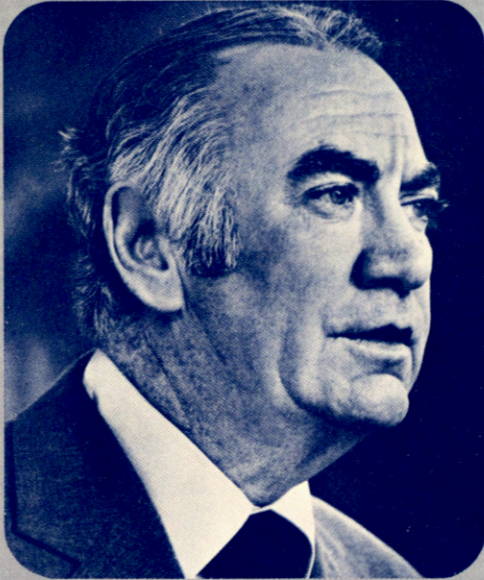




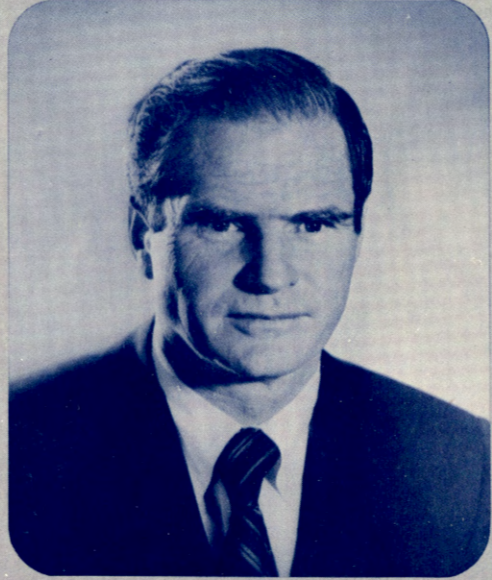
WATERFRONT  
COMMISSION of  
NEW YORK  
HARBOR

1978-1979

ANNUAL  
REPORT



*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 1978-1979, containing highlights of the Commission's activities and observations concerning its administration and enforcement of the Waterfront Commission Compact between the States of New York and New Jersey.

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# ANNUAL REPORT 1978-1979



**THE WATERFRONT COMMISSION OF NEW YORK HARBOR**

**New Jersey State Library**



It was a most eventful year in the Port of New York—New Jersey; a year in which a number of waterfront union leaders and businessmen were indicted for corrupt pier practices after an extensive federal investigation in which the Waterfront Commission assisted; and a year which witnessed women being employed as dock workers for the first time.

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## THE COMMISSION

The Waterfront Commission of New York Harbor is a bi-state instrumentality, created by a compact between the States of New York and New Jersey approved by the Congress of the United States. The only agency of its kind in the United States, the Commission has licensing, regulatory and law enforcement jurisdiction over the 700 miles of waterfront throughout the Port District; a district extending some twenty-five miles in all directions from the Statue of Liberty and covering a 1,500 square-mile radius.

The Commission consists of two members, one representing each compact state, an Executive Director as its primary executive officer, and a staff of 189. This past year, the Commission operated under a budget of \$5,396,054, while actually expending \$5,060,102, or \$335,952 under its budget. The agency's budget is reviewed and approved by the Governors of each state and is financed under the compact through assessments paid by port employers on their waterfront payrolls.

The Commissioner representing each state is appointed by the Governor of such state, with the advice and consent of the State Senate. The compact requires that the Commission act by unanimous vote of both members.

Representing the State of New Jersey is Henry N. Luther, III. In office since December, 1977, Commissioner Luther was formerly Executive Secretary to Governor Brendan T. Byrne, served as Executive Director of New Jersey's Lottery Commission and was the Mayor of Parsippany-Troy Hills in New Jersey. He is a member of the New Jersey Bar.

Appointed by Governor Hugh L. Carey, New York Commissioner Nicholas Scoppetta has been with the Commission since May, 1979. An attorney, Commissioner Scoppetta was an Assistant District Attorney in New York County, Associate Counsel to the Knapp Commission, a Special Assistant United States Attorney, Commissioner of Investigation for the City of New York under two Mayors and Deputy Mayor of New York City for Criminal Justice. Mr. Scoppetta is presently a Professor at New York

University School of Law and Executive Director of the Institute of Judicial Administration.

The Commission's Executive Director, Leonard Newman, with the Commission since July, 1976, served as an Assistant District Attorney in New York County for 32 years, the last 8 of which as Chief of the Frauds Bureau. A member of the New York Bar, he also served as First Deputy Commissioner of the Division of Criminal Justice Services of New York State, being in charge of the Office of Special Services, including the Bureau of Municipal Police, the Prosecutorial Technical Assistance Unit and the Juvenile Justice Institute.

The agency's functions and responsibilities are divided among seven divisions: Executive, Law, Law Enforcement, Licensing, Audit and Control, Employment Information Centers and Administration. The Executive Division is headed directly by the Executive Director; each of the other six divisions is under the immediate supervision of a director, and under the general supervision of the Executive Director.

The Executive Division is responsible for the administration of the Commission's operations pursuant to the policies of the Commissioners, formulates the agency's budget, prepares and reviews proposed legislation, rules and regulations, authorizes investigations as well as administrative licensing hearings and fact-finding public hearings, handles public relations, prepares contracts and leases, administers the Commission's probationary system for dock workers readmitted to the waterfront after disciplinary proceedings, and handles the litigation and legal research of the agency.

The Division of Law, in conjunction with the Commission's law enforcement and accounting personnel, participates in investigations under the Waterfront Commission Act and other laws pertaining to the waterfront and conducts administrative hearings to determine whether the licenses and registrations issued by the agency to the various categories of waterfront workers and companies should be revoked, cancelled or suspended for misconduct.

Composed of investigative special agents and uniformed police officers, as well as research personnel, the Division of Law Enforcement conducts investigations of illegal activity in the harbor, gathers waterfront intelligence, performs background checks of persons and companies applying for registration or licensing, and operates around-the-clock patrol duty on the piers and terminals within the Commission's jurisdiction. The special agents and uniformed officers have police powers throughout both New Jersey and New York.

The Compact provides that no person shall act as a longshoreman or checker in the port district without being registered by the Commission. It is further mandated that all stevedore companies, pier superintendents, hiring agents and port watchmen must be licensed by the agency. The applications for registration and licensing are processed by the attorneys and license examiners assigned to the Division of Licensing. The lawyers in this division also conduct administrative hearing proceedings to determine whether such applications should be granted or denied. Semi-annually, the division administers the Commission's "decasualization" program to remove excess casual labor from the register of waterfront workers and thus aid in balancing the port's labor supply with the needs of the employers.

The Commission's Division of Audit and Control is composed of investigative accountants who work closely with staff attorneys and law enforcement personnel to uncover criminal violations affecting the waterfront. In addition, these accountants are responsible for the auditing of the books and records of the various licensed stevedore companies and other waterfront employers to insure the proper collection of assessments.

The responsibility of the agency to supervise the hiring and assignment of longshoremen, checkers and port watchmen throughout the port, in accordance with the Commission's rules, is under the direction of the Division of Employment Information Centers. At present, the Commission operates five employment centers; one each in Manhattan, Brooklyn, Staten Island, Port Newark—Port Elizabeth and Hoboken. The former center in Jersey City was recently merged with the one in Hoboken.

