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WATERFRONT COMMISSION of NEW YORK HARBOR

1975-1976

ANNUAL REPORT

"We defer to its (Waterfront Commission of New York Harbor) expertise and longstanding experience with waterfront problems, and recognize that it has been vested with the primary function of regulating the operation of the Waterfront."

Superior Court of New Jersey

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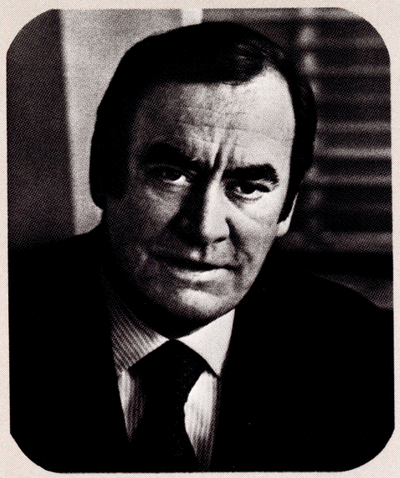
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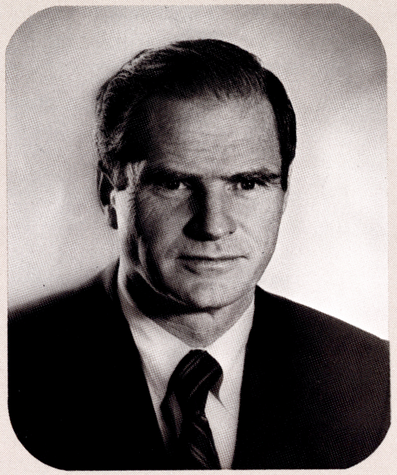
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ANNUAL REPORT
1975-1976

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 22nd Annual Report of the Waterfront Commission of New York Harbor for the fiscal year 1975-1976, containing a summary of the Commission's activities, together with pertinent observations concerning the Commission's administration and enforcement of the Waterfront Compact between New York and New Jersey.



THE COMMISSION

The Waterfront Commission has completed its 23rd year of operation with a sense of pride in its many accomplishments which have helped transform the Bi-State Port of New York — New Jersey into one of the most stable and prosperous marine facilities in the world. Highlighting the year was a major investigation into fraudulent Workmen's Compensation claims in the Port.

* * *

The Port of New York — New Jersey is the foremost gateway for foreign commerce in the United States. Its over 200 active berths for deep water vessels operate in an area of 700 miles of developed waterfront. It has a direct or indirect effect on the 18 million people who reside and work in the New York — New Jersey metropolitan area, providing thousands of jobs not only in the shipping industry but in trucking, banking, manufacturing, retailing and related industries, and delivering milions of tons of raw materials and finished products to one of the largest consumer markets in the world.

In 1975, the Port's foreign trade exports and imports totaled more than $23 billion. It handled some 110 million long tons of cargo, including 53 million long tons of oceanborne coastal, intercoastal trade and government shipments. During the past fiscal year of the Commission (July 1, 1975 through June 30, 1976), the harbor serviced 15,540 ship arrivals and departures — averaging one every thirty-five minutes.

In the period of October 1, 1974 through September 30, 1975, a total of 13,280 persons registered by the Commission to work as longshoremen and checkers in the harbor (not including persons registered to perform services incidental to the movement of waterborne freight) earned $217,577,299 in actual wages, guaranteed annual income benefits and vacation and holiday pay, representing average annual earnings for longshoremen and checkers of approximately $16,400. In the same period for the previous year, 14,417 such registered longshoremen and checkers earned $222,993,695, or an annual average of about $15,400.

* * *

The Waterfront Commission was created in 1953 by a Bi-State Compact between New York and New Jersey designed to eliminate criminal and other evil conditions in the harbor and to prevent the decline of the Port. It is headed by two Commissioners, one representing each state, chosen by the respective Governors and approved by the respective State Senates. Its chief operating officer is the Executive Director.

The Commission has a staff of experienced attorneys, accountants, special agents, police officers, license examiners and employment center personnel, charged with the responsibility of enforcing the Waterfront Commission Act and other laws pertaining to the Port. The staff is assigned among seven divisions: Executive, Law, Litigation and Research, Licensing, Law Enforcement, Employment Information Centers and Administration, with each division operating within specified authority under the management of a director.

Unique as a government agency, its varied functions and authority include:

- criminal investigation and other law enforcement activities;
- the investigation of waterfront conditions generally and the making of recommendations to the States upon matters relating to the objectives of the Waterfront Compact;
- the registration and licensing of almost 17,000 persons working on the docks as longshoremen, checkers, pier guards, warehousemen, pier superintendents and hiring agents;
- the licensing of over 110 stevedore companies, waterfront warehouses and other businesses performing services related to the movement of waterborne freight;
- operating employment information centers throughout the harbor to provide information with respect to waterfront employment opportunities and to oversee the hiring of dock workers;
- the regularization of longshore and checker employment by bringing the number of eligible waterfront workers into balance with the demand for longshoremen's and checkers' services and by removing from the register of dock workers those persons who fail to seek waterfront work on a regular basis;
- the auditing of the books and records of waterfront companies to uncover and deter possible violations of law;
- the conducting of administrative disciplinary hearings pertaining to violations of law committed by persons and firms registered and licensed by the Commission;
- prohibiting persons with serious criminal records from holding important positions in unions representing waterfront workers; and
- the institution of civil actions in either State to compel compliance with or prevent violations of the Waterfront Compact.



A Glimpse of the Activity of Operation Sail

During the past few years, when the nation's economy has been afflicted with spiralling inflation and government agencies have been continually confronted with cost of living increases and rising costs for mandated items as utilities, rentals, insurance, social security taxes and pension contributions, the Waterfront Commission has been uncommon in being able to hold its budget to an average annual increase of only 3.69% (July 1, 1972 through June 30, 1976). This has been achieved through a consolidation of its employment centers in the Port from 14 to 6, with corresponding reductions in personnel, by the efficient use of part-time employees, redistribution of work loads, and a strict management policy of reviewing all items of expenditure to determine their necessity. Indeed, the rate of the assessment on the payrolls of waterfront employers, by which the Commission budget is financed, has actually decreased during this period of time. In the past fiscal year, the Commission was able to effect a savings of $91,109 in its authorized budget of $4,911,712, permitting it to reduce its over-all assessment rate for the fiscal year 1976-1977 to 1.82%.

