

Department of Justice
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Eastern District of Pennsylvania

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Ironworkers Business Manager Sentenced To 230 Months For Racketeering Conspiracy

PHILADELPHIA – Joseph Dougherty, 73, of Philadelphia, former Business Manager/Financial Secretary/Treasurer of Ironworkers Local 401, was sentenced today to 230 months in prison for his role in a racketeering conspiracy involving a dozen members of Ironworkers Local 401, announced United States Attorney Zane David Memeger. Dougherty was found guilty, on January 20, 2015, of RICO conspiracy, malicious damage to property by means of fire, use of fire to commit a felony, attempted malicious damage to property by means of fire, and conspiracy to damage to property by means of fire. His 11 co-defendants in the case pleaded guilty. In addition to the prison term, U.S. District Court Judge Michael Baylson ordered three years of supervised release, \$558,041.66 in restitution, and a \$600 special assessment.

Dougherty and his co-defendants engaged in a systemic pattern of extortions, arsons, and assaults in an attempt to force non-union companies to hire union ironworkers. The union's business agents would approach construction foremen at those work sites and imply or explicitly threaten violence, destruction of property, or other criminal acts unless union members were hired. The defendants relied on a reputation for violence and sabotage, which had been built up in the community over many years, in order to force contractors to hire union members. The defendants created "goon" squads, composed of union members and associates, to commit assaults, arsons, and destruction of property. One such squad referred to itself as the "The Helpful Union Guys," "T.H.U.G's."

The jury convicted Dougherty for his participation in the 25 charged acts of arson and extortion in the racketeering conspiracy. Among the charged incidents included an arson at the Quaker Meetinghouse in Philadelphia, an arson at a warehouse under construction on Grays Avenue in Philadelphia, and an attempted arson of a commercial complex under construction in Malvern. Dougherty personally handed co-defendant James Walsh an acetylene torch to commit the Grays Avenue arson. On October 12, 2012, when co-defendants James Walsh and William Gillin arrived at the Malvern construction site with an acetylene torch which they intended to use to damage the site, FBI and local law enforcement officers arrested Walsh and Gillin before they could light the torch. Prior to their arrest, on October 9, 2012, Dougherty gave the greenlight for Walsh

and Gillin to proceed with the arson by stating “that’s good. Alright. He [Walsh] just got to be careful.”

“The sentence in this case serves as a reminder that corrupt union practices and bullying tactics, like those employed in this case, will be met with severe consequences,” said Memeger. “Fear, intimidation and violence should not be a part of any union’s operational handbook and will not be tolerated in this district.”

During the extortion of a contractor working on an apartment building near the intersection of 31st and Spring Garden in Philadelphia, Dougherty told union business agent Edward Sweeney that if the non-union contractor erected the building “and gets away with it, we’re tearing it the [expletive] down in broad, in broad daylight, broad [expletive] daylight. I’ll rent the [expletive] crane from work reservations. So, we’re not losing in center city, man. . . . We’ll take it right the [expletive] back down again. And then we’ll load it out, rent the truck, and we’ll steal the iron.”

During a July 8, 2013 phone call, Dougherty summarized his motivation for committing these crimes by describing the financial condition of the union: “I look at the general fund, ah the health fund. It’s (expletive) hurting. And we’re hurting it every hour that the carpenter steals from us hurts. Every hour non-union steals from us hurts it, and we keep pumping more money into it, and that keeps us from getting jobs.”

The case was investigated jointly by the Federal Bureau of Investigation and Department of Labor Office of Inspector General, with assistance provided by the Philadelphia Police Department Corruption Task Force, East Whiteland Township Police Department, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Employee Benefit Security Administration. It is being prosecuted by Assistant United States Attorney Robert Livermore with legal assistance from Gerald Toner, Acting Deputy Chief for Labor-Management Racketeering, Organized Crime and Gang Section at the Department of Justice.