

Kickbacks to union local's boss alleged

By L.M. Sixel | March 30, 2004

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A former Teamsters secretary testified Monday that she was forced to give back \$400 of her salary each month to her boss, who was trying to win an appointment to a regional vice presidency.

Shannon Fagan told the **Independent Review Board** investigating allegations of corruption at the Houston area's largest Teamsters local that in February 2001 she received an \$830 monthly raise.

But **Chuck Crawley**, then the union's president, instructed her to return half to him in cash, she said.

Crawley said he needed to raise \$75,000 for **Jimmy Hoffa**, the Teamsters' general president, and he hoped the money would encourage Hoffa to give him the powerful position when it became available, Fagan said.

Five other employees also received raises and kicked back similar amounts, Fagan told the three-member panel. She said her clerical duties often included "taking up the collection" when Crawley wasn't available to personally collect the cash.

Though the harshest punishment Crawley and others face is a permanent ban from the union, the stakes could rise significantly.

The FBI, which has been investigating the local for more than a year, sent two Houston-based agents to monitor the hearing. Also on hand was an assistant U.S. attorney from New York.

Hoffa suspended Crawley and secretary-treasurer **Dennis Bankhead** from their positions with the local last year after investigators for the Independent Review Board, created a decade ago to weed out wrongdoing in the Teamsters union, reported several instances of alleged corruption to him.

Former Teamster employee **Marie Espinosa** also faces banishment from the union.

In sometimes sharp questioning, former FBI and CIA Director **William H. Webster**; **Benjamin R. Civiletti**, former attorney general under President **Jimmy Carter**; and **Joseph E. diGenova**, a former U.S. attorney, asked Fagan and other witnesses about the cash payments, kickbacks and falsified invoices.

Fagan testified she had no choice but to give Crawley the cash.

"He put it to me in a way that I would be replaced if I didn't do it," said Fagan, who figured she ended up with an extra \$150 each month after paying the taxes.

Washington, D.C., lawyer **Robert Baptiste**, the former general counsel of the **International Brotherhood of Teamsters**, is representing Crawley, Bankhead and Espinosa.

Fagan's husband, David, also testified that when he submitted his \$32,000 bid to install a new telephone system for Local 988's new union hall, Crawley asked him privately: "Is there any way you can put 20 grand in for me?"

Crawley eventually hired David Fagan in 2002 for the job.

David Fagan said he told Crawley that if he inflated the bid that much it wouldn't be competitive and worried other installers would win the job.

Crawley told him that it was "OK to put stuff in there you aren't installing — just get it up," David Fagan told the panel. So, he said, he resubmitted his previous bid with an added \$20,000 on top.

David Fagan said he gave Crawley \$10,000 in cash after cashing the first installation check, and then he and his wife delivered the remaining \$10,000 in cash to Crawley from a subsequent check.

The union planned to celebrate the opening of the new hall with a three-day barbecue gala. Espinosa was hired to do the catering.

During the hearing Monday, Shannon Fagan testified that Bankhead told her he and Crawley planned to each pocket \$5,000 on the grand opening by inflating receipts.

Former Local 988 employee **David McCormick** also testified that he participated in a scheme of Crawley's to inflate the cost of union T-shirts by about \$2,000. The membership was told the shirts cost about \$6,000 when they actually cost only \$4,000.

McCormick said that when investigators for the Independent Review Board began asking about the invoice, Crawley told him to deny the padding or everyone could go to jail.

McCormick said he lied as he was told to in 2000 but recanted to Independent Review Board investigators two years later.

Crawley also installed surveillance cameras in all offices except Espinosa's, according to Shannon Fagan, who testified that she believed that was discriminatory.

"He was trying to trap his employees into doing something wrong," Fagan said.

She also testified she felt it was unfair that Crawley, who dipped chewing tobacco, banned smoking from the new building. Other former union employees have said

Union hearings wrap up with more kickback denials

More kickback denials on last day of hearings

By L.M. Sixel | April 1, 2004

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A former officer of Teamsters Local 988 testified Wednesday that he didn't think storing one of the union's new \$800 barbecue pits at his home was such a big deal.

Dennis Bankhead, the union's former secretary-treasurer, said he and 988's former president, **Chuck Crawley**, each kept one of two pits at home while the local's new hall was being built.

He said he thought the union's membership knew where the pits were, and when confronted about it by federal investigators, he quickly returned the pit.

"If this was going to be such a big deal, I would have done it earlier," Bankhead testified.

Bankhead's testimony came on the third and final day of hearings conducted by the **Independent Review Board**, a federal panel created to investigate corruption in the **Teamsters Union**.

Allegations by the board's investigators that Crawley, Bankhead and a staffer participated in kickback schemes and embezzlement of union money have already led to their ouster from office by Teamsters General President **James Hoffa**.

The three face possible banishment from the union, pending the panel's review of testimony gathered this week in Houston.