The Administrative Division is composed of hearing reporters, legal stenographers and clerks for the administrative servicing of the other divisions. Personnel and other records of the Commission are maintained by this division.

## THE PORT

The Port of New York—New Jersey is the nation's leading harbor, both in the movement of foreign waterborne cargo tonnage and the dollar value of such commerce. The Port's activity is illustrated by the over 15,000 ship arrivals and departures during the year period between July 1, 1978 and June 30, 1979, and the more than 60,000 port-related jobs in the metropolitan area.

During 1978, total oceanborne foreign trade in the harbor reached a dollar value of \$36.5 billion, an increase of over 17% from the prior year, and more than twice the dollar value of the next most active American port. Foreign general cargo increased to 15.7 million tons, reflecting a recovery from the 14.3 million tons handled in 1977 occasioned by a two-month longshore strike against automated carriers. In all, over 113.6 million long tons of foreign and domestic oceanborne cargo were moved in the Port in 1978, a slight decrease of 3.7% from the previous year. Foreign bulk shipments, primarily petroleum imports, amounted to 44.9 million tons. Preliminary statistics for 1979 indicate a further increase in the value of oceanborne trade to an all-time high of \$40.6 billion, despite an 88 day tugboat strike in the harbor.

In addition to its movement of goods, the Port serves almost 400,000 ocean going passengers annually.

As of June 30, 1979, the Port's labor supply, all screened and licensed by the Waterfront Commission, consisted of 8,742 longshoremen, 2,468 cargo checkers, 2,408 container repairmen, waterfront warehouse personnel, weighers and scalers, and 750 pier guards. In addition, the agency licensed 116 stevedore companies, as well as their representatives on the piers, 357 hiring agents and 357 pier superintendents.

In the period of October 1, 1977 through September 30, 1978 (the waterfront industry's contract year), which included a two-month work stoppage against automated carriers, 11,170 registered longshoremen and checkers (excluding those persons licensed to perform services incidental to the movement of waterborne cargo) earned \$238,723,920 in wages, including overtime, guaranteed annual income, and vacation and holiday pay. These monies represented average annual earnings of \$21,372, compared to the previous year's annual average of \$21,098.

## THIS YEAR

### Investigating Waterfront Corruption

In its last Annual Report, the Commission disclosed certain aspects of its continuing investigation into improper cash payments by waterfront companies to longshore union officials and collusive conduct between stevedore firms and pier union representatives.

Other portions of the Commission's probe have now led to indictments issued by a Grand Jury in the Southern District of New York as part of a widespread federal investigation of water-

front corruption in ports along the east and gulf coasts.

In one case, Commission investigatory accountants, examining the financial records of stevedore companies licensed by the agency, uncovered payments listed as contributions to a person described as the director of a children's program in New Jersey. Other monies were recorded as being paid for tickets to a testimonial dinner for the same person. Inspection of the various cancelled checks of the firms revealed illegible second endorsements; however, the bank notations on the checks disclosed that the checks were cashed and indicated an account number in a Newark, New Jersey, savings bank. Inquiry by Commission special agents disclosed that the bank account was maintained by the president of a large longshore local operating in the Port Newark—Port Elizabeth section of the harbor and questioning of officials of the companies making the "contributions" revealed that the payments were solicited by the same union leader.

Tickets purchased for the testimonial dinner listed the address of the affair in Trenton, a location which turned out to be nonexistent. Moreover, investigation developed that the tickets were imprinted with a counterfeit printers union label. Efforts by Commission agents to identify the "director" of the alleged children's program were fruitless and suggested that no such person existed.

Staff counsel thereupon questioned the union leader, who stated that he was requested to sell some testimonial tickets and that in fact he solicited only one steamship company. However, the Commission's investigation revealed that at least ten companies had made such contributions or purchased testimonial tickets. In addition, it was uncovered that a number of stevedore companies issued checks for Christmas fashion shows made payable to a female name whose address was the same as the union leader. In all, several thousand dollars of such contributions were made.

The results of the Commission's investigation were furnished to the United States Attorney for the Southern District of New York as part of the federal investigation and, in March, 1979, the union leader was indicted by a grand jury for receiving unlawful labor payments from waterfront employers on the false representation that the money was going to a charitable cause or to a testimonial dinner. In announcing the indictment, the United States Attorney, Robert B. Fiske, Jr., expressed appreciation to the Waterfront Commission "for its continuing assistance

in the (federal) investigation" and, in particular, for providing his office with the information leading to the charges against this union official.

In a separate inquiry by the Commission of this same union president's finances, the agency uncovered \$48,000 being received by him from persons associated with the president of five affiliated waterfront firms performing stevedoring and warehouse work in the harbor. One check for \$12,000 was issued by an insurance broker and pension consultant for the companies and another check, for \$36,000, was drawn by a clothing manufacturer who was a close friend of the head of the waterfront businesses.

Entries in the personal and bank records of the union official, subpoenaed by the Commission, indicated that these monies may have been loans from the president of the stevedore firms to the union leader, whose members were employed by some of these firms. Since such transactions are in violation of federal laws regulating labor-management relations, the Commission's findings were forwarded to the federal government.

In April, 1979, the union official and the president of the stevedore companies were indicted in connection with illegal labor loans in violation of the Taft-Hartley Act. Mr. Fiske, the United States Attorney, in announcing the charges, praised the Commission for the information leading to the indictments and for its "valuable assistance to the investigation." Both defendants were convicted and received prison sentences.

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The Commission notes that several of the persons indicted and convicted in the federal waterfront investigation as a result of criminal activity in other ports had previously left the Port of New York—New Jersey after investigations of their activities by the Waterfront Commission. These included former officials of a union local established a number of years ago for the specific purposes of representing waterfront workers who were not then subject to regulation by the Commission, as well as waterfront company officials who were barred from operating in the Port because of their misuse of stevedore company funds.

### **Check With Whom You Are Dealing**

Investigating the theft of blank payroll checks from the Manhattan headquarters of a major steamship company, the Commission's Division of Law Enforcement developed information that



a salesman at a used car lot in Brooklyn had several of the blank checks for sale. Setting up a "sting" operation, an undercover Commission special agent bought six of the checks for \$210 and made arrangements for the purchase of an additional 1,000 of the blank checks by another undercover officer, posing as a buyer of stolen merchandise just in town from Chicago. When the 1,000 checks were delivered by a maintenance man who worked in the office building from which the checks had been stolen, both he and the used car salesman were arrested for possession of stolen property.

### Watch on Gambling

In another undercover investigation, Commission agents broke up a gambling operation conservatively estimated as taking in three-quarters of a million dollars annually and which extended from waterfront terminals to warehouses, factories, bars and social clubs in the South Brooklyn—Red Hook area of Brooklyn.

The focus of the probe was an assistant longshore foreman at a Brooklyn pier. During the two-month investigation, Commission undercover police officers observed the foreman taking policy numbers as well as bets on football games from pier workers and truck drivers. Also under surveillance were the owner and operator of a mobile lunch wagon, who was collecting policy plays at various factories and other establishments, a retired junk dealer, who would make gambling pick-ups at longshoremen social clubs, and a building janitor, who was collecting gambling records from "runners". When arrested by Commission special agents, the four men had over 3,000 policy plays and more than \$4,000 in their possession.