The Commission's budget for the past four years is as follows:

Fiscal Year	*Budget*	*Assessment Rate*	*No. of Employment Centers*	*No. of Employee Positions*
1972-1973	$4,433,395	1.85%	14	239
1973-1974	4,532,173	1.88%	9	228
1974-1975	4,917,307	1.84%	7	215
1975-1976	4,911,712	1.83%	6	210

THIS YEAR

Fraudulent Compensation Claims

In a major investigation instituted by it in January 1976, the Waterfront Commission exposed large-scale fraud in the filing of Workmen's Compensation claims in the harbor.

Increasingly concerned that fraudulent and exaggerated Workmen's Compensation claims and the attendant high cost of compensation insurance in the Port of New York-New Jersey could result in a diversion of cargo to other ports, the Commission assigned a special team of attorneys, accountants and investigators to conduct a full-scale inquiry into the matter.

During the course of the investigation, over 75 witnesses were interrogated, compensation claims and costs were compared to those in other port areas in the nation, the compensation records of 23 stevedore and steamship companies were examined, the financial records of doctors handling large volumes of waterfront compensation claims were analyzed, and surveillances were conducted of a number of waterfront workers suspected of having submitted false or exaggerated claims. In June 1976, the Commission held public hearings during which the story of fraud in compensation claims in the Port was unfolded.

In order to obtain firsthand knowledge of how a fraudulent compensation claim could be submitted and processed, the Commission sent an undercover agent, posing as a claimant, through the cycle of a fraudulent compensation ring. The agent testified at the public hearings wearing a face mask and was referred to as "Agent X" so as not to reveal his identity.

Employed as a dock worker, Agent X heard discussions concerning how much money some longshoremen were making from filing false compensation claims. After letting it be known that he was in need of funds, the Commission investigator was advised by longshoremen that he could make several thousand dollars by fabricating an accident and filing a fake claim and was furnished the name and address of a Workmen's Compensation claims representative to use.

In early 1976, the agent faked an accident and filed a report with the pier that he had injured himself. He then went to see the claims representative whose name he had received. He was seen by the representative's sister, who was in charge of the office at the time. After telling the representative's sister that he had injured his lower back, although, in actual fact, he was in good health, he was advised by her that it would be better to also claim injuries to his right hip and right shoulder and that it might be necessary for him to put on "an act" with respect to these "injuries". She told him that although his claim would start as a state claim, they would try to make it a federal case since there was more money to be made from such cases.

The claims representative's sister instructed him to go to the office of a particular doctor (who practiced in a two-doctor professional medical corporation), and gave him a form which she had filled out, stating that his injuries were to his back, right hip and right shoulder. Agent X then visited the doctor who did not ask him anything at all about his injuries and, instead, during his "examination" discouraged the agent from moving his right arm and legs in such a way as would be inconsistent with the claimed injuries. The doctor dictated into a tape recorder that the agent had pain in his right shoulder, hip area and lower back. The agent was also given two prescriptions and instructed by a clerical worker in the doctor's office to return in order to start "treatments".

Agent X then began a course of diathermy treatments, all administered by persons in the doctor's office not licensed to administer such treatments, including a secretary-receptionist, a clerical worker and a man who previously worked as an appliance repairman. While he was scheduled for 43 visits, he actually made only 37 visits, but was instructed to sign for the additional six visits so that the doctor could bill the compensation insurance carrier for those visits as well.

After being notified that he had to appear for an examination by an insurance company doctor, the agent was briefed by the claims representative handling his case how to feign pain in his lower back: "He indicated on his left side starting off here, the pain comes across like this, right down your leg and sometimes right across into the groin. He says you tell him it is not a sharp pain. It is more like a burning feeling, like someone laying a hot poker right on top of you."

As of the date of his testimony at the Commission's public hearings, Agent X had received payments totaling over $1,200 as compensation for injuries that were entirely fictitious but which were described in a form filed with the New York State Workmen's Compensation Board by the doctor-partner of the doctor he was referred to as: "Diagnosis: Traumatic derangement of the right shoulder. Lumbar sacral sprain and sprain of the right hip."

Both the doctor Agent X was referred to and the doctor-partner who signed the false report on the injuries refused to testify at the Commission's public hearings on the ground of self-incrimination. The books and records of their professional medical corporation, subpoenaed by the Commission staff, revealed cash receipts for 1975, calculated upon the basis of deposit slips, of over $309,000. The secretary-receptionist of this medical corporation testified that about 75% of the patients of these doctors were Workmen's Compensation claimants.

Another subpoenaed doctor, with a large Workmen's Compensation practice, also refused to testify on the ground of self-incrimination. His bank deposits, according to records subpoenaed by the Commission, were over $400,000 in his most recent fiscal year. The employees working in his office as therapists were also not licensed as such. In fact, one longshoreman, revealed by the investigation to be a fraudulent claimant, stated that he would go to this doctor's office three times a week where he administered heat treatments to himself, for which the doctor billed a self-insured stevedore company.

As part of the investigation, Commission special agents were assigned to surveil and photograph the activities of a number of waterfront workers suspected of compensation fraud. Some of the frauds exposed were:

- a longshoreman claiming a lower back injury was observed riding a bicycle, working in his backyard, strenuously starting a lawnmower, and regularly driving a 160 mile round trip to his doctor and then running across the street from his parked automobile to his doctor's office;
- a checker, who claimed that a fall on the pier aggravated a prior back injury, was photographed by a private claims investigator driving golf balls, and golf club records subpoenaed by the Commission showed that during the period the checker was on compensation he played in excess of 60 rounds of golf;
- a dockworker, who also held employment as a fireman in Jersey City, New Jersey, worked regularly as a fireman and lifted weights and did calisthenics at a YMCA while on compensation for an alleged waterfront accident, and worked on the waterfront carrying banana cartons weighing 35-45 pounds each while on sick leave from his job as a fireman;
- a longshoreman, alleging an injury to his left shoulder, left arm and left knee, was photographed by Commission agents changing a flat tire on his automobile, in the course of which he used his left arm and shoulder without difficulty to jack up the car, forcefully remove the lugs on the tire and replace the tire; and
- a pier worker, with a long history of compensation claims, while professing injuries to several parts of his body and while away from the piers on compensation for these injuries, was observed doing heavy labor in the construction of a garage.

