

TEAMSTER HEALTH CARE CORRUPTION

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Facts and History of Corruption at the Michigan Conference of Teamsters Health and Welfare Fund

After Jim Hoffa, Jr., was dropped as legal counsel at Local 283, he and his small law firm of two partners-- began a three-year stint representing the Michigan Conference of Teamsters Health and Welfare Fund (the Fund), an \$101 million trust fund that provides health, welfare, and disability benefits to approximately 19,000 Teamster members in Michigan.

Jim Hoffa, Jr.'s opportunity for legal work at the Fund was likely influenced by his mentor Larry Brennan, a longtime supporter of a Hoffa Jr. candidacy for General President. He is the son of Bert Brennan, a partner of Hoffa Sr. in crime and business.

As the President of the Michigan Teamsters Joint Council 43, a statewide body of Michigan Teamsters' locals, Brennan has significant authority over the administration of the Fund.

Three of the six trustees of the Fund are appointed by the Brennan-dominated Joint Council, while the other three are chosen by Employers contributing to the Fund.

In 1990, Brennan also began paying Hoffa Jr. a salary as an "administrative assistant" to the Joint Council, a post which Hoffa still holds today. It is this position that renders Hoffa Jr. eligible to run as general president. Brennan's likely influence in securing legal work for Jim Hoffa, Jr., appears to fit a pattern of using the Fund to bankroll a patronage system. Hoffa Jr.'s sons, Geoffrey and David, were employed at the Fund; Brennan's son was on the payroll. Richard Leebove, who currently handles public relations for the Hoffa Jr. campaign was given work by the Fund; and George Geller, a Detroit attorney who represents the Hoffa Jr. faction in election matters and public relations, also was given work by the Fund. **In many respects, the Fund served as a slush fund for sustaining Hoffa Jr.'s longtime political associates and allies.**

Approximately 19,000 working and retired Teamsters and their spouses, children, and other Dependents rely upon the Michigan Fund to provide a critical component of a decent standard of living --health care.

As an attorney to the health care fund, Jim Hoffa, Jr., was not merely another commercial vendor. Rather, he was required to act according to the highest professional and ethical standards.

Instead, as we show below, Hoffa Jr. did literally nothing while his cronies used their members' precious health care dollars as a slush fund to finance high living at Detroit night spots, nude dancing clubs, restaurants, and golf courses. In fact, while Hoffa Jr.'s allies lived high off their salaries and lavish expense accounts from the Fund, Hoffa Jr. made his money defending the Fund against Teamster members who were trying to collect their health and disability benefits.

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Corruption at the Fund

When choosing to represent the Fund in 1991, Jim Hoffa, Jr. must have been aware of its history of corruption.

In 1986, a trustee, Richard Fitzsimmons (son of Frank Fitzsimmons, former head of the Teamsters), and the executive director of the Fund, Charles Collins, **were convicted of steering health care contracts to their business cronies in return for kickbacks**, trips, entertainment, and promises of future employment (Fitzsimmons and Collins stopped appealing their convictions in 1991).

According to court documents, Allen Dorfman-- a mobster with whom Hoffa Jr. had entered into an earlier business partnership acted as a key middleman in the rip-off scheme: "Dorfman and Schwartz [a Dorfman associate] were highly influential with Fund officials and their approval was a prerequisite for doing business with the Fund.* Demanding a cut from the businesses seeking contracts from the Fund,

Dorfman and his associate were recorded by the FBI discussing the "staggering" amount of money to be made at the Fund, noting that there "won't be enough hours...or enough places to hide the money." Dorfman was assassinated in a mob hit before he could be convicted of crimes involving the Fund

It was in this context of corruption that Jim Hoffa, Jr., and his law firm began their work for the Fund in 1991. The executive director of the Fund at that time, Gerald Wiedyk, had replaced Collins after his 1987 conviction. Wiedyk had served as executive assistant to Collins during the rip-off of the Fund in the eighties. Given Wiedyk's association with the past corruption at the Fund, anyone working for the Fund -- and especially an attorney with high ethical and professional standards -- should have been concerned about possible future wrongdoing.

Concern would have been warranted because in 1993 Wiedyk was indicted for taking \$460,000 in illegal kickbacks from a medical laboratory that did business with the Fund. According to court records, **the services provided by the laboratory were substandard, endangering the lives of Teamster members.**

Although Richard Leebove, Hoffa Jr.'s current campaign spokesperson, issued a press release for the Fund stating that the charges were "not substantiated," **Wiedyk was nevertheless convicted of the charges.** Wiedyk was receiving these kickbacks while Hoffa Jr. was working for the Fund, **a fund that prosecutors described in court as a "den of iniquity."** This characterization would prove accurate a year later.

In 1994, the Fund was once again facing legal action. The U.S. Department of Labor (DOL) forced the Trustees of the Fund to pay \$725,000 in restitution for excessive meal, entertainment, travel and administrative expenses, including **golf outings, adult entertainment, and new automobiles.**

These excessive expenses occurred between 1989 and 1994, when Hoffa Jr. was defending the Fund against Teamster members seeking to collect health and disability benefits.

The DOL's investigation also revealed that Larry Brennan, who had authority over the Fund as President of the Joint Council, was a beneficiary of the corruption. In 1991, Brennan bought an automobile from the fund for just \$6,500, when the car cost the Fund nearly \$16,000.

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Department of Labor investigators found many examples of improper expenditures at the Fund during the 1989 -- 1994 period, including:

- **\$99,000** for "golf outings, bowling and other entertainment, including 'adult entertainment' featuring nude or topless female dancers;"
- **\$145,000** spent predominantly at local restaurants for luncheons and dinners whose purpose was "primarily social in nature;"
- **\$36,000** for "retirement parties, receptions, and liquor;"
- **\$94,000** for "flowers, donuts, milk, coffee and other refreshments for Plan staff;"
- **\$87,000** for "travel and entertainment expenses related to the participation in, or the Plan's sponsorship of golf events.

These expenses included the cost of awards, including cash prizes, and golf equipment and supplies, such as, \$217.27 for 'Golf balls for England trip,' or \$145.00 for 5000 imprinted golf tees;

Over \$190,000 was spent on "out of town travel to golf and vacation resorts amid high cost metropolitan areas for golf tournaments, conventions, and employee benefit conferences;"

The acquisition of "28 full-sized or luxury vehicles at a total (purchase) cost of more than \$656,000, which were provided, without limitation, to as many as ten Plan employees for their business and personal use...Certain Plan administrative and marketing employees were provided with a new vehicle every two years, and the entire cost of operating the autos, including car washes and personal gasoline, was paid by the Plan."

The sheer magnitude of the excessive expenditures at the Fund makes it hard to imagine how anybody with an interest in protecting Teamsters' hard-earned money could have overlooked these abuses. Yet Jim Hoffa, Jr., not only chose to look the other way while his associates and political allies looted the Fund, but **he collected his fees defending the Fund against Teamster members seeking to collect health and disability benefits.**

For example, Hoffa Jr.'s firm worked to deny benefits to a Teamster whose leg had been amputated and to the widow of a Teamster Member seeking to collect her husband's death and pension benefits, **just a few nights of abstinence by the Fund employees could have easily paid these benefits.**

Do you want your union to hire attorneys to deny your family Healthcare Benefits?

You and your family will be forced to pay into a Teamster controlled Fund just like the one in Michigan, your dues money will then pay their attorneys who work to deny benefits to your union brothers and sisters.

Read Page 12 of Hoffa Jr's Connections with corrupt elements in Labor Movement – History Facts and Footnotes available at the end of the document. [Read the entire document here with footnotes.](#)