One aspect of this case resulted in a court ruling described by a New York Supreme Court Justice as "one of first impression." During the course of the investigation, a Commission police officer applied for and obtained a warrant permitting a personal search of the retired junk dealer. After his arrest and the execution of the warrant, the junk dealer moved in court to suppress gambling records found in his possession, claiming that the warrant, addressed "to any police officer of the City of New York," could not properly be executed by a special agent of the Commission. The court, in denying the motion to suppress, ruled that the warrant could be executed by any police officer having general jurisdiction to act as a police officer in the county and that, since Commission officers have police powers statewide, the warrant was executed lawfully.

### Revocation for Forgery

Action by the agency against the full time shop steward of a Port Newark longshoremen's union local for forgery in connection with waterfront activities resulted in the revocation of his longshore registration.

After an administrative licensing trial, the Commission found that the union official forged several checks payable to a waterfront worker. The worker testified that he had been incarcerated for assault and, after being released, sought several wage checks from his waterfront employer owed to him for prior work. He then learned that the shop steward had picked up the payroll checks, as well as a check issued to the longshoreman for container royalty payments under the industry's collective bargaining agreement. These checks were all cashed by the shop steward without authority.

The Commission's action bars the shop steward from the piers and terminals in the port district.

### Watch on Thefts

Cargo pilferage by longshoremen, while still a concern of the Commission, is no longer the critical problem that existed prior to the Commission's creation. Each licensed and registered dock worker is aware that theft of cargo by him may result in the suspension of his right to work and, in serious or repeated cases, the unqualified revocation of his license or registration. The effect of such Commission action is in many instances more of a deterrent to unlawful activity than fear of criminal prosecution.

Each year, a number of longshoremen, checkers and even licensed cargo guards are apprehended by Commission agents for pilferage of waterborne merchandise. In minor and first instance cases, where the registrant or licensee has admitted the misappropriation, the Commission utilizes a summary procedure in which the punishment ranges from reprimand to a 30 day bar from the docks.

Suspecting a number of registered waterfront maintenance men of removing cargo from a pier, Commission police officers established periodic surveillances of the area to which these men were assigned. One morning the agents observed several of these men unloading cartons of cargo from a maintenance truck on the terminal and pushing these cartons under the fence surrounding the pier. The cases were then placed in private motor vehicles owned by some of these workers. Six maintenance men were then apprehended by the Commission police and charged with the theft of ten cases of imported Italian wine.

After administrative hearings, the licenses of these registrants were each revoked, with leave granted to them to reapply for probationary status as longshoremen in the future.

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As part of its continuous program of curtailing thefts from the waterfront terminals, Commission special agents received information that stolen trucks, including vehicles unlawfully removed from piers, were being temporarily “stored” in an industrial area of Newark, New Jersey. Periodically checking this area, the police officers came upon a waterfront container and chassis valued at over \$10,000 parked on a city street.

Contacting various piers in the port, the agents ascertained that the container was one of five which had recently been shipped to the harbor and unloaded of its cargo of imported raisins. After the merchandise had been stripped, the container was left by a waterfront warehouse, awaiting removal by a trucking firm, when it was stolen.

The Commission police officers then established a surveillance of the vehicle from the rear yard of a nearby oil company. After 15 hours of watching, an individual, later identified as a driver for a New Jersey trucking firm, started the engine and removed the chassis and container to another location in Newark. He was then arrested for possession of stolen property.

### **Misrepresenting Work Availability**

Two years ago the Commission reported its revocation of the license of a longshoreman found to have misappropriated over \$22,000 of guaranteed annual wages payable under the collective bargaining agreement between management and labor. An investigation initiated by the Commission established that the longshoreman fraudulently represented that he was available for pier employment in the Port of New York—New Jersey (and thus entitled to guaranteed income credits when not hired) by having other persons record his presence through industry computers, while he was in fact actually living in Florida and working regularly on the Port of Miami docks.

The Commission referred the details of its investigation to federal prosecutors and this year the former longshoreman was convicted of 67 counts of using the mail to defraud. He was sentenced to six months imprisonment and fined \$10,000, with a further provision that he make restitution to the industry of the guaranteed annual income funds he misappropriated.

The monitoring of longshoremen who report themselves as available for dock employment is a continual activity of the agency. While most registered longshoremen and checkers report directly each morning to designated piers, those persons who have not received work assignments will appear at one of the Commission’s employment information centers to seek employment for the day. The workers personally appearing at the centers record their presence and availability for work by inserting their individual seniority cards in computer terminals, a process commonly known as “badging-in.” If a longshoreman or checker is not then selected for employment, he will “badge-out” to verify that he has been present during the hiring period.

The “badge-in-badge-out” system has a two-fold purpose: (1) to enable the dock worker to receive credit for a day’s availability for employment so that he may comply with the Commission’s regulations providing for cancellation of registration if a longshoreman or checker fails to work or seek work on a regular, specified basis, and (2) to grant the worker a credit entry for guaranteed annual income payments in accordance with the industry’s collective bargaining agreement (the contract guarantees 2,080 hours of pay annually, or \$19,968 last year, on condition that the worker personally appear to seek employment).

Each year some longshoremen and checkers attempt to circumvent the “badge-in-badge-out” requirements by having other persons appear in their place and insert their seniority card in the computer terminals. After having received information that a particular longshoreman was “badging-in” other longshoremen at the Commission’s employment center in Brooklyn, special agents of the Commission established a surveillance of the suspect. They followed him from his home in the early morning to the center and observed him badging-in his own card in one computer terminal and then proceeding to badge-in another card at a different terminal. He then left the center (although required to remain in person), returned after the hiring period, and then badged-out his own and another card, again at separate terminals.

After an administrative hearing, both the longshoreman who did the badging-in and the longshoreman whose card was badged-in without being present were found by the Commission to have attempted to misappropriate monies from the industry’s guaranteed annual income fund. Since it was the first such offense for each, and involved only one day’s activity, each longshoreman was suspended for a period of 30 days.



*New Police Officers Being Greeted by Commissioners*

### **Compensation Fraud**

In 1977, after issuing a report to the Governors and Legislatures of New York and New Jersey on its comprehensive probe into fraudulent Workers' Compensation cases in the Port, the Commission established a special unit to examine and analyze suspected false claims upon an ongoing basis.

In the course of investigating one suspicious claim, Commission staff counsel questioned a longshoreman who maintained that an injury to his back, caused by lifting a bale onto a pallet in late 1973, disabled him ever since, except for a few days in 1976 when he attempted unsuccessfully to return to work. Under oath, the longshoreman testified that the alleged injury prevented him from bending, climbing, lifting and stretching and that he was only capable of doing light work.

At an administrative hearing initiated to determine whether the longshoreman had committed fraud and misrepresentation during the investigation, Commission special agents testified that they had observed the dock worker on a number of occasions jogging and practicing softball, both hitting and fielding, in Central Park, when he was supposedly physically incapacitated. Unknown to the longshoreman, motion pictures of these activities were taken by the agents, and these films were introduced into evidence. At the conclusion of the proceeding, the Commission revoked the longshoreman's registration.

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### **Regularization of the Port's Labor Supply**

One of the Commission's prime functions is to maintain the number of registered dock workers in balance with the demand of stevedore and steamship employers for longshore services.