In addition to his testimony about the barbecue pits, Bankhead denied the allegations of other witnesses that he paid Crawley kickbacks.

"He never asked for one," Bankhead told the panel.

Staffer Marie Espinosa also denied any knowledge of kickbacks and countered claims by investigators that she inflated the costs of food and beverages she bought for the grand opening of 988's new hall and passed the difference on to Crawley. Espinosa testified that she inflated the prices on her own accord to generate enough cash flow to pay for the food and other supplies she'd need to buy.

She also testified she couldn't find the receipts for cash purchases of more than \$3,000 in soda and beer that her mother purchased on her behalf, nor did the union request the receipts when it was reimbursing her.

Brenda Jean Espinosa testified Tuesday that she bought hundreds of cases of beer and soda at her daughter's request one week before the union would cut the ribbon on its new \$2 million union hall. Marie Espinosa said she asked for her mother's help because she was out of town in the days shortly before the grand opening.

Although the panel concluded its hearing Wednesday afternoon, a decision on whether Crawley, Bankhead and Espinosa will be banned from the union isn't expected for several months.

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Fraud findings get leader banned from Teamsters

Panel excludes union head

By L.M. Sixel | September 11, 2004

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Suspended local Teamsters President **Chuck Crawley**, who was the focus of a corruption hearing in March, has been permanently barred from the union, pending the review of a federal judge.

The **Independent Review Board**, a panel created a decade ago by the **U.S. Justice Department** to investigate corruption in the union, said its examination of the allegations against Crawley produced enough evidence to warrant his permanent ouster.

James P. Hoffa, international president of the Teamsters, suspended Crawley and secretary-treasurer **Dennis Bankhead** from their positions with the Local 988 last year after the board's investigators reported the alleged corruption to him.

Crawley, who was accused of embezzling union funds, accepting kickbacks and pilfering barbecue pits from the local's new union hall, was cleared by the panel of all allegations except two:

- that he pocketed \$20,000 when the union installed a new telephone system
- that he knowingly paid inflated prices for T-shirts and stickers handed out to celebrate the opening of the local's new union hall so he could get a kickback.

The local's former Secretary-Treasurer Dennis Bankhead, who was also suspended and accused of misusing union funds, was exonerated. The panel said it didn't have enough evidence to ban him.

Calls for comment

Nor did it have enough evidence against **Marie Espinosa**, a union employee, who was alleged to have inflated invoices for beer and soda for a three-day grand opening gala of the hall.

"What we did find was inexcusable sloppiness and supervision in the management of refreshments for the grand opening," according to the panel's decision. "That is not, however, an offense within the jurisdiction of the Independent Review Board."

Robert Baptiste, a lawyer in Washington, D.C., represents Crawley, Bankhead and Espinosa. He did not return a telephone call for comment.

When reached Friday, Espinosa said she did not want to comment. Bankhead said he hasn't received a copy of the decision, so he couldn't comment. Crawley could not be reached for comment.

Plan for future

In its report issued Thursday, the Independent Review Board also said it did not find enough evidence that Crawley and Bankhead took union-owned barbecue pits for their own use.

The board did not find adequate evidence to prove Crawley and Bankhead improperly used union funds to pay the legal fees for Espinosa, nor did they assist her in efforts to overcharge for refreshments.

The board sent its decision to U.S. District Judge **Loretta Preska** for review. Preska has been overseeing a 1989 consent decree between the Teamsters and the Justice Department.

"The decision by the Independent Review Board barring former Local 988 President Chuck Crawley from the union ends a dark chapter in the history of Local 988 and also marks a new beginning for the members of this local union," Hoffa said in a prepared statement.

"Since the **International Union** placed Local 988 in trusteeship last year, the local has been run exclusively for the benefit of the membership. It is now a vibrant and active local union that is representing its members and reaching out to organize new workers into the Teamster family."

He added that once all of the appeals are exhausted, the trustee of the local will announce a timetable for election of new officers and restore full autonomy to the union.

Harry Bowers, a former business representative for Local 988, was one of two union members who complained to the panel, the FBI and the Teamsters' anti-corruption program.

"I'm pleased to see that the IRB ruled in the members' favor and has barred Crawley from Teamster membership for life," said Bowers.

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Ex-Teamsters boss gets 6 1/2 years in prison

Ex-Teamsters boss gets 6 1/2 years in federal prison

By Cindy George | May 25, 2007

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A federal judge today ordered that **Chuck Crawley** spend six and a half years in federal prison for his schemes to control Houston's largest Teamsters union and enrich himself.

The former Local 988 president was sentenced this morning by U.S. District Judge **Melinda Harmon**.

Crawley, 57, was convicted in December of arranging a \$20,000 kickback from a vendor and rigging the local's 2002 election.

A jury found him guilty of mail fraud, falsifying union records and two counts of embezzlement.

He was arrested last June and has been in custody since being convicted.

