

## 2nd Teamsters 'Ghost' Worker To Try to Overturn Conviction *Bid to Unveil FBI-Presser Ties Planned*

By Howard Kurtz  
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A second Teamsters union "ghost employe" will seek to overturn his embezzlement conviction by trying to force the U.S. government to disclose its confidential relationship with union President Jackie Presser, an attorney said yesterday.

John Nardi Jr., who pleaded guilty to accepting \$109,000 in union payments approved by Presser for a no-show job, should be exonerated because of "misrepresentation and fraud by the government," his attorney, Barry Halpern of Miami, said in an interview.

Nardi pleaded guilty nearly three years ago but has not been sentenced because he was to be the key witness in the case that government investigators in Cleveland

were trying to build against Presser.

Halpern said Justice Department prosecutors in Cleveland had assured him repeatedly since 1983 that Presser would be indicted and that they would recommend a lenient sentence for Nardi in exchange for his cooperation.

But the justice Department dropped the 32-month probe last month after belatedly learning that the Federal Bureau of Investigation had authorized Presser to put several ghost employes on the Teamsters payroll as part of another investigation of the union's ties to organized crime, according to federal law enforcement sources.

On Monday, a federal judge in Akron freed Presser's uncle, Allen  
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Friedman, who had been serving a three-year sentence for conviction of receiving \$165,000 in union funds approved by Presser without doing any work.

U.S. District Court Judge Sam H. Bell granted Friedman a new trial on grounds that the government failed to disclose its relationship with Presser when Friedman was convicted two years ago.

Justice Department lawyers sought to drop the charges against Friedman rather than disclose the FBI's ties to Presser, but Bell delayed a ruling on that request.

Bell also ordered a federal grand jury in Cleveland to examine whether government agents or prosecutors violated the law by failing to disclose vital information in the case. The Justice Department, conducting its own criminal probe of the way the case was handled, has said it would cooperate with the grand jury and a Senate subcommittee looking into the matter.

It is not clear whether the FBI agents who worked with Presser fully disclosed the arrangement to their superiors or the Justice Department. It is improper under the law for government officials to withhold information from defense lawyers that could help establish a defendant's innocence.

Attorneys for Presser, who is also secretary-treasurer of Teamsters Local 507 in Cleveland, have denied that he worked as an FBI informer.

The cases of Nardi and Friedman bear several similarities. Both men were related to high Teamsters officials, had a history of minor criminal convictions and say Presser put them on the union payroll.

"My client's been living in limbo for three years," Halpern said. "He's been waiting to be sentenced . . . If you are a key witness against one of the most powerful labor leaders in the country, there's a certain amount of fear."

Recalling his negotiations with federal prosecutors, Halpern said, "We made deals, and those deals are now garbage. The deal

was that [Nardi] would plead guilty to two counts of a federal information and sentencing would be held up until he testified on behalf of the government against Presser. The government would inform the judge of his cooperation."

Halpern said two government agents were assigned to keep tabs on Nardi and

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—Attorney Barry Halpern

that they "watched over him like a baby hen."

Nardi's no-show job stems from the days when Nardi's father and Presser's father, William, were Teamsters leaders in Cleveland, Halpern said. He said he understood that no-show jobs were "pretty standard

practice in the union . . . if you had a son or a nephew and you wanted to provide him with a steady income."

John Nardi Sr. was killed when his car was blown up in a Teamsters parking lot during a mob battle for dominance in Cleveland.

In 1982, after the younger Nardi testified before a grand jury and was cooperating with Labor Department investigators in the case, he agreed to change his testimony for \$20,000 in cash. FBI agents secretly tape-recorded Nardi's offer to recant his testimony against Presser, and he pleaded guilty a few months later to attempted bribery as well as embezzlement.

Halpern concedes that the incident damaged Nardi's credibility, and he does not dispute that Nardi did no work for the \$109,000. Nevertheless, he said, "If Mr. Presser was a government agent, one cannot conspire with the government to commit a crime."

Halpern said Nardi "has a great deal of difficulty believing the story the govern-

ment has concocted" about Presser's role as an FBI informer.

Halpern, saying he is still weighing his options, said that, if he moves to set aside Nardi's guilty plea, "that would open up a Pandora's box just like the Friedman case. We would also be subpoenaing the same records that Friedman wanted to prove that there was misrepresentation and fraud."

Justice Department spokesman John K. Russell said he did not know whether the government would agree to drop charges against Nardi to protect information about Presser. "We'll wait until that happens," he said.

Robert Magee, a former Labor Department deputy inspector general who worked on the case, said he knew nothing of Presser's reported relationship with the FBI.

"I had no information on that," he said. "There was no knowledge available at my level that there was any relationship we should be concerned about . . . that there would be anything to throw this case off the tracks."