Prior to the creation of the agency, the Port experienced a vast oversupply of labor which produced irregularity of employment and inadequate earnings, as well as exploitation and extortion as the price of securing work. The legislatures of the two compact states found that not only did such conditions result in the destruction of the dignity of the longshoremen but also directly encouraged crime in the harbor.

The Commission is empowered with three separate techniques to control and balance the waterfront labor supply.

It is authorized to "decasualize" or remove longshoremen and checkers from its Register if, without good cause, they fail to work or seek work the minimum number of days mandated by the Commission's Regulations. The present rules require longshoremen and checkers to work or be available for employment at least 48 days in each half-calendar year, distributed at least 8 days each month in 5 of the 6 months. Failure to meet this standard will result in the cancellation of registration, unless illness, injury, military service or other valid cause has precluded the employee from working or seeking work. In administering its decasualization powers, the Commission may classify dock workers according to length of service and such other criteria as may be necessary, and may establish

different standards for the various classifications of longshoremen. This year, 276 longshoremen and checkers were decasualized for failure to meet the work requirements established by the Commission, excluding temporary registrants added to the work force in February, 1979 to fill emergency needs of the industry.

The Commission also has the authority to suspend the acceptance of applications for inclusion in the longshore and checker Register in order to bring the number of eligible workers into balance with the need for their employment, popularly known as "closing the Register." In determining whether the Register should be opened or closed, the Commission observes various standards and guidelines, including the encouragement of full utilization and mobility of the existing work force, the protection of the job security of persons already registered, and the effect of technological change and automation on the waterfront. At the present time, the Commission's Register is closed for permanent additions as checkers and as longshoremen performing traditional deep-sea cargo movement.

Any Commission determination to suspend or accept applications for longshore or checker registration is subject to judicial review in either compact state. No such ruling by the Commission has ever been reversed by a court.

The compact also provides that the agency may register dock workers on a temporary basis to meet special or emergency needs. This past year, the waterfront industry, both management and labor, petitioned the Commission to add 750 longshoremen on a temporary basis to fill existing and continuing vacancies in longshore labor gangs and banana work lists. A series of conferences and hearings were held in which it was represented to the Commission that, despite the fact that existing registrants were not fully employed in the Port, the needs of the stevedore and steamship companies could not satisfactorily and adequately be satisfied by utilizing those registrants.

The Commission agreed to use its special and emergency powers to temporarily register dock workers, with the labor and management board administering the industry's collective bargaining agreement referring such persons to the Commission for temporary registration. The Commission resolution permitting the temporary registrations mandated that the selection of such persons by the labor-management board be "on a fair and non-discriminatory basis and in accordance with the requirements of the laws of the United States and the States of New York and New Jersey dealing with equal employment opportunities." To insure the real need for these temporary registrants, the Commission order

provided that any such interim registration issued by the agency would be immediately cancelled if in any calendar month the registrant failed to work at least 90% of the days when the longshore gang or banana holdman list to which the registrant was assigned was ordered for employment. This requirement was subsequently strengthened to further provide for cancellation if a registrant failed to obtain employment with his assigned work gang or list at least five days a month.

Despite the Commission directive that applicants for temporary registration to be referred to the Commission be selected in accordance with equal employment and non-discriminatory provisions, the original list forwarded by management and labor failed to include any women. Accordingly, the Commission advised the industry that it was not in compliance with the Commission order and that the Commission would not proceed with registration unless both males and females were included. Thereafter, the industry did include women on the list and the Commission temporarily registered men and women for the special and emergency needs of the employers.

For the first time in the history of the Port, women were now working side by side with men in the loading and unloading of waterborne cargo. Prior to this temporary registration, no woman had ever sought registration or employment as a dock worker in the harbor. The employment backgrounds of the women were many and varied, including such occupations as carpenter, waitress, bookkeeper, secretary, plumber, switchboard operator, board of education tutor, electrician and manager of a fast food establishment.

### **Administrative Hearings**

Pursuant to its responsibility to register and license pier workers and waterfront companies, the Commission since its inception has received and processed 138,458 applications for such registration and licensing. Each application, together with accompanying background data, is reviewed by a license examiner, with those applicants having serious criminal histories being referred to staff attorneys for evaluation.

Under the provisions of the Compact, no application may be denied without prior notice to the prospective registrant or licensee and without granting the applicant an opportunity to be heard at an administrative proceeding. Moreover, any registration or license granted by the agency may not be suspended or revoked without notice and the right to a hearing.

The Commission has established a formal license hearing procedure, with Administrative

Law Judges presiding. Such hearing officers are selected from a panel of New York and New Jersey attorneys with varied legal and judicial experience. The regulations of the Commission provide that hearings be open to the public, that stenographic records of the proceeding be made, and that the applicant or respondent may be represented by counsel, cross-examine witnesses, have subpoenas issued to compel the attendance of witnesses, and present evidence in his own behalf.

At the conclusion of the hearing, the Administrative Judge prepares a report to the Commissioners, stating his findings of fact and incorporating recommendations with respect to the disposition of the proceeding. A copy of the Judge's memorandum is served upon all the parties in interest, with the applicant or respondent and Commission staff counsel granted the opportunity to submit written exceptions and argument to the report. The entire record of the hearing is then transmitted to the Commissioners for their final determination and order.

By regulation, the Commission has established several types of petitions available to applicants and respondents who receive unfavorable rulings, including petitions for reconsideration, rehearing, restoration of a revoked license or registration, and for leave to reapply. Final orders of the Commission after the conclusion of a hearing are subject to judicial review in the courts of either state in accordance with the law of such state for examination of decisions of administrative agencies.

Of the 112 final determinations of the Commission made after administrative proceedings this year, the Commission denied applications for registration or licensing in 28 cases, granted 11 applications, revoked 7 licenses and registrations, revoked another 14 with leave to reapply, suspended 48 for specified periods of time, reprimanded 3 licensees and registrants and dismissed the charges in 1 proceeding. These included 47 summary cases, a procedure developed by the Commission to enable a licensee or registrant who admits the charges in certain specified cases of less than a serious nature to waive a formal hearing and accept a penalty of no more than 30 day suspension.

The Commission also ruled on 73 petitions submitted to it, granting 28, including 13 for leave to reapply for licenses and registrations, and denying 45.

Under its authority to temporarily suspend a license or registration pending an administrative hearing, the Commission acted in 15 such matters, finding in those cases that the continuance of the registration or license pending the proceeding would be inimicable to the public peace or safety.

## Litigation

Among the court cases handled by Commission staff attorneys in the past year were the following:

*Locals 1804 and 1804-1, International Longshoremen's Association, and Cashin*  
v.  
*Waterfront Commission*  
(Appellate Division of Superior Court of New Jersey)

One of the remedial sections of the Waterfront Commission Act, designed to remove criminal elements from waterfront union office, provides that a union representing dock workers may not collect and receive dues and other monies so long as any of its officers who have been convicted of felonies, high misdemeanors, or misdemeanors involving moral turpitude, remain in office.

After the conviction in New Jersey of the Secretary-Treasurer of two locals of the International Longshoremen's Association for assault with intent to kill and assault with an offensive weapon, the Commission notified the I.L.A., as well as waterfront employers authorized to check off longshore dues for these unions, of the applicable provisions of the Act. The union official refused to vacate office and instituted legal action to bar enforcement of the Act, arguing that it had no effect until after he had the opportunity to exhaust all appeals of his conviction. It was the Commission's position that the conviction became operative under the Waterfront Commission Act at the imposition of sentence and not after the appellate process.

