licensed by the Commission in order to load or unload cargo or perform services incidental to such loading in the Port, must meet a "good character and integrity" standard. Payments by a stevedore to a representative of a longshore labor organization for an improper purpose is one statutory ground for the denial or revocation of a license. Commission accountants audit the books and records of stevedores to ascertain whether these licensees are complying with the Compact and the Commission's Regulations.

After receiving a staff audit report concerning a stevedore licensed to perform the loading of scrap metal onto vessels in the harbor, attorneys assigned to the Division of Licensing commenced an investigation into certain disbursements which suggested irregularities. In its books, the company listed periodic payments to crew members of vessels serviced by the company for assistance in opening and closing ships' hatches. Since these entries appeared suspicious to staff lawyers and accountants, various witnesses were interrogated and field investigations conducted.

At the conclusion of the inquiry, an administrative hearing was instituted to determine whether the stevedore's application for renewal of its license should be granted. The Commission found that the firm had paid monies to officers and agents of three different dock union locals, whose members the company employed as longshoremen. The payments had been disguised in the books as the expenditures to vessel personnel for work on hatches. Moreover, cash payments to one union official, not reflected in any manner on the company's records, were found to have been funneled from the accounts of the licensee's parent corporation. The company was fined \$20,000 for these and other violations by the Commission. In addition, the firm surrendered its temporary permit to operate as a stevedore and discontinued doing business in the Port.

Other aspects of this case are continuing as part of an ongoing investigation by the Commission into illegal conduct between waterfront companies and longshore union officials.

**A Fringe Benefit**

In another case, the Commission instituted administrative licensing proceedings against a Brooklyn stevedoring company, its Executive Vice President and its former President for furnishing a leased automobile to a registered longshoreman at its terminal, over and above his annual compensation of more than \$40,000 as the pier's extra-labor foreman. On the evidence introduced in the proceedings, the Commission found that since the employee was a member of the executive board of a longshoreman union local, the action by the company violated the United States Labor-Management Act which makes it unlawful for an employer "to deliver anything of value to an officer of a labor organization which represents any of the employees of such employer except as compensation for or by reason of his service as an employee." It was further determined that this conduct by the two corporate officers also violated the New York State Labor Law.

The Administrative Judge conducting the trial found that the evidence compelled the inference that the foreman's status as an officer of the longshoreman's union local "was a motivating factor in the decision to grant him the use of a leased car" and that such conduct was clearly suggestive of an inducement to the foreman to use his influence as an officer of the union on behalf of the stevedore employer.

The ruling of the Commission at the conclusion of the proceeding ordered that the stevedore's permit to operate in the Port be suspended for 10 days, with the firm granted an option, in lieu of the suspension, to pay a \$5,000 fine. The pier superintendent licenses held by the corporate officers were ordered suspended for 20 days each. The longshoreman's registration of the extra-labor foreman was ordered cancelled for 20 days upon a finding that his conduct in accepting the use of the automobile from his employer violated his fiduciary obligation as an officer or agent of the longshoreman's union.

The Commission's determinations in this case are being appealed to the courts.

**Overbilling Customers**

Another stevedore audit and investigation resulted in a fine of \$130,000 being imposed by the Commission against a waterfront maintenance company for overbilling its customers in the Port. This firm was one of a number of waterfront operations required to secure licenses from the Commission after amendments to the Act in 1969. The company, performing cargo lashing services, was found

by the agency to have overcharged steamship companies in excess of \$67,000 in slightly over a period of one year. The Commission also determined that the licensee failed to pay its employees wage payments for meal hours as was required under its union contract and that some of its waterfront workers were not licensed longshoremen as mandated by law.

The Commission directed that for a four-month period the President and major stockholder of the firm be barred from day-by-day operation of the licensee and three related waterfront companies and not receive any salaries or other monies from the licensee and other waterfront operations in which he had an interest. The hiring agent licenses of the Vice-President and the Secretary of the company were also suspended.

Out of the monetary penalties ordered in the case, the Commission has established escrow funds of over \$34,000 for the benefit of employees of the company who would be entitled to certain meal hour and vacation monies which the Commission determined the licensee failed to pay.

The Commission further instructed that the books and records of the licensee be kept in conformance with the Act and Regulations of the Commission. The company consented to Commission accountants setting guidelines for the firm's maintenance of such records.

The order of the Commissioners in this case concluded one of the longest administrative trials in the agency's history; a hearing instituted a year and a half before, which resulted in over 6,000 pages of testimony and the introduction of 200 exhibits.

### **Watch on Thefts**

It has only been in the past few years that governmental bodies have recognized and become concerned with the vast amount of cargo thefts in the transportation industry. Several years ago, at a conference called by the federal government on "the cargo security crisis," it was estimated that hijacking, theft and pilferage of truck, air, rail and ship merchandise were draining business of some \$1.5 billion annually, a cost obviously borne by the consumer.

The Waterfront Commission, however, took cognizance of this problem since its creation and, through the years, instituted various measures to prevent and curtail such thefts within its jurisdiction. Among these were the promulgation of age, physical and mental standards, as well as training courses, for the licensing of the private pier watchmen whose responsibility it is to guard the cargo; pier security surveys by trained Commission

agents to advise the terminal operators of inadequacies in security; requiring logs at the entrances and exits of piers in which are recorded information concerning vehicles which could be used to remove cargo; round-the-clock dock patrols by Commission officers; disciplinary action against those registrants and licensees found to have participated in thefts; and the establishment of perhaps the first "sting" operation in the nation during which Commission undercover agents posed as criminal fences, purchasing hundreds of thousands of dollars worth of merchandise stolen from the piers. In addition, every licensed stevedore is required by regulation to cause the goods on its pier "to be so protected from theft or pilferage as may be reasonably necessary and appropriate for the particular cargo." Pier personnel and stevedores also have the responsibility of reporting thefts and suspicious losses of freight to the Commission. Accurate pilferage and theft statistics are helpful in determining the types of cargo and the waterfront terminals most subject to dock larceny, with such data used to develop precautionary techniques.

### **Coffee Break**

One type of cargo which, because of rising prices, has become a target of thieves in recent years is coffee.

In one case this year, Commission special agents developed information that a truck driver-owner, who was at a Port Newark terminal to pick up coffee for a consignee, would attempt to remove additional bags of coffee for his own purposes. The officers established a surveillance of the truck, following it from the New Jersey docks to a coffee roasting establishment in lower Manhattan. As the truck driver and his son were unloading 3,000 pounds of raw Peruvian coffee illegally removed from the pier, they, as well as the owner of the coffee roasting business, were arrested for possession of the stolen property valued at \$6,000. This same truck driver had previously been arrested by Commission officers in 1972 for his participation in an armed robbery of two waterfront containers filled with \$80,000 worth of frozen shrimp and lobsters, for which he was convicted of larceny.