The Commission investigation also established that the closing down of a pier was usually accompanied by a phenomenal increase in the filing of compensation claims and that an unusually large number of claims were filed for vacation months when claimants were able to use the tax-free compensation payments to supplement the regular pay received while on vacation.

After the Commission investigation was initiated in early 1976 and publicly announced, there was a remarkable decrease in compensation claims throughout the Port. In February, March and April 1976, some Brooklyn piers showed more than a 75% decrease in such claims. In the first full six months of the investigation, accidents resulting in lost days at work were reduced by over 42% at the piers in Brooklyn, over 37% at the piers in Manhattan and over 15% at the New Jersey piers, with the over-all reduction for the harbor being in excess of 33%. The Commission estimated that if the portwide decrease continued for the following six-month period, the savings for the industry would be in excess of $8,000,000 for the year.

At the end of its fiscal year, the Commission was preparing regulations and a remedial action program based on the findings of its investigation in order to maintain its vigilance in this field upon a regular ongoing basis.*

**In December, 1976, the Commission issued a detailed report and recommendations to the Governors and Legislatures concerning the investigation.*

Commission Accountants
Reviewing Audits of Business Records





Commission Police Check Truck at Pier

Truck Shakedown Investigation

Another Commission investigation was concerned with a practice of pier personnel extracting monies for special privileges granted trucking firms, particularly for expediting the movement of trucks on and off the piers.

Last year the Commission reported that it had revoked the registration of a dock boss in Port Elizabeth, New Jersey, who was charging truck drivers $5 to $10 a vehicle to allow them to "jump" the truck lines and obtain preferential entrance to the pier. It was estimated that this racket netted the dock worker $400 to $500 a week, in addition to the $19,000 a year he earned on the pier. The investigation in that case was expanded to a port-wide inquiry and resulted in public hearings conducted by the Commission on the practice.

The books and records of 44 trucking companies who delivered or picked up cargo at the piers were subpoenaed and examined by a staff of Commission accountants and lawyers. In a number of instances, the company records revealed disbursements to pier personnel. The Commission's chief accountant testified at the Commission's hearings that the petty cash records of ten trucking firms showed payments for one year at various piers totalling $170,000.

The general manager of a cargo container truck service located in Staten Island, New York, admitted under oath in the investigation that his company allotted $88,000 a year for payments to the labor and dock bosses and "even the guards at the gate." The retired expeditor for a trucking firm testified that for 13 years he routinely paid off dock bosses to "get our trucks out of there in a hurry." A pier guard acknowledged that he was paid $5 a week to permit certain trucks to move ahead of others in Port Elizabeth and estimated that the dock boss at the same pier collected between $300 and $500 a week from truckers. One trucker testifed that the $5 fee he was paying at a particular pier was doubled by the dock boss and that when his company showed reluctance in paying that amount the dock boss 'finally settled on two trucks for $15."

While a number of truck drivers and trucking company officials admitted making payments to pier personnel, all of them claimed that they were unable to identify the recipients of the payments. The Commission investigation is continuing to ascertain the pier personnel involved in this racket in order to take disciplinary action against their registrations and licenses.

Sharing the Swag

The utilization by the Commission of an undercover agent in its exposure of the port-wide racket of phony compensation claims also aided in curtailing the wholesale pilferage of a pier. While employed at the terminal, the investigator observed numerous waterfront workers walk away with such varied cargo as cowboy boots, liquor, perfume, cheese and hair dryers. In several cases the dock workers shared the "loot" with the Commission agent. Twelve longshoremen, eight checkers and a pier guard were accordingly charged by the Commission with misappropriating property from the pier. Administrative hearings have been scheduled to determine whether their registrations to work on the pier should be suspended.

Double Trouble

The constant alertness of a team of special agents paid off one morning in Brooklyn when they arrested, in a matter of hours, two sets of thieves hauling away their loot at different locations. In the first case, the officers became suspicious of two men wheeling a dolly loaded with liquor from a hallway near the Brooklyn waterfront. A quick investigation disclosed that the liquor was part of a $5,000 burglary of whiskey taken from a nearby liquor store the night before. A few hours later, while taking a lunch break, the agents noticed two other men carrying cartons away from the docks. The cartons were found to contain imported clothing stolen from the piers and these thieves were also arrested.

Fingering Thieves

The Commission's special agents and police officers, who are vested with police officer powers in both the States of New York and New Jersey, made 125 arrests during the year, including 96 for thefts from on and off the piers.

An intensive investigation in New Jersey enabled Commission officers to recover $10,000 worth of work gloves stolen from Port Elizabeth a few days before. The gloves, part of a $17,000 theft, were located in a luncheonette in the nearby city of Elizabeth where one of the agents, posing as a customer, purchased a pair for fifty cents, well below the normal retail price. The investigation led to the arrest of seven persons: a checker at the pier, the head of a trucking firm and one of his drivers, the owner of the luncheonette and two of his employees, and the owner of a shop next door, where 32 of the stolen cartons were recovered.

Fire Power

A Commission undercover agent, attracted by the peculiar movements of a man on a Brooklyn pier, initiated an observation and witnessed the man dragging a carton to an automobile. Although, when questioned by the agent, the dock worker maintained that the carton contained "fireworks", a search of the box revealed 95 starter pistols, which are readily convertible into deadly weapons.