The Law Division of the New Jersey Superior Court found in favor of the Commission. When the union officer still refused to vacate his positions, the two locals suspended him, since monies were not being paid to the unions pursuant to the Commission's notification to the waterfront employers who check off dues.

On appeal, the Appellate Division of the Superior Court unanimously affirmed the lower court, stating:

"Like a public official, a union officer is elected by the membership and owes them a fundamental fiduciary duty. When a union official has been found guilty of one of the crimes enumerated in Section 8 [of the Waterfront Commission Act], he forfeits his right to the trust and confidence of the membership... Accordingly, Section 8 of the Act was specifically designed to remove convicted criminals from positions of power and influence in labor organizations. Viewed in light of these legislative find-

ings on the scope and nature of the problem posed by criminal control of labor organizations in the Port in New York, it is evident that the legislature intended that a union official forfeit his office immediately upon a conviction at trial and not allow him to hold office during what may be lengthy appellate proceedings.”

*N.O.W. et al. v. Waterfront Commission*  
(United States District Court for Southern  
District of New York)

Last year, after public hearings with respect to shortages of cargo checkers in the Port, the Commission issued an order permitting 200 registered longshoremen to voluntarily apply for transfer to checker status.

As reported by the Commission, this determination was challenged in a joint court action by the New York Shipping Association and the International Longshoremen’s Association, who had proposed that they select 100 men from outside the industry for checker registration, rather than have existing longshoremen advance to positions as checkers. The Commission had considered the industry’s plan as disadvantageous to the economy of the Port, since it would have had the effect of aggravating the existing guaranteed annual income situation. At that time, almost 1,000 registered longshoremen were working less than 3 weeks a year and each collecting approximately \$18,000 annually as guaranteed income. In addition, the Commission’s determination was designed to permit persons working in the industry for years as longshoremen to better their status by transferring to the relatively easier work of checkers.

The Commission’s action, as also reported, was upheld by the United States District Court for the District of New Jersey, as well as by the United States Court of Appeals for the Third Circuit. Moreover, the United States Supreme Court denied a petition by the NYSA and ILA for a writ of certiorari.

In addition to the above litigation, the New York Chapter of the National Organization For Women (N.O.W.) and five individual plaintiffs instituted a suit in federal court alleging that the agency’s checker determination discriminated against women and racial minorities. The Commission’s answer to the suit pointed out that no women had ever applied for longshore registration and therefore there were no female dock workers who could progress to checker registration and that, far from practicing discrimination, the agency had always promoted fair employment practices on the waterfront. The United States District Court denied the application of N.O.W. for a preliminary injunc-

tion and dismissed the allegation of racial discrimination.

After the Supreme Court of the United States rendered a decision in a case involving similar issues concerning the Veteran’s Preference law of Massachusetts, which ruling would obviously result in a decision in favor of the Commission in the alleged discrimination suit, N.O.W. entered into a stipulation dismissing its complaint with prejudice.

*Ricci v. Waterfront Commission*  
(Appellate Division of Superior Court of  
New Jersey)

Where a longshoreman, checker or other licensed pier worker has been charged with a felony or high misdemeanor and the Commission is of the opinion that the continuance of his waterfront registration pending the determination of a hearing to revoke or suspend such license would be inimicable to the public peace or safety, the agency is authorized to temporarily suspend the registration.

The Commission took such action against a checker who was indicted together with three non-registrants in New Jersey for conspiracy to commit extortion by threats and violence. The indictment alleged that the defendants conspired to physically harm the owner of a restaurant unless he agreed to pay 25% of his profits to them and place one of the defendants on the restaurant’s payroll for \$300 per week as a no-show employee. One of the longshoreman’s co-conspirators has been described, in a separate and unrelated indictment for waterfront racketeering in a New York federal court, as a person who by position, influence and reputation was a controlling figure with respect to waterfront related businesses and officials of the International Longshoremen’s Association.

The suspended longshoreman sought leave of the courts to appeal the Commission’s ruling, contending that the Commission’s action was unconstitutional. However, the Appellate Division of the Superior Court of New Jersey denied the motion to appeal, authorizing the Commission to continue the temporary suspension.

The longshoreman was thereafter found guilty of the criminal charges and, after a Commission hearing on the conviction, he was permanently excluded from waterfront employment.

*Basselini v. Waterfront Commission*  
(Appellate Division of New York Supreme  
Court, First Department)

In this action instituted for judicial review of a Commission determination, the plaintiff had been a registered cargo checker assigned by his employer, a Brooklyn stevedore company, as a

timekeeper to record the hours worked at the terminal by dock workers. After being convicted of a felony for forgery in the second degree, based on his alleged submission to his employer of false time sheets for other employees and subsequent forging of payroll checks issued as a result of such time sheets, the Commission revoked his registration as a checker.

The checker did not appeal to the courts from the Commission's order of revocation. However, over a period of several years, he submitted various petitions to the Commission to be reinstated to the Register. These petitions were denied by the agency and the revoked checker then instituted an action in New York Supreme Court challenging one of these denials. The court dismissed the plaintiff's petition and he then appealed to the Appellate Division of the Supreme Court.

The Appellate Division, apparently under the impression that the former checker was seeking reinstatement to the waterfront as a longshoreman but not as a checker, reversed the lower court ruling and remanded the matter to the Commission for further consideration.

The Commission then inquired of the plaintiff as to whether he desired to amend his petition to include a request for reinstatement as a longshoreman, a status which does not require as high a standard for licensing as a checker. After the petitioner responded that he only wished to return to the docks as a checker, the Commission again denied his petition. No court review has been sought from this last denial.

### Administration

The Commission notes with extreme sorrow the deaths this past year of former Waterfront Commissioner Joseph Kaitz and several long-time members of its staff.

Joe Kaitz, who retired in April, 1978, served as a Commissioner longer than any other person in the history of the agency. His outstanding career in public service spanned forty-two years and included holding the positions of Chief Investigator for the waterfront staff of the New York State Crime Commission, Director of Enforcement and Investigation of the Waterfront Commission and, for 16 years, New York Waterfront Commissioner.

As we stated when he retired, and now repeat in the sorrow of our loss of this most distinguished public servant—he will be missed.

Leonard Maran, former Director of the Commission's Legal Bureau, also died this year. Mr. Maran, who joined the Commission in 1957, after serving as an Assistant United States Attorney in the Southern District of New York,

was appointed Director in 1968 and remained in that capacity until his retirement in September, 1978.

Domenick J. Donato, a special agent of the Commission since February, 1957, whose assignments included the evaluation of waterfront intelligence, passed away in November, 1978. Prior to joining the staff, he was a detective with the New York City Police Department.

The manager of the Commission's employment center in Jersey City, Mr. Patrick M. Murphy, employed by the Commission since 1954, died in July, 1979.

Frank J. Bayer, senior clerk in the Division of Employment Information Centers, died in September, 1979, after 21 years of service.

This year also witnessed the retirement of the following employees, whose devoted service to the agency will long be remembered: Irving Malchman, Director of the Division of Litigation and Research; Thomas J. Galligan, supervising special agent in the Division of Law Enforcement; Kathryn McDougal, receptionist and chief telephone operator; and Ann Dolan, secretary in the Executive Division.