### **Channeling Our Efforts**

The action of an alert special agent resulted in the recovery of \$10,700 worth of stolen imported television games and the prevention of the theft of additional goods valued at over \$81,000.

On patrol in an unmarked vehicle, the Commission officer observed three men removing

merchandise in a rapid and careless manner from an unattended cargo truck waiting entry to a pier and placing it in a U-Haul truck. The driver had left his truck to check in at the pier for routing. Upon sighting the agent, the three men jumped into the rented vehicle and sped off, with the agent in pursuit. A wild chase ensued, through red traffic lights. Finally, the U-Haul skidded to a stop and the three men scattered. The agent recovered the vehicle, discovering 34 cartons of foreign manufactured television games in the truck. Other back-up investigators examined the cargo truck which contained an additional \$15,300 worth of the games, mica valued at more than \$57,300, and \$9,000 worth of machinery.

Commission agents found a small wallet in the truck containing a photograph of one of the individuals observed by the agent to be removing the merchandise. Questioning of the person who had rented the truck revealed that he had engaged the identified person to assist him in a moving job and that he had instructed such person to return the vehicle to the truck rental office. Based upon the identification and further investigation, this individual was arrested. His prior criminal history included several convictions for petit larceny.

### **Stealing Steel**

Developing information that scrap metal was periodically being stolen from a New Jersey waterfront terminal, Commission agents established surveillances over a period of four days. They discovered that each evening boxes of scrap aluminum and stainless steel were being secreted in the locked cab of a train engine at the pier and by the side of an unused scale house. Two employees at the pier, who were observed near the train engine as well as placing aluminum into empty drums at the scale house and covering the drums with canvas, were apprehended by the Commission police officers and charged with the theft of 500 pounds of scrap metal.

### **It Doesn't Always Pay to Advertise**

On occasion, the very guards employed by waterfront terminal operators to protect cargo turn out themselves to be thieves.

Commission officers, suspecting a particular pier watchman of illegally removing merchandise during his night shifts, commenced an investigation into the disappearance of valuable carpets from his pier. Leads developed a strong indication that the guard had pos-

session of five handwoven rugs imported from India and missing from the pier. After the watchman placed an advertisement in his hometown newspaper in southern New Jersey offering to sell a "never used" oriental rug, an undercover Commission agent purchased one of the rugs from the guard at his home for several hundred dollars less than its value. The undercover investigator also made arrangements to buy the remaining four carpets. The following day, at the time delivery of the other rugs was made, the guard was taken into custody for criminal possession of stolen property. His license as a port watchman has been suspended pending an administrative hearing to determine whether it should be permanently revoked.

\* \* \*

Not every police action taken by Commission law enforcement personnel is limited to the piers.

A uniformed Commission officer, prior to starting his morning tour of duty, stopped at a New Jersey diner for breakfast at about 5 A.M. He heard other patrons excitedly talking about a man with a gun advancing toward the diner. Leaving the restaurant, he confronted a man with a loaded shotgun in the parking lot. While the man did not respond to his initial order to put the gun down, the Commission officer, after talking with the individual for a few moments, was able to reach out and disarm him. The individual was arrested for unlawful possession of a weapon.

In another incident, two special agents driving toward an assignment, observed a luxury motor vehicle strike another vehicle, with the driver and passenger of the automobile causing the accident, both teenagers, running from the scene. The officers gave chase and caught one of the boys. A radio check of the vehicle disclosed that it had been stolen. Investigation by the Commission agents resulted in the apprehension of the other occupant of the stolen vehicle and the disclosure that the vehicle had been obtained by means of an armed robbery. Both suspects were arrested and, in view of their age, turned over to Family Court for disposition.

A few months earlier, two special agents, driving a few city blocks from a Brooklyn pier, observed two men removing cartons from the rear of a rental truck and placing them in front of a small apartment building. Less than a month before, these same agents had recovered over \$5,000 worth of stolen goods on the sidewalk of the same building. As the officers identified themselves, one of the men started to flee with two cartons in



*Briefing of Law Enforcement Personnel*

his hand. Slipping on snow, he was quickly apprehended. At the same time, the other man drove off in the truck. A chase by one of the agents in a Commission unmarked car resulted in his capture. Almost \$3,000 worth of merchandise, including coats, photocopying machinery and lamp bulbs, which had been stolen earlier that day from a United Parcel truck, was recovered. Both men were arrested for possession of stolen property.

#### **Aftermath of Compensation Investigation**

Two years ago the Commission conducted a thorough investigation into fraudulent Workmen's Compensation claims filed by dock workers in the Port. At the conclusion of the investigation, a report was issued to the Governors and Legislatures of both States and a special unit created within the Commission to continually monitor and examine suspected false claims.

As reported last year, information obtained in the investigation indicating the participation in fraudulent compensation schemes by medical doctors was forwarded to the appropriate governmental bodies having jurisdiction over physicians. This year, the New York State Workers' Compensation Board, acting upon the testimony of a Waterfront Commission undercover agent who feigned a back injury and was referred to a professional medical corporation for "treatment," barred three physicians employed by the medical corporation from treating workers' compensation claimants for various periods of time, finding, in part, that the doctors knew

that certain medical reports submitted by them to the Compensation Board and insurance carriers were false.

#### **Regularization of Waterfront Labor**

The Commission is charged with the responsibility of regularizing the employment of longshoremen and checkers in the Port and of keeping the number of eligible dock workers in balance with the demand of waterfront employers for longshoremen services.

Shortly after the establishment of the agency, the Commission instituted its "de-casualization" program to remove from the Register of longshoremen and checkers those persons who fail to work or seek work regularly on the docks. This plan was largely responsible for the creation of a stabilized work force in the harbor and assisted in increasing the income of those persons who made the waterfront their livelihood.

Twice yearly, the Commission advises each dock worker who has failed to work or seek the minimum number of days established by the Commission (at present 48 days in each half-calendar year, distributed at least 8 days a month in 5 of the 6 months) that his registration will be cancelled unless illness, military service or other good cause prevented him from working or seeking waterfront employment. Through the years, over 60,000 registrants have been processed under the decasualization procedure, with 288 longshoremen removed from the Register this year.