Waterfront Commission Administrative Hearing (A Simulation)



Stevedore Fraud

The Waterfront Compact between New York and New Jersey requires the licensing by the Commission of stevedore companies engaged by carriers of freight by water to move waterborne freight in the Port. These licenses must be renewed every two years and the licensee and all members, officers and each stockholder owning five per cent or more of the stock of a corporate licensee is required to possess good character and integrity.

This year the Waterfront Commission charged five affiliated stevedoring companies and their president with committing fraud and deceit at a Commission investigatory proceeding in connection with an alleged acceptance by the president of $100,000 from a representative of a shipping company for unloading vessels during a general longshoremen's strike several years ago in Atlantic and Gulf ports. The five waterfront firms, seeking to have renewal licenses issued them by the Commission in order to continue operating in the Port of New York-New Jersey, were also charged with failing to disclose the receipt of the payments of $100,000 in the renewal applications filed with the Commission.

Testimony in the administrative hearing being conducted on these renewal applications has commenced.

The Hidden Interest

The Waterfront Compact also requires that every "real party in interest" of a stevedore company applying for a license be disclosed and identified in the application submitted to the Commission for a license.

During a Commission examination into the container repair business, an industry that has dramatically expanded in the past ten years with the increased use of maritime cargo containers, it was ascertained that the president of one of these companies had a hidden proprietory interest in a company which had been issued a temporary permit as a stevedore to perform the inspection of imported meat in the harbor. In addition, the Commission inquiry uncovered that this individual was also a trustee of a union representing longshoremen, as well as an employee of another stevedore licensed by the Commission. It was discovered that he purchased his interest in the meat inspection company for $10,350 and sold it a year later for $36,000, at a profit of almost 350%, at a time when the company had been operational for only a few months and its stock had no real market value.

At an administrative proceeding to determine whether to issue the meat inspection company a permanent license, the Commission charged the company with fraud in failing to disclose the hidden interest. The company was also accused of failing to possess good character and integrity since its president and principal stockholder had been twice convicted of gambling, one such conviction resulting in a term of imprisonment for eight months.

The Commission fined the meat inspection company $15,000 and revoked the hiring agent license held by the president and principal stockholder of the company. The Commission order also compelled the president and principal stockholder of the company to divest himself of all interest in the company.

A Questionable "Fringe" Service

Several years ago, the Legislatures of New York and New Jersey expanded the licensing and investigatory jurisdiction of the Commission over companies performing work incidental to the movement of waterborne freight, such as cargo storage, the repairing of containers, cargo weighing and the maintenance of piers and pier equipment. The need for this increased authority was twofold: (1) persons working for these firms, who were not screened and registered as were longshoremen, had access to the same cargo as longshoremen, and (2) the Commission was increasingly concerned that persons operating some of these firms did not possess the "good character and integrity" required of those waterfront operators who were licensed by the Commission. Since the entactment of this legislation, a number of the companies performing these waterfront "fringe" services have been denied licenses by the Commission, some for having organized crime connections.

This year, as a result of a joint investigation by the Commission and a District Attorney's office in New York City, a labor shop steward at a marine repair company licensed by the Commission, who had been denied registration by the Commission because of recent high misdemeanor convictions for possession of a weapon and receiving stolen property, was indicted, together with a licensed hiring agent — pier superintendent of another marine repair firm, for preparing false documents upon which the second firm was making payments for the repair of waterfront containers. In addition, the Commission instituted an administrative hearing to determine whether the license of the hiring agent — pier superintendent should be revoked.

Cargo Security Surveys

Since its creation, the Waterfront Commission has been consulted by various stevedore companies, steamship lines and other operators of waterfront facilities on the means and techniques to provide increased security of cargo. Its advice on how best to guard against the theft of expensively laden cargo containers has played a major part in reducing the incidence of such thefts from some fifty annually six years ago to the current low of one or two a year.

The Commission has long been recognized as expert in the field of cargo protection, not only by persons and companies doing business in the Port of New York-New Jersey, but also by the various governmental agencies in charge of other ports throughout the world. In fact, Commission personnel, under grants from other ports, have conducted a number of security surveys for other harbors in the United States, and during this year, have lectured on cargo security (as well as other aspects of organized criminal activities) to police officers from throughout New York State at an organized crime course funded by the Federal Law Enforcement Assistance Administration and to delegates at the Sixth Annual Convention of the International Association of Airport and Seaport Police.

This past year, the Commission initiated a program of formal and extensive security surveys of the waterfront terminals in the harbor. Twenty-one piers and terminals were thoroughly inspected to uncover defects in all aspects of cargo security. The surveys covered such matters as fencing, lighting conditions, the pickup and delivery of cargo by truck, the proximity of employee automobiles to cargo areas, the use of cribs and security rooms for high value cargo, the securing of cargo containers, the identification and photographing of truck drivers entering the piers, inspection procedures, and safeguarding and controlling cargo documents.

The Commission has issued a comprehensive report of each such survey to the chief management official of the company operating the facility surveyed. These reports analyze the security at the terminal, include photographs of particular security defects, and propose in-depth practical recommendations for the improvement of cargo protection. One of the prime purposes of the surveys is to stimulate management interest, for the Commission has too often found a passive approach on the part of management to cargo security. Another purpose is to develop a continuing and professional relationship on the part of the persons responsible for the protection of cargo with law enforcement agencies.

The efforts of the Commission in this field, which are continuing, have been appreciated by many waterfront terminal operators. One operator wrote the Commission: "The survey was thorough and to the point. With only a few exceptions we can — and we shall — implement all suggestions made. They were most helpful to us." And the president of one of the major stevedoring companies in the Port advised the Commission: "The recommendations made in your report were realistic, and as of this date, several have been implemented (specifically, the use of a key log, use of a door seal log, removal of debris piled near the fence, replacement of inoperative lights, and fence repairs).".

Regularization of Longshore Employment

The Commission's "decasualization" system of removing casual labor has been in operation since June, 1955. Twice each year those longshoremen who have failed to work or seek work the minimum number of days required by the Commission's Regulations (currently 48 days in each half-calendar year, distributed at least 8 days to each month during at least 5 of the 6 months) are notified that they will be removed from the Register unless their failure to work or seek work was occasioned by ill health, military service or other good cause. Those who fail to establish good cause within a designated period of time are then stricken from the Register. This year 350 persons were so decasualized.