### CONCLUSION

The events uncovered by the investigations of the federal government and the Commission in the past year into waterfront corruption between certain management and union officials demonstrate that now, more than ever, the gains that have been achieved in the Port must be guarded.

To preserve the accomplishments of the Commission and to prevent retrogression to an era when waterfront labor was employed under depressing and degrading conditions, the Waterfront Commission finds and determines that public necessity still exists for the continued registration of longshoremen, the continued licensing of the occupations and employment required to be licensed under 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,

HENRY N. LUTHER, III  
Commissioner for New Jersey

NICHOLAS SCOPPETTA  
Commissioner for New York

# COMMISSION DETERMINATIONS

Year Ended June 30, 1979

## APPLICATIONS AND REVOCATIONS

	Denied	Granted	Revoked	Revoked	Sus-	Repri-	Dismiss	Suspend	Totals
				L/R	pended	mand	Charges	P/H	
Longshoremen	4	1	3	7	22	0	1	7	45
Checkers	3	0	1	0	13	0	0	2	19
Hiring Agents	0	0	0	0	0	0	0	0	0
Port Watchmen	7	3	1	4	7	1	0	5	28
Pier Superintendents	0	0	0	0	0	0	0	0	0
Stevedores	1	0	1	0	0	0	0	0	2
Maintenance	13	7	1	3	6	2	0	1	33
<b>Totals</b>	<b>28</b>	<b>11</b>	<b>7</b>	<b>14</b>	<b>48</b>	<b>3</b>	<b>1</b>	<b>15</b>	<b>127*</b>

\*includes 47 summary proceedings

## PETITIONS

	Denied	Granted	Totals
Petitions for Reconsideration	15	5	20
Petitions for Leave to Reapply	2	13	15
Petitions for Rehearing	1	1	2
Petitions to Withdraw	0	5	5
Petitions to Remove Ineligibility	3	3	6
Petitions for Restoration of Registration	23	1	24
Petitions to Vacate Temporary Suspension	1	0	1
<b>Totals</b>	<b>45</b>	<b>28</b>	<b>73</b>

## STAFF FUNCTIONS

	DIVISION OF LAW	DIVISION OF LICENSING	TOTAL
Investigations Completed	158	39	197
Recent Arrests Completed	62	10	72
Petitions Completed	27	45	72
Applications investigated and processed	2	406	408
Witnesses and applicants questioned	669	858	1,527
Summary Proceedings completed	30	13	43
Requests for Reinstatements from Withdrawal and Decasualization	4	81	85
Total Hearings conducted	84	61	145
Probationers Reviewed	27	15	42

### DIVISION OF LAW ENFORCEMENT

Arrests and Apprehensions	
for thefts	45
for gambling	6
for other offenses	23
<b>Total</b>	<b>74</b>

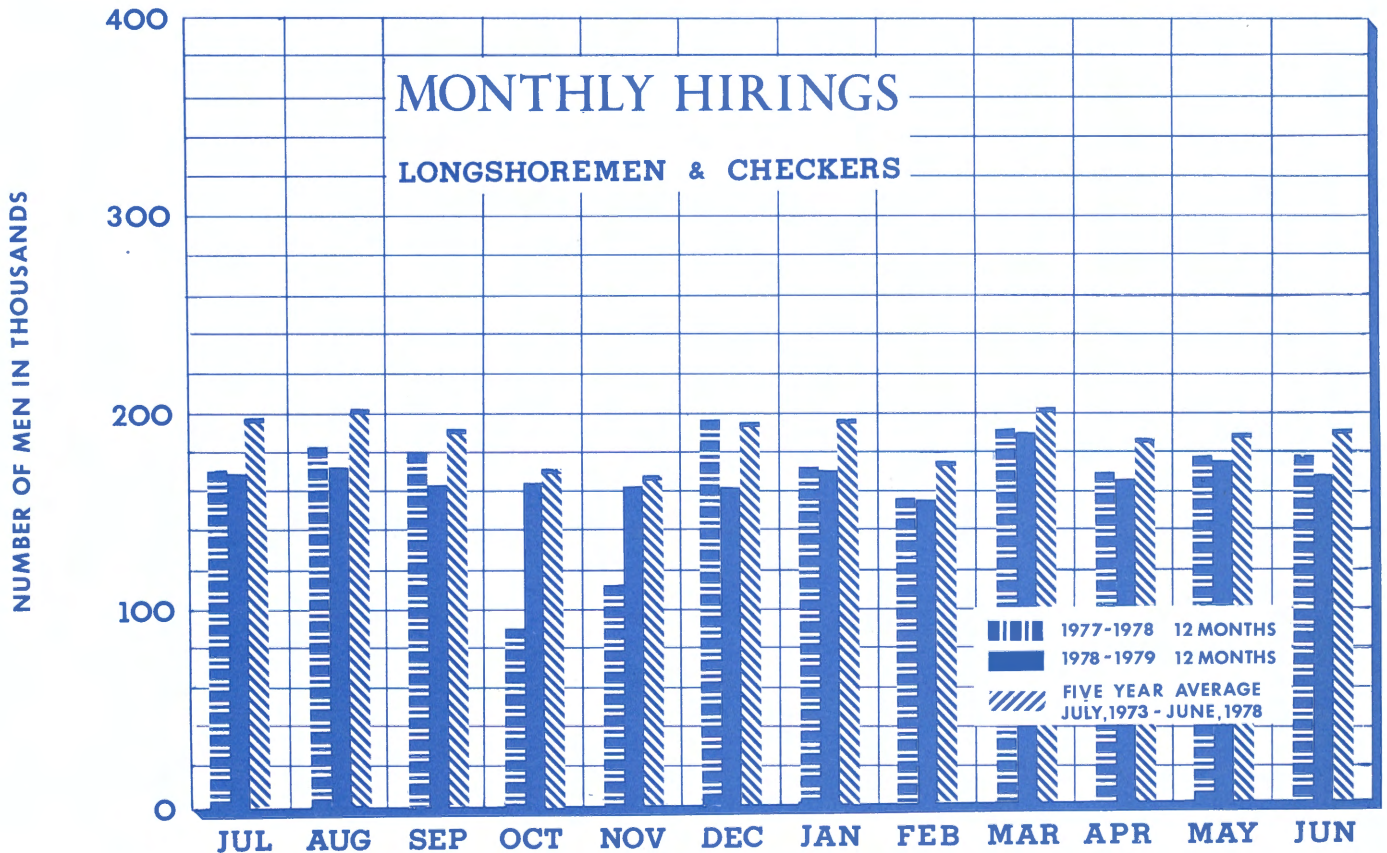
### DIVISION OF AUDIT AND CONTROL

Audits	
licensing	95
assessments	109
Investigative	29

## EMPLOYMENT INFORMATION CENTERS

Showing Comparison of Hirings for the fiscal years ending June 30, 1979 and 1978

Center and Location	Piers and Areas	HIRINGS		Increase or Decrease	% Change	% Share of Port Employment	
		1978-1979	1977-1978			1978-1979	1977-1978
Manhattan 261-281 Hudson St.	Manhattan	107,930	104,252	3,678	3.53%	5.35%	5.24%
Brooklyn 5914 3rd Avenue	Brooklyn	788,193	815,464	-27,271	-3.34%	39.03%	41.02%
Staten Island 22 Wave Street	Staten Island	85,513	78,995	6,518	8.25%	4.23%	3.97%
Port Newark 117 Tyler Street	Port Newark, Port Elizabeth and Perth Amboy	777,469	731,929	45,540	6.22%	38.50%	36.82%
Hudson County 111 Newark St., Hoboken, N.J.	Jersey City and Bayonne, Hoboken, Weehawken & Edgewater	260,409	257,406	3,003	1.17%	12.89%	12.95%
TOTAL — NEW JERSEY		1,037,878	989,335	48,543	4.91%	51.39%	49.77%
TOTAL — NEW YORK		981,636	998,711	-17,075	-1.71%	48.61%	50.23%
PORT WIDE TOTALS		2,019,514	1,988,046	31,468	1.58%	100.00%	100.00%