\* \* \*

In the past few years shortages of checkers had been developing on the piers. The checkers, a classification of longshoremen, are responsible for the tallying of cargo into and out of trucks and for the clerical duties connected with the accounting of waterborne merchandise. To ease the shortage, in October 1976, sixty-three registered longshoremen were permitted by the Commission to transfer to checker status. In addition, the Commission permitted the stevedore companies, on a temporary day-by-day basis, to use longshoremen as checkers upon a certification that registered checkers were not available.

Despite these measures, the shortages continued. In March 1978, after a preliminary staff investigation and widespread public notice, the Commission held public hearings to inquire into the nature and extent of shortages of longshore crafts, and, in particular, checkers. Thirty-one witnesses testified at the three days of hearings, acknowledging that a shortage of checkers existed and was no longer of a temporary nature, but was chronic and increasing. The Commission developed information that, as a result of the shortage, truck lines at some of the piers had become congested, the "stuffing and stripping" of many cargo containers was being delayed, vessels were sailing without some cargo, and several consignees and consignors were considering utilizing other ports.

The New York Shipping Association, representing many stevedore and steamship companies, and the International Longshoremen's Association, representing the Port's longshoremen and checkers, chose not to send representatives to the hearings, although a number of individual waterfront employers did testify and present their views. The proposed solution of the NYSA and ILA to alleviate the checker shortage had been to select almost 100 men from outside the industry and grant them permanent checker registration. This plan had been rejected by the Commission as contrary to the provisions of the Waterfront Commission Act, which requires permanent additions to the Register to be on a first-come, first-served basis.

After the hearings, the Commission issued findings that the checker shortages were increasing and injurious to waterborne commerce in the Port. It determined that 200 additional checkers were required and that in the best interests of the economy of the harbor these 200 persons should be obtained on a voluntary basis from the existing work force of registered longshoremen. Of particular concern to the agency was that bringing in new checkers from outside the Register

would aggravate the guaranteed annual income situation in the Port; at that time almost 1,000 waterfront workers already registered were working less than 3 weeks a year and each collecting guaranteed income payments of some \$18,000 annually under the collective bargaining agreement between management and labor. Under the industry's work rules, these men were not compelled to fill the checker shortages.

The Commission's order first permitted those existing longshoremen physically incapable of satisfactorily performing as longshoremen, but who would be capable of performing as checkers, to volunteer for checker registration. Thereafter, all other longshoremen could so transfer, in order of longshore seniority. This procedure was in keeping with the Commission's policy of permitting longshoremen to better themselves by advancing to the less arduous work of checkers.

The order of the Commission was thereupon attacked by the New York Shipping Association and the International Longshoremen's Association in the courts. A joint action brought by the NYSA and ILA in the federal courts charged that the agency acted beyond its powers and that its determination conflicted with the industry's collective bargaining rights. The United States District Court for the District of New Jersey upheld the Commission and dismissed the action of the NYSA and ILA. In its opinion, the Court stated:

"Both the voluntary transfer of 200 longshoremen—and the stated registration preference for disabled workers — are reasonable, practical and economical solutions that are entirely consistent with the purposes and policies of the Act. Determination 15 [of the Commission] suggests a solution which would provide an enormous overall financial benefit to the entire Harbor. Employers would save large quantities of money—and the overall efficiency of the Port would increase."

The NYSA and ILA appealed this ruling to the United States Court of Appeals for the Third Circuit, which unanimously affirmed the judgment of the District Court. A petition by the NYSA and ILA to the Supreme Court of the United States for a writ of certiorari was denied.

### **Administrative Proceedings**

In its twenty-five year history, the Commission has processed 136,201 applications for the various types of licenses and registrations

required by the Waterfront Compact of individuals and companies to work or operate in the Port. No application is denied without the applicant being granted an opportunity for an administrative trial. Further, under the provisions of the Compact, no registration or license issued by the Commission may be revoked or suspended without the holder of the registration or license having the right to an administrative proceeding.

The Commission's licensing hearings are conducted by Administrative Judges selected from a rotating panel of attorneys admitted to practice in New York or New Jersey. Every applicant or respondent has the right to be represented by counsel, cross-examine witnesses, have witnesses subpoenaed in his behalf, and to present oral and written arguments. A stenographic record is made of each hearing and the proceedings are open to the public.

After hearing and considering the evidence and legal arguments, the Administrative Judge prepares a written report on the proceeding. A copy of these findings of fact and recommendations are furnished the parties in interest, who may file exceptions and legal objections. The entire record of the proceeding is then forwarded to the Commissioners for consideration and determination of the case. The Commissioners' ruling is set forth in a written order served upon each party.

An applicant or respondent displeased with a Commission ruling may utilize a series of petitions established by the agency for appeals from its orders. These include petitions for reconsideration or amendment of a determination, for rehearing of the case, for restoration of a license or registration, and for leave to reapply. Moreover, a final order of the Commission is subject to judicial review in the Courts of New Jersey and New York.

During this year, the Commission made final determinations in 195 administrative proceedings and acted upon 60 petitions. In 36 "application" proceedings, the Commission denied 28 applications, while granting 8. In 159 "revocation" proceedings, it revoked 18 registrations and licenses, revoked an additional 38 with leave granted to reapply for the license or registration after specified periods of time, suspended for fixed periods an additional 89, issued 9 reprimands, and dismissed the charges in 5 cases. These cases included 50 summary proceeding cases, in which the licensee or registrant waived formal hearing and admitted the charges on the record. Of the 60 petitions considered by the Commission, 9 were granted and 51 denied.

## Litigation

The following are several of the court proceedings handled by staff counsel in the past year.

*United Terminals, et al.*

v.

*Alfred J. Scotti, Administrative Judge*  
(New York State Supreme Court,  
New York County)

In 1976, the Commission commenced an administrative hearing upon the renewal applications of five affiliated stevedore companies, charging them and their President with fraud in an investigatory interview in connection with an alleged acceptance by the President of \$100,000 in cash from a shipping company to insure the unloading of cargo during a longshore strike in Atlantic and Gulf ports.

Since the labor relations director of the shipping firm had testified before the Securities and Exchange Commission regarding payment of the money, the Waterfront Commission staff subpoenaed him to testify at its proceeding. The shipping company thereupon moved in the New York Courts to quash the subpoena. The Court upheld the Commission and, as reported last year, this ruling was affirmed by both the Appellate Division and the State's highest court, the Court of Appeals.

Thereafter, the director of labor relations was to be produced for examination in New Orleans, Louisiana. The stevedore companies, however, obtained an ex parte court order in Louisiana staying the examination. The Commission staff then introduced into evidence at the Commission's administrative hearing the labor relations director's testimony before the SEC, as well as interrogatories and testimony obtained in the course of the Commission's preliminary investigation of the case.