Administrative Proceedings

Since the establishment of the Commission, it has processed 132,915 applications for licenses and registrations submitted by individuals and companies to work or operate in the harbor. Each application and accompanying background information is thoroughly reviewed by Commission license examiners and those applicants with serious criminal convictions are referred to staff attorneys for further investigation.

In accordance with the provisions of the Waterfront Compact, no license or registration is denied without the applicant having an opportunity for a full administrative hearing, at which he may be accompanied and represented by counsel and present evidence in his own behalf. Similarly, no license or registration issued by the Commission is revoked or suspended without the licensee or registrant having the right to an administrative trial. Even after a Commission determination which may be adverse to an applicant, licensee or registrant, there are several types of petitions which may be submitted to the Commission for

reconsideration of its action, for restoration of the license or registration, or for leave to reapply. Further, the action of the Commission in denying any application or in suspending or revoking a license or registration is subject to judicial review by the courts of New Jersey or New York.

This year, the Commission held 174 administrative proceedings, as well as 43 summary proceedings in which the licensee or registrant admitted the charges and waived formal administrative hearing. In addition, the Commission considered 96 petitions.

Administration

At the conclusion of the fiscal year, Leonard Newman was appointed as Executive Director, succeeding William P. Sirignano, who retired after twenty-three years of service with the Commission to enter private industry. Mr. Newman joined the Commission after holding office as First Deputy Commissioner of the Division of Criminal Justice Services of New York, where he was in charge of the Office of Special Services, including the Bureau of Municipal Police, the Prosecutorial Technical Assistance Unit and the Juvenile Justice Institute. Prior thereto, he served as an Assistant District Attorney in New York County for 32 years, the last 8 of which as Chief of the Frauds Bureau. Mr. Newman is a graduate of the College of the City of New York and received his legal degree from New York University Law School.

Jerome J. Klied, formerly Assistant to the Executive Director, was appointed Deputy Executive Director. Gerald P. Lally, previously Commission Counsel, was designated as General Counsel. Marvin Weissman was appointed Chief Accountant.

The year witnessed the retirements of a number of devoted and dedicated employees whose service will not be forgotten: Louis D. Olins, Julia Larsen, Edward P. Blaski, Gerald V. Clarke, Raymond R. Tyne, Michael F. Cleary, Constance D. Salvato, Mary E. Noll, Herbert Siegel, John G. Barrett, Edward Margolin and Walter Arm.

The Commission notes with deep sorrow the deaths of George DeAngelis, a Special Agent, and Michael Finn, a Validating Clerk, both with records of long and honorable service to the Commission and the public.

* * *

As in past years, the Commission has received full cooperation in its operations and responsibilities from other law enforcement agencies, not only in the New York and New Jersey port area but also, when occasioned, from other sections of the nation. This teamwork concept is emphasized by the Commission's participation in a Federal Strike Force. The Commission takes this opportunity to extend its gratitude to such cooperating agencies, as well as to the various civic and community organizations which throughout the years have cooperated with and supported the Commission in its efforts to improve the stature of the Port.

CONCLUSION

Since its creation, the Waterfront Commission has constantly and energetically used its regulatory authority to improve the stability and security of the harbor and thus enhance the well-being of the people of the States of New York and New Jersey, who are in large measure dependent upon a prosperous Port. While much has been achieved in eradicating those criminal and economic evils which have plagued the harbor, continuing vigilance must be maintained to ensure that they do not recur. The Commission is presently focusing on the more sophisticated business types of crimes, which ultimately result in higher costs to the consumer, such as overbilling, bribery and monopolistic practices.

The Commission finds and determines that, in order to preserve and continue the gains realized in the Port, public necessity still exists for the continued registration of longshoremen, the continued licensing of the occupations and employments required to be licensed by the Waterfront Commission Act and amendments thereto, and the continued public operation of the Employment Information Centers provided for in Article XII of the Compact.

Respectfully submitted,

JOSEPH KAITZ
Commissioner for New York

RALPH C. DeROSE
Commissioner for New Jersey

Commission Actions

COMMISSION DETERMINATIONS — Year Ended June 30, 1976

APPLICATIONS AND REVOCATIONS

	Denied	Granted	Revoked	Revoked L/R	Suspended	Reprimand	Dismiss Charges	Suspend P/H	Totals
Longshoremen	1	0	2	33	8	3	0	2	49
Checkers	0	0	2	8	3	1	0	3	17
Hiring Agents	2	0	2	0	0	0	0	1	5
Port Watchmen	27	7	3	22	4	1	0	1	65
Pier Superintendent	2	1	1	0	0	0	0	1	5
Stevedores	1	0	2	0	0	0	0	0	3
Maintenance	15	5	4	6	0	0	0	0	30
Totals	48	13	16	69	15	5	0	8	174

PETITIONS — Year Ended June 30, 1976

	Denied	Granted	Totals
Petitions for Reconsideration	13	10	23
Petitions for Leave to Reapply	3	6	9
Petitions for Rehearing	14	0	14
Petitions to Withdraw	0	2	2
Petitions to Remove Ineligibility	0	5	5
Petitions for Restoration of Registration	30	13	43
Petitions to Vacate Temporary Suspension	0	0	0
Totals	60	36	96

DIVISION OF LAW — Year Ended June 30, 1976

Investigations Received	170
Investigations Completed	215
Recent Arrests Received	59
Recent Arrests Completed	71
Petitions Received	59
Petitions Completed	61
Witnesses	743

DIVISION OF LICENSING — Year Ended June 30, 1976

Applications investigated and processed	408
Witnesses and applicants questioned	601
Summary Proceedings completed	4
Petitions	42
Investigations conducted and completed	98
Requests for Reinstatement for Withdrawal and Decasualization	120
Total Hearings ordered by the Licensing Division	48
Total Hearings conducted and completed by the Licensing Division	43
Probationers Reviewed	27

DIVISION OF LAW ENFORCEMENT — Year Ended June 30, 1976

Arrests and Apprehensions	
for theft	96
for gambling	23
for other offenses	6
Total	125

WATERFRONT COMMISSION
EMPLOYMENT INFORMATION CENTERS

Showing Comparison of Hirings for the years ending June 30th 1975-1976 and 1974-1975.