Prosecutors estimated today that Crawley collected \$1 million in kickbacks, salary and pension payments over six years as a result of rigging the 2002 local election, for which he was convicted, and for his three years as president after the 1999 vote, about which revelations of a ballot theft emerged in last year's trial.

Crawley's predecessor, **Richard Hammond**, spent four years in federal prison after a 1998 conviction for embezzling union funds.

The local's budget comes from the dues of its estimated 4,000 Houston-area members. UPS workers make up the majority of the membership, mostly drivers and truckers who haul everything from packages and computers to groceries and pharmaceuticals.

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To some, ex-union boss' sentence is just deserts

Chuck Crawley could get 31 years today for fixing election, kickback

By Cindy George | May 25, 2007

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Photo By Nathan Lindstrom/CHRONICLE FILES

Crawley was forced out of the Teamsters in 2004 after union and FBI corruption probes and a federal review.

For all the damaging acts blamed on **Chuck Crawley**, the worst was taking a man's livelihood, says **Francis Pradier**, who is paying off \$50,000 in debt he ran up living on credit cards for a year after losing his job.

For **Harry Bowers III** and **David McCormick**, it's the more than \$12,000 in legal bills they amassed defending themselves in court after telling the FBI about Crawley's corrupt activities as head of Teamsters Local 988 in Houston.

They, and others, may get some satisfaction today at Houston's federal courthouse when Crawley, 57, learns his sentence.

He was convicted in December for arranging a \$20,000 kickback from a vendor and rigging the local's 2002 election. The combined penalty for mail fraud, two counts of embezzlement and falsifying union records is up to 31 years in prison and more than \$250,000 in fines.

The path leading to this point can be traced back more than 30 years, to Crawley's failed effort to help an aspiring Teamsters president in Indianapolis. Along the way, former union brothers accused him of filing

retaliatory lawsuits, stealing at least two elections in Houston and punishing rivals to win those Local 988 presidencies.

He started out trying to be a kingmaker, not a king. In the early 1970s, Crawley accused **John M. "Jack" Murphy** of drawing a gun on him before the Indianapolis election. Murphy was a top aide to the union president, and Crawley supported challenger **Richard Spurgeon**.

The incumbent won. Murphy, acquitted on the gun charge, sued Crawley and Spurgeon for malicious prosecution and was awarded \$10,000. His lawyer says Murphy sued to restore his reputation and never collected a dime.

Some later schemes succeeded after Crawley began hauling freight in Texas and set his sights on running 988, Houston's largest Teamsters local.

'King Kong Chuck'

He styled himself as a reformer to win a disputed election for president in 1997, two years after the international union ousted **Richard Hammond** from the post. Hammond spent four years in federal prison after a 1998 conviction for embezzling union funds.

In 1999, the international union hired former federal prosecutor **Ed Stier** to investigate corruption. His report in 2003 accused Crawley of rigging union raffles, inflating prices for party supplies and giving raises to union officers and employees on the condition that they return a portion for Crawley's personal use.

Critics also decried a \$1.7 million union hall built with nonunion labor.

"He was a ruthless, vindictive guy who, if he found out anybody was criticizing him, would retaliate severely," Stier said in a recent interview.

It was shameful, he added, because unions offer security to everyday working people in the form of contracts, health benefits, pensions and representation. Local 988 represents drivers hauling packages, cars, computers, pharmaceuticals, groceries and small freight.

The reign of "King Kong Chuck" ended in 2003 after probes by Stier's anti-corruption group and the FBI. Crawley was barred permanently from the Teamsters after the federal **Independent Review Board**, which monitors union corruption, held hearings in 2004. He was arrested last June.

Used panel power

Testimony and evidence about the 2002 election-rigging scheme for which Crawley was convicted pointed to 362 phony ballots marked for him.

Crawley eliminated opponents by making sure they weren't Teamsters by election time, two of his challengers said. And by heading the union side of a grievance panel that decided whether a member in trouble should keep his job, he had the means to do it.

Tim Gonzales was a 15-year UPS driver in 1998 when he announced a run against Crawley. UPS employees make up about two-thirds of the local's roughly 4,000 members.

Shortly before the vote, Gonzales was fired after a customer said she never received her package. As a shop steward, he had represented drivers in such cases who only had to pay for the missing package.

"It's something standard in the industry that no one would get terminated for, but (the firing) was upheld at the grievance panel," said Gonzales, 45, of Houston, who had been making about \$60,000 a year. He is still seeking work in trucking.

"I can always bounce back," Gonzales said, "but I'm just glad to see Mr. Crawley get what's coming to him."

Grievance denied

An accident before the 2002 election wrecked trucker **Earl China**'s hopes for the Local 988 presidency.

He had driven for more than 16 years without incident, but his grievance also was denied, ending his 27-year Teamsters membership.

"In our business, we have never heard of a man driving 2 million safe miles and having an accident and losing his job," said China, 59, of Spring. "It was devastating."

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