The stevedore companies thereupon sought a preliminary injunction from the New York Supreme Court to prevent the Administrative Judge from closing the proceeding and making findings and recommendations, contending, in part, that they did not have the opportunity to examine the labor relations director. In denying the stevedore companies' request, the Court ruled that they had failed to show a possibility of irreparable injury and that they had not demonstrated a probability of success in the action.

\* \* \*

*Trapani v. Waterfront Commission*  
*of New York Harbor*

(Appellate Division of New York  
Supreme Court, Second Department)

As a result of its continuing probe into

fraudulent Workmen's Compensation claims filed by certain dock workers, several longshoremen were charged by the Commission with deceptively obtaining compensation benefits when they were in fact physically capable of working on the piers.

One longshoreman's registration was revoked by the Commission upon findings that he fraudulently obtained Workmen's Compensation benefits and falsely testified under oath concerning his alleged disability and medical treatments. The evidence established that during the period he received compensation payments (claiming that he was not able to work as a longshoreman) he did construction and iron repair work, including the lifting of cinderblocks, climbing a ladder, working from a scaffold and using various tools such as an axe and hammer.

The longshoreman brought a court action seeking to annul the determination. The New York Appellate Division, reviewing the evidence, unanimously dismissed the challenge to the Commission's order of revocation, ruling that the determination was supported by substantial evidence and that the revocation was not shocking to one's conscience.

\* \* \*

*In the Matter of the Application of  
Atlantic B.C., Inc. v. Waterfront  
Commission of New York Harbor*  
(Appellate Division of New York  
Supreme Court, First Department)

The Commission has investigatory powers not only to inquire into wrongdoing in the Port, but also to determine whether waterfront operations require licensing under the provisions of the Waterfront Act.

In auditing the records of a licensed stevedore, Commission accountants found invoices from an unlicensed company billing the licensee for "labor for lashing" and "labor to assist carpenters" in connection with vessels in the Port. Seeking to ascertain whether the company submitting the bills was performing cargo lashing and carpentry work on the piers which would require a stevedore permit, the Commission attempted to interview the general manager of the licensee. The manager, however, refused to answer substantive questions upon the ground of self-incrimination. The Commission thereupon issued a subpoena duces tecum for the production of records of the unlicensed firm. The company brought a court action to quash the subpoena, contending that the Commission did not have the authority to subpoena its books and that the subpoena was too broad in scope.

The New York Supreme Court upheld the Commission's subpoena, stating that the agency "has the power to investigate to determine whether petitioner in fact is doing stevedoring work without a license." This decision was unanimously affirmed by the five-judge Appellate Division.

\* \* \*

*Quin Marine Services, Inc.*  
v.  
*Waterfront Commission of  
New York Harbor*  
(Appellate Division of New York  
Supreme Court, First Department)

The Commission's denial of an application for a pier superintendent's license was challenged by the stevedore company intending to employ the superintendent. The Commission had found, after an administrative licensing proceeding, that the prospective licensee lacked good character and integrity in falsely testifying that he was never an officer of a different stevedore company, a firm which had withdrawn its application for a license to perform marine carpentry services in the Port after the Commission commenced an investigation into the company.

The Appellate Division of New York Supreme Court annulled the Commission's denial of the license, stating that the evidence to support it was not sufficient. The Commission is presently appealing this ruling to the New York Court of Appeals.

\* \* \*

*In re Waterfront Commission of New  
York Harbor, for an Order of Con-  
tempt against Century National Bank  
and Trust Co.*

(New York Supreme Court,  
New York County)

In the course of a continuing investigation by the Commission to determine whether waterfront companies are making illegal monetary payments to longshore union officials, the Commission served a subpoena upon a New York bank to obtain certain books and records. Information obtained by the Commission suggested that a depositor of the bank may have been serving as a conduit for the transfer of such monies. The bank, however, failed to produce the records sought upon the return date of the subpoena. It was only after the Commission brought an action to punish the bank for contempt and the Court directed the bank to make the records available, were the books produced for examination by Commission investigators.

\* \* \*

## Administration

This year saw the retirement of "Mr. Waterfront Commission," Joseph Kaitz. Commissioner Kaitz represented New York on the bi-state agency for 16 years, longer by far than any other Commissioner from either State.

Joe Kaitz was the Chief Investigator for the waterfront staff of the New York State Crime Commission which conducted the sweeping investigation into port conditions in 1952 and 1953. When the Waterfront Commission was created as an outgrowth of this investigation, he was appointed the first Director of Investigation for the agency. He served in such capacity until October 1955, when he became a Special Assistant to the Temporary President of the New York State Senate. In July 1962, Governor Rockefeller appointed Mr. Kaitz as the New York Waterfront Commissioner for a three-year term. He was reappointed to that position for four successive three-year terms, three times by Governor Rockefeller and the last time by Governor Wilson.

Long recognized as an outstanding investigator, Commissioner Kaitz served as an investigator from 1936 to 1942 in the office of Thomas E. Dewey, when the former Governor was Special Rackets Prosecutor for New York County, and later in the same capacity in the office of the District Attorney of New York County. During the second world war, he served in Naval Intelligence, holding the rank as Lieutenant Commander when honorably discharged in 1946. After his military service, Mr. Kaitz was Deputy Commissioner of the New York State Liquor Authority for four years and then served for one year as Assistant Director of the New York State Civil Defense Commission.

Concerned with cargo thefts not only in the Port of New York-New Jersey but throughout the world, in 1970 Mr. Kaitz was one of the founders of the International Association of Airport and Seaport Police, an organization composed of the chiefs of cargo security of sea and airports throughout the world.

As Waterfront Commissioner, Mr. Kaitz was instrumental in bringing about many of the reforms in the Port of New York-New Jersey and restoring order in the nation's largest harbor. He was particularly concerned with the eradication of the degrading conditions imposed upon waterfront labor prior to the creation of the agency.

Commissioner Kaitz' forty-two years of government service will long be remembered by his numerous friends and associates. He cer-

tainly will be missed at the Waterfront Commission.

This year also witnessed the retirements of other dedicated members of the staff: Edward A. Brady, an Assistant Manager of one of the Commission's Employment Centers, Gerald W. Griffin, Special Agent, and Mary Licari, a clerk-typist in the Division of Law Enforcement.

The Commission notes with pride the recent appointment by President Carter of Henry S. Dogin, a former Assistant Counsel, as Administrator of the Federal Law Enforcement Assistance Administration.

As before, the Commission this year has received outstanding cooperation in its mandated functions from other law enforcement and regulatory agencies and from the numerous community and business organizations concerned with the welfare of the Port.