Center and Location	Piers and Areas	HIRINGS 1975-1976	HIRINGS 1974-1975	Increase or Decrease	% Change	% Share of Port Employment 1975-1976	% Share of Port Employment 1974-1975
Manhattan Center 261-281 Hudson Street	Manhattan	127,041	150,658	−23,617	−15.68%	05.79%	06.28%
Brooklyn Center 5914 3rd Avenue	Brooklyn Port Authority Piers	929,890	1,187,064	−257,174	−21.66%	42.40%	49.49%
10 — Staten Island 22 Wave Street	Staten Island	85,300	72,979	+12,321	+16.88%	03.89%	03.04%
11 — Port Newark 117 Tyler Street	Port Newark and Port Elizabeth Perth Amboy	846,901	712,032	+134,869	+18.94%	38.62%	29.68%
Hudson County*	Jersey City and Bayonne Hoboken, Weehawken & Edgewater	204,026	275,857	−71,831	−26.04%	09.30%	11.50%
TOTAL — NEW JERSEY		1,050,927	987,889	+63,038	+06.38%	47.92%	41.18%
TOTAL — NEW YORK		1,142,231	1,410,701	−268,470	−19.03%	52.08%	58.81%
PORT WIDE TOTALS		2,193,158	2,398,590	−205,432	−08.56%	100%	100%

* 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

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Longshoremen	2,926	2,141	3,189	1,640	1,566	1,283	3,107	1,557	1,846	4,810c	1,741c	1,196c	1,126c	1,192c	1,093c	1,087c
Checkers	265	134	613	171	453	286	276	320	516	1,233	87	0	2	0	2	0
Pier Guards[a]	335	168	321	199	418	2,081	472	699	1,014	858	512	612	573	404	470	516
Pier Superintendents	73	84	176	41	37	47	73	116	57	131	82	67	60	74	66	98
Hiring Agents	107	119	103	66	51	127	92	169	66	172	139	69	63	77	68	75
Stevedore Companies[b]	0	36	1	29	0	53	5	53	7	99	32	117	19	121	20	115
TOTALS	3,706	2,683	4,403	2,146	2,525	3,877	4,024	2,914	3,506	7,303	2,693	2,061	1,843	1,868	1,719	1,891

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

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

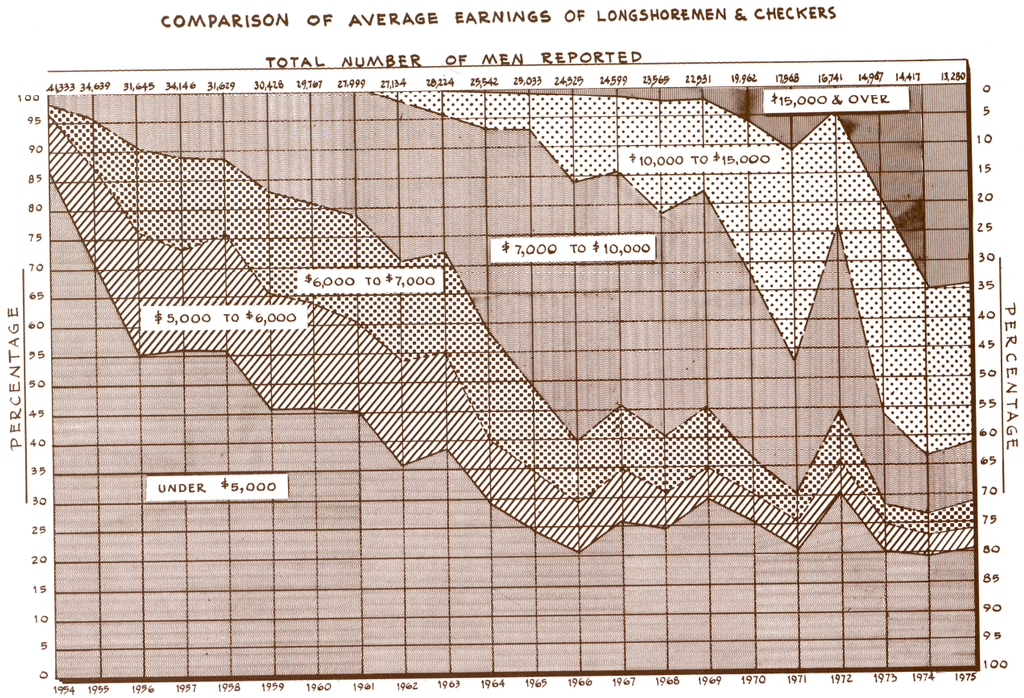
(c) Includes warehousemen, container repairmen, and other persons required to register under amendments to Waterfront Commission Act, effective September 1, 1969.

REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS

As of June 30th

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Longshoremen	22,661	22,079	22,691	20,408	19,792	19,110	18,352	17,026	16,612	17,646a	16,367a	16,006a	14,226a	13,704a	12,515a	12,237a
Checkers	4,140	4,095	4,503	4,197	4,511	4,397	4,220	4,115	4,335	3,979	3,714	3,557	2,176	3,006	2,728	2,584
Hiring Agents	589	607	609	578	565	606	631	600	559	602	605	545	493	512	427	378
Pier Superintendents	392	403	438	418	417	414	430	417	365	403	406	414	374	395	370	337
Pier Guards	3,047	1,961	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
Stevedore Companies	36	33	29	29	28	49	49	50	46	93	106	109	117	113	118	112
TOTALS	29,865	29,178	30,026	27,282	27,114	26,127	25,312	23,862	23,554	24,271	22,683	22,046	19,677	18,794	17,137	16,542