**APPLICATIONS AND REAPPLICATIONS RECEIVED AND PROCESSED  
DURING FISCAL YEARS**

**As of June 30th**

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Longshoremen	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>	1,656 <sub>c &amp; d</sub>
Checkers	171	453	286	276	320	516	1,233	87	0	2	0	2	0	63	431	40
Pier Guards <sub>a</sub>	199	418	2,081	472	699	1,014	858	612	612	573	404	470	516	284	407	437
Pier Superintendents	41	37	47	73	116	57	131	82	67	60	74	66	98	46	47	71
Hiring Agents	66	51	127	92	169	66	172	139	69	63	77	68	75	34	35	41
Stevedore Companies <sub>b</sub>	29	0	53	4	53	7	99	32	117	19	121	20	115	6	117	12
<b>TOTALS</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>	<b>2,257</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.

(d) Includes applications for temporary longshore registration to meet special and emergency needs.

**REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS**

**As of June 30th**

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Longshoremen	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>	11,150 <sub>a &amp; b</sub>
Checkers	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	2,468
Hiring Agents	578	565	606	631	600	559	602	605	545	493	512	427	378	369	361	357
Pier Superintendents	418	417	414	430	417	365	403	406	424	374	395	370	337	342	340	357
Pier Guards	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	750
Stevedore Companies	29	28	49	49	50	46	93	106	109	117	113	118	112	115	113	116
<b>TOTALS</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>	<b>15,198</b>

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

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

## COMPARISON OF AVERAGE EARNINGS OF LONGSHOREMEN AND CHECKERS

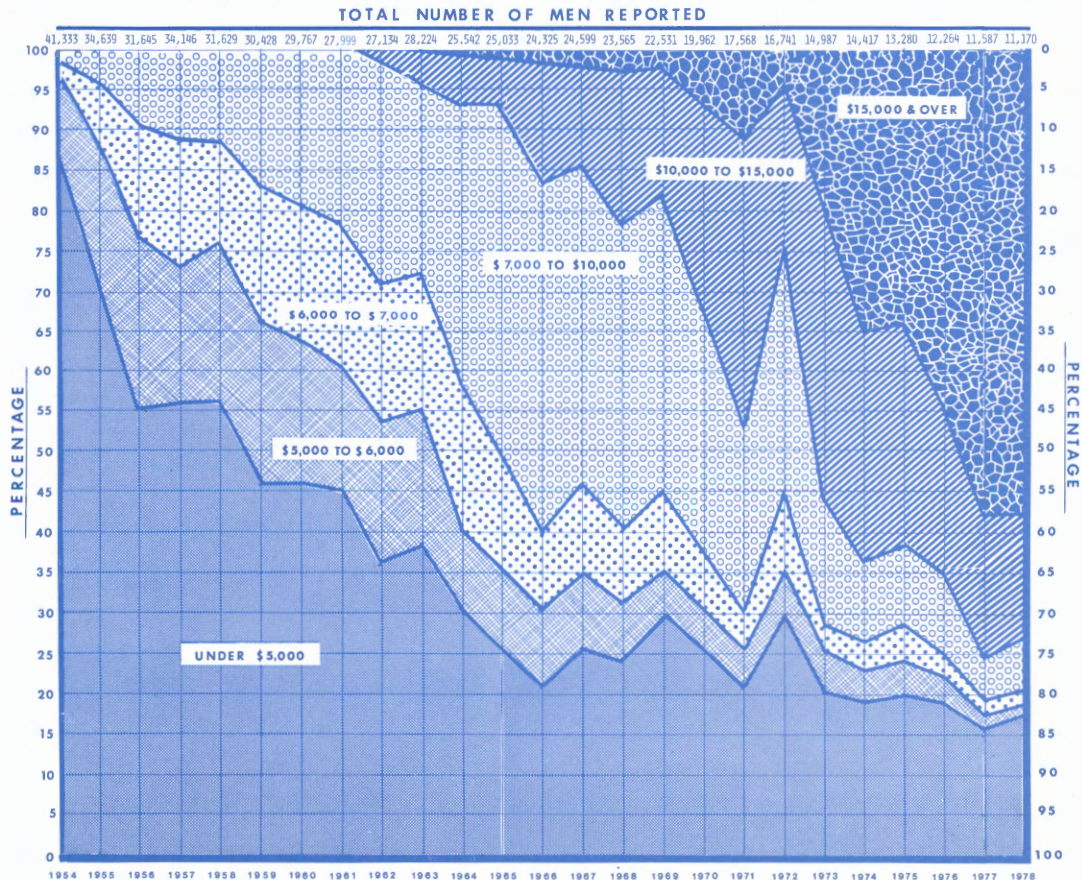
	1954	1976	1977	1978
Over \$25,000	(*)	973	1,505	1,892
\$20,000 to \$25,000	(*)	1,501	1,737	2,019
\$15,000 to \$20,000	(*)	3,051	3,406	2,559
\$12,000 to \$15,000	(*)	1,673	1,373	1,088
\$10,000 to \$12,000	(*)	824	681	529
\$10,000 and Over	(*)	8,022	8,702	8,087
\$ 7,000 to \$10,000	406	1,245	663	702
\$ 6,000 to \$ 7,000	802	360	199	246
\$ 5,000 to \$ 6,000	2,589	343	148	195
\$ 4,000 to \$ 5,000	6,330	290	200	224
\$ 3,000 to \$ 4,000	7,013	322	298	249
Under \$3,000	24,193	1,682	1,377	1,467
<b>TOTAL REPORTED</b>	<b>41,333</b>	<b>12,264</b>	<b>11,587</b>	<b>11,170</b>
Total Earnings	\$102,061,108	\$166,784,930	\$180,878,559	\$180,622,219
Total Hours Worked	37,813,991	19,694,632	19,038,879	17,761,020
% Hours Overtime	24.3%	22.5%	23.6%	26.4%
<b>AVERAGE ANNUAL WAGES**</b>	<b>\$ 2,469</b>	<b>\$ 13,600</b>	<b>\$ 15,610</b>	<b>\$ 16,170</b>