## CONCLUSION

As this Annual Report was "going to press," a number of indictments were made public by the Federal Government as a result of an ongoing inquiry into waterfront racketeering in ports along the East and Gulf coasts. The United States Attorney for the Southern District of New York, in announcing the indictments, expressed appreciation to the Waterfront Commission for "the assistance it is providing in this continuing investigation." Thus, while vast improvements have been realized in eliminating many of the economic, social and criminal evils which existed in the Port, it is still essential for the Commission to continue its vigilance.

The Commission finds and determines that, to continue the gains realized in the Port of New York-New Jersey and to achieve the goals and objectives of the Waterfront Compact, public necessity still exists for the continued registration of longshoremen, the continued licensing of the occupations and employments required to be licensed under the Waterfront Commission Act and the amendments thereto, and the continued public operation of the Employment Information Centers provided for in Article XII of the Compact.

Respectfully submitted,

HENRY N. LUTHER, III  
Commissioner for New Jersey

LEONARD NEWMAN  
Acting Commissioner for New York

## COMMISSION DETERMINATIONS

Year Ended June 30, 1978

### APPLICATIONS AND REVOCATIONS

	Denied	Granted	Revoked	Revoked L/R	Sus- pended	Repri- mand	Dismiss Charges	Suspend P/H	Totals
Longshoremen	1	1	3	19	44	5	1	2	76
Checkers	1	0	0	6	13	2	3	1	26
Hiring Agents	2	1	2	0	4	1	0	0	10
Port Watchmen	1	1	2	2	13	0	0	1	20
Pier Superintendents	2	1	2	0	4	1	0	0	10
Stevedores	1	3	0	0	1	0	1	0	6
Maintenance	20	1	9	11	10	0	0	0	51
<b>Totals</b>	<b>28</b>	<b>8</b>	<b>18</b>	<b>38</b>	<b>89</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>199*</b>

\*includes 50 summary proceedings

### PETITIONS

	Denied	Granted	Totals
Petitions for Reconsideration	19	3	22
Petitions for Leave to Reapply	1	0	1
Petitions for Rehearing	4	0	4
Petitions to Withdraw	0	2	2
Petitions to Remove Ineligibility	1	1	2
Petitions for Restoration of Registration	25	3	28
Petitions to Vacate Temporary Suspension	1	0	1
<b>Totals</b>	<b>51</b>	<b>9</b>	<b>60</b>

### STAFF FUNCTIONS

	DIVISION OF LAW	DIVISION OF LICENSING	TOTAL
Investigations Completed	115	47	162
Recent Arrests Completed	28	1	29
Petitions Completed	39	32	71
Applications investigated and processed	15	332	347
Witnesses and applicants questioned	776	649	1425
Summary Proceedings completed	31	9	40
Requests for Reinstatements from Withdrawal and Decasualization	0	78	78
Total Hearings conducted	60	35	95
Probationers Reviewed	53	22	75

#### DIVISION OF LAW ENFORCEMENT

Arrests and Apprehensions	
for thefts	40
for gambling	9
for other offenses	19
<b>Total</b>	<b>68</b>

#### DIVISION OF AUDIT AND CONTROL

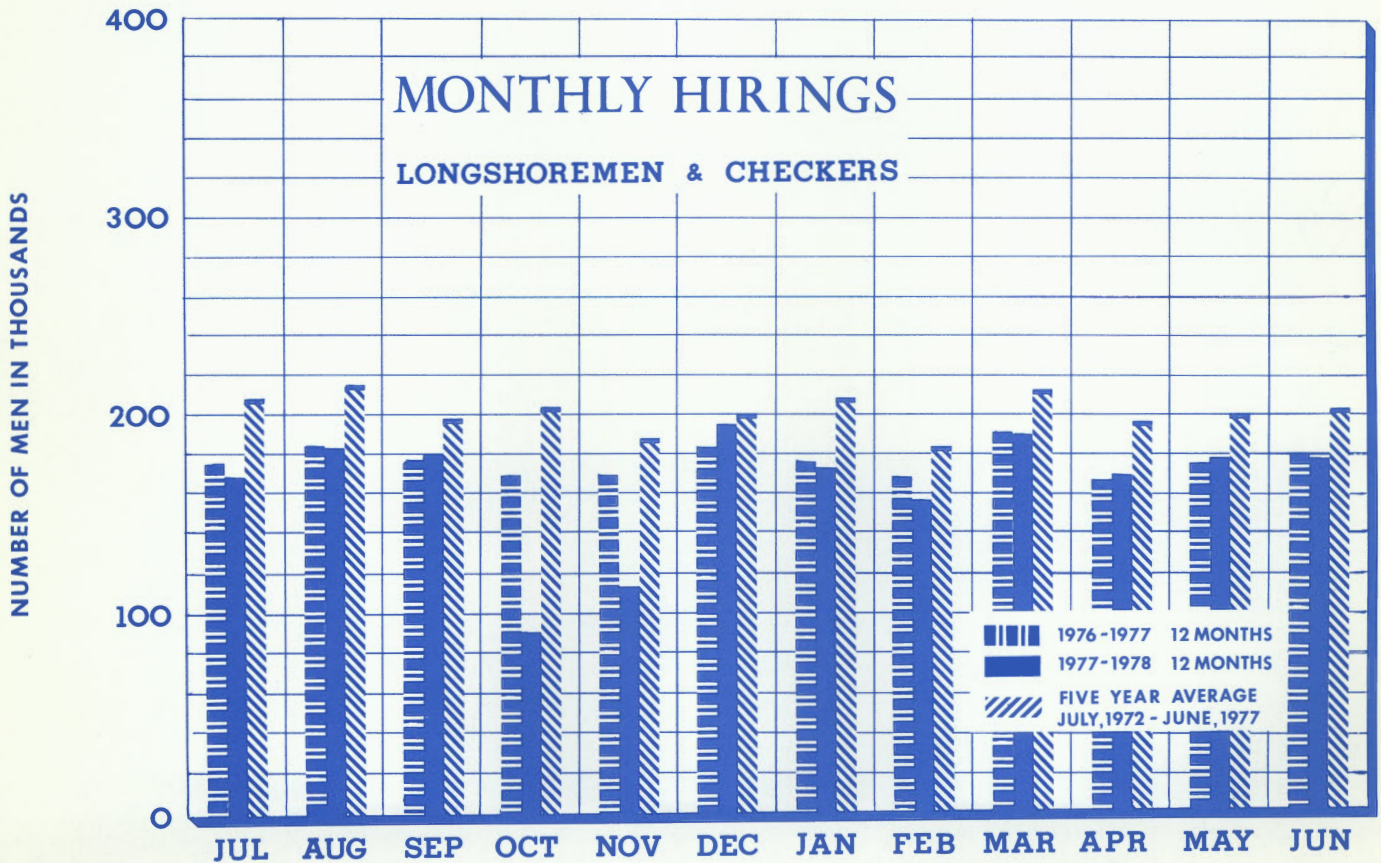
Audits	
licensing	72
assessments	106
investigative	20