(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

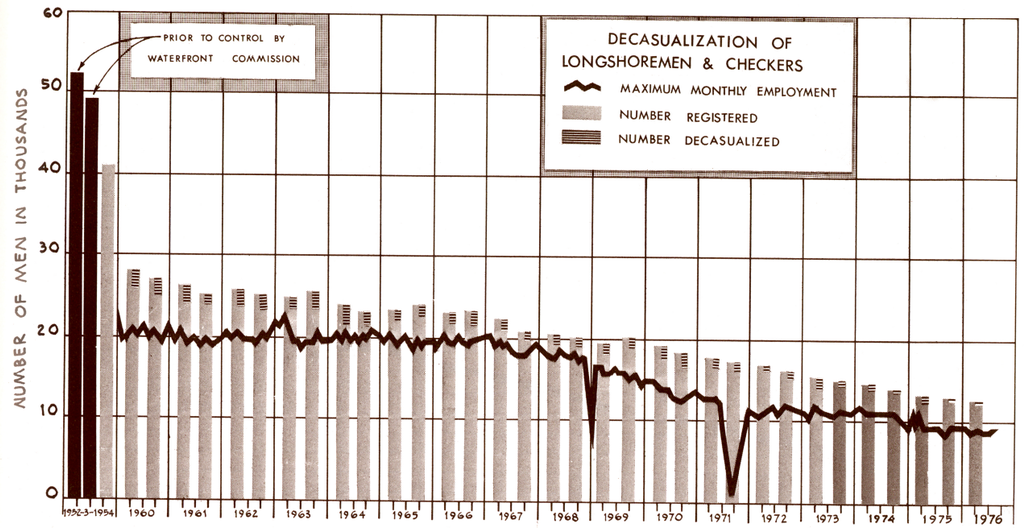
	1954	1973	1974	1975
Over $25,000	(*)	337	538	583
$20,000 to $25,000	(*)	594	983	1,048
$15,000 to $20,000	(*)	1,957	3,342	2,947
$12,000 to $15,000	(*)	3,063	2,769	2,504
$10,000 to $12,000	(*)	2,357	1,470	1,176
$10,000 and Over	(*)	8,308	9,102	8,258
$ 7,000 to $10,000	406	2,216	1,528	1,423
$ 6,000 to $ 7,000	802	614	494	437
$ 5,000 to $ 6,000	2,589	613	437	411
$ 4,000 to $ 5,000	6,330	532	445	354
$ 3,000 to $ 4,000	7,013	525	364	380
Under $3,000	24,193	2,159	2,047	2,017
TOTAL REPORTED	41,333	14,967	14,417	13,280
Total Earnings	$102,061,108.	$156,375,900.	$172,974,763.	$160,084,033.
Total Hours Worked	37,813,991.	24,435,284.	24,665,089.	20,562,063.
% Hours Overtime	24.3%	23.6%	26.8%	22.6%
AVERAGE ANNUAL WAGES**	$ 2,469	$ 10,488	$ 11,998	$ 12,055

* 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, whose fiscal year ends September 30th.

SOURCE: New York Shipping Association for fiscal year ended September 30, 1975.