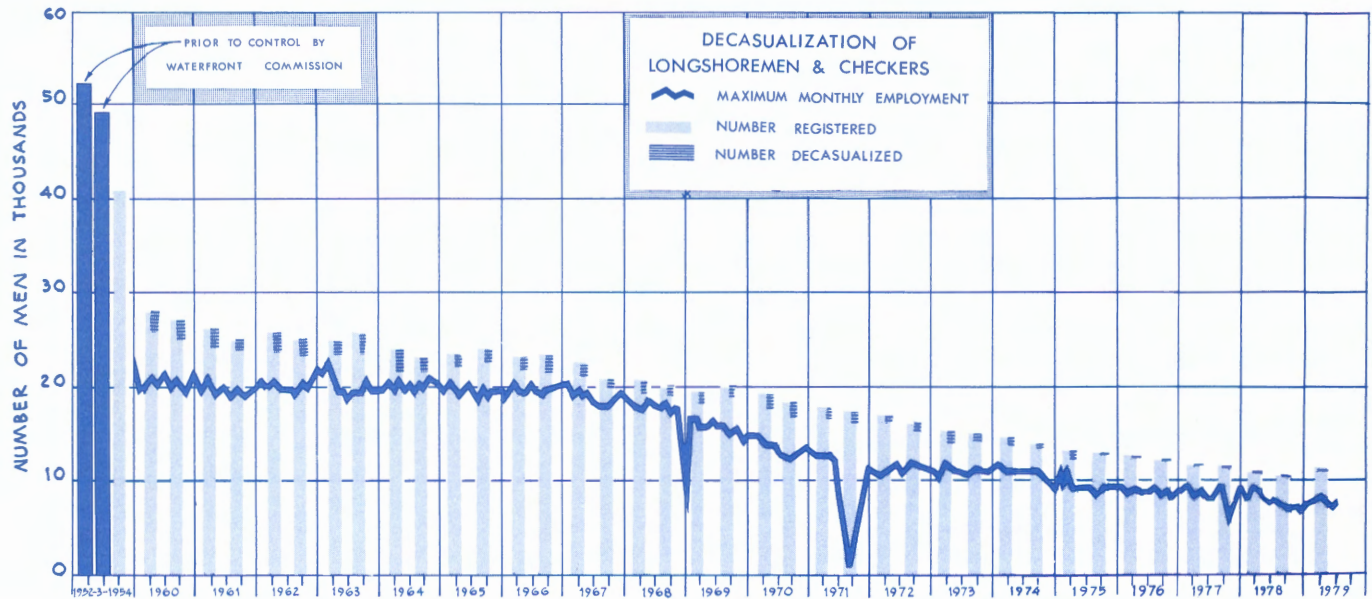
\*Records incomplete for 1954

\*\*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	31,574a
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	20,627b
31st decasualization	April 13, 1970	1,098	19,512b
32nd decasualization	October 30, 1970	1,012	18,651b
33rd decasualization	April 2, 1971	715	18,115b
34th decasualization	September 30, 1971	514	17,742b
35th decasualization	March 30, 1972	227	17,626b
36th decasualization	September 27, 1972	523	16,316b
37th decasualization	April 9, 1973	930	15,368b
38th decasualization	September 27, 1973	330	14,792b
39th decasualization	March 25, 1974	423	14,409b
40th decasualization	September 26, 1974	271	14,143b
41st decasualization	March 27, 1975	425	13,726b
42nd decasualization	September 25, 1975	156	12,962b
43rd decasualization	March 25, 1976	194	12,602b
44th decasualization	September 23, 1976	181	12,303b
45th decasualization	March 24, 1977	174	11,978b
46th decasualization	September 22, 1977	168	11,723b
47th decasualization	March 31, 1978	120	11,370b
48th decasualization	September 29, 1978	126	10,995b
49th decasualization	March 30, 1979	150	11,321b,c

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

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

c Includes 691 persons registered on a temporary basis to meet special and emergency needs.

# Ernst & Whinney

Three Park Avenue  
New York, New York 10016

212/725-0500

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, 1979. 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, 1979, 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 & Whinney*

New York, N. Y.  
July 30, 1979

#### **NOTE A—**

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

#### **NOTE B—**

In connection with an agreement providing for certain penalties assessed against a shipping company, the Commission also received \$34,161.50 to be held by it in escrow for the benefit of certain employees of the shipping company; subject to certain conditions, such amounts will be disbursed to those employees. The aforementioned \$34,161.50 plus interest thereon is not included in the foregoing statement of cash receipts and disbursements.

#### **NOTE C—**

As of July 30, 1979, there is a suit pending against the Commission by various steamship and stevedore employers of longshoremen to declare the collection from such employers by the Commission of assessments on guaranteed annual income and vacation and holiday payments to longshoremen as unauthorized under the Waterfront Commission Compact. The Commission, in a counterclaim, is seeking a declaratory judgment that such assessments are authorized. The association of such employers, in a counterclaim to the Commission counterclaim, is seeking \$3,334,528 paid in prior years to the Commission for such assessments, together with interest. The Commission, the steamship and stevedore employers and judgment, with notions are presently pending before the New York Supreme Court. In a separate and similar suit, in a United States District Court, two joint New York Shipping Association-International Longshoremen's Association funds are seeking to declare such assessments invalid and to recover \$2,039,857 from the Commission for assessments paid, together with interest. This latter suit has been suspended pending the outcome of the suit in state court. General Counsel of the Commission is of the opinion that the Waterfront Commission Compact authorizes the aforementioned assessments.

# WATERFRONT COMMISSION OF NEW YORK HARBOR

## Statement of Cash Receipts and Disbursements

Year Ended June 30, 1979

Balance of funds at beginning of year:		
Cash balance (net of amounts withheld from employees' earnings)	\$	6,773.43
Cash in savings accounts (net of badge deposits of \$8,715.00)— as restated		62,683.70
Time certificates of deposit		440,000.00
Insurance dividends and interest held by Prudential Insurance Co.— as restated		58,264.69
		567,721.82
Receipts:		
Assessments on employers of persons registered or licensed by the Commission	\$4,969,725.82	
Interest on time certificates of deposit	101,897.53	
Interest on savings accounts	5,165.13	
Penalties, fines and miscellaneous income	121,686.51	
Interest on dividends held by Prudential Insurance Co.	4,442.69	5,202,917.68
		5,770,639.50
Disbursements:		
Salaries	3,080,307.29	
Rentals	355,147.92	
Retirement, group insurance and social security taxes	1,097,154.18	
Special services and expense	45,711.17	
Communications	81,251.81	
Carfare, auto and travel expense	52,242.74	
General office expense	25,254.10	
Repairs and maintenance	59,823.65	
Furniture, fixtures and equipment	48,427.47	
Hearing officers, auditors and consultant fees	27,775.52	
Insurance	101,798.55	
Light, heat and power	65,427.34	
Printing	15,180.79	
Miscellaneous overtime expense	723.18	
State unemployment insurance	3,876.02	5,060,101.73
		5,060,101.73
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	42,253.22	
Less taxes and other withholdings from employees	44,334.42	
	(2,081.20)	
Cash in savings accounts	109,911.59	
Time certificates of deposit	540,000.00	
Insurance dividends and interest held by Prudential Insurance Co. (to be received in September 1979)	62,707.38	\$ 710,537.77
		\$ 710,537.77



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



Nicholas Scoppetta  
*Commissioner  
for  
New York*



Leonard Newman  
*Executive Director*

*Jerome J. Klined, Deputy Executive Director*

*Gerald P. Lally, General Counsel*

*Francis A. Byrne, Jr., Secretary*

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

*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  
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