## EMPLOYMENT INFORMATION CENTERS

Showing Comparison of Hirings for the fiscal years ending June 30, 1978 and 1977

Center and Location	Piers and Areas	HIRINGS		Increase or Decrease	% Change	% Share of Port Employment	
		1977-1978	1976-1977			1977-1978	1976-1977
Manhattan 261-281 Hudson St.	Manhattan	104,252	115,777	- 11,525	- 9.95%	5.24%	05.44%
Brooklyn 5914 3rd Avenue	Brooklyn	815,464	843,245	- 27,781	- 3.29%	41.02%	39.61%
10 — Staten Island 22 Wave Street	Staten Island	78,995	86,645	- 7,650	- 8.83%	3.97%	04.07%
11 — Port Newark 117 Tyler Street	Port Newark, Port Elizabeth and Perth Amboy	731,929	817,644	- 85,715	-10.48%	36.82%	38.41%
Hudson County*	Jersey City and Bayonne, Hoboken, Weehawken & Edgewater	257,406	265,329	- 7,923	- 2.99%	12.95%	12.47%
<b>TOTAL — NEW JERSEY</b>		<b>989,335</b>	<b>1,082,973</b>	<b>- 93,638</b>	<b>- 8.65%</b>	<b>49.77%</b>	<b>50.88%</b>
<b>TOTAL — NEW YORK</b>		<b>998,711</b>	<b>1,045,667</b>	<b>- 46,956</b>	<b>- 4.49%</b>	<b>50.23%</b>	<b>49.12%</b>
<b>PORT WIDE TOTALS</b>		<b>1,988,046</b>	<b>2,128,640</b>	<b>-140,594</b>	<b>- 6.60%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Represents the hirings for Centers #12 and #13 which are still functioning.



**APPLICATIONS AND REAPPLICATIONS RECEIVED AND PROCESSED**  
**DURING FISCAL YEARS**  
**As of June 30th**

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Longshoremen	3,189	1,640	1,566	1,283	3,107	1,557	1,846	4,810 <sub>c</sub>	1,741 <sub>c</sub>	1,196 <sub>c</sub>	1,126 <sub>c</sub>	1,192 <sub>c</sub>	1,093 <sub>c</sub>	1,087 <sub>c</sub>	903 <sub>c</sub>	913 <sub>c</sub>
Checkers	613	171	453	286	276	320	516	1,233	87	0	2	0	2	0	63	431
Pier Guards <sub>a</sub>	321	199	418	2,081	472	699	1,014	858	612	612	573	404	470	516	284	407
Pier Superintendants	176	41	37	47	73	116	57	131	82	67	60	74	66	98	46	47
Hiring Agents	103	66	51	127	92	169	66	172	139	69	63	77	68	75	34	35
Stevedore Companies <sub>b</sub>	1	29	0	53	4	53	7	99	32	117	19	121	20	115	6	117
<b>TOTALS</b>	<b>4,403</b>	<b>2,146</b>	<b>2,525</b>	<b>3,877</b>	<b>4,024</b>	<b>2,914</b>	<b>3,506</b>	<b>7,303</b>	<b>2,693</b>	<b>2,061</b>	<b>1,843</b>	<b>1,868</b>	<b>1,719</b>	<b>1,891</b>	<b>1,336</b>	<b>1,950</b>

(a) Pier Guards are required to renew licenses every third year.

(b) Stevedores are required to renew licenses every second year.

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

**REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS**  
**As of June 30th**

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Longshoremen	22,691	20,408	19,792	19,110	18,352	17,026	16,612	17,646 <sub>a</sub>	16,367 <sub>a</sub>	16,006 <sub>a</sub>	14,226 <sub>a</sub>	13,704 <sub>a</sub>	12,515 <sub>a</sub>	12,237 <sub>a</sub>	11,863 <sub>a</sub>	11,420 <sub>a</sub>
Checkers	4,503	4,197	4,511	4,397	4,220	4,115	4,335	3,979	3,714	3,557	3,176	3,006	2,728	2,584	2,479	2,408
Hiring Agents	609	578	565	606	631	600	559	602	605	545	493	512	427	378	369	361
Pier Superintendants	438	418	417	414	430	417	365	403	406	424	374	395	370	337	342	340
Pier Guards	1,756	1,652	1,801	1,551	1,630	1,654	1,637	1,548	1,485	1,405	1,291	1,064	979	894	818	789
Stevedore Companies	29	29	28	49	49	50	46	93	106	109	117	113	118	112	115	113
<b>TOTALS</b>	<b>30,026</b>	<b>27,282</b>	<b>27,114</b>	<b>26,127</b>	<b>25,312</b>	<b>23,862</b>	<b>23,554</b>	<b>24,271</b>	<b>22,683</b>	<b>22,046</b>	<b>19,677</b>	<b>18,794</b>	<b>17,137</b>	<b>16,542</b>	<b>15,986</b>	<b>15,431</b>