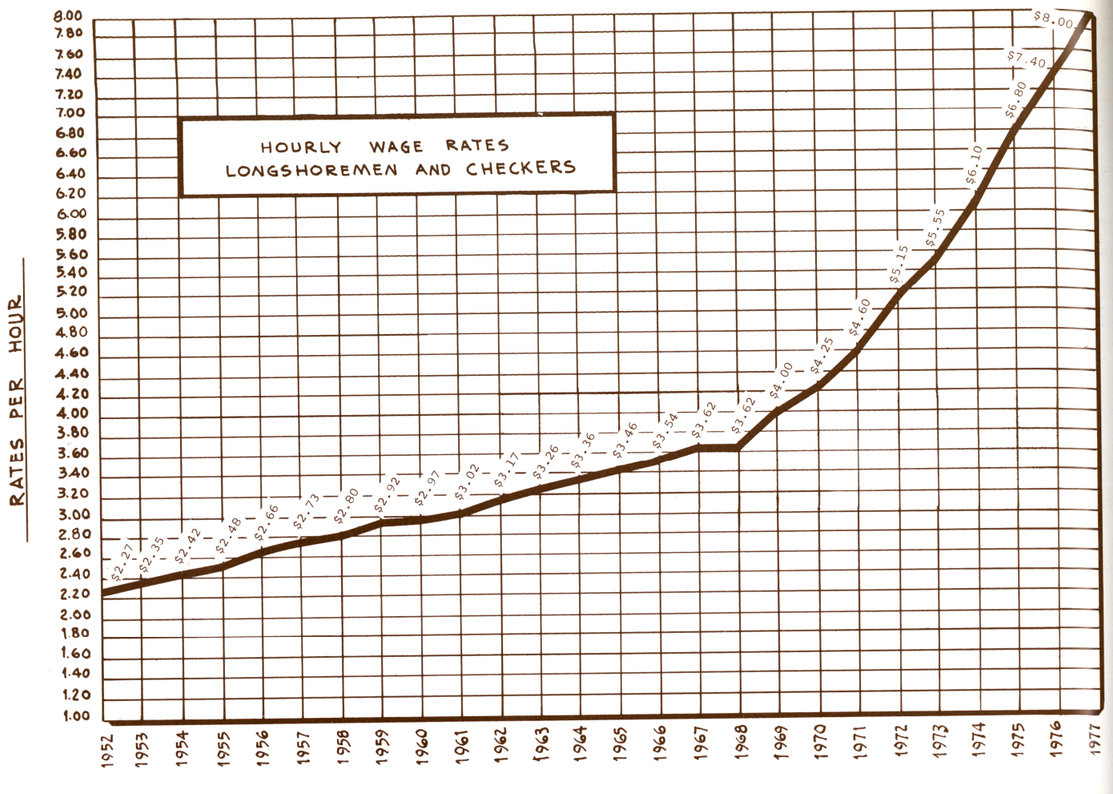


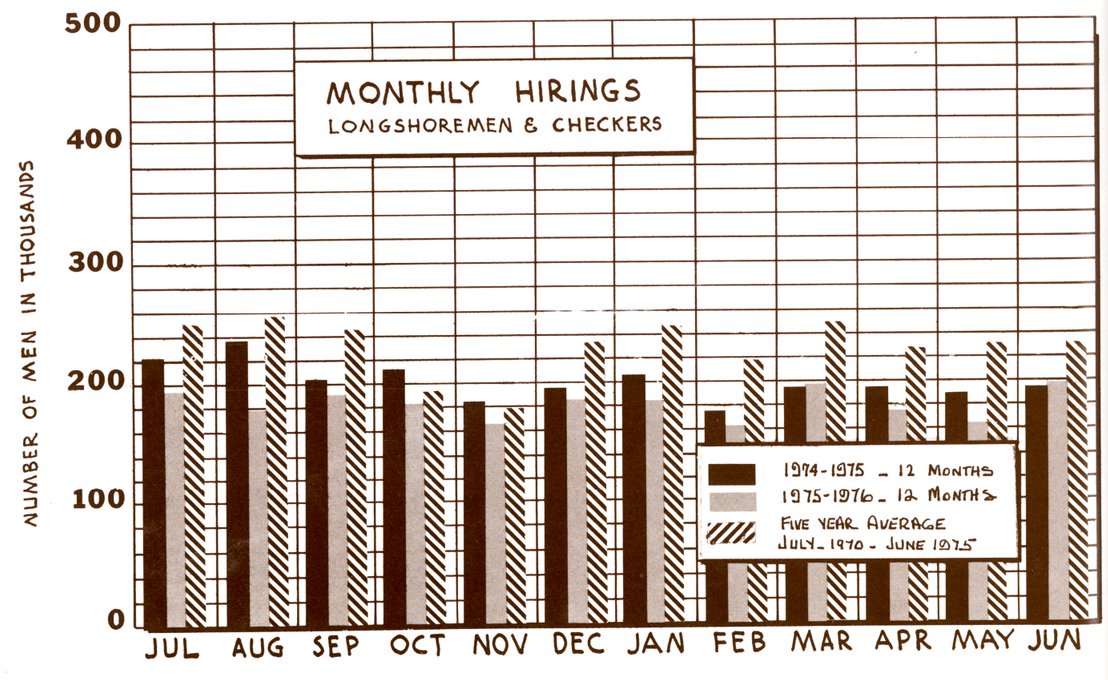
DECASUALIZATION OF LONGSHOREMEN AND CHECKERS

		Number Decasualized	Remaining Registrants
1st decasualization	June 3, 1955	7,141	31,574*
13th decasualization	May 11, 1961	1,859	26,920
14th decasualization	October 26, 1961	1,536	25,754
15th decasualization	May 10, 1962	1,498	25,758
16th decasualization	October 25, 1962	1,012	25,843
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**

*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.





WATERFRONT COMMISSION OF NEW YORK HARBOR

Statement of Cash Receipts and Disbursements

For the Year Ended June 30, 1976

Balance of funds at beginning of year:		
Cash balance (net of amounts withheld from employees' earnings)		$259,420.33
Cash in savings accounts		189,551.87
Time certificates of deposit		365,000.00
		813,972.20
Receipts:		
Assessments on employers of persons registered or licensed by the Commission — Note A	$4,852,583.90	
Interest on time certificates of deposit	33,368.48	
Interest on savings account	20,211.60	4,906,163.98
		5,720,136.18
Disbursements:		
Salaries	2,938,041.78	
Rentals	358,541.33	
Retirement, group insurance and social security taxes	1,140,232.63	
Special services and expense	48,144.52	
Communications	76,951.69	
Carfare, auto and travel expense	44,708.39	
General office expense	24,183.63	
Repairs and maintenance	48,787.52	
Furniture, fixtures and equipment	10,622.09	
Hearing officers, auditors and consultant fees	27,459.03	
Insurance	46,143.25	
Light, heat and power	42,260.61	
Printing	10,603.54	
Miscellaneous overtime expense	2,649.68	
Seniority plan costs	1,273.34	
Badge deposits — net	145.00	4,820,748.03
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	159,614.30	
Less — taxes and other withholdings from employees	37,339.00	
	122,275.30	
Cash in savings account	152,112.85	
Time certificates of deposit	625,000.00	$899,388.15

Note A — Includes $144,200.00 which was prepaid by New York Shipping Association. This amount would have been due July 15, 1976.

S. D. LEIDESDORF & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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NEW YORK, N.Y. 10017

AREA CODE 212 697-0200
TELEX: 12-5278 LEIDESDORF NYK

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, 1976. 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.

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, 1976, on a basis consistent with that of the preceding year.

S. D. Leidesdorf & Co.

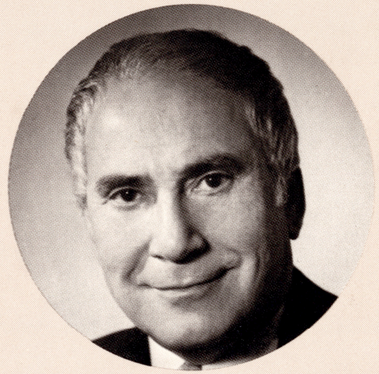
New York, N. Y.
August 20, 1976



Ralph C. De Rose
Commissioner
for
New Jersey



Joseph Kaitz
Commissioner
for
New York



Leonard Newman
Executive Director

Jerome J. Klied, *Deputy Executive Director*

Gerald P. Lally, *General Counsel*

Arthur D. Lerner, *Secretary*

Thomas F. Jones, *Director, Division of Law Enforcement*

Irving Malchman, *Director, Litigation and Review*

Leonard Maran, *Director, Division of Law*

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

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

Gemma T. Macaluso, *Director, Administration*

Elmer H. Williams Jr., *Comptroller*

Marvin Weissman, *Chief Accountant*

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WATERFRONT COMMISSION
OF NEW YORK HARBOR
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1776