

Colson Agreed to Aid Suspect

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Charles W. Colson agreed while he was special counsel to the President to intervene in a Justice Department criminal investigation on behalf of a New York union official identified by Justice as a close associate of a powerful New York Mafia leader, White House documents obtained by The Washington Post show.

The documents show that Colson agreed to help the target of the investigation, Westchester County union official Daniel F. Gagliardi, a week after a Justice Department memorandum described Gagliardi's indictment for alleged Teamsters Union extortion activity in the New York area as imminent.

One of the White House memos, to Colson from one of his aides, discussed the possibility of Gagliardi being indicted and conveyed to Colson Gagliardi's personal plea that he "be gotten off the hook."

In a handwritten response to his aide at the bottom of the memo, Colson wrote:

"Watch for this. Do all possible."

The word "all" is underlined.

Gagliardi was not indicted, and the case was dropped. Justice Department prosecutors who handled the case said they received no pressure to stop the probe, and there is no evidence to indicate otherwise.

Colson, who resigned his White House position earlier this year to enter private law practice, declined to comment on this story. Attempts to obtain comment from Gagliardi also were unsuccessful.

Gagliardi is business manager of Local 137 of the International Union of Operating Engineers in Briarcliffe Manor, N.Y. Operating engineers drive heavy construction equipment such as bulldozers, steam shovels, and cranes.

A Jan. 19, 1972, Justice

Department memo describing the investigation of Gagliardi and a second suspect in the alleged extortion plot said Gagliardi and his union worked closely with Teamsters Local 456 in Elmsford, N.Y. Both locals are in Westchester County.

Gagliardi is a close associate of John (Buster) Ardito, a member of the Mafia "family," or group, once headed by the late Vito Genovese, according to a Justice Department source.

The source said information on the association between the two men comes from investigations by the U.S. attorney's office for the Southern District of New York, where the case was developed, and from the Federal Bureau of Investigation.

Ardito is considered by New York law enforcement officials to be one of the most powerful Mafia figures in the area. He has turned up in law enforcement investigations of narcotics smuggling, gambling, bribery, extortion, and labor

racketeering according to law enforcement officials and court records.

Last year, Ardito was convicted of assault. The indictment said Ardito attempted to extort \$15,000 from a Bronx real estate man and assaulted him with a screwdriver.

The Justice Department source said the relationship between Ardito and Gagliardi has included performance of favors for Gagliardi by Ardito in labor matters. Because of the relationship, the source said, persons who have dealt with Gagliardi have expressed fear of him. No evidence has been developed to show the fear is justified by violent actions, the source said.

The Justice Department memo on the Gagliardi case said his union and the Teamsters local in Elmsford exercise "tight control" over the construction industry in

Westchester County.

"In the past five years," the memo said, "officials of both unions have exerted pressure on heavy equipment operators in Westchester County in order to coerce them into purchasing all diesel oil and gasoline from Trans American Oil Co. (sic) of Boston, Mass."

Two union officials, Samuel Tritto, who had been with the Teamsters, and Peter Calabrese, who was with the operating engineers until he died, informed local contractors, the memo says, that "in order to avoid trouble, they would be forced to buy all fuel from Trans American. They also allegedly told the contractors that if they did not cooperate, they would be forced to hire an extra Teamster on each company fuel truck."

Gagliardi made "similar demands and threats," the memo said.

Because of extra workers hired, the memo said, several construction contractors were forced out of business. "Trans American apparently now services virtually all major operators of heavy equipment in Westchester. In this connection, it is noteworthy that Trans American's prices vary from 10 to 20 cents per gallon above the average market price in the area," the memo said.

The memo does not say why the unions allegedly had forced contractors to deal with that particular oil company.

William I. Heine, president of Transamerican Oil Corp., which has moved its headquarters to Mt. Kisco, N.Y., said he had no knowledge of any pressure exerted on contractors to buy from his firm. He said he had had no dealings with Gagliardi.

D. Chip Revelese, the secretary-treasurer of the Teamsters local, said, "No way did we force anybody (to deal with Transamerican)."

A Justice Department source said that after the department memo on the case was written, prosecutors became aware of a clause in the Teamsters Union contract requiring oil companies to carry two



CHARLES W. COLSON
... replied on memo

Teamster members in each of their trucks.

The source said Transamerican complied with this clause, and it would have been difficult to prosecute the case because the union leaders could say they were enforcing the contract by requiring that contractors deal with a company that used two drivers.

The prosecutors did not explore whether other oil companies besides Transamerican carried tow drivers and were not favored by the union leaders, the source said.

One Westchester company that supplies diesel oil for construction equipment, Westchester-Hudson Oil Co., said recently it has supplied two drivers on each truck for many years because of the Teamster requirement.

Despite this, the source said, the union officials did not demand that contractors

deal with this company.

The Jan. 19 Justice Department memo on the case said an indictment was expected the following month. On Jan. 24, former White House aide George T. Bell, who has since died, wrote this memornadum on White House stationery to Colson:

"You will recall that Pete Brennan called a while ago with regard to Gagliardi who is president (sic) of Local 137 of teh Operating Engineers in West Chester County who had been subpoenaed relative to an inquiry regarding a local Teamster union.

"I talked to Gagliardi who maintained complete ignorance and innocence regarding the Teamsters, shocked that he should be subpoenaed to testify, and asked that he be gotten off the hook. I indicated this was not possible and that he should go ahead knowing innocence would win out.

"I am advised by John Dean that, however, there is substance to the charge and it is possible that both Gagliardi and his union may be in trouble. This will probably be resolved by the end of February, at which time I will check into it again."

Colson, in a handwritten note to Bell at the bottom of the memo, responded: "Watch for this. do all pssible."

The reference to Pete Brennan as the person who originally discussed Gagliardi's case is apparently to Peter J. Brennan, who was appointed by President Nixon this year to be Secretary of Labor.

When the memo was written, Brennan was head of the New York Building and Construction Trades Council. In 1970, Brennan presented Mr. Nixon with a symbolic hard hat after he had led a march of more than 100,000 construction workers to support M. Nixon's Vietnam policies.

Colson and the White House have in the past been involved in other matters touching on the Teamsters.

Colson agreed in 1971 to help move up by four months the parole date of Calvin Kovens, a Florida contractor convicted with former Teamster Pr4sident James R. Hoffa for misusing Teamster pension funds, according to a transcript of a telephone conversation between Colson and former Sen George SMATHERS (D-Fla.) The trascript became public during the Senate Watergate hearings.

Kovens, said by florida Iwa enfircement authorities to be the leading Teamster figure in that state, was released within a week of Colson's agreement to help him. The U.S. Board of Parole said he was released because of a heart condition.

Also in 1971, Presidnet Nixon commuted Hoffa's prison sentence after the Board of Parole turned down Hoffa's request for parole. Hoffa had served nearly five years of a 13-year sentence.

One of Colson's first clients when he resigned his White House position to resume private law practice was the Teamsters Union.