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

## COMPARISON OF AVERAGE EARNINGS OF LONGSHOREMEN AND CHECKERS

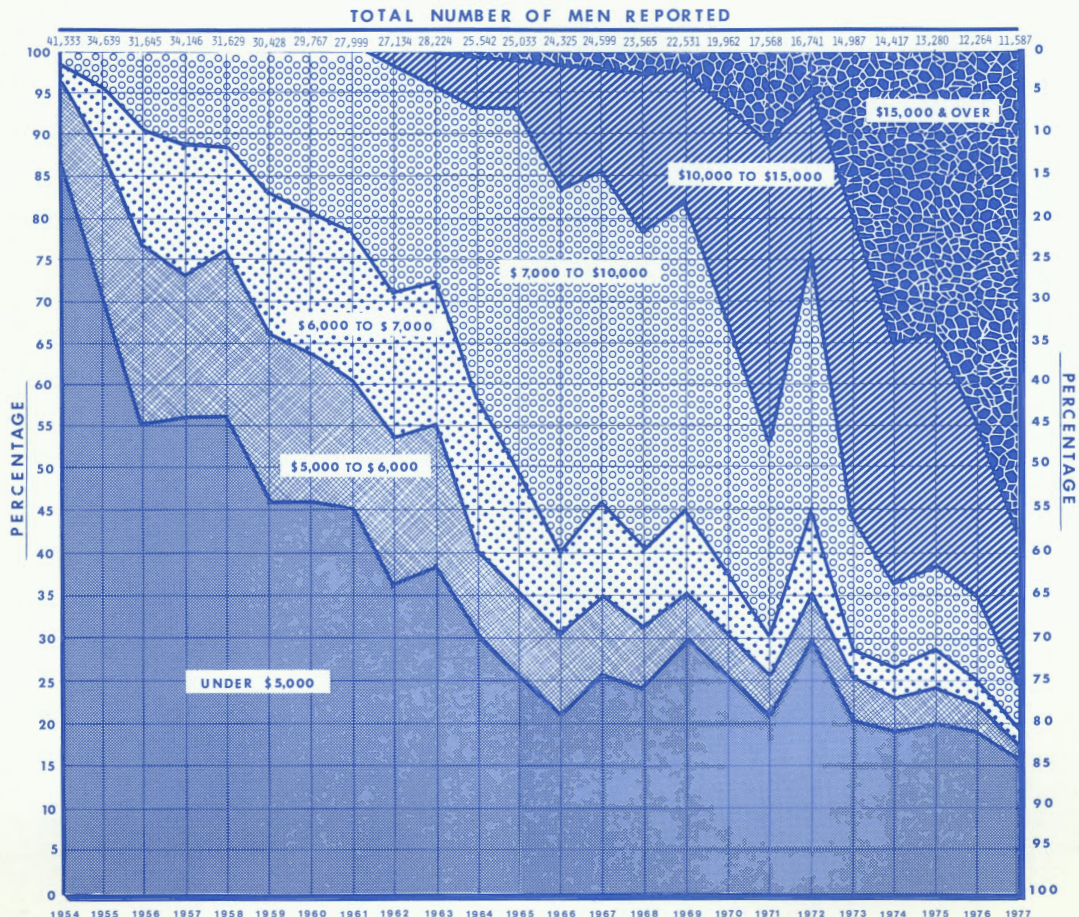
	1954	1975	1976	1977
Over \$25,000	(*)	583	973	1,505
\$20,000 to \$25,000	(*)	1,048	1,501	1,737
\$15,000 to \$20,000	(*)	2,947	3,051	3,406
\$12,000 to \$15,000	(*)	2,504	1,673	1,373
\$10,000 to \$12,000	(*)	1,176	824	681
\$10,000 and Over	(*)	8,258	8,022	8,702
\$ 7,000 to \$10,000	406	1,423	1,245	663
\$ 6,000 to \$ 7,000	802	437	360	199
\$ 5,000 to \$ 6,000	2,589	411	343	148
\$ 4,000 to \$ 5,000	6,330	354	290	200
\$ 3,000 to \$ 4,000	7,013	380	322	298
Under \$3,000	24,193	2,017	1,682	1,377
<b>TOTAL REPORTED</b>	<b>41,333</b>	<b>13,280</b>	<b>12,264</b>	<b>11,587</b>
Total Earnings	\$102,061,108	\$160,084,033	\$166,784,930	\$180,878,559
Total Hours Worked	37,813,991	20,562,063	19,694,632	19,038,879
% Hours Overtime	24.3%	22.6%	22.5%	23.6%
<b>AVERAGE ANNUAL WAGES**</b>	<b>\$ 2,469</b>	<b>\$ 12,055</b>	<b>\$ 13,600</b>	<b>\$ 15,610</b>

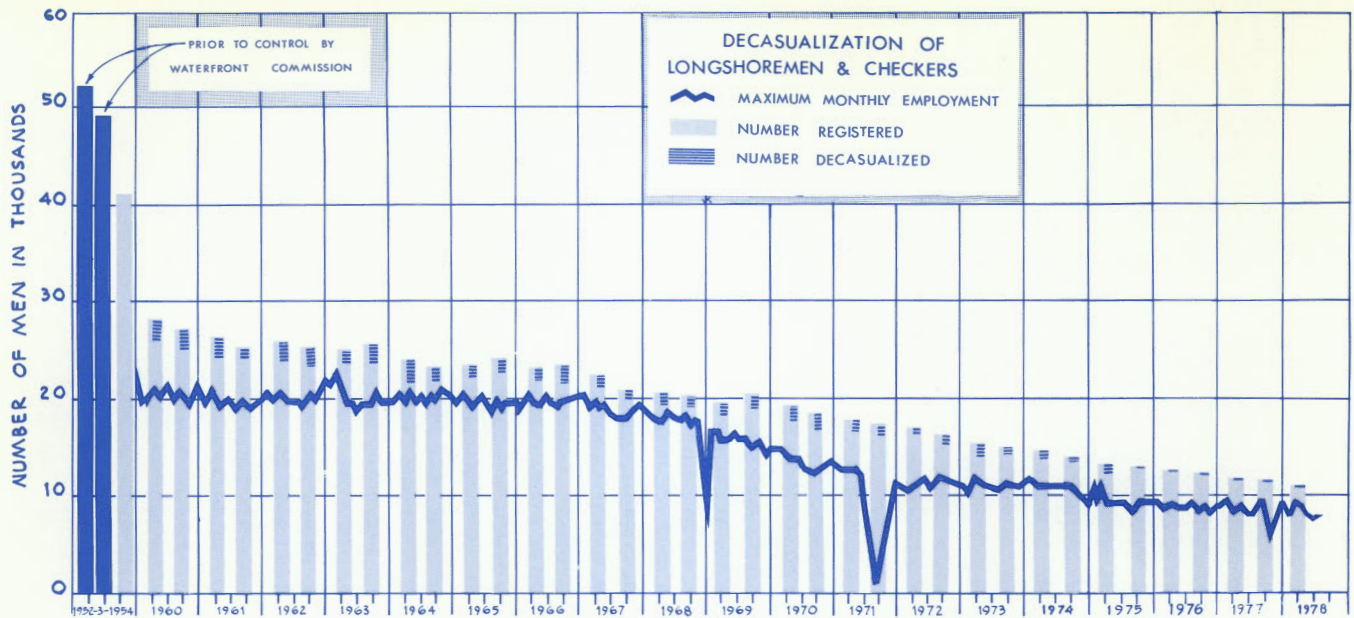
\*Records incomplete for 1954

\*\*Does not include guaranteed annual income payment or fringe benefits

NOTE: This table includes craftsmen such as carpenters, coopers, maintenance men 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 1957-58 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association.

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





### DECASUALIZATION OF LONGSHOREMEN AND CHECKERS

		<u>Number Decasualized</u>	<u>Remaining Registrants</u>
1st decasualization	June 3, 1955	7,141	31,574*
17th decasualization	May 10, 1963	1,182	25,218
18th decasualization	October 22, 1963	1,523	25,997
19th decasualization	April 10, 1964	2,096	24,172
20th decasualization	October 15, 1964	1,715	23,084
21st decasualization	April 16, 1965	934	23,796
22nd decasualization	October 7, 1965	581	23,920
23rd decasualization	March 31, 1966	1,070	23,332
24th decasualization	November 7, 1966	1,226	23,471
25th decasualization	March 31, 1967	1,142	22,100
26th decasualization	October 6, 1967	954	21,515
27th decasualization	April 12, 1968	903	20,901
28th decasualization	October 18, 1968	770	20,384
29th decasualization	April 22, 1969	999	19,973
30th decasualization	October 3, 1969	1,022	20,627**
31st decasualization	April 13, 1970	1,098	19,512**
32nd decasualization	October 30, 1970	1,012	18,651**
33rd decasualization	April 2, 1971	715	18,115**
34th decasualization	September 30, 1971	514	17,742**
35th decasualization	March 30, 1972	227	17,626**
36th decasualization	September 27, 1972	523	16,316**
37th decasualization	April 9, 1973	930	15,368**
38th decasualization	September 27, 1973	330	14,792**
39th decasualization	March 25, 1974	423	14,409**
40th decasualization	September 26, 1974	271	14,143**
41st decasualization	March 27, 1975	425	13,726**
42nd decasualization	September 25, 1975	156	12,962**
43rd decasualization	March 25, 1976	194	12,602**
44th decasualization	September 23, 1976	181	12,303**
45th decasualization	March 24, 1977	174	11,978**
46th decasualization	September 22, 1977	168	11,723**
47th decasualization	March 31, 1978	120	11,370**

\* Does not include craftsmen whose registrations were required on or after May 27, 1957.

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

# Ernst & Ernst

including the practice of S. D. Leidesdorf & Co.

Three Park Avenue • New York, New York 10016 • Phone 212/725-0500

## ACCOUNTANTS' REPORT

To the Commissioners  
Waterfront Commission of New York Harbor

We have examined the statement of cash receipts and disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 1978. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note A, it is the policy of the Waterfront Commission of New York Harbor to prepare its financial statement on the basis of cash receipts and disbursements; consequently revenue and related assets are recognized when received rather than in the period to which they apply and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statement of cash receipts and disbursements is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the accompanying statement of cash receipts and disbursements presents fairly the cash transactions of the Waterfront Commission of New York Harbor for the year ended June 30, 1978, on the basis of accounting described in Note A, which basis has been applied in a manner consistent with that of the preceding year.

*Ernst & Ernst*

ERNST & ERNST  
(successors to the practice  
of S. D. Leidesdorf & Co.,  
certified public accountants)

New York, N. Y.  
July 26, 1978

**E&E**

# WATERFRONT COMMISSION OF NEW YORK HARBOR

## Statement of Cash Receipts and Disbursements

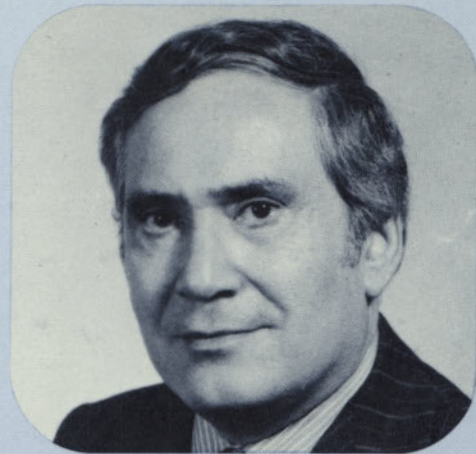
For the Year Ended June 30, 1978

Balance of funds at beginning of year:			
Cash balance (net of amounts withheld from employees' earnings)		\$	7,556.85
Cash in savings accounts			318,108.66
Time certificates of deposit			300,000.00
			625,665.51
Receipts:			
Assessments on employers of persons registered or licensed by the Commission	\$4,813,827.32		
Interest on time certificates of deposit	57,662.67		
Interest on savings accounts	10,358.98		
Penalties, fines and miscellaneous income	37,199.40		4,919,048.37
			5,544,713.88
Disbursements:			
Salaries	3,113,672.79		
Rentals	369,448.92		
Retirement, group insurance and social security taxes	1,050,563.42		
Special services and expense	44,328.68		
Communications	78,162.88		
Carfare, auto and travel expense	50,170.24		
General office expense	23,546.40		
Repairs and maintenance	53,845.89		
Furniture, fixtures and equipment	27,929.47		
Hearing officers, auditors and consultant fees	27,445.11		
Insurance	109,324.58		
Light, heat and power	64,217.60		
Printing	11,706.77		
Miscellaneous overtime expense	1,406.76		
State unemployment insurance	697.24		
Badge deposits—net	75.00		5,026,541.75
			5,026,541.75
Excess of receipts and balance of funds at beginning of year over disbursements — balance of funds at end of year consisting of:			
Cash in checking accounts and on hand	48,171.81		
Less — taxes and other withholdings from employees	41,398.38		
			6,773.43
Cash in savings accounts	71,398.70		
Time certificates of deposit	440,000.00		\$ 518,172.13
			\$ 518,172.13

Note A — It is the policy of the Waterfront Commission of New York Harbor to prepare its financial statement on the basis of cash receipts and disbursements; consequently revenue and related assets are recognized when received rather than in the period to which they apply and expenses are recognized when paid rather than when the obligation is incurred.



Henry N. Luther, III  
*Commissioner  
for  
New Jersey*



Leonard Newman  
*Executive Director  
and  
Acting Commissioner  
for  
New York*

*Jerome J. Klined, Deputy Executive Director*

*Gerald P. Lally, General Counsel*

*Francis A. Byrne, Jr., Secretary*

*John S. Winthers, Director, Division of Law Enforcement*

*Irving Malchman, Director, Litigation and Research*

*Paul D. Kelly, Director, Division of Law*

*Jesse O. Langston, Director, Employment Information Centers*

*Carmine A. Cardone, Director, Division of Licensing*

*Gemma T. Macaluso, Director, Administration*

*Marvin Weissman, Director, Division of Audit and Control*

*Elmer H. Williams, Jr., Comptroller*

150 William Street, New York, N.Y. 10038  
212-964-3520

